

INCOME STATEMENT

POLAR DYNAMICS ROBOTICS, INC.

Fiscal Year Ended December 31, 2023

(Amounts in USD)

Unaudited financial statements prepared in accordance with U.S. GAAP

REVENUE

Revenue Category	Amount
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Product Sales - AMR Units	\$24,375,000
Service & Maintenance Contracts	\$5,850,000
Software Licensing (IceNav Platform)	\$1,625,000
Spare Parts & Components	\$650,000
Total Revenue	\$32,500,000

COST OF GOODS SOLD

Cost Category	Amount
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Direct Materials	\$8,125,000
Direct Labor	\$4,875,000
Manufacturing Overhead	\$3,250,000
Warranty Expenses	\$975,000
Total Cost of Goods Sold	\$17,225,000

Gross Profit | \$15,275,000

Gross Margin | 47.0%

OPERATING EXPENSES

Expense Category	Amount
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Research & Development	\$4,875,000
Sales & Marketing	\$3,250,000
General & Administrative	\$2,925,000
Engineering Support	\$1,625,000
Total Operating Expenses	**\$12,675,000**

Operating Income | **\$2,600,000**

Operating Margin | **8.0%**

OTHER INCOME/(EXPENSE)

Category	Amount
Interest Income	\$162,500
Interest Expense	(\$325,000)
Foreign Exchange Gain/(Loss)	(\$81,250)
Total Other Income/(Expense)	**(\$243,750)**

Income Before Taxes | **\$2,356,250**

INCOME TAX PROVISION

Category	Amount
Current Tax Expense	\$589,063
Deferred Tax Benefit	(\$117,813)
Total Income Tax Provision	**\$471,250**

Net Income | **\$1,885,000**

Net Margin | **5.8%**

SUPPLEMENTARY INFORMATION

Key Performance Metrics:

- Units Sold: 487
- Average Selling Price per Unit: \$50,052
- R&D as % of Revenue: 15.0%

- Customer Retention Rate: 94%

Geographic Revenue Distribution:

- North America: 65%
- Europe: 25%
- Asia Pacific: 10%

Revenue by Customer Type:

- Cold Storage & Logistics: 45%
- Pharmaceutical Manufacturing: 30%
- Food Processing: 20%
- Other Industrial: 5%

Notes to Financial Statements:

****Revenue Recognition**:** Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

****R&D Expenses**:** Include costs related to the development of next-generation cold-resistant actuators and IceNav platform enhancements.

****Foreign Currency**:** Transactions denominated in foreign currencies are translated using exchange rates prevailing at the dates of the transactions.

****Segment Information**:** The Company operates as a single operating segment focused on autonomous mobile robots for cold environments.

Disclaimer: This financial statement is unaudited and subject to adjustment. Prepared by the Finance Department of Polar Dynamics Robotics, Inc. under the supervision of Katherine Wells, CFO.

Certified as of January 31, 2024

/s/ Katherine Wells

Katherine Wells

Chief Financial Officer

Polar Dynamics Robotics, Inc.

/s/ Elena Frost

Dr. Elena Frost

Chief Executive Officer

Polar Dynamics Robotics, Inc.