

2024 CAPITAL INVESTMENT PLAN

2024 CAPITAL INVESTMENT PLAN

POLAR DYNAMICS ROBOTICS, INC.

Effective Date: January 1, 2024

1. EXECUTIVE SUMMARY

This 2024 Capital Investment Plan (the "Plan") has been approved by the Board of Directors of Polar Dynamics Robotics, Inc., a Delaware corporation (the "Company"), on December 15, 2023, and outlines the Company's strategic capital allocation priorities and authorized expenditures for fiscal year 2024.

2. AUTHORIZED CAPITAL EXPENDITURE BUDGET

1. Total Authorized Budget: The Board hereby authorizes aggregate c

a) Research & Development: \$18,500,000

-

BlueCore(TM) Technology Platform Enhancement: \$8,500,000

-

Next-Generation Navigation Systems: \$6,000,000

-

Cold-Environment Power Systems: \$4,000,000

b) Manufacturing & Production: \$15,000,000

-

Production Line Automation: \$7,500,000

- - 2 -

Quality Control Systems: \$4,500,000

-

Testing Facilities: \$3,000,000

c) Facilities & Infrastructure: \$11,500,000

-

Cold Storage Testing Facility Expansion: \$6,500,000

-

Manufacturing Space Optimization: \$3,000,000

-

Office Space Improvements: \$2,000,000

3. INVESTMENT PRIORITIES

1. Primary Investment Objectives:

- a) Expand production capacity to meet projected demand growth
- b) Enhance BlueCore(TM) technology competitive advantages
- c) Improve operational efficiency and scalability
- d) Maintain industry leadership in cold-environment robotics

2. Strategic Technology Investments:

- a) Advanced sensor integration for extreme conditions
- b) Machine learning capabilities for enhanced navigation
- c) Battery technology optimization for sub-zero environments
- d) System hardening for reliability in -40 C environments

4. FUNDING SOURCES

1. The authorized capital expenditures shall be funded through:

a) Operating cash flow: \$25,000,000

b) Existing cash reserves: \$15,000,000

c) Equipment financing facilities: \$5,000,000

2. Any additional funding requirements shall require separate Board approval.

5. IMPLEMENTATION GUIDELINES

1. Project Approval Requirements:

a) Projects exceeding \$1,000,000 require CEO approval

b) Projects exceeding \$5,000,000 require Board approval

c) Quarterly review of expenditures by Finance Committee

2. Procurement Procedures:

- a) Competitive bidding required for purchases over \$250,000
- b) Minimum three vendor quotes for expenditures over \$100,000
- c) Compliance with Company procurement policies

6. PERFORMANCE METRICS

1. Return on Investment Targets:

- a) Manufacturing investments: 25% IRR minimum
- b) R&D investments: 30% revenue growth contribution
- c) Facility investments: 15% efficiency improvement

2. Monitoring and Reporting:

- a) Monthly capital expenditure tracking
- b) Quarterly performance reviews

c) Annual ROI assessment

7. RISK MANAGEMENT

1. The Company shall maintain appropriate insurance coverage for:

- a) New equipment and facilities
- b) Technology development risks
- c) Construction and installation risks

2. Contingency Allocation:

- a) 10% of total budget reserved for contingencies
- b) Quarterly risk assessment reviews
- c) Adjustment protocols for material changes

8. AMENDMENTS AND MODIFICATIONS

1. This Plan may be amended or modified only by:

- a) Board resolution
- b) Written consent of majority shareholders
- c) Compliance with Company bylaws

9. EXECUTION AND APPROVAL

IN WITNESS WHEREOF, this Capital Investment Plan has been executed by the
authorized officers of the Company as of the date first written above.

POLAR DYNAMICS ROBOTICS, INC.

By: _

Dr. Elena Frost

Chief Executive Officer

By: _

Victoria Wells

Chief Financial Officer

APPROVED BY THE BOARD OF DIRECTORS:

December 15, 2023

10. DISCLAIMER

This document contains confidential and proprietary information of Po
Dynamics Robotics, Inc. Any unauthorized use, disclosure, or distribu
prohibited. Nothing in this Plan constitutes a guarantee of future perfor

or results.

