

# **Q4 2023 FINANCIAL STATEMENTS & BALANCE SHEET**

## **Q4 2023 FINANCIAL STATEMENTS & BALANCE SHEET**

### **POLAR DYNAMICS ROBOTICS, INC.**

**For the Quarter Ended December 31, 2023**

**(Unaudited)**

**CONFIDENTIAL & PROPRIETARY**

*Not for External Distribution*

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1. CONSOLIDATED INCOME STATEMENT

For the three months ended December 31, 2023 (in thousands, except data)

	Q4 2023	Q4 2022	YTD 2023	
Revenue				
Product Sales	\$8,925	\$6,780	\$31,500	
Service & Maintenance	\$1,245	\$985	\$4,380	
Total Revenue	\$10,170	\$7,765	\$35,880	
Cost of Revenue				
Product Costs	\$(4,015)	\$(3,256)	\$(14,175)	

| Service Delivery Costs | \$(498) | \$(394) | \$(1,752) |

| **Total Cost of Revenue** | **\$(4,513)** | **\$(3,650)** | **\$(15,927)** |

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| **Gross Profit** | **\$5,657** | **\$4,115** | **\$19,953** |

| Gross Margin % | 55.6% | 53.0% | 55.6% |

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| **Operating Expenses** | | | |

| Research & Development | \$(1,525) | \$(1,165) | \$(5,382) |

| Sales & Marketing | \$(1,220) | \$(932) | \$(4,306) |

| General & Administrative | \$(1,118) | \$(854) | \$(3,946) |

| **Total Operating Expenses** | **\$(3,863)** | **\$(2,951)** | **\$(13,634)** |

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| **Operating Income** | **\$1,794** | **\$1,164** | **\$6,319** |

| Operating Margin % | 17.6% | 15.0% | 17.6% |

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| Interest Income/(Expense) | \$(125) | \$(98) | \$(442) |

| Other Income/(Expense) | \$15 | \$(5) | \$45 |

| **Income Before Taxes** | **\$1,684** | **\$1,061** | **\$5,922**

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| Income Tax Provision | \$(421) | \$(265) | \$(1,481) |

| **Net Income** | **\$1,263** | **\$796** | **\$4,441** |

| Net Margin % | 12.4% | 10.3% | 12.4% |

## 2. CONSOLIDATED BALANCE SHEET

As of December 31, 2023 (in thousands)

| | Dec 31, 2023| Sep 30, 2023|

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<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents		\$12,450	\$11,280
Short-term Investments		\$5,000	\$5,000
Accounts Receivable, net		\$7,825	\$6,945
Inventory		\$4,560	\$4,125
Prepaid Expenses		\$875	\$780
<b>Total Current Assets</b>		<b>\$30,710</b>	<b>\$28,130  </b>
<b>Non-Current Assets</b>			
Property & Equipment, net		\$8,450	\$8,225
Intangible Assets		\$3,250	\$3,375

Goodwill	\$2,500	\$2,500	
Other Long-term Assets	\$725	\$695	
<b>Total Non-Current Assets</b>	<b>\$14,925</b>	<b>\$14,795</b>	
<b>TOTAL ASSETS</b>	<b>\$45,635</b>	<b>\$42,925</b>	
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$3,245	\$2,875	
Accrued Expenses	\$2,150	\$1,925	
Deferred Revenue	\$1,875	\$1,650	
Current Portion of Long-term Debt	\$1,000	\$1,000	
<b>Total Current Liabilities</b>	<b>\$8,270</b>	<b>\$7,450</b>	

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	<b>Non-Current Liabilities</b>			
	Long-term Debt		\$7,000	\$7,250
	Deferred Tax Liabilities		\$850	\$825
	Other Long-term Liabilities		\$525	\$485
	<b>Total Non-Current Liabilities</b>		<b>\$8,375</b>	<b>\$8,560  </b>
	<b>Stockholders' Equity</b>			
	Common Stock		\$142	\$142
	Additional Paid-in Capital		\$22,585	\$21,723
	Retained Earnings		\$6,263	\$5,050
	<b>Total Stockholders' Equity</b>		<b>\$28,990</b>	<b>\$26,915  </b>

TOTAL LIABILITIES & EQUITY	\$45,635	\$42,925	
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### 3. NOTES TO FINANCIAL STATEMENTS

#### 3.1 Basis of Presentation

These unaudited consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) for the accounts of Polar Dynamics Robotics, Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

#### 3.2 Revenue Recognition

Revenue is recognized when control of promised goods or services is transferred to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services. Product revenue is



upon shipment or delivery depending on contract terms. Service revenue is recognized over the term of the service agreement.

### **3.3 Significant Events and Transactions**

During Q4 2023, the Company:

-

Completed development of BlueCore(TM) 2.0 platform

-

Secured three new enterprise contracts valued at \$4.2M

-

Expanded manufacturing capacity by 40% at primary facility

-

Initiated Series C funding round (closed January 2024)

### **3.4 Subsequent Events**

Management has evaluated subsequent events through January 31, 2024, the date these financial statements were available to be issued. No material subsequent events requiring recognition or disclosure were identified except as noted above.

#### **4. CERTIFICATION**

The undersigned, duly authorized officers of Polar Dynamics Robotics, Inc. hereby certify that these financial statements fairly present, in all material respects, the financial position, results of operations, and cash flows of the Company as of and for the periods presented.

Dated: January 31, 2024

/s/ Victoria Wells

Victoria Wells

Chief Financial Officer

/s/ Dr. Elena Frost

Dr. Elena Frost

Chief Executive Officer

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**CONFIDENTIALITY NOTICE: This document contains confidential**

