

June 18, 2019



## Polar Power Enters Into Credit Facility To Improve Working Capital Flexibility

GARDENA, Calif., June 18, 2019 (GLOBE NEWSWIRE) -- [Polar Power, Inc.](#) (NASDAQ: POLA), a global provider of prime, backup and solar hybrid DC power solutions, filed a Form 8-K on June 6, 2019, announcing that the Company had entered into a Supplier Agreement, dated effective June 4, 2019, with Citibank, N.A., to further enhance its working capital structure. On June 10, 2019, the Company received \$5.2 million in connection with the sale of certain accounts receivable to Citibank pursuant to the terms of the agreement, which amount will be used to support the Company's working capital needs.

Under the agreement, the Company may from time to time offer to sell to Citibank certain of the Company's accounts receivable relating to invoiced sales made by the Company to its largest Tier-1 telecom customer and its affiliates. This credit facility provides the Company with the ability to receive 100% of the value of the accounts receivable invoiced, less the applicable discount charge of approximately 0.84% of the face value of the invoice. The Company receives payment from Citibank within 48 hours of Citibank's acceptance of the invoice, which acceptance may occur within 10 days of submission of an invoice.

Citibank may change the pricing terms at any time in its sole discretion upon at least 30 days prior written notice to the Company. In addition, either party may terminate the agreement upon 30 business days prior written notice to the other party, provided that either party may terminate the agreement upon 5 business days prior written notice if the other party is in breach of, or fails to perform any of its material obligations under the agreement.

"We believe this credit facility is a complementary addition to our existing capital resources and provides us with low-cost means to increase our liquidity and flexibility in addressing our short term working capital needs," said Mr. Luis Zavala, Polar Power's CFO. "We expect this facility to be a long term component of our capital structure and is expected to stabilize volatility in our cash and cash equivalents, which we may experience from time to time. We want to continually improve our financial flexibility to support our continued growth in revenues to our Tier-1 telecom customers," added Mr. Zavala.

"In executing our growth strategy, we planned for higher levels of inventory to ensure lower lead times for our customers. This agreement improves our liquidity while we work to improve lead times with our key offshore supply chain partners," said Mr. Arthur D. Sams, Polar Power's CEO. "We believe that with our current assets of \$24.3 million compared to \$3.7 million in current liabilities at March 31, 2019, coupled with our ability to convert certain of our accounts receivable to cash on a timely basis under the terms of the credit facility, provides us with greater ability to manage our growth during the next twelve months and beyond," added Mr. Sams.

**About Polar Power, Inc.**

Gardena, California-based Polar Power, Inc. (NASDAQ: POLA), designs, manufactures and sells direct current, or DC, power systems, lithium battery powered hybrid solar systems for applications in the telecommunications market and, in other markets, including military, electric vehicle charging, cogeneration, distributed power and uninterruptable power supply. Within the telecommunications market, Polar's systems provide reliable and low-cost energy for applications for off-grid and bad-grid applications with critical power needs that cannot be without power in the event of utility grid failure. For more information, please visit [www.polarpower.com](http://www.polarpower.com), or follow us on [www.linkedin.com/company/polar-power-inc/](http://www.linkedin.com/company/polar-power-inc/)

### **Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995**

This news release contains certain statements of a forward-looking nature relating to future events or future business performance. Forward-looking statements can be identified by the words "expects," "anticipates," "believes," "intends," "estimates," "plans," "will," "outlook" and similar expressions. Forward-looking statements are based on management's current plans, estimates, assumptions and projections, and speak only as of the date they are made. With the exception of historical information, the matters discussed in this press release including, without limitation, Polar Power's belief that the credit facility will be a long term component of Polar Power's capital structure; Polar Power's belief that the credit facility will stabilize volatility in Polar Power's cash position; and Polar Power's belief that the credit facility provides Polar Power with greater ability to manage its growth during the next twelve months and beyond are forward-looking statements and considerations that involve a number of risks and uncertainties. The actual future results of Polar Power could differ from those statements. Factors that could cause or contribute to such differences include, but are not limited to, adverse domestic and foreign economic and market conditions, including demand for DC power systems; trade tariffs on raw materials; changes in domestic and foreign governmental regulations and policies; and other events, factors and risks. We undertake no obligation to update any forward-looking statement in light of new information or future events, except as otherwise required by law. Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and are generally beyond our control. Actual results or outcomes may differ materially from those implied by the forward-looking statements as a result of the impact of a number of factors, many of which are discussed in more detail in our reports filed with the Securities and Exchange Commission.

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Source: Polar Power, Inc.