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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 29, 2024

OR

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

For the transition period from _____ to _____

Commission file number 001-40175

SYMBOTIC INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation
or organization)

98-1572401

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

**200 Research Drive
Wilmington, MA 01887
(978) 284-2800**

(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	SYM	The Nasdaq Stock Market LLC

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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of July 29, 2024, the following shares of common stock were outstanding:

103,779,435 shares of Class A common stock, par value \$0.0001 per share

77,488,386 shares of Class V-1 common stock, par value \$0.0001 per share

404,309,196 shares of Class V-3 common stock, par value \$0.0001 per share

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements include, but are not limited to, our expectations or predictions of future financial or business performance or conditions. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words “believes,” “estimates,” “expects,” “projects,” “forecasts,” “may,” “will,” “should,” “seeks,” “plans,” “scheduled,” “anticipates,” or “intends” or similar expressions.

Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about our ability to, or expectations that we will:

- meet the technical requirements of existing or future supply agreements with our customers, including with respect to existing backlog;
- expand our target customer base and maintain our existing customer base;
- realize the benefits expected from the GreenBox joint venture and the Commercial Agreement with GreenBox (each as defined herein);
- anticipate industry trends;
- maintain and enhance our platform;
- maintain the listing of the Symbotic Class A Common Stock on NASDAQ;
- develop, design, and sell systems that are differentiated from those of competitors;
- execute our research and development strategy;
- acquire, maintain, protect, and enforce intellectual property;
- attract, train, and retain effective officers, key employees, or directors;
- comply with laws and regulations applicable to our business;
- stay abreast of modified or new laws and regulations applicable to our business;
- execute our growth strategy;
- successfully defend litigation;
- issue equity securities in connection with future transactions;
- meet future liquidity requirements and, if applicable, comply with restrictive covenants related to long-term indebtedness;
- timely and effectively remediate any material weaknesses in our internal control over financial reporting;
- anticipate rapid technological changes; and
- effectively respond to general economic and business conditions

Forward-looking statements made in this Quarterly Report on Form 10-Q also include, but are not limited to, statements with respect to:

- the future performance of our business and operations;
- expectations regarding revenues, expenses, Adjusted EBITDA and anticipated cash needs;
- expectations regarding cash flow, liquidity and sources of funding;
- expectations regarding capital expenditures;
- the anticipated benefits of Symbotic’s leadership structure;
- the effects of pending and future legislation;
- business disruption;
- disruption to the business due to our dependency on certain customers;
- increasing competition in the warehouse automation industry;

- any delays in the design, production or launch of our systems and products;
- the failure to meet customers' requirements under existing or future contracts or customer's expectations as to price or pricing structure;
- any defects in new products or enhancements to existing products; and
- the fluctuation of operating results from period to period due to a number of factors, including the pace of customer adoption of our new products and services and any changes in our product mix that shift too far into lower gross margin products.

Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Certain of these risks are identified and discussed in other sections of this Quarterly Report on Form 10-Q, in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on December 11, 2023, and in our Quarterly Report on Form 10-Q filed with the SEC on February 8, 2024. These risk factors will be important to consider in determining future results and should be reviewed in their entirety. These forward-looking statements are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that the events, results or trends identified in these forward-looking statements will occur or be achieved. Forward-looking statements are provided for the purposes of assisting the reader in understanding our financial performance, financial position and cash flows as of and for periods ended on certain dates and to present information about management's current expectations and plans relating to the future, and the reader is cautioned not to place undue reliance on these forward-looking statements because of their inherent uncertainty and to appreciate the limited purposes for which they are being used by management. While we believe that the assumptions and expectations reflected in the forward-looking statements are reasonable based on information currently available to management, there is no assurance that such assumptions and expectations will prove to have been correct.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made and are based on the beliefs, estimates, expectations and opinions of management on that date. We are not under any obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statements made in this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise, except as required by law.

In addition to factors previously disclosed in our Annual Report on Form 10-K filed with the SEC on December 11, 2023, our Quarterly Report on Form 10-Q filed with the SEC on February 8, 2024, and those identified elsewhere in this Quarterly Report on Form 10-Q, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: failure to realize the benefits expected from adding to Symbotic's base of outsourcing partners and the effects of pending and future legislation.

Annualized, projected and estimated numbers are not forecasts and may not reflect actual results.

In this Quarterly Report on Form 10-Q, the terms "Symbotic," "we," "us," and "our" refer to Symbotic Inc. and its subsidiaries, unless the context indicates otherwise.

PART I - FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

Symbotic Inc.
Unaudited Condensed Consolidated Balance Sheets
(in thousands, except share data)

	June 29, 2024	September 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 870,469	\$ 258,770
Marketable securities	—	286,736
Accounts receivable	100,499	69,206
Unbilled accounts receivable	160,688	121,149
Inventories	132,111	136,121
Deferred expenses	6,748	34,577
Prepaid expenses and other current assets	100,802	85,236
Total current assets	1,371,317	991,795
Property and equipment, net	81,029	34,507
Intangible assets, net	—	217
Other assets	106,096	24,191
Total assets	\$ 1,558,442	\$ 1,050,710
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 156,286	\$ 109,918
Accrued expenses and other current liabilities	177,166	128,314
Deferred revenue	714,641	787,227
Total current liabilities	1,048,093	1,025,459
Deferred revenue	81,642	—
Other liabilities	49,412	27,967
Total liabilities	1,179,147	1,053,426
Commitments and contingencies (Note 13)	—	—
Equity:		
Class A Common Stock, 3,000,000,000 shares authorized, 103,096,119 and 82,112,881 shares issued and outstanding at June 29, 2024 and September 30, 2023, respectively	12	8
Class V-1 Common Stock, 1,000,000,000 shares authorized, 77,490,386 and 66,931,097 shares issued and outstanding at June 29, 2024 and September 30, 2023, respectively	8	7

Class V-3 Common Stock, 450,000,000 shares authorized, 404,309,196 and 407,528,941 shares issued and outstanding at June 29, 2024 and September 30, 2023, respectively	41	41
Additional paid-in capital - warrants	—	58,126
Additional paid-in capital	1,742,697	1,254,022
Accumulated deficit	(1,321,431)	(1,310,435)
Accumulated other comprehensive loss	(2,632)	(1,687)
Total stockholders' equity	418,695	82
Noncontrolling interest	(39,400)	(2,798)
Total equity	379,295	(2,716)
Total liabilities and equity	<u>\$ 1,558,442</u>	<u>\$ 1,050,710</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Sybotic Inc.
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except share and per share information)

	For the Three Months Ended		For the Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
<i>Revenue:</i>				
Systems	\$ 472,119	\$ 302,350	\$ 1,229,993	\$ 757,854
Software maintenance and support	3,545	1,768	8,280	4,466
Operation services	16,198	7,719	46,340	22,683
Total revenue	491,862	311,837	1,284,613	785,003
<i>Cost of revenue:</i>				
Systems	407,852	244,660	1,053,407	618,651
Software maintenance and support	2,539	3,603	6,201	7,380
Operation services	14,065	10,665	43,331	28,022
Total cost of revenue	424,456	258,928	1,102,939	654,053
Gross profit	67,406	52,909	181,674	130,950
<i>Operating expenses:</i>				
Research and development expenses	44,722	48,845	133,327	149,251
Selling, general, and administrative expenses	47,871	46,073	143,535	150,994
Total operating expenses	92,593	94,918	276,862	300,245
Operating loss	(25,187)	(42,009)	(95,188)	(169,295)
Other income, net	11,615	2,937	27,626	7,055
Loss before income tax and equity method investment	(13,572)	(39,072)	(67,562)	(162,240)
Income tax expense	(95)	(5)	(24)	(239)
Loss from equity method investment	(537)	—	(537)	—
Net loss	(14,204)	(39,077)	(68,123)	(162,479)
Net loss attributable to noncontrolling interests	(11,716)	(34,730)	(57,127)	(144,821)
Net loss attributable to common stockholders	\$ (2,488)	\$ (4,347)	\$ (10,996)	\$ (17,658)
<i>Loss per share of Class A Common Stock:</i>				
Basic and Diluted	\$ (0.02)	\$ (0.07)	\$ (0.12)	\$ (0.29)
<i>Weighted-average shares of Class A Common Stock outstanding:</i>				
Basic and Diluted	102,414,284	61,782,886	92,891,276	60,160,039

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Sybotic Inc.
Unaudited Condensed Consolidated Statements of Comprehensive Loss
(in thousands)

	For the Three Months Ended		For the Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
Net loss	\$ (14,204)	\$ (39,077)	\$ (68,123)	\$ (162,479)
Less: Net loss attributable to noncontrolling interests	(11,716)	(34,730)	(57,127)	(144,821)
Net loss attributable to common stockholders	\$ (2,488)	\$ (4,347)	\$ (10,996)	\$ (17,658)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(161)	651	(302)	169
Changes in unrealized gain on investments, net of income taxes of \$— for the three and nine months ended June 29, 2024 and June 24, 2023	(1,318)	1,617	(5,481)	3,969
Total other comprehensive income (loss)	(1,479)	2,268	(5,783)	4,138
Less: other comprehensive income (loss) attributable to noncontrolling interests	(1,220)	2,016	(4,838)	3,678
Other comprehensive income (loss) attributable to common stockholders	\$ (259)	\$ 252	\$ (945)	\$ 460
Comprehensive loss	(15,683)	(36,809)	(73,906)	(158,341)
Less: Comprehensive loss attributable to noncontrolling interests	(12,936)	(32,714)	(61,965)	(141,143)
Total comprehensive loss attributable to common stockholders	\$ (2,747)	\$ (4,095)	\$ (11,941)	\$ (17,198)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Symbotic Inc.
Unaudited Condensed Consolidated Statements of Changes in Equity (Deficit)
(in thousands, except share information)

	Three Months Ended June 29, 2024										
	Class A Common Stock		Class V-1 Common Stock		Class V-3 Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest	Total Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at March 30, 2024	101,195,288	\$ 12	78,432,388	\$ 8	404,334,196	\$ 40	\$1,738,317	\$ (2,373)	\$ (1,318,943)	\$ (3,435)	\$413,626
Net loss	—	—	—	—	—	—	—	—	(2,488)	(11,716)	(14,204)
Issuance of common stock under stock plans, net of shares withheld for employee taxes	933,829	—	—	—	—	—	—	—	—	—	—
Exchange of Class V-1 and V-3 common stock	967,002	—	(942,002)	—	(25,000)	1	(910)	—	—	910	1
Distributions to Symbotic Holdings LLC partners	—	—	—	—	—	—	—	—	—	(48,100)	(48,100)
Stock-based compensation	—	—	—	—	—	—	5,290	—	—	24,161	29,451
Other comprehensive loss	—	—	—	—	—	—	—	(259)	—	(1,220)	(1,479)
Balance at June 29, 2024	<u>103,096,119</u>	<u>\$ 12</u>	<u>77,490,386</u>	<u>\$ 8</u>	<u>404,309,196</u>	<u>\$ 41</u>	<u>\$1,742,697</u>	<u>\$ (2,632)</u>	<u>\$ (1,321,431)</u>	<u>\$ (39,400)</u>	<u>\$379,295</u>

Nine Months Ended June 29, 2024

	Class A Common Stock		Class V-1 Common Stock		Class V-3 Common Stock		Additional Paid-in Capital - Warrants	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest	Total Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount						
Balance at September 30, 2023	82,112,881	\$ 8	66,931,097	\$ 7	407,528,941	\$ 41	\$ 58,126	\$1,254,022	\$ (1,687)	\$ (1,310,435)	\$ (2,798)	\$ (2,716)
Net loss	—	—	—	—	—	—	—	—	—	(10,996)	(57,127)	(68,123)
Issuance of common stock under stock plans, net of shares withheld for employee taxes	5,849,738	1	—	—	—	—	—	(3,103)	—	—	(50)	(3,152)
Issuance of common stock under employee stock purchase plan, net of shares withheld for employee taxes	102,633	—	—	—	—	—	—	3,501	—	—	—	3,501
Exchange of Class V-1 and V-3 common stock	8,530,867	2	(5,311,122)	(2)	(3,219,745)	—	—	(1,064)	—	—	1,064	—
Issuance of common stock in connection with equity offering	6,500,000	1	—	—	—	—	—	257,985	—	—	—	257,986
Exercise of warrants	—	—	15,870,411	3	—	—	(58,126)	216,828	—	—	—	158,705
Distributions to Symbotic Holdings LLC partners	—	—	—	—	—	—	—	—	—	—	(48,100)	(48,100)
Stock-based compensation	—	—	—	—	—	—	—	14,528	—	—	72,449	86,977
Other comprehensive loss	—	—	—	—	—	—	—	—	(945)	—	(4,838)	(5,783)
Balance at June 29, 2024	103,096,119	\$ 12	77,490,386	\$ 8	404,309,196	\$ 41	\$ —	\$1,742,697	\$ (2,632)	\$ (1,321,431)	\$ (39,400)	\$379,295

Three Months Ended June 24, 2023

	Class A Common Stock		Class V-1 Common Stock		Class V-3 Common Stock		Additional Paid-in Capital - Warrants	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest	Total Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount						
Balance at March 25, 2023	61,283,689	\$ 6	77,080,090	\$ 8	416,933,025	\$ 42	\$ 58,126	\$1,246,152	\$ (2,086)	\$ (1,299,880)	\$ 19,073	\$21,441
Net loss	—	—	—	—	—	—	—	—	—	(4,347)	(34,730)	(39,077)
Issuance of common stock under stock plans, net of shares withheld for employee taxes	164,675	—	—	—	—	—	—	6	—	—	(6)	—
Exchange of Class V-1 common stock	993,345	—	(993,345)	—	—	—	—	38	—	—	(38)	—
Stock-based compensation	—	—	—	—	—	—	—	4,159	—	—	32,840	36,999
Other comprehensive loss	—	—	—	—	—	—	—	—	252	—	2,016	2,268
Balance at June 24, 2023	62,441,709	\$ 6	76,086,745	\$ 8	416,933,025	\$ 42	\$ 58,126	\$1,250,355	\$ (1,834)	\$ (1,304,227)	\$ 19,155	\$21,631

Nine Months Ended June 24, 2023

	Class A Common Stock		Class V-1 Common Stock		Class V-3 Common Stock		Additional Paid-in Capital - Warrants	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Noncontrolling Interest	Total Equity (Deficit)	
	Shares	Amount	Shares	Amount	Shares	Amount							
Balance at September 24, 2022	57,718,836	\$ 6	79,237,388	\$ 8	416,933,025	\$ 42	\$ 58,126	\$1,237,865					
Net loss	—	—	—	—	—	—	—	—		(2,294)	(1,286,569)	\$ 61,756	\$ 68,940
Issuance of common stock under stock plans, net of shares withheld for employee taxes	1,841,753	—	—	—	—	—	—	(1,157)					
Issuance of common stock under employee stock purchase plan, net of shares withheld for employee taxes	98,171	—	—	—	—	—	—	119				(10,560)	(11,717)
Exchange of Class V-1 common stock	2,782,949	—	(2,782,949)	—	—	—	—	238				868	987
Cancellation of Class V-1 common stock	—	—	(367,694)	—	—	—	—	—				(238)	—
Stock-based compensation	—	—	—	—	—	—	—	13,290				108,472	121,762
Other comprehensive loss	—	—	—	—	—	—	—	—		460	—	3,678	4,138
Balance at June 24, 2023	62,441,709	\$ 6	76,086,745	\$ 8	416,933,025	\$ 42	\$ 58,126	\$1,250,355	\$ (1,834)	\$ (1,304,227)	\$ 19,155	\$ 21,631	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Symbotic Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	For the Nine Months Ended	
	June 29, 2024	June 24, 2023
Cash flows from operating activities:		
Net loss	\$ (68,123)	\$ (162,479)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	17,048	6,606
Foreign currency losses (gains)	(8)	66
(Gain) on investments	(10,084)	—
Provision for excess and obsolete inventory	34,105	6,160
Loss on disposal of assets	—	123
Stock-based compensation	86,858	121,762
Changes in operating assets and liabilities:		
Accounts receivable	(31,295)	(70,300)
Inventories	(30,099)	(80,781)
Prepaid expenses and other current assets	(55,211)	(421)
Deferred expenses	(10,626)	(13,128)
Other assets	(4,415)	(5,944)
Accounts payable	46,368	5,856
Accrued expenses and other current liabilities	48,593	20,044
Deferred revenue	9,059	349,360
Other liabilities	9,136	9,342
Net cash provided by operating activities	41,306	186,266
Cash flows from investing activities:		
Purchases of property and equipment	(21,507)	(20,363)
Capitalization of internal use software development costs	(1,500)	—
Proceeds from maturities of marketable securities	340,000	50,000
Purchases of marketable securities	(48,660)	(301,097)
Purchases of strategic investments	(66,489)	—
Net cash provided by (used in) investing activities	201,844	(271,460)
Cash flows from financing activities:		
Payment for taxes related to net share settlement of stock-based compensation awards	(3,181)	(11,713)
Net proceeds from issuance of common stock under employee stock purchase plan	3,435	987
Proceeds from issuance of Class A Common Stock	257,985	—
Proceeds from exercise of warrants	158,704	—
Distributions to Symbotic Holdings LLC partners	(47,654)	—
Net cash provided by (used in) financing activities	369,289	(10,726)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(25)	93
Net increase (decrease) in cash, cash equivalents, and restricted cash	612,414	(95,827)
Cash, cash equivalents, and restricted cash — beginning of period	260,918	353,457
Cash, cash equivalents, and restricted cash — end of period	\$ 873,332	\$ 257,630

Non-cash activities:

Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$	5,818	\$	—
Transfer of equipment from deferred cost to property and equipment	\$	38,454	\$	—
Warrant associated with supplier agreement	\$	12,308	\$	—

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Symbotic Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Organization and Operations

SVF Investment Corp. 3, formerly known as SVF Investment III Corp., (“SVF 3” and, after the transactions described below, “Symbotic” or the “Company”) was a blank check company incorporated as a Cayman Islands exempted company on December 11, 2020. Warehouse Technologies LLC (“Legacy Warehouse”) was formed in December 2006 to make investments in companies that develop new technologies to improve operating efficiencies in modern warehouses. Symbotic LLC, a technology company that develops and commercializes innovative technologies for use within warehouse operations, and Symbotic Group Holdings, ULC were wholly owned subsidiaries of Legacy Warehouse. On December 12, 2021, (i) SVF 3 entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Legacy Warehouse, Symbotic Holdings LLC (“Symbotic Holdings”), and Saturn Acquisition (DE) Corp., a wholly owned subsidiary of SVF 3 (“Merger Sub”), and (ii) Legacy Warehouse entered into an Agreement and Plan of Merger (the “Company Merger Agreement”) with Symbotic Holdings.

On June 7, 2022, as contemplated by the Company Merger Agreement, Legacy Warehouse merged with and into Symbotic Holdings (the “Company Reorganization”), with Symbotic Holdings surviving the merger (“Interim Symbotic”). Immediately following such merger, on June 7, 2022, as contemplated by the Merger Agreement, SVF 3 transferred by way of continuation from the Cayman Islands and domesticated as a Delaware corporation, changing its name to “Symbotic Inc.”. Immediately following the domestication of SVF 3, on June 7, 2022, as contemplated by the Merger Agreement, Merger Sub merged with and into Interim Symbotic (the “Merger” and, together with the Company Reorganization, the “Business Combination”), with Interim Symbotic surviving the merger as a subsidiary of Symbotic (“New Symbotic Holdings”).

Symbotic Inc. is an automation technology company established to develop technologies to improve operating efficiencies in modern warehouses. The Company’s vision is to make the supply chain work better for everyone. The Company does this by developing innovative, end-to-end technology solutions that dramatically improve supply chain operations. The Company currently automates the processing of pallets and cases in large warehouses or distribution centers for some of the largest retail companies in the world. Its systems enhance operations at the front end of the supply chain, and therefore benefit all supply partners further down the chain, irrespective of fulfillment strategy.

The Company’s headquarters are located in Wilmington, Massachusetts, and its Canadian headquarters are located in Montreal, Quebec.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in U.S. dollars, in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Certain information and note disclosures normally included in the Company’s annual audited consolidated financial statements and accompanying notes prepared in accordance with GAAP have been condensed in, or omitted from, these interim financial statements. Accordingly, these unaudited condensed consolidated financial statements included herein should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto as of and for the year ended September 30, 2023, which are included within the Company’s Annual Report on Form 10-K filed with the SEC on December 11, 2023. The September 30, 2023 consolidated balance sheet included herein is derived from the Company’s audited consolidated financial statements.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and majority-owned subsidiaries and reflect all adjustments (consisting solely of normal, recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods presented. All intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements include 100% of the accounts of wholly owned and majority-owned subsidiaries and the ownership interest of the minority investor is recorded as a non-controlling interest in a subsidiary. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for any future period or the entire fiscal year.

The Company operates and reports using a 52-53 week fiscal year ending on the last Saturday of September of each calendar year. Each of the Company’s fiscal quarters end on the last Saturday of the third month of each quarter.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses, and the amounts disclosed in the related notes to the consolidated financial statements. Actual results and outcomes may differ materially from management’s estimates, judgments, and assumptions. Significant estimates, judgments, and assumptions used in these financial statements include, but are not limited to, those related to revenue, useful lives and realizability of long-lived assets, accounting for income taxes and related valuation allowances, and stock-based compensation. Estimates are periodically reviewed in light of changes in circumstances, facts, and experience.

Significant Accounting Policies

The Company’s significant accounting policies are described in Note 2, *Summary of Significant Accounting Policies*, to the audited consolidated financial statements and related notes thereto as of and for the year ended September 30, 2023. Except as noted below, there have been no material changes to the significant accounting policies during the three month period ended June 29, 2024.

Derivative Instruments

The Company entered into a warrant agreement and a development and supply agreement with a supplier that, subject to meeting certain conditions, entitles the Company to acquire a fixed number of shares of the supplier during a period of time set forth in the warrant agreement. The warrant is accounted for as a derivative instrument under ASC Topic 815, *Derivatives and Hedging*. Refer to Note 11, *Derivative Instruments*, for further description of the Company’s derivative instrument activities.

Presentation of Restricted Cash

Restricted cash consists of collateral required for a credit card processing program and a U.S. customs bond. The short-term or long-term classification is determined in accordance with the required amount of time the cash is to be held as collateral, which is short-term for less than 12 months, and long-term for greater than 12 months from the balance sheet date. As the cash is required to be held as collateral for a period which is greater than 12 months from June 29, 2024, it is presented in other long-term assets. The following table summarizes the end-of-period cash and cash equivalents from the Company’s Consolidated Balance Sheets and the total cash, cash equivalents, and restricted cash as presented on the accompanying Consolidated Statements of Cash Flows (in thousands):

	Nine Months Ended	
	June 29, 2024	June 24, 2023
Cash and cash equivalents	\$ 870,469	\$ 255,490
Restricted cash classified in:		
Other long-term assets	2,863	2,140
Cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 873,332</u>	<u>\$ 257,630</u>

Volume of Business

The Company has concentration in the volume of purchases it conducts with its suppliers. For the three months ended June 29, 2024, there was one supplier that accounted for greater than 10% of total purchases, and the aggregate purchases from that supplier amounted to \$66.8 million. For the nine months ended June 29, 2024, there were two suppliers that accounted for greater than 10% of total purchases, and the aggregate purchases from these suppliers amounted to \$244.5 million. For the three and nine months ended June 24, 2023, there was one supplier that accounted for greater than 10% of total purchases, and the aggregate purchases from that supplier amounted to \$63.7 million and \$127.8 million, respectively.

Emerging Growth Company

The Company is an emerging growth company (“EGC”), as defined in Section 2(a) of the Securities Act of 1933, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). Section 102(b)(1) of the JOBS Act exempts EGCs from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an EGC can elect to opt out of the extended transition period and comply with the requirements that apply to non-EGCs but any such an election to opt out is irrevocable. The Company has not elected to opt out of such extended

transition period which means that when a financial accounting standard is issued or revised and it has different application dates for public or private companies, the Company, as an EGC, can adopt the new or revised standard at the time private companies adopt the new or revised standard. The Company will be eligible to use this extended transition period under the JOBS Act until the earlier of the date it (i) is no longer an EGC or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the Company’s financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make comparison of the Company’s financials to those of other public companies more difficult.

The Company will cease to be an EGC on the date that is the earliest of (i) the end of the fiscal year in which total annual gross revenue exceeds \$1.235 billion, (ii) the last day of the Company’s fiscal year following March 11, 2026 (the fifth anniversary of the date on which SVF 3 consummated the initial public offering of SVF 3), (iii) the date on which the Company has issued more than \$1.0 billion in non-convertible debt during the preceding three-year period; or (iv) the end of the fiscal year in which the market value of the Company’s common stock held by non-affiliates exceeds \$700 million as of the last business day of the most recently completed second fiscal quarter. As of the last business day of the most recently completed second fiscal quarter, which ended March 30, 2024, the market value of the Company’s common stock held by non-affiliates was approximately \$1,934 million (based on the closing sales price of the Class A common stock on March 28, 2024 of \$45.00), and therefore, the Company will cease to be an EGC as of the end of the current fiscal year ending September 28, 2024.

Recent Accounting Pronouncements

The Company has implemented all applicable accounting pronouncements that are in effect and there are no new accounting pronouncements that have been issued that would have a material impact on its financial position or results of operations.

3. Noncontrolling Interests

Noncontrolling interests represent the portion of net assets in consolidated entities that are not owned by the Company.

The following table summarizes the ownership of the stock of the Company for the three and nine months ended June 29, 2024.

	Three Months Ended			Nine Months Ended		
	June 29, 2024					
	Class A Common Stock	Class V-1 and Class V-3 Common Stock	Total	Class A Common Stock	Class V-1 and Class V-3 Common Stock	Total
Balance at beginning of period	101,195,288	482,766,584	583,961,872	82,112,881	474,460,038	556,572,919
Issuances	933,829	—	933,829	12,452,371	15,870,411	28,322,782
Exchanges	967,002	(967,002)	—	8,530,867	(8,530,867)	—
Balance at June 29, 2024	103,096,119	481,799,582	584,895,701	103,096,119	481,799,582	584,895,701
Percent ownership at June 29, 2024	17.6 %	82.4 %	100 %	17.6 %	82.4 %	100 %

The following table summarizes the ownership of the stock of the Company for the three and nine months ended June 24, 2023.

	Three Months Ended			Nine Months Ended		
	June 24, 2023					
	Class A Common Stock	Class V-1 and Class V-3 Common Stock	Total	Class A Common Stock	Class V-1 and Class V-3 Common Stock	Total
Balance at beginning of period	61,283,689	494,013,115	555,296,804	57,718,836	496,170,413	553,889,249
Issuances	164,675	—	164,675	1,939,924	—	1,939,924
Exchanges	993,345	(993,345)	—	2,782,949	(2,782,949)	—
Cancellations	—	—	—	—	(367,694)	(367,694)
Balance at June 24, 2023	62,441,709	493,019,770	555,461,479	62,441,709	493,019,770	555,461,479
Percent ownership at June 24, 2023	11.2 %	88.8 %	100 %	11.2 %	88.8 %	100 %

4. Revenue

The Company generates revenue through its design and installation of modular inventory management systems (the “Systems”) to automate customers’ depalletizing, storage, selection, and palletization warehousing processes. The Systems have both a hardware component and an embedded software component that enables the system to be programmed to operate within specific customer environments. The Company enters into contracts with customers that can include various combinations of services to design and install the Systems. These services are generally distinct and accounted for as separate performance obligations. As a result, each customer contract may contain multiple performance obligations. The Company determines whether performance obligations are distinct based on whether the customer can benefit from the product or service on its own or together with other resources that are readily available and whether the Company’s commitment to provide the services to the customer is separately identifiable from other obligations in the contract.

The Company recognizes revenue upon transfer of control of promised goods or services in a contract with a customer, generally as title and risk of loss pass to the customer, in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is recognized only to the extent that it is probable that a significant reversal of revenue will not occur and when collection is considered probable. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined its contracts do not include a significant financing component. Taxes collected from customers, which are subsequently remitted to governmental authorities, are excluded from revenue. Shipping and handling costs billed to customers are included in revenue and the related costs are included in cost of revenue when control transfers to the customer. The Company presents amounts collected from customers for sales and other taxes net of the related amounts remitted.

The design, assembly, and installation of a System includes substantive customer-specified acceptance criteria that allow the customer to accept or reject systems that do not meet the customer’s specifications. When the Company cannot objectively determine that acceptance criteria will be met upon contract inception, revenue relating to systems is deferred and recognized at a point in time upon final acceptance from the customer. If acceptance can be reasonably certain upon contract inception, revenue is recognized over time based on an input method, using a cost-to-cost measure of progress.

Disaggregation of Revenue

The Company provides disaggregation of revenue based on product and service type on the consolidated statements of operations as it believes these categories best depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Contract Balances

The following table provides information about accounts receivable, unbilled accounts receivable, and contract liabilities from contracts with customers (in thousands):

	June 29, 2024		September 30, 2023	
Accounts receivable	\$	100,499	\$	69,206
Unbilled accounts receivable	\$	160,688	\$	121,149
Contract liabilities	\$	796,283	\$	787,227

The change in the opening and closing balances of the Company’s accounts receivable primarily results from the increase in customer system implementations in the current fiscal year as well as the timing of when customer payments are due. The change in the opening and closing balances of the Company’s contract liabilities primarily results from the timing difference between the Company’s performance and customer payments. The Company’s performance obligations are typically satisfied over time as work is performed. Payment from customers can vary, and is often received in advance of satisfaction of the performance obligations, resulting in a contract liability balance. During the nine months ended June 29, 2024 and June 24, 2023, the Company recognized \$687.3 million and \$314.9 million, respectively, of the contract liability balance as revenue upon transfer of the products or services to customers.

Remaining Performance Obligations

Remaining performance obligations represent the aggregate amount of the transaction price allocated to performance obligations not delivered, or partially undelivered, at the end of the reporting period. Remaining performance obligations include deferred revenue plus unbilled amounts not yet recorded in deferred revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in scope of contracts, periodic revalidation, adjustments for revenue that have not materialized, adjustments for inflation, and adjustments for currency. For contracts with a duration of greater than one year, the transaction price allocated to performance obligations that are unsatisfied as of June 29, 2024 was \$22.8 billion, which is primarily comprised of undelivered or partially undelivered Systems under contract, and which a substantial majority relates to undelivered or partially undelivered Systems in connection with the Master Automation Agreement with Walmart Inc. (“Walmart”) to implement Systems in all of Walmart’s 42 regional distribution centers (“Master Automation Agreement”), and in connection with the Commercial Agreement with GreenBox (as defined below) under which Symbotic will implement its warehouse automation system into GreenBox distribution center locations. As the Company accounts for GreenBox as an equity method investment, the remaining performance obligation includes the Company’s proportionate share of unconsolidated variable interest entity contracts. The definition of remaining performance obligations excludes those contracts that provide the customer with the right to cancel or terminate the contract without incurring a substantial penalty. The Company expects to recognize approximately 9% of its remaining performance obligations as revenue in the next 12 months, approximately 60% of its remaining performance obligations as revenue within 5 years, and the remaining thereafter, which is dependent on the timing of System installation timelines. The Company does not disclose the value of remaining performance obligations for contracts with an original expected duration of one year or less.

Significant Customers

For the three and nine months ended June 29, 2024 and June 24, 2023, there was one customer that individually accounted for 10% or more of total revenue. The following table represents this customer’s aggregate percent of total revenue.

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
Customer A	91.3 %	89.2 %	86.5 %	87.3 %

At June 29, 2024, four customers accounted for over 10% of the Company’s accounts receivable balance, and two customers accounted for over 10% of the Company’s accounts receivable balance at September 30, 2023. The following table represents these customers’ aggregate percent of total accounts receivable. The symbol “n/a” indicates that such customer’s accounts receivable balance at the period indicated within the table did not exceed 10% of the Company’s accounts receivable balance.

	June 29, 2024	September 30, 2023
Customer A	27.3 %	86.6 %
Customer B	n/a	10.3 %
Customer C	26.4 %	n/a
Customer D	30.3 %	n/a
Customer E	12.0 %	n/a
Aggregate Percent of Total Accounts Receivable	96.0 %	96.9 %

The concentration in the volume of business transacted with these customers may lead to a material impact on the Company’s results from operations if a total or partial loss of the business relationship were to occur. As of the date of the issuance of these financial statements, the Company is not aware of any specific event or circumstance which would result in a material adverse impact to its results of operations or liquidity and financial condition.

5. Leases

The Company leases office space in Wilmington, MA and Montreal, QC through operating lease arrangements. The Company has no finance lease agreements. The operating lease arrangements expire at various dates through December 2030.

The following table presents the balance sheet location of the Company’s operating leases for each of the periods presented (in thousands):

	June 29, 2024	September 30, 2023
ROU assets:		
Other long-term assets	\$ 15,924	\$ 12,398
Lease Liabilities:		
Accrued expenses and other current liabilities	\$ 1,856	\$ 1,347
Other long-term liabilities	16,319	12,291
Total lease liabilities	\$ 18,175	\$ 13,638

The following table presents maturities of the Company’s operating lease liabilities as of June 29, 2024, presented under ASC Topic 842 (in thousands):

	June 29, 2024
Remaining fiscal year 2024	\$ 813
Fiscal year 2025	2,954
Fiscal year 2026	3,405
Fiscal year 2027	3,681
Fiscal year 2028 and thereafter	12,746
Total future minimum payments	\$ 23,599
Less: Implied interest	(5,424)
Total lease liabilities	\$ 18,175

The Company uses its estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of operating lease payments. To determine the estimated incremental borrowing rate, the Company uses publicly available credit ratings for peer companies. The Company estimates the incremental borrowing rate using yields for maturities that are in line with the duration of the lease payments. The weighted average discount rate for operating leases as of June 29, 2024 was 8.0%.

As of June 29, 2024, the weighted-average remaining lease term of the Company's operating leases was approximately 6.1 years. Operating cash flows for amounts included in the measurement of the Company's operating lease liabilities were \$1.2 million for the nine months ended June 29, 2024.

6. Inventories

Inventories at June 29, 2024 and September 30, 2023 consist of the following (in thousands):

	June 29, 2024	September 30, 2023
Raw materials and components	\$ 84,737	\$ 124,446
Finished goods	47,374	11,675
Total inventories	<u>\$ 132,111</u>	<u>\$ 136,121</u>

7. Property and Equipment

Property and equipment at June 29, 2024 and September 30, 2023 consists of the following (in thousands):

	June 29, 2024	September 30, 2023
Computer equipment and software, furniture and fixtures, test equipment, and other equipment	\$ 96,564	\$ 40,437
Internal use software	6,873	5,638
Leasehold improvements	11,172	7,194
Total property and equipment	114,609	53,269
Less accumulated depreciation	(33,580)	(18,762)
Property and equipment, net	<u>\$ 81,029</u>	<u>\$ 34,507</u>

Included within the \$46.5 million net increase of property and equipment from September 30, 2023 to June 29, 2024 is approximately \$38.5 million non-cash transfer of equipment from deferred cost to property and equipment related to equipment which the Company will be utilizing for internal operations.

For the three and nine months ended June 29, 2024, depreciation expense was \$4.8 million and \$9.6 million, respectively. For the three and nine months ended June 24, 2023, depreciation expense was \$1.5 million and \$4.7 million, respectively.

8. Severance Charges

During the second quarter of fiscal year 2023, management committed to actions to restructure certain parts of the Company within the U.S. and Canada to better position the Company to become more agile in delivering its solutions through various outsourcing partnerships. As a result, certain headcount reductions were necessary, and the Company recognized less than \$0.1 million and \$2.3 million of expense associated with these actions, which is included within selling, general, and administrative expenses on the Consolidated Statements of Operations for the three and nine months ended June 24, 2023, respectively, and was completed within fiscal year 2023. The costs incurred related to employee severance are recorded as a liability when it is probable that employees will be entitled to termination benefits and the amounts can be reasonably estimated. The liability related to these charges is included in accrued expenses and other current liabilities in the Consolidated Balance Sheets.

The following table presents the activity related to the Company's severance liability as of June 24, 2023 (in thousands). The Company did not have material severance activity for the three or nine months ended June 29, 2024 or year ended September 30, 2023.

	June 24, 2023
Severance liability at September 25, 2022	\$ 1,051
Severance charges	5,692
Cash paid and other	(5,458)
Severance liability at June 24, 2023	<u>\$ 1,285</u>

9. Income Taxes

The Company is subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to its allocable share of any taxable income or loss of Symbotic Holdings. The remaining share of Symbotic Holdings income or loss is non-taxable to the Company and is not reflected in current or deferred income taxes. The Company's foreign subsidiaries are subject to income tax in their local jurisdictions.

For the three and nine months ended June 29, 2024, the Company recorded a current income tax expense of \$0.1 million and less than \$0.1 million, respectively. For the three and nine months ended June 24, 2023, the Company recorded a current income tax expense of less than \$0.1 million and \$0.2 million, respectively. The Company incurred a pre-tax loss for the three and nine month periods and recorded a full valuation allowance against its domestic deferred tax assets. The Company incurs state tax expense by Symbotic LLC at the flow-through entity level and foreign tax expense at its foreign subsidiaries. The effective tax rate for the three and nine months ended June 29, 2024 is (0.70)% and (0.04)% respectively, as compared to an effective tax rate of —% and (0.15)%, for the three and nine months ended June 24, 2023, respectively. The effective tax rate differs from the federal statutory income tax rate primarily due to the flow-through entity level taxes and the effect of the valuation allowance against the Company's net federal and state deferred income taxes.

As of June 29, 2024, the Company continues to conclude that the negative evidence regarding its ability to realize its deferred tax assets outweighs the positive evidence, and the Company has a full valuation allowance against its domestic federal and state net deferred tax assets and a partial valuation allowance against its foreign net deferred tax assets. The Company has a history of cumulative pre-tax losses for the three previous fiscal years which it believes represents significant negative evidence in evaluating whether its deferred tax assets are realizable. Given these cumulative losses, lack of forecast history, the competitive environment, and uncertainty of general economic conditions, the Company does not believe it can rely on projections of future taxable income exclusive of reversing taxable temporary differences to support the realization of its deferred tax assets. In upcoming quarters, the Company will continue to evaluate both the positive and negative evidence surrounding its ability to realize its deferred tax assets.

Tax Receivable Agreement

As of June 29, 2024, future payments under the Tax Receivable Agreement ("TRA") with respect to the purchase of Symbotic Holdings units which occurred as part of or subsequent to the Business Combination are expected to be \$470.2 million. Payments made under the TRA represent payments that otherwise would have been made to taxing authorities in the absence of attributes obtained by the Company as a result of exchanges by its pre-IPO members. Such amounts will be paid only when a cash tax savings is realized as a result of attributes subject to the TRA. That is, payments under the TRA are only expected to be made in periods following the filing of a tax return in which the Company is able to utilize certain tax benefits to reduce its cash taxes paid to a taxing authority. The impact of any changes in the projected obligations under the TRA as a result of changes in the geographic mix of the Company's earnings, changes in tax legislation and tax rates or other factors that may impact the Company's tax savings will be reflected in income or loss before taxes on the consolidated statement of operations in the period in which the change occurs. As of June 29, 2024, no TRA liability was recorded based on the amount expected to be paid for cash tax savings related to fiscal year 2024. No TRA liability was recorded for periods after fiscal year 2024 based on current projections of future taxable income and taking into consideration the Company's full valuation allowance against its net deferred tax asset.

10. Fair Value Measures

The Company measures certain financial assets at fair value. Fair value is determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy, as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market

Level 2 – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability

The following table presents the Company’s financial assets measured and recorded at fair value on a recurring basis using the above input categories as of June 29, 2024 and September 30, 2023 (in thousands):

	June 29, 2024				September 30, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Money market funds	\$ 778,053	\$ —	\$ —	\$ 778,053	\$ 219,945	\$ —	\$ —	\$ 219,945
U.S. Treasury securities	—	—	—	—	—	286,736	—	286,736
Warrant fair value	—	12,308	—	12,308	—	—	—	—
Total assets	\$ 778,053	\$ 12,308	\$ —	\$ 790,361	\$ 219,945	\$ 286,736	\$ —	\$ 506,681

The Company had no liabilities measured and recorded at fair value on a recurring basis as of June 29, 2024 and September 30, 2023.

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The fair value of the Company’s investments in certain money market funds is their face value and such instruments are classified as Level 1 and are included in cash and cash equivalents on the consolidated balance sheets. At June 29, 2024, the fair value of the warrant issued as described in Note 11, *Derivative Instruments*, is classified as Level 2 and at September 30, 2023, U.S. Treasury securities were classified as Level 2. Level 2 securities are priced by pricing vendors. These pricing vendors utilize the most recent observable market information in pricing these securities or, if specific prices are not available for these securities, use other observable inputs like market transactions involving identical or comparable securities.

11. Derivative Instruments

The Company entered into warrant agreements and a development and supply agreement with a supplier which, subject to meeting certain conditions, will entitle the Company to acquire a fixed number of shares of the supplier during the period of time set forth in the warrant agreements. The warrants will vest in a series of tranches, at a specified price per share, upon meeting certain development and production based milestones. If, and when, the relevant milestone is reached, the corresponding tranche of warrant will become exercisable up until the expiration date of the warrants in May 2044.

The warrant is accounted for as a derivative under ASC 815, *Derivatives and Hedging*, as a result of certain net settlement provisions in the warrant agreements. The Company reports the warrant at its fair value within “other assets” in its condensed consolidated balance sheets and changes in the fair value of the warrant are recognized in “other income, net” on its condensed consolidated statements of operations. The day-one value attributable to the other side of the warrant is reported within “other liabilities” in the Company’s condensed consolidated balance sheets and will be amortized over the life of the applicable development and production milestones as determined in the development and supply agreement. The fair value of the warrant recognized within “other assets” on the Company’s condensed consolidated balance sheets at June 29, 2024 is \$12.3 million. There is no impact recorded to “other income, net” on the Company’s condensed consolidated statements of operations for the period ended June 29, 2024, as the Company entered into these warrant agreements in the current period.

12. Related Party Transactions

ASC 850, *Related Party Disclosures* (“ASC 850”) provides guidance for the identification of related parties and the disclosure of related party transactions. Related parties are generally defined as (i) affiliates of the Company; (ii) owners of more than 10% of the voting interests of the Company and members of their immediate families; (iii) management of the Company and members of their immediate families; (iv) other parties which directly or indirectly control, are controlled by, or are under common control with the Company; or (v) other parties who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company assesses related parties each reporting period. For the reporting periods covered by this report, the Company determined that C&S Wholesale Grocers, Inc. (“C&S”) and certain current holders of Symbiotic Holdings LLC were a related party under ASC 850. The following transactions were related party transactions under ASC 850.

Aircraft Time Sharing Agreement

In December 2021 and May 2022, the Company entered into aircraft time-sharing agreements with C&S whereby the Company's officials, employees, and guests are permitted to use the two C&S aircraft on an as-needed and as-available basis, with no minimum usage being required. As there is no defined period of time stated within these aircraft time-sharing agreements, the Company does not consider these to meet the definition of a lease, and as such, records payments in the period in which the obligation for the payment is incurred. For the three and nine months ended June 29, 2024, the Company incurred expense of \$0.2 million and \$0.7 million, respectively, and for the three and nine months ended June 24, 2023, the Company incurred expense of \$0.2 million and \$0.6 million, respectively, related to these aircraft time-sharing agreements.

Usage of Facility and Employee Services

The Company has a license arrangement with C&S whereby C&S is providing receiving and logistics services for the Company within a C&S distribution facility. The arrangement also provides for C&S employees assisting with certain of the Company's operations. For the three and nine months ended June 29, 2024, the Company incurred expense of \$0.1 million and \$1.6 million, respectively, and for the three and nine months ended June 24, 2023, the Company incurred expense of \$1.0 million and \$2.0 million, respectively, related to this arrangement.

Customer Contracts

The Company has customer contracts with C&S relating to systems implementation, software maintenance services and the operations of a warehouse automation system. For the three and nine months ended June 29, 2024, revenue of \$13.0 million and \$48.6 million was recognized, respectively, relating to these customer contracts. For the three and nine months ended June 24, 2023, revenue of \$1.4 million and \$14.1 million was recognized, respectively, relating to these customer contracts. There was \$15.3 million accounts receivable due from and \$9.0 million of unbilled receivables for C&S at June 29, 2024, and \$0.9 million accounts receivable due from C&S at September 30, 2023. There was \$0.5 million and \$9.3 million of deferred revenue related to contracts with C&S at June 29, 2024 and September 30, 2023, respectively.

Tax Distribution to Symbotic Holdings LLC partners

Pursuant to the Second Amended and Restated Limited Liability Company Agreement of Symbotic Holdings LLC. Symbotic LLC makes pro rata tax distributions to the Holders of Symbotic Holdings' units in an amount sufficient to fund all or part of their tax obligations with respect to the taxable income of Symbotic Holdings that is allocated to them. For the three and nine months ended June 29, 2024, the Company distributed a total of \$47.7 million of tax distributions to its members, of which \$41.2 million was distributed to those who met the definition of a related party in accordance with ASC 850.

13. Commitments and Contingencies

Contingencies

Liabilities for any loss contingencies arising from claims, assessments, litigation, fines, penalties, and other matters are recorded when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated. As of June 29, 2024, the Company has made appropriate provisions related to such matters and does not believe that such matters will have a material adverse effect on the Company's consolidated operations, financial position, or liquidity.

Indemnifications

In the ordinary course of business, the Company enters into various contracts under which it may agree to indemnify other parties for losses incurred from certain events as defined in the relevant contract, such as litigation, regulatory penalties, or claims relating to past performance. Such indemnification obligations may not be subject to maximum loss clauses. The Company has never incurred costs to defend lawsuits or settle claims related to these indemnification obligations. As a result, the Company believes the estimated fair value of these obligations is minimal. Accordingly, the Company has no liabilities recorded for these obligations as of June 29, 2024 and September 30, 2023.

Warranty

The Company provides a limited warranty on its warehouse automation systems and has established a reserve for warranty obligations based on estimated warranty costs. The reserve is included as part of accrued expenses and other long-term liabilities in the accompanying consolidated balance sheets.

Activity related to the warranty accrual is as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
Balance at beginning of period	\$ 27,476	\$ 12,416	\$ 18,948	\$ 9,004
Provision	10,442	3,281	22,481	9,982
Warranty usage	(10,528)	(1,641)	(14,039)	(4,930)
Balance at end of period	\$ 27,390	\$ 14,056	\$ 27,390	\$ 14,056

14. Variable Interest Entities (“VIE”)

VIEs are entities with any of the following characteristics: (i) the entity does not have enough equity to finance its activities without additional financial support; (ii) the equity holders, as a group, lack the characteristics of a controlling financial interest; or (iii) the entity is structured with non-substantive voting rights.

Consolidation of a VIE is required for the party deemed to be the primary beneficiary, if any. The primary beneficiary is the party who has both (a) the power to direct the activities of a VIE that most significantly impact the entity’s economic performance and (b) an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity.

On July 23, 2023, the Company, New Symbotic Holdings, and Symbotic LLC (collectively, the “Symbotic Group”), entered into a Framework Agreement (the “Framework Agreement”) with Sunlight Investment Corp., a Delaware corporation (“Sunlight”), SVF II Strategic Investments AIV LLC, a Delaware limited liability company (“SVF” and, together with Sunlight, “SoftBank”), and GreenBox Systems LLC, a Delaware limited liability company (“GreenBox”), related to the formation of GreenBox as a venture between the Symbotic Group and SoftBank, GreenBox Limited Liability Company Agreement, Master Services, License and Equipment Agreement (the “Commercial Agreement”) and warrant to purchase Class A Common Stock of Symbotic (the “GreenBox Warrant”).

GreenBox was established on July 21, 2023, to build and automate supply chain networks globally by operating and financing the Company’s advanced artificial intelligence (“A.I.”) and automation technology for the warehouse. Symbotic Holdings and Sunlight own 35% and 65% of GreenBox, respectively. On July 23, 2023, GreenBox entered into the Commercial Agreement with Symbotic LLC with respect to the purchase of Symbotic’s automated case handling systems. The Company evaluated for VIEs upon the formation of GreenBox in accordance with ASC 810, *Consolidation*. The Company holds a variable interest in GreenBox through its equity interest in GreenBox. GreenBox is a VIE resulting from GreenBox’s lack of sufficient equity to finance its operations without additional subordinated financial support from both the Company and SoftBank. The consolidation of GreenBox is not required as the Company is not the primary beneficiary of this VIE as it does not have the power to direct the activities that most significantly impact GreenBox’s economic performance. Such power is conveyed through GreenBox’s board of directors and the Company does not have control over GreenBox’s board of directors.

The Company’s recorded investments in the unconsolidated VIE and related estimated maximum exposure to loss are as follows (in thousands):

	June 29, 2024	
	Investments in Unconsolidated VIE	Symbotic’s Maximum Exposure to Loss
GreenBox Systems LLC	\$ 65,620	\$ 1,723,077

The Company calculated its maximum exposure to loss while considering its equity investment in the VIE, any amounts owed to the Company for services which may have been provided, and future funding commitments of \$1,656.6 million. As of June 29, 2024, there is a \$65.6 million carrying value of the VIE which represents the amount which the Company has invested in the VIE, net of the Company’s proportionate share of the VIE’s net loss. The Company’s maximum exposure to loss as displayed above does not take into consideration the VIE’s commitment under the Commercial Agreement to reimburse the Company in the event of a termination. If the VIE’s commitment under the Commercial Agreement was taken

into consideration, there would be no maximum exposure to loss presented as the VIE's commitment under the Commercial Agreement exceeds the Company's future funding commitments.

15. Net Loss per Share

Basic earnings per share of Class A common stock is computed by dividing net loss attributable to common shareholders by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings per share of Class A common stock is computed by dividing net loss attributable to common shareholders adjusted for the assumed exchange of all potentially dilutive securities, by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive elements. Since the Company incurred net losses for each of the periods presented, diluted net loss per share is the same as basic net loss per share.

The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted earnings per share of Class A common stock (in thousands, except per share information):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
Numerator - basic and diluted				
Net loss	\$ (14,204)	\$ (39,077)	\$ (68,123)	\$ (162,479)
Less: Net loss attributable to the noncontrolling interest	(11,716)	(34,730)	(57,127)	(144,821)
Net loss attributable to common stockholders	\$ (2,488)	\$ (4,347)	\$ (10,996)	\$ (17,658)
Denominator - basic and diluted				
Weighted-average shares of Class A common shares outstanding	102,414,284	61,782,886	92,891,276	60,160,039
Loss per share of Class A common stock - basic and diluted	\$ (0.02)	\$ (0.07)	\$ (0.12)	\$ (0.29)

The Company's Class V-1 Common Stock and Class V-3 Common Stock do not participate in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class V-1 Common Stock and Class V-3 Common Stock under the two-class method has not been presented.

The Company uses the treasury stock method and the average market price per share during the period for calculating any potential dilutive effect of the restricted stock units ("RSUs"), 2022 Employee Stock Purchase Plan (the "ESPP") and Warrant Units (defined below). The average stock price for the three and nine months ended June 29, 2024 was \$40.46 and \$42.69, respectively. For the three months ended June 29, 2024, there were 6.1 million potentially dilutive common stock equivalents related to the RSUs. For the nine months ended June 29, 2024, there were 6.5 million and 0.2 million potentially dilutive common stock equivalents related to the RSUs and Warrant Units, respectively.

16. Stock-Based Compensation and Warrant Units

The following two tables show stock-based compensation expense by award type and where the stock-based compensation expense is recorded in the Company's consolidated statements of operations (in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
RSUs (service-based and performance-based)	\$ 28,416	\$ 36,666	\$ 84,970	\$ 120,834
Employee stock purchase plan	916	333	1,888	928
Total stock-based compensation expense	\$ 29,332	\$ 36,999	\$ 86,858	\$ 121,762

Effect of stock-based compensation expense on income by line item (in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
Cost of revenue, Systems	\$ 3,401	\$ 10	\$ 9,955	\$ 26
Cost of revenue, Software maintenance and support	116	1,302	351	1,397
Cost of revenue, Operation services	290	2,820	1,502	3,462
Research and development	12,819	16,220	37,905	54,805
Selling, general, and administrative	12,706	16,647	37,145	62,072
Total stock-based compensation expense	\$ 29,332	\$ 36,999	\$ 86,858	\$ 121,762

Total stock-based compensation expense for the nine months ended June 29, 2024 decreased as compared to the nine months ended June 24, 2023 as a result of the issuance of restricted stock to our employees in August 2022 following the Business Combination with application of the graded-vesting method of expense recognition. There was no such grant in the same period of fiscal year 2023.

Warrant Units

GreenBox Warrant

On July 23, 2023, in connection with the Commercial Agreement, the Company issued Sunlight the GreenBox Warrant to acquire up to an aggregate of 11,434,360 shares of the Company's Class A Common Stock, subject to certain vesting conditions. The GreenBox Warrant had a grant date fair value of \$19.90 per share. The GreenBox Warrant may vest in connection with conditions defined by the terms of the GreenBox Warrant, as GreenBox makes additional expenditures to the Company in connection with the Framework Agreement. There are up to eight tranches based on increments of expenditures where approximately 1,429,295 additional shares may vest per tranche, subject to certain conditions defined by the terms of the GreenBox Warrant. Upon vesting, the shares may be acquired at an exercise price of \$41.9719. The GreenBox Warrant contains customary anti-dilution, down-round, and change-in-control provisions. The right to purchase shares pursuant to the GreenBox Warrant expires 36 months following the end of the initial term of the Framework Agreement, which is July 23, 2027, or, if applicable, the extension term of the Framework Agreement, which is July 23, 2029. As of June 29, 2024, none of the shares exercisable pursuant to the GreenBox Warrant had vested.

Walmart Warrant

On May 20, 2022, the Company entered into the Second Amended and Restated Master Automation Agreement with Walmart and issued Walmart a warrant to acquire up to an aggregate of 258,972 Legacy Warehouse Class A Units ("May 2022 Warrant"), subject to certain vesting conditions. The May 2022 Warrant had a grant date fair value of \$224.45. In connection with the closing of the Company's initial public offering in June 2022, the May 2022 Warrant was converted into a new warrant to acquire up to an aggregate of 15,870,411 common units of Symbotic Holdings ("June 2022 Warrant" and, the common units of Symbotic Holdings issuable thereunder, the "Warrant Units"). The June 2022 Warrant vested in the second quarter of fiscal year 2023, as the installation commencement date for certain Systems which the Company is installing in Walmart's 42 regional distribution centers had occurred. In December 2023, Walmart elected to gross exercise the vested warrants for \$158.7 million. As a result of this gross exercise, 15,870,411 shares of Class V-1 Common Stock were issued to Walmart.

17. Segment and Geographic Information

The Company operates as one operating segment. Revenue and property and equipment, net by geographic region, based on physical location of the operations recording the sale or the assets are as follows:

Revenue by geographical region for the three and nine months ended June 29, 2024 and June 24, 2023 are as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
United States	\$ 491,076	\$ 310,946	\$ 1,281,776	\$ 782,328
Canada	786	891	2,837	2,675
Total revenue	\$ 491,862	\$ 311,837	\$ 1,284,613	\$ 785,003
Percentage of revenue generated outside of the United States ^(a)	immaterial	immaterial	immaterial	immaterial

(a) The percentage of revenue generated outside of the United States for the three and nine months ended June 29, 2024 and June 24, 2023 was immaterial.

Total property and equipment, net by geographical region at June 29, 2024 and at September 30, 2023 are as follows (in thousands):

	June 29, 2024	September 30, 2023
United States	\$ 80,638	\$ 33,828
Canada	391	679
Total property and equipment, net	\$ 81,029	\$ 34,507
Percentage of property and equipment, net held outside of the United States ^(a)	immaterial	2 %

(a) The percentage of property and equipment, net held outside of the United States as of June 29, 2024 was immaterial.

18. Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the condensed consolidated financial statements were issued. Other than as described in these condensed consolidated financial statements and below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the condensed consolidated financial statements.

On July 19, 2024, the Company entered into an Asset Purchase Agreement with Veo Robotics, Inc. (“Veo”), pursuant to which certain assets and certain liabilities of Veo were acquired by the Company. The total purchase price for this transaction was \$8.7 million and the transaction will be accounted for as an asset acquisition.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes thereto as of and for the year ended September 30, 2023, as included within our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on December 11, 2023. As discussed in the section titled “Cautionary Note on Forward-Looking Statements,” the following discussion and analysis contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled “Risk Factors” included under Part II, Item 1A below.

Company Overview

Our vision is to make the supply chain work better for everyone. We do this by developing, commercializing, and deploying innovative, end-to-end technology solutions that dramatically improve supply chain operations. We currently automate the processing of pallets and cases in large warehouses or distribution centers for some of the largest retail companies in the world. Our systems enhance operations at the front end of the supply chain, and therefore benefit all supply partners further down the chain, irrespective of fulfillment strategy.

Our platform is based on a unique approach to connecting producers of goods to end users, in a way that resolves the mismatches of quantity, timing and location that arise between the two, while reducing costs. The underlying architecture of our platform is what differentiates our solution from anything else in the marketplace. It utilizes fully autonomous robots, collectively controlled by our A.I. enabled system software to achieve at scale, real world supply chain improvements that are so compelling that we believe our approach can become the de facto standard approach for how warehouses operate.

Key Components of Consolidated Statements of Operations

Revenue

We generate revenue through our design and installation of modular inventory management systems (the “Systems”) to automate customers’ depalletizing, storage, selection, and palletization warehousing processes. The Systems have both a hardware component and an embedded software component that enables the systems to be programmed to operate within specific customer environments. We enter into contracts with customers that can include various combinations of services to design and install the Systems. These services are generally distinct and accounted for as separate performance obligations. As a result, each customer contract may contain multiple performance obligations. We determine whether performance obligations are distinct based on whether the customer can benefit from the product or service on its own or together with other resources that are readily available and whether our commitment to provide the services to the customer is separately identifiable from other obligations in the contract.

We have identified the following distinct performance obligations in our contracts with customers:

Systems: We design, assemble, and install modular hardware systems and perform configuration of embedded software. Systems include the delivery of hardware and an embedded software component, sold as either a perpetual or term-based on-premise license, that automate our customers’ depalletizing, storage, selection, and palletization warehousing processes. The modular hardware and embedded software are each not capable of being distinct because our customers cannot benefit from the hardware or software on their own. Accordingly, they are treated as a single performance obligation. Fees for systems are typically either fixed or cost-plus fixed fee amounts that are due based on the achievement of a variety of milestones beginning at contract inception through final acceptance. The substantial majority of our embedded software component is sold as a perpetual on-premise license, however, we do sell an immaterial amount of term-based on-premise licenses.

The key metrics which describe our System from commencement to completion are as follows: (1) “Start” is defined as when we sign a Statement of Work (“SOW”) with a customer; (2) “Deployment” is defined as the period of time following the signed SOW until the acceptance of the System; (3) “Operational” is defined as achieving acceptance of a System. The majority of Systems revenue occurs during Deployment, and once a System reaches acceptance, software maintenance and support begins.

Software maintenance and support: “Software Maintenance and Support” is defined as support services that provide our customers with technical support, updates, and upgrades to the embedded software license. Fees for Software Maintenance

and Support are typically payable in advance on a quarterly, or annual basis over the term of the Software Maintenance and Support contract, which term can range from one to 15 years but, for a substantial majority of our Software Maintenance and Support contracts, is 15 years.

Operation services: We provide our customers with assistance operating the System and ensuring user experience is optimized for efficiency and effectiveness (“Operation Services”). Fees for Operation Services are typically invoiced to our customers on a time and materials basis monthly in arrears or using a fixed fee structure. Also included in Operation Services is revenue generated from the sales of spare parts to our customers as needed to service their System.

Cost of Revenue

Our cost of revenue is composed of the following for each of our distinct performance obligations:

Systems: Systems cost of revenue consists primarily of material and labor consumed in the production and installation of Systems, as well as depreciation expense. The design, assembly, and installation of a System includes substantive customer-specified acceptance criteria that allow the customer to accept or reject Systems that do not meet the customer’s specifications. When we cannot objectively determine that acceptance criteria will be met upon contract inception, cost of revenue relating to Systems is deferred and expensed at a point in time upon final acceptance from the customer. If acceptance criteria can be reasonably certain upon contract inception, Systems cost of revenue is expensed as incurred.

Software Maintenance and Support: Cost of revenue attributable to Software Maintenance and Support primarily relates to labor cost for our maintenance team providing routine technical support, and maintenance updates and upgrades to our customers. Software Maintenance and Support cost of revenue is expensed as incurred.

Operation Services: Operation Services cost of revenue consists primarily of labor cost for our operations team who is providing services to our customers to run their System within their distribution center. Operation Services cost of revenue also includes the cost of spare parts sold to our customers as needed to service their System. Operation Services cost of revenue is expensed as incurred.

Research and Development

Costs incurred in the research and development of our products are expensed as incurred. Research and development costs include personnel, contracted services, materials, and indirect costs involved in the design and development of new products and services, as well as depreciation expense.

Selling, General, and Administrative

Selling, general, and administrative expenses include all costs that are not directly related to satisfaction of customer contracts or research and development. Selling, general, and administrative expenses include items for our selling and administrative functions, such as sales, finance, legal, human resources, and information technology support. These functions include costs for items such as salaries and benefits and other personnel-related costs, maintenance and supplies, professional fees for external legal, accounting, and other consulting services, intangible asset amortization, and depreciation expense.

Other Income (Expense), Net

Other income (expense), net primarily consists of dividend and interest income earned on our money market accounts and the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities.

Income Taxes

We are subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to our allocable share of any taxable income or loss of Symbotic Holdings. We also have foreign subsidiaries which are subject to income tax in their local jurisdictions.

Results of Operations for the Three and Nine Months Ended June 29, 2024 and June 24, 2023

The following tables set forth our results of operations for the periods presented and as a percentage of our total revenue for those periods. The data has been derived from the unaudited condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q which include, in our opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of the financial position and results of operations for the interim periods presented. The period-to-period comparison of financial results is not necessarily indicative of financial results to be achieved in future periods.

	For the Three Months Ended		For the Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
	(in thousands)			
<i>Revenue:</i>				
Systems	\$ 472,119	\$ 302,350	\$ 1,229,993	\$ 757,854
Software maintenance and support	3,545	1,768	8,280	4,466
Operation services	16,198	7,719	46,340	22,683
Total revenue	491,862	311,837	1,284,613	785,003
<i>Cost of revenue:</i>				
Systems	407,852	244,660	1,053,407	618,651
Software maintenance and support	2,539	3,603	6,201	7,380
Operation services	14,065	10,665	43,331	28,022
Total cost of revenue	424,456	258,928	1,102,939	654,053
Gross profit	67,406	52,909	181,674	130,950
<i>Operating expenses:</i>				
Research and development expenses	44,722	48,845	133,327	149,251
Selling, general, and administrative expenses	47,871	46,073	143,535	150,994
Total operating expenses	92,593	94,918	276,862	300,245
Operating loss	(25,187)	(42,009)	(95,188)	(169,295)
Other income, net	11,615	2,937	27,626	7,055
Loss before income tax and equity method investment	(13,572)	(39,072)	(67,562)	(162,240)
Income tax expense	(95)	(5)	(24)	(239)
Loss from equity method investment	(537)	—	(537)	—
Net loss	\$ (14,204)	\$ (39,077)	\$ (68,123)	\$ (162,479)

	For the Three Months Ended		For the Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
<i>Revenue:</i>				
Systems	96 %	97 %	96 %	97 %
Software maintenance and support	1	1	1	1
Operation services	3	2	4	3
Total revenue	100	100	100	100
<i>Cost of revenue:</i>				
Systems	83	78	82	79
Software maintenance and support	1	1	—	1
Operation services	3	3	3	4
Total cost of revenue	86	83	86	83
Gross profit	14	17	14	17
<i>Operating expenses:</i>				
Research and development expenses	9	16	10	19
Selling, general, and administrative expenses	10	15	11	19
Total operating expenses	19	30	22	38
Operating loss	(5)	(13)	(7)	(22)
Other income, net	2	1	2	1
Loss before income tax and equity method investment	(3)	(13)	(5)	(21)
Income tax benefit (expense)	—	—	—	—
Loss from equity method investment	—	—	—	—
Net loss	(3)%	(13)%	(5)%	(21)%

*Percentages are based on actual values. Totals may not sum due to rounding.

Three and Nine Months Ended June 29, 2024 Compared to the Three and Nine Months Ended June 24, 2023

	For the Three Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
(dollars in thousands)				
Systems	\$ 472,119	\$ 302,350	\$ 169,769	56 %
Software maintenance and support	3,545	1,768	1,777	101 %
Operation services	16,198	7,719	8,479	110 %
Total revenue	\$ 491,862	\$ 311,837	\$ 180,025	58 %

Systems revenue increased during the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, due to 39 Deployments during the fiscal quarter ending June 29, 2024, as compared to 33 Deployments during the same quarter of fiscal 2023. The increase in Deployments is primarily due to the Master Automation Agreement. Pursuant to the Master Automation Agreement, we are installing and implementing our System within all of Walmart's 42 regional distribution centers. We expect the Master Automation Agreement to continue to generate Systems revenue as we install and implement the Systems at the remaining regional distribution centers through fiscal year 2028.

The increase in Software Maintenance and Support revenue is due to 21 System sites operational and under Software Maintenance and Support contracts for the three months ended June 29, 2024, as compared to 10 System sites operational and under Software Maintenance and Support contracts for three months ended June 24, 2023.

The increase in Operation Services revenue is attributable to an increase in System sites where we are performing Operation Services during the three months ended June 29, 2024, as compared to the three months ended June 24, 2023. This results from the number of Deployments and spare parts sales to our customers during the three months ended June 29, 2024, as compared to the three months ended June 24, 2023.

	For the Nine Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
(dollars in thousands)				
Systems	\$ 1,229,993	\$ 757,854	\$ 472,139	62 %
Software maintenance and support	8,280	4,466	3,814	85 %
Operation services	46,340	22,683	23,657	104 %
Total revenue	\$ 1,284,613	\$ 785,003	\$ 499,610	64 %

Systems revenue increased during the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, due to 39 Deployments during the fiscal quarter ending June 29, 2024, as compared to 33 Deployments during the same quarter of fiscal 2023. The increase in Deployments is primarily due to the Master Automation Agreement with Walmart. Pursuant to the Master Automation Agreement, we are performing the installation and implementation of our System within all of Walmart's 42 regional distribution centers. We expect this to continue to produce Systems revenue as the Systems are installed and implemented at the remaining regional distribution centers through fiscal year 2028.

The increase in Software Maintenance and Support revenue is due to 21 System sites operational and under Software Maintenance and Support contracts for the nine months ended June 29, 2024, as compared to 10 System sites operational and under Software Maintenance and Support contracts for nine months ended June 24, 2023.

The increase in Operation Services revenue is attributable to an increase in System sites where we are performing Operation Services during the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023. This results from an increase in Deployments as well as an increase in spare parts sales to our customers during the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023.

Gross Profit

The following table sets forth our gross profit for the three months ended June 29, 2024 and June 24, 2023:

	For the Three Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	
(in thousands)				
Systems	\$ 64,267	\$ 57,690	\$ 6,577	
Software maintenance and support	1,006	(1,835)	2,841	
Operation services	2,133	(2,946)	5,079	
Total gross profit	\$ 67,406	\$ 52,909	\$ 14,497	

Systems gross profit increased \$6.6 million during the three months ended June 29, 2024, as compared to the three months ended June 24, 2023. The increase in gross profit is primarily driven by 39 Deployments during the fiscal quarter ending June 29, 2024, as compared to 33 Deployments in the same quarter of fiscal year 2023.

The increase in Software Maintenance and Support gross profit is driven by the revenue provided from the additional Systems in Deployment for the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, while costs to perform our Software Maintenance and Support services remained relatively flat.

The increase in Operation Services gross profit during the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, is driven by an increase in the number of System sites where we are performing Operation Services, efficiency improvement on our existing Operation Services System sites, and profit generated from the sales of spare parts.

The following table sets forth our gross profit for the nine months ended June 29, 2024 and June 24, 2023:

	For the Nine Months Ended		Change
	June 29, 2024	June 24, 2023	Amount
	(in thousands)		
Systems	\$ 176,586	\$ 139,203	\$ 37,383
Software maintenance and support	2,079	(2,914)	4,993
Operation services	3,009	(5,339)	8,348
Total gross profit	\$ 181,674	\$ 130,950	\$ 50,724

Systems gross profit increased \$37.4 million during the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023. The increase in Systems gross profit was partially driven by the increase in Deployments in fiscal year 2024 as compared to fiscal year 2023. This increase was offset by a charge in the second quarter of fiscal year 2024 related to the completion of our restructuring to outsource bot assembly and component inventory management, including standardizing on Symbot as our go-ahead bot platform.

The increase in Software Maintenance and Support gross profit is driven by the revenue provided from the additional Systems in Deployment for the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, while costs to perform our Software Maintenance and Support services remained relatively flat.

The increase in Operation Services gross profit during the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, is driven by an increase in System sites where we are performing Operation Services, efficiency improvement on our existing Operation Services System sites, and profit generated from the sales of spare parts.

Research and Development Expenses

	For the Three Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Research and development	\$ 44,722	\$ 48,845	\$ (4,123)	(8)%
Percentage of total revenue	9 %	16 %		

The decrease in research and development expenses for the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, is due to the following:

	Change
	(in thousands)
Employee-related costs	\$ (5,694)
Prototyping-related costs, allocated overhead expenses, and other	1,571
	\$ (4,123)

Employee-related costs decreased primarily as a result of a decrease in stock-based compensation expense and expense incurred for contractors. As we apply the graded-vesting method of expense recognition to all stock-based compensation awards with service-only conditions, higher expense was incurred for the three months ended June 24, 2023, due to the expense recognized in the third quarter of fiscal year 2023 for the issuance of restricted stock to our employees following the Business Combination. Additionally, we experienced a decrease in the expense related to contractors as a result of a combination of hiring full time employees and outsourcing certain business activities to third parties. These decreases were partially offset by an increase to payroll related costs as we continue to grow our software and hardware engineering organizations to support the development of key projects such as next generation autonomous electric vehicle robots, and also to support the continued expansion of our artificial intelligence and analytics capabilities.

Prototyping-related costs, allocated overhead expenses, and other expenses increased for the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, as a result of an increase in allocated overhead expenses

allocated from selling, general, and administrative expenses to research and development expenses resulting from an increase to general overhead expenses such as rent and other occupancy expenses.

	For the Nine Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Research and development	\$ 133,327	\$ 149,251	\$ (15,924)	(11)%
Percentage of total revenue	10 %	19 %		

The decrease in research and development expenses for the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, is due to the following:

	Change (in thousands)
Employee-related costs	\$ (18,867)
Prototyping-related costs, allocated overhead expenses, and other	2,943
	<u>\$ (15,924)</u>

Employee-related costs decreased primarily as a result of a decrease in stock-based compensation expense and expense incurred for contractors. As we apply the graded-vesting method of expense recognition to all stock-based compensation awards with service-only conditions, higher expense was incurred for the nine months ended June 24, 2023, due to the expense recognized for the issuance of restricted stock to our employees following the Business Combination. Additionally, we experienced a decrease in the expense related to contractors as a result of a combination of hiring full time employees and outsourcing certain business activities to third parties. These decreases were partially offset by an increase to payroll related costs as we continue to grow our software and hardware engineering organizations to support the development of key projects such as next generation autonomous electric vehicle robots, and also to support the continued expansion of our artificial intelligence and analytics capabilities.

The increase in prototyping-related costs, allocated overhead expenses, and other during the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, is primarily attributable to an increase in overhead expenses allocated from selling, general, and administrative expenses to research and development expenses resulting from an increase to general overhead expenses such as rent and other occupancy expenses for the nine months ended June 29, 2024.

Selling, General, and Administrative Expenses

	For the Three Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Selling, general, and administrative	\$ 47,871	\$ 46,073	\$ 1,798	4 %
Percentage of total revenue	10 %	15 %		

The increase in selling, general, and administrative expenses for the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, is due to the following:

	Change (in thousands)
Employee-related costs	\$ (10,183)
Allocated overhead expenses and other	11,981
	<u>\$ 1,798</u>

Employee-related costs decreased primarily as a result of a decrease in stock-based compensation expense and expense incurred for contractors. As we apply the graded-vesting method of expense recognition to all stock-based compensation awards with service-only conditions, higher expense was incurred for the three months ended June 24, 2023, due to the

expense recognized in the third quarter of fiscal year 2023 for the issuance of restricted stock to our employees following the Business Combination. Additionally, we experienced a decrease in the expense related to contractors as a result of a combination of hiring full time employees and outsourcing certain business activities to third parties. These decreases were partially offset by an increase to payroll-related expenses incurred as our business continues to grow.

Allocated overhead and other expenses increased primarily due to an increase in information technology related costs as well as audit, tax, and legal expenses as compared to the prior year as our employee base and infrastructure continue to grow.

	For the Nine Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Selling, general, and administrative	\$ 143,535	\$ 150,994	\$ (7,459)	(5)%
Percentage of total revenue	11 %	19 %		

The decrease in selling, general, and administrative expenses for the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, is due to the following:

	Change
	(in thousands)
Employee-related costs	\$ (32,428)
Allocated overhead expenses and other	24,969
	<u>\$ (7,459)</u>

Employee-related costs decreased primarily as a result of a decrease in stock-based compensation expense and expense incurred for contractors. As we apply the graded-vesting method of expense recognition to all stock-based compensation awards with service-only conditions, higher expense was incurred for the nine months ended June 24, 2023, due to the expense recognized for the issuance of restricted stock to our employees following the Business Combination. Additionally, we experienced a decrease in the expense related to contractors as a result of a combination of hiring full time employees and outsourcing certain business activities to third parties. These decreases were partially offset by an increase to payroll-related expenses incurred as our business continues to grow.

Allocated overhead and other expenses increased primarily due to an increase in information technology related costs as well as audit, tax, and legal expenses as compared to the prior year as our employee base and infrastructure continue to grow.

Other income, net

	For the Three Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Other income, net	\$ 11,615	\$ 2,937	\$ 8,678	295 %
Percentage of total revenue	2 %	1 %		

The increase in other income, net for the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, was due to higher interest earned on invested cash balances and marketable securities as a result of increased interest rates and higher cash balance.

	For the Nine Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Other income, net	\$ 27,626	\$ 7,055	\$ 20,571	292 %
Percentage of total revenue	2 %	1 %		

The increase in other income, net for the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, was due to higher interest earned on invested cash balances and marketable securities as a result of increased interest rates and higher cash balance.

Income Taxes

	For the Three Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Income tax expense	\$ (95)	\$ (5)	\$ (90)	1800 %
Percentage of total revenue	— %	— %		

The increase in income tax expense for the three months ended June 29, 2024, as compared to the three months ended June 24, 2023, is attributable to the expense related to our state income taxes.

	For the Nine Months Ended		Change	
	June 29, 2024	June 24, 2023	Amount	%
	(dollars in thousands)			
Income tax expense	\$ (24)	\$ (239)	\$ 215	(90)%
Percentage of total revenue	— %	— %		

The income tax expense recorded for the nine months ended June 29, 2024, as compared to the nine months ended June 24, 2023, is attributable to the expense related to our state income taxes.

Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the United States of America, or GAAP, we provide additional financial metrics that are not prepared in accordance with GAAP, or non-GAAP financial measures. We use these non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes, to measure executive compensation, and to evaluate our financial performance. These non-GAAP financial measures are Adjusted EBITDA, Adjusted gross profit, and Adjusted gross profit margin, as discussed below.

We believe that these non-GAAP financial measures reflect our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as it facilitates comparing financial results across accounting periods and to those of peer companies. We also believe that these non-GAAP financial measures enable investors to evaluate our operating results and future prospects in the same manner as we do. These non-GAAP financial measures may exclude expenses and gains that may be unusual in nature, infrequent, or not reflective of our ongoing operating results.

The non-GAAP financial measures do not replace the presentation of our GAAP financial measures and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP.

We consider Adjusted EBITDA to be an important indicator of the operational strength and performance of our business and a good measure of our historical operating trends. Adjusted EBITDA eliminates items that we do not consider to be part of our core operations. We define Adjusted EBITDA as GAAP net loss excluding the following items: interest income; income taxes; depreciation and amortization of tangible and intangible assets; stock-based compensation; CEO transition charges; joint venture formation fees; restructuring charges; equity financing transaction costs; equity method investment; and other infrequent items that may arise from time to time.

The non-GAAP adjustments, and our basis for excluding them from our non-GAAP financial measures, are outlined below:

- **Stock-based compensation** – Although stock-based compensation is an important aspect of the compensation paid to our employees, the grant date fair value varies based on the derived stock price at the time of grant, varying valuation methodologies, subjective assumptions, and the variety of award types. This makes the comparison of our current financial results to previous and future periods difficult to interpret; therefore, we believe it is useful to exclude stock-based compensation from our non-GAAP financial measures in order to highlight the performance of our business and to be consistent with the way many investors evaluate our performance and compare our operating results to peer companies. Our stock-based compensation non-GAAP financial measures exclusion includes non-cash stock-based compensation expense and payroll taxes related to stock-based compensation awards.
- **CEO transition charges** – CEO transition charges represent the charges incurred with the separation agreement we entered into with Michael Loparco in November 2022. We exclude these CEO transition charges from our non-GAAP financial measures to provide a useful comparison of our operating results to prior periods and to our peer companies because such amounts are not representative of our normal operating activities.
- **Restructuring charges** – Restructuring charges represent charges associated with certain actions to restructure parts of the Company within the U.S. and Canada. These charges include severance and related expenses for workforce reductions, lower of cost and net realizable value adjustments to inventory and long-lived assets that will no longer be used in operations, and termination fees for any contracts cancelled as part of these actions. We exclude these items from our non-GAAP financial measures when evaluating our continuing business performance as such items vary significantly based on the magnitude of the restructuring action and do not reflect future expected operating expenses. In addition, these charges do not necessarily provide meaningful insight into the fundamentals of current or past operations of our business.
- **Joint venture formation fees** – Joint venture formation fees represent the charges incurred associated with the formation of GreenBox, which was formed on July 21, 2023. It primarily includes investment banker fees, legal fees, transaction fees, advisory fees, and certain other professional fees. We exclude joint venture formation fees from our non-GAAP financial measures to provide a useful comparison of our operating results to prior periods and peer companies because such amounts vary significantly based on the magnitude of the joint venture and do not reflect our core operations.
- **Equity financing transaction costs** – Equity financing transaction costs represents the costs incurred, including for legal and accountant fees, transaction fees, advisory fees, due diligence costs, and certain other professional fees that are directly related to an equity financing transaction.
- **Equity method investment** – Equity method investment represents our proportionate share of income or loss of unconsolidated variable interest entities. We exclude this from our non-GAAP financial measures to provide a useful comparison of our operating results to prior periods and to our peer companies because such amounts are not representative of our normal operating activities.

The following table reconciles GAAP net loss to Adjusted EBITDA for the three and nine months ended June 29, 2024 and June 24, 2023 (in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
Net loss	\$ (14,204)	\$ (39,077)	\$ (68,123)	\$ (162,479)
Interest income	(11,610)	(2,974)	(27,554)	(7,199)
Income tax expense	95	5	24	239
Depreciation and amortization	10,032	1,621	15,065	4,996
Stock-based compensation	30,320	37,068	94,508	123,147
CEO transition charges	—	—	—	2,026
Restructuring charges	—	—	34,206	8,373
Joint venture formation fees	—	—	1,089	—
Equity financing transaction costs	—	—	1,985	—
Equity method investment	537	—	537	—
Adjusted EBITDA	\$ 15,170	\$ (3,357)	\$ 51,737	\$ (30,897)

We consider Adjusted gross profit and Adjusted gross profit margin to be important indicators of profitability, which we use in our financial and operational decision-making and evaluation of our overall operating performance. We define Adjusted gross profit, a non-GAAP financial measure, as GAAP gross profit excluding the following items: depreciation, stock-based compensation expense, and restructuring charges. We define Adjusted gross profit margin, a non-GAAP financial measure, as non-GAAP Adjusted gross profit divided by total revenue. The following table reconciles GAAP gross profit to Adjusted gross profit and gross profit margin to Adjusted gross profit margin during the periods presented (dollars in thousands):

	Three Months Ended		Nine Months Ended	
	June 29, 2024	June 24, 2023	June 29, 2024	June 24, 2023
Gross profit	\$ 67,406	\$ 52,909	\$ 181,674	\$ 130,950
Depreciation	5,359	178	5,540	553
Stock-based compensation	3,807	4,124	12,394	4,895
Restructuring charges	—	—	34,206	5,240
Adjusted gross profit	\$ 76,572	\$ 57,211	\$ 233,814	\$ 141,638
Gross profit margin	13.7 %	17.0 %	14.1 %	16.7 %
Adjusted gross profit margin	15.6 %	18.3 %	18.2 %	18.0 %

Liquidity and Capital Resources

As of June 29, 2024, our principal sources of liquidity were cash received upon exercise of warrants and equity financing transactions, proceeds received from the maturities of marketable securities, and cash received from customers upon the inception and continuation of contracts to install Systems.

The following table shows net cash provided by operating activities, net cash provided by (used in) investing activities, and net cash provided by (used in) financing activities for the nine months ended June 29, 2024 and June 24, 2023:

	Nine Months Ended	
	June 29, 2024	June 24, 2023
(in thousands)		
Net cash provided by (used in):		
Operating activities	\$ 41,306	\$ 186,266
Investing activities	\$ 201,844	\$ (271,460)
Financing activities	\$ 369,289	\$ (10,726)

Operating Activities

Our net cash provided by operating activities consists of net loss adjusted for certain non-cash items, including depreciation and amortization, foreign currency gains and losses, marketable securities gains and losses, provision for excess and obsolete inventory, and stock-based compensation, as well as changes in operating assets and liabilities. The primary changes in working capital items, such as the changes in accounts receivable and deferred revenue, result from the difference in timing of payments from our customers related to Deployments and the associated costs incurred by us to fulfill the system installation performance obligation. This may result in an operating cash flow source or use for the period, depending on the timing of payments received as compared to the fulfillment of the system installation performance obligation.

Net cash provided by operating activities was \$41.3 million during the nine months ended June 29, 2024. Net cash provided by operating activities was primarily due to our net loss of \$68.1 million adjusted for non-cash items of \$127.9 million, primarily consisting of \$17.0 million depreciation and amortization, \$86.9 million stock-based compensation, and \$34.1 million provision for excess and obsolete inventory, offset by cash used in operating assets and liabilities of \$18.5 million. Cash used in operating assets and liabilities of \$18.5 million was primarily driven by net working capital changes, including the timing of cash payments to vendors and cash receipts from customers.

Net cash provided by operating activities was \$186.3 million during the nine months ended June 24, 2023. Net cash provided by operating activities was primarily due to our net loss of \$162.5 million adjusted for non-cash items of \$128.6 million, primarily consisting of \$6.6 million depreciation and amortization and \$121.8 million stock-based compensation, offset by cash provided by operating assets and liabilities of \$220.2 million. Cash provided by operating assets and liabilities of \$220.2 million was primarily driven by net working capital changes, including the timing of cash payments to vendors and cash receipts from customers, an increase in inventory purchases for the nine months ended June 24, 2023 as we purchase additional inventory in order to meet our installation timeline for our customers' upcoming warehouse automation system installations in connection with the Walmart Master Automation Agreement and other customer contracts, as well as an increase in deferred revenue for the nine months ended June 24, 2023 resulting from an increase in the number of active system installation projects.

Investing Activities

Our investing activities have consisted primarily of property and equipment purchases, capitalization of internal use software development costs, purchases of marketable securities, and proceeds from maturities of marketable securities.

Net cash and cash equivalents provided by investing activities during the nine months ended June 29, 2024 is primarily driven by \$340.0 million in proceeds upon the maturity of certain U.S. Treasury securities, offset by purchases of U.S. Treasury securities of \$48.7 million. Additionally, we purchased strategic investments of \$66.5 million. No other significant investing activities occurred during the nine months ended June 29, 2024.

Net cash and cash equivalents used in investing activities during the nine months ended June 24, 2023 consisted of \$20.4 million of purchased property and equipment. Additionally, during the nine months ended June 24, 2023, we purchased U.S. Treasury securities for \$301.1 million, and received proceeds of \$50.0 million upon the maturity of certain U.S. Treasury securities.

Financing Activities

Our financing activities typically consist of payments and proceeds related to our equity incentive plans for RSUs and our ESPP, and also include proceeds from the exercise of the vested warrants issued to Walmart as well as proceeds from equity financing transactions.

During the nine months ended June 29, 2024, we received cash of \$158.7 million upon the gross exercise by Walmart of the vested Warrant Units, which occurred in December 2023. We additionally received proceeds of \$258.0 million in relation to issuance of Class A common stock upon completion of our equity financing in March 2024. Offsetting these proceeds were distributions to Symbotic Holdings LLC partners of \$47.7 million. No other significant financing activities occurred during the nine months ended June 29, 2024.

During the nine months ended June 24, 2023, we incurred a payment of \$11.7 million for the taxes related to the net share settlement of stock-based compensation awards. We also received proceeds of \$1.0 million from the issuance of common stock under the ESPP upon the expiration of the first offering period which occurred at the end of December 2022.

Contractual Obligations and Commitments and Liquidity Outlook

Our cash flows from operations along with equity infusions have historically been sufficient to fund our operating activities and other cash requirements. As of June 29, 2024, we have a cash and cash equivalents balance of \$870.5 million.

Our cash requirements for the nine months ended June 29, 2024 were primarily related to inventory purchases in order to deliver to our customers our Systems in an orderly manner in line with our installation timeline and capital expenditures.

Based on our present business plan, we expect our current cash and cash equivalents, working capital, and our forecasted cash flows from operations to be sufficient to meet our foreseeable cash needs for at least the next 12 months. Our foreseeable cash needs, in addition to our recurring operating expenses, include our expected capital expenditures to support expansion of our infrastructure and workforce, and minimum contractual obligations. Contractual obligations are cash that we are obligated to pay as part of certain contracts that we have entered into during our course of business. Our contractual obligations consist of operating lease liabilities that are included in our consolidated balance sheet and vendor commitments associated with agreements that are legally binding. Our operating lease cash requirements have not changed materially since September 30, 2023, and are disclosed within Note 5, *Leases*, included elsewhere in this Quarterly Report on Form 10-Q.

The following table summarizes our current and long-term material cash requirements as of June 29, 2024 for our vendor commitments:

	Payments due in:				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Vendor commitments	\$ 1,335,198	\$ 1,234,193	\$ 101,005	\$ —	\$ —

Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support research and development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product and service offerings, and the cost of any future acquisitions of technology or businesses. In the event that additional financing is required from outside sources, we may be unable to raise the funds on acceptable terms, if at all.

Critical Accounting Policies and Estimates

There have been no significant changes in our critical accounting policies and estimates during the nine months ended June 29, 2024, as compared to the critical accounting policies and estimates disclosed in the audited consolidated financial statements and related notes thereto as of and for the year ended September 30, 2023, which are included within the Annual Report on Form 10-K filed with the SEC on December 11, 2023.

Off-Balance Sheet Arrangements

As of June 29, 2024, we had no off-balance sheet arrangements as defined in Instruction 8 to Item 303(b) of Regulation S-K.

Recent Accounting Pronouncements

For information on recent accounting pronouncements, see Recently Issued Accounting Pronouncements and Recently Adopted Accounting Pronouncements in the notes to the unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our assessment of our sensitivity to market risk since our presentation set forth in Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in the Annual Report on Form 10-K filed with the SEC on December 11, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. The term “disclosure controls and procedures,” as defined in the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported,

within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on that evaluation of our disclosure controls and procedures as of June 29, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

Except as set forth below, there were no changes in our internal control over financial reporting during the period covered by this quarterly report that materially affected, or are reasonably likely to affect, our internal control over financial reporting.

We have completed our new enterprise resource planning (“ERP”) system implementation, SAP’s S4/HANA which is expected to improve the efficiency of certain financial and related business processes. The implementation of SAP’s S4/HANA is expected to strengthen the financial controls by automating certain manual processes and standardizing business processes and reporting across the organization. We will continue to evaluate and monitor the internal controls over financial reporting during this period of change and will continue to evaluate the operating effectiveness of related key controls. For a discussion of risks related to the implementation of new systems, please see the section in our Quarterly Report on Form 10-Q filed with the SEC on February 8, 2024 titled “Risk Factors.”

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We may be subject from time to time to various claims, lawsuits, and other legal and administrative proceedings arising in the ordinary course of business. Some of these claims, lawsuits, and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, and penalties, non-monetary sanctions, or relief. We intend to recognize provisions for claims or pending litigation when we determine that an unfavorable outcome is probable, and the amount of loss can be reasonably estimated. Due to the inherent uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates.

Item 1A. Risk Factors

We are subject to various risks and uncertainties in the course of our business. For a detailed discussion of these risks, please see the section in our Annual Report on Form 10-K filed with the SEC on December 11, 2023 and our Quarterly Report on Form 10-Q filed with the SEC on February 8, 2024 titled “Risk Factors.” Any of the matters highlighted in those risk factors could adversely affect our business, results of operation and financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the fiscal quarter ended June 29, 2024, no director or officer, as defined in Rule 16a-1(f) under the Exchange Act, adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as defined in Regulation S-K Item 408.

Certain of our directors or officers have made elections to participate in, and are participating in, our Incentive Compensation Plan, ESPP or our defined-contribution benefit plan under the provisions of Section 401(k) of the Internal Revenue Code and have may, and may from time to time make, elections to have shares withheld to cover withholding taxes or pay the exercise price of options, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1

under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

The exhibits listed below are filed or incorporated by reference into this Report.

Exhibit	Description
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/ Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/ Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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 (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

SIGNATURES

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

Date: July 31, 2024

Symbotic Inc.

By: /s/ Maria G. Freve
Name: Maria G. Freve
Title: Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard B. Cohen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2024 of Symbotic 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.

Date: July 31, 2024

By: /s/ Richard B. Cohen

Richard B. Cohen
Chairman and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Carol Hibbard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2024 of Symbotic 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.

Date: July 31, 2024

By: /s/ Carol Hibbard

Carol Hibbard
Chief Financial Officer and Treasurer
(Principal Financial Officer)

**CERTIFICATION OF 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 Quarterly Report on Form 10-Q of Symbotic Inc. (the "Company") for the fiscal quarter ended June 29, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard B. Cohen, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2024

By: /s/ Richard B. Cohen

Richard B. Cohen
Chairman and Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION OF 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 on Form 10-Q of Symbotic Inc. (the "Company") for the fiscal quarter ended June 29, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carol Hibbard, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2024

By: /s/ Carol Hibbard

Carol Hibbard

Chief Financial Officer and Treasurer

(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.