

# **Annual Operating Expenses and Capital Investments Disclosure**

## **CONFIDENTIAL DOCUMENT**

Nexus Intelligent Systems, Inc.

Fiscal Year Ending December 31, 2023

### **1. PRELIMINARY STATEMENTS**

#### **1 Purpose of Document**

This document provides a comprehensive disclosure of annual operating expenses and capital investments for Nexus Intelligent Systems, Inc. (hereinafter "the Company") for the fiscal year ending December 31, 2023, prepared in accordance with generally accepted accounting principles (GAAP) and internal financial reporting standards.

#### **2 Scope of Disclosure**

The following detailed financial information represents a complete accounting of the Company's operational expenditures, strategic capital investments, and material financial commitments for the referenced fiscal period.

### **2. OPERATING EXPENSES BREAKDOWN**

#### **1 Personnel Expenses**

Total Personnel Costs: \$5,742,000

- Salaries and Wages: \$4,215,000
- Employee Benefits: \$872,000
- Payroll Taxes: \$415,000
- Recruitment and Training: \$240,000

#### **2 Research and Development Expenses**

Total R&D Expenditures: \$2,985,000

- Software Development: \$1,650,000
- AI Algorithm Research: \$875,000
- Prototype Development: \$460,000

#### **3 Technology Infrastructure**

Total Infrastructure Costs: \$1,275,000

- Cloud Computing Services: \$625,000
- Data Center Maintenance: \$350,000
- Network and Security Systems: \$300,000

#### 4 Marketing and Business Development

Total Marketing Expenses: \$1,150,000

- Digital Marketing Campaigns: \$425,000
- Conference and Event Participation: \$275,000
- Sales Collateral and Materials: \$200,000
- Market Research: \$250,000

### 3. CAPITAL INVESTMENTS

#### 1 Technology Assets

Total Technology Investments: \$3,600,000

- Advanced Computing Hardware: \$1,250,000
- Machine Learning Infrastructure: \$1,100,000
- Software Licensing and Development Tools: \$750,000
- Cybersecurity Enhancement Systems: \$500,000

#### 2 Facilities and Physical Assets

Total Facilities Investments: \$875,000

- Office Space Improvements: \$425,000
- Laboratory and Research Facility Upgrades: \$350,000
- Equipment Acquisition: \$100,000

#### 3 Strategic Technology Acquisitions

Total Acquisition Investments: \$1,250,000

- Intellectual Property Rights: \$650,000
- Technology Platform Integrations: \$400,000
- Strategic Software Licenses: \$200,000

### 4. FINANCIAL PERFORMANCE METRICS

#### 1 Total Operating Expenses

Aggregate Operating Expenses: \$11,152,000

Percentage of Annual Revenue: 89.2%

#### 2 Capital Investment Ratio

Total Capital Investments: \$5,725,000

Investment to Revenue Ratio: 45.8%

### **5. FORWARD-LOOKING STATEMENTS**

#### 1 Disclaimer

This document contains forward-looking statements about the Company's financial position and strategic investments. Actual results may differ materially from projected outcomes due to various internal and external factors.

#### 2 Limitation of Liability

Nexus Intelligent Systems, Inc. provides this financial disclosure in good faith but expressly disclaims any implied warranties or guarantees regarding future financial performance.

### **6. CERTIFICATION**

We certify that the information contained herein is true, accurate, and complete to the best of our knowledge.

Executed this 22nd day of January, 2024.

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.