

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

FORM 10-K/A
(Amendment No. 1)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

☒ For the fiscal year ended September 30, 2025

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-41866

RICHTECH ROBOTICS INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

88-2870106

(I.R.S. Employer
Identification No.)

**2975 Lincoln Rd
Las Vegas, NV 89115**

(Address of principal executive offices)

(866) 236-3835

(Registrant's telephone number, including area code)

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 B Common Stock, par value \$0.0001 per share	RR	The Nasdaq Stock Market LLC

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☒

Smaller reporting company

☒

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 20, 2026, there were 39,934,846 shares of Class A common stock outstanding and 175,161,127 shares of Class B common stock outstanding.

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EXPLANATORY NOTE

Restatement Background

In connection with the preparation and review of the Richtech Robotics Inc. (the “Company”) financial statements for the quarter ended March 31, 2026, management identified errors in the Company’s previously issued financial statements for the fiscal years ended September 30, 2025 and 2024 and unaudited interim financial statements for the periods ended December 31, 2024, March 31, 2025, June 30, 2025 and December 31, 2025 (collectively, the “Affected Financial Statements”). As a result of these findings, on June 9, 2026, the audit committee, in consultation with the Company’s management, determined that the Affected Financial Statements should no longer be relied upon.

Additionally, the Company determined that any previously issued or filed reports, including financial statements, and other communications describing the Affected Financial Statements and related financial information should no longer be relied upon.

The identified errors primarily relate to the Company’s accounting for warrants issued in connection with equity financing transactions, employee and nonemployee stock-based compensation arrangements, transactions executed under a Standby Equity Purchase Agreement dated as of February 15, 2024, with YA II PN, Ltd. (“SEPA”) and related notes payable, inventory and property and equipment classifications, and the classification of certain operating expenses. Specifically, the Company did not appropriately evaluate and record certain warrants, including placement agent warrants that should have been recognized as nonemployee share-based compensation and classified within mezzanine equity, as well as pre-funded warrants, common warrants, and common inducement warrants that should have been recognized as liabilities and subsequently remeasured at fair value each reporting period. As a result, certain balances were improperly classified among liabilities, mezzanine equity, and additional paid-in capital, and changes in fair value were not appropriately recognized in earnings. In addition, certain stock-based compensation awards, including awards requiring mezzanine equity classification, were improperly accounted for, resulting in misstatements of additional paid-in capital and compensation expense. The Company also identified errors in its accounting for the SEPA and related notes payable, including the failure to appropriately recognize the SEPA as a derivative instrument and to properly account for settlements of liabilities through the issuance of common stock. Further, certain costs of revenue and research and development expenses were incorrectly classified within general and administrative expenses. The Company also identified errors related to inventory and property and equipment, including the incorrect classification of certain inventory purchases as property and equipment and the miscategorization of certain fixed assets, which resulted in misstatements of inventory, property and equipment, depreciation expense, and cost of revenue. Additionally, certain intangible assets were not appropriately accounted for due to revisions to their estimated useful lives, resulting in shorter amortization periods (collectively, the “Errors”).

Restatement of Previously Issued Financial Statements

This Amendment to the Annual Report on Form 10-K/A (“Form 10-K/A”) is being filed to include audited consolidated financial statements as of and for the fiscal years ended September 30, 2025 and 2024. The Company has restated certain information within this Form 10-K/A, including the consolidated financial statements for the fiscal years ended September 30, 2025 and 2024 and certain related disclosures, as well as applicable comparative interim financial information for the quarterly periods ended December 31, 2024, March 31, 2025 and June 30, 2025 within fiscal year 2025.

In addition to the restatement adjustments described above, the Company also evaluated other identified errors that were determined to be immaterial, individually and in the aggregate, to the previously issued financial statements for the impacted periods. Such items have been corrected in the period presented in this Form 10-K/A. The Company evaluated the identified misstatements in accordance with Accounting Standards Codification (“ASC”) 250, Accounting Changes and Error Corrections, and SEC Staff Accounting Bulletin No. 99 (“SAB 99”), considering both quantitative and qualitative factors. Based on this evaluation, the Company concluded that the errors were material to the previously issued financial statements for the impacted periods. Accordingly, the Company has restated the affected financial statements to reflect correction of these errors.

See Note 2 and Note 3, Restatement of Previously Issued Financial Statements, to the consolidated financial statements included in Part II, Item 8 of this Form 10-K/A for additional information regarding the restatement, including a description of the Errors and the impact on the Company’s consolidated financial statements and related disclosures.

Except as described above, no other information included in the original Form 10-K is being amended or updated by this Form 10-K/A and, other than as described herein, this Form 10-K/A does not purport to reflect any information or events subsequent to the original Form 10-K, including the deregistration of our joint venture company, Boyu Artificial Intelligence (Beijing) Co., Ltd. (“Boyu”), on April 3, 2026. This Form 10-K/A continues to describe the conditions as of the date of the original Form 10-K and, except as expressly contained herein, we have not updated, modified or supplemented the disclosures contained in the original Form 10-K. For updates on Boyu and other subsequent events, please see our periodic reports and current reports filed with the Securities and Exchange Commission (the “SEC”) on or after the date hereof.

PART I

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K/A (this “Report”) contains forward-looking statements that involve risks and uncertainties. You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including the reasons described in our “Business,” “Risk Factors,” and “Management Discussion and Analysis of Financial Condition and Result of Operations” sections, as well as those discussed elsewhere in this Report. In some cases, you can identify these forward-looking statements by terms such as “anticipate,” “believe,” “continue,” “could,” “depends,” “estimate,” “expects,” “intend,” “may,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or the negative of those terms or other similar expressions, although not all forward-looking statements contain those words.

Our operations and business prospects are always subject to risks and uncertainties including, among others:

- Our ability to secure raw materials and components to manufacture sufficient quantities of robots to match demand;
- Our ability to secure enterprise clients and deals in the face of growing competition;
- Assumptions around the speed of robotic adoption in service environments;
- Assumptions relating to the size of the market for our products and services;
- Unanticipated regulations of robots and automation that add barriers to adoption and have a negative effect on our business;
- Our ability to obtain and maintain intellectual property protection for our products;
- Investigations, claims, disputes, enforcement actions, litigation and/or other regulatory or legal proceedings, including with respect to our intellectual property and our technology;
- Level of product service failures that could lead our customers to use competitors’ services;
- Our estimates of expenses, future revenue, capital requirements and our needs for, or ability to obtain, additional financing
- Our ability to procure inventory and components from China may be affected by geopolitical tensions, conflict, tariffs, trade restrictions, public health issues, and other business interruptions;
- The possibility that we may be adversely affected by other economic, business, and/or competitive factors; and
- Other risks and uncertainties described under the section titled “Risk Factors” in this Report.

The forward-looking statements in this Report represent our views as of the date of this Report. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention to do so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Report.

Unless the context requires otherwise, references in this Report to “we,” “us,” “our,” “our company,” “the Company,” “Richtech” or similar terminology refer to Richtech Robotics Inc., including its consolidated subsidiaries.

ITEM 1. Business

Overview

Richtech is a robotics and artificial intelligence (“AI”) technology company focused on developing advanced embodied AI systems that aims to improve the efficiency and productivity of U.S. businesses. Richtech trains proprietary artificial intelligence models on in-house data to operate advanced robotic systems in the real world. We design, engineer, manufacture, and deploy next generation embodied AI systems to serve a wide range of industries—including food service, retail, industrial manufacturing, automotive, healthcare, and hospitality. Our robots are designed to be user friendly, reliable, and highly customizable, with the goal of driving tangible profit and loss (“P&L”) improvements for our customers.

Our mission is to accelerate the advancement of embodied AI in the United States. We aim to become a robotics “Super-Operator”—i.e. a company operating over one hundred thousand intelligent robots connected through a unified, data-rich AI ecosystem. These robots will perform a wide range of tasks across commercial and industrial environments, from scrubbing floors and packaging deliveries to supporting medical staff in hospitals and staffing factory production lines.

Corporate History and Corporate Structure

We were originally founded as Richtech Creative Displays LLC in Nevada in July 2016, and we converted to Richtech Robotics Inc., a Nevada corporation, in June 2022. We completed our initial public offering on November 21, 2023, and shares of our Class B common stock, \$0.0001 par value per share (the “Class B common stock”) began trading on the Nasdaq Capital Market on November 17, 2023 under the symbol “RR.”

To support our clients in optimizing the use of ADAM robots and enhancing the efficiency of their operations, we established a wholly-owned subsidiary, Alphamax Management LLC (“Alphamax Management”), in June 2024. Alphamax Management provides business management and operational services to help our clients better integrate robots into their workflow. On May 1, 2025, we established Richtech Holdings LLC (“Richtech Holdings”), a wholly owned subsidiary, to hold and manage real estate assets acquired by the Company. On August 20, 2025, we established Richtech Capital LLC (“Richtech Capital”), also a wholly owned subsidiary, to support the potential future scaling of our Robots-as-a-Service (“RaaS”) business by exploring and facilitating financial solutions that may enhance operational flexibility and capital efficiency.

Our Products and Services

Beginning in the fourth quarter of fiscal year 2025, we reorganized our product portfolio and internal teams into three strategic pillars: Commercial, Industrial, and Data Services. The creation of specialized teams will enable us to develop a deeper understanding of market characteristics within specific product niches. Commercial teams will primarily concentrate on advancing the food service, lodging, medical, and event experience markets, while Industrial teams will primarily focus on the manufacturing, warehousing, and automotive sectors. The Data Services team will be primarily focused on providing fundamental R&D support for both Commercial and Industrial product development as well as certain strategic partners. The specialization of expertise provides better operational efficiency when tackling new market verticals and is essential in developing a fundamental understanding of customer environments and formulating clear company strategies. We believe that this new operational structure better positions us to engineer reliable robotic solutions that deliver the results our customers have come to expect.

This reorganization also reflects our forward-looking vision for the future of embodied AI. The demand for embodied AI robotic systems spans virtually all sectors of the economy, from commercial to industrial applications. Widespread adoption depends on the strength of the data infrastructure that powers AI training and deployment. Through this approach, Richtech will accelerate the advancement of embodied AI, enable the development of intelligent robotic solutions across industries, and drive the next era of automation.

In addition to the operational re-organization, the Skylark line of robots has been discontinued to refocus resources on products with better long-term profitability. The Medbot line of robots has been discontinued while we develop new robotic technologies to better service the healthcare sector.

We utilize a combination of contract and in-house services to design and manufacture our products.

Commercial Robotic Products

Under the Commercial pillar, the Company offers three primary product lines: the Matradee line of server assistant robots, the ADAM and the Scorpion beverage service robots. These solutions are designed to automate customer-facing commercial environments, with a particular focus on retail and food service applications.

Matradee is our line of restaurant service robots, designed for bussing, serving, hosting, advertising, and entertaining. For example, Matradee will transport food from the kitchen to the table where a waiter can come by and serve the guests. The waiter could then load the Matradee with dirty plates and send it to the dishwashing zone in the kitchen. This keeps the waiter on the floor serving guests and reduces physical stress on the waiter. The robot is designed to operate in narrow and busy environments, navigating around tables and people to get to its destination. Typically, a Matradee can perform over 1,000 deliveries per month in a busy restaurant.

Matradee was designed to have a large carrying capacity and to be able to carry as much food as three to four waiters combined per trip. The robot is engineered to be extremely stable so that it can carry wine glasses and delicate food items without spilling. It can also be used to greet guests at the reception area and lead them to their table. With a battery life of eight to fourteen hours, the Matradee can run for the entire day without taking a break. When multiple robots are deployed in the same space, the robots communicate with each other to coordinate traffic optimally.

We believe that one of the biggest advantages of the Matradee is the ease of deployment and reliability. Standard deployments involving full installation and staff training are typically completed within three to four hours. The robot is not connectivity dependent and can operate fully offline. These features decrease the difficulty of deployments and increase the variety of environments in which the Matradee can be deployed successfully. We believe that this allows more deployments, lower costs, and faster scaling.

The Matradee is currently deployed in restaurants, hotels, casinos, senior living homes, and movie theaters. Many of these businesses have either restaurants or food service operations, so the primary task that the robot performs is delivering food from the kitchen to the tables and bussing dirty dishes back to the kitchen.

ADAM is a dual-arm, AI-powered service robot developed to revolutionize beverage preparation and customer interaction in hospitality and retail environments. Designed for reliability, precision and engagement, ADAM automates the full beverage-making process—from mixing and shaking to espresso extraction—while delivering a captivating, customer-facing experience.

Equipped with advanced vision and control AI, ADAM continuously monitors each beverage it prepares, dynamically adjusting movements and pouring accuracy to ensure consistent, high-quality results. Its coordinated dual-arm design enables complex, human-like motions and multitasking capabilities that traditional automated dispensers cannot replicate.

Beyond efficiency, ADAM could serve as an experiential centerpiece that may attract customers and reinforce brand innovation. Deployed in cafés, hotels and entertainment venues, the robot has already produced many drinks in commercial settings. Its modular architecture is designed to allow for ongoing expansion—such as espresso preparation, touchless ordering, and point-of-sale integration—making it adaptable to a wide range of beverage formats and business models.

By combining robotics, AI, and interactive design, ADAM could empower operators to overcome labor shortages, improve operational consistency, and elevate customer experience. It represents a major component in Richtech's mission to blend intelligent automation with human-centric service.

Scorpion was developed on the same architecture as ADAM. Scorpion can perform many of ADAM's AI functions at a lower cost and with a smaller footprint. Additional AI camera systems allow for new features such as gesture and face recognition. These additional features, along with the smaller footprint, are designed to provide a more intimate experience for guests. Scorpion also has the ability to craft a unique cocktail for each customer based on input from the customer (e.g. what mood they are in) and information collected through Scorpion's sensors. The smaller footprint allows this AI bartender to be deployed in a wider variety of environments. We believe Scorpion provides a more engaging and unique experience for customers while having the ability to significantly improve returns on investments ("ROI") and affordability for businesses.

Industrial Robotic Products

Under the Industrial pillar, the Company offers the Titan line of high-load-capacity delivery robots, the DUST-E line of autonomous cleaning robots, and the newly introduced Dex humanoid robot designed for light industrial applications. Products in the Industrial category are purpose-built for production and manufacturing environments, with an emphasis on durability, reliability, and heavy-duty operation.

Titan is our line of heavy-duty autonomous mobile robots (“AMR”) delivery focused robots first launched in 2024. Since its debut, the Titan line has become one of the best-selling product families in our indoor delivery and transport category. With the addition of newer configurable models with increased carrying capacity in 2025, the range of applications where Titan can be deployed has expanded significantly. Currently, deployments are primarily focused in retail automotive, warehousing, and manufacturing environments. Units have been deployed across North America, in Canada, the US and Mexico. In fiscal year 2025, Titan broadened our addressable AMR market beyond the hospitality space. We have also continued to improve upon the platform, adding additional sensors to improve navigation and obstacle avoidance in highly complex environments. We are continuing to add additional products to the Titan line as we see a significant expansion opportunity in large industrial manufacturing operations, driven by growing customer demand for automation and increased focus on supply-chain resilience.

DUST-E is our autonomous commercial cleaning robot product line that features two distinct models: the S and the MX models.

The S model is designed for medium sized environments under 100,000 square feet. The primary use case for the S is in open commercial spaces such as lobbies of hotels and more challenging surfaces such as those of restaurants where there may be food debris and spills. The S utilizes a high-power vacuum and multi-roller system designed to support efficient one-pass cleaning performance. The S comes with many integrated features, including an automatic charging station, scheduled cleaning functions and high-precision localization that brings down the wall gap to approximately three centimeters.

Future models are expected to include an AI-driven categorization system that adjusts the cleaning routine according to the type and intensity of the soiling being cleaned.

The MX model is our industrial-grade robot capable of cleaning spaces up to 500,000 square feet. Designed with professional cleaning applications, the MX is a floor scrubber tailored to large industrial spaces such as warehouses, factories, large hotel floors, event spaces, schools and universities and department stores. The MX comes in a variety of configurations that accommodate different floor types from bare concrete to more sensitive flooring materials including vinyl tile surfaces. Designed for heavy-duty cleaning, the MX comes with a 30-gallon water tank, weighs over 600 pounds and provides a brush pressure of 13.2g/cm².

Dex is Richtech’s next-generation industrial humanoid robot designed for real-world manufacturing, logistics and material-handling environments. Building on years of experience in deploying robotic platforms, Dex combines the mobility of an autonomous robot with the dexterity of dual robotic arms, creating a versatile solution for industrial automation.

Unlike traditional humanoid designs that prioritize form over function, Dex employs a wheeled base to deliver practical stability, energy efficiency and uptime on factory and warehouse floors. This is designed to enable the robot to navigate safely in shared human environments while performing complex manipulation tasks such as part handling, machine tending, quality inspection and packaging.

At its core, Dex is powered by the latest NVIDIA Jetson Thor module, enabling advanced AI capabilities for real-time perception, motion planning and decision-making. Through our internal AI data training pipeline, Dex learns tasks in simulation before refining its performance in the physical world, accelerating deployment and improving reliability. Its modular architecture supports a range of end-effectors and can evolve over time through over-the-air software updates.

Dex represents the Company’s strategic expansion into humanoid automation, bridging the gap between fixed industrial arms and mobile AMRs. Designed for scalability, safety and integration with existing workflows, we believe Dex provides manufacturers and logistics operators with a tangible path to automation that enhances workforce productivity without replacing human expertise. Dex is expected to be officially launched in early 2026.

Data Services

Under the Data Services pillar, Richtech will be providing data generation services for frontier embodied AI training. We design task environments, operate the robots, collect and standardize the data, and produce high-value datasets that will allow the robots of the future to be smarter, faster, and safer. The addition of Data Services to our product portfolio will support the development of commercial and industrial embodied AI solutions and generate a powerful feedback data loop for foundation-level training to improve general applicability. The existing AI Cloud Platform (ACP) has been incorporated under Data Services and cease to be an independent feature of our business.

Our Industry

The robotics industry's growth is fueled by existing labor shortages, rising operational costs and increasing adoption of RaaS models. Under the RaaS model, the Company provides robotic hardware, AI software, and support services to the end user, and the end user pays monthly over a set contracted term. This offers major benefits to end users as it significantly reduces implementation costs, guarantees warranty and service of the robot, and allows the business to achieve day one ROI. From the Company's perspective, RaaS accelerates the adoption rate of new technologies, increases the lifetime value of a customer, and provides predictable reoccurring revenue.

Market Opportunities

The primary market for our embodied AI systems lies in business operations where robotics deliver clear advantages in efficiency, reliability, and cost-effectiveness. As labor and material costs continue to rise, organizations are increasingly seeking ways to maintain or expand output using fewer resources. Automation represents a sustainable long-term solution to this challenge, enabling robots to perform essential yet time-consuming tasks at a fraction of the cost of human labor.

Richtech is well-positioned to capitalize on major shifts in the global robotics and automotive sectors. According to a recent report from the market research company Mordor Intelligence, the automotive robotics market is forecasted to exceed \$30 billion by 2030, driven by strong adoption of automation in vehicle manufacturing, service and aftermarket operations. Key growth factors include labor shortages, electric-vehicle ("EV") and autonomous vehicle production demands and an industry-wide focus on efficiency, safety, and quality. Significant opportunities are emerging in retail dealerships, service centers and EV maintenance facilities — areas that strongly align with Richtech's strengths in autonomous robotics, AI development, and deployment capabilities. We are also expanding our presence within the automotive manufacturing sector.

More broadly, the global robotics market is expected to grow from \$64.8 billion today to \$375.82 billion by 2035, reflecting a robust Compound Annual Growth Rate (CAGR) of 17.33%, according to a June 16, 2025 article by Research and Markets, a marketing research company. Richtech's extensive experience in service robotics, its growing presence in retail automotive and industrial manufacturing and its deep expertise in embodied AI training positions the company to capitalize on the accelerating adoption of robotic solutions across the economy. enable

Future Growth Opportunities

Over the past year, our transition to primarily selling recurring revenue generating products under the RaaS and data services models have been successful. RaaS agreements constituted the majority of signed contracts generated in fiscal year 2025. Building on this success, Richtech is looking to continue to expand into new markets as well as growing revenue through our existing customer base. Below are the key components of our growth strategy for the next fiscal year:

Expansion of RaaS Products Offerings

In fiscal year 2025, we actively worked to explore new applications for robotics and expand the addressable market for our solutions. For example, we are engaged in discussions with a top 5 dealership group in the U.S. One of these groups is already under a fully executed master services agreement ("MSA"), and we are actively deploying to new locations. There is now clear demand for physical automation within retail automotive, which we believe is due at least in part to our market education efforts over the course of fiscal year 2025.

As this is a brand-new market for robotics, we believe there are ample opportunities for embodied AI solutions to generate value. Currently, our Titan robots are being deployed to perform parts delivery within the service departments of retail dealerships to improve technician service speed and efficiency. The deployment of this product with our growing customer base has provided us with industry-specific insights, which we are using to actively develop additional products that can bring equal or higher value. Given the existing customer base, we anticipate that the scaling of new product deployments will be straightforward, as we leverage our brand recognition and the advantage of robot inter-operability within our customers' space. The development of new solutions within Richtech's market verticals will allow us to quickly ramp up robot installations and recurring revenue.

Continued Exploration of Scalable Applications Within New Markets

Beyond large-scale manufacturing and logistics, the broader potential of embodied AI remains largely underdeveloped. This is particularly evident among mid-sized businesses—organizations that are not large enough to justify heavy capital investment in complex automation, yet face real constraints in scaling to meet growing demand. With our proven expertise in designing versatile robotic platforms, Richtech is uniquely positioned to unlock this untapped market and translate the promise of embodied AI into practical, high-value solutions.

We plan to continue investing in scalable applications across underserved sectors, leveraging our experience in AI-driven robotics to establish market position. Our Dex robot exemplifies this philosophy: a practical, value-driven platform designed for broad applicability beyond traditional AMRs and dual-arm systems.

We envision Dex becoming the preferred solution for labor-dependent workflows—efficient, adaptable across industries, inherently scalable and cost-effective.

Addition of Robotic Data Services

The formalization of Data Services as an independent pillar is to underscore the importance of data expertise in the development of embodied AI solutions. The data expertise and market knowledge that Richtech has built up over the years have been the foundation for the success of our robots in the field. We now aim to extend this expertise to partners developing next-generation embodied AI solutions.

Companies will be able to acquire raw standardized real-world robotics operation datasets of joint trajectories, gripper contact manipulations and more. All data is anchored in the United States to reduce regulatory and security risks. Richtech will be providing the physical-world equivalent of a data pipeline for frontier embodied AI training. We design the task environment, operate the robots, collect and standardize the data and produce high-value datasets that will allow the robots of the future to be smarter, faster, and safer.

Through the performance of data services for strategic partners, Richtech is working to establish itself in embodied AI training and expanding its reach within the AI and robotic ecosystem. We are currently working with some of the most cutting-edge AI companies to develop the basic foundation models that will later be used as the basis for generalized robotic solutions. In addition to being a source of revenue growth, we anticipate that providing data services will cement Richtech as a global AI leader and widen technological moats with our competitors.

Global Expansion Across Key Markets

As part of our long-term growth strategy, we are taking steps to pursue expansion into selected international markets. Through a combination of joint ventures, distributor partnerships and direct sales, we hope to build a strong and scalable presence in these select international markets. These initiatives are currently in various stages of planning and discussions, but no formal agreements have been executed yet.

Our Competitive Strengths

We believe we are one of the current leaders in the embodied AI robotics industry for the following reasons:

- **First Mover Advantage:** The commercial service robotics market has no clearly defined market leader. Our Matradee robot is one of the earliest restaurant service robots to launch in the U.S. market, and we believe we are recognized by customers and competitors as an established brand in several market verticals. Based on our extensive knowledge of the service robotics industry, we believe ADAM to be one of the earliest commercialized humanoid robots in the U.S. that can be utilized to serve both food and beverages in a real-world environment. As a company on the cutting edge, Richtech is often the trailblazer of new and innovative robotic solutions in previously unexplored markets. Being the pioneer for these new markets presents significant first mover advantages such as brand recognition, market share, thought leadership and economies of scale. In many cases, we believe the deployment of our robotic solutions within a customer's operations locks out competition due to interoperability issues between different robot vendors.

- **Deployment Experience and Market Knowledge:** The accumulation of experience operating in the U.S. robotics sector gives us an upper hand against new market entrants. Our understanding of market dynamics and operational practices built up over the last several years creates a significant moat between us and our competitors. This knowledge also allows us to be nimble and focus on non-obvious profit centers and verticals. We understand what models work and why they work, allowing our team to build long-term strategic plans with minimized risk. Together with our technological expertise in building and training embodied AI systems, we can execute aggressive expansion plans in nascent markets with relatively low risk.
- **Reliable Technology:** Our advanced AI algorithms provide our robots with what we believe is best-in-class reliability and performance. The combination of advanced sensors and redundant obstacle avoidance protocols makes our robots safe and intelligent. With years of deployment and development experience, we have deep confidence in our ability to reliably deploy robots in real, uncontrolled customer environments. Our expertise in training embodied AI models further strengthens our capacity to create robotic solutions tailored to each customer's workflow. Together, we believe this experience positions Richtech as a market-defining leader in robotic design and deployment.
- **Broad Product Offerings and Synergies:** Unlike our competitors that only provide one robot or one type of robot, we have a breadth of robotic solutions to deploy depending on a client's needs. This is advantageous as we can bring in new customers from a variety of different use cases and encourage customers to consider other robotic solutions, providing a holistic approach to our client's needs. If a hotel client is having difficulty finding servers for their restaurants, they are most likely also experiencing shortages in cleaning staff, front desk staff, room service staff, cooks, greeters, bartenders etc. Having a variety of products not only provides clients with a one-stop-shop for their service robotic needs, it also demonstrates that we are a reliable resource to consult as they approach the general adoption and implementation of robotic solutions across different parts of their business. A broad product offering also opens opportunities for cross-selling and upselling within the same customer base.

Enterprise Partnerships: We have executed MSAs with market leaders in hospitality, retail, and automotive. Our established partnerships with leading companies in the robotics and AI space are a significant competitive advantage. We expect to continue to cultivate relationships with corporate end users and technology leaders to expand the scope of opportunities and resources available to the company.

- **Business Model:** The RaaS model gives Richtech a meaningful competitive advantage by lowering the barriers to adoption and allowing customers to deploy advanced robotics without significant upfront investment. We believe this business model helps us accelerate market penetration, expand our customer base, and ensure predictable long-term revenues. Additionally, continuous data flow from deployed robots enables us to improve performance, anticipate service needs, and deliver higher uptime than competitors relying on traditional sales models. The result is stronger customer retention, higher lifetime value, and a scalable service-driven business that is difficult for new entrants to replicate.
- **Market Coverage:** Richtech provides comprehensive deployment and maintenance services across the continental United States, Canada, Mexico, Puerto Rico, and Hawaii. We have several hundred active deployments in the U.S. alone, complemented by additional installations in Canada, Mexico, and Australia. We are also expanding our global footprint. By increasing our geographic reach and total addressable market, we can accelerate business growth and leverage economies of scale—strengthening our competitive position and improving overall operational efficiency.
- **Data Services:** Our ability to generate proprietary training datasets to train robotic systems provides a fundamental advantage over competitors that rely on third-party data sources. This capability not only reduces costs for us, but also enables faster, more agile product development and access to highly targeted training data for specific applications. As a result, we continue to build a competitive moat through superior product performance and intellectual property. For a robotics company, the data is as important as the hardware and AI models themselves.

Our Strategies

As a leading provider of embodied AI robotic solutions, we intend to continue expanding the business by developing, manufacturing and deploying novel products that address the growing need for automation across all key target sectors. The key components to our growth strategy include:

- **Growing our commercial organization:** We plan to continue to expand our sales teams to increase our coverage across specific target verticals. Currently, we are in the process of expanding sales and fulfillment teams specializing in either commercial or industrial applications. Sales teams shall be guided by specific quantitative KPIs and sales goals aimed at maximizing robot deployment quantities. Support and fulfillment teams will continue to be scaled along with the number of deployments, focused on timely delivery and exceptional customer service.
- **Building deep expertise in robotic data generation and AI training:** Deep expertise in robotic data generation and AI training is a strategic imperative. As embodied AI systems become increasingly capable, their performance, reliability and adaptability are determined by the breadth and quality of the data used to train them. With our own data pipelines—from collection to annotation to real world model optimization—we can iterate faster, improve safety and accuracy, and deploy robots that can handle the complex, unstructured environments found across real-world industries.

This data expertise is expected to not only fuel superior product performance but also create a durable competitive edge. It enables the continuous improvement of navigation, manipulation, perception, and decision-making models across our embodied AI platforms. It also allows us to scale new capabilities more efficiently, reduce deployment friction, and rapidly respond to customer needs with AI systems that improve over time. Ultimately, we believe that our data and training positions Richtech as a category-defining player in embodied AI—one able to deliver robots that are more autonomous, more reliable and more valuable to customers across global markets.

- **Establish enterprise partnerships:** We plan to continue to place strong emphasis on forming enterprise relationships in all target sectors as well as building relationships with technology partners. We see enterprise adoption as a key marker towards general market adoption. Cultivating partnerships with AI and other industry partners will be essential in monopolizing industry defining opportunities in the embodied AI space.
- **Expanding our R&D team:** We intend to continue to invest heavily in the technical development of our data pipeline, AI training workflows, and new and more advanced robots. We are actively adding to our technical teams to accelerate development speed. This will allow our robots to be deployed in ever more complex environments and open additional markets for our solutions.
- **Expansion of Humanoid Products:** Dual-arm robotic systems will remain a core strategic focus for the company. The launch of Dex exemplifies Richtech's commitment to delivering advanced, broadly applicable embodied AI solutions that provide meaningful value in real-world environments. These dual-arm platforms are engineered as versatile AI systems that can be trained to perform customer-specific workflows with a high degree of reliability and precision. By enabling automation in tasks traditionally considered too complex for robotics, they dramatically expand the range of viable applications. We believe that the success of platforms like Dex will unlock an entirely new dimension of capability and impact for embodied AI solutions.
- **Continued Commitment to RaaS:** Our transition to a RaaS business model for the majority of our mainstream robot solutions has been successful. The RaaS model offers a more flexible, cost-effective, and scalable solution compared to outright robot purchases, making it the smarter choice for both Richtech and our customers. RaaS creates a predictable, recurring revenue stream rather than relying on sporadic, high-stakes sales cycles. This subscription-based model supports long-term planning, reduces reliance on constantly finding new customers, and fosters lasting customer relationships that drive loyalty and feedback loops for product improvement.

In industries with evolving needs, such as automotive dealerships, RaaS aligns exceptionally well with goals of both the customer and the provider, transforming robotics from a one-time transaction into a sustainable and profitable partnership. Through these partnerships, we plan to deepen our understanding of the markets we serve and develop new high-value solutions that are tailored to customer needs. In the long run, we believe this approach will enhance the value of our robotic solutions, enabling us to create an integrated ecosystem that addresses broader business challenges and delivers greater value to our customers.

- ***Launch and scale our robotics franchise brand.*** Our first robotic franchise location opened in early 2025 in Las Vegas for our Clouffee & Tea Robotic restaurant brand. We have identified several additional sites and are preparing to open more stores through a combination of corporate-owned and franchise-operated locations. All restaurant operations will be done through our subsidiary hospitality management company, Alphamax Management. A robotics-based restaurant business aims to address the two biggest challenges facing franchisees of traditional restaurants today, which are labor and quality consistency. This opens the way for a wide variety of scalable businesses based on the ADAM and Scorpion system. We expect the robotic restaurant business will continue to generate recurring revenue. In 2025, Alphamax Management generated approximately \$602 thousand in revenue from restaurant operations.

Our Challenges

The challenges the Company currently faces include the following:

- **Market Competition:** As with all companies, we face pressure from some competitors in our target markets. This puts pressure on our margins and increases marketing and sales costs. These competitors are listed in the next section.
- **Customer Education and Adoption:** AI-enabled robotic solutions are still very new to many people, and customers sometimes lack understanding of the products' capabilities and must go through a testing process to ensure the robots work for their business. This slows down the sales process of products and bottlenecks revenue.
- **Labor Shortage:** Even though we are a robotics company, we are not immune to the labor shortage. It has been challenging to staff certain technical and non-technical positions. Labor has also gotten generally costlier, and the AI space is competitive when it comes to attracting talent.
- **Rising Cost of Raw Materials:** Under the current economic and political environment, inflationary pressures are a concern as it is difficult to make reliable projections for the cost of product and components. This means profit margins could vary unexpectedly, requiring constant evaluation of macroeconomic factors into the cost structure of our business.

Competition

The U.S. embodied AI robotics industry is still very new so there are only a limited number of competitors for each of our target markets.

The companies which pose the greatest competitive challenges to us, by product line, are listed below:

- **Matradee**
- **Bear Robotics, Inc.:** Bear Robotics, based in Redwood City, California, offers the Servi robot. This robot is designed to target the same market as the Matradee. Bear offers the robot to their customers under a RaaS model. We believe the quality and value of our robots is greater than Bear's.

- Pudu Technology Inc.: Pudu is a robotics company based out of China that manufactures a variety of delivery robots. While Pudu robots are generally cheaper, they only operate in the United States through a distributor network and have no direct customer support or dedicated service network.
- Titan
- Pudu Technology Inc.: Pudu is a robotics company based out of China that manufactures a variety of delivery robots. While Pudu robots are generally cheaper, they only operate in the United States through a distributor network and have no direct customer support or service network. While they have a similar robot to Titan, we feel our industry expertise will allow us to compete effectively against them in the markets we compete in.
- DUST-E
- Avidbots Corp.: Avidbots is a Canadian company that designs and manufactures Neo, which is a functional equivalent of the DUST-E MX. The MX offers similar functionality for over \$10,000 less, and lower maintenance costs.
- Tennant Company: Based in Minnesota, Tennant's T7 AMR and equivalent robotic ride-on floor scrubbers are direct competitors to the MX. Tennant does not provide smaller cleaning robots limiting their ability to compete with us in only large public and commercial spaces.
- ADAM and Scorpion
- Miso Robotics Inc.: Miso Robotics produces a robotic food restaurant automation robot, Flippy. Flippy is primarily designed to perform deep frying in fast food restaurants. ADAM is able to offer a wider array of food and beverage choices to customers while providing a more memorable experience.
- Cafe X Technologies, Inc.: A Silicon Valley startup, Cafe X is a robotics coffee bar company that has implemented two robotic kiosks inside the San Francisco airport and one inside a museum in Dubai. ADAM can offer a wider array of food and beverage choices to customers while providing a more memorable experience.
- Dex
- Tesla, Inc.: Tesla is currently in the process of transforming from an electric car company into a robotics company with its humanoid robot, Optimus. While Tesla has the capital and expertise to develop a competitive humanoid robot, the goal for their robot is very different from ours. While Optimus is being marketed as a generalist robot of the future, Dex is designed to carry out the specific complex industrial workflows that exist today.
- Figure AI Inc.: As with Tesla, the Figure humanoid robots are designed to be the generalist robots of the future. Dex is designed to carry out the specific complex industrial workflows for end-users today.

Our Operations

The Company is organized in a functional structure with sales, marketing, tech support, customer service, product development, creative design, manufacturing, procurement, accounting, and administration departments. Executive decisions are communicated to department managers to execute. The Chief Executive Officer directly oversees the product development, creative design and administration teams. He also provides directives to other departments and executives as he sees fit. The Chief Operating Officer has primary responsibility over the sales, marketing, tech support and customer service teams as well as the coordination of different departments on large-scale projects. The Chief Financial Officer has primary responsibility for procurement, manufacturing, accounting and investor relations.

Product development teams carry out research and development tasks and are organized according to product category. Each development team is comprised of several engineers linked with a product manager and work closely with the creative design and manufacturing teams. Employees may belong to multiple product development teams at the same time as there is significant technical overlap in AMR development. The development teams are overseen directly by the Chief Financial Officer and are responsible for the ideation, engineering, and testing of new robots.

Customer facing departments which include sales, marketing, tech support and customer service utilize a variety of technology tools to keep clear customer records and respond to customer requests. These tools include Hubspot CRM, Jotform, and Google Workspace.

Internal departments which include procurement, manufacturing and accounting are overseen by the Chief Financial Officer. The manufacturing and procurement departments primary focus is maintaining supply chains and delivery timelines specified by the Chief Financial Officer based on projections made according to sales data. The accounting team processes accounts payables and receivables, audits internal accounting records and generate financial reports.

Our Revenue Model

Historically, the Company generated revenue primarily through product revenue (i.e. outright hardware sales), resulting in immediate revenue and immediate Cost of Revenue recognition. The Company also offers services such as robot event rentals, support and maintenance services, and other services related to our robot products. Services and short-term leases constituted the majority of revenues in fiscal year 2024, and continues to be a large portion of revenue in fiscal year 2025.

In fiscal year 2025, the Company has shifted its focus to building RaaS revenues, which emphasizes long-term relationships and recurring revenue through multi-year contracts. This transition aims to improve customer retention, increase asset lifetime value and build a predictable revenue base.

This strategic change significantly impacts the financial statements in the following ways:

1. Revenue: Upfront product revenue is reduced.
2. Assets: The cost of leased robots is capitalized as a long-term asset (Assets held for Lease), not immediately expensed.
3. Profitability: This results in a materially lower Cost of Revenue and an expanded Gross Margin, as the cost is recognized over the lease term via depreciation instead of immediate Cost of Goods Sold.

Evolution of Sales Model Mix

Our model combines direct product sales with RaaS. The table below illustrates the shift away from being a purely product-driven company over the past two fiscal years (in thousands):

	Year ended September 30,		Change
	2025	2024	
Product Sale	\$ 2,309	\$ 1,357	\$ 952
Leasing/Service/Rental	1,429	2,624	(1,195)
RaaS	692	-	692
Other	615	259	356
	<u>\$ 5,045</u>	<u>\$ 4,240</u>	<u>\$ 805</u>

The increase in Product Sale percentage in fiscal 2025 was primarily attributable to non-recurring customer orders for earlier-generation delivery robotic systems, which temporarily increased one-time product sales. Despite this spike, the long-term trend remains focused on increasing recurring revenue. The relative decreases in Leasing/Service/Rental Sale in fiscal year 2025 compared to fiscal year 2024 were primarily attributable to the Company's strategic focus on expanding its RaaS business model. Organic adoption of recurring arrangements continued to accelerate during fiscal year 2025. While revenue from the RaaS offerings was only formally recognized beginning in fiscal year 2025, resulting in approximately \$692 thousand of RaaS revenue for the year, management believes the success of the RaaS model is more appropriately measured by contract origination rather than near-term revenue mix. During fiscal year 2025, the Company secured 55 RaaS contracts, representing significant growth in long-term contract value and future recurring revenue backlog, which aligns with the Company's core strategic objectives under its RaaS model.

Our Customers

We have a diversified business-to-business ("B2B") customer base where the clients range from individual mom and pop restaurants to global automotive manufacturers. The majority of our robotic deployments are located in the United States, with additional installations in Canada, Mexico, and Australia. We are also expanding our global footprint through new partnerships in the Middle East and Europe.

Heading into fiscal year 2026, we are focused on executing expansion into additional market sectors with a specific focus on manufacturing and logistics, as well as developing markets where automation has not traditionally been explored. The focus will be on applications where robotic-assisted operations present a very strong ROI equation with low deployment complexity. The goal will be to continue to increase the number of robots deployed under the RaaS model.

Clients come from four main sources: (1) our inbound website and phone line, (2) referrals, (3) paid conventions and (4) outbound sales activity such as via emails, phone calls and LinkedIn.

Customer Services

As a company, we place strong emphasis on providing a positive customer experience for the client and their customers. We provide nationwide installation, shipping, maintenance and warranty services. Shipping and installation are coordinated with the client by our customer service and technician teams. Maintenance services are provided for customers to prolong the longevity of the robots including onsite assistance as needed. Maintenance visits typically encompass an overall health check on the robot, removal of debris and cleaning, edits to mapping or settings, and training of client staff.

For warranty claims, our customer service department works with the customer to verify the validity of the warranty claim, and if valid, schedules for the exchange of the robot as quickly as possible. We endeavor to complete all exchanges within five business days.

The customer service team also reaches out to our clients on a regular basis to ensure they are enjoying their use of their robot, and to inquire about any service requests they may have.

All robots support remote diagnostic functions so our technicians can provide quick and effective remote troubleshooting. All customers are provided lifetime remote customer support.

Customer satisfaction also depends on whether a client is getting a product that is right for them and suits their space. To this end, we have a full in-house design team that provide customers with custom wrap designs, graphical user interfaces (GUIs), creates 3D renderings of buildouts and promotional materials for their staff and customers.

Suppliers (Materials, Products and Other Supplies)

For the fiscal year ended September 30, 2025, our top five suppliers collectively accounted for approximately 65% of our total procurement. We rely on sole-source suppliers for certain critical components, such as batteries and robot arm. We generally do not have long-term supply agreements with these suppliers; instead, components are typically secured on a purchase order basis. This reliance creates risks regarding supply availability and pricing.

Marketing and Sales, Distribution and Logistics

Our sales strategies aim to scale revenue as quickly as possible without relying on high expenditure of capital or human resources. These strategies involve forming relationships, leveraging partner resources and finding the most effective methods to grow revenue. We look to form relationships with companies that have the most connections and resources in each of the target markets. For the restaurant space, this means companies like major food distribution and point-of-sale companies that have a large distributed sales force and a massive customer network in the United States. Hotel and senior living sectors are much more concentrated, so we primarily focus on companies that set industry standards and leverage our success with these companies to promote our brand and products. Second, we build out networks of referral agents, independent sales agents, and distributors that provide high penetration into the market at a local and regional level. Companies that wish to become our distributors or resellers must provide evidence they have the technical know-how and financial capability to effectively represent our brand. Potential distributors are asked to provide evidence of strong sales revenue, adequate technical support capabilities, and a list of customers they will be approaching with our product. Distributors are only certified once we find that their customer base is a good fit for our products and they have the capabilities to represent our brand. Third, we build and retain a professional internal enterprise sales force that is creative, driven, and believes in the mission and values of the company. This sales force is our liaison with our partners and customers, who foster these relationships and build a solid foundation for the company.

We market our products primarily through digital marketing, sales outreach, industry exhibitions, and client referrals. Direct online inquiries are the main source of our leads. Over the last two years, we have exhibited at national conferences such as the Consumer Electronics Show (CES), Nvidia GPU Technology Conference, and National Restaurant Association Convention.

Order processing and logistics is managed internally. We currently have five people on our sales team. The sales team earns a sales commission on top of base salary and bonuses. Orders go through several levels of checks and approval before shipping to ensure standard operating procedures are followed and there is proper inventory tracking. All robots are quality control tested before packaging and leaving our warehouse. We utilize a selection of freight carriers to obtain the best shipping rates. Tracking information and freight costs are uploaded into our internal digital system by the logistics team to ensure this data is readily available when needed.

Research and Development

In fiscal years 2025 and 2024, we spent \$3,302 thousand and \$2,635 thousand, respectively, on R&D. Our R&D efforts in 2025 primarily focused on developing and testing innovative solutions tailored to various market verticals for our humanoid and AMR robotic platforms. We remain committed to enhancing our competitive edge by creating groundbreaking solutions, advancing at a pace ahead of our competitors, and capturing maximum market share in the emerging service robotics industry.

In 2025, we have continued to upgrade and iteratively develop ADAM. During the development process, we leveraged generative AI technology to optimize efficiency and utilized NVIDIA's ISAAC simulation training platform to enhance the efficiency of robot installation and deployment in various commercial environments. In addition to ADAM, the dual-arm robot, we have developed a single-arm robot, Scorpion, designed for more compact and lightweight applications compared to ADAM. A mobile platform has been created for Scorpion, enabling its use in various work scenarios such as desktops and vehicles. It also supports real-time low-latency natural language conversations and voice control for seamless interactions with customers.

For delivery robots, we have focused on developing and refining hardware, software features, and workflows to suit specific needs in blue ocean verticals. We continue to work closely with our customers to understand problems from their perspective and develop solutions that maximize the value of our AMRs in their business case.

In 2025, the Company has also focused on the development of AI training capabilities, with a strong focus on generating standardized robotic datasets. These datasets contain real-world robotics operation data of joint trajectories, gripper contact manipulations and more. All data is anchored in the United States to reduce regulatory and security risks.

A major R&D focus in fiscal year 2025 for Richtech has been the development of the Dex robot. Dex builds upon the foundations set by learnings from the development of ADAM and our AMR solutions, marrying intelligent vision AI systems with reliable sensor-based mobility. The potential of Dex is then realized through our proprietary Sim2Real robotic training pipeline that enables reliable real-world operation of robotic solutions through a combination of simulated and real-world training. Dex will continue to be the development priority into fiscal 2026.

Production/Manufacturing

Our product manufacturing process starts with finding suitable suppliers. The Company's internal product development and procurement teams will search for suppliers according to technical requirements and consultation with existing suppliers. We require all prospective suppliers to sign confidentiality agreements before discussing details of the products and parts requirements. The procurement team performs a comprehensive comparison of suppliers based on product specifications, reputation, delivery cycle, price and other factors. Through this process, we identify a preferred supplier and two alternative suppliers as backup. Once suppliers are confirmed and contracted, we move to the next step.

To better meet the needs of our U.S. customers, we are steadily increasing the proportion of final assembly performed in the United States and are working closely with our Original Equipment Manufacturer ("OEM") and Original Design Manufacturer ("ODM") partners to expand U.S.-based production capacity over time. Our manufacturing operations utilize a hybrid production model. Certain components and subassemblies of our products are manufactured and performed by contracted OEM and ODM partners located outside of the United States (primarily in China). In addition, for some of our higher-complexity products, a portion of the production, including final assembly, system integration, and quality testing, is performed in the United States at our facilities in Las Vegas, Nevada.

We identify and contact factories that qualify as potential OEM and ODM partner candidates to discuss the production of prototypes of our products. Factories are qualified by our procurement team using a process similar to how we select suppliers, checking the capabilities, reputation, quality, delivery cycle, and price of these factories. Our product development and procurement teams work with the factory to finalize the Bill of Materials ("BOM") list and provide technical specifications and other requirements to these factories for the production of several prototypes. These prototypes are then rigorously tested by our development teams and we go through an iterative process to refine the prototypes to make sure they meet our production standards. Both the software and hardware of the robots go through multiple rounds of stress testing, with a final round of testing in a real-world application. Once the prototypes pass internal stress tests, the product is then ready for the mass production stage.

A production schedule is formed around sales projections on a rolling three-month window. These sales projections are assembled by the Chief Operating Officer and sent to the Chief Executive Officer for approval. Once the schedule is approved, the procurement team reviews pricing according to the BOM list, clarifies delivery timelines, signs the purchase contracts, and sends payments. After the production of the product is completed, our procurement team will conduct an on-site quality inspection before the product is packaged and shipped to our warehouse in Las Vegas, NV. Once the product arrives at our warehouse, the technical department will conduct a last round of software and hardware quality control checks. This is to ensure nothing was damaged in shipping and that all elements of the product meet our requirements before delivery to customers.

We are also actively evaluating opportunities to expand our U.S.-based assembly and manufacturing footprint over time, including identifying additional facilities and potential partners, subject to operational needs and economic considerations.

Global Operations

Our business operations are based mainly in the U.S., except for some of our R&D work, which is based in China. We currently employ a team of 20 engineers through a third-party human resource company in China for R&D work. Some of the manufacturing and subassembly of some of our products takes place outside of the U.S. The majority of our ODM and OEM partners are also located in China.

Intellectual Property

We rely on a combination of federal, state, and common law rights, including patent, copyright, trademark, and trade secret laws, to protect our proprietary robotics hardware, software, and brand identity. We currently have five issued U.S. patents and three pending U.S. patent applications. We also maintain five U.S. trademark registrations and have one U.S. trademark applications pending, covering our corporate name and key product marks. In addition, we rely on trade secrets and proprietary know-how, which we protect through confidentiality agreements with employees, contractors, and business partners.

Patents

PATENT NO. / APPLICATION NO.	TITLE	COUNTRY	FILING DATE	STATUS
USD1028047S1	Service Robot	U.S.	November 24, 2021	Issued
US11975656B2	Tray Stabilizer System for Food Delivery Robots	U.S.	December 13, 2021	Issued
USD1039580S1	Vending Machine Assembly For An Autonomous Delivery Robot	U.S.	July 12, 2022	Issued
USD1090655S	Gripper for a Robotic Arm	U.S.	June 24, 2024	Issued
USD1090656S	Gripper for a Robotic Arm	U.S.	June 24, 2024	Issued
29/908,343	Single Arm Robot	U.S.	January 11, 2024	Pending
29/924,731	Powder Mixer	U.S.	January 19, 2024	Pending
29/924,728	Mixer	U.S.	January 19, 2024	Pending

Trademarks

MARK	TYPE	APPLICATION NO.	STATUS	JURISDICTION
RICHTECH ROBOTICS	Logo	97553162	Registered	U.S.
RICHTECH ROBOTICS	Standard Character	97553149	Registered	U.S.
RICHTECH	Logo	90869957 / 87884066	Registered	U.S.
ADAM	Standard Character	97734824	Pending	U.S.
CLOUFFEE & TEA	Logo	98418565	Registered	U.S.
RICHIE	Standard Character	97734917	Registered	U.S.

Employees

As of September 30, 2025, we had 55 full-time employees in the United States and 20 overseas R&D employees. Our overseas R&D personnel, primarily located in China, are engaged through third-party arrangements but are directly managed by the Company. As of September 30, 2025, our U.S. employees were located across multiple states, including approximately 47 employees in Nevada, 2 employees in California, 3 employees in New York, 2 employees in Texas, and one employee in Illinois. We believe that we maintain a good working relationship with our employees and, to date, we have not experienced any labor disputes.

The following table provides a breakdown of our full-time U.S. employees by function as of September 30, 2025:

Function	Number of Employees	% of Total
R&D	27	49%
Tech Support & Customer Service	3	5%
Sales & Marketing	12	22%
Business Operation	5	9%
Administration	8	15%
Total	55	

Insurance

We maintain a portfolio of insurance policies from reputable providers that we believe are customary for companies of our size and industry. Our coverage includes Commercial General Liability, Automobile Liability, Umbrella Liability, Workers Compensation, and Property insurance. Additionally, we maintain Directors & Officers liability insurance at levels we believe to be appropriate for our business and public company status.

Material Contracts

On October 16, 2024, Richtech entered into a binding Letter of Intent (the “LOI”) with Ghost Kitchens America. Under the terms of the LOI, the parties agreed to enter into a franchise agreement, pursuant to which the Company will acquire exclusive rights to operate 20 Walmart-located “One Kitchen” restaurants in Arizona, Colorado, and Texas. These restaurants will be directly managed by the Company’s subsidiary, AlphaMax Management LLC, with the aim of optimizing restaurant operations through robotics and AI cloud technology. As of the date of this Report, two locations have been opened, in Rockford, Illinois and Peachtree, Georgia.

On April 10, 2025, we entered into an MSA (the “Automotive MSA”), with a top 5 automotive dealership by revenue and number of dealerships in the United States, under which Richtech would perform work according to Statement(s) of Work (“SOW”). The full launch of the Automotive MSA was subject to the successful completion of the pilot program and approval of the client’s management team, which occurred on August 27, 2025. The Automotive MSA will continue in force as long as one or more SOWs remain in effect and will renew for an additional 12 month period unless either party notices the other party in writing of its intent not to review 30 days prior to the expiration of the term. The Automotive MSA also contains other customary provisions, including intellectual property and confidentiality. As of November 14, 2026, there are 9 active SOWs under the MSA. We expect the number of active SOWs to continue to grow through fiscal year 2026. As of fiscal year 2025, the SOWs under the Automotive MSA total \$388.8 million in contract value, with \$44.1 million in payments received.

June 24, 2025, Richtech’s joint venture company, Boyu Artificial Intelligence (Beijing) Technology Co., Ltd. (“Boyu”), entered into a Product Sales and Technical Services Agreement (the “Sales Agreement”) with Beijing Kaiwu Tongchuang Technology Development Co., Ltd. (“Purchaser”), pursuant to which Purchaser agreed to purchase approximately \$4.2 million of robotic products (to be supplied by the Company), services, software and licensing, including a one-time payment within 15 days of deliver for approximately \$1.3 million and annual fees and software licenses in the aggregate amount of approximately \$2.9 million over the next 10 years. The Sales Agreement contains customary terms, including, without limitation, delivery and acceptance, liability and dispute resolutions.

On August 21, 2025, we entered into an MSA (the “Retailer MSA”) with one of the world’s largest retailers, pursuant to which the Company shall work on project(s) for the client under additional SOWs. The Retailer MSA has a term of two years and will automatically renew for additional 12 month periods unless either party notices the other party in writing of its intent not to renew 60 days prior to the expiration of the term. The MSA also contains other customary provisions, including intellectual property and confidentiality. On November 24, 2025, we began deploying 16 robotic units according to the first SOW executed under this MSA.

In January 2023, we executed an MSA with a major hotel brand with over 5,000 properties worldwide (the “Hotel MSA”) for purchases of our Matradee L robot. In September 2022, we entered into an MSA with one of the top casino companies in the United States (the “Gaming MSA”), for the purchase of our Matradee L and other robots. As the Company has pivoted to prioritizing RaaS agreements and long-term recurring revenue streams, we no longer consider the Restaurant MSA and Gaming MSA to be material to the Company’s future performance.

ATM Agreements

On May 16, 2025, we entered into an At The Market Offering Agreement (the “May ATM Agreement”) with Rodman & Renshaw LLC (“Rodman”), H.C. Wainwright & Co., LLC (“Wainwright”), and BTIG, LLC, authorizing the sale of up to \$100 million shares of our Class B common stock. The offer and sale of the shares was made pursuant to a shelf registration statement on Form S-3 and the related base prospectus (File No. 333-284779) initially filed by the Company with the SEC, on February 7, 2025, as amended on April 18, 2025 and May 14, 2025, respectively, and declared effective by the SEC on May 15, 2025 (the “May ATM Prospectus”). The Company agreed to pay to Rodman a fixed cash commission rate equal to 3.0% of the gross sales price of any shares sold under the May ATM Agreement. As of September 30, 2025, the Company sold an aggregate of 45,636,983 shares of Class B common stock under the May ATM Agreement, for aggregate proceeds of approximately \$100.0 million. The May ATM Agreement was terminated by the Company effective as of September 12, 2025.

On August 28, 2025, we entered into another At The Market Offering Agreement (the “August ATM Agreement”) with Rodman as the lead agent and Wainwright (each of Rodman and Wainwright individually, an “Agent” and, collectively, the “Agents”), pursuant to which and the May ATM Prospectus, the Company may offer and sell, from time to time through or to Rodman or such other Agent selected by Rodman (the “Designated Agent”), as sales agent and/or principal, shares of our Class B common stock, having an aggregate offering price of up to \$100 million.

The offer and sale of the shares was made pursuant to the May ATM Prospectus, as supplemented by the related prospectus supplement filed by the Company with the SEC on August 28, 2025 (the “August ATM Prospectus”).

Pursuant to the August ATM Agreement, the Designated Agent may sell the shares by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”), including without limitation sales made directly on or through The Nasdaq Stock Market LLC (“Nasdaq”), or any other existing trading market in the United States for Class B common stock, sales made to or through a market maker other than on an exchange or otherwise, directly to the Designated Agent as principal, in negotiated transactions at market prices prevailing at the time of sale or at prices related to such prevailing market prices and/or in any other method permitted by law. The Designated Agent is not required to sell any number or dollar amount of the shares but will use commercially reasonable efforts consistent with the customary market practices for similar transactions and in compliance with applicable laws and regulations to sell the shares pursuant to the August ATM Agreement from time to time, based upon instructions from the Company, including any price or size limits or other customary parameters or conditions the Company may impose. The Company is not obligated to make any sales of the shares under the August ATM Agreement. The offering of shares pursuant to the August ATM Agreement and the August ATM Prospectus will terminate upon the earliest of (a) the sale of all of the shares subject to the August ATM Prospectus and (b) the termination of the August ATM Agreement by the Company or each Agent (solely with respect to such terminating Agent), as permitted therein.

The Company agreed to pay to Rodman a fixed cash commission rate equal to 3.0% of the gross sales price of any shares sold under the August ATM Agreement. As of September 30, 2025, the Company sold an aggregate of 21,439,157 shares of Class B common stock under the August ATM Agreement, for aggregate proceeds of approximately \$98.4 million.

The August ATM Agreement also provides that Rodman shall act as our exclusive and sole sales agent for each and every at-the-market program (or facility), current or subsequent, to be established and/or used by us during the twelve (12) month period commencing on May 16, 2025. The ATM Agreement also contains customary representations and warranties and conditions to the sale of the shares pursuant thereto.

On September 23, 2025, we entered into an additional At The Market Offering Agreement with the Agents (the “September ATM Agreement”), pursuant to which the Company may offer and sell, from time to time through or to Rodman or such other Agent selected by Rodman, as sales agent and/or principal, shares of our Class B common stock having an aggregate offering price of up to \$1 billion. The offer and sale of the shares are being made pursuant to an automatic shelf registration statement on Form S-3ASR and the related base prospectus and accompanying prospectus dated September 24, 2025 (File No. 333-290477), which became effective upon filing on September 24, 2025 (the “September ATM Prospectus”). The terms of the September ATM Agreement, including the method of sale and the 3.0% fixed cash commission rate, are substantially consistent with those of the August ATM Agreement. Pursuant to the September ATM Agreement, the Company and Rodman further established a new twelve (12) month exclusivity period for any current or subsequent at-the-market program, which commenced on September 23, 2025. As of September 30, 2025, the Company sold an aggregate of 6,282,472 shares of Class B common stock under the September ATM Agreement, for aggregate proceeds of approximately \$26.8 million.

The foregoing description of each of the August ATM Agreement and the September ATM Agreement is not complete and is qualified in its entirety by reference to the full text of such agreements, copies of which are filed herewith as Exhibit 10.17 and Exhibit 10.18, respectively, to this Report and are incorporated herein by reference herein.

Inducement Warrants

On February 10, 2025, the Company entered into a warrant exercise inducement offer letter (the “Inducement Letter”) with a holder (the “Holder”) of its existing common stock warrants exercisable for an aggregate of 2,699,797 shares of its Class B common stock (collectively, the “Existing Warrants”), to exercise its Existing Warrants at the existing exercise price of \$1.35 per share, in exchange for the Company’s agreement to issue new common stock warrants to purchase 2,699,797 shares of Class B common stock at an exercise price per share of \$4.00 (the “Inducement Warrants”). The aggregate gross proceeds from the exercise of the Existing Warrants were approximately \$3.6 million, before deducting financial advisory fees. In consideration for the immediate exercise of the Existing Warrants for cash, the Holder received the Inducement Warrants in a private placement. The Inducement Warrants have an exercise price of \$4.00 per share, are immediately exercisable and will be exercisable for five years from the date of issuance.

Property Purchase and Sale Agreement

On April 8, 2025 (the “Effective Date”), the Company entered into an agreement (the “Purchase and Sale Agreement”) with L & R Investment LLC, a Utah limited liability company (the “Seller”), with respect to the purchase of a parcel of land of approximately 20,000 square feet located at 2975 Lincoln Road, Las Vegas, Nevada 89115 (the “Property”). This Property will serve as the Company’s new headquarters. The purchase price of the Property was \$4.1 million, inclusive of a \$0.05 million earnest money payment (the “Earnest Money”). On May 15, 2025, the Company completed the purchase of the Property as contemplated in the Purchase and Sale Agreement and relocated its headquarters to the Property.

The foregoing description of the Purchase and Sale Agreement is not complete and is qualified in its entirety by reference to the full text of the Purchase and Sale Agreement, a copy of which is filed as Exhibit 10.14 to this Report and is incorporated herein by reference.

Government Regulation

Our operations are subject to numerous governmental laws and regulations, including those governing antitrust and competition, the environment, collection, recycling, treatment and disposal of covered electronic products and components.

In addition, a number of data protection laws impact, or may impact, the manner in which we collect, process and transfer personal data. U.S. laws that have been applied to protect user privacy (including laws regarding unfair and deceptive practices) may be subject to evolving interpretations or applications in light of privacy developments. Compliance with enhanced data protection laws requires additional resources and efforts, and noncompliance with personal data protection regulations could result in increased regulatory enforcement and significant monetary fines and costs.

Available Information

Our website is located at www.richtechrobotics.com, and our investor relations website is located at ir.richtechrobotics.com. Access to copies of our SEC filings, corporate governance information, and other items that may be material or of interest to our investors is available via our investor relations website. The contents of our websites are not incorporated by reference into this Report or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

ITEM 1A. Risk Factors

Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Report, before deciding to invest in our securities. If any of the following risks materialize, our business, financial condition, results of operation and prospects will likely be materially and adversely affected. In that event, the market price of our Class B common stock could decline, and you could lose all or part of your investment.

An investment in our Class B common stock involves a high degree of risks. You should carefully consider all of the information in this Report, including the risks and uncertainties described below, before making an investment in our Class B common stock. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Class B common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Industry and Business

We operate in an emerging market, which makes it difficult to evaluate our business and prospects. If markets for service robotics develop more slowly than we expect, or long-term end-customer adoption rates and demand are slower than we expect, our operating results and growth prospects could be harmed.

While robots have been applied to applications like industrial manufacturing and domestic in-home cleaning, the concept of commercial service robots is relatively new and rapidly evolving, making our business and prospects difficult to evaluate. The growth and profitability of the service robotics market depends on the increasing level of demand and acceptance of collaborative robots that operate alongside employees. We cannot be certain that this will happen. If there is pushback against the adoption of robotics in everyday commercial applications, then this market may develop more slowly than we expect, which could adversely impact our operating results and our ability to grow the business.

We operate in an emerging industry that is subject to rapid technological change and will experience increasing competition.

Our product offerings compete in a broad competitive landscape that includes incumbent actors, and emerging players in the service robotics space, particularly in the cleaning and indoor delivery automation. Our competitor base may develop new technologies or products that provide superior features or are less expensive than our products. Our competitors may respond more quickly to new or emerging technologies, undertake more extensive marketing campaigns, have greater financial, marketing, manufacturing and other resources than we do, or may be more successful in attracting potential customers, employees and strategic partners. If we are not able to compete effectively, our business, prospects, financial condition, and operating results will be negatively impacted.

Our business plans require a significant amount of capital. Future capital needs may require us to sell additional equity or debt securities that may dilute its stockholders.

While we are near profitability today, we intend to expand operations outside the United States and continue to invest in the research and development of our products. We anticipate that we will continue to incur expenses for the foreseeable future as we continue to advance our products and services, expand our corporate infrastructure, including the costs associated with being a public company and further our research and development initiatives for our products. We are subject to all of the risks typically related to the development of robotics, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. Until we can generate a sufficient amount of revenue from the commercialization of our products and services, if ever, we expect to finance our future cash needs through public or private equity or debt financings, third-party (including government) funding and marketing and distribution arrangements, as well as other collaborations, strategic alliances and licensing arrangements, or any combination of these approaches.

We have limited experience in operating our robots in a variety of environments. Unforeseen safety issues with our products could result in injuries to people which could result in adverse effects on our business and reputation.

Our robots operate autonomously in environments, such as restaurants, hotels, casinos, and healthcare facilities, that are surrounded by various moving and stationary physical obstacles and by human and vehicles. Such environments are prone to collisions, unintended interactions and various other incidents, regardless of our technology. Therefore, there is a possibility that our robots may be involved in a collision with any number of such obstacles or even a human being. Our robots are equipped with advanced sensors that are designed to effectively prevent any such incidents and are intended to stop any motion at the detection of intervening objects. Nevertheless, real-life environments, especially those in crowded areas, are unpredictable and situations may arise in which our robots may not perform as intended. A highly publicized incident of our autonomous robots causing injuries to people could lead to negative publicity and subject us to lawsuits. Such lawsuits or adverse publicity would negatively affect our brand and harm our business, prospects, financial condition and operating results.

We currently have and target many customers, suppliers and production counterparties that are large corporations with substantial negotiating power, exacting product, quality and warranty standards and potentially competitive internal solutions. If we are unable to sell our products to these customers or are unable to enter into agreements with customers, suppliers and production counterparties on satisfactory terms, our prospects and results of operations will be adversely affected.

Several of our customers and potential customers are large, multinational corporations with substantial negotiating power relative to us. These large, multinational corporations are also aware of competitor products and are actively engaging with competitors to determine which products they like better. Meeting the requirements and securing contracts with any of these companies will require a substantial investment of our time and resource. We cannot assure you that our products will be the one these companies will choose, or that we will generate meaningful revenue from the sales of our products to these key potential customers. If our products are not selected by these large corporations or if these corporations decide to go with a competitor, it will have an adverse effect on our business.

We must successfully manage product introductions and transitions in order to remain competitive.

We must continually develop new and improved robotic solutions that meet changing consumer demands. Moreover, the introduction of new products is a complex task involving significant expenditures in research and development, promotion and sales channel development, and management of existing inventories to reduce the cost associated with returns and slow moving inventory. We must introduce new robotic solutions in a timely and cost-effective manner, and we must secure production orders for those solutions from our contract manufacturers and component suppliers. The development of new robotic solutions is a highly complex process, and while we have a large number of product introductions coming, the successful development and introduction of new robotic solutions depends on a number of factors, including the following:

- the accuracy of our forecasts for market requirements beyond near term visibility;
- our ability to anticipate and react to new technologies and evolving consumer trends;
- our development, licensing or acquisition of new technologies;
- our timely completion of new designs and development;
- the ability of our contract manufacturers to cost-effectively manufacture our new robotic solutions;
- the availability of materials and key components used in the manufacture of our new robotic solutions; and
- our ability to attract and retain world-class research and development personnel.

If any of these or other factors becomes problematic, we may not be able to develop and introduce new robotic solutions in a timely or cost-effective manner, and our business may be harmed.

Our international expansion plans, if implemented, will subject us to a variety of risks that may harm our business.

We have limited experience managing the administrative aspects of a global organization. While we intend to continue to explore opportunities to expand our business in international service robotics markets in which we see compelling opportunities, we may not be able to create or maintain international market demand for our products. In addition, as we expand our operations internationally, our support organization will face additional challenges, including those associated with delivering support, training and documentation in languages other than English. We may also be subject to new statutory restrictions and risks. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and financial condition may be harmed.

In the course of expanding our international operations and operating overseas, we will be subject to a variety of risks, including:

- differing regulatory requirements, including tax laws, trade laws, labor regulations, tariffs, export quotas, custom duties or other trade restrictions;
- greater difficulty supporting and localizing our products;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, compensation and benefits and compliance programs;
- differing legal and court systems, including limited or unfavorable intellectual property protection;
- risk of change in international political or economic conditions;
- restrictions on the repatriation of earnings; and
- working capital constraints.

We continue to implement strategic initiatives designed to grow our business. These initiatives may prove costlier than we currently anticipate and we may not succeed in increasing our revenue in an amount sufficient to offset the costs of these initiatives and to achieve and maintain profitability.

We continue to make investments and implement initiatives designed to grow our business, including:

- investing in research and development;
- expanding our sales and marketing efforts to attract new customers across industries;
- investing in new applications and markets for our products;
- further enhancing our manufacturing processes and partnerships; and
- investing in legal, accounting, and other administrative functions necessary to support our operations as a public company.

These initiatives may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue, if at all, in an amount sufficient to offset these higher expenses and to achieve and maintain profitability. The market opportunities we are pursuing are at an early stage of development, and it may be many years before the end markets we expect to serve generate significant demand for our products at scale, if at all.

Our reputation and brand recognition is crucial to our business. Any harm to our reputation or failure to enhance our brand recognition may materially and adversely affect our business, financial condition and results of operations.

Our reputation and brand recognition, which depends on earning and maintaining the trust and confidence of our current or potential clients, is critical to our business. We strive to enhance our brand recognition, to attract new customers and to maintain existing customers by consistently delivering high quality products as well as superior customer experiences. Our reputation and brand are vulnerable to many threats that could be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries or investigations, lawsuits initiated by clients or other third parties, employee misconduct, perceptions of conflicts of interest and rumors, among other things, could substantially damage our reputation, even if they are baseless or satisfactorily addressed. We may choose to or be compelled to undertake product recalls or take other similar actions, which could subject us to adverse publicity, damage our brand and expose us to financial liability. Moreover, any negative media publicity about our industry in general or product or service quality problems of other companies in our industry, including our competitors, may also negatively impact our reputation and brand. If we are unable to maintain a good reputation or further enhance our brand recognition, our ability to attract and retain customers and key employees could be harmed and, as a result, our business and revenues would be materially and adversely affected.

We rely on third party manufacturers/suppliers and expect to continue to do so for the foreseeable future. This reliance on third parties increases the risk that we will not have sufficient quantities of our products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We rely, and expect to continue to rely, on third party manufacturers/suppliers. This reliance on third party manufacturers/suppliers increases the risk that we will not have sufficient quantities of our products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts. Additionally, we may be unable to establish or continue any agreements with third-party manufacturers/suppliers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers/suppliers, reliance on third-party manufacturers/suppliers entails additional risks, including:

- failure of third-party manufacturers/suppliers to comply with regulatory requirements and maintain quality assurance;

- breach of the manufacturing/supply agreement by the third party;
- failure to manufacture/supply our product according to our specifications;
- failure to manufacture/supply our product according to our schedule or at all;
- misappropriation of our proprietary information, including our trade secrets and know-how; and
- termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

If our current or future third-party manufacturers/suppliers cannot perform as agreed, we may be required to replace such manufacturers/suppliers and we may be unable to replace them on a timely basis or at all. Our current and anticipated future dependence upon third party manufacturers/suppliers may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis.

Some of our products incorporate certain components from sole source suppliers, and if our contract manufacturers are unable to source these components on a timely basis, due to fabrication capacity issues or other material supply constraints, or if there are interruptions in our, or our contract manufacturers', relationships with these third-party suppliers, we may not be able to deliver our products to our distributors and customers, which may adversely impact our business.

We depend on sole source suppliers for certain components in our products, such as batteries and robotic arm. We have strategically chosen to sole source some of our supplies in order to ensure the best quality at the best prices. While we believe none of our sole source suppliers are irreplaceable and that our business is not substantially dependent on any one supplier, a small degree of risk may still exist in terms of cost and delay involved in switching to new suppliers. For example, these sole source suppliers could be constrained by fabrication capacity issues or material supply issues, stop producing such components, cease operations or be acquired by, or enter into exclusive arrangements with, our competitors or other companies. In many cases, we do not have long-term supply agreements with these suppliers. Instead, our contract manufacturers typically purchase the components required to manufacture our products on a purchase order basis. As a result, most of these suppliers can stop selling to us at any time, requiring us to find another source, or can raise their prices, which could impact our gross margins. Any such interruption or delay may force us to seek similar components from alternative sources, which may cause a delay in our product shipments. In the event we are unable to procure components from our current supplier, we may switch to a different supplier and our products can be redesigned to work with different components. Such redesign may involve engineering changes and time and effort, which may cause delays in shipment of our products and adversely affect our operating results. We plan to continue to diversify our suppliers and implement contingency plans in order to minimize any potential supply disruptions.

Our reliance on sole source suppliers involves a number of additional risks, including risks related to:

- supplier capacity constraints;
- price increases;
- timely delivery;
- component quality; and
- delays in, or the inability to execute on, a supplier roadmap for components and technologies.

We have a global supply chain and global pandemics, the military conflicts in Ukraine and in the Middle East and other macroeconomic factors may adversely affect our ability to source components in a timely or cost-effective manner from our third-party suppliers due to, among other things, work stoppages or interruptions. In addition, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. We have in the past experienced, and may in the future experience, component shortages and price fluctuations of key components and materials, and the predictability of the availability and pricing of these components may be limited. Component shortages or pricing fluctuations could be material in the future. In the event of a component shortage, supply interruption, or a material pricing change from suppliers of these components, we may not be able to develop alternate sources in a timely manner, or at all, especially in the case of sole or limited source items. Developing alternate sources of supply for these components may be time-consuming, difficult, and costly and we may not be able to source these components on terms that are acceptable to us, or at all, which may undermine our ability to meet our requirements or to fill customer orders in a timely manner. Any interruption or delay in the supply of any parts or components, or the inability to obtain parts or components from alternate sources at acceptable prices and within a reasonable amount of time, would adversely affect our ability to meet our scheduled product deliveries to our customers. This could adversely affect our relationships with our customers and partners and could cause delays in shipment of our products and adversely affect our operating results.

Components used in our sensors may fail as a result of manufacturing, design or other defects over which we have no control and render our devices permanently inoperable.

We rely on third-party component suppliers to provide certain functionalities needed for the operation and use of our devices. Any errors or defects in such third-party technology could result in errors in our sensors that could harm our business. If these components have a manufacturing, design or other defect, they can cause our sensors to fail and render them permanently inoperable. As a result, we may have to replace these sensors at our sole cost and expense. Should we have a widespread problem of this kind, our reputation in the market could be adversely affected and our replacement of these sensors would harm our business.

Our robots are highly technical and could be vulnerable to hardware errors or software bugs, which may harm our reputation and our business.

Bugs and errors could diminish performance, create security vulnerabilities, affect data quality in logs or interfere with interpretation of data, or even cause personal injury accidents. Some errors may only be detected under certain circumstances or after extended use. We update our software and firmware on a regular basis, in spite of extensive quality screening, if a bug were to occur in the process of an update, it could result in devices becoming permanently disabled or operate incorrectly.

We offer a limited warranty on all products and any such defects discovered in our products could result in loss of revenue or delay in revenue recognition, loss of customer goodwill and increased service costs, any of which could harm our business, operating results and financial condition. We could also face claims for product or information liability, tort or breach of warranty. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention and adversely affect the market's perception of us and our devices. In addition, if our business liability insurance coverage proves inadequate or future coverage is unavailable on acceptable terms or at all, our business could be harmed.

We may incur significant direct or indirect liabilities in connection with our product warranties which could adversely affect our business and operating results.

We typically offer a limited product warranty that requires our products to conform to the applicable specifications and be free from defects in materials and workmanship for a limited warranty period. As a result of increased competition and changing standards in our target markets, we may be required to increase our warranty period length and the scope of our warranty. To be competitive, we may be required to implement these increases before we are able to determine the economic impact of an increase. Accordingly, we may be at risk that any such warranty increase could result in foreseeable and unforeseeable losses for the company.

Our future success depends in part on recruiting and retaining key personnel and if we fail to do so, it may be more difficult for us to execute our business strategy. We may need to hire additional qualified personnel to effectively implement our strategic plan, and if we are unable to attract and retain highly qualified employees, we may not be able to continue to grow our business.

Our ability to compete and grow depends in large part on the efforts and talents of our employees. Our employees, particularly engineers and other product developers, are in high demand, and we devote significant resources to identifying, hiring, training, successfully integrating and retaining these employees. As competition with other companies increases, we may incur significant expenses in attracting and retaining high quality software and hardware engineers and other employees. The loss of employees or the inability to hire additional skilled employees as necessary to support the growth of our business and the scale of our operations could result in significant disruptions to our business, and the integration of replacement personnel could be time-consuming and expensive and cause additional disruptions to our business.

We believe a critical component to our success and our ability to retain our best people is our culture. As we continue to grow, we may find it difficult to maintain our entrepreneurial, execution-focused culture.

Our insurance coverage strategy may not be adequate to protect us from all business risks.

We have limited liability insurance coverage for our products and business operations. It is possible that an adverse product liability claim could arise in excess of our coverage. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. In addition, we do not have any business disruption insurance. Any business disruption event could result in substantial cost to us and diversion of our resources.

Additionally, insurance rates have in the past been subject to wide fluctuation and may be unavailable on terms that we or our customers believe are economically acceptable. Reductions in coverage, changes in the insurance markets and accidents affecting our industry may result in further increases in our cost and higher deductibles and retentions in future years and may also result in reduced activity levels in certain markets. As a result, we may not be able to continue to obtain insurance on commercially reasonable terms. Any of these events could have an adverse impact on our business, financial condition and results of operations.

The Company's business can be impacted by political events, trade and other international disputes, geopolitical tensions, conflicts, and other business interruptions.

Political events, trade restrictions, tariffs, international disputes, geopolitical tensions, armed conflict, and other business disruptions may have a material adverse effect on the Company and its customers, employees, suppliers, contract manufacturers, logistics providers, distributors, and other channel partners. A significant portion of the Company's operations depends on the importation of manufactured components from China. Heightened geopolitical tensions, tariffs and other trade disputes between the United States and China could adversely impact component availability, manufacturing capacity, procurement costs, and delivery timelines for the Company's robotic products. In the event of an armed conflict involving China or a material escalation of trade restrictions or tariffs, trade between the United States and China could be severely limited or suspended, which could prevent the Company from delivering products to customers for a prolonged period or indefinitely if suitable alternative suppliers are not available. Any such disruption to international trade could result in substantial recovery time, increased operating costs to reestablish supply chains, and the loss of significant sales.

Risks Related to Our Intellectual Property

If we fail to protect or enforce our intellectual property or proprietary rights, our business and operating results could be harmed.

We currently own the rights to all of our intellectual property, including three approved patents and nine pending patents. We regard the protection of our patents, trade secrets, copyrights, trademarks, trade dress, domain names and other intellectual property or proprietary rights as critical to our success. We strive to protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. We seek to protect our confidential proprietary information, in part, by entering into confidentiality agreements and invention assignment agreements with all our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology. However, we cannot be certain that we have executed such agreements with all parties who may have helped to develop our intellectual property or who had access to our proprietary information, nor can we be certain that our agreements will not be breached. Any party with whom we have executed such an agreement could potentially breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. We cannot guarantee that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Detecting the disclosure or misappropriation of a trade secret and enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, time-consuming and could result in substantial costs and the outcome of such a claim is unpredictable. Further, the laws of certain foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property or proprietary rights both in the United States and abroad. If we are unable to prevent the disclosure of our trade secrets to third parties, or if our competitors independently develop any of our trade secrets, we may not be able to establish or maintain a competitive advantage in our market, which could harm our business.

We have three approved technology patents and nine technology patents pending and will in the future file patent applications on inventions that we deem to be innovative. Our ownership of the patents and pending patents are not subject to restrictions or any other arrangements with third parties. However, there is no guarantee that our patent applications will be issued as granted patents, that the scope of the protection gained will be sufficient or that an issued patent may subsequently be deemed invalid or unenforceable. Patent laws, and scope of coverage afforded by them, have recently been subject to significant changes, such as the change to “first-to-file” from “first-to-invent” resulting from the Leahy-Smith America Invents Act. This change in the determination of inventorship may result in inventors and companies having to file patent applications more frequently to preserve rights in their inventions, which may favor larger competitors that have the resources to file more patent applications. Another change to the patent laws may incentivize third parties to challenge any issued patent in the United States Patent and Trademark Office (the “USPTO”), as opposed to having to bring such an action in U.S. federal court. Any invalidation of a patent claim could have a significant impact on our ability to protect the innovations contained within our devices and could harm our business.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions to maintain patent applications and issued patents. We may fail to take the necessary actions and to pay the applicable fees to obtain or maintain our patents. Non-compliance with these requirements can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to use our technologies and enter the market earlier than would otherwise have been the case.

We pursue the registration of our domain names, trademarks and service marks in the United States and in certain locations outside the United States. We are seeking to protect our trademarks, patents and domain names in an increasing number of jurisdictions, a process that is expensive and time-consuming and may not be successful or which we may not pursue in every location.

Litigation may be necessary to enforce our intellectual property or proprietary rights, protect our trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity or diversion of management and technical resources, any of which could adversely affect our business and operating results. If we fail to maintain, protect and enhance our intellectual property or proprietary rights, our business may be harmed.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, designs, experiences, work flows, data, processes, software and know-how.

We rely on proprietary information (such as trade secrets, know-how and confidential information) to protect intellectual property that may not be patentable or subject to copyright, trademark, trade dress or service mark protection, or that we believe is best protected by means that do not require public disclosure. We generally seek to protect this proprietary information by entering into confidentiality agreements, or consulting, services or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, contractors and third parties. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our current or future manufacturing partners and suppliers and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, contractors, advisors and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to its trade secrets.

We also rely on physical and electronic security measures to protect our proprietary information, but we cannot provide assurance that these security measures will not be breached or provide adequate protection for our property. There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights.

Under a certain number of our agreements, we are required to provide indemnification in the event our technology causes harm to third parties.

In certain of our agreements, we indemnify our customers and manufacturing partners. We could incur significant expenses defending these partners if they are sued for patent infringement based on allegations related to our technology. In addition, if a partner were to lose a lawsuit and in turn seek indemnification from us, we could be subject to significant monetary liabilities. While such contracts typically give us multiple remedies for addressing instances of infringements, such remedies (e.g. product modification, purchase of licenses) could be expensive and difficult to administer.

Risks Related to Compliance

We may become subject to new or changing governmental regulations relating to the design, manufacturing, marketing, distribution, servicing, or use of its products, and a failure to comply with such regulations could lead to withdrawal or recall of our products from the market, delay our projected revenues, increase cost, or make our business unviable if it is unable to modify its products to comply.

We may become subject to new or changing international, federal, state and local regulations, including laws relating to the design, manufacturing, marketing, distribution, servicing or use of its products. Such laws and regulations may require us to pause sales and modify its products, which could result in a material adverse effect on its revenues and financial condition. Such laws and regulations can also give rise to liability such as fines and penalties, property damage, bodily injury and cleanup costs. Capital and operating expenses needed to comply with laws and regulations can be significant, and violations may result in substantial fines and penalties, third-party damages, suspension of production or a cessation of our operations. Any failure to comply with such laws or regulations could lead to withdrawal or recall of our products from the market.

We may become involved in legal and regulatory proceedings and commercial or contractual disputes, which could have an adverse effect on our profitability and financial position.

We may be, from time to time, involved in litigation, regulatory proceedings and commercial or contractual disputes that may be significant. These matters may include, without limitation, disputes with our suppliers and customers, intellectual property claims, stockholder litigation, government investigations, class action lawsuits, personal injury claims, environmental issues, customs and Value Added Tax (VAT) disputes and employment and tax issues. In addition, we have in the past and could face in the future a variety of labor and employment claims against us, related to, but not limited to, general employment practices and wrongful acts. In such matters, private parties or other entities may seek to recover from us indeterminate amounts in penalties or monetary damages. These types of lawsuits could require significant management time and attention or could involve substantial legal liability, and/or substantial expenses to defend. Often these cases raise complex factual and legal issues and create risks and uncertainties. No assurances can be given that any proceedings and claims will not have a material adverse impact on our consolidated financial position or that our established reserves or our available insurance will mitigate this impact.

We are subject to, and must remain in compliance with, numerous laws and governmental regulations across various jurisdictions concerning the manufacturing, use, distribution and sale of our products.

We manufacture and sell products that contain electronic components, and such components may contain materials that are subject to government regulation in both the locations where we manufacture and assemble our products, as well as the locations where we sell our products. For example, certain regulations limit the use of lead in electronic components. Since we operate on a global basis, this is a complex process which requires continuous monitoring of regulations and an ongoing compliance process to ensure that we, and our suppliers, are in compliance with all existing regulations. If there is an unanticipated new regulation that significantly impacts our use of various components or requires more expensive components, that regulation could materially adversely affect our business, results of operations and financial condition.

We are subject to U.S. and foreign anti-corruption and anti-money laundering laws and regulations. We can face criminal liability and other serious consequences for violations, which can harm our business.

We are subject to the U.S. Foreign Corrupt Practices Act, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the Money Laundering Control Act 18 U.S.C. §§ 1956 and 1957, and other anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector, and require that we keep accurate books and records and maintain internal accounting controls designed to prevent any such actions. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other collaborators, even if we do not explicitly authorize or have actual knowledge of such activities.

As we increase our international cross-border business and expand our operations abroad, we may continue to engage with business partners and third-party intermediaries to market our services and to obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. We cannot assure you that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. As we increase our international business, our risks under these laws may increase.

Detecting, investigating and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources and attention from management. In addition, non-compliance with anti-corruption or anti-bribery laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage and other collateral consequences. If any subpoenas are received or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, operating results and financial condition could be materially harmed.

We are subject to governmental export controls and sanctions laws and regulations that could impair our ability to compete in international markets and subject us to liability if we are not in compliance with applicable laws. Changes to such laws and regulations, as well as changes to trade policy, import laws, and tariffs, may also have a material adverse effect on our business, financial condition and results of operations.

Exports of our products are subject to export controls and sanctions laws and regulations imposed by the U.S. government and administered by the U.S. Departments of State, Commerce, and Treasury. U.S. export control laws may require a license or other authorization to export products to certain destinations and end users. In addition, U.S. economic sanctions laws include restrictions or prohibitions on engaging in any transactions or dealings, including receiving investment or financing from, or engaging in the sale or supply of products and services to, U.S. embargoed or sanctioned countries, governments, persons and entities. Obtaining export authorizations can be difficult, costly and time-consuming and we may not always be successful in obtaining such authorizations, and our failure to obtain required export approval for our products or limitations on our ability to export or sell our products imposed by export control or sanctions laws may harm our revenues and adversely affect our business, financial condition, and results of operations. Non-compliance with these laws could have negative consequences, including government investigations, penalties and reputational harm.

Further, any changes in global political, regulatory and economic conditions, such as the military conflict involving Russia and Ukraine and the sanctions imposed by the United States, United Kingdom, European Union, and other jurisdictions on Russia in response to such conflict, or in laws and policies governing import/export control, economic sanctions, manufacturing, development and investment in the territories or countries where we currently purchase our components, sell our products, or conduct our business could result in the decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential end-customers. Any decreased use of our products or limitation on our ability to export or sell our products would adversely affect our business, results of operations and growth prospects. The United States has recently instituted or proposed changes in trade policies that include the negotiation or termination of trade agreements, the imposition of higher tariffs on imports into the United States, economic sanctions on individuals, corporations or countries, and other government regulations affecting trade between the United States and other countries where we conduct our business. A number of other nations have proposed or instituted similar measures directed at trade with the United States in response. As a result of these developments, there may be greater restrictions and economic disincentives on international trade that could adversely affect our business. It may be time-consuming and expensive for us to alter our business operations to adapt to or comply with any such changes, and any failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Failures, or perceived failures, to comply with privacy, data protection, and information security requirements in the variety of jurisdictions in which we operate may adversely impact our business, and such legal requirements are evolving, uncertain and may require improvements in, or changes to, our policies and operations.

Our current and potential future operations and sales subject us to laws and regulations addressing privacy and the collection, use, storage, disclosure, transfer and protection of a variety of types of data. For example, the European Commission has adopted the General Data Protection Regulation and California enacted the California Consumer Privacy Act of 2018, both of which provide for potentially material penalties for non-compliance. These regimes may, among other things, impose data security requirements, disclosure requirements, and restrictions on data collection, uses, and sharing that may impact our operations and the development of our business. While, generally, we do not have access to, collect, store, process, or share information collected by our solutions unless our customers choose to proactively provide such information to us, our products may evolve both to address potential customer requirements or to add new features and functionality. Therefore, the full impact of these privacy regimes on our business is rapidly evolving across jurisdictions and remains uncertain at this time.

We may also be affected by cyber-attacks and other means of gaining unauthorized access to its products, systems, and data. For instance, cyber criminals or insiders may target us or third-parties with which we have business relationships in an effort to obtain data, or in a manner that disrupts our operations or compromises our products or the systems into which our products are integrated.

We are assessing the continually evolving privacy and data security regimes and measures we believe are appropriate in response. Since these data security regimes are evolving, uncertain and complex, especially for a global business like ours, we may need to update or enhance our compliance measures as our products, markets and customer demands further develop and these updates or enhancements may require implementation costs. The compliance measures we do adopt may prove ineffective. Any failure, or perceived failure, by us to comply with current and future regulatory or customer-driven privacy, data protection, and information security requirements, or to prevent or mitigate security breaches, cyber-attacks, or improper access to, use of, or disclosure of data, or any security issues or cyber-attacks affecting us, could result in significant liability, costs (including the costs of mitigation and recovery), and a material loss of revenue resulting from the adverse impact on our reputation and brand, loss of proprietary information and data, disruption to our business and relationships, and diminished ability to retain or attract customers and business partners. Such events may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause customers and business partners to lose trust in us, which could have an adverse effect on our reputation and business.

If we fail to comply with the laws and regulations relating to the collection of sales tax and payment of income taxes in the various states in which we do business, we could be exposed to unexpected costs, expenses, penalties and fees as a result of our non-compliance, which could harm our business.

By engaging in business activities in the United States, we become subject to various state laws and regulations, including requirements to collect sales tax from our sales within those states, and the payment of income taxes on revenue generated from activities in those states. A successful assertion by one or more states that we were required to collect sales or other taxes or to pay income taxes where we did not could result in substantial tax liabilities, fees and expenses, including substantial interest and penalty charges, which could harm our business.

General Risks Associated with Our Company

Our limited operating history and evolving business make it difficult to evaluate our current business and future prospects.

Our limited operating history and the evolution of our business and our industry make it difficult to accurately assess our future prospects. It may not be possible to discern fully the economic and other business trends that we are subject to. Elements of our business strategy are new and subject to ongoing development as our operations mature. In addition, it may be difficult to evaluate our business because many of the other companies that offer the same or a similar range of solutions, products and services as us also have limited operating histories and evolving businesses.

If we were to lose the services of members of our senior management team, we may not be able to execute our business strategy.

Our success depends in large part upon the continued service of key members of our senior management team. In particular, each of our Chief Executive Officer and co-founder, Zhenwu Huang, Chief Financial Officer and co-founder, Zhenqiang Huang, and Chief Operations Officer, Phil Zheng is critical to our overall management, as well as the continued development of our robotics technology, our culture and our strategic direction. All of our executive officers are at will employees, and we do not maintain any key person life insurance policies. The loss of any member of our senior management team could harm our business.

We may pursue acquisitions, which involve a number of risks, and if we are unable to address and resolve these risks successfully, such acquisitions could harm our business.

We have acquired and may in the future acquire businesses, products or technologies to expand our offerings and capabilities and business. We have evaluated, and expect to continue to evaluate, a wide array of potential strategic transactions. Any acquisition could be material to our financial condition and results of operations and any anticipated benefits from an acquisition may never materialize. In addition, the process of integrating acquired businesses, products or technologies may create unforeseen operating difficulties and expenditures. Acquisitions in international markets would involve additional risks, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. We may not be able to address these risks successfully, or at all, without incurring significant costs, delays or other operational problems and if we were unable to address such risks successfully our business could be harmed.

Our ability to effectively manage our anticipated growth and expansion of our operations will also require us to enhance our operational, financial and management controls and infrastructure, human resources policies and reporting systems. These enhancements and improvements will require significant capital expenditures and allocation of valuable management and employee resources.

We expect to experience significant growth in the scope and nature of our operations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial and management controls, compliance programs and reporting systems. We may not be able to implement improvements in an efficient or timely manner and may discover deficiencies in existing controls, programs, systems and procedures, which could have an adverse effect on our business, reputation and financial results. Additionally, rapid growth in our business may place a strain on our human and capital resources. Furthermore, we expect to continue to conduct our business internationally and anticipate increased business operations in the United States, Europe, Asia and elsewhere. These diversified, global operations place increased demands on our limited resources and require us to substantially expand the capabilities of our administrative and operational resources and to attract, train, manage and retain qualified management, technical, manufacturing, engineering, sales and other personnel. As our operations expand domestically and internationally, we will need to continue to manage multiple locations and additional relationships with various customers, partners, suppliers and other third parties across several markets.

We are an “emerging growth company,” and will be able take advantage of reduced disclosure requirements applicable to “emerging growth companies,” which could make our Class B common stock less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act and, for as long as we continue to be an “emerging growth company,” we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an “emerging growth company” for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed \$1.235 billion, (ii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur if the market value of our Class B common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than \$1 billion in non-convertible debt during the preceding three year period.

We intend to take advantage of these reporting exemptions described above until we are no longer an “emerging growth company.” Under the JOBS Act, “emerging growth companies” can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

We cannot predict if investors will find our Class B common stock less attractive if we choose to rely on these exemptions. If some investors find our Class B common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our Class B common stock and the price of our Class B common stock may be more volatile.

We are a “controlled company” within the meaning of the Nasdaq Stock Market Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies.

We are a “controlled company” as defined under the Nasdaq Stock Market Rules, as our co-founder and Chief Executive Officer, Zhenwu (Wayne) Huang, beneficially owns over 50% of the total voting power of our issued and outstanding shares of common stock as of the date of the Original Report. For so long as we remain a “controlled company” under that definition, we are permitted to elect to rely on, and may rely on, certain exemptions from corporate governance rules, including an exemption from the rule that a majority of our board of directors must be independent directors. As a result, you may not have the same protection afforded to stockholders of companies that are subject to these corporate governance requirements.

We have identified a material weakness in our internal control over financial reporting as of September 30, 2025. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.

We have identified a material weakness in our internal controls over financial reporting as of September 30, 2025 relating to the design and consistent operation of certain entity-level and process-level controls supporting complex accounting judgments and transaction processing. These controls support, among other areas, inventory accounting, revenue recognition, investments, intangible assets, certain payroll-related processes, and the accounting for complex financing transactions, including the liability or equity classification of warrants, stock-based compensation arrangements, and derivative instruments. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. Measures to remediate material weaknesses may be time-consuming and costly and there is no assurance that such initiatives will ultimately have the intended effects. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results. If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and adversely affect our business and operating results. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses.

We incur significantly increased costs as a result of and devote substantial management time to operating as a public company.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Exchange Act and are required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules and regulations subsequently implemented by the SEC, including the establishment and maintenance of effective disclosure and financial controls, changes in corporate governance practices and required filing of annual, quarterly and current reports with respect to our business and operating results. These requirements have increased our legal and financial compliance costs and make some activities more time-consuming and costly. In addition, our management and other personnel need to divert attention from operational and other business matters to devote substantial time to these public company requirements. We may also need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and will need to maintain an internal audit function. Operating as a public company means it is more expensive for us to maintain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to maintain coverage. This could also make it more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers. In addition, after we no longer qualify as an “emerging growth company,” as defined under the JOBS ACT we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We are in the process of compiling the system and processing documentation needed to comply with such requirements. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion.

We cannot predict or estimate the amount of additional costs we may incur as a result of continuing to be a public company or the timing of such costs.

Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events, global pandemics, and interruptions by man-made problems, such as network security breaches, computer viruses or terrorism. Material disruptions of our business or information systems resulting from these events could adversely affect our operating results.

We and some of the third-party service providers on which we depend for various support functions are vulnerable to damage from catastrophic events, such as power loss, natural disasters, terrorism, pandemics, and similar unforeseen events beyond our control.

If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, damaged critical infrastructure, or otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place are unlikely to provide adequate protection in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business.

Furthermore, integral parties in our supply chain are operating from single sites, increasing their vulnerability to natural disasters or other sudden, unforeseen and severe adverse events, such as a global pandemic. If such an event were to affect our supply chain, it could have a material adverse effect on our business.

Our ability to use our net operating loss carryforwards may be limited.

As of September 30, 2025, we had \$18,694 U.S. federal net operating loss carryforwards. Under legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the “TCJA”) as modified in 2020 by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), unused U.S. federal net operating losses generated in tax years beginning after December 31, 2017, will not expire and may be carried forward indefinitely, but the deductibility of such federal net operating loss carryforwards in taxable years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the TCJA or the CARES Act. In addition, our ability to utilize any federal net operating loss carryforwards may be limited under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). The limitations apply if we experience an “ownership change,” which is generally defined as a greater than 50 percentage point change (by value) in the ownership of our equity by certain stockholders or groups of stockholders over a rolling three-year period. Similar provisions of state tax law may also apply to limit the use of any state net operating loss carryforwards. We have not yet completed a Section 382 analysis, and therefore, there can be no assurances that any previously experienced ownership changes have not materially limited our utilization of affected net operating loss carryforwards. Future changes in our stock ownership, which may be outside of our control, may trigger an ownership change that materially impacts our ability to utilize any pre-change net operating loss carryforwards. In addition, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited.

Our management has limited experience in operating a public company.

Some of our executive officers have limited experience in the management of a publicly traded company subject to significant regulatory oversight and reporting obligations under federal securities laws. Our management team may not successfully or effectively manage our transition to a public company. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to our management and growth. We may not be able to maintain adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal controls over financial reporting required of public companies in the United States. It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company, which will increase our operating costs in future periods.

Risks Related to Ownership of Our Class B Common Stock

An active trading market for our Class B common stock may not develop or be sustained.

If an active trading market for our Class B common stock does not develop, you may not be able to sell your shares quickly or at the market price. Our ability to raise capital to continue to fund operations by selling shares of our Class B common stock and our ability to acquire other companies or technologies by using shares of our Class B common stock as consideration may also be impaired.

The market price and trading volume of our Class B common stock may continue to be highly volatile, which could lead to a loss of all or part of a stockholder's investment.

The market price and trading volume of our Class B common stock has fluctuated widely. During the fiscal year of 2025, the trading price of our Class B common stock has fluctuated from an intra-day high of \$7.43 on October 7, 2025 to an intra-day low of \$0.52 on November 15, 2024.

The market price of our Class B common stock is affected by a variety of factors, including but not limited to:

- analyst reports or short seller reports that may be published about our company or our industry;
- our ability to execute our anticipated business plans and strategy;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- our ability to obtain additional capital which will be necessary to continue our business and operations;
- changes in financial or operational estimates or projections;
- changes in the economic performance or market valuations of companies similar to ours;
- the impact of pandemics, inflation, war, other hostilities and other disruptive events on our business or that of our customers, partners, and supply chain or on the global economy; and
- our ability to comply with the continued listing requirements of Nasdaq and maintain our listing on Nasdaq.

In addition, the trading price and trading volume of our Class B common stock has at certain other times in the past exhibited, and may continue to exhibit, extreme volatility, including within a single trading day. Such volatility could cause purchasers of our Class B common stock to incur substantial losses. For example, on July 22, 2024, the trading price of our Class B common stock ranged from an intra-day high of \$2.59 to an intra-day low of \$1.31, on trading volume of approximately 100 million shares, and on August 7, 2024, the trading price of our Class B common stock ranged from an intra-day high of \$0.728 to an intra-day low of \$0.5413, on trading volume of approximately 188 million shares. With respect to certain such instances of trading volatility, we are not aware of any material changes in our financial condition or results of operations that would explain such price volatility or trading volume, which we believe reflect market and trading dynamics unrelated to our operating business or prospects and outside of our control. We are thus unable to predict when such instances of trading volatility will occur or how long such dynamics may last. Under these circumstances, we would caution you against investing in our Class B common stock unless you are prepared to incur the risk of incurring substantial losses.

A proportion of our Class B common stock may be traded by short sellers which may put pressure on the supply and demand for our Class B common stock, creating further price volatility. In particular, a possible “short squeeze” due to a sudden increase in demand of our Class B common stock that largely exceeds supply may lead to sudden extreme price volatility in our Class B common stock. Investors may purchase our Class B common stock to hedge existing exposure in our Class B common stock or to speculate on the price of our Class B common stock. Speculation on the price of our Class B common stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of common stock available for purchase in the open market, investors with short exposure may have to pay a premium to repurchase our Class B common stock for delivery to lenders of our Class B common stock. Those repurchases may in turn dramatically increase the price of our Class B common stock until investors with short exposure are able to purchase additional common stock to cover their short position. This is often referred to as a “short squeeze.” Following such a short squeeze, once investors purchase the shares necessary to cover their short position, the price of our Class B common stock may rapidly decline. A short squeeze could lead to volatile price movements in our shares that are not directly correlated to the performance or prospects of our company and could cause purchasers of our common shares to incur substantial losses.

The dual-class structure of our common stock has the effect of concentrating voting power, which may limit your ability to influence the outcome of important transactions, including a change in control.

Our Class B common stock has one (1) vote per share, and our Class A common stock has ten (10) votes per share. Our issued and outstanding share capital consisted of 39,934,846 shares of Class A common stock and 175,161,127 shares of Class B common stock as of January 20, 2026. Our Chief Executive Officer and co-founder, Zhenwu Huang, and our Chief Financial Officer and co-founder, Zhenqiang Huang, beneficially own an aggregate of approximately 66% of the voting power of our outstanding shares of common stock as of January 20, 2026, and as such, these stockholders, individually or together, may be able to significantly influence matters submitted to our stockholders for approval, including the election of directors, amendments of our articles of incorporation, as amended, and any merger or other major corporate transactions that require stockholder approval. See “ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.” Our existing stockholders, including Zhenwu Huang and Zhenqiang Huang, individually or together, may vote in a way with which you disagree and which may be adverse to your interests. This concentrated voting power may, by changing the directors of the Company, have the ultimate effect of delaying, preventing or deterring a change in control of our Company, could deprive our stockholders of an opportunity to receive a premium for their shares of common stock as part of a sale of our company and might ultimately materially and adversely affect the market price of our Class B common stock.

Future transfers by the holders of shares of Class A common stock may result in those shares converting into shares of Class B common stock. Each share of Class A common stock is convertible into one share of Class B common stock at any time at the option of the holder, but Class B common stock shall not be convertible into Class A common stock under any circumstances. However, as long as at least 17,516,113 shares of Class A common stock remain outstanding, and without giving effect to any future issuances, the holders of our Class A common stock will hold a majority of the outstanding voting power and will continue to control the outcome of matters submitted to stockholders’ approval. Our second amended and restated articles of incorporation will generally not prohibit us from issuing additional shares of Class A common stock, and any future issuance of shares of Class A common stock may be dilutive to holders of Class B common stock.

The dual-class structure of our common stock may adversely affect the trading market for our Class B common stock.

We cannot predict whether our dual-class structure will result in a lower or more volatile market price of our Class B common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on companies with dual-class or multi-class share structures in their indices. In July 2017, S&P Dow Jones and FTSE Russell announced changes to their eligibility criteria for the inclusion of shares of public companies on certain indices, including the Russell 2000, the S&P 500, the S&P MidCap 400 and the S&P SmallCap 600, to exclude companies with multiple classes of shares from being added to these indices. Beginning in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices; however, in October 2018, MSCI announced its decision to include equity securities “with unequal voting structures” in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. As a result, our dual class capital structure would make us ineligible for inclusion in any of these indices, and mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our Class B common stock. These policies are still relatively new and it is as of yet unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, but it is possible that they may depress these valuations compared to those of other similar companies that are included. Furthermore, we cannot assure you that other stock indices will not take a similar approach to S&P Dow Jones or FTSE Russell in the future. Exclusion from indices could make our Class B common stock less attractive to investors and, as a result, the market price of our Class B common stock could be adversely affected.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our Class B common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If no securities or industry analysts cover our company, the trading price for our stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

Future sales of our Class B common stock or securities convertible into our Class B common stock may depress our stock price.

Sales of a substantial number of shares of our Class B common stock or securities convertible into our Class B common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class B common stock. For example, we have registered an aggregate of 14,311,215 shares of Class B common stock issuable under our Amended and Restated 2023 Stock Option Plan on a Registration Statement on Form S-8, filed with the SEC on December 11, 2023, as amended by Post-Effective Amendment No. 1 to Form S-8, filed with the SEC on November 7, 2023, and such shares can be freely sold in the public market upon issuance (unless issued to an affiliate of the Company). If a large number of shares of our Class B common stock or securities convertible into our Class B common stock are sold in the public market after they become eligible for sale, the sales could reduce the trading price of our Class B common stock and impede our ability to raise future capital.

There can be no assurance that we will continue to be able to comply with the continued listing standards of Nasdaq.

Our continued eligibility to maintain the listing of our Class B common stock on Nasdaq depends on a number of factors, including the price of our Class B common stock. On October 25, 2024, the Company received a notice from Nasdaq notifying the Company that, because the closing bid price for the Company's Class B common stock had fallen below \$1.00 per share for 30 consecutive business days, the Company no longer complies with the minimum bid price requirement for continued listing on the Nasdaq Capital Market under Rule 5550(a)(2) of Nasdaq Listing Rules. Nasdaq's notice had no immediate effect on the listing of the Company's Class B common stock on the Nasdaq Capital Market. Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the Company was provided an initial compliance period of 180 calendar days, or until April 23, 2025, to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of the Company's Class B common stock must meet or exceed \$1.00 per share for a minimum of 10 consecutive business days prior to April 23, 2025. On January 6, 2024, the Company received a notice from Nasdaq that the Company has regained compliance with the minimum bid price requirement and the matter is closed.

However, there is no guarantee that the Company will be able to remain in compliance with the continued listing standards of Nasdaq. If Nasdaq delists our securities from trading on its exchange for failure to meet its listing standards, and we are not able to list such securities on another national securities exchange, then our Common Stock could be quoted on an over-the-counter market. If this were to occur, we and our stockholders could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class B common stock is a "penny stock," which will require brokers trading our Class B common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for shares of our Class B common stock;
- a limited amount of news and analyst coverage; and
- a decreased ability for us to issue additional securities or obtain additional financing in the future.

Our directors, executive officers and principal stockholders have substantial control over us and could delay or prevent a change of corporate control.

Our directors, executive officers and holders of more than 5% of our Class B common stock, together with their affiliates, beneficially own, in the aggregate, approximately 81.35% of our outstanding common stock as of January 10, 2025. As a result, these stockholders, acting together, have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of our assets. In addition, these stockholders, acting together, have the ability to control the management and affairs of our company. Accordingly, this concentration of ownership could harm the market price of our Class B common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of us.

See “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” below for more information regarding the ownership of our outstanding stock by our executive officers, directors and holders of more than 5% of our Class B common stock, together with their affiliates.

Anti-takeover provisions contained in our second amended and restated articles of incorporation and second amended and restated bylaws, as well as provisions of Nevada law, could impair a takeover attempt.

Our second amended and restated articles of incorporation, second amended and restated bylaws and Nevada law contain provisions which could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. Our corporate governance documents include provisions:

- classifying our board of directors into three classes;
- authorizing “blank check” preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend, and other rights superior to our Class B common stock;
- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings; and
- providing our board of directors with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

Nevada law, Nevada Revised Statutes (“NRS”) Sections 78.411 through 78.444, regulate business combinations with interested stockholders. Nevada law defines an interested stockholder as a beneficial owner (directly or indirectly) of 10% or more of the voting power of the outstanding shares of the corporation. Pursuant to Sections NRS 78.411 through 78.444, combinations with an interested stockholder remain prohibited for three years after the person became an interested stockholder unless (i) the transaction is approved by the board of directors or the holders of a majority of the outstanding shares not beneficially owned by the interested party, or (ii) the interested stockholder satisfies certain fair value requirements. NRS 78.434 permits a Nevada corporation to opt-out of the statute with appropriate provisions in its articles of incorporation.

NRS Sections 78.378 through 78.3793 regulates the acquisition of a controlling interest in an issuing corporation. An issuing corporation is defined as a Nevada corporation with 200 or more stockholders of record, of which at least 100 stockholders have addresses of record in Nevada and does business in Nevada directly or through an affiliated corporation. NRS Section 78.379 provides that an acquiring person and those acting in association with an acquiring person obtain only such voting rights in the control shares as are conferred by a resolution of the stockholders of the corporation, approved at a special or annual meeting of the stockholders. Stockholders who vote against the voting rights have dissenters' rights in the event that the stockholders approve voting rights. NRS Section 78.378 provides that a Nevada corporation's articles of incorporation or bylaws may provide that these sections do not apply to the corporation. Our second amended and restated articles of incorporation provide that these sections do not apply.

We have never paid dividends on our capital stock, and we may not pay any dividends in the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We may pay dividends in the future if the Company realizes good profits and the board of directors determines that dividends are advisable, taking into account the Company's financial and development needs. However, it is also possible that we may retain any future earnings to finance the operation and expansion of our business, and we may not declare or pay any dividends in the foreseeable future. Consequently, stockholders may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

ITEM 1B. Unresolved Staff Comments

Not Applicable

ITEM 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

Our Company has a dedicated internal IT specialists with cybersecurity engineers who oversee various aspects of cybersecurity. These engineers specialize in different areas, including ensuring security during product development, particularly in the domains of cloud management platforms and network interactions, as well as managing cybersecurity for daily office communications.

In the event of an unexpected cybersecurity incident, the engineers immediately report to the Company's management. They are equipped with pre-established response plans to address such situations effectively and mitigate potential risks.

Currently, our cybersecurity risk management relies primarily on internal resources. However, as the Company continues to expand, we anticipate engaging third-party consultants to assist in enhancing our cybersecurity management processes and addressing evolving threats.

While we do not currently have third-party collaborations, the Company plans to implement a process for selecting and evaluating third-party service providers in the future. This will include comparing services, signing security agreements, and having our internal engineers assess the third parties' achievement of security objectives.

In the past three years, our Company has not experienced any material cybersecurity risks. To ensure robust protection against potential threats, we have implemented the following security measures:

- Regularly updating and changing critical passwords.
- Periodically modifying communication interfaces to enhance security.

- Assigning development tasks in a modular fashion to minimize exposure.
- Utilizing dual-factor authentication for system access.
- Implementing tiered authorization levels for critical network operations.
- Conducting routine security training and awareness programs for employees.

Cybersecurity Governance

Currently, the Company's board of directors does not oversee cybersecurity risks directly. However, plans are in place to introduce such oversight in the future. The Audit Committee of the Board will assume responsibility for cybersecurity risk oversight, with a plan to review cybersecurity matters on a quarterly basis. This initiative will ensure that the Company maintains robust oversight mechanisms to address evolving cybersecurity threats effectively.

The responsibility for assessing and managing cybersecurity risks within the Company lies with the managers of the R&D department and the IT specialists. Both individuals possess relevant expertise in their respective fields, ensuring a high level of competence in identifying and mitigating cybersecurity risks. Their duties include monitoring potential threats, implementing security protocols, and responding to incidents to safeguard company assets and operations.

In the event of cybersecurity incidents or abnormal alerts, the relevant department managers immediately intervene and manage the situation. All logs and records related to such events are preserved for future analysis. Cybersecurity testing is incorporated into every stage of product development, ensuring that vulnerabilities are identified and addressed proactively. Additionally, server security patches are regularly updated to mitigate potential threats.

ITEM 2. Properties

Our strategy regarding facilities is to maintain flexibility while ensuring adequate space to support our growing operational and public company infrastructure. Our principal facilities consist of corporate headquarters, research and development space, and limited retail space, primarily located in Las Vegas, Nevada, as further described below.

Corporate Facilities and Headquarters

During the fiscal year ended September 30, 2025, we completed a significant transaction related to our corporate headquarters, transitioning from a purely leased model to a hybrid ownership model.

Owned Facility (New Headquarters): In April 2025, we purchased an office building located at 2975 Lincoln Rd, Las Vegas, Nevada 89115. This acquisition was completed to accommodate the Company's expanded infrastructure requirements resulting from its transition to a public company and the growth of its administrative and R&D functions. This owned property serves as the primary corporate headquarters and is recorded as Property, Plant, and Equipment on the consolidated balance sheet.

Leased Facility (Prior Headquarters): We continue to lease office facilities located at 4175 Cameron St, Ste 1 & 2 & A1 & A2 & C & 5, Las Vegas, NV 89103. This facility, comprising 15,792 square feet, continues to be leased under a non-cancelable operating lease agreement, with the current term expiring on August 31, 2027. This space is currently utilized for dedicated R&D laboratory space and overflow administrative support, enabling the Company to maintain aggressive development timelines outside of the new corporate environment. The annual rent for fiscal 2025 for this remaining leased space was \$268,277.71.

Retail and Other Leased Facilities

Clouffee and Tea Retail Lease: On October 4, 2024, the Company entered into a new lease agreement for retail space at Space No. B187 in Town Square Las Vegas, 6587 Las Vegas Boulevard South, Las Vegas, Nevada 89119. This location operates under the name “Clouffee and Tea.” The lease has a term of five (5) years and encompasses approximately 1,000 square feet. The store opened in late January 2025, which was also the rental lease commencement date.

The following table sets forth information as to the real property currently leased by us:

Lessor	Lessee	Location	Area (Square Feet)	Annual Rent FY2025	Current Term Expires	Use
Cameron Industrial Park, LLC	Richtech Robotics Inc.	4175 Cameron St, Ste 1 & 2 & A1 & A2 & C & 5, Las Vegas, NV 89103	15,792	\$ 268,278	August 31, 2027	R&D
SRMF Town Square Owner LLC	Alphamax Management LLC	6587 Las Vegas Blvd South B187, Las Vegas, Nevada 89119	1,000	\$ 33,333	January 31, 2030	Store

ITEM 3. Legal Proceedings

From time to time, we may be subject to legal proceedings, investigations and claims incidental to the conduct of our business. As of September 30, 2025, other than as set forth below, we are not a party to, nor are we aware of, any legal proceedings, investigations or claims which, in the opinion of our management, are likely to have a material adverse effect on our business, financial condition or results of operations.

On June 2, 2025, a civil action was filed against the Company and certain of its officers in the Supreme Court of the State of New York, County of Kings (Index No. 517888/2025). The complaint asserts claims for breach of contract, breach of express and implied warranties, fraud, and joint venture liability. The plaintiff seeks damages in excess of \$0.6 million, including compensatory and punitive damages. On September 26, 2025, the Company filed a motion to dismiss the case. The Company believes the claims are meritless and is vigorously defending the action. While the outcome of litigation is inherently uncertain, we do not believe this matter will have a material adverse effect on our financial condition, results of operations, or cash flows.

ITEM 4. Mine and Safety Disclosure

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Class B common stock trades on the Nasdaq Stock Market under the symbol "RR."

Holders of Record

As of January 9, 2025, we had approximately 9 holders of record of our Class A common stock and 37 holders of record of our Class B common stock.

Dividend Policy

We have never paid or declared any cash dividends on our Class B common stock. We may pay dividends in the future if the Company realizes good profits and the board of directors determines that dividends are advisable, taking into account the Company's financial and development needs. However, we may instead retain any future earnings to finance the operation, development and expansion of our business, and we may not declare or pay any dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon a number of factors, including our results of operations, financial condition, business prospects, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors deems relevant.

Under NRS 78.288, the directors of a corporation may authorize, and the corporation may make, distributions (including cash dividends) to stockholders, but no such distribution may be made if, after giving it effect:

- the corporation would not be able to pay its debts as they become due in the usual course of business; or
- the corporation's total assets would be less than the sum of (x) its total liabilities plus (y) the amount that would be needed, if the corporation were to be dissolved at the time of distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution.

The NRS prescribes the timing of the determinations above depending on the nature and timing of payment of the distribution. For cash dividends paid within 120 days after the date of authorization, the determinations above must be made as of the date the dividend is authorized. When making their determination that a distribution is not prohibited by NRS 78.288, directors may consider:

- financial statements prepared on the basis of accounting practices that are reasonable in the circumstances;
- a fair valuation, including, but not limited to, unrealized appreciation and depreciation; and/or
- any other method that is reasonable in the circumstances.

Securities Authorized for Issuance under Equity Compensation Plan

The following table sets forth information concerning securities authorized under equity compensation plans as of September 30, 2025.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of granted restricted stock unit awards outstanding	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	-	\$ -	-	876,658
Equity compensation plans not approved by security holders	-	-	-	-
	-	\$ -	-	876,658

Recent Sales of Unregistered Securities

None that have not already been disclosed in a prior Quarterly Report on Form 10-Q or Current Report on Form 8-K.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. Reserved

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our consolidated financial statements and the related notes contained elsewhere in this Report and in our other Securities and Exchange Commission filings. The following discussion may contain predictions, estimates, and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under "Risk Factors" and elsewhere in this Report. These risks could cause our actual results to differ materially from any future performance suggested below.

Overview

We are a robotics company focused on the development of embodied AI systems for manufacturing, retail, hospitality, and other sectors. We develop proprietary hardware and software that employ the latest robotics and AI innovations. Our goal is to deploy robotics at scale in business operations across our target markets.

Key Business Highlights for Fiscal Year 2025

Fiscal year 2025 was a transformative period for us, defined by the accelerated execution of our strategic shift toward a high-margin, recurring revenue business model.

Strategic and Operational Milestones

- **RaaS Contract Acceleration:** Successfully secured 55 RaaS contracts, demonstrating strong market adoption of our RaaS model and validating the long-term strategy to build a high-quality, predictable recurring revenue base.
- **Expansion of Hospitality Management Segment (AlphaMax):** Launched strategic initiatives under the AlphaMax subsidiary, including deployment of robots in restaurants in partnership with Walmart stores. Two franchise agreements were secured during the period to kickstart this expansion.
- **New Brand Launch (Clouffee & Tea):** Established our first self-owned robotic restaurant brand, Clouffee & Tea, which serves as a scalable franchise blueprint, a live platform for technological testing, and a new growth channel, with the inaugural location opening in Las Vegas in early 2025.
- **Corporate Restructuring and Infrastructure:** The Company purchased a new corporate headquarters in Las Vegas, Nevada, optimizing its long-term operational footprint and accommodating organizational growth.
- **New Data Services:** We have launched a new suite of services focused on producing robotic training datasets and embodied AI development.

Financial and Capital Milestones

- **Total Revenue Growth:** Achieved a 19% increase in total net revenue, rising to \$5.0 million for fiscal year 2025, despite the short-term revenue impact caused by the strategic shift to the RaaS model.
- **Gross Margin Reduction:** Contributed to a decrease in gross profit of \$893 thousand, or 33%, reflecting the continued shift from one-time hardware sales toward leasing and recurring revenue arrangements. Under this model, robots are recognized as long-lived assets and depreciated over the lease term, which can improve the timing of expense recognition and support gross margin performance relative to the traditional one-time sale model. The resulting impact on gross profit was modest during 2025 as the business model transition continued.
- **Balance Sheet Strengthening (Subsequent Event):** Subsequent to September 30, 2025, the Company successfully utilized its At-The-Market (“ATM”) offering program to raise \$71.6 million in gross proceeds, substantially strengthening our liquidity and providing capital to accelerate the build-out of the RaaS asset fleet. A portion of these proceeds was generated through a direct sale of shares to a large institutional investor under the ATM program.
- **Deleveraging and Cost Optimization:** Executed decisive corporate finance activities, resulting in an 89.1% reduction in net interest expenses, primarily through the pay-down and conversion of high-interest debt, significantly improving the Company’s structural cost of capital.

- **Continued Investment in Research and Development:** Richtech Robotics remains dedicated to innovation and technological advancement, as evidenced by the increase in research and development expenses during fiscal year 2025. These investments are focused on expanding our product portfolio, enhancing existing offerings, and maintaining our competitive edge in the dynamic robotics market.
- **Expansion of Sales and Marketing Efforts:** To support the RaaS model and drive customer acquisition, the Company has significantly increased its investment in sales and marketing initiatives. These efforts are crucial for educating potential customers about the benefits of leasing robotics solutions, building brand awareness, and cultivating new customer relationships.

Recent Developments

New Product Launch - Dex Humanoid Robot

October 28, 2025, we announced Dex, our next-generation humanoid robot. Built on the NVIDIA Jetson Thor platform, Dex integrates a comprehensive suite of advanced AI capabilities designed to transform the industrial workforce. With sophisticated perception and manipulation abilities, Dex can interact with and operate in real-world environments, enabling it to perform tasks once considered too complex to automate.

Dex is expected to be deployment-ready for industrial applications by mid-2026, and we anticipate that it will become a significant driver of the company's future growth.

R&D Collaboration

Subsequent to September 30, 2025, we entered into a non-commercial technology collaboration agreement with Microsoft Corporation through the Microsoft AI Co-Innovation Lab to support the evaluation and development of certain artificial intelligence workflows.

Subsequent Capital Raise – At-The-Market Offering

Subsequent to September 30, 2025, we utilized our at-the-market offering program (the "September ATM") to issue and sell an aggregate of 15,156,685 shares of Class B common stock, receiving aggregate gross proceeds of \$71.6 million. A portion of such proceeds was generated through a direct sale of shares to a large institutional investor under the September ATM. We intend to use the proceeds to accelerate the build-out of our RaaS asset fleet.

Charter Amendment

On November 10, 2025, we filed an Articles of Amendment to our Articles of Incorporation, as amended, with the Nevada Secretary of State to effect an increase the number of shares of Class B common stock that we are authorized to issue from 200,000,000 to 1,000,000,000, effective upon filing.

Factors and Trends Affecting Our Business and Results of Operations

The following trends and uncertainties either affected our financial performance historically or are likely to impact our results of operations in the future:

- As our robotic products' market potential is seen by others, more competitors could enter the market, which may lead to price competition and a decline in profit margins;
- A recession could lead to a decline in customer demand in our robotic products and services;
- Some of the products are currently assembled by suppliers in China, which may delay the supply if they are affected by international shipping, epidemic, geopolitical conflicts and other factors;

- We anticipate that our general and administrative expenses will continue to increase in the future as a result of increased costs associated with being a public company. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside consultants, attorneys, and accountants, and personnel-related stock-based compensation costs, among other expenses, and, in the case of public company-related expenses, services associated with strengthening our internal control over financial reporting, maintaining compliance with Nasdaq listing and SEC reporting requirements, director and officer liability insurance costs, and investor and public relations costs, among other expenses.
- Inflationary pressures are also a concern as it is difficult to make reliable projections for the cost of components. This means profit margins could be affected, and our pricing would need to re-evaluated on a regular basis.

Comparison of the fiscal years ended September 30, 2025 and 2024

The following table summarizes our results of operations for the fiscal years ended September 30, 2025 and 2024, together with the dollar change in those items from period to period (in thousands):

	Year ended September 30,		Change
	2025	2024	
Revenue, net	\$ 5,045	\$ 4,240	\$ 805
Cost of revenue, net	3,235	1,537	1,698
Gross profit	1,810	2,703	(893)
Operating expenses:			
Research and development	3,302	2,635	667
Sales and marketing	741	1,315	(574)
General and administrative	14,967	6,533	8,434
Total operating expenses	19,010	10,483	8,527
Loss from operations	(17,200)	(7,780)	(9,420)
Non-operating income(expense):			
Investment Income	2,177	13	2,164
Other income (loss)	(34,172)	7,587	(41,759)
Interest expenses, net	(83)	(762)	679
Total other expenses	(32,078)	6,838	(38,916)
Loss before income tax expense	(49,278)	(942)	(48,336)
Income tax benefit/(expense)	96	(426)	522
Consolidated net loss	(49,182)	(1,368)	(47,816)
Less: Net loss Attributable to Non-Controlling Interest	(108)	-	(108)
Net loss attributable to common stockholders	\$ (49,074)	\$ (1,368)	\$ (47,704)

Revenue

Revenue, net, increased by \$805 thousand, or approximately 19.0%, from \$4,240 thousand for the year ended September 30, 2024, to \$5,045 thousand for the year ended September 30, 2025.

This significant full-year growth demonstrates the effectiveness of our ongoing strategic initiatives and indicates a successful ramp-up in the latter half of the fiscal year. This performance is consistent with the anticipated long-term benefits of our strategic shift towards a leasing and recurring revenue model, which is designed to build a more stable and predictable revenue foundation. The overall increase, despite transitional challenges, reflects strong underlying customer demand for our robotics solutions.

The breakdown of revenue is as follows (in thousands):

	Year ended September 30,		Change
	2025	2024	
Product Sale	\$ 2,309	\$ 1,357	\$ 952
Leasing/Service/Rental	1,429	2,624	(1,195)
RaaS	692	-	692
Other	615	259	356
Total	\$ 5,045	\$ 4,240	\$ 805

Business Model Transition and Revenue Recognition

Historically, we generated revenue primarily through Product Revenue (outright hardware sales), resulting in immediate revenue and immediate Cost of Revenue recognition.

During fiscal 2025, the Company fundamentally shifted its approach to emphasize long-term relationships and recurring revenue through leasing and service arrangements.

This strategic change significantly impacts the financial statements:

1. Revenue: Upfront product revenue is reduced.
2. Assets: The cost of leased robots is capitalized as a long-term asset (Assets held for Lease), not immediately expensed.
3. Profitability: This results in a materially lower Cost of Revenue and an expanded Gross Margin, as the cost is recognized over the lease term via depreciation instead of immediate Cost of Goods Sold.

The increase in Product Sale percentage in fiscal 2025 was primarily attributable to occasional, non-recurring customer orders for earlier-generation delivery robotic systems, which temporarily increased one-time product sales. This activity does not reflect a shift in our long-term revenue strategy.

Our long-term focus remains on expanding recurring revenue through service, rental, and leasing arrangements. The relative decreases in Service/Rental Sale and Leasing percentages in fiscal 2025 compared to fiscal 2024 were largely attributable to the impact of these non-recurring product sales and certain prior-year revenue reclassifications. Excluding these items, underlying adoption of recurring arrangements continues to increase.

Detailed Revenue Streams and Recognition

The Company's revenue is classified into four primary streams:

1. Product Revenue

- Description: Revenue from traditional, outright sales of hardware where the customer takes ownership.
- Recognition: Recognized at a point in time (transfer of control, per ASC 606).
- Impact: The 2025 increase was driven by increased demand for new robot models and strategic inventory management, but the mix will shift away from this stream as the RaaS model matures.

2. Leasing/Service/Rental Revenue

- Description: Revenue from short-term rentals, maintenance contracts, subscriptions, and installation services.
- Recognition: Recognized over time or at a point in time, based on contract specifics.
- Impact: This category reflects the reclassified rental income from 2024. Organic growth is expected to continue as the total installed unit base expands, increasing the high-margin service revenue stream.

3. RaaS Revenue

- Description: Revenue from long-term operating agreements for the robotics fleet.
- Recognition: Recognized over the term of the lease agreement.
- Impact: While showing a reported decrease due to a prior-period reclassification adjustment, this stream represents the primary long-term growth engine. Its accelerated adoption will drive predictable, recurring revenue growth, which is central to our long-term value creation strategy.

4. AlphaMax (Cloutea)

- Description: Revenue generated from the AlphaMax subsidiary, which operates as a hospitality management company overseeing various cafes and restaurants.
- Recognition: Recognized according to the performance obligations outlined in the specific management or operating contracts.
- Impact: This segment contributed \$602 thousand in total revenue in 2025. This revenue is non-robotics related, and the performance of this segment is subject to factors impacting the broader hospitality and restaurant industry.

Strategic Initiatives and Growth Channels

The following initiatives demonstrate the Company's active execution of its long-term growth and franchise model strategy:

Expansion of Robotic Restaurant Locations in Walmart Stores

The Company is actively executing a strategic plan to integrate its robotics technology into high-traffic retail environments through franchise agreements.

On October 17, 2024, the Company announced plans to launch a total of 20 robotic restaurant locations within Walmart stores across the country. This initiative is designed to demonstrate the scalability and reliability of our technology in a demanding, quick-service retail setting, thereby generating both recurring revenue and acting as a high-visibility marketing platform. As of the date of this report, two locations within Walmart stores are currently in operation. We intend to prudently evaluate the performance of these existing locations and, based on operating results, selectively pursue potential collaboration opportunities at additional locations.

Clouffee & Tea Restaurant Brand

Clouffee & Tea is our first self-owned restaurant brand, designed to showcase our robotics-as-a-service model directly to consumers. The concept seamlessly blends innovative robotic technology with a vibrant coffee and tea culture to create an engaging customer experience.

Strategic Purpose:

- Scalable Franchise Blueprint: The robotic operation presents a uniquely scalable franchise model. Clouffee & Tea will serve as a successful blueprint for integrating robotics into coffee and tea shop operations, which the Company intends to replicate through future franchising efforts.
- Technological Application and Iteration: Beyond redefining the beverage experience, Clouffee & Tea functions as a dynamic platform for technological application. It allows us to utilize real-world, high-volume scenarios for testing new robotic technologies and iterating on system performance.
- Revenue Growth Channel: The brand opens an additional revenue channel for the Company. Clouffee & Tea opened its inaugural franchise store in Las Vegas, Nevada, in January 2025, adding another dimension to our growth strategy and enhancing the recurring revenue profile of the AlphaMax segment.

Cost of Revenue

Cost of revenue, net, increased by \$1,698 thousand, or approximately 110.47%, from \$1,537 thousand in 2024 to \$3,235 thousand in 2025. This increase was primarily due to the Company's shift toward RaaS sales and product sale with subscriptions arrangements, under which revenue is recognized over time while the related cost of revenue was recognized upfront.

Depreciation of Rental Assets: For the fiscal year ended September 30, 2025, depreciation expense attributable to our RaaS fleet was \$79 thousand. We expect this non-cash expense to increase in future periods as our installed base of leased robots expands, creating a predictable cost structure that scales with recurring revenue. We continue to focus on optimizing our manufacturing and supply chain processes to maintain a competitive cost structure.

Gross Profit

Gross profit decreased by \$893 thousand, or approximately 33.04%, from \$2,703 thousand in 2024 to \$1,810 thousand in 2025.

The decrease in gross profit year over year is due to cost of revenue outpacing revenue, which is attributable to the Company transitioning toward a RaaS model. As the Company continues to transition towards this model, we anticipate gross profit to improve.

Research and Development Expenses

Research and development (R&D) expenses increased by \$667 thousand, or approximately 25.31%, from \$2,635 thousand in 2024 to \$3,302 thousand in 2025. This increased investment demonstrates our commitment to maintaining technological leadership and fueling future growth. The increase is primarily attributable to:

Increased Headcount and Compensation: Higher personnel costs, including the hiring of specialized engineers, data scientists, and AI developers necessary to support complex platform upgrades and new product development like ADAM and TITAN. We also undertook compensation adjustments to ensure retention of key talent in a competitive market.

New Product Development and Platform Upgrades: Significant expenses related to the development and successful launch of the DEX product line and substantial core robotics platform enhancements. This includes costs for prototyping, testing environments, and integration of cutting-edge components.

Technology Licensing and Infrastructure: Increased investment in new R&D equipment, advanced simulation software licenses, and expanded cloud computing services necessary for concurrent and rapid product development cycles. This infrastructure spending is designed to shorten time-to-market for future iterations.

Our sustained R&D investment is critical to maintaining a long-term competitive advantage, driving product innovation, and expanding the functional capabilities of our robotics fleet.

Sales and Marketing Expenses

Sales and marketing (S&M) expenses decreased by \$574 thousand, or approximately 43.65%, from \$1,315 thousand in 2024 to \$741 thousand in 2025. This significant decrease, despite an overall increase in net revenue, is primarily the result of:

Strategic Shift Efficiency: A reduced need for high-cost, upfront sales campaigns typically associated with achieving single large product sales. Resources were strategically reallocated to focus on the lower-cost, recurring customer acquisition model required for leasing. The marketing focus shifted from volume-based lead generation to quality, relationship-based lead nurturing.

Marketing Optimization and Digital Focus: Successful optimization of digital marketing channels, yielding better results at a lower cost-per-acquisition. We reduced expenditures on less effective traditional advertising formats while increasing investment in targeted digital platforms and content marketing efforts, resulting in a more efficient spend.

We anticipate S&M expenses to remain relatively stable as a percentage of revenue in the near term as we balance recurring revenue growth with the need for efficient new customer acquisition.

General and Administrative Expenses

General and administrative (G&A) expenses increased dramatically by \$8,434 thousand, or approximately 129.10%, from \$6,533 thousand in 2024 to \$14,967 thousand in 2025. This significant surge is primarily attributed to non-recurring and foundational investments required to transition the Company into a scalable public enterprise:

- **Public Company Readiness and Compliance Costs:** The increase primarily reflects incremental legal, audit, and consulting costs associated with ongoing SEC reporting, SOX compliance, and expanded internal control requirements as a public company.
- **Increased D&O Insurance Premiums:** We incurred a material increase in premiums for our Directors and Officers (D&O) liability insurance. This increase reflects broader market pricing trends for newly public companies and the necessity of securing higher coverage limits to attract and retain qualified independent directors. We expect these premium costs to remain a recurring component of our operating expenses.
- **Expanded Infrastructure and Staffing:** A large portion of the expenditure supported essential corporate infrastructure expansion and personnel scaling. This includes costs related to the purchase of the new corporate headquarters and the subsequent move, which incurred significant one-time expenses for facility build-out, IT integration, and relocation services. Crucially, the increase reflects the necessary expansion of the back-office staff—specifically Finance, Legal, and Human Resources—to support the increased complexity of public reporting and the accelerated growth rate of the business, particularly the compliance demands of the leasing portfolio.

Investment Income

Investment income increased from \$13 thousand in fiscal 2024 to \$2,177 thousand in fiscal 2025, primarily due to higher average cash and investment balances resulting from funds received through various financing transactions, as discussed in Liquidity and Capital Resources.

Other Income (Expense)

Interest expense, net, decreased from \$762 thousand in fiscal year 2024 compared to \$83 thousand in fiscal year 2025, primarily due to the repayment of outstanding interest-bearing debt during the fiscal year.

Other income (loss) decreased \$41,759 thousand, from income of \$7,587 thousand in fiscal year 2024 to a loss of \$34,172 thousand in fiscal year 2025, which is due to the change in fair value of the warrant liability. The Company's warrant liability is remeasured at fair value at each reporting period, and the resulting non-cash gain or loss is recognized within other income (loss). The change was driven by fluctuations in the underlying inputs to the fair value measurement for the warrant liability for the year ended September 30, 2025 compared to the year ended September 30, 2024.

Income Tax Benefit/(Expense)

Income tax benefit for the 2025 fiscal year was \$96 thousand, compared to an income tax expense of \$426 thousand in 2024, this is primarily driven by the removal of deferred tax benefits in 2024, management determined that it is more likely than not that the Company will be unable to realize the benefits of these deductible temporary differences in the future.

Liquidity and Capital Resources

Our primary sources of liquidity are cash and cash equivalents, which consist of cash on hand and short-term investments that are readily convertible to cash. As of September 30, 2025, our cash and cash equivalents totaled \$193.6 million. This represents a significant increase from \$14.6 million at the end of the prior fiscal year. The substantial increase in our cash position is primarily attributable to the net proceeds of \$219.8 million received from issuance of shares of Class B common stock, and the net proceeds of \$16.3 million received from the exercise and issuance of warrants. These proceeds significantly strengthened our balance sheet and provided us with financial flexibility to invest in our growth initiatives, including expanding our R&D team, purchase of property and equipment to support our expanding operations. This increase was partially offset by cash used in operating activities, primarily due to our net loss and investments in working capital.

During the fiscal year ended September 30, 2025, the Company raised capital through three at-the-market offering agreements. On May 16, 2025, the Company entered into the May ATM Agreement with Rodman & Renshaw LLC, H.C. Wainwright & Co., LLC, and BTIG, LLC. Under this agreement, the Company issued and sold 45,636,983 shares of Class B common stock, generating gross proceeds of \$100.0 million. On August 28, 2025, the Company entered into the August ATM Agreement with Rodman & Renshaw LLC and H.C. Wainwright & Co., LLC, which effectively replaced the May ATM Agreement. The Company issued and sold 27,322,000 shares of Class B common stock under this agreement, generating gross proceeds of \$100.0 million. On September 23, 2025, the Company entered into the September ATM Agreement with Rodman & Renshaw LLC and H.C. Wainwright & Co., LLC for an aggregate offering price of up to \$1.0 billion. During the fiscal year ended September 30, 2025, the Company issued and sold 6,282,472 shares under this agreement, generating gross proceeds of \$26.8 million. For more information on the at-the-market offering agreements, please see “ITEM 1. Business – Material Contracts – ATM Agreements.”

Comparison of the years ended September 30, 2025 and 2024

The following table summarizes our cash flow information for the years ended September 30, 2025 and 2024, together with the dollar change in those items from period to period (in thousands):

	Year ended September 30,		Change
	2025	2024	
Net Cash provided by (used in):			
Operating activities	\$ (8,911)	\$ (4,941)	\$ (3,970)
Investing activities	(56,183)	(22,851)	(33,332)
Financing Activities	236,102	41,925	194,177
Net increase (decrease) in cash	<u>\$ 171,008</u>	<u>\$ 14,133</u>	<u>\$ 156,875</u>

Operating Activities

Net cash used in operating activities for the year ended September 30, 2025 was \$8,911 thousand, primarily driven by a net loss of \$49,182 thousand, partially offset by non-cash charges of \$39,472 thousand and a positive net change in operating assets and liabilities of \$799 thousand. Non-cash charges primarily included \$3,724 thousand of stock based compensation expense and \$34,172 thousand of loss on the change in the fair value of the warrant liability. The cash flow impact from changes in net operating assets and liabilities was mainly driven by an increase in accrued expenses and other payable of \$1,280 thousand, which was offset by increases in accounts receivable of \$422 thousand, inventory of \$96 thousand, and prepaid expenses and other current assets of \$396 thousand.

Net cash used in operating activities for the year ended September 30, 2024 was \$4,941 thousand, primarily due to a net loss of \$1,368 thousand and net gains from non-cash increases of \$6,679 thousand, offset by a positive net change in operating assets and liabilities of \$3,106 thousand. The cash flow impact from changes in net operating assets and liabilities was primarily driven by decrease in accounts receivable of \$4,218 thousand, deferred tax asset of \$518 thousand and operating lease liabilities of \$190 thousand, partially offset by decreases in accounts payable of \$976 thousand, tax payable of \$348 thousand, increases in right-of-use asset of \$191 thousand and increase in inventory of \$207 thousand,.

Investing Activities

Net cash used in investing activities was \$56,183 thousand for the year ended September 30, 2025, primarily driven by \$50,028 thousand in purchases of short-term investments, \$5,144 thousand in purchases of property and equipment, and \$590 thousand in purchases of intangible assets.

Net cash used for investing activities was \$22,851 thousand net cash used for investing activities for year ended September 30, 2024, primarily driven by \$15,940 thousand in purchases of short-term investments, \$5,471 thousand in purchases of intangible assets, \$730 thousand in purchases of long-term investments, and \$844 thousand in purchases of property and equipment.

Financing Activities

Net cash provided by financing activities totaled \$236,102 thousand for the year ended September 30, 2025, mainly due to \$219,808 thousand from issuance of ordinary shares and \$18,909 thousand from proceeds from warrants exercise.

Net cash provided by financing activities totaled \$41,925 thousand for the year ended September 30, 2024. We received \$39,468 thousand from issuance of common stock, \$3,385 thousand from a loan settlement, and \$3,102 thousand from a third party loan, offset by a \$3,792 thousand payment of loans received from third parties and \$238 thousand payment of related party debt.

Contractual Obligations

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Trend Information

Other than as disclosed elsewhere in this report, we are not aware of any trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on our net revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Seasonality

Seasonality does not materially affect our business or the results of our operations.

Off-Balance Sheet Arrangements

We do not have off-balance sheet arrangements.

Recent Accounting Pronouncements Not Yet Adopted

See Note 4 to our audited financial statements included elsewhere in this Form 10-K/A for more information.

Critical Accounting Policies and Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Management bases its estimates on historical experience, market and other conditions, and various other assumptions it believes to be reasonable. See Note 4 to our audited financial statements included elsewhere in this Form 10-K/A for more information.

JOBS Act

Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of new or revised accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this extended transition period.

For as long as we remain an “emerging growth company” under the recently enacted JOBS Act, we will, among other things:

- be exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act, which requires that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal controls over financial reporting;
- be permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Exchange Act and instead provide a reduced level of disclosure concerning executive compensation; and
- be exempt from any rules that may be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor’s report on the financial statements.

Although we are still evaluating the JOBS Act, we currently intend to take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us so long as we qualify as an “emerging growth company,” including the extension of time to comply with new or revised financial accounting standards available under Section 102(b) of the JOBS Act. Among other things, this means that our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an emerging growth company, which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected. Likewise, so long as we qualify as an emerging growth company, we may elect not to provide you with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the SEC, which may make it more difficult for investors and securities analysts to evaluate our company. As a result, investor confidence in our company and the market price of our common stock may be materially and adversely affected.

ITEM 7A. Quantitative and Qualitative Disclosure About Market Risk

As a “smaller reporting company” we are not required to provide information required by this Item.

ITEM 8. Financial Statements and Supplementary Data

Reference is made to pages F-1 through F-40 comprising a portion of this Report, which are incorporated herein by reference.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Report, our management conducted an assessment of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Report. Based on such assessment, our CEO and CFO have concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this Report.

Management’s Annual Report on Internal Controls over Financial Reporting

Our internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board, management and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with the authorization of our Board and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Under the supervision and participation of our management, including our Chief Executive Officer and Chief Financial Officer (together, the “Certifying Officers”), we evaluated the effectiveness of our internal control over financial reporting based on the framework set forth in Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the foregoing, our Certifying Officers concluded that our internal controls over financial reporting were not effective as of the end of the fiscal year ended September 30, 2025 due to the material weakness described below.

As part of our assessment of the effectiveness of our internal control over financial reporting as of September 30, 2025, management identified a material weakness in the Company’s internal control over financial reporting related to the design and operation of controls over the identification, evaluation, and accounting for complex and non-routine transactions, including equity-linked financial instruments and derivative accounting, as well as certain controls over financial statement account classification and disclosures, and controls over the application of U.S. GAAP to specific transactions and account balances. This material weakness contributed to errors identified in the accounting for warrants, share-based compensation, derivative instruments, debt and equity transactions, inventory, property and equipment, intangible assets, expense classification, income taxes, etc. The errors identified are discussed in detail in NOTE 2: Restatement of Previously Issued Financial Statements and NOTE 3: Restatement of Previously Issued Quarterly Financial Statements within Item 8.

The material weakness resulted in misstatements to previously issued consolidated financial statements that required restatement. Accordingly, management concluded that the material weakness created a reasonable possibility that a material misstatement of the Company’s consolidated financial statements would not be prevented or detected on a timely basis.

Management has developed and is implementing a remediation plan to address the identified material weakness. Key elements of the remediation plan include enhancing technical accounting resources and review procedures; strengthening controls over the evaluation and accounting for complex financial instruments, non-routine transactions, and significant estimates; improving documentation standards; implementing additional review and approval controls over financial reporting and account classifications; and providing additional training to personnel responsible for the preparation and review of financial information. While these remediation efforts are ongoing, management expects to complete testing of the operating effectiveness of the enhanced controls in a future period and therefore has not yet completed sufficient testing to conclude that the material weakness has been fully remediated as of September 30, 2025.

This Report does not include an attestation report of our internal controls from our independent registered public accounting firm due to our status as an emerging growth company under the JOBS Act.

Ongoing Monitoring

Management recognizes the importance of ongoing monitoring and continuous improvement of our internal control over financial reporting. We have established a process for regularly evaluating the effectiveness of our controls, including periodic self-assessments, internal audits, and ongoing monitoring activities. This process allows us to identify and address any emerging risks or control deficiencies in a timely manner.

Changes in Internal Control over Financial Reporting

Other than as disclosed above, there were no changes in the Company's internal control over financial reporting during the fiscal year ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations on Internal Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. No evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

ITEM 9B. Other Information

During the fiscal quarter ended September 30, 2025, the following Section 16 officers and directors adopted, modified or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K of the Exchange Act):

- Phil Zheng, Chief Operating Officer, adopted a new trading plan on May 25, 2025, which provided for the sale of up to 200,000 shares of Class B common stock, provided that certain conditions are met. The trading plan was effective until December 31, 2025.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not Applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Listed below are the names of the directors and executive officers of the Company, their ages as of the date of this Annual Report, their positions held and the year they commenced service with the Company.

Name	Age	Title
Zhenwu (Wayne) Huang	50	Chief Executive Officer and Director
Zhenqiang (Michael) Huang	47	Chief Financial Officer and Director
Phil Zheng	33	Chief Operating Officer
John Shigley	69	Director
Stephen Markscheid	71	Director
Saul Factor	66	Director

Biographies of Executive Officers and Directors

Mr. Zhenwu (Wayne) Huang has served as our Founder, Chief Executive Officer and director since the founding of the Company in July 2016. Mr. Huang has 20 years of experience leading corporations across multiple technology industries. Mr. Huang directs the core focus of the company, formulates and implements business policies through the Company's management team, and directly oversees R&D operations. He served as co-founder and Chief Executive Officer of Nanjing Rich Digital Technology Co. Ltd. from 2003 to 2007, a leading value-add service provider for telecommunications. There, he pioneered live interactive TV games based on smart computer vision, and had a peak audience of over 100 million subscribers. This success can be attributed to Mr. Huang's understanding of customer centric design, utilizing technology to elevate the customer experience. Mr. Huang served as the co-founder and Chief Executive Officer of Richtech System Ltd. from 2007 to 2016, a global supplier of smart hardware and interactive multimedia systems to over 120 countries. Mr. Huang received a Bachelor in Computer Information Management from Huadong Finance and Economics College in July 2000. We believe that Mr. Huang's extensive knowledge of our Company as co-founder and his experience in executive roles across multiple industries make him qualified to serve on our Board.

Mr. Zhenqiang (Michael) Huang has served as our co-founder, Chief Financial Officer and director since the founding of the Company in July 2016. He oversees the functions relating to finance, accounting, reporting and procurement. Mr. Huang was co-founder of Nanjing Rich Digital Technology Co. Ltd. from 2003 to 2007 where he oversaw international cooperation and partnerships. He served as co-founder and Chief Financial Officer of Richtech System Ltd. from 2007 to 2016, leading the company on its international expansion and business development. Mr. Huang holds a management training certificate from the Federal Ministry of Economics and Technology of Germany since 2012. He received his Bachelor's Degree in Economics from Nanjing University in June 2000. We believe that Mr. Huang's extensive knowledge of our Company as co-founder and his experience in finance and international business development make him qualified to serve on our Board.

Mr. Phil Zheng has served as our Chief Operating Officer since February 2020. He oversees the operations of the Company, including business development, marketing, product design, R&D process, market research, compliance, administration of standardized operating procedures, customer relations, and partnerships. Prior to that, he served as the Company's Director of Operations from July 2017 to January 2019 and Chief Revenue Officer from February 2019 to January 2020, where he was tasked to build and scale company departments into effective business units and direct sales revenues strategies. He has a Bachelor of Arts from the University of California, Los Angeles, and a Juris Doctor from the University of California, Irvine, School of Law. We believe Mr. Zheng's extensive knowledge of the Company's internal operations qualifies him to be our Chief Operating Officer.

Mr. Casella served as our President until December 2, 2025. In connection with his resignation, the Company entered into a separation agreement as filed in our Form 8-K on December 5, 2025. 51

Mr. John Shigley joined our board of directors as an independent director in November 2023. Mr. Shigley is a retired Nevada certified public accountant with over 30 years of executive experience in large casino-hotels. Mr. Shigley has held various positions in finance, marketing and operations, including Chief Financial Officer of Primadonna Resorts (1998 to 2000), President of Caesars Palace (2000 to 2001), Executive Vice President of New York, New York Hotel and Casino in Las Vegas (2002 to 2005), Executive Vice President (2005 to 2011) and Chief Financial Officer (2005 to 2008) of MGM Grand Hotel Las Vegas, President of MGM Vietnam (March 2011 to April 2013), Executive Vice President of MGM Macau (May 2013 to January 2014) and Chief Operating Officer of Gaming for MGM China (January 2014 to February, 2019). Mr. Shigley received his B.S. in Accountancy from Northern Illinois University and spent his early career with a large international certified public accounting firm. We believe that Mr. Shigley's experience in financial and operational management and his established network in the hospitality industry make him a qualified candidate to serve on our Board.

Mr. Stephen Markscheid joined our board of directors as an independent director in November 2023. Mr. Markscheid has been the Managing Partner of Aerion Capital, a family office, since July 2022. He currently serves as independent non-executive director of six other publicly listed companies: Jinko Solar Inc. (NYSE: JKS), a solar panel manufacturer (since 2010); ConnectM Technology Solutions, Inc. (Nasdaq: CNTM), a technology company (since July 2024); Four Leaf Acquisition Corporation (Nasdaq: FORL), a special purpose acquisition company (since 2023); Charlton Aria Acquisition Corporation (Nasdaq: CHARU), a special purpose acquisition company (since October 2024); Pantages Acquisition Corporation (Nasdaq: PGAC), a special purpose acquisition company (since December 2024); and Starry Sea Acquisition Corporation (Nasdaq: SSEA), a special purpose acquisition company (since August 2025). Mr. Markscheid previously served as a director on numerous public boards including Cenntro Inc. (Nasdaq CENN), an electric vehicle manufacturer from 2023 to 2024, UGE International (XTSX:UGE), a solar installation company from August 2019 to July 2023, Fanhua, Inc. (Nasdaq: FANH), a financial services provider from 2007 to 2024, Kingwisoft Technology Services Ltd. (HKSE: 8295.HK), an information technology company from 2016 to 2024, and several special purpose acquisition companies. He is also a trustee emeritus of Princeton-in-Asia. From 1998 to 2006, he worked for GE Capital. During his time with GE Capital, Mr. Markscheid led GE Capital's business development activities in China and Asia Pacific, primarily acquisitions and direct investments. Prior to GE Capital, Mr. Markscheid worked with the Boston Consulting Group throughout Asia. He was a banker for ten years in London, Chicago, New York, Hong Kong and Beijing with Chase Manhattan Bank and First National Bank of Chicago. Mr. Markscheid began his career with the US-China Business Council, in Washington D.C. and Beijing. He earned a BA in East Asian Studies from Princeton University in 1976, an MA in international affairs from Johns Hopkins University in 1980, and an MBA from Columbia University in 1991, where he was class valedictorian. We believe that Mr. Markscheid's extensive experience serving on public boards and working with technology companies makes him a qualified candidate to serve on our Board.

Mr. Markscheid was a consolidated defendant in his capacity as a director of ChinaCast Education Corporation ("ChinaCast") in a securities lawsuit filed on May 2, 2012 in the U.S. District Court for the Central District of California, alleging misrepresentation of ChinaCast's financial conditions and its failure to disclose cash transfers of \$120 million to certain officers and directors of ChinaCast. On November 8, 2016, the district court ruled in favor of the class action plaintiffs, finding ChinaCast was liable for \$65.8 million. On August 25, 2014, a securities complaint alleging similar violations was also filed in the Delaware Court of Chancery (the "Chancery Court") by ChinaCast, where Mr. Markscheid was named a third-party defendant. On March 23, 2015, the Chancery Court entered a judgment in favor of the plaintiff, ordering a former director of ChinaCast with damages of \$183.3 million caused by breach of fiduciary duty. The former director filed a third party complaint against the other directors, including Mr. Markscheid, which was settled in December 2022.

Mr. Markscheid was a defendant in his capacity as a director of JinkoSolar Holding Co. Ltd. ("JinkoSolar") in a class action securities lawsuit filed in October 2011. The plaintiff alleged the JinkoSolar directors of making materially false and misleading statements regarding its compliance with environmental regulations. The case was settled in March 2016.

Mr. Markscheid was a defendant in his capacity as a director of China Integrated Energy, Inc. ("CBEH") in a class action securities lawsuit filed on June 30, 2011, where the president, officers, directors of CBEH were alleged to have disseminated materially misleading statements and failed to disclose material information concerning the CBEH's true financial condition and business prospects ("CBEH June 2011 Case"). Mr. Markscheid was also a defendant in his capacity as a director of CBEH in a class action securities lawsuit filed on July 8, 2011, where the officers of CBEH were alleged to have made improper statements regarding its financial results and business operations, caused it to enter into non-accretive acquisitions for entities that they knew were overvalued, failed to implement an effective system of internal and financial controls, and obstructed the CBEH's audit committee's independent investigation ("CBEH July 2011 Case"). CBEH June 2011 Case and CBEH July 2011 Case were later consolidated, which was settled in December 2015.

Mr. Saul Factor joined our board of directors as an independent director in November 2023. Mr. Factor has over 20 years of experience as a healthcare and pharmaceuticals executive, with experience driving business operations across various countries around the world. Mr. Factor currently serves as president of Factor Healthcare Consulting, a pharmaceuticals consulting company, which he founded in 2020. Prior to that, he served in various roles at different pharmaceuticals and healthcare companies, including serving as president of Smith Drug Company (2017 to 2020), where he directed marketing, sales, operations, and financial functions; executive vice president of strategy at Accord Healthcare (2016 to 2017); president of global sourcing & procurement and senior vice president of Global Generics at McKesson Corporation (2006 to 2016); chief operating officer at RX America, LLC (2003 to 2006); and B2B Brand Manager and Leader at Eli Lilly & Company (2000 to 2003). Mr. Factor received a Bachelor of Science in Pharmacy from Northeastern University and a Master of Business Administration (MBA) from the University of New Haven. We believe that Mr. Factor's executive leadership experience and specialty in fostering corporate growth make him a qualified candidate to serve on our Board.

Our Advisory Board

We have an Advisory Board comprised of the following individuals:

Name	Age	Title
Yman Vien	65	Advisory Board Nominee
Dr. Lingyun Gu	48	Advisory Board Nominee
Dr. Darryl T. Jenkins	63	Advisory Board Nominee
Michael Roberts	74	Advisory Board Nominee

The following sets forth certain biographical information with respect to the members of our Advisory Board:

Ms. Yman Vien, an advisor of the Company, is a business consultant and financial advisor with 30 years of banking industry experience. Recognized by the American Bankers Association, she has served as Vice President Business Banker at Lakeside Bank where she was responsible for developing new business for deposits and lending activities, managing customer portfolios, and expanding other banking products and services relationships. For 30 years, Ms. Vien worked in the banking industry in various positions including auditor, accountant, president and chief executive officer at local Chicago community banks. Most recently, from 2015 to current, Ms. Vien serves as President at Lotus Financial Partners, which provides financial consulting services to local developers and business owners for raising private funding and obtaining bank financing for real estate development projects. Same time from 2021, Ms. Vien has helped to start an Adult Day Care Service center and In-Home Service programs to seniors. Ms. Vien also served as trustee and treasurer for Ravenswood Health Care Foundation from 2007 to 2018. Ms. Vien received her Bachelor's Degree in Business Administration Managerial Accounting from Loyola University in 1985. She also received a diploma from the Graduate School of Banking, University of Wisconsin in 2000. She holds real estate and insurance licenses. She is the co-founder and current board member of Chinese Mutual Aid Association, a not for profit organization serving refugees and immigrants in Chicago since 1981.

Dr. Lingyun Gu, an advisor of the Company, focuses on the fields of AI, machine learning, and big data, he has published dozens of papers in international journals and has at least 15 invention patents in the United States and China. At the same time, he also has senior leadership experience in building AI companies, as well as TMT investment experience in VC companies, which enables him to combine academic research with business practice. He holds a PhD in School of Computer Science from Carnegie Mellon University.

Dr. Darryl T. Jenkins, an advisor of the Company, is a business executive with 30+ years of professional experience building multiple products and companies. He is an experienced senior leader with a history of working in project management, diversity, equity and inclusion, marketing, sales, organizational leadership and information technology. Dr. Jenkins has extensive experience working with non-profit organizations, health care systems, and providers to promote greater health equity through education and research, with a focus in areas of chronic conditions. Dr. Jenkins currently serves as the President of the Judson University Board of Trustees of Elgin, Illinois and CEO of DLJ Consulting Group, a professional consulting firm working in corporate and non-profit sectors in Polarity Thinking™. He has held key leadership positions with Fortune 500 Companies and has led diverse information technology teams and network engineers in national and international project deployments, advanced systems and software integrations. Dr. Jenkins is also a published author. Dr. Jenkins has served on various public and private boards of directors. Dr. Jenkins holds a Bachelor's Degree from the University of Illinois Chicago, a Masters and Doctorate degrees from Northern Seminary, Lisle, Illinois.

Michael Roberts, an advisor of the Company, is currently the President of Westside Holdings LLC, a marketing and brand development company since 2006, and the former Global President and Chief Operations Officer for McDonald's Corporation (NYSE: MCD) (2004 to 2006), where he also served on the board of directors. As Global President for McDonald's, Mr. Roberts was responsible for more than 31,000 restaurants in 118 countries. Before assuming this position in 2004, his previous positions at McDonald's Corporation included Chief Executive Officer, McDonald's USA (2001 to 2004); and President, West Division, McDonald's USA (1997 to 2001). Mr. Roberts was the Co-Founder of LYFE Kitchen restaurants, where he created a transformational, socially responsible "lyfestyle" brand whose acronym stands for Love Your Food Everyday. In 2009, Mr. Roberts was the Vice Chairman and a Board Member of the Chicago 2016 Olympic Committee. He was responsible for overseeing marketing and communications activities for the bid from the board level. In addition, he was also active in areas of sponsorship, advertising, grassroots marketing and building the bid's national and international presence in support of Chicago's candidacy. Mr. Roberts is also on the board of directors of Lumen Technologies (NYSE: LUMN) (since 2011), a telecommunications company, and a former board member of W.W. Grainger, Inc. (NYSE: GWW), where he also served as Chair of the Compensation Committee and as a member of the Board Affairs and Nominating Committee. and of Lumen Technologies (f/k/a CenturyLink), where he also served as a member of the Nominating and Corporate Governance Committee. Mr. Roberts received his undergraduate degree from Loyola University of Chicago.

Family Relationships

There are no family relationships between or among any of the current directors, executive officers or persons nominated or charged to become directors or executive officers, except that Mr. Zhenqiang (Michael) Huang and Mr. Zhenwu Huang are brothers.

Board Composition

Our business and affairs are organized under the direction of our board of directors, which consists of five (5) members. Our directors hold office until the earlier of their death, resignation, removal, or disqualification, or until their successors have been elected and qualified. Our board of directors does not have a formal policy on whether the roles of Chief Executive Officer and chairman of our board of directors should be separate. The primary responsibilities of our board of directors are to provide oversight, strategic guidance, counseling, and direction to our management. Our board of directors meets on a regular basis.

In addition, in accordance with the terms of our second amended and restated articles of incorporation and amended and restated bylaws, our board of directors is divided into three (3) classes with only one class of directors being elected in each year and each class (except for those directors appointed prior to our first annual meeting of stockholders) serving a three-year term. The term of office of the first class of directors, which consists of Stephen Markscheid, who was re-elected at our first annual meeting of stockholders held on September 29, 2025, will expire at our fourth annual meeting of stockholders. The term of office of the second class of directors, which consists of Saul Factor and John Shigley, will expire at the second annual meeting of stockholders. The term of office of the third class of directors, which consists of Zhenwu Huang and Zhenqiang Huang, will expire at the third annual meeting of stockholders. We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Our second amended and restated articles of incorporation and second amended and restated bylaws provide that the authorized number of directors may be changed only by resolution of our board of directors. Our second amended and restated articles of incorporation and second amended and restated bylaws also provide that our directors may be removed only for cause, and only by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the total voting power of the outstanding shares of capital stock of the Company entitled to vote in the election of directors, voting together as a single class, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

Director Independence

The Nasdaq Marketplace Rules require a majority of a listed company's board of directors to be comprised of independent directors within one year of listing. In addition, the Nasdaq Marketplace Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act.

Under Rule 5605(a)(2) of the Nasdaq Marketplace Rules, a director will only qualify as an "independent director" if, in the opinion of our board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3 of the Exchange Act, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or otherwise be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has reviewed the composition of our board of directors and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that each of John Shigley, Stephen Markscheid and Saul Factor is an “independent director” as defined under Rule 5605(a)(2) of the Nasdaq Marketplace Rules and that John Shigley, Stephen Markscheid and Saul Factor are “independent directors.” Our board of directors also determined that John Shigley, Stephen Markscheid and Saul Factor, who are members of our audit committee, Stephen Markscheid and Saul Factor, who are members of our compensation committee, and Stephen Markscheid and Saul Factor, who are members of our nominating and corporate governance committee, satisfy the independence standards for such committees established by the SEC and the Nasdaq Marketplace Rules, as applicable. In making such determinations, our board of directors considered the relationships that each such non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining independence, including the beneficial ownership of our capital stock by each non-employee director.

Board Committees

Our board of directors has established three standing committees - audit, compensation and nominating and corporate governance - each of which operates under a charter that has been approved by our board of directors. Copies of each committee’s charter are posted on the Investor Relations section of our website, which is located at www.richtechrobotics.com. Each committee has the composition and responsibilities described below. Our board of directors may from time to time establish other committees.

Audit Committee

Our audit committee consists of John Shigley, who is the chair of the audit committee, Stephen Markscheid and Saul Factor. Our board of directors has determined that each of the members of our audit committee satisfies the Nasdaq Marketplace Rules and SEC independence requirements. The functions of this committee include, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and discussing the statements and reports with our independent auditors and management;
- reviewing with our independent auditors and management significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management is implemented; and
- reviewing and evaluating on an annual basis the performance of the audit committee, including compliance of the audit committee with its charter.

Our board of directors has determined that John Shigley qualifies as an “audit committee financial expert” within the meaning of applicable SEC regulations and meets the financial sophistication requirements of the Nasdaq Marketplace Rules. In making this determination, our board has considered his extensive financial experience and business background. Both our independent registered public accounting firm and management periodically meet privately with our audit committee.

Compensation Committee

Our compensation committee consists of Stephen Markscheid, who is the chair of the compensation committee, and Saul Factor. Our board of directors has determined that each of the members of our compensation committee is an outside director, as defined pursuant to Section 162(m) of the Code, and satisfies the Nasdaq Marketplace Rules independence requirements. The functions of this committee include, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) our overall compensation strategy and policies;
- reviewing and approving the compensation, the performance goals and objectives relevant to the compensation, and other terms of employment of our executive officers;
- reviewing and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;
- reviewing and approving the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing with management and approving our disclosures under the caption “Compensation Discussion and Analysis” in our periodic reports or proxy statements to be filed with the SEC; and
- preparing the report that the SEC requires in our annual proxy statement.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Saul Factor, who is the chair of the compensation committee, and Stephen Markscheid. Our board of directors has determined that each of the members of this committee satisfies the Nasdaq Marketplace Rules independence requirements. The functions of this committee include, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors consistent with criteria approved by our board of directors;
- evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors; and
- evaluating nominations by stockholders of candidates for election to our board of directors.

The compensation committee will take into account many factors in determining recommendations for persons to serve on the board of directors, including the following:

- personal and professional integrity, ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly-held company;

- experience as a board member or executive officer of another publicly-held company;
- strong finance experience;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- diversity of background and perspective including, without limitation, with respect to age, gender, race, place of residence and specialized experience;
- experience relevant to our business industry and with relevant social policy concerns; and
- relevant academic expertise or other proficiency in an area of our business operations.

Attendance

There were nine (9) meetings, exclusive of action by unanimous written consent, of the board of directors held during fiscal year 2025. Each of our directors attended all of the meetings of the board of directors held during fiscal year 2025, while such director was a member of the board of directors.

There were four (4) meetings, exclusive of action by unanimous written consent, of the Audit Committee held during fiscal year 2025. Each of the committee members attended all of the meetings of the Audit Committee held during fiscal year 2025 while such committee member served on the Audit Committee.

There was one (1) meeting, exclusive of action by unanimous written consent, of the Compensation Committee held during fiscal year 2025. Each of the committee members attended such meeting of the Compensation Committee held during fiscal year 2024.

There were zero (0) meetings, exclusive of action by unanimous written consent, of the Nominating and Corporate Governance Committee held during fiscal year 2025.

Director Attendance at Annual Meeting of Stockholders

We do not have a formal policy regarding the attendance of our board members at our annual meetings of stockholders, but we expect all directors to make every effort to attend any meeting of stockholders.

Role of Board in Risk Oversight Process

Our co-founder and Chief Executive Officer, Zhenwu (Wayne) Huang, beneficially owns approximately 68% of the voting power of our common stock as of September 30, 2025. Periodically, our board of directors assesses these roles and the board of directors leadership structure to ensure the interests of the Company and our stockholders are best served. Our board of directors has determined that its current leadership structure is appropriate. Zhenwu (Wayne) Huang, as one of our founders and as our Chief Executive Officer, has extensive knowledge of all aspects of the Company, our business and risks.

While management is responsible for assessing and managing risks to the Company, our board of directors is responsible for overseeing management's efforts to assess and manage risk. This oversight is conducted primarily by our full board of directors, which has responsibility for general oversight of risks, and standing committees of our board of directors. Our board of directors satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within our company. Our board of directors believes that full and open communication between management and the board of directors is essential for effective risk management and oversight.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of our company.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our employees, officers and directors. A current copy of the code is posted on the Corporate Governance section of our website, which is located at www.richtechrobotics.com. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of such provisions applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and our directors, on our website identified above or in filings with the SEC.

Insider Trading Policy

We have adopted a formal policy against insider trading which provides guidelines to all of our directors, officers, employees, and consultants with respect to trading in our securities, as well as the securities of publicly traded companies with whom we have a business relationship. This policy has been designed to prevent insider trading or even allegations of insider trading.

Compensation Recovery and Clawback Policy

Under the Sarbanes-Oxley Act, in the event of misconduct that results in a financial restatement that would have reduced a previously paid incentive amount, we can recoup those improper payments from our executive officers. The SEC also recently adopted rules which direct national stock exchanges to require listed companies to implement policies intended to recoup bonuses paid to executives if the company is found to have misstated its financial results.

On November 13, 2023, our board of directors approved the adoption of the Executive Compensation Clawback Policy (the “Clawback Policy”), with an effective date of October 2, 2023, in order to comply with the final clawback rules adopted by the SEC under the Rule, and the listing standards, as set forth in the Nasdaq Listing Rule 5608 (the “Final Clawback Rules”).

The Clawback Policy provides for the mandatory recovery of erroneously awarded incentive-based compensation from our current and former executive officers as defined in the Rule (“Covered Officers”) in the event that we are required to prepare an accounting restatement, in accordance with the Final Clawback Rules. The recovery of such compensation applies regardless of whether a Covered Officer engaged in misconduct or otherwise caused or contributed to the requirement of an accounting restatement. Under the Clawback Policy, our board of directors may recoup from the Covered Officers erroneously awarded incentive compensation received within a lookback period of the three completed fiscal years preceding the date on which we are required to prepare an accounting restatement.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and ten percent stockholders to file initial reports of ownership and reports of changes in ownership of our common stock with the Commission. Directors, executive officers and ten percent stockholders are also required to furnish us with copies of all Section 16(a) forms that they file. Based solely on our review of such forms furnished to us and written representations from certain reporting persons, we believe that during the year ended September 30, 2025, all reports applicable to our executive officers, directors and greater than 10% beneficial owners were filed in a timely manner in accordance with Section 16(a) of the Exchange Act, except as set forth below:

- Phil Zheng, Chief Operating Officer, failed to timely file his Form 4 twice.
- John Shigley, a director, failed to timely file its Form 4 twice.
- Stephen Markscheid, a director, failed to timely file its Form 4 twice.
- Saul Factor, a director, failed to timely file its Form 4 twice.

ITEM 11. Executive Compensation

This section discusses the material components of the executive compensation program for our named executive officers for the years ended September 30, 2025 and 2024. Individuals we refer to as our “named executive officers” include our Chief Executive Officer and our two other most highly compensated executive officers whose salary and bonus for services rendered in all capacities exceeded \$100,000 during the fiscal year ended September 30, 2025.

Our named executive officers are:

- | | |
|------------------------|-------------------------|
| • Zhenwu (Wayne) Huang | Chief Executive Officer |
| • Matthew Casella | President |
| • Phil Zheng | Chief Operating Officer |

Summary Compensation Table

The following table presents the compensation awarded to or earned by our named executive officers during the fiscal years ended September 30, 2025 and 2024.

Name and Principal Position	Year (FY)	Salary (\$)	Bonus (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Zhenwu (Wayne) Huang	2025	\$ 126,000	-	-	-	-	-	\$ 126,000
CEO	2024	120,000	-	-	-	-	-	120,000
Phil Zheng	2025	125,389	-	-	-	-	-	125,389
COO	2024	133,717	-	-	-	-	-	133,717
Matthew Casella ¹	2025	185,000	-	-	-	-	-	185,000
President	2024	168,654	-	-	-	-	-	168,654

1. Matthew Casella resigned on December 2, 2025.

Narrative to Summary Compensation Table

Employment Agreements

For the fiscal year ended September 30, 2025, the Company maintained written employment agreements with its Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and President. These employment agreements set forth the terms and conditions of employment, including compensation, benefits, and certain post-termination obligations. Each agreement provides for paid holidays, health insurance eligibility, and severance benefits, if any, as required by applicable law. Following termination of employment, the executives agreed to refrain from (i) hiring or attempting to hire any current employees of the Company; and (ii) soliciting business from current clients or clients who have retained the Company in the 6-month period immediately preceding the employment termination.

Agreement with Chief Executive Officer

The CEO employment agreement was entered as of July 1, 2016. Initially, the CEO annual base salary was \$120,000, and for the fiscal year ended September 30, 2025, the annual base salary for Mr. Zhenwu (Wayne) Huang was \$126,000. Upon termination of employment without cause, the Company is required to pay to Mr. Zhenwu (Wayne) Huang an amount as required by the Employment Standards Act 2000 or other such legislation as may be in effect at the time of termination. This payment shall constitute the employee's entire entitlement arising from said termination. The agreement provides for a non-solicitation period of six (6) months following the termination of employment.

Agreement with Chief Operating Officer

The COO employment agreement was entered as of July 2, 2020. Initially, Mr. Zheng was paid an hourly rate of \$50 per hour, and for the fiscal year ended September 30, 2024, the annual base salary for Mr. Zheng was \$133,717. On November 20, 2024, Mr. Zheng was granted 200,000 shares of Class B common stock. Upon termination of employment without cause, the Company is required to pay to Mr. Zheng an amount as required by the Employment Standards Act 2000 or other such legislation as may be in effect at the time of termination. This payment shall constitute the employee's entire entitlement arising from said termination. The agreement provides for a non-solicitation period of six (6) months following the termination of employment.

On November 20, 2024, Mr. Zheng was granted 200,000 shares of Class B common stock.

Agreement with President

The President employment agreement was entered as of August 15, 2023. The agreement entitles the President to an annual base salary of \$100,000. For the fiscal year ended September 30, 2025, the annual base salary for Mr. Casella was \$185,000. Under the terms of the agreement, the annual stock option grant will follow a "50+70" plan, where 50,000 shares will be granted as vested stock options after one year of service, and an additional 70,000 shares will be granted based on the completion of annual performance targets. On November 20, 2024, Mr. Casella was granted 60,000 shares of Class B common stock. Upon termination of employment without cause, the Company is required to pay to Mr. Casella an amount as required by the Employment Standards Act 2000 or other such legislation as may be in effect at the time of termination. This payment shall constitute the employee's entire entitlement arising from said termination. The agreement provides for a non-competition and period of twelve (12) months following the termination of employment and an indefinite non-solicitation restriction.

On December 2, 2025, Matthew Casella resigned from his position of President of the Company, effective immediately. Mr. Casella's departure was not in connection with any disagreements with the Company. In connection with Mr. Casella's transition, the Company has entered into a mutual separation agreement (the "Separation Agreement") with Mr. Casella, pursuant to which the company shall pay Mr. Casella (i) \$32,019.23, representing payment for severance, earned personal time off and accrued unpaid salary, (ii) a performance bonus of \$35,000, and (iii) 60,000 restricted shares of Class B common stock of the Company. Pursuant to the Separation Agreement, Mr. Casella will continue to serve as a consultant to the Company for a period of twelve (12) months following his separation date, in consideration for which the Company will pay him 50,000 restricted shares of Class B common stock, to be issued in four (4) equal installments on a quarterly basis through December 2026. Further, the Company has waived and released Mr. Casella from any non-competition restrictions contained in prior employment agreements, but Mr. Casella will continue to be subject to other applicable continuing obligations post-employment under his original employment agreement with the Company. The Separation Agreement also contains a mutual release of claims.

Outstanding Equity Awards at Fiscal Year-End Table

The following table summarizes the number of shares of common stock underlying outstanding equity incentive plan awards for each named executive officer as of September 30, 2025.

Name	Number of Securities Underlying Unexercised Options (# exercisable)	Number of Securities Underlying Unexercised Options (# unexercisable)	Equity Incentive Plan Awards:		Option Exercise Price	Option Expiration Date	Number of shares or units of stock that have not yet vested
			Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options			
Zhenwu (Wayne) Huang CEO	-	-	-	-	\$ -	-	-
Phil Zheng COO	-	-	-	-	-	-	-
Matthew Casella President	-	-	-	-	-	-	-

Incentive Plan

On October 1, 2025, our Board and the holders of a majority of the voting power of the outstanding Class B common stock of the Company adopted resolutions by written consent to approve and adopt the Second Amended and Restated Richtech Robotics Inc. 2023 Stock Option Plan (the “Incentive Plan”), pursuant to the Company’s second amended and restated bylaws and Nevada law. The principal purposes of the Incentive Plan are to: (a) attract and retain the best available personnel for positions of substantial responsibility; (b) provide additional incentive to employees, directors, and consultants; and (c) promote the success of the business of the Company. The following description of the principal terms of the Incentive Plan is a summary of the terms of the Incentive Plan and is qualified in its entirety by the full text of the Incentive Plan.

Administration of the Incentive Plan

Our Board or a committee appointed by the Board will administer the Incentive Plan. The plan administrator has broad authority to:

- select participants and determine the types of awards that they are to receive;
- determine the number of shares that are to be subject to awards and the terms and conditions of awards, including the price (if any) to be paid for the shares or the award and establish the vesting conditions (if applicable) of such shares or awards;
- cancel, modify, or waive our rights with respect to, or modify, discontinue, suspend, or terminate any or all outstanding awards, subject to any required consents;
- reduce the exercise price of an option if the fair market value of shares covered by such option has declined since the date the option was granted;
- determine whether an option will be settled in cash instead of shares; and
- construe and interpret the terms of the Incentive Plan and any agreements relating to the Incentive Plan.

Shares Subject to the Incentive Plan

An aggregate of 6,000,000 shares was initially reserved under the original Incentive Plan. An aggregate of 14,311,215 shares of Class B common stock was reserved for issuance under the amended and restated Incentive Plan (including the 6,000,000 shares originally reserved). Effective as of November 1, 2025, an additional 8,311,215 shares were reserved for issuance under the second amended and restated Incentive Plan. As of September 30, 2025, 876,658 shares remained available for issuance under the Incentive Plan (which amount does not include the additional 8,311,215 shares). If an option should expire or become unexercisable for any reason without having been exercised in full or no shares are issued with respect to an award, the shares underlying that award will again become available for issuance under the Incentive Plan. All of the shares available under the Incentive Plan may be issued upon the exercise of incentive stock options.

Participation

Employees, directors, and consultants that provide services to us or one of our subsidiaries may be selected to receive awards under the Incentive Plan. Incentive stock options may only be granted under the Incentive Plan to persons who, at the time of the grant, are employees of our Company or our subsidiaries.

Types of Awards

The Incentive Plan permits the granting of awards in the form of stock options and stock purchase rights, which include restricted stock awards and restricted stock units.

Stock Options. A stock option entitles the recipient to purchase shares of Class B common stock at a fixed exercise price. The exercise price per share will be determined by the plan administrator in the applicable award agreement in its sole discretion at the time of the grant. The exercise price can be paid in cash, check, net exercise, any consideration permissible under applicable law, or any combination of the foregoing. The maximum term of each stock option shall be fixed by the plan administrator, but in no event shall an option be exercisable more than ten (10) years after the date such option is granted.

The plan administrator may grant share options that qualify as “incentive stock options,” as described in Section 422 of the Code. The exercise price per share for an incentive stock option may not be less than 100% of the fair market value of a share of Class B common stock on the date of the grant. However, for an incentive stock option granted to a person possessing more than 10% of the total combined voting power of all classes of our shares, the exercise price may not be less than 110% of the fair market value of a share of Class B common stock on the date of grant and the option term may not exceed five (5) years. The aggregate fair market value of all shares with respect to which incentive stock options are exercisable by any one individual participant for the first time during any calendar year (under all of the plans of the Company, including the Incentive Plan), measured at the date of the grant, may not exceed \$100,000.

Restricted Stock. A restricted stock award is an award of Class B common stock that vests in accordance with the terms and conditions established by the plan administrator. The plan administrator will determine the persons to whom grants of restricted stock are made, the number of shares to be awarded, the price (if any) to be paid for the restricted stock, the time or times within which awards of restricted stock may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of restricted stock awards.

Restricted Stock Units. Restricted stock units are the right to receive shares of Class B common stock at a future date in accordance with the terms of such grant upon the attainment of certain conditions specified by the plan administrator. Restrictions or conditions could include, but are not limited to, the attainment of performance goals, continuous service with our Company, the passage of time, or other restrictions or conditions. The plan administrator determines the persons to whom grants of restricted stock units are made, the number of restricted stock units to be awarded, the time or times within which awards of restricted stock units may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the restricted stock unit awards.

The holders of restricted stock units will have no voting rights. Prior to settlement or forfeiture, restricted stock units awarded under the Incentive Plan may, at the plan administrator’s discretion, provide for a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all dividends paid on one share of Class B common stock while each restricted stock unit is outstanding. Dividend equivalents may be converted into additional restricted stock units. Settlement of dividend equivalents may be made in the form of cash, shares, other securities, other property, or a combination of the foregoing. Prior to distribution, any dividend equivalents shall be subject to the same conditions and restrictions as the restricted stock units to which they are payable.

Equitable Adjustments

In the event of a stock split, reverse stock split, stock dividend, combination, recapitalization or reclassification of shares of Class B common stock, the maximum number and kind of shares reserved for issuance or with respect to which awards may be granted under the Incentive Plan will be adjusted to reflect such event, and the plan administrator will make such adjustments as it deems appropriate and equitable in the number, kind, and exercise price of shares covered by outstanding awards made under the Incentive Plan.

Change in Control

In the event of any proposed change in control (as described in the Incentive Plan), the plan administrator will take any action as it deems appropriate, which action may include, without limitation, the following: (i) the continuation of any award, if the Company is the surviving corporation; (ii) the assumption of any award by the surviving corporation or its parent or subsidiary; (iii) the substitution by the surviving corporation or its parent or subsidiary of equivalent awards; or (iv) accelerated vesting of the award and a limited period during which to exercise the award prior to closing of the change in control.

Transferability

An award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner, other than by will or by the laws of descent or distribution, and may be exercised or purchased during the lifetime of the participant, only by the participant.

Term

The Incentive Plan became effective upon adoption by the Board on November 16, 2023 and, unless terminated, the Incentive Plan will continue in effect for a term of ten (10) years.

Amendment and Termination

Our Board may amend, alter, suspend, or discontinue the Incentive Plan at any time. Any such termination will not affect outstanding awards. No amendment, alteration, suspension, or discontinuation of the Incentive Plan will impair the rights of any participant without the participant's consent.

Director Compensation

Non-employee directors receive annual awards of restricted shares of Class B common stock. In fiscal year 2025, our non-employee directors each received an aggregate of 28,000 shares of our Class B common stock, which vested as described below. Subsequent awards may be adjusted by the compensation committee of the board of directors based on then-current market conditions considering the size of the Company. We will also reimburse our non-employee directors for certain expenses incurred in connection with their duties as directors of the Company.

On November 20, 2024, the Company issued 10,000 shares of its Class B common stock to each of its non-employee directors. These shares were issued at a price of \$0.53 per share, reflecting the closing market price on the date of grant, and vested immediately.

On February 17, 2025, the Company granted a total of 18,000 restricted shares of Class B common stock to each of its non-employee directors at a grant date fair value of \$2.75 per share. These shares vested in three equal installments of 6,000 shares on February 17, 2025, May 17, 2025, and August 17, 2025. The total value of the stock issued to each director during the fiscal year was \$54,800.

The following table shows the compensation paid to our non-employee directors during the year ended September 30, 2025.

Name (1)	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Nonequity incentive plan compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
John Shigley	\$ -	54,800	-	-	-	-	\$ 54,800
Stephen Markscheid	-	54,800	-	-	-	-	54,800
Saul Factor	-	54,800	-	-	-	-	54,800

(1) As of September 30, 2025, none of the non-employee directors held any outstanding stock or option awards.

Limitation of Liability and Indemnification Matters

The Company's second amended and restated articles of incorporation and second amended and restated bylaws limit the directors' liability and may indemnify directors and officers to the fullest extent permitted under the NRS 78.7502-NRS 78.751.

Nevada law, NRS 78.138, provides that the Company's directors and officers will not be personally liable to us, our stockholders or our creditors for damages for any act or omission in his or her capacity as a director or officer other than in circumstances where the director or officer breaches his or her fiduciary duty to us or our stockholders and such breach involves intentional misconduct, fraud or a knowing violation of law and the trier of fact determines that the presumption that he or she acted in good faith, on an informed basis and with a view to the interests of the corporation has been rebutted, or with respect to payment of dividends in violation of the NRS. While Nevada law allows the articles of incorporation of a corporation to provide for greater liability of the corporation's directors and officers, our second amended and restated articles of incorporation does not provide for greater liability of our officers and directors than is provided under Nevada law.

Nevada law allows a corporation to indemnify officers and directors for actions pursuant to which a director or officer either would not be liable pursuant to the limitation of liability provisions of Nevada law or where he or she acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to our best interests, and, in the case of an action not by or in the right of the corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

As permitted by Nevada law or our second amended and restated articles of incorporation, our second amended and restated bylaws (a) include provisions that eliminate the personal liability of our directors or officers for damages resulting from certain breaches of fiduciary duties as a director or officer; (b) require the Company to indemnify and hold harmless any officer or director against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the indemnitee in connection with any threatened, pending, or completed action, suit or proceeding (including, without limitation, an action, suit or proceeding by or in the right of the company), whether civil, criminal, administrative, or investigative; and (c) require us to advance expenses of the indemnitee as such expenses are incurred upon receipt of an undertaking by or on behalf of the indemnitee to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the Company.

The effect of these provisions is to restrict our rights and the rights of our stockholders in derivative suits to recover damages against a director or officer for breach of fiduciary duties as a director or officer. In addition, the Company pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or recession.

We have obtained a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information concerning the ownership of our Class A common stock and Class B common stock as of January 20, 2026, with respect to: (i) each person, or group of affiliated persons, known to us to be the beneficial owner of more than five percent of our Class A common stock and Class B common stock; (ii) each of our directors; (iii) each of our named executive officers; and (iv) all of our current directors and executive officers as a group.

Applicable percentage ownership is based on an aggregate of 215,095,973 shares of our common stock, consisting of (i) 39,934,846 shares of our Class A common stock and (ii) 175,161,127 shares of our Class B common stock outstanding as of January 20, 2026. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting or investment power with respect to such securities. In addition, pursuant to such rules, we deemed outstanding shares of Class B common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of the date of January 20, 2026. We did not deem such shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the beneficial owners named in the table below have sole voting and investment power with respect to all shares of our Class A common stock and Class B common stock that they beneficially own, subject to applicable community property laws.

Name of Beneficial Owner⁽¹⁾	Shares of Class A Common Stock	Shares of Class B Common Stock	% of Total Voting Power
Executive Officers and Directors			
Zhenwu Huang ⁽²⁾	30,308,000	220,000	52.77%
Zhenqiang Huang ⁽³⁾	7,892,000	220,000	13.77%
Phil Zheng ⁽⁴⁾	-	1,378,000	*
John Shigley ⁽⁵⁾	-	52,000	*
Stephen Markscheid ⁽⁶⁾	-	52,000	*
Saul Factor ⁽⁷⁾	-	52,000	*
<i>All officers and directors as a group (6 individuals)</i>	38,200,000	1,974,000	66.54%
5% Stockholders			
N/A			

* Less than 1%

(1) Unless noted otherwise, the address of all listed stockholder is 2975 Lincoln Rd, Las Vegas, NV 89115. Each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise.

(2) Includes 400,000 restricted shares of Class B common stock granted by the board of directors on December 4, 2025, which shares vested immediately and which are issuable within 60 days of the date hereof, less 180,000 shares of Class B common stock to be withheld by the Company for tax purposes.

(3) Includes 400,000 restricted shares of Class B common stock granted by the board of directors on December 4, 2025, which shares vested immediately and which are issuable within 60 days of the date hereof, less 180,000 shares of Class B common stock to be withheld by the Company for tax purposes

(4) Includes 600,000 restricted shares of Class B common stock granted by the board of directors on December 4, 2025, which shares vested immediately and which will be issued within 60 days of the date hereof, less 222,000 shares of Class B common stock to be withheld by the Company for tax purposes

(5) Includes 6,000 restricted shares of Class B common stock granted by the board of directors on October 20, 2025, which shares vested immediately and which will be issued within 60 days of the date hereof, and excludes 18,000 shares underlying RSAs that will vest in three equal quarterly installments over the remainder of the fiscal year ending September 30, 2026.

(6) Includes 6,000 restricted shares of Class B common stock granted by the board of directors on October 20, 2025, which shares vested immediately and which will be issued within 60 days of the date hereof, and excludes 18,000 shares underlying RSAs that will vest in three equal quarterly installments over the remainder of the fiscal year ending September 30, 2026.

(7) Includes 6,000 restricted shares of Class B common stock granted by the board of directors on October 20, 2025, which shares vested immediately and which will be issued within 60 days of the date hereof, and excludes 18,000 shares underlying RSAs that will vest in three equal quarterly installments over the remainder of the fiscal year ending September 30, 2026.

Changes in Control

None.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

None.

ITEM 14. Principal Accounting Fees and Services

The following table sets forth the fees billed by our independent accountants, Bush & Associates CPA LLC (“Bush & Associates”) for the years ended September 30, 2025 and 2024.

	Year Ended September 30,	
	2025	2024
Audit fees	\$ 100,000	\$ 70,000
Audit-related fees	20,000	18,000
Tax fees	-	-
All other fees	-	-

Audit Fees

Audit fees consist of fees for professional services rendered for the audit of our year-end financial statements and services that are normally provided by Bush & Associates in connection with regulatory filings. The aggregate fees of Bush & Associates for professional services rendered for the audit of our annual financial statements, review of the financial information include in our filings with the SEC for the years ended September 30, 2025 and 2024 totaled approximately \$100,000 and \$70,000, respectively. The above amounts include interim procedures and audit fees, as well as attendance at audit committee meetings.

Audit-Related Fees

Audit-related fees consist of fees billed for assurance and related services that are reasonably related to performance of the audit or review of our financial statements and are not reported under “Audit Fees.” These services include attest services that are not required by statute or regulation and consultations concerning financial accounting and reporting standards. We paid Bush & Associates \$20,000 and \$18,000 for consultations concerning financial accounting and reporting standards for the years ended September 30, 2025 and 2024, respectively.

Tax Fees

We did not pay Bush & Associates for tax services, planning or advice for the years ended September 30, 2025 and 2024.

All Other Fees

We did not pay Bush & Associates for any other services for the years ended September 30, 2025 and 2024.

Procedures For Board of Directors Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

Our audit committee was formed upon the consummation of our initial public offering. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, and on a going-forward basis, the audit committee has and will pre-approve all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

PART IV

ITEM 15. Exhibits and Financial Statements Schedules

(a) The following documents are filed as part of this Report:

(1) Financial Statements

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Report of Independent Registered Public Accounting Firm (PCAOB ID 6797)	F-2
Balance Sheets	F-7
Statements of Operations	F-8
Statements of Stockholders' Equity	F-10
Statements of Cash Flows	F-12
Notes to Financial Statements	F-13

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Richtech Robotics, Inc.
Las Vegas, Nevada

OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheets of Richtech Robotics, Inc. and Subsidiaries (the “Company”) as of September 30, 2025, and 2024, and the related consolidated statements of operations, equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025, and 2024, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Richtech Robotics, Inc. is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

EXPLANATORY PARAGRAPH – RESTATEMENT AND REISSUANCE (BIG R)

As discussed in Note 2, “Restatement of Previously Issued Financial Statements,” to the consolidated financial statements, the Company determined that its previously issued consolidated financial statements for the years ended September 30, 2025, and 2024 contained material errors related to the accounting for warrants, derivative instruments, and depreciation. The accompanying consolidated financial statements as of and for the years ended September 30, 2025, and 2024 have been restated to correct these errors.

We originally issued our report on the consolidated financial statements as of and for the years ended September 30, 2025, and 2024 on January 20, 2026, which was included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2025. That report should no longer be relied upon because it has been superseded by this report, which is being reissued as of August xx, 2026, in connection with Amendment No. 1 to the Company’s Annual Report on Form 10-K for the year ended September 30, 2025, to reflect the restatement described in Note 2. Our procedures with respect to the restatement were limited to auditing the adjustments necessary to correct these errors and evaluating the related disclosures, in accordance with auditing standards of the PCAOB.

CRITICAL AUDIT MATTERS

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

CRITICAL AUDIT MATTER: *REVENUE RECOGNITION AND DEFERRED REVENUE*

Description of the Matter:

We identified revenue recognition and deferred revenue as critical audit matter. Richtech Robotics, Inc. generates revenue primarily through direct sales of branded robotic products to customers. The Company also generates revenue from Robots-as-a-Service (RaaS), which provide customers with ongoing access to their robotic solutions under long-term contracts. For RaaS agreements, revenue is recognized over time on a monthly basis as the services are provided and the customer benefits from the use of the robotic solutions. The transaction price is typically fixed and allocated evenly across the contract term unless specific usage-based considerations are included. Revenue recognition begins once the robots are installed and operational at the customer’s site.

The Company's revenue recognition process involves significant judgment in several areas:

1. Identifying performance obligations in customer contracts
2. Determining the timing of control transfer to customers
3. Measuring and allocating the transaction price
4. Assessing the probability of collecting consideration from customers
5. Determining the appropriate period over which to recognize revenue related to RaaS and other subscription or service arrangements and the related classification and measurement of deferred revenue.

Given the complexity of the Company's revenue recognition policy, which adheres to ASC 606, auditing revenue recognition and deferred revenue required extensive audit effort and a high degree of auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

The audit procedures performed to address this critical audit matter included, among others:

1. Evaluating the Company's revenue recognition and deferred revenue policy for compliance with ASC 606
2. Selecting samples of customer contracts from each significant revenue stream, which involved:
 - a. Inspecting executed contracts, customer purchase orders, amendments, and related documentation to evaluate management's identification of performance obligations and the terms that affect revenue recognition.
 - b. Evaluating management's conclusions regarding whether performance obligations are satisfied at a point in time or over time, including the basis for recognizing RaaS and other subscription revenue over the contract term.
 - c. Testing the allocation of consideration to multiple performance obligations
 - d. Recomputing revenue recognized for sampled contracts and agreeing significant elements to underlying evidence, including delivery documentation, installation or acceptance records, and subsequent cash receipts.
 - e. Recalculating deferred revenue balances at the reporting date for sampled contracts.
 - f. Comparing the pattern of revenue recognition to contract terms, service schedules, and customer usage or billing data, as applicable.
3. Performing substantive analytical procedures to identify unusual revenue trends
4. Assessing the Company's disclosures related to revenue recognition and deferred revenue in the financial statements

Auditor's Evaluation:

Our procedures included evaluating the Company's revenue recognition and deferred revenue policy for compliance with ASC 606, verifying transactions through inspection of sales contracts and other related documentation, and evaluating management's conclusions regarding whether performance obligations are satisfied at a point in time or over time.

CRITICAL AUDIT MATTER: *INTANGIBLE ASSETS ISSUED FOR SHARES VALUATION*

Description of the Matter:

Richtech Robotics Inc. issued shares as consideration for certain technology-related and other identifiable intangible assets during the year and recognized those assets at fair value at the acquisition date. The valuation of these intangible assets was a critical audit matter because:

1. The transaction involved non-cash consideration (equity instruments), requiring management to determine the fair value of the shares issued at the measurement date and to allocate the value to the acquired intangible assets.
2. The fair value of the intangible assets depended on highly judgmental assumptions, including projected revenues and margins from the related technologies, expected adoption and commercialization timelines, and assumptions about technology life cycles and customer behavior.
3. These intangible assets are significant to the consolidated financial statements and are subject to impairment or recoverability assessments that involve significant management judgment in estimating future cash flows, selecting appropriate discount rates, and determining other key valuation assumptions such as projected revenue growth, margin expansion, and technology life cycles. Changes in these assumptions could have a material effect on the carrying value of the intangible assets and on the related amortization or impairment charges recognized in the consolidated financial statements.

These matters involved a high degree of auditor judgment and the use of specialists, especially because relatively small changes in the key assumptions could have a significant effect on the recognized amounts of intangible assets, related amortization, and any potential impairment in future periods.

How the Critical Audit Matter Was Addressed in the Audit

The audit procedures performed to address this critical audit matter included, among others:

1. Evaluating the Company's intangible asset valuation processes, which include the determination of the fair value of the shares issued at the measurement date.
2. Assessing the appropriateness of management's valuation methodologies for the intangible assets recognized for share-based consideration, including whether the methods were consistent with the applicable financial reporting framework and with commonly used techniques for technology- and customer-related assets.
3. Inspecting supporting documentation for the share issuance and the agreed transaction terms and comparing the share price used by management to observable market prices for the company's shares at or near the measurement date, and considering trading volumes and any relevant market events.
4. With the assistance of valuation specialists, evaluating the reasonableness of key valuation assumptions for the intangible assets
5. Assessing whether the estimated useful lives and technological obsolescence assumptions were consistent with contractual terms, expected product life cycles, and industry practices.

Auditor's Evaluation:

Our procedures supported the reasonableness of management's valuation of the intangible assets recognized in connection with the issuance of shares and the related disclosures in the financial statements.

CRITICAL AUDIT MATTER: WARRANT LIABILITIES

Description of the Matter:

We identified the classification and valuation of the Company's warrants as a critical audit matter. As described in Notes 2, 3, 11 and 12 to the consolidated financial statements, the Company issued multiple tranches of warrants in connection with its initial public offering, a registered public offering, and a warrant exercise inducement transaction, including Public Offering Warrants, Pre-Funded Warrants, Common Inducement Warrants, Placement Agent Warrants, Placement Agent Inducement Warrants, and Representative's Warrants. Depending on their terms, these instruments were classified as liabilities, mezzanine equity, or permanent equity.

We identified the classification and valuation of the Company's warrants as a critical audit matter because:

1. Determining the appropriate balance sheet classification required management to evaluate the contractual terms of each warrant agreement, including fundamental transaction, change-in-control, and cash settlement provisions that are not solely within the Company's control, against the requirements of ASC 480, Distinguishing Liabilities from Equity, ASC 815-40, Derivatives and Hedging — Contracts in Entity's Own Equity, and, for warrants issued as consideration for placement agent and underwriting services, ASC 718, Compensation — Stock Compensation. Warrants with redemption features outside the Company's control required presentation in mezzanine equity under ASC 480-10-S99 and SEC Accounting Series Release No. 268. Relatively similar contractual terms produced materially different accounting outcomes, and the classification conclusion determined whether subsequent changes in fair value affected earnings.
2. The liability-classified warrants were valued using a Black-Scholes option pricing model incorporating significant unobservable inputs, principally expected volatility of 95.1% to 100.8% and expected terms of 3.93 to 4.36 years as of September 30, 2025. Expected volatility was derived from a combination of implied volatility of the Company's Class B common stock and historical volatility of comparable public companies, requiring judgment in selecting the guideline companies and weighting the inputs. As disclosed by management, changes in these unobservable inputs could result in a significantly higher or lower fair value measurement.
3. The Company restated its previously issued annual and interim financial statements, and management identified a material weakness in internal control over financial reporting relating to the accounting for complex financing transactions, including the liability or equity classification of warrants. This increased the risk of material misstatement and the extent of audit effort required, including with respect to the completeness and accuracy of the restatement adjustments and the related disclosures.

How the Critical Audit Matter Was Addressed in the Audit

1. Obtaining an understanding of, and evaluating the design of, the Company's process and controls over the identification, classification, initial recognition, and subsequent measurement of warrants, including management's remediation activities in response to the identified material weakness, and designing our substantive procedures to respond to the assessed risks arising from that material weakness.
2. Obtaining and reading the underlying agreements for each warrant tranche — including the securities purchase agreement, forms of pre-funded, common, placement agent, inducement, and underwriter warrants, and the warrant exercise inducement offer letter — and independently evaluating the settlement, fundamental transaction, and cash redemption provisions against the classification criteria in ASC 480, ASC 815-40, and ASC 718.
3. Evaluating management's technical accounting memoranda supporting the liability, mezzanine equity, and permanent equity classification conclusions, including the conclusion that the Mezzanine Equity Warrants were not currently redeemable as of each balance sheet date and therefore required no adjustment to redemption value.
4. Testing the completeness of the warrant population by inspecting board and committee minutes, Current Reports on Form 8-K and registration statements, cash receipts, share issuance records, and the transfer agent's records, and reconciling warrant issuances, exercises, and outstanding balances to the rollforward schedules in Note 12.

5. With the assistance of professionals with specialized skill and knowledge in valuation:
 - a. Evaluating the appropriateness of the Black-Scholes option pricing model for the Public Offering Warrants and Common Inducement Warrants, and the use of observable market prices for the Pre-Funded Warrants classified within Level I.
 - b. Testing the completeness and accuracy of the model inputs by agreeing the stock price to quoted market prices, the exercise price and contractual term to the executed warrant agreements, and the risk-free interest rate to published U.S. Treasury yields at the issuance and measurement dates.
 - c. Evaluating the reasonableness of expected volatility, including the selection of comparable publicly traded companies and the weighting of implied and historical volatility, and developing an independent range of fair value estimates for comparison to management's recorded amounts.
 - d. Performing sensitivity analyses over expected volatility and expected term to assess the effect of reasonably possible changes in those assumptions on the recorded warrant liability and the related change in fair value recognized in earnings.
6. Recomputing the issuance-date fair values, the change in fair value recognized in other income (loss), the amounts derecognized upon exercise, and the related charges to additional paid-in capital, and testing the allocation of issuance costs between the liability- and equity-classified instruments.
7. Testing the effect of the warrant-related restatement adjustments on the annual and interim periods presented, including the presentation of mezzanine equity and the reclassification of amounts previously recorded in additional paid-in capital.
8. Evaluating whether the Company's disclosures in Notes 2, 3, 11 and 12 appropriately describe the classification basis, valuation technique, significant unobservable inputs, fair value hierarchy levels, rollforwards, and the sensitivity of the measurement to changes in unobservable inputs, in accordance with ASC 820 and ASC 815-40-50.

Auditor's Evaluation:

Our procedures supported the reasonableness of management's classification of the warrants as liabilities, mezzanine equity, and permanent equity, and the fair value measurements of the liability-classified warrants recorded as of September 30, 2025 and 2024, as restated, and the related disclosures in the consolidated financial statements.

/s/Bush & Associates CPA LLC

We have served as the Company's auditor since 2023.

Henderson, Nevada
August 7, 2026
PCAOB ID Number 6797

RICHTECH ROBOTICS INC.
Consolidated Balance Sheets
September 30, 2025 and 2024
(in thousands, except share and per share data)

	2025 (Restated)	2024 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 185,574	\$ 14,566
Short term investment	66,363	15,940
Accounts receivable, (net of allowance for doubtful accounts)	1,780	1,359
Inventory	1,124	1,028
Prepaid expenses and other current assets	429	33
Total current assets	255,270	32,926
Property and equipment, net	5,794	842
Notes receivable	523	-
Operating lease right-of-use-assets	731	506
Intangible assets, net	10,715	7,620
Other assets, non-current	640	740
Total assets	\$ 273,673	\$ 42,634
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 397	\$ 150
Deferred revenue	248	-
Accrued expenses and other payables	1,376	97
Short-term loan	-	53
Tax payables	55	5
Operating lease liabilities, current	301	150
Warrant liabilities	19,285	6,940
Total current liabilities	21,662	7,395
Deferred income taxes	-	108
Long-term payables	118	102
Operating lease liabilities, non-current	429	356
Total liabilities	22,209	7,961
Commitments and contingencies (Note 14)		
Mezzanine equity	634	786
Stockholders' equity:		
Class A Common stock, \$0.0001 par, 100,000,000 shares authorized as of September 30, 2025 and September 30, 2024, 39,934,846 shares issued and outstanding as of September 30, 2025 and 2024, respectively.	\$ 4	\$ 4
Class B Common stock, \$0.0001 par, 200,000,000 shares authorized as of September 30, 2025 and September 30, 2024, 154,656,592 shares and 53,795,254 shares issued and outstanding as of September 30, 2025 and September 30, 2024, respectively.	16	6
Additional Paid-in Capital	300,701	35,044
Accumulated other comprehensive income	393	-
Accumulated deficit	(50,241)	(1,167)
Total controlling stockholders' equity	250,873	33,887
Non-controlling interests	(43)	-
Total stockholder's equity	250,830	33,887
Total liabilities, mezzanine equity and stockholder's equity	\$ 273,673	\$ 42,634

See accompanying Notes to Financial Statement

RICHTECH ROBOTICS INC.
Consolidated Statements of Operations
For the years ended September 30, 2025 and 2024
(in thousands, except share and per share data)

	2025 (Restated)	2024 (Restated)
Revenue, net	\$ 5,045	\$ 4,240
Cost of revenue, net	3,235	1,537
Gross profit	<u>1,810</u>	<u>2,703</u>
Operating expenses:		
Research and development	3,302	2,635
Sales and marketing	741	1,315
General and administrative	14,967	6,533
Total operating expenses	<u>19,010</u>	<u>10,483</u>
Income (loss) from operations	(17,200)	(7,780)
Non-operating income(expense):		
Investment income	2,177	13
Other income (loss)	(34,172)	7,587
Interest expense, net	(83)	(762)
Total other expense	<u>(32,078)</u>	<u>6,838</u>
Loss before income tax expense	(49,278)	(942)
Income tax benefit/(expense)	96	(426)
Consolidated net loss	(49,182)	(1,368)
Less: Net loss Attributable to Non-Controlling Interest	(108)	-
Net loss attributable to common stockholders	<u>\$ (49,074)</u>	<u>\$ (1,368)</u>
Basic and diluted net loss per share of common stock	<u>\$ (0.40)</u>	<u>\$ (0.02)</u>
Weighted average shares used to compute basic and diluted net loss per share	121,963,786	69,953,723

See accompanying Notes to Financial Statements.

RICHTECH ROBOTICS INC.
Consolidated statements of Comprehensive Income
For the year ended September 30, 2025 and 2024
(in thousands, except share and per share data)

	2025 (Restated)	2024 (Restated)
Net loss attributable to common stockholders	(49,074)	(1,368)
Other comprehensive income:		
Unrealized net gain on investments, net of tax	393	-
Comprehensive loss	<u>\$ (48,681)</u>	<u>\$ (1,368)</u>

See accompanying Notes to Financial Statements.

RICHTECH ROBOTICS INC
Consolidated Statements of Equity
For the years ended September 30, 2025 and 2024
(in thousands, except per share data)

	Common stock				Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained earnings (Accumulated deficit)	NCI	Total Shareholders' equity
	Class A		Class B						
	Shares	Amount	Shares	Amount					
Balance at September 30, 2023	44,353,846	\$ 4	17,813,000	\$ 2	\$ 4,602	\$ -	\$ 201	\$ -	\$ 4,809
Initial Public offering related expenses	-	-	-	-	(1,435)	-	-	-	(1,435)
Common stock Issuance for initial public offering*	-	-	2,142,563	-	10,713	-	-	-	10,713
Issuance of Common shares for Loan Settlement	-	-	2,294,114	-	1,300	-	-	-	1,300
Issuance of Common Shares for Intangible Asset Acquisition	-	-	4,730,726	1	2,216	-	-	-	2,217
Issuance of shares upon exercise of warrants for cash	-	-	-	-	2,937	-	-	-	2,937
Shares Issued to Employees	-	-	51,890	-	74	-	-	-	74
Issuance of new shares for cash	-	-	22,343,961	2	14,637	-	-	-	14,639
Conversion from class A to Class B Common stock	(4,419,000)	-	4,419,000	1	-	-	-	-	1
Net loss attributable to common stockholders	-	-	-	-	-	-	(1,368)	-	(1,368)
Balance at September 30, 2024 (Restated)	39,934,846	\$ 4	53,795,254	\$ 6	\$ 35,044	\$ -	\$ (1,167)	\$ -	\$ 33,887

See accompanying Notes to Financial Statements.

RICHTECH ROBOTICS INC
Consolidated Statements of Equity
For the years ended September 30, 2025 and 2024
(in thousands, except per share data)

	Common stock				Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained earnings (Accumulated deficit)	NCI	Total Shareholders' equity
	Class A		Class B						
	Shares	Amount	Shares	Amount					
Balance at September 30, 2024	39,934,846	\$ 4	53,795,254	\$ 6	\$ 35,044	\$ -	\$ (1,167)	\$ -	\$ 33,887
Issuance of Common Shares for Intangible Asset Acquisition	-	-	5,788,849	1	3,701	-	-	-	3,702
Issuance of shares upon exercise of warrants for cash	-	-	13,014,899	1	38,433	-	-	-	38,434
Shares Issued to Employees	-	-	1,023,040	-	1,089	-	-	-	1,089
Issuance of new shares for cash	-	-	79,241,455	8	219,799	-	-	-	219,807
Shares Issued for services	-	-	1,793,095	-	2,635	-	-	-	2,635
Net Loss attributable to NCI	-	-	-	-	-	-	-	(108)	(108)
Capital Contribution from NCI	-	-						65	65
Other Comprehensive Income	-	-	-	-	-	393	-	-	393
Net loss attributable to common stockholders	-	-	-	-	-	-	(49,074)	-	(49,074)
Balance at September 30, 2025 (Restated)	39,934,846	4	154,656,592	16	300,701	393	(50,241)	(43)	250,830

See accompanying Notes to Financial Statements.

RICHTECH ROBOTICS INC.
Consolidated Statements of Cash Flows
For the year ended September 30, 2025 and 2024
(in thousands, except share and per share data)

	2025 (Restated)	2024 (Restated)
Cash flows from operating Activities:		
Consolidated net loss	\$ (49,182)	\$ (1,368)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	1,387	98
Change in fair value of derivative instruments	34,172	(7,587)
Issuance costs related to warrants	189	690
Amortization of notes payable discount	-	120
Stock based compensation	3,724	-
Accounts receivable	(422)	4,218
Inventory	(96)	(207)
Prepaid expenses and other current assets	(396)	(16)
Right-of-use asset	(225)	(191)
Accounts payable	247	(976)
Deferred revenue	248	-
Tax payable	50	(456)
Accrued expenses and other payable	1,280	(82)
Deferred income taxes	(108)	626
Change in operating lease liabilities	221	190
Net cash used in operating activities	<u>\$ (8,911)</u>	<u>\$ (4,941)</u>
Cash flows from investing activities:		
Purchase of PPE	(5,144)	(844)
Purchase of intangible assets	(590)	(5,471)
Purchase of short-term investments	(50,028)	(15,940)
Purchase of long-term investments	102	(730)
Notes receivable	(523)	-
Cash used for lending to related parties	-	134
Net cash used in investing activities	<u>\$ (56,183)</u>	<u>\$ (22,851)</u>
Cash flows from financing activities:		
Payment of loans received from third parties	(53)	(3,792)
Contributions from Non-controlling Interests	65	-
Payment of issuance cost of ordinary shares	(2,643)	-
Proceeds from warrants exercise	18,909	-
Loans received from third parties	16	3,102
Loan settlement	-	3,385
Payment of related party debt	-	(238)
Proceeds from issuance of ordinary shares	219,808	30,182
Proceeds from stockholder capital injection	-	9,286
Net Cash provided by financing activities	<u>\$ 236,102</u>	<u>\$ 41,925</u>
Net change in cash and cash equivalents	171,008	14,133
Cash, cash equivalents and restricted cash at beginning of the period	<u>\$ 14,566</u>	<u>\$ 433</u>
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 185,574</u>	<u>\$ 14,566</u>
Supplemental noncash disclosures:		
Intangible assets acquired in exchange for common shares	<u>\$ 3,702</u>	<u>\$ 2,217</u>

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 1: Nature of Business

Description of Business

Richtech Robotics Inc. (“we”, “us”, “our” or “Richtech”), is a C-Corporation registered in Nevada. Richtech was originally established as Richtech Creative Displays, LLC in Nevada on July 19, 2016, and converted to a Nevada corporation on June 22, 2022. We completed our initial public offering on November 21, 2023, and shares of our Class B common stock began trading on the Nasdaq Capital Market on November 17, 2023 under the symbol “RR.”

We are a robotics and artificial intelligence (“AI”) technology company focused on developing advanced embodied AI systems that aims to improve the efficiency and productivity of U.S. businesses. Richtech trains proprietary artificial intelligence models on in-house data to operate advanced robotic systems in the real world. We design, engineer, manufacture, and deploy next generation embodied AI systems to serve a wide range of industries—including food service, retail, industrial manufacturing, automotive, healthcare, and hospitality. Our robots are designed to be user friendly, reliable, and highly customizable, with the goal of driving tangible profit and loss (“P&L”) improvements for our customers.

Our mission is to accelerate the advancement of embodied AI in the United States. We aim to become a robotics “Super-Operator”—i.e. a company operating over one hundred thousand intelligent robots connected through a unified, data-rich AI ecosystem. These robots will perform a wide range of tasks across commercial and industrial environments, from scrubbing floors and packaging deliveries to supporting medical staff in hospitals and staffing factory production lines.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 2: Restatement of Previously Issued Financial Statements

We have restated our previously issued audited consolidated financial statements as of and for the years ended September 30, 2025 and 2024 (collectively, the “Affected Periods”), including the related balance sheets, statements of operations, statements of changes in stockholders’ deficit, and statements of cash flows, along with the applicable notes thereto. We determined that the restatement was necessary following the identification of errors related to the accounting for warrants, derivative instruments, and depreciation, which were not recognized or measured in accordance with U.S. GAAP in the previously issued financial statements. The restatement corrects these identified errors in the previously issued financial statements for the Affected Periods. The specific nature of these errors is described below:

1. Placement warrants – Placement agent warrants which should have been recognized as nonemployee share-based compensation presented within mezzanine equity were not recognized. As a result, the balance sheets did not present mezzanine equity, and subsequent exercises of placement agent warrants were improperly measured within APIC.
2. Pre-funded and common warrants – Pre-funded and common warrants were not correctly recognized as liabilities at issuance or subsequently measured to fair value at each reporting date. The result is that no warrants were recognized at issuance, no other income (loss) was recognized on the consolidated statements of operations due to changes in the fair value, and the accounting for the exercise of pre-funded and common warrants did not appropriately measure additional paid in capital.
3. Common inducement warrants – Common inducement warrants were not correctly recognized as liabilities at issuance or subsequently measured to fair value at each reporting date. The result is that no warrants were recognized at issuance, no other income (loss) was recognized on the consolidated statements of operations due to changes in the fair value, and the accounting for the exercise of common inducement warrants did not appropriately measure APIC.
4. SEPA and notes payable – The standby equity purchase agreement (“SEPA”) was not correctly recognized at inception or subsequently throughout the life of the agreement as a derivative instrument, and the settlement of associated notes payable issued for advances on the SEPA were not correctly recognized as settlements of liabilities through the issuance of our stock.
5. Cost of revenue – Certain costs incurred in the sale of our products, including event-related personnel costs, were incorrectly recognized in general and administrative expenses and sales and marketing expenses.
6. Research and development – Certain costs incurred in our research and development activities related to employee and contractor compensation was incorrectly recognized in general and administrative expenses.
7. Property and equipment – Depreciation expense was incorrectly recognized due to certain fixed assets being miscategorized.
8. Inventory – Purchases of certain inventory were incorrectly recognized between inventory property and equipment causing misstatements in depreciation and cost of revenue.
9. Intangible assets – One of our intangible assets was amortized using a useful life that was not appropriate. We revised the estimated useful life to a longer period, resulting in decreased amortization expense in the Affected Periods.
10. Deferred tax liabilities – As a result of several of the aforementioned misstatements, our income tax provision was misstated.
11. Short-term investments – Certain short-term investments acquired were improperly classified as cash and cash equivalents.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 2: Restatement of Previously Issued Financial Statements (Cont.)

As a result of the errors described above, our previously issued audited consolidated financial statements for the Affected Periods were materially misstated. We have corrected these errors in the accompanying financial statements as of and for the years ended September 30, 2025 and 2024. The impact of these corrections on our consolidated financial statements for each of the Affected Periods is presented below.

Restated Audited Consolidated Balance Sheet – As of September 30, 2025

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Assets				
Current Assets				
Cash and cash equivalents	193,629	(8,055)	11	185,574
Short-term investments	58,308	8,055	11	66,363
Inventory	1,380	(256)	8	1,124
Total current assets	255,526	(256)	*	255,270
Non-current assets				
Property and equipment, net	5,579	215	7,8	5,794
Intangible assets, net	9,761	954	9	10,715
Other assets, non-current	638	2	*	640
Total assets	272,758	915	*	273,673
Liabilities				
Current liabilities				
Accrued expenses and other payable	1,377	(1)	*	1,376
Warrant liability	-	19,285	2,3	19,285
Total current liabilities	2,378	19,284	*	21,662
Total liabilities	2,925	19,284	*	22,209
Mezzanine equity	-	634	1	634
Stockholders' equity				
Additional paid-in capital	293,156	7,545	1,2,3	300,701
Retained earnings	(23,693)	(26,548)	*	(50,241)
Total stockholders' equity	269,833	(19,003)	*	250,830
Total liabilities, mezzanine equity and stockholders' equity	272,758	915	*	273,673

Restated Audited Consolidated Balance Sheet – As of September 30, 2024

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Assets				
Current Assets				
Inventory	1,148	(120)	8	1,028
Total current assets	33,046	(120)	*	32,926
Non-current assets				
Property and equipment, net	738	104	7,8	842
Intangible assets, net	7,621	(1)	9	7,620
Total assets	42,651	(17)	*	42,634
Liabilities				
Current liabilities				
Warrant liability	-	6,940	2,3	6,940
Total current liabilities	455	7,048	*	7,395
Deferred income taxes	-	108	10	108
Total liabilities	913	7,048	*	7,961
Mezzanine equity	-	786	1	786
Stockholders' equity				
Additional paid-in capital	49,667	(14,623)	1,2,3,4	35,044
Retained earnings	(7,939)	6,772	*	(1,167)
Total stockholders' equity	41,738	(7,851)	*	33,887
Total liabilities, mezzanine equity and stockholders' equity	42,651	(17)	*	42,634

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 2: Restatement of Previously Issued Financial Statements (Cont.)

Restated Audited Consolidated Statement of Operations – Fiscal Year Ended September 30, 2025

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Cost of revenue, net	1,756	1,479	5,8	3,235
Gross profit	3,289	(1,479)	*	1,810
Research and development	2,432	870	6	3,302
Sales and marketing	1,262	(521)	5	741
General and administrative	17,539	(2,572)	5,6,7,9	14,967
Total operating expenses	21,233	(2,223)	*	19,010
Income (loss) from operations	(17,944)	744	*	(17,200)
Other income (loss)	-	(34,172)	2,3	(34,172)
Total other expense	2,094	(34,172)	*	(32,078)
Loss before income tax expense	(15,850)	(33,428)	*	(49,278)
Income tax benefit / (expense)	(12)	108	10	96
Consolidated net loss	(15,862)	(33,320)	*	(49,182)
Net loss attributable to common stockholders	(15,754)	(33,320)	*	(49,074)
Basic and diluted net loss per share of common stock	\$ (0.13)			\$ (0.40)

Restated Audited Consolidated Statement of Operations – Fiscal Year Ended September 30, 2024

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Cost of revenue, net	1,520	17	5,8	1,537
Gross profit	2,720	(17)	*	2,703
Research and development	2,021	614	6	2,635
General and administrative	6,457	76	5,6,7	6,533
Total operating expenses	9,793	690	*	10,483
Income (loss) from operations	(7,073)	(707)	*	(7,780)
Other income (loss)	-	7,587	2,3,4	7,587
Total other expense	(749)	7,587	*	6,838
Loss before income tax expense	(7,822)	6,880	*	(942)
Income tax benefit / (expense)	(318)	(108)	10	(426)
Consolidated net loss	(8,140)	6,772	*	(1,368)
Net loss attributable to common stockholders	(8,140)	6,772	*	(1,368)
Basic and diluted net loss per share of common stock	\$ (0.12)			\$ (0.02)

Restated Audited Consolidated Statement of Equity – Fiscal Year Ended September 30, 2025

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Additional paid-in capital, issuance of shares upon exercise of warrants for cash	16,265	22,168	2,3	38,433
Additional paid-in capital	293,156	7,545	*	300,701
Net loss attributable to common stockholders	(15,754)	(33,319)	*	(49,073)
Retained earnings	(23,693)	(26,548)	*	(50,241)
Total stockholders' equity	269,833	(19,003)	*	250,830

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 2: Restatement of Previously Issued Financial Statements (Cont.)

Restated Audited Consolidated Statement of Equity – Fiscal Year Ended September 30, 2024

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Issuance of common shares for loan settlement	3,383	(2,083)	4	1,300
Additional paid-in capital, issuance of shares upon exercise of warrants for cash	-	2,937	2,3	2,937
Issuance of new shares for cash	30,124	(15,487)	2,3	14,637
Additional paid-in capital	49,667	(14,623)	*	35,044
Net loss attributable to common stockholders	(8,140)	6,772	*	(1,368)
Retained earnings	(7,939)	6,772	*	(1,167)
Total stockholders' equity	41,738	(7,851)	*	33,887

Restated Audited Consolidated Statement of Cash Flows – Fiscal Year Ended September 30, 2025

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Consolidated net loss	(15,754)	(33,428)	*	(49,182)
Depreciation and amortization	2,319	(932)	7,9	1,387
Change in fair value of warrant liability	-	34,172	2,3	34,172
Issuance costs related to warrants	-	189	1	189
Inventory	(232)	136	8	(96)
Accounts receivable	(421)	(1)	*	(422)
Non-operating losses	(108)	108	*	-
Deferred income taxes	-	(108)	10	(108)
Change in operating lease liabilities	225	(4)	*	221
Net cash provided by operating activities	(9,043)	132	*	(8,911)
Purchase of PPE	(5,009)	(135)	8	(5,144)
Purchase of intangible assets	(591)	1	*	(590)
Purchase of short-term investments	(41,975)	(8,053)	11	(50,028)
Net cash used in investing activities	(47,996)	(8,187)	*	(56,183)
Net change in cash and cash equivalents	179,063	(8,055)	*	171,008
Cash, cash equivalents, and restricted cash at end of period	193,629	(8,055)	*	185,574

Restated Audited Consolidated Statement of Cash Flows – Fiscal Year Ended September 30, 2024

Line item	As Previously Reported on 10-K	Restatement Adjustment	ID	As Restated
Consolidated net loss	(8,140)	6,772	*	(1,368)
Change in fair value of warrant liability	-	(5,185)	2,3	(5,185)
Gain on standby equity purchase agreement	-	(2,402)	4	(2,402)
Issuance costs related to warrants	-	371	3	371
Issuance costs related to SEPA	-	319	4	319
Amortization of notes payable discount	-	120	4	120
Inventory	(326)	119	8	(207)
Accrued expenses and other payable	38	(120)	4	(82)
Deferred income taxes	518	108	10	626
Depreciation and amortization	81	17	7,9	98
Net cash provided by operating activities	(5,060)	119	*	(4,941)
Purchase of PPE	(725)	(119)	8	(844)
Purchase of intangible assets	(5,470)	(1)	9	(5,471)
Net cash used in investing activities	(22,731)	(120)	*	(22,851)
Loan settlement	3,383	2	4	3,385
Net cash used in financing activities	41,923	2	*	41,925
Net change in cash and cash equivalents	14,132	1	*	14,133

* Represents the downstream effects of the identified restatement adjustments and other individually immaterial changes.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 3: Restatement of Previously Issued Quarterly Financial Statements

The errors described above, other than error ID 11, also affected the Company's previously issued unaudited consolidated financial statements for the interim periods presented below. Accordingly, the Company has restated its previously issued unaudited consolidated financial statements for the three and nine months ended June 30, 2025, the three and six months ended March 31, 2025, and the three months ended December 31, 2024. The following tables present the impact of the restatement adjustments on the Company's previously reported consolidated balance sheets, statements of operations, statements of cash flows, and statements of stockholders' equity for those interim periods. The restatement corrects the identified errors in the previously issued financial statements for the Affected Periods, including the following interim-period error that did not impact the Company's annual financial statements

12. Stock-based compensation – The issuance of our stock based compensation awards were improperly presented within financing activities in the statement of cash flows.
13. Issuance of shares – The issuance of shares for our intangible asset acquisition, share-based payments to employees and nonemployees, and transfers to (from) ESOP trust were recognized in incorrect interim periods.

Restated Unaudited Consolidated Balance Sheet – As of June 30, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Inventory	\$ 1,482	\$ (256)	8	\$ 1,226
Total current assets	88,851	(256)	*	88,595
Property and equipment, net	5,164	216	7	5,380
Intangible assets, net	11,532	(964)	9,13	10,568
Total assets	107,329	(1,004)	*	106,325
Warrant liability	-	7,406	2,3	7,406
Total current liabilities	739	7,406	*	8,145
Deferred income taxes	-	108	10	108
Total liabilities	1,378	7,514	*	8,892
Mezzanine equity	-	975	1	975
Additional paid-in capital	126,114	3,325	1,2,3,4,13	129,439
Retained earnings	(20,099)	(12,818)	*	(32,917)
Total stockholders' equity	105,951	(9,493)	*	96,458
Total liabilities, mezzanine equity and stockholders' equity	\$ 107,329	\$ (1,004)	*	\$ 106,325

Restated Unaudited Consolidated Balance Sheet – As of March 31, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Inventory	\$ 1,491	\$ (195)	7,8	\$ 1,296
Total current assets	45,139	(195)	*	44,944
Property and equipment, net	816	165	7	981
Intangible assets, net	9,384	1,481	9,13	10,865
Total assets	57,179	1,451	*	58,630
Warrant liability	-	7,120	2,3	7,120
Total current liabilities	596	7,120	*	7,716
Deferred income taxes	-	108	10	108
Total liabilities	1,320	7,228	*	8,548
Mezzanine equity	-	975	1	975
Additional paid-in capital	71,913	8,488	1,2,3,4,13	80,401
Retained earnings	(16,027)	(15,240)	*	(31,267)
Total stockholders' equity	55,859	(6,752)	*	49,107
Total liabilities, mezzanine equity and stockholders' equity	\$ 57,179	\$ 1,451	*	\$ 58,630

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 3: Restatement of Previously Issued Quarterly Financial Statements (Cont.)

Restated Unaudited Consolidated Balance Sheet – As of December 31, 2024

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Inventory	\$ 1,396	\$ (180)	7,8	\$ 1,216
Total current assets	39,458	(180)	*	39,278
Property and equipment, net	802	158	7	960
Intangible assets, net	9,576	1,481	9,13	11,057
Total assets	51,424	1,459	*	52,883
Warrant liability	-	20,564	2,3	20,564
Total current liabilities	993	20,564	*	21,557
Deferred income taxes	-	108	10	108
Total liabilities	1,555	20,672	*	22,227
Mezzanine equity	-	786	1	786
Additional paid-in capital	61,366	(776)	1,2,3,4,13	60,590
Retained earnings	(11,487)	(19,224)	*	(30,711)
Total stockholders' equity	49,869	(19,999)	*	29,870
Total liabilities, mezzanine equity and stockholders' equity	\$ 51,424	\$ 1,459	*	\$ 52,883

Restated Consolidated Statement of Operations – Three Months Ended June 30, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Cost of revenues	\$ 301	\$ 445	5,8	\$ 746
Gross profit	876	(445)	*	431
General and administrative	4,562	(3,153)	5,6,7,13	1,409
Total operating expenses	5,383	(3,153)	*	2,230
Loss from operations	(4,507)	2,707	*	(1,800)
Other income (loss)	-	(286)	2,3	(286)
Total other expenses	404	(286)	*	118
Loss before income tax expense	(4,103)	2,422	*	(1,681)
Income tax benefit/(expense)	-	(9)	*	(9)
Consolidated net loss	(4,103)	2,413	*	(1,690)
Net loss attributable to common stockholders	\$ (4,063)	\$ 2,413	*	\$ (1,650)
Basic and diluted net loss per share of common stock	\$ (0.04)			\$ (0.01)

Restated Consolidated Statement of Operations – Nine Months Ended June 30, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Cost of revenues	\$ 878	\$ 1,113	5,8	\$ 1,991
Gross profit	2,723	(1,113)	*	1,610
General and administrative	13,827	(3,647)	5,6,7,13	10,180
Total operating expenses	16,067	(3,647)	*	12,420
Loss from operations	(13,344)	2,534	*	(10,810)
Other income (loss)	-	(22,123)	2,3	(22,123)
Total other expenses	1,115	(22,123)	*	(21,008)
Loss before income tax expense	(12,229)	(19,589)	*	(31,818)
Consolidated net loss	(12,238)	(19,589)	*	(31,827)
Net loss attributable to common stockholders	\$ (12,151)	\$ (19,598)	*	\$ (31,749)
Basic and diluted net loss per share of common stock	\$ (0.11)			\$ (0.29)

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 3: Restatement of Previously Issued Quarterly Financial Statements (Cont.)

Restated Consolidated Statement of Operations – Three Months Ended March 31, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Cost of revenues	\$ 454	\$ 348	5,8	\$ 802
Gross profit	713	(348)	*	365
General and administrative	4,962	(205)	5,6,7,13	4,757
Total operating expenses	5,652	(205)	*	5,447
Loss from operations	(4,939)	(143)	*	(5,082)
Other income (loss)	-	4,128	2,3	4,128
Total other expenses	382	4,128	*	4,510
Loss before income tax expense	(4,557)	3,985	*	(572)
Consolidated net loss	(4,557)	3,985	*	(572)
Net loss attributable to common stockholders	\$ (4,540)	\$ 3,985	*	\$ (555)
Basic and diluted net loss per share of common stock	\$ (0.04)			\$ (0.00)

Restated Consolidated Statement of Operations – Six Months Ended March 31, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Cost of revenues	\$ 577	\$ 668	5,8	\$ 1,245
Gross profit	1,847	(668)	*	1,179
General and administrative	9,265	(494)	5,6,7,13	8,771
Total operating expenses	10,684	(494)	*	10,190
Loss from operations	(8,837)	(174)	*	(9,011)
Other income (loss)	-	(21,837)	2,3	(21,837)
Total other expenses	711	(21,837)	*	(21,126)
Loss before income tax expense	(8,126)	(22,011)	*	(30,137)
Consolidated net loss	(8,126)	(22,011)	*	(30,137)
Net loss attributable to common stockholders	\$ (8,088)	\$ (22,011)	*	\$ (30,099)
Basic and diluted net loss per share of common stock	\$ (0.08)			\$ (0.29)

Restated Consolidated Statement of Operations – Three Months Ended December 31, 2024

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Cost of revenues	\$ 123	\$ 320	5,8	\$ 443
Gross profit	1,134	(320)	*	814
General and administrative	4,303	(289)	5,6,7,13	4,014
Total operating expenses	5,032	(289)	*	4,743
Loss from operations	(3,898)	(31)	*	(3,929)
Other income (loss)	-	(25,965)	2	(25,965)
Total other expenses	329	(25,965)	*	(25,636)
Loss before income tax expense	(3,569)	(25,996)	*	(29,565)
Consolidated net loss	(3,569)	(25,996)	*	(29,565)
Net loss attributable to common stockholders	\$ (3,548)	\$ (25,996)	*	\$ (29,544)
Basic and diluted net loss per share of common stock	\$ (0.04)			\$ (0.31)

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 3: Restatement of Previously Issued Quarterly Financial Statements (Cont.)

Restated Consolidated Statement of Equity – Nine Months Ended June 30, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Additional paid-in capital	\$ 126,114	\$ 3,325	*	\$ 129,439
Additional paid-in capital, issuance of common shares for intangible asset acquisition	5,378	(1,677)	13	3,701
Additional paid-in capital, issuance of shares upon exercise of warrants for cash	16,858	21,656	2,3	38,514
Additional paid-in capital, shares issued to employees	1,380	(475)	13	905
Additional paid-in capital, shares issued for services	4,080	(1,556)	13	2,524
Retained earnings	(20,099)	(12,818)	*	(32,917)
Net loss attributable to common stockholders	(12,151)	(19,598)	*	(31,749)
Total stockholders' equity	\$ 105,951	\$ (9,493)	*	\$ 96,458

Restated Consolidated Statement of Equity – Three Months Ended June 30, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Additional paid-in capital	\$ 126,114	\$ 3,325	*	\$ 129,439
Additional paid-in capital, issuance of common shares for intangible asset acquisition	2,924	(2,924)	13	-
Additional paid-in capital, shares issued to employees	-	212	13	212
Additional paid-in capital, shares issued for services	2,591	(2,451)	13	140
Retained earnings	(20,099)	(12,818)	*	(32,917)
Net loss attributable to common stockholders	(4,063)	2,413	*	(1,650)
Total stockholders' equity	\$ 105,951	\$ (9,493)	*	\$ 96,458

Restated Consolidated Statement of Equity – Six Months Ended March 31, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Additional paid-in capital	\$ 71,913	\$ 8,488	*	\$ 80,401
Additional paid-in capital, issuance of common shares for intangible asset acquisition	2,454	1,247	13	3,701
Additional paid-in capital, issuance of shares upon exercise of warrants for cash	16,858	21,656	2,3	38,514
Additional paid-in capital, shares issued to employees	867	(175)	13	692
Additional paid-in capital, transfer to ESOP trust	513	(513)	13	0
Additional paid-in capital, shares issued for services	1,175	1210	13	2,385
Retained earnings	(16,027)	(15,240)	*	(31,267)
Net loss attributable to common stockholders	(8,088)	(22,011)	*	(30,099)
Total stockholders' equity	\$ 55,859	\$ (6,752)	*	\$ 49,107

Restated Consolidated Statement of Equity – Three Months Ended March 31, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Additional paid-in capital	\$ 71,913	\$ 8,488	*	\$ 80,401
Additional paid-in capital, issuance of shares upon exercise of warrants for cash	8,794	9,316	2,3	18,110
Additional paid-in capital, transfer to ESOP trust	513	(513)	13	0
Additional paid-in capital, shares issued for services	1,175	283	13	1,458
Retained earnings	(16,027)	(15,240)	*	(31,267)
Net loss attributable to common stockholders	(4,540)	3,985	*	(555)
Total stockholders' equity	\$ 55,859	\$ (6,752)	*	\$ 49,107

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 3: Restatement of Previously Issued Quarterly Financial Statements (Cont.)

Restated Consolidated Statement of Equity – Three Months Ended December 31, 2024

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Additional paid-in capital	\$ 61,366	\$ (776)	2	\$ 60,590
Additional paid-in capital, issuance of common shares for intangible asset acquisition	2,454	1,243	13	3,697
Additional paid-in capital, issuance of shares upon exercise of warrants for cash	8,064	12,342	2	20,406
Additional paid-in capital, shares issued to employees	867	(351)	13	516
Additional paid-in capital, shares issued for services	314	614	13	928
Retained earnings	(11,487)	(19,224)	*	(30,711)
Net loss attributable to common stockholders	(3,548)	(25,996)	*	(29,544)
Total stockholders' equity	\$ 49,869	\$ (19,999)	*	\$ 29,870

Restated Consolidated Statement of Cash Flows – Nine Months Ended June 30, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Consolidated net loss	\$ (12,238)	\$ (19,591)	*	\$ (31,827)
Gain/loss on change in fair value of warrant liability	-	22,123	2,3	22,123
Issuance costs accrued related to warrants	-	189	1	189
Inventory	(334)	331	8	(3)
Stock-based compensation	-	3,429	12,13	3,429
Depreciation and amortization	1,635	(694)	7,9	941
Net cash used by operating activities	(11,197)	5,788	*	(5,409)
Purchase of property and equipment	(4,509)	(330)	8	(4,839)
Purchase of intangible assets	(100)	16	*	(84)
Purchase of long-term investments	(247)	105	*	(142)
Net cash used in investing activities	(41,532)	(209)	*	(41,741)
Payment of issuance cost of ordinary shares	-	(1,180)	12	(1,180)
Proceeds from warrants exercise	-	18,038	12	18,038
Proceeds from issuance of ordinary shares	71,087	(22,437)	12	48,650
Net Cash used in financing activities	\$ 71,056	\$ (5,579)	*	\$ 65,477

Restated Consolidated Statement of Cash Flows – Six Months Ended March 31, 2025

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Consolidated net loss	\$ (8,126)	\$ (22,011)	*	\$ (30,137)
Gain/loss on change in fair value of warrant liability	-	21,837	2,3	21,837
Issuance costs accrued related to warrants	-	189	1	189
Allowance for credit loss	-	(94)	*	(94)
Inventory	(343)	270	8	(73)
Stock based compensation	-	3,077	12,13	3,077
Depreciation and amortization	730	(225)	7,9	505
Accounts receivable	(321)	94	*	(227)
Accrued expenses	(91)	3	*	(88)
Net cash used by operating activities	(8,076)	3,139	*	(4,937)
Purchase of property and equipment	(116)	(270)	8	(386)
Net cash used by investing activities	(15,130)	(205)	*	(15,335)
Payment of issuance cost of ordinary shares	0	(1180)	12	(1180)
Proceeds from issuance of ordinary shares	19,792	(1,754)	12	18,038
Net cash provided by financing activities	19,766	(2,934)	*	16,832

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 3: Restatement of Previously Issued Quarterly Financial Statements (Cont.)

Restated Consolidated Statement of Cash Flows – Three Months Ended December 31, 2024

Line item	As Previously Reported on 10-Q	Restatement Adjustment	ID	As Restated
Consolidated net loss	\$ (3,548)	\$ (26,017)	*	\$ (29,565)
Gain/loss on change in fair value of warrant liability	-	25,965	2	25,965
Inventory	(248)	60	8	(188)
Stock based compensation	-	1,444	12,13	1,444
Depreciation and amortization	513	(232)	7,9	281
Net cash used by operating activities	(3,578)	1,220	*	(2,358)
Purchase of property and equipment	(78)	(60)	8	(138)
Net cash used in investing activities	(380)	(60)	*	(440)
Contributions from non-controlling interests	(21)	21	*	-
Proceeds from issuance of ordinary shares	9,244	(1,181)	12	8,063
Net cash used in financing activities	\$ 9,219	\$ (1,160)	*	\$ 8,059

* Represents the downstream effects of the identified restatement adjustments and other individually immaterial changes.

NOTE 4: Summary of Significant Accounting Policies

Basis of Presentation

These financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”), pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. We view our operations and manage our business as one operating segment.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with original maturity of three months or less to be cash equivalents. We place our cash and cash equivalents in highly liquid instruments with, and in the custody of, financial institutions with high credit ratings.

Investments

Investments may be comprised of a combination of marketable securities, including U.S. government securities, corporate debt securities, commercial paper, time deposits, and certain certificates of deposit, which are all designated as available-for-sale and reported at estimated fair value, with unrealized gains and losses recorded in accumulated other comprehensive income which is included within stockholders’ equity.

Available-for-sale marketable securities with maturities greater than three months at the date of purchase are included in short-term investments in our consolidated balance sheets. Interest, dividends, amortization and accretion of purchase premiums and discounts on these investments are included within Interest income in our consolidated statements of operations.

The cost of available-for-sale investments sold is based on the specific identification method. Realized gains and losses on the sale of available-for-sale investments are recorded in Other income (expense), net.

We regularly review all of our investments for declines in fair value. The review includes but is not limited to (i) the consideration of the cause of the decline, (ii) any currently recorded expected credit losses and (iii) the creditworthiness of the respective security issuers. The amortized cost basis of our investments approximates its fair value.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 4: Summary of Significant Accounting Policies (Cont.)

Warrants

We have issued certain warrants that are classified as either liabilities or equity. Warrants classified as liabilities are measured at fair value at each reporting period end. Prefunded warrants for which the only valuation input is the quoted price of our common stock are valued using observable market prices and, when outstanding, are classified within Level 1 of the fair value hierarchy. All other liability-classified warrants are valued using an option pricing model, such as the Black-Scholes model, which incorporates inputs including the expected volatility of our common stock, the expected term of the warrant, a risk-free interest rate based on U.S. Treasury yields, and an expected dividend yield of zero. Because these valuations include significant unobservable inputs, such warrants are classified within Level 3 of the fair value hierarchy. Changes in the fair value of liability-classified warrants are recognized in earnings in the period of change.

For equity-classified warrants, fair value is measured at issuance with no subsequent remeasurement.

Standby Equity Purchase Agreement

We entered into a standby equity purchase agreement that provides us the right, subject to certain terms and conditions, to sell shares of our Class B common stock to an investor from time to time. We evaluate the terms of the standby equity purchase agreement to determine the appropriate accounting treatment under applicable accounting guidance. Certain provisions of the arrangement permitted the issuance of a variable number of shares based on future market prices and other contractual terms of the arrangement. As a result, the arrangement was accounted for as a derivative liability. We recognize the derivative liability at fair value upon inception of the arrangement and subsequently remeasure the derivative liability at fair value at each reporting period end. Changes in the fair value of the derivative liability are recognized in earnings in the period of change.

Accounts Receivable

Our accounts receivable primarily consist of trade receivables, which represent amounts owed to us by customers for products and services provided. These receivables are presented net of any rebates, price protection adjustments, and an allowance for credit losses. In addition to trade receivables, our accounts receivable also include unbilled receivables. These primarily relate to work completed on development services for which revenue has been recognized but not yet invoiced to customers. We expect these unbilled receivables to be billed and collected within twelve months.

We actively manage our exposure to customer credit risk through various measures, including credit limits, credit lines, ongoing monitoring procedures, and credit approvals. We perform in-depth credit evaluations of all new customers and periodically reassess the creditworthiness of existing customers. If deemed necessary, we may require letters of credit, bank or corporate guarantees, or advance payments to mitigate credit risk.

To account for potential losses from uncollectible accounts, we maintain an allowance for credit losses. This allowance considers both specific troubled accounts and an overall estimate of potential uncollectible receivables based on historical experience and current credit quality assessments. As of September 30, 2025, the allowance for credit losses was \$139, compared to \$197 as of September 30, 2024. We believe that our rigorous credit risk management practices and the allowance for credit losses adequately address the potential for uncollectible accounts.

Inventories

We value inventory at standard cost, adjusted to approximate the lower of actual cost or estimated net realizable value using assumptions about future demand and market conditions. In determining excess or obsolescence reserves for our products, we consider assumptions such as changes in business and economic conditions, other-than-temporary decreases in demand for our products, and changes in technology or customer requirements. In determining the lower of cost or net realizable value reserves, we consider assumptions such as recent historical sales activity and selling prices, as well as estimates of future selling prices. We fully reserve for inventories and non-cancellable purchase orders for inventory deemed obsolete. We perform periodic reviews of inventory items to identify excess inventories on hand by comparing on-hand balances and non-cancellable purchase orders to anticipated usage using recent historical activity as well as anticipated or forecasted demand. If estimates of customer demand diminish further or market conditions become less favorable than those projected by us, additional inventory carrying value adjustments may be required.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 4: Summary of Significant Accounting Policies (Cont.)

Property, and Equipment, net

Property and equipment, net is stated at cost less accumulated depreciation and amortization and is depreciated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of equipment is two to six years, and leasehold improvements are measured by the shorter of the remaining terms of the leases or the estimated useful economic lives of the improvements.

Property and equipment, as of September 30, 2025 and 2024 are as follows:

	Years Ended September 30,	
	2025	2024
Furniture, fixtures & equipment	\$ 1,435	\$ 789
Equipment held for lease	536	120
Leasehold improvements	4	4
Building	2,973	-
Land	1,109	-
	<u>6,057</u>	<u>913</u>
Accumulated depreciation	(263)	(71)
Property and equipment, net	<u>\$ 5,794</u>	<u>\$ 842</u>

Depreciation expenses for 2025 and 2024 were \$192 and \$31, respectively.

Rights and Privileges of Common Stock

Pursuant to our second amended and restated articles of incorporation, our authorized capital stock consists of an aggregate of 300,000,000 shares of common stock, including 100,000,000 shares of Class A common stock and 200,000,000 shares of Class B common stock, and 10,000,000 shares of “blank check” preferred stock. The following description summarizes the material terms of our securities registered under Section 12 of the Exchange Act and does not purport to be complete. It is subject to, and qualified in its entirety by reference to, our second amended and restated articles of incorporation and our amended and restated bylaws.

Except as otherwise required by Nevada Revised Statutes (“NRS”), each holder of Class A common stock is entitled to ten (10) votes in respect of each share of Class A common stock held by him, her, or it of record on the books of the Company, and each holder of Class B common stock is entitled to one (1) vote in respect of each share of Class B common stock held by him, her, or it of record on the books of the Company, in connection with the election of directors and on all matters submitted to a vote of stockholders of the Company. Each share of Class A common stock is convertible into one share of Class B common stock at any time at the option of the holder, but Class B common stock shall not be convertible into Class A common stock under any circumstances. Holders of our common stock do not have preemptive, subscription, or redemption rights.

Listing on Nasdaq

On November 17, 2023, the Company’s shares of Class B common stock commenced trading on the Nasdaq Capital Market under the ticker symbol “RR.”

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 4: Summary of Significant Accounting Policies (Cont.)

Mezzanine Equity

We classify certain equity instruments as mezzanine equity when they contain redemption features that are not solely within our control. Under ASC 480-10-S99-3A and SEC Regulation S-X Rule 5-02, instruments that are redeemable for cash or other assets upon the occurrence of events not solely within our control are presented outside of permanent equity in a separate mezzanine section of the consolidated balance sheets.

Mezzanine equity instruments are initially measured at fair value on the issuance date. Subsequent measurement is based on the estimated redemption value, with changes in the carrying amount recognized through accretion to retained earnings (or additional paid-in capital if retained earnings is insufficient) as redemption becomes probable. We classify mezzanine equity in a separate caption between liabilities and stockholders' equity on the balance sheet and disclose the terms of each issue, including redemption features and dividend rights.

Revenue Recognition

Revenue is recognized when we transfer promised goods or services to our customers, in amounts that reflect the consideration that we expect to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under each agreement, we perform the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) we satisfy each performance obligation. We only apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to the customer.

For arrangements that bundle robotic products, maintenance, and technical support services, we exercise significant judgment in determining whether these items are distinct. Robotic products are typically considered distinct performance obligations as customers can benefit from the product on its own. Maintenance and technical support services, which may include scheduled inspections, repairs, remote troubleshooting, and spare parts provisions, are generally considered distinct performance obligations when they are separately priced, optional, and can be performed by another vendor. However, when these services are embedded as a mandatory component of a bundled contract (e.g., a RaaS arrangement) and are integral to the promised continuous operational capability, they are not considered distinct and are combined with the overall service promise as a single performance obligation. We allocate the transaction price to each distinct performance obligation based on its relative standalone selling price, which is determined based on observable standalone sales or, if not available, estimated using expected cost-plus-margin approaches.

We recognize revenue when control of a promised good or service transfers to a customer. Control can transfer at a point in time or over time. Revenue from the sale of robotic products is recognized at a point in time, typically upon shipment or delivery when legal title and the significant risks and rewards of ownership have transferred to the customer. This is assessed based on the terms of sale (e.g., FOB shipping point or FOB destination) and when the customer obtains physical possession, bears the risk of loss, and has an unconditional obligation to pay. Revenue from Robotics-as-a-Service (RaaS) arrangements is recognized over time, as the customer simultaneously receives and consumes the benefits of the Company's continuous provision of robotic functionality, maintenance, and technical support services. The Company uses the straight-line method of recognition over the contract term as the most faithful depiction of the transfer of services, unless evidence suggests another method better reflects the pattern of performance. The assessment of whether control transfers over time is based on the criteria in ASC 606, including whether (a) the customer simultaneously receives and consumes benefits as the Company performs, or (b) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 4: Summary of Significant Accounting Policies (Cont.)

The transaction price is the amount of consideration to which we expect to be entitled in exchange for transferring promised goods or services to a customer. Our contracts contain fixed consideration. We do not offer variable consideration elements such as usage-based fees, price concessions, rebates, penalties, or performance bonuses. Therefore, the transaction price for all contracts equals the fixed, non-refundable amount stated in the contract.

At contract inception, we assess the customer's ability and intent to pay the promised consideration. A contract is only accounted for under ASC 606 if it is probable we will collect substantially all of the consideration to which it is entitled. This collectability assessment involves evaluating the customer's creditworthiness using both quantitative and qualitative factors. For new customers, this includes reviewing credit ratings (if available), financial statements, and payment history with other parties. For existing customers, we review historical payment patterns, current financial health, and the impact of prevailing economic conditions. If, after contract inception, a significant deterioration in a customer's creditworthiness indicates that collectability of substantially all of the remaining consideration is no longer probable, we cease to recognize additional revenue and assesses the need for a credit loss provision on any recognized contract assets or receivables.

Product Revenue

We generate revenue through the sale of our branded robotic products directly to customers. We consider customer purchase orders, which in some cases are governed by master sales agreements, to be the contracts with our customers. There is a single performance obligation in all our contracts, which is our promise to transfer our product to customers based on specific payment and shipping terms in the arrangement. The entire transaction price is allocated to this single performance obligation. Product revenue is recognized when a customer obtains control of our product, which occurs at a point in time and may be upon shipment or delivery, based on the terms of the contract.

Revenue from Robots-as-a-Service (RaaS)

As part of our evolving business model, we generate revenue through our Robots-as-a-Service (RaaS) offerings, which provide customers with ongoing access to our robotic solutions under long-term contracts. For RaaS agreements, revenue is recognized over time on a monthly basis as the services are provided and the customer benefits from the use of the robotic solutions.

The transaction price is typically fixed and allocated evenly across the contract term. Revenue recognition begins once the robots are installed and operational at the customer's site. We account for RaaS arrangements under ASC 606, Revenue from Contracts with Customers. These contracts provide customers with continuous usage to the Company's robotic products, maintenance, and technical support services, in exchange for a fixed fee. The Company has determined that these are service contracts, as the customer is contracting for an integrated service output and the Company retains substantial ownership risks and control over the deployed robotic assets, including responsibility for maintenance, upgrades, and ensuring uptime. The customer does not have the right to direct the use of, nor obtain substantially all the economic benefits from, a specifically identified asset. Revenue from these fixed-fee contracts is recognized on a straight-line basis over the contractual service period as the customer simultaneously receives and consumes the benefits.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 4: Summary of Significant Accounting Policies (Cont.)

Revenue from Leasing

We account for Robotic leasing arrangements under ASC 842, Leases. These contracts convey the right to control the use of an explicitly identified robotic products for a specified period in exchange for consideration. As the customer has the right to direct the use of and obtain substantially all economic benefits from the specifically identified asset during the lease term, these contracts meet the definition of a lease. Our leases are classified as operating leases, and lease income is recognized on a straight-line basis over the lease term. The leased robot is included within Property, Plant, and Equipment and depreciated over its useful life. We did not generate revenue from lease arrangements in fiscal year 2025.

Remaining Performance Obligations

Remaining performance obligations represent the aggregate amount of the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the balance sheet date. This amount relates primarily to the fixed consideration in non-cancelable Robotics-as-a-Service (RaaS) contracts for which revenue is recognized over time.

As of September 30, 2025, the total amount of the transaction price allocated to remaining performance obligations was \$1,376. Of this amount, \$704 is expected to be recognized as revenue within the next 12 months, \$425 is expected to be recognized between 13 and 24 months, and the remaining \$247 is expected to be recognized beyond 24 months. We did not generate revenue from leasing arrangements in fiscal year 2025, and as such, there are no remaining performance obligations related to lease contracts.

Contract assets and contract liabilities

We maintain contract-related balance sheet accounts under ASC 606, *Revenue from Contracts with Customers*, which primarily arise from Robotics-as-a-Service (RaaS) arrangements.

Contract Assets (Unbilled Receivables) represent revenue recognized for performance obligations satisfied but not yet billed as of the balance sheet date. These assets are generated when revenue is recognized over time under RaaS contracts, while invoicing occurs on a periodic or milestone basis. Contract assets are reclassified to accounts receivable when the right to payment becomes unconditional.

Contract Liabilities (Deferred Revenue) consist of payments received from customers in advance of performance. These liabilities relate primarily to advance payments for RaaS subscriptions and are recognized as revenue as the related services are provided over the contract term. As of September 30, 2025, the balance of contract liabilities was \$248.

No contract balances are attributable to leasing activities, as the Company did not generate revenue from lease arrangements during fiscal year 2025.

Other Revenue Policies

Sales, value add, and other taxes collected on behalf of third parties are excluded from revenue.

We do not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the customer and the transfer of the promised products to the customer will be one year or less, which is the case with substantially all customers.

We recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that we otherwise would have recognized is one year or less. These costs are included in selling expenses.

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 4: Summary of Significant Accounting Policies (Cont.)

We account for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products.

We record the related costs within cost of goods sold.

Research and Development Costs

Research and development costs primarily consist of employee-related expenses, including salaries and benefits, facilities costs, depreciation, and other allocated expenses. Research and development costs are expensed as incurred.

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance (Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, the tax position will be realized or sustained upon examination. The term “more likely than not” means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management’s judgment.

The Company recognizes interest and penalties on income taxes as a component of income tax expense.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases* (“Topic 842”). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The standard is effective for public business entities for fiscal years beginning after December 15, 2018. As an emerging growth company, we adopted the new standard on January 1, 2022 for our years ended September 30, 2024 and 2025. We had operating leases for which we were required to recognize a right-of-use asset and lease liability.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes*, which amends the approaches and methodologies in accounting for income taxes during interim periods and makes changes to certain income tax classifications. The new standard allows certain exceptions, including an exception to the use of the incremental approach for intra-period tax allocation, when there is a loss from continuing operations and income or a gain from other items, and to the general methodology for calculating income taxes in an interim period, when a year-to-date loss exceeds the anticipated loss for the year. The standard also requires franchise or similar taxes partially based on income to be reported as income tax and to reflect the effects of enacted changes in tax laws or rates in the annual effective tax rate computation from the date of enactment. Lastly, in any future acquisition, we would be required to evaluate when the step-up in the tax basis of goodwill is part of the business combination and when it should be considered a separate transaction. The standard was effective for us beginning January 1, 2022, with early adoption of the amendments permitted. The adoption of ASU 2019-12 did not have a material impact on our financial statements and disclosures.

NOTES TO FINANCIAL STATEMENT
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NOTE 4: Summary of Significant Accounting Policies (Cont.)

In May 2020, the FASB issued ASU 2021-04, Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815- 40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options ("ASU 2021-04"). ASU 2021-04 provides guidance for a modification or an exchange of a freestanding equity-classified written call option that is not within the scope of another topic. ASU 2021-04 is effective for fiscal years beginning after December 15, 2021. The Company has determined the adoption of ASU 2021-04 did not have a material impact on our financial statements and disclosures.

NOTE 5: Revenue

For the fiscal year ended September 30, 2025, total net revenue was \$5,045, representing a 19.0% increase over the \$4,240 generated in 2024. The Company's revenue is derived from multiple revenue streams that reflect differences in the nature of the underlying goods and services. The revenue stream was led by revenue from Robots-as-a-Service (RaaS) arrangements, which contributed \$692. Product revenue from robotic sales accounted for \$2,309, while leasing/service/rental arrangements generated \$1,429. The remaining revenue was derived from other retail and management services \$615. Revenue is recognized when control of the promised goods or services is transferred to the customer.

NOTE 6: Intangible Asset, net

The Company's intangible assets consist of multiple systems purchased for our robotic product. These assets are amortized using the straight-line method over their estimated useful life of 10 years.

Intangible Asset, as of September 30, 2025 and September 30, 2024 are as follows:

	Years Ended September 30,	
	2025	2024
Intangible assets	\$ 11,978	\$ 7,688
Accumulated amortization	(1,263)	(68)
Intangible assets, net	\$ 10,715	\$ 7,620

Amortization expense was \$2,150 and \$67 for the years ended September 30, 2025 and 2024, respectively. The increase was primarily attributable to additional intangible assets acquired during the current fiscal year and to intangible assets that were acquired in the prior fiscal year and incurred their first full year of amortization in the current fiscal year.

Estimated amortization expense related to existing finite-lived intangible assets for each of the next five years is as follows:

Fiscal Year	Estimated Amortization Expense
FY2026	\$ 1,194
FY2027	\$ 1,194
FY2028	\$ 1,194
FY2029	\$ 1,194
FY2030	\$ 1,194
Total	\$ 5,970

The Company performs an impairment assessment on an annual basis. For the fiscal year ended September 30, 2025, the Company's assessment concluded that no impairment indicators were identified, and no impairment loss was recognized.

NOTES TO FINANCIAL STATEMENT
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NOTE 7: Accounts Receivable, Net

Accounts receivable, net of allowance for doubtful accounts, was \$1,780 as of September 30, 2025, compared to \$1,359 as of September 30, 2024. The 2025 balance includes gross receivables of \$1,919 offset by an allowance for doubtful accounts of \$139. This allowance represents management's best estimate of potential credit losses based on the aging of customer balances and a specific identification of problematic accounts.

NOTE 8: Inventories

Inventory as of September 30, 2025 and 2024 are as follows:

	Year Ended September 30,	
	2025	2024
Raw materials	\$ 811	\$ 619
Finished goods	313	409
Total inventories	<u>\$ 1,124</u>	<u>\$ 1,028</u>

Finished goods inventory includes products-in-transit to fulfill customer orders and robotic products available for sale. We write-down inventory for any excess or obsolete inventory or when we believe that the net realizable value of inventory is less than the carrying value. During the years ended September 30, 2025, we recorded write-downs of \$167, respectively, in Cost of revenues in the consolidated statements of operations.

NOTE 9: Earnings/Loss per Share

Because we reported a net loss for all periods presented, no potentially dilutive securities have been included in the computation of diluted net loss per share.

The following potential common stock outstanding were excluded from the computation of diluted net loss per share because including them would have been anti-dilutive:

	September 30, 2025	September 30, 2024
Warrants to purchase Class B common stock	6,623,330	16,749,446

	Year Ended September 30,	
	2025	2024
Numerators:		
Net loss attributable to common stockholders	\$ (49,073)	\$ (1,368)
Denominator:		
Weighted Average ordinary shares used in computing	121,963,786	69,953,723
Basic and diluted net loss per share (in each dollar)	\$ (0.40)	\$ (0.02)

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NOTE 10: Income Taxes

The Company's financial statements include a total federal deferred tax benefit of \$108 and state tax expense of \$2 on a loss before income taxes of approximately \$49 for the years ended September 30, 2025. A reconciliation of the difference between the (expense)/benefit for income taxes and income taxes at the statutory U.S. federal income tax rate is as follows (in thousands, except amounts pertaining to rate which are shown as a percentage):

	Years Ended September 30, 2025
Federal Statutory Rate	21.00%
Effect of:	
Change in Valuation Allowance	(22.94)%
RTP & Deferred True-up	(0.01)%
Change in Rate	0.07%
State Tax Benefit (Net of Fed)	1.90%
M&E	(0.03)%
Liability instrument issuance costs	(0.08)%
Others	0.31%
Total provision effective rate	0.22%

The components of deferred tax assets and liabilities are as follows (in thousands):

	September 30, 2025
Deferred tax assets relating to:	
Net Operating loss carryforwards	\$ 4,044
Research & development tax credit carryforward	7
174 Expenses	1,070
Right of Use Liability	169
Other deferred tax assets	6,843
Total gross deferred tax assets	12,133
Deferred tax liabilities relating to:	
Right of Use Asset	169
Fixed Asset	18
Other deferred tax liabilities	-
Total Gross deferred tax liabilities	186
Deferred assets less liabilities	11,946
Less: valuation allowance	(11,946)
Net deferred tax asset (liability)	\$ -

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income (losses) and projections for future taxable income (losses) over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will not realize the benefits of these deductible differences in the future. The Company had the following federal net operating loss carryforward and research activities credits as of September 30, 2025 (in thousands):

Year incurred	Net Operating Loss	Research Activities Credit
2023	\$ 219	7.33
2024	6,588	-
2025	10,938	-

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NOTE 11: Fair Value of Financial Instruments

ASC 820, Fair Value Measurements (“ASC 820”) states that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. The three-tiered fair value hierarchy, which prioritizes which inputs should be used in measuring fair value, is comprised of: (Level I) observable inputs such as quoted prices in active markets; (Level II) inputs other than quoted prices in active markets that are observable either directly or indirectly and (Level III) unobservable inputs for which there is little or no market data. The fair value hierarchy requires the use of observable market data when available in determining fair value. Our assets and liabilities that were measured at fair value on a recurring basis were as follows:

	September 30, 2025				September 30, 2024			
	Fair Value	Level I	Level II	Level III	Fair Value	Level I	Level II	Level III
U.S. government securities	\$ 81,308	\$ 81,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of deposit	48,656	-	48,656	-	15,940	-	15,940	-
Money market funds	45,532	45,532	-	-	-	-	-	-
Warrants	19,285	-	-	19,285	6,940	-	-	6,940
Total	\$ 194,781	\$ 126,840	\$ 48,656	\$ 19,285	\$ 22,880	\$ -	\$ 15,940	\$ 6,940

Our U.S. government securities are classified within Level I of the fair value hierarchy because their fair values are based on quoted prices in active markets. Our certificates of deposit are classified within Level II of the fair value hierarchy and are measured using observable market inputs.

Our liability-classified warrants are measured at fair value on a recurring basis using Level III inputs. Refer to Note 12 for details on the valuation technique and significant unobservable inputs used and a rollforward of the fair value balance.

Our cash, cash equivalents and investments classified by security type as of September 30, 2025 and 2024 consisted of the following:

	September 30, 2025					
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-Term Investments
Cash	\$ 76,441	\$ -	\$ -	\$ 76,441	\$ 76,441	\$ -
U.S. government securities	80,915	393	-	81,308	62,917	18,391
Certificates of deposit and time deposits	48,656	-	-	48,656	684	47,972
Money market funds	45,532	-	-	45,532	45,532	-
Total cash, cash equivalents and short-term investments	\$ 251,544	\$ 393	\$ -	\$ 251,937	\$ 185,574	\$ 66,363

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NOTE 11: Fair Value of Financial Instruments (Cont.)

	September 30, 2024					
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-Term Investments
Cash	\$ 14,566	\$ -	\$ -	\$ 14,566	\$ 14,566	\$ -
Certificates of deposit and time deposits	15,940	-	-	15,940	-	15,940
Total cash, cash equivalents and short-term investments	<u>\$ 30,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,506</u>	<u>\$ 14,566</u>	<u>\$ 15,940</u>

As of September 30, 2025, all of our short-term investments had contractual maturity dates within one year.

NOTE 12: Warrants

The following table summarizes warrants outstanding as of September 30, 2025 and 2024:

Instrument	Classification	Exercise Price	Expiration	September 30, 2025	September 30, 2024
Representative's Warrants	Equity	\$ 6.00	Nov-28	105,000	105,000
Public Offering Warrants	Liability	\$ 1.35	Sep-29	3,013,408	15,555,557
Placement Agent Warrants	Mezzanine equity	\$ 1.69	Sep-29	616,139	1,088,889
Common Inducement Warrants	Liability	\$ 4.00	Feb-30	2,699,797	-
Placement Agent Inducement Warrants	Mezzanine equity	\$ 5.00	Mar-30	188,986	-
Total warrants outstanding				<u>6,623,330</u>	<u>16,749,446</u>

Liability Classified Warrants

On September 3, 2024, in connection with a registered public offering, we issued warrants to investors (the "Public Offering Warrants") with an exercise price of \$1.35 per share. In connection with the inducement transaction on February 10, 2025, we issued new common stock purchase warrants to certain holders that exercised outstanding warrants (the "Common Inducement Warrants") with an exercise price of \$4.00 per share. The Public Offering Warrants were issued to investors in exchange for capital, and the Common Inducement Warrants were issued in exchange for the exercise of previously outstanding warrants. The terms of the Public Offering Warrants and Common Inducement Warrants include settlement features that, under specified transactions involving a change in control or similar corporate events, could require the Company to settle the warrants for cash in circumstances outside the Company's control. As a result, the warrants do not qualify for equity classification and are recorded as liabilities, measured initially and subsequently at fair value with changes in fair value recognized in earnings.

The following table presents the changes in shares of the liability-classified warrants outstanding.

	Public Offering Warrants	Common Inducement Warrants	Total
Warrants outstanding as of September 30, 2023	—	—	—
Issuance	15,555,557	—	15,555,557
Warrants outstanding as of September 30, 2024	15,555,557	—	15,555,557
Issuance	—	2,699,797	2,699,797
Exercises	(12,542,149)	—	(12,542,149)
Warrants outstanding as of September 30, 2025	3,013,408	2,699,797	5,713,205

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NOTE 12: Warrants (Cont.)

Both the Public Offering Warrants and the Common Inducement Warrants are included within Level III of the fair value hierarchy. We use a Black-Scholes option pricing model to determine the fair value of our liability-classified warrants. The valuation incorporates both observable inputs, including our stock price and risk-free interest rates, and significant unobservable inputs, including expected stock price volatility. The expected volatility is based on a combination of the implied volatility of our publicly traded common stock and the historical volatility of comparable publicly traded companies with similar expected terms, while the expected term is generally based on the contractual term of the warrants as they are immediately exercisable. The dividend yield is assumed to be zero, consistent with our historical practice on our Class B common stock. Changes in significant unobservable inputs, particularly expected volatility and expected term, could result in a significantly higher or lower fair value measurement.

Key assumptions utilized in the issuance-date valuation of the Public Offering Warrants and Common Inducement Warrants are summarized in the table below:

	Public Offering Warrants	Common Inducement Warrants
Stock price	\$ 1.27	\$ 3.01
Exercise price	\$ 1.35	\$ 4.00
Expected term (in years)	5.00	5.00
Volatility	73.6%	75.2%
Risk-free interest rate	3.62%	4.29%

The following table presents the change in the liability balance associated with the liability-classified warrants. Changes in the fair value of the liability-classified warrants are included within other income (loss) on the consolidated statements of operations.

	Public Offering Warrants	Common Inducement Warrants	Total
Balance as of September 30, 2023	\$ —	\$ —	\$ —
Issuance	12,125	—	12,125
Change in fair value	(5,185)	—	(5,185)
Balance as of September 30, 2024	6,940	—	6,940
Issuance	—	4,758	4,758
Exercises	(26,585)	—	(26,585)
Change in fair value	30,648	3,524	34,172
Balance as of September 30, 2025	\$ 11,003	\$ 8,282	\$ 19,285

Key assumptions utilized in the valuation of the liability-classified warrants as of the balance sheet dates are summarized in the table below:

	September 30, 2025	September 30, 2024
Stock price	\$ 4.29	\$ 0.84
Exercise price	\$ 1.35 – 4.00	\$ 1.35
Expected term (in years)	3.93 – 4.36	4.93
Volatility	95.1 – 100.8%	74.9%
Risk-free interest rate	3.64 – 3.66%	3.55%

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NOTE 12: Warrants (Cont.)

Mezzanine Equity Classified Warrants

In September 2024, in connection with a registered public offering, we issued warrants to placement agents (the “Placement Agent Warrants”) with an exercise price of \$1.69 per share. In connection with the inducement transaction on February 10, 2025, we issued inducement warrants to certain placement agents with an exercise price of \$5.00 (the “Placement Agent Inducement Warrants,” and together with the Placement Agent Warrants, the “Mezzanine Equity Warrants”). The Placement Agent Warrants were issued on September 3, 2024, and the Placement Agent Inducement Warrants were issued on March 12, 2025. Both were issued in exchange for placement agent services and are accounted for as share-based payment awards. Due to certain settlement features that are not solely within the Company’s control, including a change in control or similar corporate events, the Mezzanine Equity Warrants are classified within mezzanine equity. The warrants were recorded at their issuance-date fair value. As of September 30, 2025 and 2024, the warrants were not currently redeemable and, therefore, the Company did not adjust the carrying amounts to redemption value. The warrants are exercisable into shares of Class B common stock.

The following table presents the changes shares of the Mezzanine Equity Warrants.

	Placement Agent Warrants	Placement Agent Inducement Warrants	Total
Warrants outstanding as of September 30, 2023	—	—	—
Issuance	1,088,889	—	1,088,889
Warrants outstanding as of September 30, 2024	1,088,889	—	1,088,889
Issuance	—	188,986	188,986
Exercises	(472,750)	—	(472,750)
Warrants outstanding as of September 30, 2025	616,139	188,986	805,125

Key assumptions utilized in the issuance-date valuation of the Placement Agent Warrants and Placement Agent Inducement Warrants are summarized in the table below:

	Placement Agent Warrants	Placement Agent Inducement Warrants
Stock price	\$ 1.27	\$ 1.98
Exercise price	\$ 1.69	\$ 5.00
Expected term (in years)	5.00	4.95
Volatility	73.6%	82.7%
Risk-free interest rate	3.62%	3.92%

The following table summarizes activity in mezzanine equity:

	Placement Agent Warrants	Placement Agent Inducement Warrants	Total
Balance as of September 30, 2023	\$ —	\$ —	\$ —
Issuance	786	—	786
Balance as of September 30, 2024	786	—	786
Issuance	—	189	189
Exercises	(341)	—	(341)
Remeasurement	—	—	—
Balance as of September 30, 2025	\$ 445	\$ 189	\$ 634

Because the Placement Agent Warrants and Placement Agent Inducement Warrants were not currently redeemable as of September 30, 2025 or September 30, 2024, no redemption value adjustment was recorded during the years ended September 30, 2025 and 2024.

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NOTE 12: Warrants (Cont.)

Equity Classified Warrants

In connection with our initial public offering in November 2023, we issued warrants with an exercise price of \$6.00 per share to the representative of the offering to purchase shares of our common stock (the “Representative’s Warrants”). The Representative’s Warrants were issued as consideration for underwriting services and are accounted for as share-based payment awards. The Representative’s Warrants do not contain any cash settlement or redemption features outside the Company’s control, and are classified in permanent equity. The Representative’s Warrants issued at our initial public offering remained outstanding as of both September 30, 2025 and September 30, 2024, with no issuances, exercises, forfeitures, or expirations during the period from September 30, 2024 through September 30, 2025.

NOTE 13: Stockholders’ Equity

As of September 30, 2025, the Company had 39,934,846 shares of Class A common stock and 154,656,592 shares of Class B common stock issued and outstanding. As of September 30, 2024, the Company had 39,934,846 shares of Class A common stock and 53,795,254 shares of Class B common stock issued and outstanding. During the fiscal year ended September 30, 2025, the Company issued an aggregate of 100,861,338 shares of Class B common stock and no additional shares of Class A common stock. The material issuances of the Company’s Class B common stock are described below.

On November 21, 2023, the Company issued an aggregate of 2,100,000 shares of Class B common stock at a price of \$5.00 per share in connection with the closing of its initial public offering (“IPO”). On December 22, 2023, the Company issued an additional 42,563 shares of Class B common stock at a price of \$5.00 per share pursuant to the partial exercise of the underwriters’ over-allotment option. In connection with the IPO, the Company also issued warrants to the representative of the offering to purchase shares of common stock (the “Representative’s Warrants”). The Representative’s Warrants were issued as consideration for underwriting services, are accounted for as share-based payment awards, and are classified in permanent equity.

On February 15, 2024, the Company entered into a Standby Equity Purchase Agreement (the “SEPA”) with YA II PN, Ltd. (“Yorkville”), pursuant to which Yorkville agreed to purchase up to \$50 million of the Company’s Class B common stock over a 24-month period. The purchase price for shares issued under the SEPA is equal to 96% of the lowest volume weighted average price (“VWAP”) of the Company’s Class B common stock during the three trading days immediately following delivery of an advance notice by the Company. Each issuance and sale under the SEPA (an “Advance”) is subject to a maximum amount equal to 100% of the daily trading volume of the Company’s Class B common stock, as reported by Bloomberg L.P., during the five trading days immediately preceding an Advance notice. On April 22, 2024, the Company issued 259,350 commitment shares to Yorkville pursuant to the SEPA. As of September 30, 2024, the Company had issued an aggregate of 8,776,211 shares of Class B common stock under the SEPA. For a more detailed description of the SEPA, refer to the Company’s Current Report on Form 8-K/A filed with the SEC on March 15, 2024. For the year ended September 30, 2025, the Company did not recognize any losses related to issuances under the SEPA. For the year ended September 30, 2024, the Company recognized losses related to issuances under the SEPA of \$2,305, which were recorded within other income (loss).

On September 3, 2024, the Company completed a public offering pursuant to a Securities Purchase Agreement, dated August 29, 2024, with certain institutional investors and a prospectus dated August 29, 2024, filed with the SEC on August 30, 2024, relating to certain retail purchasers (collectively, the “Investors”). In connection with the offering, the Company issued (i) 13,242,963 shares of Class B common stock, (ii) pre-funded warrants to purchase up to 2,312,594 shares of Class B common stock (the “Pre-Funded Warrants”), and (iii) warrants to purchase up to 15,555,557 shares of Class B common stock (the “Common Warrants”), at a purchase price of \$1.35 per share and accompanying Common Warrant. The Pre-Funded Warrants were immediately exercisable at an exercise price of \$0.00001 per share and remain exercisable until exercised in full. The Common Warrants were immediately exercisable at an exercise price of \$1.35 per share and expire five years from the date of issuance.

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NOTE 13: Stockholders' Equity (Cont.)

As of September 30, 2024, the Company had issued an aggregate of 2,312,594 shares of Class B common stock pursuant to the exercise of all of the outstanding Pre-Funded Warrants in full, at an exercise price of \$0.00001 per share. As of September 30, 2024, the Company issued zero shares of Class B common stock pursuant to the exercise of Common Warrants, at an exercise price of \$1.35 per share.

During the fiscal year ended September 30, 2024, the Company issued an aggregate of 4,829,573 shares of Class B common stock under the Amended and Restated Richtech Robotics, Inc. 2023 Stock Option Plan, consisting of the following: (i) 4,730,726 shares of Class B common stock issued to consultants as compensation for technology development services. Upon completion of the development, the resulting technology was recognized as an intangible asset on the Company's balance sheet in accordance with ASC 350 and ASC 718; (ii) 51,890 shares of Class B common stock issued as stock compensation to employees and directors; and (iii) 46,957 shares of Class B common stock allocated to the employee and director equity incentive pool.

During the fiscal year ended September 30, 2024, the Company issued an aggregate of 4,419,000 shares of Class B common stock to stockholders upon the conversion of an equal number of shares of Class A common stock.

During the fiscal year ended September 30, 2025, the Company issued an aggregate of 79,241,455 shares through at-the-market ("ATM") offerings.

During the fiscal year ended September 30, 2025, the Company issued 8,721,735 shares of Class B common stock under the Amended and Restated Richtech Robotics, Inc. 2023 Stock Option Plan, consisting of the following: (i) 5,788,849 shares of Class B common stock issued to consultants as compensation for technology development services. Upon completion of the development, the resulting technology was recognized as an intangible asset on the Company's balance sheet in accordance with ASC 350 and ASC 718; (ii) 1,023,040 shares of Class B common stock issued as stock compensation to employees; and (iii) 1,793,095 shares of Class B common stock issued for legal and professional services. 861,904 shares of Class B common stock remained available under the employee and director equity incentive pool.

During the fiscal year ended September 30, 2025, the Company issued an aggregate of 13,014,899 shares of Class B common stock pursuant to the exercise of investor warrants.

NOTE 14: Commitments and Contingencies

Legal Proceedings

From time to time, we may be involved in judicial or administrative proceedings concerning matters arising in the ordinary course of business. Although the ultimate aggregate amount of monetary liability or financial impact with respect to these matters is subject to many uncertainties and is therefore not predictable with assurance, management believes that any monetary liability or financial impact to the Company from these matters, individually and in the aggregate, would not be material to the Company's consolidated financial position, results of operations or cash flows.

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NOTE 14: Commitments and Contingencies (Cont.)

On June 2, 2025, a civil action was filed against the Company and certain of our officers in the Supreme Court of the State of New York, County of Kings (Index No. 517888/2025). The complaint asserts claims for breach of contract, breach of express and implied warranties, fraud, and joint venture liability. The plaintiff seeks damages in excess of \$600,000, including compensatory and punitive damages. On September 26, 2025, we filed a motion to dismiss the case. On April 28, 2026, the parties entered into a joint stipulation adjourning oral argument on the motion to dismiss to July 15, 2026. We believe the claims are meritless and are vigorously defending the action. Based on the current stage of litigation and consultation with outside counsel, management has concluded that a loss is not probable.

Lease

We lease office facilities and retail space under noncancelable operating lease agreements. Following the purchase of the new corporate headquarters in April 2025, the existing facilities at 4175 Cameron St, Las Vegas, Nevada, continue to be leased and are now utilized for dedicated Research and Development (R&D) laboratory space and overflow administrative support. We closed our second office space in Austin, Texas, in April 2024. The total operating lease liabilities primarily relate to the Cameron Street R&D facility and the Clouffee & Tea retail space (Town Square Las Vegas). As of September 30, 2025, our operating lease liabilities were measured using a weighted average remaining lease term of approximately 2.7 years and a weighted average discount rate of approximately 4.0%.

The components of leases and lease costs are as follows (in thousands):

	As of September 30, 2025	As of September 30, 2024
Operating leases		
Operating lease right-of use assets	\$ 731	\$ 506
Operating lease liabilities, current portion	301	150
Operating lease liabilities, non-current portion	429	356
Total operating lease liabilities	<u>\$ 730</u>	<u>\$ 506</u>

Future minimum lease payments under these leases as of September 30, 2025, are approximately as follow:

Fiscal Year	Amount
2026	\$ 298
2027	307
2028	54
2029	56
2030	19
Total future minimum lease payments	<u>\$ 734</u>
Less: Imputed interest	<u>(4)</u>
Present value of lease payments	<u>\$ 730</u>

NOTES TO FINANCIAL STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(in thousands, except share and per share data)

NOTE 15: Subsequent Events

Between October 1, 2025 and January 15, 2026, the Company issued an aggregate of 19,642,631 shares of Class B common stock, as detailed below:

- The Company issued an aggregate of 4,485,946 shares of Class B common stock upon the exercise of Common Warrants, generating total proceeds of \$9,813,400.08 before deducting financial advisory fees.
- The Company issued an aggregate of 15,156,685 shares of Class B common stock under the At-The-Market program generating gross proceeds of \$71,622,886.31.
- On December 5, 2025, the Company announced the resignation of Matthew Casella as President, effective December 2, 2025. In connection with his departure, the Company entered into a separation agreement pursuant to which the Company will provide: (i) a cash payment of \$32 for severance and accrued obligations, (ii) a \$35 performance bonus, and (iii) 60,000 restricted shares of Class B common stock. Additionally, Mr. Casella will continue to provide consulting services for 12 months in exchange for 50,000 restricted shares of Class B common stock, payable quarterly through December 2026.

(2) Financial Statement Schedules

All financial statement schedules are omitted because they are not applicable or the amounts are immaterial and not required, or the required information is presented in the financial statements and notes thereto beginning on page F-1 of this Report.

(3) Exhibits

We hereby file as part of this Report the exhibits listed in the attached Exhibit Index. Exhibits that are incorporated herein by reference can be inspected on the SEC website at www.sec.gov.

ITEM 16. Form 10-K Summary.

Not applicable.

EXHIBIT INDEX

Exhibit No.	Description
3.1	<u>Second Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 3.1 in the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2023).</u>
3.2	<u>Articles of Amendment to Articles of Incorporation of Richtech Robotics Inc. (Incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed with the Commission on November 17, 2025).</u>
3.3	<u>Second Amended and Restated Bylaws (Incorporated by reference to Exhibit 3.3 in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024, filed with the SEC on January 11, 2024).</u>
4.1	<u>Specimen Class B Common Stock Certificate (Incorporated by reference to Exhibit 4.1 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
4.2	<u>Form of Underwriter Warrant (Incorporated by reference to Exhibit 4.1 in the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2023).</u>
4.3	<u>Form of Pre-Funded Warrant (Incorporated by reference to Exhibit 4.1 in the Company's Current Report on Form 8-K, filed with the SEC on September 5, 2024).</u>
4.4	<u>Form of Common Warrant (Incorporated by reference to Exhibit 4.2 in the Company's Current Report on Form 8-K, filed with the SEC on September 5, 2024).</u>
4.5	<u>Form of Placement Agent Warrant (Incorporated by reference to Exhibit 4.3 in the Company's Current Report on Form 8-K, filed with the SEC on September 5, 2024).</u>
4.6	<u>Form of Inducement Warrant (Incorporated by reference to Exhibit 4.1 in the Company's Current Report on Form 8-K, filed with the SEC on February 11, 2025).</u>
4.7	<u>Description of Registered Securities (Incorporated by reference to Exhibit 4.6 in the Company's Annual Report on Form 10-K, filed with the SEC on January 14, 2025).</u>
10.1#	<u>Letter of Intent, dated as of October 16, 2024, by and between Richtech Robotics Inc. and Ghost Kitchens America (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on October 22, 2024).</u>
10.2	<u>Form of Invention Assignment Agreement (Incorporated by reference to Exhibit 10.4 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
10.3	<u>Form of Stock Purchase Agreement (Pre-IPO Private Placement) (Incorporated by reference to Exhibit 10.5 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
10.4	<u>Second Amended and Restated Richtech Robotics, Inc. 2023 Stock Option Plan (Incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the Commission on November 17, 2025).</u>
10.5	<u>Form of Stock Option Agreement (Incorporated by reference to Exhibit 10.7 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
10.6	<u>Form of Stock Purchase Agreement (Incorporated by reference to Exhibit 10.8 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
10.7	<u>Employment Agreement between the Company and Zhenwu Huang (Incorporated by reference to Exhibit 10.9 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
10.8	<u>Employment Agreement between the Company and Zhenqiang Huang (Incorporated by reference to Exhibit 10.10 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
10.9	<u>Employment Agreement between the Company and Phil Zheng (Incorporated by reference to Exhibit 10.11 in the Company's Registration Statement on Form S-1/A (File No. 333-273628), filed with the SEC on November 1, 2023).</u>
10.10	<u>Standby Equity Purchase Agreement, dated February 15, 2024, by and between the Company and YA II PN, Ltd. (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on February 21, 2024).</u>

10.11	<u>Letter Agreement, dated March 14, 2024, by and between the Company and YA II PN, Ltd. (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on March 15, 2024).</u>
10.12	<u>Form of Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on September 5, 2024).</u>
10.13	<u>Form of Inducement Letter (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on February 11, 2025).</u>
10.14^	<u>Purchase and Sale Agreement, dated April 8, 2025, by and between the Company and L & R Investment LLC (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on April 14, 2025).</u>
10.15#	<u>Product Sales and Technical Services Agreement, dated as of June 24, 2025, by and between Boyu Artificial Intelligence (Beijing) Technology Co., Ltd. and Beijing Kaiwu Tongchuang Technology Development Co., Ltd (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on June 30, 2025).</u>
10.16#	<u>Master Services Agreement, dated August 21, 2025 (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on August 25, 2025).</u>
10.17	<u>At the Market Offering Agreement, dated August 28, 2025, by and among the Company and Rodman & Renshaw LLC and H.C. Wainwright & Co., LLC (Incorporated by reference to Exhibit 10.1 in the Company's Current Report on Form 8-K, filed with the SEC on August 28, 2025).</u>
10.18	<u>At the Market Offering Agreement, dated September 23, 2025, by and among the Company, Rodman & Renshaw LLC and H.C. Wainwright & Co., LLC (Incorporated by reference to Exhibit 10.1 in the Company's Registration Statement on Form S-3ASR, filed with the SEC on September 24, 2025).</u>
14	<u>Code of Ethics (Incorporated by reference to Exhibit 14 in the Company's Annual Report on Form 10-K, filed with the SEC on January 14, 2025).</u>
19	<u>Insider Trading Policy (Incorporated by reference to Exhibit 19 in the Company's Annual Report on Form 10-K, filed with the SEC on January 14, 2025).</u>
21	<u>Subsidiaries of the Registrant (Incorporated by reference to Exhibit 21 in the Company's Annual Report on Form 10-K, filed with the SEC on January 20, 2026).</u>
31.1	<u>Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>
31.2	<u>Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>
32.1	<u>Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</u>
32.2	<u>Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</u>
97	<u>Executive Compensation Clawback Policy (Incorporated by reference to Exhibit 97 in the Company's Annual Report on Form 10-K/A, filed with the SEC on February 7, 2025).</u>
101.INS	Inline XBRL Instance Document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File (Embedded as Inline XBRL document and contained in Exhibit 101).*

* Filed herewith.

** Furnished herewith

Certain portions of this exhibit have been omitted because the omitted information is (i) not material and (ii) would likely cause competitive harm to the Company if publicly disclosed.

^ Certain annexes, schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted attachment to the SEC on a confidential basis upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 7, 2026

RICHTECH ROBOTICS INC.

By: /s/ Zhenwu Huang

Zhenwu Huang

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Zhenwu Huang</u> Zhenwu Huang	Chief Executive Officer and Director (Principal Executive Officer)	August 7, 2026
<u>/s/ Zhenqiang Huang</u> Zhenqiang Huang	Chief Financial Officer and Director (Principal Financial and Accounting Officer)	August 7, 2026
<u>/s/ John Shigley</u> John Shigley	Director	August 7, 2026
<u>/s/ Stephen Markscheid</u> Stephen Markscheid	Director	August 7, 2026
<u>/s/ Saul Factor</u> Saul Factor	Director	August 7, 2026

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Zhenwu Huang, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Richtech Robotics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2026

/s/ Zhenwu Huang

Name: Zhenwu Huang

Title: Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Zhenqiang Huang, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Richtech Robotics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2026

/s/ Zhenqiang Huang

Name: Zhenqiang Huang
Title: Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Richtech Robotics Inc. (the “Company”) on Form 10-K/A for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Zhenwu Huang, as Chief Executive Officer and principal executive officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of the undersigned’s knowledge and belief, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Zhenwu Huang

Zhenwu Huang

Chief Executive Officer and
Principal Executive Officer

Dated: August 7, 2026

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Richtech Robotics Inc. (the “Company”) on Form 10-K/A for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Zhenqiang Huang, as Chief Financial Officer and principal financial officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of the undersigned’s knowledge and belief, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Zhenqiang Huang

Zhenqiang Huang
Chief Financial Officer and
Principal Financial Officer

Dated: August 7, 2026

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.