

EMPLOYEE BENEFIT COST ANALYSIS

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NaviFloor Robotics, Inc.

Prepared as of January 11, 2024

For the Period: January 1, 2023 - December 31, 2023

1. EXECUTIVE SUMMARY

This Employee Benefit Cost Analysis document provides a comprehensive review of NaviFloor Robotics, Inc.'s ("Company") current employee benefits program structure, and obligations. This analysis has been prepared in accordance with

Generally Accepted Accounting Principles (GAAP) and relevant regulatory requirements.

2. BENEFIT PROGRAMS OVERVIEW

2.1 Health Insurance Programs

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Medical Insurance (Anthem Blue Cross PPO Plan)

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Annual Premium Cost: \$1,872,450

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Company Contribution: 85% for employees, 65% for dependents

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Employee Participation Rate: 92%

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Dental Insurance (Delta Dental)

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Annual Premium Cost: \$156,380

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Company Contribution: 80%

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Employee Participation Rate: 88%

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Vision Insurance (VSP)

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Annual Premium Cost: \$42,075

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Company Contribution: 75%

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Employee Participation Rate: 85%

2.2 Retirement Benefits

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401(k) Plan (Fidelity)

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Company Match: 100% up to 4% of salary

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Annual Company Contribution: \$892,640

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Participation Rate: 78%

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Vesting Schedule: 25% per year, fully vested after 4 years

2.3 Additional Benefits

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Life Insurance

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Basic Coverage: 2x annual salary

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Annual Premium: \$98,450

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Company Contribution: 100%

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Short-term Disability

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Annual Premium: \$76,320

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Company Contribution: 100%

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Long-term Disability

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Annual Premium: \$89,760

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Company Contribution: 75%

3. COST ANALYSIS

3.1 Total Annual Benefit Costs

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Total Healthcare Costs: \$2,070,905

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Total Retirement Benefits: \$892,640

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Total Additional Benefits: \$264,530

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Administrative Costs: \$156,000

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****Total Annual Benefits Cost: \$3,384,075****

3.2 Per Employee Metrics

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Average Annual Cost Per Employee: \$18,097

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Average Healthcare Cost Per Participant: \$11,074

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Average 401(k) Match Per Participant: \$6,112

4. COMPLIANCE AND RISK ASSESSMENT

4.1 Regulatory Compliance

The Company maintains full compliance with:

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Employee Retirement Income Security Act (ERISA)

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Affordable Care Act (ACA)

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COBRA Requirements

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State-specific benefit regulations

4.2 Risk Factors

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Healthcare cost inflation projected at 6.5% for upcoming year

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Potential regulatory changes affecting ACA compliance

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Demographics trending toward higher utilization rates

5. BENCHMARKING

5.1 Industry Comparison

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Total benefits as percentage of payroll: 22.4% (Industry avg: 21.8%)

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Healthcare costs per employee: Within top quartile of peer group

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401(k) match: Above industry median

5.2 Regional Comparison

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Benefits package competitive within Delaware and neighboring states

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Healthcare offerings aligned with regional market standards

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Retirement benefits exceed regional averages

6. FUTURE PROJECTIONS

6.1 Cost Projections

FY2024 Projected Costs:

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Healthcare: \$2,205,514 (6.5% increase)

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Retirement: \$946,198 (6% increase)

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Additional Benefits: \$277,757 (5% increase)

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Total Projected Cost: \$3,429,469

6.2 Strategic Recommendations

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Evaluate alternative healthcare providers for potential cost savings

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Consider implementing wellness programs to reduce long-term healthcare costs

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Review 401(k) plan structure for optimization opportunities

7. CERTIFICATION

This analysis has been prepared by the undersigned and represents a true and accurate assessment of NaviFloor Robotics, Inc.'s employee benefit costs and obligations as of the date of this document.

Prepared by:

James Wilson

Chief Financial Officer

NaviFloor Robotics, Inc.

Date: January 11, 2024

8. DISC¹²LAIMER

This document contains confidential and proprietary information of NaviFloor Robotics, Inc. The information contained herein is subject to change without notice and should not be construed as a commitment by NaviFloor Robotics, Inc. All figures are unaudited and subject to adjustment based on actuarial review and benefit plan modifications.

