

CUSTOMER ACQUISITION COST BY MARKET SEGMENT

CONFIDENTIAL AND PROPRIETARY

Polar Dynamics Robotics, Inc.

Prepared: January 11, 2024

Document Reference: FIN-CAC-2024-Q1

1. INTRODUCTION AND SCOPE

1. This document details the Customer Acquisition Cost ("CAC") analysis by market segment for Polar Dynamics Robotics, Inc. ("Company") for the trailing twelve months ending December 31, 2023.

2. All financial figures are presented in United States Dollars (USD) unless otherwise specified.

2. DEFINITIONS

1. "Customer Acquisition Cost" means the total cost required to acquire a new customer, including marketing expenses, sales expenses, and related overhead allocations.

2. "Market Segment" refers to the distinct customer categories as defined in Section 3.1.

3. "Qualified Lead" means a prospective customer that meets the Company's established criteria for sales pursuit.

3. MARKET SEGMENTATION

1. Primary Market Segments:

- a) Cold Chain Logistics (CCL)
- b) Pharmaceutical Manufacturing (PM)
- c) Food Processing Facilities (FPF)
- d) Industrial Cold Storage (ICS)

2. Secondary Market Segments:

- a) Research Facilities (RF)
- b) Medical Supply Chain (MSC)
- c) Specialty Chemical Storage (SCS)

4. CUSTOMER ACQUISITION COST ANALYSIS

1. Cold Chain Logistics Segment

- Average CAC: \$127,500
- Sales Cycle Duration: 180 days
- Marketing Attribution: 35%
- Direct Sales Cost: 65%
- Customer Lifetime Value Ratio: 5.8x

2. Pharmaceutical Manufacturing Segment

- Average CAC: \$156,000
- Sales Cycle Duration: 240 days
- Marketing Attribution: 25%
- Direct Sales Cost: 75%
- Customer Lifetime Value Ratio: 7.2x

3. Food Processing Facilities Segment

- Average CAC: \$98,000
- Sales Cycle Duration: 150 days
- Marketing Attribution: 40%
- Direct Sales Cost: 60%
- Customer Lifetime Value Ratio: 4.9x

4. Industrial Cold Storage Segment

- Average CAC: \$112,000
- Sales Cycle Duration: 165 days
- Marketing Attribution: 30%
- Direct Sales Cost: 70%
- Customer Lifetime Value Ratio: 5.3x

5. COST COMPONENTS

1. Marketing Expenses

- Digital Marketing: 22%

- Trade Shows: 35%
- Content Creation: 18%
- Partner Marketing: 15%
- Other Marketing: 10%

2. Sales Expenses

- Direct Sales Personnel: 45%
- Sales Operations: 15%
- Technical Pre-Sales: 25%
- Travel & Entertainment: 10%
- Sales Tools & Systems: 5%

6. SEGMENT-SPECIFIC ACQUISITION STRATEGIES

1. Each market segment requires specific acquisition approaches:

- a) CCL: Focus on ROI demonstration and operational efficiency metrics
- b) PM: Emphasis on compliance documentation and validation processes
- c) FPF: Highlight throughput improvements and temperature consistency
- d) ICS: Stress system reliability and cold-environment performance

7. METHODOLOGY AND ASSUMPTIONS

1. CAC calculations include:

- Direct marketing expenses
- Sales team compensation
- Technical support allocation
- Administrative overhead (15% allocation)
- Channel partner commissions

2. Exclusions:

- Post-sale implementation costs
- Warranty expenses
- R&D allocations
- General corporate overhead

8. DISCLAIMERS AND LIMITATIONS

1. This analysis is based on historical data and current market conditions. Future costs may vary based on market dynamics, competition, and Company strategy.
2. All figures represent averages across multiple customer engagements and may not be representative of individual customer acquisition costs.
3. This document is confidential and proprietary to Polar Dynamics Robotics, Inc. and may not be shared without written authorization.

9. CERTIFICATION

The undersigned hereby certifies that this Customer Acquisition Cost analysis has been prepared in accordance with Company standards and represents an accurate assessment of customer acquisition costs by market segment.

POLAR DYNAMICS ROBOTICS, INC.

By: _

Katherine Wells

Chief Financial Officer

Date: January 11, 2024

10. REVISION HISTORY

Version 1.0 - Initial Documentation (January 11, 2024)

Prepared by: Financial Planning & Analysis Team

Reviewed by: Sales Operations

Approved by: CFO

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