

# ACCOUNTS RECEIVABLE AGING REPORT

**Polar Dynamics Robotics, Inc.**

As of December 31, 2023

## 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 amounts are expressed in United States Dollars (USD).

Total Accounts Receivable: \$8,437,250

Total Number of Active Accounts: 127

Average Days Sales Outstanding (DSO): 42 days

## 2. AGING CATEGORIES SUMMARY

### 2.1 Current (0-30 days)

Total Amount: \$4,218,625 (50%)

Number of Accounts: 73

Key Accounts:

- Arctic Storage Solutions, LLC: \$875,000
- PharmaFreeze Industries: \$642,500
- Nordic Logistics Corp.: \$587,300

### 2.2 31-60 days

Total Amount: \$2,531,175 (30%)

Number of Accounts: 32

Key Accounts:

- ColdChain Enterprises: \$463,200
- Glacier Warehouse Systems: \$385,600
- FrostTech Solutions: \$298,400

### 2.3 61-90 days

Total Amount: \$843,725 (10%)

Number of Accounts: 14

Key Accounts:

- Polar Transport Inc.: \$187,500
- SubZero Logistics: \$165,800
- Arctic Circle Storage: \$142,300

#### **2.4 91-120 days**

Total Amount: \$506,235 (6%)

Number of Accounts: 5

Key Accounts:

- Frozen Foods Direct: \$198,400
- Northern Storage Co.: \$156,700
- Alpine Refrigeration: \$98,500

#### **2.5 Over 120 days**

Total Amount: \$337,490 (4%)

Number of Accounts: 3

Key Accounts:

- Tundra Systems Ltd.: \$187,490
- Frost Logistics Group: \$150,000

### **3. PAYMENT TERMS ANALYSIS**

#### **3.1 Standard Payment Terms**

- Net 30: 65% of accounts
- Net 45: 25% of accounts
- Net 60: 10% of accounts

#### **3.2 Early Payment Discounts**

- 2/10 Net 30: Available to preferred customers
- Volume-based discounts: Applied to orders exceeding \$500,000

### **4. COLLECTION STATUS**

#### **4.1 Active Collection Efforts**

Total Accounts Under Active Collection: 8

Aggregate Value: \$487,490

Collection Methods:

- Internal collections team: 5 accounts
- Third-party collection agency: 3 accounts

#### **4.2 Disputed Receivables**

Total Disputed Amount: \$235,800

Number of Disputes: 2

Nature of Disputes:

- Performance-related: \$187,490 (Tundra Systems Ltd.)
- Installation issues: \$48,310 (Various accounts)

### **5. CREDIT QUALITY ANALYSIS**

#### **5.1 Credit Ratings Distribution**

- AAA to A-: 45% of receivables
- BBB+ to BBB-: 35% of receivables
- BB+ to B-: 15% of receivables
- Below B-: 5% of receivables

#### **5.2 Security Interests**

Total Secured Receivables: \$3,374,900

Number of Secured Accounts: 12

Types of Security:

- Equipment liens
- Personal guarantees
- Corporate guarantees

### **6. ALLOWANCE FOR DOUBTFUL ACCOUNTS**

#### **6.1 Current Reserves**

Total Reserve: \$421,862 (5% of total receivables)

Allocation:

- Specific reserves: \$287,490
- General reserves: \$134,372

## **6.2 Historical Write-off Analysis**

2023 Write-offs: \$156,000

2022 Write-offs: \$142,000

2021 Write-offs: \$128,000

## **7. CERTIFICATION**

The undersigned officer hereby certifies that this Accounts Receivable Aging Report is true and accurate to the best of their knowledge as of the date first written above.

This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and reflects all known material information regarding the Company's accounts receivable as of December 31, 2023.

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**By: \_**

Katherine Wells

Chief Financial Officer

Polar Dynamics Robotics, Inc.

Date: January 11, 2024

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## **8. DISCLAIMERS**

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