

SERIES B POST-MONEY VALUATION REPORT

Polar Dynamics Robotics, Inc.

Prepared as of January 11, 2024

1. EXECUTIVE SUMMARY

This Series B Post-Money Valuation Report (the "Report") provides a comprehensive analysis of the post-money valuation of Polar Dynamics Robotics, Inc. (the "Company") following the completion of its Series B financing round closed on December 15, 2023. The valuation methodology incorporates both quantitative financial metrics and qualitative business factors specific to the industrial automation and robotics manufacturing sector.

2. TRANSACTION OVERVIEW

1. **Series B Round Details**

- Total Capital Raised: \$45,000,000
- Price Per Share: \$12.75
- Shares Issued: 3,529,412
- Pre-Money Valuation: \$185,000,000
- Post-Money Valuation: \$230,000,000

2. **Investment Structure**

- Primary Investment: \$40,000,000
- Secondary Sale Component: \$5,000,000
- Lead Investor: Frost Ventures Capital
- Participating Investors: Arctic Tech Fund, Robotics Growth Partners, Industrial Innovation Fund

3. CAPITALIZATION STRUCTURE

1. **Post-Series B Cap Table Summary**

Shareholder Class	Shares Outstanding	Ownership %	Value (\$)
-----	-----	-----	-----
Founders & Management	8,500,000	47.2%	\$108,560,000

Series A Investors	3,000,000	16.7%	\$38,400,000
Series B Investors	3,529,412	19.6%	\$45,000,000
Employee Stock Pool	2,500,000	13.9%	\$31,875,000
Early Investors	470,588	2.6%	\$6,000,000
| Total | 18,000,000 | 100% | \$230,000,000 |

4. VALUATION METHODOLOGY

1. **Primary Valuation Methods**

- Revenue Multiple Analysis
- Comparable Company Analysis
- Precedent Transaction Analysis
- Discounted Cash Flow Analysis

2. **Industry-Specific Metrics**

- Annual Recurring Revenue (ARR): \$32,500,000
- ARR Growth Rate: 145% YoY
- Gross Margin: 68%
- Customer Acquisition Cost (CAC): \$125,000
- Lifetime Value (LTV): \$1,250,000
- LTV/CAC Ratio: 10x

5. MARKET ANALYSIS

1. **Target Market Size**

- Total Addressable Market (TAM): \$45 billion
- Serviceable Addressable Market (SAM): \$12 billion
- Serviceable Obtainable Market (SOM): \$3 billion

2. **Competitive Position**

The Company maintains significant competitive advantages through:

- Proprietary cold-resistant actuator technology
- Advanced thermal management systems
- IceNav(TM) AI navigation platform

- 12 granted patents and 15 pending applications

6. FINANCIAL PROJECTIONS

1. **Revenue Forecast**

- FY2024: \$45,000,000 (projected)
- FY2025: \$78,750,000 (projected)
- FY2026: \$126,000,000 (projected)

2. **Key Operating Metrics**

- Gross Margin Expansion: 68% to 72% by FY2025
- EBITDA Margin: -15% to +10% by FY2025
- R&D Investment: 28% of revenue

7. RISK FACTORS

1. **Market Risks**

- Competitive landscape evolution
- Technology obsolescence risk
- Market adoption rates

2. **Operational Risks**

- Supply chain dependencies
- Manufacturing scalability
- Technical talent acquisition

8. CERTIFICATION AND DISCLAIMERS

This Report has been prepared based on information provided by the Company's management and third-party sources deemed reliable but not independently verified. The valuation conclusions contained herein represent our best judgment as of the date of this Report.

This Report is provided for informational purposes only and should not be relied upon as investment advice or as a guarantee of future results. All financial projections are subject to various risks and uncertainties that could cause actual results to differ materially from those projected.

9. APPENDICES

1. **Comparable Company Analysis**
2. **Detailed Financial Projections**
3. **Industry Analysis**
4. **Technical Due Diligence Summary**

Prepared by:

Morgan Stanley & Co. LLC

Goldman Sachs & Co. LLC

Date: January 11, 2024

[APPENDICES FOLLOW]

This document contains confidential and proprietary information of Polar Dynamics Robotics, Inc. and is subject to the terms of the applicable Non-Disclosure Agreement.