

# **ROBOT MAINTENANCE REVENUE FORECAST 2024**

## **ROBOT MAINTENANCE REVENUE FORECAST**

**CONFIDENTIAL AND PROPRIETARY**

Polar Dynamics Robotics, Inc.

Date: January 11, 2024

### **1. EXECUTIVE SUMMARY**

This Robot Maintenance Revenue Forecast (the "Forecast") has been prepared by Polar Dynamics Robotics, Inc. ("Company") to project anticipated maintenance revenue streams for fiscal year 2024 related to the Company's installed

BlueCore(TM)-enabled autonomous mobile robots (AMRs) operating environment applications.

## **2. SCOPE AND METHODOLOGY**

1. The Forecast encompasses:

- (a) Scheduled preventive maintenance services
- (b) Emergency repair services
- (c) Software updates and system optimization
- (d) Component replacement programs
- (e) Extended warranty contracts

2. Revenue calculations are based on:

- (a) Historical maintenance data from 2022-2023

(b) Current installed base of 847 active AMR units

(c) Projected new installations of 312 units in 2024

(d) Standard service contract terms and rates

(e) Mean time between failures (MTBF) analytics

### **3. REVENUE PROJECTIONS**

#### **1. Base Maintenance Contracts**

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Annual recurring revenue: \$12,450,000

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Average contract value: \$14,700 per unit

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Renewal rate: 94% (trailing 12 months)

## 2. Premium Service Upgrades

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Projected upgrade adoption: 35% of base

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Additional revenue: \$2,825,000

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Average upgrade value: \$9,500 per unit

## 3. Emergency Services

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Projected incidents: 425

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Average revenue per incident: \$4,200

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Total projected revenue: \$1,785,000

#### 4. Component Replacement

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Scheduled replacements: \$3,250,000

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Unscheduled replacements: \$1,125,000

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Total component revenue: \$4,375,000

## 4. GROWTH FACTORS

#### 1. New Installation Impact

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Maintenance revenue from new units: \$2,340,000

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Pro-rated based on installation timing

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90-day warranty period excluded

## 2. Contract Price Adjustments

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3.5% annual increase on base contracts

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Additional revenue: \$435,750

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Effective date: April 1, 2024

## 5. RISK FACTORS

1. The following factors may impact actual results:

(a) Supply chain disruptions affecting component availability

- (b) Labor cost variations in service regions
- (c) Customer adoption of self-service options
- (d) Warranty claim frequency
- (e) Competition from third-party service providers

## 2. Mitigation Strategies

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Strategic parts inventory management

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Regional service hub expansion

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Technical training programs

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Service contract optimization

## 6. TOTAL REVENUE FORECAST

### 1. Consolidated Revenue Projection

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Base maintenance: \$12,450,000

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Premium upgrades: \$2,825,000

-

Emergency services: \$1,785,000

-

Component revenue: \$4,375,000

-

New installations: \$2,340,000

-



Price adjustments: \$435,750

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Total projected revenue: \$24,210,750

## **7. DISCLAIMERS AND LIMITATIONS**

1. This Forecast contains forward-looking projections based on current information.
2. The Company makes no representations or warranties regarding the accuracy or completeness of the information contained herein.
3. This document is confidential and proprietary to Polar Dynamics Robotics, Inc. and its subsidiaries.

## **8. APPROVAL AND AUTHORIZATION**

PREPARED BY:

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Chief Financial Officer

Polar Dynamics Robotics, Inc.

REVIEWED BY:

Finance Committee

Board of Directors

Date: January 11, 2024

APPROVED BY:

Dr. Elena Frost

Chief Executive Officer

Polar Dynamics Robotics, Inc.

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Sarah Nordstrom

Chief Operating Officer

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