

Depreciation Schedule for Technical Equipment

Confidential Document - Nexus Intelligent Systems, Inc.

1. INTRODUCTION AND PURPOSE

1 This Depreciation Schedule ("Schedule") is prepared by Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices at 1200 Technology Park Drive, San Jose, California 95134, to provide a comprehensive accounting of technical equipment depreciation for financial reporting and due diligence purposes.

2 The Schedule reflects the company's standardized methodology for calculating and tracking depreciation of specialized technical and technological assets, consistent with Generally Accepted Accounting Principles (GAAP) and Internal Revenue Service (IRS) regulations.

2. ASSET CLASSIFICATION METHODOLOGY

1 Technical Equipment Categories

- Enterprise AI Infrastructure
- Machine Learning Computational Systems
- Network and Communication Hardware
- Diagnostic and Analytical Instrumentation
- Specialized Research and Development Equipment

2 Depreciation Calculation Principles

- (a) Straight-line depreciation method applied across all technical equipment categories
- (b) Standardized useful life ranges based on equipment type and technological obsolescence
- (c) Residual value calculations considering potential equipment remarketing or recycling

3. DETAILED DEPRECIATION SCHEDULE

3.1 Enterprise AI Infrastructure

| Asset Description | Acquisition Date | Original Cost | Useful Life | Annual Depreciation | Net Book Value |

|-----|-----|-----|-----|-----|-----|

| High-Performance GPU Cluster | 2021-03-15 | \$1,250,000 | 4 years | \$312,500 | \$625,000 |

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| Quantum Computing Research Platform 2022-09-22 \$2,750,000 5 years \$550,000 \$1,650,000 |
| |
| Enterprise Cloud Integration System 2020-11-01 \$875,000 3 years \$291,667 \$0 |

3.2 Machine Learning Computational Systems

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|---|
| Asset Description Acquisition Date Original Cost Useful Life Annual Depreciation Net Book Value |
| ----- ----- ----- ----- ----- ----- |
| Advanced ML Training Servers 2022-01-10 \$680,000 4 years \$170,000 \$340,000 |
| Neural Network Processing Units 2021-07-05 \$495,000 3 years \$165,000 \$0 |

4. DEPRECIATION ASSUMPTIONS AND LIMITATIONS

1 Technological Obsolescence Considerations

- Accelerated depreciation may be applied for rapidly evolving technologies
- Annual review of asset useful life and depreciation schedules
- Potential for early retirement or replacement of technological assets

2 Accounting Methodology Disclosure

- (a) Consistent application of straight-line depreciation method
- (b) No material changes in depreciation approach from previous fiscal periods
- (c) Compliance with FASB ASC 360 Property, Plant, and Equipment standards

5. LEGAL DISCLAIMERS

- 1 This Depreciation Schedule represents management's best estimate of asset valuation and is subject to periodic review and adjustment.
- 2 The schedule is prepared for internal accounting and potential transaction due diligence purposes and should not be considered a definitive valuation of corporate assets.

6. CERTIFICATION

We certify that the foregoing Depreciation Schedule is true, accurate, and complete to the best of our knowledge as of the date of execution.

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.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.