

## **R&D TAX CREDIT DOCUMENTATION FY2023**

### **R&D TAX CREDIT DOCUMENTATION - FISCAL YEAR 2023**

**NaviFloor Robotics, Inc.**

Delaware C-Corporation

EIN: 81-XXXXXXX

### **1. CERTIFICATION OF QUALIFIED RESEARCH ACTIVITIES**

This document certifies that NaviFloor Robotics, Inc. ("Company") has conducted qualified research activities during Fiscal Year 2023 (January 1, 2023 - December 31, 2023) meeting the requirements set forth in IRC § 41 and related regulations.

Treasury Regulations for purposes of the Research & Development Tax Credit

## **2. QUALIFIED RESEARCH PROJECTS**

### **2.1 Primary R&D Initiatives**

The Company engaged in the following qualified research projects:

a) Project ATLAS-23 (Multi-Surface Navigation Algorithm)

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Development of proprietary terrain-mapping algorithms

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Enhancement of LiDAR-based surface detection capabilities

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Integration of depth-sensing technology with existing AMR platforms

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Total qualified expenses: \$4,875,000

b) Project NEXUS (Fleet Coordination System)

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Development of distributed computing architecture for multi-robot coordination

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Implementation of collision avoidance protocols

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Advanced path optimization algorithms

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Total qualified expenses: \$3,250,000

## **2.2 Technical Uncertainty Documentation**

Each project addressed specific technical uncertainties:

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Surface material classification accuracy exceeding 99.8%

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Real-time processing of multi-robot trajectory data

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Reduction of computational latency below 5ms

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Integration of legacy industrial control systems

### **3. QUALIFIED RESEARCH EXPENSES (QRE)**

#### **3.1 Wage Expenses**

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Direct R&D Personnel: \$8,250,000

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Supporting Technical Staff: \$2,750,000

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First-line R&D Supervision: \$1,875,000

Total Wage QRE: \$12,875,000

### **3.2 Supply Expenses**

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Prototype Components: \$1,450,000

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Test Equipment: \$875,000

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Consumable Materials: \$325,000

Total Supply QRE: \$2,650,000

### **3.3 Contract Research**

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University Research Partnerships: \$750,000

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Third-party Testing Services: \$425,000

Total Contract Research QRE: \$1,175,000

## **4. DOCUMENTATION AND SUBSTANTIATION**

### **4.1 Contemporary Documentation**

The Company maintains the following contemporaneous documentation:

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Project planning documents

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Technical specifications

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Test protocols and results

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Engineering change orders

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Research staff time tracking

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Laboratory notebooks

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Progress reports

## **4.2 Personnel Records**

Qualified research activities were conducted by:

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45 full-time research engineers

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12 robotics specialists

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8 software developers

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4 research supervisors

All personnel maintain appropriate technical qualifications as required by IR

41.

## **5. CALCULATION OF CREDIT**

### **5.1 Base Amount Calculation**

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Current Year QRE: \$16,700,000

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Base Amount (FY19-22 average): \$12,500,000



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Increase in QRE: \$4,200,000

## **5.2 Credit Computation**

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Regular Credit Method: \$420,000

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Alternative Simplified Credit: \$585,000

Company elects to claim under Alternative Simplified Credit method.

## **6. CERTIFICATION**

The undersigned officers hereby certify that:

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All information contained herein is true and accurate

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Documentation exists to substantiate all claimed expenses

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Activities meet the four-part test under IRC § 41

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Expenses have been properly allocated to qualified activities

## **7. REPRESENTATIONS AND WARRANTIES**

The Company represents and warrants that:

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No portion of the qualified research was funded by any grant, contract, or other

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All research was conducted within the United States

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No qualified research expenses have been claimed under any other federal tax

## **EXECUTION**

IN WITNESS WHEREOF, the authorized representatives of NaviFloor Robotics, Inc. have executed this documentation this 31st day of January, 2024.

/s/ James Wilson

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James Wilson

Chief Financial Officer

/s/ Dr. Elena Kovacs

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Dr. Elena Kovacs

Chief Research Officer

