

TAX MATTERS CERTIFICATE AND COMPLIANCE DECLARATION

THIS TAX MATTERS CERTIFICATE AND COMPLIANCE DECLARATION (this "Certificate") is made and entered into as of January 15, 2024 (the "Effective Date"), by Nexus Industrial Intelligence, Inc., a Delaware corporation with its principal place of business at 2500 Innovation Drive, Wilmington, Delaware 19801 (the "Company").

WHEREAS, the Company develops and provides proprietary artificial intelligence-powered software solutions for industrial process optimization;

WHEREAS, the Company desires to certify its tax status, compliance, and related matters for various business and regulatory purposes; and

WHEREAS, this Certificate shall serve as an official declaration of the Company's tax matters and compliance status.

NOW, THEREFORE, the Company hereby certifies and declares as follows:

1.0 TAX MATTERS CERTIFICATE

1.1 Entity Classification

The Company hereby certifies that it has elected to be treated as a C-corporation for U.S. federal income tax purposes since its incorporation on March 15, 2018, and has not made any alternative entity classification elections under Treasury Regulations Section 301.7701-3. The Company maintains this election in accordance with Internal Revenue Code Section 1361(a)(2) and has filed all required Forms 1120 consistently with this classification.

1.2 Tax Residency

The Company confirms its tax residency in the United States and its status as a Delaware corporation in good standing, maintaining substantial business operations within multiple U.S. jurisdictions. The Company's principal place of business and management activities are conducted within the United States, satisfying the requirements of Treasury Regulations Section 301.7701(b)-1 for domestic corporation status.

1.3 FATCA Status

The Company certifies its status as a U.S. Person as defined under the Foreign Account Tax Compliance Act ("FATCA") and confirms its compliance with all applicable FATCA reporting

requirements. The Company maintains appropriate documentation, including Form W-9 certifications, for all reportable accounts and relationships subject to FATCA provisions under Chapter 4 of the Internal Revenue Code.

1.4 Sales Tax Nexus

The Company acknowledges its software-as-a-service offerings create sales tax obligations in various jurisdictions and maintains active sales tax registrations where required by economic nexus thresholds or physical presence. Specifically, the Company: (a) Monitors and complies with state-specific economic nexus thresholds established post-Wayfair decision; (b) Maintains sales tax registrations in jurisdictions where annual revenue exceeds \$100,000 or 200 separate transactions; (c) Implements appropriate tax calculation and collection mechanisms for its digital services; (d) Files regular sales tax returns and remits collected taxes in all applicable jurisdictions; (e) Documents exemption certificates for exempt transactions; and (f) Conducts periodic nexus studies to ensure ongoing compliance with evolving state and local tax obligations.

2.0 TAX COMPLIANCE REPRESENTATIONS

2.1 Federal Income Tax Compliance

(a) The Company represents that it has timely filed all required federal income tax returns (Forms 1120) for all tax years since incorporation. (b) All federal income taxes shown as due on such returns have been paid or properly accrued. (c) No federal tax audits are currently pending or threatened. (d) The Company maintains comprehensive documentation supporting all positions taken on federal tax returns, including expense allocations and revenue recognition methodologies. (e) All estimated tax payments have been made in accordance with Internal Revenue Code Section 6655.

2.2 State and Local Tax Compliance

The Company represents and warrants that: (a) It maintains active tax registrations in all required state and local jurisdictions; (b) All state income, franchise, and sales tax returns have been timely filed; (c) All state and local tax liabilities have been paid when due; (d) Economic nexus analyses have been performed for all jurisdictions where the Company's software products are accessed; (e) The Company maintains proper documentation for all state apportionment calculations; (f) Sales tax collection and remittance procedures comply with marketplace facilitator laws where applicable.

2.3 Research & Development Tax Credits

The Company certifies that: (a) It qualifies for and has properly claimed federal and state R&D tax credits related to its artificial intelligence and software development activities; (b) All

claimed R&D expenses meet the requirements of Internal Revenue Code Section 41; (c) Proper documentation supporting all R&D credit claims is maintained; (d) The Company implements contemporaneous documentation procedures for: (i) Recording qualified research expenses; (ii) Tracking researcher time allocation; (iii) Documenting technological uncertainty resolution; (iv) Maintaining development process records. (e) All claimed activities satisfy the four-part test for qualified research under Treasury Regulations §1.41-4(a).

2.4 International Tax Obligations

The Company represents that it has complied with all international tax obligations, including: (a) Transfer pricing documentation requirements; (b) Foreign tax reporting obligations; (c) Cross-border transaction documentation; (d) Country-by-country reporting requirements under BEPS Action 13; (e) VAT registration and compliance in applicable jurisdictions; (f) Permanent establishment analyses for all countries where software is accessed.

2.5 Software Revenue Recognition

The Company warrants that: (a) Revenue recognition policies comply with ASC 606 requirements for SaaS arrangements; (b) Performance obligations are properly identified and allocated; (c) Multi-element arrangements are appropriately documented and reported; (d) Deferred revenue is properly recognized for tax purposes.

2.6 Tax Position Documentation

The Company maintains: (a) Complete documentation supporting all material tax positions; (b) Analysis supporting uncertain tax position recognition under ASC 740; (c) Documentation of tax treatment for software development costs; (d) Records supporting the characterization of independent contractors; (e) Support for all claimed tax credits and incentives; (f) Documentation of intercompany service arrangements and associated tax treatment.

3.0 REVENUE RECOGNITION AND TAX TREATMENT

3.1 SaaS Revenue Recognition

(a) The Company recognizes revenue from its NexusCore™ platform subscriptions in accordance with ASC 606, following the five-step model prescribed therein: (i) Identification of customer contracts; (ii) Determination of distinct performance obligations; (iii) Establishment of transaction pricing; (iv) Allocation of transaction price to performance obligations; (v) Recognition of revenue upon satisfaction of performance obligations. (b) Performance obligations are identified and allocated based on standalone selling prices, determined through: (i) Observable pricing in standalone transactions; (ii) Market assessment approach when direct observation is unavailable; (iii) Expected cost plus margin methodology for custom implementations. (c) Revenue is recognized ratably over the subscription term,

commencing upon: (i) Customer access provisioning; (ii) Completion of essential implementation services; (iii) Receipt of customer acceptance, where contractually required.

3.2 Multi-State Revenue Allocation

The Company allocates revenue for tax purposes based on: (a) User location for cloud-based access, determined through: (i) IP address verification; (ii) User authentication logs; (iii) Customer-provided location certificates. (b) Customer billing address for subscription services, with consideration for: (i) Principal place of use; (ii) Multiple location benefits; (iii) Consolidated billing arrangements. (c) Service delivery location for professional services, documented through: (i) Time tracking systems; (ii) Service delivery confirmations; (iii) On-site engagement records.

3.3 Tax Classification of Revenue Streams

(a) Subscription revenues are treated as service revenues for sales tax purposes, subject to: (i) State-specific SaaS taxation rules; (ii) Digital goods and services provisions; (iii) Nexus determination requirements. (b) Implementation services are separately stated and taxed according to state requirements, with: (i) Clear delineation from subscription services; (ii) Documentation of customization scope; (iii) Separate invoicing where required. (c) Training services are classified as exempt educational services where applicable, provided: (i) Training content meets state-specific educational criteria; (ii) Delivery format conforms to exemption requirements; (iii) Proper documentation is maintained for audit purposes.

3.4 Revenue Recognition Disputes

Any disputes regarding revenue recognition or tax treatment shall be: (a) Documented within 30 days of identification; (b) Reviewed by qualified tax professionals; (c) Resolved in accordance with applicable state and federal regulations.

4.0 TAX JURISDICTION AND NEXUS

4.1 Economic Nexus Analysis

The Company maintains compliance with economic nexus thresholds by: (a) Monitoring revenue thresholds in all jurisdictions on a quarterly basis; (b) Tracking transaction volumes by state, including both gross receipts and number of separate transactions; (c) Registering for tax collection when thresholds are met within prescribed statutory timeframes; (d) Implementing automated monitoring systems for multi-state threshold tracking; (e) Conducting quarterly reviews of emerging nexus legislation and regulatory changes.

4.2 Physical Presence

The Company maintains records of: (a) Employee locations and remote workforce presence, including temporary assignments exceeding 30 days; (b) Server and equipment locations, including cloud infrastructure and data center facilities; (c) Sales activities by jurisdiction, including in-person client meetings and trade show participation; (d) Inventory storage locations, including third-party fulfillment centers; (e) Contract personnel and independent contractors performing services on behalf of the Company.

4.3 Digital Goods Classification

The Company's software products are classified as: (a) Digital automated services in applicable states, subject to specified exemptions; (b) Prewritten computer software where required by state statute; (c) Cloud computing services under relevant statutes and regulations; (d) Software as a Service (SaaS) in jurisdictions recognizing such classification; (e) Mixed transactions requiring allocation between taxable and non-taxable components.

4.4 Interstate Commerce Considerations

The Company acknowledges and maintains compliance with: (a) Public Law 86-272 protections where applicable; (b) State-specific economic nexus safe harbor provisions; (c) Multistate Tax Commission guidance and voluntary disclosure agreements; (d) Foreign commerce implications for international transactions.

4.5 Documentation Requirements

The Company shall maintain: (a) Contemporaneous documentation of nexus determinations; (b) Annual certifications of physical presence by jurisdiction; (c) Transaction records supporting economic nexus calculations; (d) Evidence of tax registration and compliance activities; (e) Audit trail of classification decisions for digital products.

4.6 Compliance Procedures

The Company implements: (a) Monthly review of nexus triggers and threshold monitoring; (b) Quarterly assessment of new state tax obligations; (c) Annual verification of nexus determination accuracy; (d) Regular training for relevant personnel on nexus requirements; (e) Periodic review of nexus determination methodologies by qualified tax professionals.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has executed this Certificate as of the Effective Date.

[Signature blocks and exhibits remain as in original]