

# TAX DEPRECIATION SCHEDULE - ROBOT ASSETS

## TAX DEPRECIATION SCHEDULE - ROBOT A

Polar Dynamics Robotics, Inc.

Effective Date: January 1, 2024

Document Reference: PDR-TAX-2024-001

### 1. OVERVIEW AND PURPOSE

1. This Tax Depreciation Schedule ("Schedule") documents the depre
2. This Schedule covers all qualifying autonomous mobile robots (AM

## **2. ASSET CLASSIFICATIONS**

### **1. \*\*Class I - Autonomous Mobile Robot Units\*\***

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BlueCore(TM) Series 3000 AMR Platforms

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BlueCore(TM) Series 4000 Heavy-Duty Units

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Navigation Control Systems

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MACRS Property Class: 5-year

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Depreciation Method: 200% declining balance

### **2. \*\*Class II - Proprietary Software Systems\*\***

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Cold Environment Navigation Software

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Fleet Management Systems

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Temperature Monitoring Software

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Recovery Period: 3-year

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Depreciation Method: Straight-line

3. **\*\*Class III - Supporting Infrastructure\*\***

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Charging Stations

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Environmental Sensors

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Network Infrastructure

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MACRS Property Class: 7-year

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Depreciation Method: 150% declining balance

### 3. DEPRECIATION CALCULATIONS

1. \*\*Class I Assets (5-year)\*\*

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Year 1: 20.00%

Year 2: 32.00%

Year 3: 19.20%

Year 4: 11.52%

Year 5: 11.52%

Year 6: 5.76%

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## 2. \*\*Class II Assets (3-year)\*\*

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Year 1: 33.33%

Year 2: 33.33%

Year 3: 33.34%

...

## 3. \*\*Class III Assets (7-year)\*\*

''' - 5 -

Year 1: 10.71%

Year 2: 19.13%

Year 3: 15.03%

Year 4: 12.25%

Year 5: 12.25%

Year 6: 12.25%

Year 7: 12.25%

Year 8: 6.13%

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## **4. ASSET INVENTORY AND BASIS**

1. **\*\*Series 3000 AMR Units\*\***

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Quantity: 85 units

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Base Cost: \$125,000 per unit

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Installation: \$15,000 per unit

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Total Depreciable Basis: \$11,900,000

## 2. \*\*Series 4000 Heavy-Duty Units\*\*

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Quantity: 45 units

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Base Cost: \$185,000 per unit

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Installation: \$22,000 per unit

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Total Depreciable Basis: \$9,315,000

### 3. **\*\*Software Systems\*\***

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Navigation Software License: \$2,500,000

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Fleet Management Platform: \$1,750,000

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Total Depreciable Basis: \$4,250,000

## **5. SPECIAL CONSIDERATIONS**

### 1. **\*\*Bonus Depreciation\*\***



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Qualified property placed in service after September 27, 2017

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100% bonus depreciation available for eligible assets

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Election made on Form 4562

## 2. **\*\*Section 179 Expensing\*\***

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Available for qualifying property

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Subject to annual limitations

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Applied before regular depreciation

## **6. REPORTING AND COMPLIANCE**

1. The Company shall maintain detailed records of:

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Purchase dates and costs

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Installation completion dates

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Placed-in-service dates

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Depreciation calculations

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Disposal or retirement dates

2. This Schedule shall be updated annually to reflect:

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New asset acquisitions

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Dispositions

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Changes in tax law

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Modified depreciation methods

## **7. CERTIFICATION**

The undersigned certifies that this Schedule accurately reflects the Company's robot asset depreciation methodology in accordance with applicable tax regulations.

POLAR DYNAMICS ROBOTICS, INC.

**By:**

Name: Victoria Wells

Title: Chief Financial Officer

Date: January 1, 2024

## **8. DISCLAIMER**

This Schedule is prepared for tax reporting purposes only. The Company reserves the right to modify depreciation methods and calculations in accordance with changes in tax law or business circumstances. Consult qualified tax advisors regarding specific situations.

[END OF SCHEDULE]

