

**OPERATING EXPENSE BREAKDOWN BY DEPARTMENT**

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**NAVIFLOOR ROBOTICS, INC.**

**Fiscal Year 2023 (January 1, 2023 - December 31, 2023)**

**Document Reference: FIN-OPEX-2023-001**

**1. DOCUMENT PURPOSE AND SCOPE**

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1. This Operating Expense Breakdown document provides a detailed analysis

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2. All figures presented are in United States Dollars (USD) and have been re

## **2. RESEARCH & DEVELOPMENT DEPARTMENT**

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1. Total R&D Expenses: \$8,125,000

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Personnel Costs: \$4,875,000

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Engineering Staff Salaries: \$3,900,000

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Benefits and Payroll Taxes: \$975,000

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Equipment and Materials: \$2,275,000

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Prototype Development: \$1,125,000

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Testing Equipment: \$850,000

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Research Materials: \$300,000

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Software Licenses: \$625,000

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Patent and IP Filings: \$350,000

### **3. OPERATIONS DEPARTMENT**

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1. Total Operations Expenses: \$6,500,000

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Manufacturing Overhead: \$2,925,000

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Facility Lease: \$1,800,000

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Utilities: \$625,000

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Maintenance: \$500,000

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Quality Control: \$1,625,000

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Inventory Management: \$975,000

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Production Software Systems: \$975,000

**4. SALES & MARKETING DEPARTMENT**

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1. Total Sales & Marketing Expenses: \$5,850,000

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Sales Personnel: \$2,925,000

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Base Salaries: \$1,950,000

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Commissions: \$975,000

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Marketing Programs: \$1,462,500

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Digital Marketing: \$487,500

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Trade Shows: \$585,000

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Content Development: \$390,000

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Customer Support: \$1,462,500

## **5. GENERAL & ADMINISTRATIVE**

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1. Total G&A Expenses: \$4,875,000

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Executive Compensation: \$1,950,000

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Administrative Staff: \$975,000

- - 6 -

Professional Services: \$975,000

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Legal: \$487,500

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Accounting: \$292,500

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Consulting: \$195,000

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Insurance: \$487,500

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Office Expenses: \$487,500

## **6. INFORMATION TECHNOLOGY**

- - 7 -

1. Total IT Expenses: \$3,250,000

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Infrastructure: \$1,300,000

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Cloud Services: \$650,000

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Hardware: \$325,000

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Network: \$325,000

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Software Licenses: \$975,000

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IT Personnel: \$975,000



## **7. ~~EXPENSE~~ EXPENSE ALLOCATION METHODOLOGY**

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1. Direct expenses are allocated to departments based on specific identification

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2. Shared services costs are allocated using the following drivers:

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Headcount-based allocation for facility and office expenses

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Usage-based allocation for IT services

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Revenue-based allocation for corporate overhead

## **8. NOTES AND QUALIFICATIONS**

- - 9 -

1. All figures are preliminary and subject to year-end adjustments and audit.

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2. Certain expenses may be reclassified based on final audit results.

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3. Intercompany allocations have been eliminated where applicable.

## **9. CERTIFICATION**

The undersigned hereby certifies that this Operating Expense Breakdown accurately reflects the Company's departmental expenses for the period specified, subject to the notes and qualifications stated herein.

Prepared by:

/s/ James Wilson

James Wilson

Chief Financial Officer

NaviFloor Robotics, Inc.

Date: January 10, 2024

## **10. CONFIDENTIALITY NOTICE**

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