

FIVE-YEAR PROFIT & LOSS FORECAST (2024-2028)

POLAR DYNAMICS ROBOTICS, INC.

CONFIDENTIAL & PROPRIETARY

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1. EXECUTIVE SUMMARY

This document presents the five-year profit and loss forecast for Polar Dynamics Robotics, Inc. ("Company") covering fiscal years 2024 through 2028. All projections are based on management estimates, historical performance, and anticipated market conditions.

2. REVENUE PROJECTIONS

2.1 Core Product Lines

(USD Millions)

- 2024: \$45.8M
- IceNav AMR Units: \$32.1M
- Service & Maintenance: \$8.7M
- Software Licensing: \$5.0M
- 2025: \$64.2M
- IceNav AMR Units: \$45.3M
- Service & Maintenance: \$12.4M
- Software Licensing: \$6.5M
- 2026: \$89.7M
- IceNav AMR Units: \$63.8M
- Service & Maintenance: \$17.2M
- Software Licensing: \$8.7M
- 2027: \$125.6M
- IceNav AMR Units: \$89.3M
- Service & Maintenance: \$24.1M
- Software Licensing: \$12.2M

- 2028: \$175.8M
- IceNav AMR Units: \$125.0M
- Service & Maintenance: \$33.7M
- Software Licensing: \$17.1M

3. COST STRUCTURE

3.1 Cost of Goods Sold (COGS)

(As percentage of revenue)

- 2024: 48% (\$22.0M)
- 2025: 47% (\$30.2M)
- 2026: 46% (\$41.3M)
- 2027: 45% (\$56.5M)
- 2028: 44% (\$77.4M)

3.2 Operating Expenses

(USD Millions)

3.2.1 Research & Development

- 2024: \$8.2M
- 2025: \$11.6M
- 2026: \$15.7M
- 2027: \$21.4M
- 2028: \$28.1M

3.2.2 Sales & Marketing

- 2024: \$6.9M
- 2025: \$9.6M
- 2026: \$13.5M
- 2027: \$18.8M
- 2028: \$26.4M

3.2.3 General & Administrative

- 2024: \$4.6M

- 2025: \$6.4M
- 2026: \$8.9M
- 2027: \$12.6M
- 2028: \$17.6M

4. PROFITABILITY METRICS

4.1 Gross Profit

- 2024: \$23.8M (52% margin)
- 2025: \$34.0M (53% margin)
- 2026: \$48.4M (54% margin)
- 2027: \$69.1M (55% margin)
- 2028: \$98.4M (56% margin)

4.2 EBITDA

- 2024: \$4.1M (9% margin)
- 2025: \$6.4M (10% margin)
- 2026: \$10.3M (11.5% margin)
- 2027: \$16.3M (13% margin)
- 2028: \$26.3M (15% margin)

4.3 Net Income

- 2024: \$2.3M (5% margin)
- 2025: \$3.8M (6% margin)
- 2026: \$6.7M (7.5% margin)
- 2027: \$11.3M (9% margin)
- 2028: \$18.9M (10.8% margin)

5. KEY ASSUMPTIONS

- 1 Market penetration increases from 12% to 35% in core cold storage segment
- 2 Average selling price decreases 5% annually due to scale efficiencies
- 3 R&D investment maintains 18-20% of revenue ratio
- 4 Gross margin improvement of 1% annually through manufacturing optimization

5 Operating leverage improves with scale, reducing OpEx as % of revenue

6 No major economic downturn or supply chain disruption assumed

6. DISCLAIMERS

This forecast contains forward-looking statements and projections based on current expectations and assumptions. Actual results may differ materially from these projections due to various risks and uncertainties, including but not limited to:

1 Changes in market conditions or competitive landscape

2 Technical challenges or delays in product development

3 Supply chain disruptions or component shortages

4 Regulatory changes affecting autonomous robotics

5 Macroeconomic factors beyond Company's control

7. CERTIFICATION

The undersigned officers hereby certify that these projections represent our best estimates based on currently available information and reasonable assumptions as of the date of this document.

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Katherine Wells

Chief Financial Officer

Date: January 11, 2024

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Dr. Elena Frost

Chief Executive Officer

Date: January 11, 2024

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