

Cash Flow Statement - Annual Review

Confidential Document

Nexus Intelligent Systems, Inc.

Fiscal Year Ending December 31, 2023

1. PRELIMINARY STATEMENT

1 This Cash Flow Statement represents a comprehensive financial analysis of Nexus Intelligent Systems, Inc. ("Company") for the fiscal year concluded on December 31, 2023, prepared in accordance with Generally Accepted Accounting Principles (GAAP) and internal financial reporting standards.

2 The document has been prepared by the Company's financial management team and reviewed by independent certified public accountants to ensure accuracy and compliance with regulatory requirements.

2. CASH FLOW OVERVIEW

1 Total Cash Flow Summary

- Operating Cash Flow: \$4,750,000
- Investing Cash Flow: (\$2,350,000)
- Financing Cash Flow: \$1,600,000
- Net Cash Movement: \$4,000,000

2 Cash Flow Composition

The cash flow statement reflects the Company's financial liquidity, operational efficiency, and strategic capital allocation during the fiscal period, demonstrating robust financial management in the enterprise AI services sector.

3. OPERATING CASH FLOW ANALYSIS

1 Cash Receipts

- Client Service Revenues: \$11,250,000
- Consulting Engagement Payments: \$3,750,000
- Total Operational Receipts: \$15,000,000

2 Cash Disbursements

- Employee Compensation: (\$5,500,000)
- Research & Development Expenses: (\$2,750,000)
- Marketing and Sales Expenditures: (\$1,500,000)
- Administrative Overhead: (\$500,000)
- Total Operational Disbursements: (\$10,250,000)

4. INVESTING ACTIVITIES

1 Capital Expenditures

- Technology Infrastructure Investment: (\$1,750,000)
- Software Development Assets: (\$600,000)
- Total Investment Outflows: (\$2,350,000)

2 Investment Rationale

Investments primarily focused on enhancing AI predictive maintenance platforms and machine learning diagnostic tools, consistent with the Company's strategic technology roadmap.

5. FINANCING ACTIVITIES

1 Financing Inflows

- Series B Venture Capital Funding: \$2,000,000
- Equipment Financing: \$600,000
- Total Financing Inflows: \$2,600,000

2 Financing Outflows

- Debt Servicing: (\$500,000)
- Dividend Distributions: (\$500,000)
- Total Financing Outflows: (\$1,000,000)

6. FINANCIAL PERFORMANCE INDICATORS

1 Liquidity Metrics

- Current Ratio: 2.3
- Quick Ratio: 1.8

- Cash Conversion Cycle: 45 days

2 Cash Reserve Analysis

Ending Cash Balance: \$6,500,000

Represents 6.2 months of operational runway at current expenditure levels.

7. LEGAL DISCLAIMERS

1 This document is confidential and prepared solely for internal review and potential investor due diligence purposes.

2 All financial projections and statements are based on current market conditions and internal Company assessments.

3 Independent verification is recommended for any critical financial decisions.

8. CERTIFICATION

We certify that the foregoing Cash Flow Statement represents a true and accurate representation of Nexus Intelligent Systems, Inc.'s financial position for the fiscal year ending December 31, 2023.

Authorized Signatures

Dr. Elena Rodriguez

Chief Executive Officer

Date: January 22, 2024

Michael Chen

Chief Financial Officer

Date: January 22, 2024