

# INTELLECTUAL PROPERTY VALUATION DOCUMENT

## CONFIDENTIAL PROPRIETARY ASSESSMENT

**Prepared for: Potential Acquisition Review**

**Date of Preparation: January 22, 2024**

**Subject Company: Nexus Intelligent Systems, Inc.**

### 1. EXECUTIVE SUMMARY

This Intellectual Property (IP) Valuation Document provides a comprehensive assessment of the intellectual property assets owned by Nexus Intelligent Systems, Inc. (hereinafter "NIS" or the "Company"), as of the date of preparation, for the purposes of potential corporate transaction evaluation.

### 2. INTELLECTUAL PROPERTY PORTFOLIO OVERVIEW

#### 2.1 Patent Assets

NIS currently maintains a portfolio of seven (7) active patent families, with twelve (12) registered patents across key jurisdictions:

- a) Predictive Maintenance Algorithm Architecture (US Patent 10,987,654)
- b) Machine Learning Diagnostic Optimization Framework (US Patent 11,023,456)
- c) Industrial IoT Integration Methodology (US Patent 10,876,543)

##### 2.1.1 Patent Valuation Metrics

- Total Estimated Patent Portfolio Value: \$4,750,000
- Average Remaining Patent Life: 8.3 years
- Jurisdictional Coverage: United States, European Union, China

#### 2.2 Trademark Registrations

NIS maintains active trademark registrations for:

- Company Name and Logo
- Primary Product Lines
- Service Marks for Consulting Methodologies

### **2.2.1 Trademark Valuation**

- Total Trademark Portfolio Value: \$750,000
- Active Trademark Registrations: 6
- Jurisdictions: North America, European Economic Area

## **3. PROPRIETARY SOFTWARE AND TRADE SECRETS**

### **3.1 Software Asset Inventory**

- Proprietary AI Diagnostic Platform
- Machine Learning Model Training Infrastructure
- Enterprise Integration Middleware

#### **3.1.1 Software Valuation Methodology**

Valuation Method: Income Approach

Estimated Software Asset Value: \$6,500,000

Projected Annual Licensing Potential: \$1,200,000

### **3.2 Trade Secret Protection**

Comprehensive trade secret protection protocols implemented, including:

- Restricted Access Agreements
- Employee Confidentiality Provisions
- Technical and Administrative Safeguards

## **4. INTELLECTUAL PROPERTY RISK ASSESSMENT**

### **4.1 Potential Litigation Exposure**

- No active patent infringement claims
- No pending litigation related to intellectual property
- Proactive IP management strategy

### **4.2 Competitive Landscape Analysis**

- Strong defensive patent positioning
- Minimal overlapping technology claims from competitors
- Unique algorithmic approach in predictive maintenance domain

## **5. FINANCIAL IMPLICATIONS**

### **5.1 IP Asset Valuation Summary**

Total Estimated IP Portfolio Value: \$12,000,000

- Patents: \$4,750,000
- Trademarks: \$750,000
- Software Assets: \$6,500,000

### **5.2 Replacement Cost Estimation**

Estimated Cost to Recreate IP Portfolio: \$18,500,000

## **6. LIMITATIONS AND DISCLAIMERS**

This valuation represents a good faith assessment based on available information as of the preparation date. Actual value may vary based on market conditions, technological developments, and future commercial applications.

## **7. CERTIFICATION**

I, Dr. Michael Chen, Chief Technology Officer of Nexus Intelligent Systems, Inc., certify that the information contained herein is true and accurate to the best of my knowledge.

—

Dr. Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024