

# **Capital Gains and Losses Reconciliation**

## **Confidential Document**

Prepared for: Nexus Intelligent Systems, Inc.

Date of Preparation: January 22, 2024

Fiscal Year: 2023

## **1. PRELIMINARY STATEMENTS**

### **1 Purpose of Reconciliation**

This Capital Gains and Losses Reconciliation document ("Document") provides a comprehensive analysis of all capital transactions, realized gains, and recognized losses for Nexus Intelligent Systems, Inc. (hereinafter "Company") for the fiscal year ending December 31, 2023.

### **2 Scope of Review**

The reconciliation encompasses all capital asset transactions, including but not limited to:

- Equity investments
- Technology asset dispositions
- Intellectual property transfers
- Venture capital instrument conversions
- Strategic investment portfolio adjustments

## **2. DEFINITIONS**

### **1 Capital Assets**

"Capital Assets" shall mean all property held by the Company, including but not limited to:

- a) Intellectual property rights
- b) Technology infrastructure
- c) Equity investments
- d) Long-term financial instruments
- e) Strategic technology assets

### **2 Realized Gains**

"Realized Gains" shall represent the positive financial difference between an asset's original

acquisition cost and its sale or disposition price, recognized and taxable in the current fiscal period.

### **3. CAPITAL TRANSACTIONS SUMMARY**

#### **1 Aggregate Transaction Overview**

Total Capital Transactions: \$4,237,622

- Realized Gains: \$2,843,115
- Recognized Losses: \$394,507
- Net Capital Position: +\$2,448,608

#### **2 Transaction Categorization**

##### **3.2.1 Equity Investment Dispositions**

- Total Disposition Value: \$1,675,330
- Realized Gains: \$1,212,445
- Effective Gain Percentage: 72.4%

##### **3.2.2 Technology Asset Transfers**

- Total Transfer Value: \$892,445
- Recognized Losses: \$276,112
- Loss Mitigation Ratio: 31%

##### **3.2.3 Intellectual Property Transactions**

- Total IP Transaction Value: \$669,847
- Net Gain: \$355,678
- Effective Gain Percentage: 53.1%

### **4. TAX IMPLICATIONS**

#### **1 Federal Tax Considerations**

Pursuant to Internal Revenue Code Section 1221 and related provisions, the Company's capital gains and losses shall be calculated and reported according to prescribed methodologies.

#### **2 Capital Loss Carryforward**

Unrecognized capital losses totaling \$118,395 may be carried forward to subsequent tax years, subject to IRS regulations and limitations.

## **5. COMPLIANCE AND ATTESTATION**

### **1 Financial Reporting Standards**

This reconciliation has been prepared in accordance with:

- Generally Accepted Accounting Principles (GAAP)
- Financial Accounting Standards Board (FASB) guidelines
- Internal revenue regulations

### **2 Independent Verification**

This document has been reviewed and verified by:

- Internal Financial Compliance Team
- External Certified Public Accounting Firm: Deloitte & Touche LLP

## **6. LIMITATIONS AND DISCLAIMERS**

### **1 Scope of Representation**

This document represents a good-faith reconciliation of capital transactions. The Company makes no additional warranties beyond the explicit representations herein.

### **2 Legal Reservation**

Nexus Intelligent Systems, Inc. reserves all rights to contest, modify, or challenge any external interpretations of this reconciliation.

## **7. AUTHORIZED SIGNATURES**

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Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

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Michael Chen

Chief Financial Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024