

POLAR DYNAMICS ROBOTICS, INC.

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ROBOTICS DIVISION PROFIT & LOSS STATEMENT

Q4 2023 (October 1 - December 31, 2023)

CONFIDENTIAL - FOR DUE DILIGENCE PURPOSES ONLY

All figures in USD unless otherwise noted

REVENUE

Product Revenue

-

AMR Unit Sales: \$6,842,500

-

BlueCore(TM) Technology Licensing: \$875,000

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Spare Parts & Components: \$523,400

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Installation Services: \$428,900

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Maintenance Contracts: \$692,300

Total Product Revenue: \$9,362,100

Service Revenue

-

Technical Support: \$312,500

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Professional Services: \$245,800

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Training & Certification: \$168,400

-

Software Subscriptions: \$425,600

Total Service Revenue: \$1,152,300

TOTAL REVENUE: \$10,514,400

COST OF GOODS SOLD (COGS)

Direct Materials

- - 3 -

Robot Chassis & Components: \$2,245,800

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BlueCore(TM) Systems: \$892,400

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Electronics & Controls: \$645,300

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Packaging Materials: \$98,600

Total Direct Materials: \$3,882,100

Direct Labor

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Manufacturing Labor: \$685,400

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Assembly Operations: \$425,300

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Quality Control: \$198,600

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Installation Labor: \$245,700

Total Direct Labor: \$1,555,000

Manufacturing Overhead

-

Factory Utilities: \$168,400

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Equipment Depreciation: \$245,600

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Production Supervision: \$185,300

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Facility Costs: \$292,400

Total Manufacturing Overhead: \$891,700

TOTAL COGS: \$6,328,800

GROSS PROFIT: \$4,185,600

Gross Margin: 39.8%

OPERATING EXPENSES

Research & Development

-

Engineering Staff: \$845,600

-

Prototype Development: \$325,400

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Testing & Validation: \$245,300

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R&D Materials: \$168,900

Total R&D: \$1,585,200

Sales & Marketing

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Sales Personnel: \$425,600

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Marketing Programs: \$285,300

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Trade Shows: \$145,800

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Sales Commission: \$315,400

Total Sales & Marketing: \$1,172,100

General & Administrative

-

Executive Salaries: \$385,600

-

Administrative Staff: \$245,300

-

Professional Services: \$168,400

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Insurance: \$125,600

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Office Expenses: \$98,400

Total G&A: \$1,023,300

TOTAL OPERATING EXPENSES: \$3,780,600

OTHER INCOME/(EXPENSE)

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Interest Income: \$45,600

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Foreign Exchange Gain/(Loss): (\$28,400)

-

Other Income: \$12,500

Total Other Income/(Expense): \$29,700

SUMMARY

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OPERATING INCOME: \$405,000

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NET INCOME BEFORE TAX: \$434,700

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Estimated Tax Provision (25%: \$108,675

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NET INCOME: \$326,025

KEY PERFORMANCE METRICS

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Units Shipped: 42

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Average Revenue Per Unit: \$162,917

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New Customer Acquisitions: 8

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Customer Retention Rate: 94%

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Service Contract Renewal Rate: 88%

NOTES AND DISCLAIMERS

This financial statement has been prepared for internal management purposes only.

Certain reclassifications have been made to prior period amounts to o

Revenue recognition follows ASC 606 guidelines for performance obli

R&D expenses include costs related to the development of next-gene

Foreign currency transactions have been converted at the exchange r

Prepared by: Victoria Wells, CFO

Date: January 15, 2024

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