

CASH POSITION SUMMARY

Q4 2023 Financial Statement

Polar Dynamics Robotics, Inc.

Confidential & Privileged Document

Date: December 31, 2023

1. EXECUTIVE SUMMARY

This Cash Position Summary provides a comprehensive analysis of Polar Dynamics Robotics, Inc.'s ("Company") cash and cash equivalents as of December 31, 2023. This document has been prepared by the Office of the Chief Financial Officer and reviewed by external auditors from Deloitte & Touche LLP.

2. CASH POSITION OVERVIEW

1. Total Available Cash: \$28,745,632

- Operating Accounts: \$12,453,891
- Money Market Accounts: \$11,291,741
- Short-term Investments: \$5,000,000

2. Restricted Cash: \$3,500,000

- Performance Bonds: \$2,000,000
- Letter of Credit Collateral: \$1,500,000

3. Net Available Cash Position: \$25,245,632

3. CASH FLOW ANALYSIS

1. Operating Cash Flow (Q4 2023)

- Beginning Balance: \$24,891,234
- Net Cash from Operations: +\$5,234,567
- Capital Expenditures: -\$1,876,543
- Net Change: +\$3,358,024

2. Major Cash Events

- Series C Funding Tranche 2: +\$15,000,000 (October 15, 2023)
- R&D Equipment Purchases: -\$2,345,678 (November 2023)
- Customer Deposits: +\$1,876,543 (Q4 2023)

4. LIQUIDITY METRICS

1. Current Ratios

- Quick Ratio: 2.8
- Current Ratio: 3.2
- Cash Ratio: 1.9

2. Working Capital

- Current Assets: \$42,567,890
- Current Liabilities: \$13,245,678
- Net Working Capital: \$29,322,212

5. CASH MANAGEMENT POLICIES

1. Investment Guidelines

- Maximum allocation to any single institution: 25%
- Minimum credit rating requirement: A-/A3
- Maximum maturity for investments: 12 months

2. Banking Relationships

- Primary Operating: Silicon Valley Bank
- Secondary Operating: JPMorgan Chase
- Treasury Management: State Street Bank

6. PROJECTED CASH REQUIREMENTS

1. Q1 2024 Major Expenditures

- Payroll and Benefits: \$4,500,000
- Supplier Payments: \$3,200,000
- Capital Expenditures: \$2,500,000
- R&D Investments: \$1,800,000

2. Minimum Cash Reserve Requirements

- Operating Reserve: \$10,000,000
- Strategic Initiative Fund: \$5,000,000
- Emergency Fund: \$3,000,000

7. DEBT AND CREDIT FACILITIES

1. Available Credit

- Revolving Credit Facility: \$20,000,000
- Amount Drawn: \$0
- Available Credit: \$20,000,000

2. Debt Covenants

- Minimum Cash Balance: \$5,000,000
- Debt Service Coverage Ratio: >1.5x
- Current Status: In Compliance

8. CERTIFICATIONS AND REPRESENTATIONS

The undersigned hereby certifies that:

1. All information contained herein is accurate and complete as of December 31, 2023.
2. No material adverse changes have occurred since the date of this report.
3. All cash management activities comply with corporate policies and applicable regulations.

9. DISCLAIMERS

This document contains confidential and proprietary information of Polar Dynamics Robotics, Inc. and is protected under applicable securities laws. Distribution without proper authorization is prohibited. The information contained herein is subject to change without notice and should not be construed as a commitment by the Company.

EXECUTION

PREPARED BY:

/s/ Katherine Wells

Katherine Wells

Chief Financial Officer

Date: January 11, 2024

REVIEWED BY:

/s/ Elena Frost

Dr. Elena Frost

Chief Executive Officer

Date: January 11, 2024

APPROVED BY:

/s/ Board Finance Committee Chair

Jonathan Matthews

Chair, Finance Committee

Board of Directors

Date: January 11, 2024