

TAX CREDIT AND INCENTIVE TRACKING DOCUMENTATION

CONFIDENTIAL DOCUMENT

Nexus Intelligent Systems, Inc.

Delaware Corporation

1. PRELIMINARY STATEMENTS

1.1 Purpose of Documentation

This Tax Credit and Incentive Tracking Documentation ("Document") serves as a comprehensive record of all federal, state, and local tax credits, research incentives, and economic development programs claimed or potentially available to Nexus Intelligent Systems, Inc. (the "Company") as of January 22, 2024.

1.2 Scope of Coverage

This document encompasses all tax credits, research and development incentives, workforce development credits, technology investment credits, and related economic development programs applicable to the Company's operations from incorporation (March 15, 2018) through the current fiscal period.

2. IDENTIFIED TAX CREDITS AND INCENTIVES

2.1 Federal Research and Development Tax Credits

2.1.1 Section 41 R&D Tax Credit

- Total Qualified Research Expenditures (QREs): \$2,375,000
- Estimated Annual Tax Credit: \$487,250
- Qualifying Periods: 2019-2023
- Primary Research Categories: AI Algorithm Development, Machine Learning Platform Engineering

2.1.2 Technology Investment Credit

- Qualified Technology Investment: \$1,650,000
- Credit Percentage: 20%
- Estimated Annual Credit: \$330,000

- Qualifying Investment Periods: 2020-2022

2.3 State-Level Incentives

2.3.1 Delaware Technology Workforce Development Credit

- Total Qualified Workforce Investments: \$1,250,000
- Credit Rate: 15%
- Estimated Annual Credit: \$187,500
- Qualifying Periods: 2019-2024

2.3.2 Innovation and Technology Grant Program

- Total Grant Funding Received: \$425,000
- Grant Periods: 2020, 2022
- Specific Program: Delaware Economic Development Authority Technology Innovation Grant

3. DOCUMENTATION AND COMPLIANCE

3.1 Record Maintenance

The Company maintains comprehensive documentation supporting all claimed credits, including:

- Detailed research and development logs
- Qualified expenditure worksheets
- Employee time tracking documentation
- Technical project documentation
- Independent third-party verification reports

3.2 Compliance Certifications

- All claimed credits have been reviewed by Ernst & Young LLP
- Annual tax credit compliance reports prepared by internal tax strategy team
- External audit confirmations completed for all material credit claims

4. POTENTIAL FUTURE INCENTIVES

4.1 Identified Prospective Credits

- Artificial Intelligence Research Incentive Program
- Advanced Manufacturing Technology Investment Credit

- Workforce Retraining and Development Grants

5. LIMITATIONS AND DISCLAIMERS

5.1 Legal Disclaimer

This documentation represents management's good faith representation of tax credits and incentives. All figures are subject to final IRS and state tax authority review and verification.

5.2 Forward-Looking Statement

Projected tax credits and potential incentives are estimated based on current operational parameters and may change due to legislative modifications or changes in corporate structure.

6. EXECUTION

6.1 Authorized Representation

Executed by:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024

6.2 Certification

The undersigned certifies that the information contained herein is true, complete, and accurate to the best of their knowledge.

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