

AMR Leasing Cash Flow Statement

Q3 2023 (July 1 - September 30, 2023)

Polar Dynamics Robotics, Inc.

A Delaware Corporation

Prepared in accordance with U.S. GAAP

All figures in USD unless otherwise noted

Operating Activities

Cash Inflows from Operations

- AMR Lease Revenue: \$4,875,000
- Maintenance Service Contracts: \$985,000
- Software Licensing Fees (IceNav): \$725,000
- Training & Implementation: \$245,000
- Other Operating Income: \$165,000

Total Operating Inflows: \$6,995,000

Cash Outflows from Operations

- Direct Leasing Costs: (\$1,245,000)
- Maintenance & Service Delivery: (\$685,000)
- Personnel Expenses: (\$2,185,000)
- R&D Expenditure: (\$875,000)
- Sales & Marketing: (\$425,000)
- General & Administrative: (\$385,000)
- Insurance & Risk Management: (\$225,000)
- Facility Operations: (\$345,000)

Total Operating Outflows: (\$6,370,000)

Net Cash from Operations: \$625,000

Investing Activities

Capital Expenditures

- New AMR Fleet Production: (\$2,850,000)
- Testing Equipment: (\$385,000)
- Software Development: (\$425,000)
- Facility Improvements: (\$165,000)

Total Capital Expenditures: (\$3,825,000)

Other Investing Activities

- Sale of Retired AMR Units: \$385,000
- Investment in Joint Venture: (\$250,000)

Net Other Investing: \$135,000

Net Cash Used in Investing: (\$3,690,000)

Financing Activities

Cash Inflows from Financing

- Draw on Revolving Credit Facility: \$2,500,000
- Equipment Financing Proceeds: \$1,850,000
- Series C Investment Tranche: \$5,000,000

Total Financing Inflows: \$9,350,000

Cash Outflows from Financing

- Debt Service Payments: (\$785,000)
- Equipment Lease Payments: (\$425,000)
- Financing Fees: (\$165,000)

Total Financing Outflows: (\$1,375,000)

Net Cash from Financing: \$7,975,000

Summary of Cash Position

Quarter Cash Flow

- Beginning Cash Balance (July 1, 2023): \$8,450,000
- Net Change in Cash: \$4,910,000
- Ending Cash Balance (September 30, 2023): \$13,360,000

Restricted Cash & Equivalents

- Debt Service Reserve: \$1,250,000
- Security Deposits: \$485,000
- Performance Bonds: \$725,000

Total Restricted Cash: \$2,460,000

Net Available Cash: \$10,900,000

Supplemental Disclosures**Non-Cash Items**

- Depreciation & Amortization: \$1,285,000
- Stock-Based Compensation: \$385,000
- Capitalized Software Development: \$425,000

Key Performance Metrics

- Operating Cash Flow Margin: 8.9%
- Days Sales Outstanding: 45
- Days Payable Outstanding: 38
- Cash Conversion Cycle: 82 days

Certification

The undersigned, in their capacity as Chief Financial Officer, hereby certifies that this Cash Flow Statement fairly presents, in all material respects, the cash flows of Polar Dynamics Robotics, Inc. for the quarter ended September 30, 2023.

/s/ Katherine Wells

Katherine Wells

Chief Financial Officer

Polar Dynamics Robotics, Inc.

Date: October 15, 2023

Notes & Disclaimers

This statement has been prepared in accordance with U.S. Generally Accepted Accounting Principles

(GAAP).

All amounts are presented in U.S. dollars and rounded to the nearest thousand.

Certain reclassifications have been made to prior period amounts to conform to current period presentation.

This statement has not been audited or reviewed by independent auditors.

Forward-looking statements and projections are subject to various risks and uncertainties.

Confidential Information - For Due Diligence Purposes Only

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