

2023 ACCOUNTS RECEIVABLE AGING REPORT

ACCOUNTS RECEIVABLE AGING REPORT

Polar Dynamics Robotics, Inc.

For the Period Ending December 31, 2023

Prepared January 11, 2024

1. EXECUTIVE SUMMARY

This Accounts Receivable Aging Report presents the detailed analysis of outstanding customer receivables for Polar Dynamics Robotics, Inc. ("the Company") as of December 31, 2023. All figures are presented in United Sta

Dollars (USD).

Total Accounts Receivable: \$8,427,500

Total Number of Active Accounts: 47

Average Days Sales Outstanding (DSO): 98 days

2. AGING CATEGORIES SUMMARY

2.1 Current (0-30 Days)

Total Amount: \$3,245,000 (38.5%)

Number of Accounts: 18

Key Accounts: Arctic Storage Solutions, PolarCold Logistics

2.2 31-60 Days

Total Amount: \$2,875,000 (34.1%)

Number of Accounts: 12

Key Accounts: FrostLine Distribution, CryoTech Industries

2.3 61-90 Days

Total Amount: \$1,562,500 (18.5%)

Number of Accounts: 9

Key Accounts: Nordic Pharmaceutical Storage

2.4 91-120 Days

Total Amount: \$495,000 (5.9%)

Number of Accounts: 5

Key Accounts: Glacier Bay Warehousing

2.5 Over 120 Days

Total Amount: \$250,000 (3.0%)

Number of Accounts: 3

Key Accounts: SubZero Logistics Solutions

3. DETAILED CUSTOMER ANALYSIS

3.1 Top 10 Outstanding Accounts

-

Arctic Storage Solutions

-

Outstanding Amount: \$1,875,000

-

Aging Category: Current

-

Payment Terms: Net 60

-

Last Payment Received: December 15, 2023

-

FrostLine Distribution

-

Outstanding Amount: \$1,250,000

-

Aging Category: 31-60 Days

-

Payment Terms: Net 45

-

Last Payment Received: November 30, 2023

[Additional 8 accounts detailed similarly...]

4. COLLECTION STATUS

4.1 Active Collection Efforts

-

Accounts in Legal Review: 2

-

Accounts in Payment Plans: 3

-

Accounts Pending Credit Hold: 1

4.2 Collection Methods

- - 6 -

Standard Invoice Follow-up: 32 accounts

-

Enhanced Collection Procedures: 12 accounts

-

Third-Party Collection Agency: 3 accounts

5. PAYMENT TERMS ANALYSIS

5.1 Standard Terms

-

Net 30: 15 accounts

-

Net 45: 20 accounts

-

Net 60: 12 accounts

5.2 Special Arrangements

-

Custom Payment Plans: 3 accounts

-

Early Payment Discounts: 5 accounts

-

Extended Terms: 2 accounts

6. RISK ASSESSMENT

6.1 Credit Risk Categories

-

Low Risk (AAA-A): 65% of total AR

- - 8 -

Medium Risk (BBB-B): 28% of total AR

-

High Risk (CCC-C): 7% of total AR

6.2 Expected Collection Rates

-

0-60 Days: 98% expected collection

-

61-90 Days: 95% expected collection

-

91+ Days: 85% expected collection

7. RECONCILIATION AND ADJUSTMENTS

7.1 ~~Bad~~Debt Reserve

Current Reserve Balance: \$168,550

Recommended Adjustments: +\$25,000

Reserve Methodology: 2% of total AR

7.2 Write-offs YTD

Total Write-offs: \$75,000

Number of Accounts Written Off: 2

Recovery Efforts in Progress: \$45,000

8. TRENDS AND RECOMMENDATIONS

8.1 Year-over-Year Comparison

-

Total AR \uparrow 15% vs. 2022

-

DSO: -5 days vs. 2022

-

Collection Rate: +2% vs. 2022

8.2 Recommended Actions

-

Implement enhanced credit review for accounts over \$500,000

-

Revise payment terms for high-risk accounts

-

Increase collection staff for 60+ day accounts

-

Review credit limits for top 10 customers

9. CERTIFICATION

This report has been prepared in accordance with generally accepted accounting principles and represents a true and accurate statement of the Company's accounts receivable as of December 31, 2023.

Prepared by:

Victoria Wells

Chief Financial Officer

Polar Dynamics Robotics, Inc.

Date: January 11, 2024

10. DISCLAIMERS

This report is confidential and proprietary to Polar Dynamics Robotics, Inc. The information contained herein is for internal use only and subject to change without notice. All amounts are in USD unless otherwise noted. Past collection performance does not guarantee future results. This report should be read in conjunction with the Company's audited financial statements and other financial reports.

