

MAINTENANCE REVENUE FORECAST 2024

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POLAR DYNAMICS ROBOTICS, INC.

Confidential & Proprietary

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1. EXECUTIVE SUMMARY

This Maintenance Revenue Forecast ("Forecast") outlines projected maintenance-related revenue streams for Polar Dynamics Robotics, Inc. ("Company") for fiscal year 2024. This document encompasses recurring

from service contracts, preventive maintenance programs, and extended warranties for the Company's autonomous mobile robot ("AMR") fleet in cold-environment applications.

2. DEFINITIONS

1. "Standard Service Agreement" means the Company's base-level maintenance and repair services.
2. "Premium Service Agreement" means enhanced service coverage including preventive maintenance and parts replacement.
3. "Extended Warranty Program" means post-warranty coverage extending the original warranty period.
4. "Fleet Management Services" means comprehensive robot fleet operation and maintenance.

3. REVENUE STREAMS

1. ****Standard Service Agreements****

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Projected New Contracts: 85

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Average Annual Value: \$48,000

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Total Projected Revenue: \$4,080,000

2. ****Premium Service Agreements****

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Projected New Contracts: 45

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Average Annual Value: \$72,000

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Total Projected Revenue: \$3,240,000

3. ****Extended Warranty Programs****

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Projected Enrollments: 120

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Average Annual Value: \$36,000

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Total Projected Revenue: \$4,320,000

4. ****Fleet Management Services****

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Projected Subscriptions: 65

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Average Annual Value: \$60,000

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Total Projected Revenue: \$3,900,000

4. GROWTH ASSUMPTIONS

1. Market penetration rate of 35% for new AMR deployments
2. Contract renewal rate of 92% for existing service agreements
3. Upsell conversion rate of 40% from Standard to Premium agreements
4. Average service agreement value increase of 5% year-over-year
5. Customer retention rate of 95% for Fleet Management Services

5. RISK FACTORS

1. ****Market Conditions****

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Competitive pressure on service pricing

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Economic fluctuations affecting customer maintenance budgets

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Supply chain constraints impacting spare parts availability

2. **Operational Risks**

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Technical support staff recruitment and retention

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Service delivery capacity constraints

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Regional coverage limitations

3. **Technology Factors**

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Software update compatibility issues

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Component obsolescence

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Cybersecurity requirements

6. REVENUE RECOGNITION

1. Service agreement revenue recognized monthly over contract term
2. Extended warranty revenue amortized over coverage period
3. Fleet management fees recognized monthly upon service delivery
4. One-time setup fees recognized upon service activation

7. TOTAL PROJECTED MAINTENANCE REVENUE

1. ****Consolidated Revenue Projection****

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Standard Service Agreements: \$4,080,000

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Premium Service Agreements: \$3,240,000

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Extended Warranty Programs: \$4,320,000

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Fleet Management Services: \$3,900,000

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Total Projected Revenue: \$15,540,000

8. DISCLAIMERS

This Forecast contains forward-looking statements and projections based on current market conditions and reasonable assumptions of future performance.

Actual results may vary materially from these projections. This document is confidential and proprietary to Polar Dynamics Robotics, Inc. and may not be reproduced or distributed without express written consent.

9. APPROVAL

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10. DOCUMENT CONTROL

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