

5-YEAR FINANCIAL PROJECTIONS (2024-2028)

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POLAR DYNAMICS ROBOTICS, INC.

Confidential & Proprietary

Generated: January 11, 2024

1. DISCLAIMER AND FORWARD-LOOKING STATEMENTS

The financial projections contained herein have been prepared by the management of Polar Dynamics Robotics, Inc. (the "Company") solely for informational purposes. These projections constitute forward-looking statements and are subject to various risks and uncertainties.

known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. The Company does not undertake any obligation to update or revise these projections to reflect events or circumstances after the date hereof.

2. EXECUTIVE SUMMARY

These financial projections reflect the Company's anticipated growth to 2025 based on:

-

Expansion of BlueCore(TM) technology deployment

-

Market penetration in cold chain logistics sector

-

Scaling of AMR production capabilities

-

Geographic expansion into new markets

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Development of next-generation cold-resistant robotics platforms

3. REVENUE PROJECTIONS

3.1 Annual Revenue Forecast (USD)

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2024: \$42,500,000

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2025: \$61,625,000

-

2026: \$89,356,250

- - 3 -

2027: \$125,098,750

-

2028: \$168,883,313

3.2 Revenue Streams Breakdown

Hardware Sales (AMR Units)

-

2024: 65% (\$27,625,000)

-

2025: 62% (\$38,207,500)

-

2026: 60% (\$53,613,750)

-

2027: 58% (\$72,557,275)

- - 4 -

2028: 55% (\$92,885,822)

Software Licensing & Subscriptions

-

2024: 20% (\$8,500,000)

-

2025: 22% (\$13,557,500)

-

2026: 23% (\$20,551,938)

-

2027: 25% (\$31,274,688)

-

2028: 27% (\$45,598,494)

Maintenance & Support Services

-

2024: 15% (\$6,375,000)

-

2025: 16% (\$9,860,000)

-

2026: 17% (\$15,190,563)

-

2027: 17% (\$21,266,788)

-

2028: 18% (\$30,398,996)

4. COST STRUCTURE AND MARGINS

4.1 Gross Margin Projections

- - 6 -

2024: 58%

-

2025: 60%

-

2026: 62%

-

2027: 63%

-

2028: 65%

4.2 Operating Expenses

Research & Development

-

2024: 22% of revenue

- - 7 -

2025: 20% of revenue

-

2026: 18% of revenue

-

2027: 17% of revenue

-

2028: 16% of revenue

Sales & Marketing

-

2024: 25% of revenue

-

2025: 23% of revenue

-

2026: 24% of revenue

-

2027: 20% of revenue

-

2028: 18% of revenue

General & Administrative

-

2024: 15% of revenue

-

2025: 14% of revenue

-

2026: 13% of revenue

-

2027: 12% of revenue

- - 9 -

2028: 11% of revenue

5. EBITDA AND PROFITABILITY

5.1 EBITDA Projections

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2024: \$-1,700,000 (-4% margin)

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2025: \$1,848,750 (3% margin)

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2026: \$8,935,625 (10% margin)

-

2027: \$17,513,825 (14% margin)

-

2028: \$33,776,663 (20% margin)
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5.2 Net Income Projections

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2024: \$-3,400,000

-

2025: \$308,125

-

2026: \$5,361,375

-

2027: \$12,509,875

-

2028: \$25,332,497

6. CAPITAL REQUIREMENTS AND FUNDING

6.1 Projected Capital Expenditures

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2024: \$8,500,000

-

2025: \$9,243,750

-

2026: \$10,722,750

-

2027: \$12,509,875

-

2028: \$13,510,665

6.2 Working Capital Requirements

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2024: \$10,625,000

- - 12 -

2025: \$12,325,000

-

2026: \$14,296,000

-

2027: \$16,262,838

-

2028: \$18,577,164

7. KEY ASSUMPTIONS

1. Market penetration increases from 12% to 35% in target sectors
2. Average selling price per AMR unit remains stable with 3% annual
3. R&D efficiency improves with scale
4. Supply chain costs decrease by 2% annually through optimization

5. Customer retention rate maintains at 95%+
6. No major regulatory changes affecting operations
7. Successful expansion into three new geographic markets
8. BlueCore(TM) technology maintains competitive advantage

8. CERTIFICATION

These projections have been reviewed and approved by:

Victoria Wells

Chief Financial Officer

Polar Dynamics Robotics, Inc.

Date: January 11, 2024

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