

PROFIT & LOSS STATEMENT

Polar Dynamics Robotics, Inc.

Q3 2023 (July 1, 2023 - September 30, 2023)

Unaudited Financial Statement

NOTICE: This document contains confidential financial information. Unauthorized disclosure, copying, or distribution is strictly prohibited.

REVENUE

Product Revenue

- IceNav AMR Units: \$7,845,000
- Cold Storage Navigation Systems: \$2,230,000
- Thermal Management Components: \$1,156,000
- Custom Integration Services: \$892,000

Service Revenue

- Maintenance Contracts: \$1,245,000
- Software Licensing: \$865,000
- Technical Support: \$432,000
- Training Services: \$178,000

Total Revenue: \$14,843,000

COST OF GOODS SOLD

Direct Materials

- Robotics Components: \$2,456,000
- Thermal Systems: \$892,000
- Electronics & Sensors: \$765,000
- Assembly Materials: \$432,000

Direct Labor

- Manufacturing Labor: \$1,245,000
- Engineering Support: \$678,000
- Quality Control: \$234,000

Manufacturing Overhead

- Factory Utilities: \$178,000
- Equipment Depreciation: \$345,000
- Production Supplies: \$123,000
- Facility Costs: \$432,000

Total COGS: \$7,780,000

Gross Profit: \$7,063,000

Gross Margin: 47.6%

OPERATING EXPENSES**Research & Development**

- Engineering Salaries: \$1,245,000
- R&D Materials: \$432,000
- Testing Equipment: \$178,000
- Patent Filings: \$89,000

Sales & Marketing

- Sales Team Compensation: \$765,000
- Marketing Programs: \$345,000
- Trade Shows: \$178,000
- Sales Tools & CRM: \$98,000

General & Administrative

- Executive Salaries: \$678,000
- Office Operations: \$234,000

- Professional Services: \$156,000
- Insurance: \$123,000

Technology & Infrastructure

- Software Licenses: \$178,000
- IT Infrastructure: \$145,000
- Cybersecurity: \$89,000
- Cloud Services: \$67,000

Total Operating Expenses: \$5,000,000

OTHER INCOME/EXPENSES

Other Income

- Interest Income: \$45,000
- Government Grants: \$178,000

Other Expenses

- Interest Expense: \$(123,000)
- Foreign Exchange Loss: \$(45,000)

Net Other Income/Expenses: \$55,000

PROFITABILITY SUMMARY

- Operating Income: \$2,063,000
- Operating Margin: 13.9%
- Net Income Before Tax: \$2,118,000
- Estimated Tax Provision (25%): \$(529,500)
- ****Net Income****: \$1,588,500
- ****Net Profit Margin****: 10.7%

NOTES AND DISCLAIMERS

All figures presented in USD

Financial statements prepared in accordance with GAAP

Q3 results include non-recurring government grant of \$178,000

R&D expenses reflect increased investment in next-generation IceNav platform

Foreign exchange impacts primarily related to European operations

Prepared by:

Katherine Wells

Chief Financial Officer

Polar Dynamics Robotics, Inc.

Date: October 15, 2023

CONFIDENTIAL: This financial statement has been prepared for internal management use and potential investor due diligence. The information contained herein is confidential and proprietary to Polar Dynamics Robotics, Inc. This document may not be reproduced or distributed without express written consent.