

ROBOTICS FLEET DEPRECIATION SCHEDULE

Polar Dynamics Robotics, Inc.

Effective Date: January 1, 2024

1. OVERVIEW AND PURPOSE

1 This Robotics Fleet Depreciation Schedule (the "Schedule") establishes the standardized depreciation methodology and useful life calculations for Polar Dynamics Robotics, Inc.'s (the "Company") autonomous mobile robot fleet and associated equipment.

2 This Schedule complies with Generally Accepted Accounting Principles (GAAP) and Internal Revenue Service (IRS) guidelines for depreciation of specialized robotics equipment.

2. ASSET CLASSIFICATIONS

1 **Class A - Primary AMR Units**

- IceNav Series 3000 Base Units
- IceNav Series 4000 Heavy-Duty Units
- ColdStore Navigator Elite Models
- Pharmaceutical-Grade Sterile Units

2 **Class B - Specialized Attachments**

- Cold-Resistant Actuator Assemblies
- Thermal Management Systems
- Proprietary Navigation Modules
- Environmental Hardening Packages

3 **Class C - Support Equipment**

- Charging Stations
- Diagnostic Equipment
- Calibration Tools
- Fleet Management Hardware

3. DEPRECIATION PERIODS

1 ****Primary AMR Units (Class A)****

- Useful Life: 5 years
- Salvage Value: 10% of original cost
- Depreciation Method: Modified Accelerated Cost Recovery System (MACRS)
- Annual Depreciation Rate: See Schedule A attached

2 ****Specialized Attachments (Class B)****

- Useful Life: 3 years
- Salvage Value: 5% of original cost
- Depreciation Method: Straight-line
- Annual Depreciation Rate: 31.67%

3 ****Support Equipment (Class C)****

- Useful Life: 7 years
- Salvage Value: 15% of original cost
- Depreciation Method: Double-declining balance
- Annual Depreciation Rate: See Schedule B attached

4. SPECIAL CONSIDERATIONS

1 ****Environmental Factors****

Units deployed in extreme temperature environments (-40 F to -10 F) may be subject to accelerated depreciation schedules based on documented wear patterns.

2 ****Technology Obsolescence****

Navigation systems and software components may be depreciated separately on a 2-year schedule with straight-line depreciation.

3 ****Regulatory Compliance****

Units deployed in FDA-regulated environments shall maintain separate depreciation tracking for GMP compliance purposes.

5. CALCULATION METHODOLOGY

1 ****Base Depreciation Formula****

Annual Depreciation = (Original Cost - Salvage Value) / Useful Life

2 **Accelerated Depreciation Adjustments**

For units qualifying under Section 4.1:

Adjusted Useful Life = Standard Useful Life * 0.75

3 **Mid-Year Convention**

All new equipment placed in service will follow the half-year convention for first-year depreciation calculations.

6. REPORTING AND DOCUMENTATION

1 The Company shall maintain detailed depreciation records including:

- Asset serial numbers
- Purchase dates and costs
- Deployment locations
- Maintenance history
- Depreciation calculations
- Accumulated depreciation

2 Quarterly depreciation reports shall be generated and reviewed by the Chief Financial Officer.

7. AMENDMENTS AND UPDATES

1 This Schedule shall be reviewed annually and updated as necessary to reflect:

- Changes in tax law
- New equipment classifications
- Modified useful life determinations
- Updated salvage value estimates

2 All amendments must be approved by the Chief Financial Officer and documented in writing.

8. CERTIFICATION

The undersigned hereby certifies that this Robotics Fleet Depreciation Schedule has been reviewed and approved by the Company's Board of Directors.

APPROVED AND ADOPTED this 1st day of January, 2024.

POLAR DYNAMICS ROBOTICS, INC.

By: _

Katherine Wells

Chief Financial Officer

By: _

Dr. Elena Frost

Chief Executive Officer

SCHEDULE A

[Detailed MACRS depreciation tables for Class A equipment]

SCHEDULE B

[Detailed double-declining balance calculations for Class C equipment]