State Income Apportionment 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 Period" refers to the fiscal year ending December 31, 2023.

3 "Relevant Jurisdictions" means all states in which the Company conducts business operations and generates revenue during the Apportionment Period.

2. INCOME APPORTIONMENT METHODOLOGY

1 Calculation Principles

The Company shall utilize a three-factor apportionment formula consisting of:

a) Property Factor

b) Payroll Factor

c) Sales/Revenue Factor

2 Property Factor Calculation

2.1 Total Average Value of Real and Tangible Personal Property

- Texas: $2,450,000

- California: $1,750,000

- New York: $875,000

- Total Property Value: $5,075,000

3 Payroll Factor Calculation

3.1 Total Compensation Paid

- Texas: $4,625,000

- California: $3,275,000

- New York: $1,850,000

- Total Payroll: $9,750,000

4 Sales/Revenue Factor Calculation

4.1 Total Gross Receipts by Jurisdiction

- Texas: $6,750,000

- California: $4,250,000

- New York: $2,500,000

- Total Revenue: $13,500,000

3. APPORTIONMENT PERCENTAGE DETERMINATION

1 Factor Weightings

- Property Factor: 33.33%

- Payroll Factor: 33.33%

- Sales Factor: 33.33%

2 State-Specific Apportionment Percentages

2.1 Texas

- Property Factor: 48.3%

- Payroll Factor: 47.4%

- Sales Factor: 50.0%

- Composite Apportionment: 48.6%

2.2 California

- Property Factor: 34.5%

- Payroll Factor: 33.6%

- Sales Factor: 31.5%

- Composite Apportionment: 33.2%

2.3 New York

- Property Factor: 17.2%

- Payroll Factor: 19.0%

- Sales Factor: 18.5%

- Composite Apportionment: 18.2%

4. TAX LIABILITY ALLOCATION

1 Estimated State Tax Liabilities

- Texas: $375,000

- California: $265,000

- New York: $145,000

- Total Estimated State Tax: $785,000

5. COMPLIANCE AND DOCUMENTATION

1 Documentation Requirements

The Company maintains comprehensive records supporting this apportionment worksheet, including:

- Detailed financial statements

- Payroll registers

- Property valuation reports

- Sales and revenue documentation

2 Audit Preparedness

All calculations have been prepared in accordance with generally accepted accounting principles and state-specific tax regulations.

6. LIMITATIONS AND DISCLAIMERS

1 This worksheet represents a good faith estimate of state income apportionment for the specified period.

2 Final tax liabilities may vary based on subsequent audit and review by relevant tax authorities.

7. EXECUTION

Prepared By: Michael Chen, Chief Financial Officer

Date: January 22, 2024

Reviewed By: Sarah Williamson, Chief Strategy Officer

Date: January 22, 2024

8. CONFIDENTIALITY NOTICE