

Annual Financial Statement - Predictive Analytics Division

Nexus Intelligent Systems, Inc.

Fiscal Year Ending December 31, 2023

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Prepared for Internal Review and Restricted Distribution

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1. Financial Statement Overview

1.1 Scope and Purpose

This Annual Financial Statement for the Predictive Analytics Division of Nexus Intelligent Systems, Inc. ("the Company") provides a comprehensive review of financial performance for the fiscal year ending December 31, 2023. The statement has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and represents a detailed accounting of the division's operational and financial metrics.

1.2 Reporting Entity

Nexus Intelligent Systems, Inc.

Incorporated: March 15, 2018

State of Incorporation: Delaware

Primary Business: Enterprise AI Services & Predictive Analytics

2. Statement of Financial Position

2.1 Assets

2.1.1 Current Assets

- Cash and Cash Equivalents: \$3,750,000
- Accounts Receivable: \$2,250,000
- Marketable Securities: \$1,500,000
- Prepaid Expenses: \$375,000

Total Current Assets: \$7,875,000

2.1.2 Non-Current Assets

- Property and Equipment: \$1,625,000
- Intellectual Property Rights: \$4,250,000
- Long-Term Investments: \$2,375,000
- Deferred Tax Assets: \$625,000

Total Non-Current Assets: \$8,875,000

Total Assets: \$16,750,000

2.2 Liabilities

2.2.1 Current Liabilities

- Accounts Payable: \$1,375,000
- Accrued Expenses: \$875,000
- Short-Term Debt Obligations: \$1,250,000
- Tax Liabilities: \$625,000

Total Current Liabilities: \$4,125,000

2.2.2 Non-Current Liabilities

- Long-Term Debt: \$3,750,000
- Lease Obligations: \$1,125,000
- Deferred Revenue: \$875,000

Total Non-Current Liabilities: \$5,750,000

Total Liabilities: \$9,875,000

2.3 Shareholders' Equity

- Paid-in Capital: \$4,250,000
- Retained Earnings: \$2,625,000

Total Shareholders' Equity: \$6,875,000

3. Income Statement

3.1 Revenue

- Enterprise AI Services: \$8,750,000
- Predictive Maintenance Platforms: \$3,625,000
- Consulting Services: \$1,125,000

Total Revenue: \$13,500,000

3.2 Expenses

- Research and Development: \$4,250,000
- Sales and Marketing: \$2,625,000
- General and Administrative: \$1,875,000
- Technology Infrastructure: \$1,500,000

Total Operating Expenses: \$10,250,000

3.3 Profitability

Gross Profit: \$3,250,000

Net Income: \$2,375,000

Profit Margin: 17.6%

4. Cash Flow Analysis

4.1 Operating Cash Flow

Net Cash from Operating Activities: \$2,875,000

4.2 Investing Cash Flow

- Capital Expenditures: (\$1,375,000)
- Investment in R&D: (\$1,750,000)

Net Cash used in Investing Activities: (\$3,125,000)

4.3 Financing Cash Flow

- Debt Repayments: (\$1,250,000)
- Equity Financing: \$1,625,000

Net Cash from Financing Activities: \$375,000

5. Notes to Financial Statements

5.1 Accounting Policies

These financial statements have been prepared using the accrual method of accounting, consistent with GAAP standards and the Company's established accounting practices.

5.2 Significant Accounting Estimates

Management has made various estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses.

6. Management Discussion and Analysis

The Predictive Analytics Division experienced robust growth in 2023, driven by increased demand for AI-powered enterprise solutions. Strategic investments in machine learning technologies and expansion of our consulting services have positioned the Company for continued market leadership.

7. Certification and Attestation

I, Dr. Elena Rodriguez, Chief Executive Officer of Nexus Intelligent Systems, Inc., hereby certify that to the best of my knowledge, these financial statements present fairly the financial position and results of operations for the fiscal year ending December 31, 2023.

—

Dr. Elena Rodriguez

Chief Executive Officer

Date: January 22, 2024

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