

# **MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

## **MINUTES OF THE MEETING OF THE BOARD**

### **POLAR DYNAMICS ROBOTICS, INC.**

#### **Q3 2023 Financial Review Meeting**

**September 28, 2023, 2:00 PM EDT**

A regular meeting of the Board of Directors (the "Board") of Polar Dynamics Robotics, Inc., a Delaware corporation (the "Company"), was held on September 28, 2023, at 2:00 PM EDT via secure video conference.

#### **1. ATTENDANCE AND QUORUM**

### **1.1 Directors Present:**

-

Dr. Elena Frost, Ph.D. (CEO, Chairperson)

-

Marcus Chen (CTO)

-

Sarah Nordstrom (COO)

-

Dr. James Barrett (Chief Robotics Officer)

-

Victoria Wells (CFO)

-

Robert Kessler (Independent Director)

-

Dr. Patricia Hammond (Independent Director)

-

Michael Zhang (Series C Investor Representative)

### **1.2 Also Present:**

-

Jonathan Morris (Corporate Secretary)

-

Representatives from Ernst & Young LLP (External Auditors)

A quorum being present, the meeting was called to order by the Chair

Elena Frost, at 2:00 PM EDT.

## **2. PRELIMINARY MATTERS**

## **2.1 Notice and Agenda**

The Corporate Secretary confirmed that proper notice of the meeting was given to all directors. The agenda was reviewed and approved unanimously.

## **2.2 Previous Minutes**

The minutes of the previous regular Board meeting held on June 22, 2023, were approved unanimously upon motion duly made and seconded.

# **3. FINANCIAL REVIEW**

## **3.1 Q3 2023 Financial Performance**

Victoria Wells, CFO, presented the financial results for Q3 2023:

-

Revenue: \$8.7M (up 42% YoY)

- - 4 -

Gross Margin: 58% (improvement from 54% in Q2)

-

EBITDA: \$1.2M (positive for second consecutive quarter)

-

Cash Position: \$18.4M

-

Accounts Receivable: \$5.2M

-

Operating Expenses: \$6.8M

### **3.2 Key Performance Metrics**

-

New Customer Acquisitions: 12

-

Customer Retention Rate: 94%

-

BlueCore(TM) Units Deployed: 78

-

Service Contract Renewal Rate: 91%

-

R&D Investment: \$2.1M

## **4. OPERATIONAL UPDATES**

### **4.1 Manufacturing and Supply Chain**

Sarah Nordstrom reported on operational developments:

-

Production capacity increased by 25% following facility expansion

- - 6 -

New supplier agreements secured for critical components

-

Implementation of automated quality control system completed

-

Supply chain diversification initiative on track

## **4.2 Product Development**

Marcus Chen and Dr. James Barrett presented:

-

BlueCore(TM) 2.0 development timeline on schedule for Q1 2024 release

-

Patent applications filed for three new cold-environment navigation technologies

-

Successful beta testing of enhanced battery management system

- - 7 -

Integration of new machine learning algorithms for improved performance

## **5. STRATEGIC INITIATIVES**

### **5.1 Market Expansion**

The Board reviewed and discussed:

-

Entry strategy for European markets

-

Partnership opportunities with major cold chain logistics providers

-

Pharmaceutical sector penetration strategy

-

Development of new service offerings



## **5.2 Capital Allocation**

The Board approved:

-

\$5M allocation for manufacturing capacity expansion

-

\$3M for R&D initiatives

-

\$2M for international market development

## **6. RISK MANAGEMENT**

### **6.1 Risk Assessment**

The Board reviewed:

-

Cybersecurity audit results

-

Product liability insurance coverage

-

Regulatory compliance status

-

Competition analysis

## **6.2 Mitigation Strategies**

Approved measures include:

-

Enhanced security protocols for robot fleet management systems

-

Additional safety feature implementation

-

Expanded customer training programs

-

Strengthened IP protection measures

## **7. RESOLUTIONS**

Upon motion duly made and seconded, the Board unanimously RESOLVED:

To approve the Q3 2023 financial statements as presented

To authorize the \$10M capital allocation plan as detailed in Section 5.

To proceed with the European market expansion strategy

To approve the filing of additional patent applications

## **8. ADJOURNMENT**

There being no further business, the meeting was adjourned at 4:15 P

Respectfully submitted,

/s/ Jonathan Morris

Jonathan Morris

Corporate Secretary

APPROVED:

/s/ Dr. Elena Frost

Dr. Elena Frost

Chairperson of the Board

Date: September 28, 2023

