R&D TAX CREDIT CALCULATION 2023

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NaviFloor Robotics, Inc.

For the tax year ending December 31, 2023

1. EXECUTIVE SUMMARY

This document details the calculation of Research & Development (R&D) ta
credits claimed by NaviFloor Robotics, Inc. ("Company") for fiscal year 202
under IRC Section 41. The Company has conducted qualified research activi
related to the development of autonomous mobile robots (AMRs) and associa
navigation systems.

2. QUALIFIED RESEARCH EXPENSES (QRE)

2.1 Wage Expenses

- Research Engineers & Scientists: $4,825,000
- Software Development Team: $2,750,000
- Technical Project Management: $985,000
- Direct Research Support Staff: $675,000

Total Wage QRE: $9,235,000

2.2 Supply Expenses

Prototype Components: $1,245,000

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Testing Materials: $685,000

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Research Equipment (non-capitalized): $425,000

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Development Consumables: $195,000

Total Supply QRE: $2,550,000

2.3 Contract Research

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University Research Partnerships: $450,000

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Third-Party Testing Services: $325,000

Specialized Engineering Consultants: $275,000

Total Contract Research QRE: $1,050,000

3. BASE PERIOD CALCULATIONS

3.1 Fixed-Base Percentage

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Start-up Period Years (2018-2022): 5

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Aggregate QREs (2018-2022): $52,450,000

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Aggregate Gross Receipts (2018-2022): $89,750,000

Fixed-Base Percentage: 8.45%

3.2 Average Annual Gross Receipts

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2020: $18,500,000

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2021: $24,750,000

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2022: $28,500,000

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2023: $32,500,000

Four-Year Average: $26,062,500

4. CREDIT CALCULATION

4.1 Regular Credit Method

- Current Year QRE: $12,835,000
- Base Amount: $2,202,281
- Excess QRE: $10,632,719
- Credit Rate: 20%

Regular Credit Amount: $2,126,544

4.2 Alternative Simplified Credit (ASC) Method

- Current Year QRE: $12,835,000
- Average Prior 3 Years QRE: $9,850,000

Increment Rate: 14%

ASC Amount: $1,796,900

5. QUALIFYING ACTIVITIES

5.1 Core Research Projects

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Multi-surface Navigation Algorithm Development

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LiDAR integration optimization

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Real-time terrain mapping improvements

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Path planning algorithm enhancement

- Fleet Management System Architecture
- Distributed computing optimization
- Network latency reduction
- Multi-robot coordination protocols
- Sensor Fusion Technology
- Advanced depth sensing integration
- Environmental awareness systems

Obstacle detection improvements

6. CERTIFICATION

The undersigned officers hereby certify that:

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All research activities claimed meet the four-part test under IRC Section 41(

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Qualified purpose

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Technical uncertainty

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Systematic process

- Technological in nature

- All expenses claimed are properly documented and supported by contempora

- This calculation has been reviewed by qualified tax professionals and meets

7. DISCLAIMERS

This document is prepared solely for internal use and tax filing purposes. Wh
reasonable care has been taken in its preparation, no warranty or representati
is made regarding the accuracy or completeness of calculations. All figures a
subject to review and adjustment upon IRS examination.

8. EXECUTION

APPROVED AND ACCEPTED this 15th day of January, 2024.

NaviFloor Robotics, Inc.

By: _

James Wilson

Chief Financial Officer

By: _

Dr. Elena Kovacs

Chief Research Officer

REVIEWED BY:

Johnson & Associates, LLP

Tax Advisors

January 15, 2024