

State Apportionment Calculation Worksheet

Confidential Document - Nexus Intelligent Systems, Inc.

1. PRELIMINARY DEFINITIONS

1 "Company" shall mean Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices located at 1200 Technology Park Drive, Austin, Texas 78758.

2 "Apportionment Methodology" refers to the systematic allocation of corporate income across multiple state jurisdictions for tax reporting purposes, utilizing prescribed calculation methods under applicable state tax regulations.

3 "Taxable Year" means the fiscal year ending December 31, 2023, for which this calculation worksheet is prepared.

2. CALCULATION METHODOLOGY

1 Multistate Apportionment Formula

The Company shall utilize the standard three-factor apportionment formula, weighted as follows:

- Property Factor: 33.33%
- Payroll Factor: 33.33%
- Sales Factor: 33.33%

2 Property Factor Calculation

Total Real and Tangible Property Value: \$4,275,622

States of Property Location:

- Texas: \$2,850,412 (66.67%)
- California: \$852,124 (19.93%)
- New York: \$573,086 (13.40%)

3 Payroll Factor Calculation

Total Annual Payroll: \$6,725,000

State Payroll Allocation:

- Texas: \$4,493,750 (66.82%)
- California: \$1,347,500 (20.04%)

- New York: \$883,750 (13.14%)

4 Sales Factor Calculation

Total Annual Revenue: \$12,500,000

Sales by State Jurisdiction:

- Texas: \$8,352,500 (66.82%)
- California: \$2,505,000 (20.04%)
- New York: \$1,642,500 (13.14%)

3. APPORTIONMENT PERCENTAGE DETERMINATION

1 Weighted Factor Calculation

- Texas: $66.67\% * 0.3333 = 22.22\%$
- California: $19.93\% * 0.3333 = 6.64\%$
- New York: $13.40\% * 0.3333 = 4.47\%$

Total Apportionment Percentage: 33.33%

4. TAX LIABILITY ALLOCATION

1 Estimated State Tax Liability

- Projected Total Tax Liability: \$1,875,000
- Allocated State Tax Liability:
- Texas: \$625,125
- California: \$186,750
- New York: \$125,625

5. COMPLIANCE AND DOCUMENTATION

1 Documentation Requirements

This worksheet has been prepared in accordance with:

- Uniform Division of Income for Tax Purposes Act (UDITPA)
- State-specific tax regulations
- Generally Accepted Accounting Principles (GAAP)

2 Audit Preservation

Original documentation shall be retained for a minimum of seven (7) years from the date of preparation.

6. LIMITATIONS AND DISCLAIMERS

1 The calculations herein represent a good faith estimate based on available financial information as of the date of preparation.

2 This document is subject to review and potential adjustment by internal tax counsel and external tax advisors.

3 No warranty is provided regarding the absolute accuracy of these calculations, and they are subject to potential modification based on subsequent audit or review.

7. EXECUTION

Prepared By: Michael Chen, Chief Technology Officer

Date of Preparation: January 22, 2024

Reviewed By: Sarah Williamson, Chief Strategy Officer

Date of Review: January 23, 2024

Signature: [Digital Signature Placeholder]

Corporate Seal: [Corporate Seal Placeholder]

8. CONFIDENTIALITY NOTICE

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