

ROBOT FLEET UTILIZATION ECONOMICS

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CONFIDENTIAL AND PROPRIETARY

Polar Dynamics Robotics, Inc.

Last Updated: January 11, 2024

Document Reference: PDR-FIN-2024-011

1. OVERVIEW AND PURPOSE

1. This Robot Fleet Utilization Economics document ("Economics Doc

2. All financial projections and operational metrics contained herein are

2. DEFINITIONS

1. "Active Operating Hours" means the time during which an AMR unit

2. "BlueCore(TM) System" refers to the Company's proprietary cold-e

3. "Fleet Utilization Rate" means the percentage of Active Operating H

4. "Unit Economics" means the direct revenue, costs, and margins as

3. FLEET DEPLOYMENT METRICS

1. Standard Fleet Configuration

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Minimum deployment: 4 AMR units per customer site

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Recommended deployment: 8-12 AMR units per customer site

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Maximum supported deployment: 24 AMR units per customer site

2. Operating Parameters

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Temperature range: -30 C to +45 C

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Maximum continuous operation: 18 hours per 24-hour period

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Charging time: 4 hours for full charge

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Average daily utilization: 85% of available hours

4. UNIT ECONOMICS

1. Revenue Components

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Base subscription fee: \$2,500 per unit per month

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Variable usage fees: \$12.50 per operating hour

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Maintenance service fees: \$450 per unit per month

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Software licensing fees: \$350 per unit per month

2. Direct Costs

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Hardware depreciation: \$833 per unit per month

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Maintenance labor: \$275 per unit per month

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Software hosting: \$125 per unit per month

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Remote monitoring: \$175 per unit per month

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Insurance: \$150 per unit per month

5. PERFORMANCE METRICS

1. Operational Efficiency

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Average picks per hour: 85

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Error rate: <0.1%

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System availability: 99.7%

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Mean time between failures: 2,200 hours

2. Financial Performance

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Gross margin per unit: 68%

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Average monthly revenue per unit: \$4,125

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Payback period: 14 months

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Internal rate of return (IRR): 127%

6. SCALING ECONOMICS

1. Volume Discounts

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10-15 units: 5% discount on base subscription

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16-20 units: 8% discount on base subscription

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21+ units: 12% discount on base subscription

2. Multi-Site Deployment Benefits

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Shared spare parts inventory

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Consolidated maintenance scheduling

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Cross-training efficiencies

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Bulk consumables purchasing

7. RISK FACTORS

1. The economics presented herein are subject to various risks and uncertainties.

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Changes in labor costs

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Energy price fluctuations

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Component availability

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Regulatory changes

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Technology obsolescence

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Market competition

8. DISCLAIMERS

1. This Economics Document contains forward-looking statements and

2. Actual results may vary materially from the projections contained here

3. This document is confidential and proprietary to the Company and its

9. EXECUTION

IN WITNESS WHEREOF, this Economics Document has been reviewed and approved by the undersigned authorized representatives of the Company.

POLAR DYNAMICS ROBOTICS, INC.

By:

Name: Victoria Wells

Title: Chief Financial Officer

Date: January 11, 2024

By:

Name: Dr. Elena Frost

Title: Chief Executive Officer

Date: January 11, 2024

