

ACCOUNTS RECEIVABLE AGING REPORT

Summit Digital Solutions, Inc.

Q4 2023 (October 1 - December 31, 2023)

Prepared: January 9, 2024

1. EXECUTIVE SUMMARY

This Accounts Receivable Aging Report presents the detailed analysis of outstanding receivables for Summit Digital Solutions, Inc. ("Company") as of December 31, 2023. All figures are presented in United States Dollars (USD) and have been prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Total Accounts Receivable: \$24,875,632

Total Number of Active Accounts: 187

Average Days Sales Outstanding (DSO): 42 days

2. AGING CATEGORIES SUMMARY

2.1 Current (0-30 Days)

- Total Amount: \$15,247,891 (61.3%)
- Number of Accounts: 98
- Key Accounts:
- Enterprise Manufacturing Solutions: \$2,875,000
- Global Logistics Corp: \$1,945,000
- Professional Services International: \$1,782,500

2.2 31-60 Days

- Total Amount: \$5,972,345 (24.0%)
- Number of Accounts: 45
- Key Accounts:
- Advanced Manufacturing Technologies: \$987,500
- Midwest Industrial Group: \$875,000
- Strategic Operations LLC: \$654,300

2.3 61-90 Days

- Total Amount: \$2,468,921 (9.9%)
- Number of Accounts: 27
- Key Accounts:
- Pacific Rim Enterprises: \$487,600
- Eastern Logistics Solutions: \$398,750
- Continental Manufacturing: \$375,000

2.4 91-120 Days

- Total Amount: \$892,475 (3.6%)
- Number of Accounts: 12
- Key Accounts:
- Innovative Industrial Partners: \$245,000
- Regional Transport Systems: \$187,500
- Advanced Processing Corp: \$165,000

2.5 Over 120 Days

- Total Amount: \$294,000 (1.2%)
- Number of Accounts: 5
- Key Accounts:
- Midwest Manufacturing Solutions: \$125,000
- Legacy Systems Integration: \$87,500
- Dynamic Process Technologies: \$81,500

3. PAYMENT TERMS ANALYSIS

3.1 Standard Payment Terms

- Net 30: 65% of accounts
- Net 45: 25% of accounts
- Net 60: 10% of accounts

3.2 Early Payment Discounts

- 2/10 Net 30: Available to 45% of accounts

- 1/10 Net 45: Available to 15% of accounts

4. COLLECTION STATUS

4.1 Active Collection Efforts

- Accounts in Regular Collection: 168
- Accounts in Enhanced Collection: 14
- Accounts in Legal Collection: 5

4.2 Collection Methods

- Automated Reminders: 75%
- Direct Contact: 20%
- Third-Party Collection: 5%

5. RISK ASSESSMENT

5.1 Credit Risk Categories

- Low Risk (AAA-A): 72%
- Medium Risk (BBB-B): 25%
- High Risk (CCC-C): 3%

5.2 Industry Exposure

- Manufacturing: 45%
- Logistics: 30%
- Professional Services: 25%

6. RECONCILIATION AND ADJUSTMENTS

6.1 Write-offs (Q4 2023)

- Total Amount: \$157,500
- Number of Accounts: 3
- Reason Categories:
- Bankruptcy: \$87,500
- Disputed Services: \$45,000
- Uncollectible: \$25,000

6.2 Credit Memos Issued

- Total Amount: \$245,000
- Number of Accounts: 8

7. CERTIFICATION

The undersigned hereby certifies that this Accounts Receivable Aging Report accurately reflects the accounts receivable position of Summit Digital Solutions, Inc. as of December 31, 2023.

Prepared by:

/s/ Jennifer Martinez

Jennifer Martinez

Director of Financial Reporting

Summit Digital Solutions, Inc.

Reviewed by:

/s/ David Thompson, CPA

David Thompson

Chief Financial Officer

Summit Digital Solutions, Inc.

8. DISCLAIMERS

This report is confidential and proprietary to Summit Digital Solutions, Inc. The information contained herein has been prepared from the books and records of the Company and is intended for internal use and due diligence purposes only. While every effort has been made to ensure accuracy, the Company makes no representations or warranties regarding the completeness or accuracy of the information presented. All amounts are subject to audit adjustments and final reconciliation.

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