

Comprehensive Overhead Cost Breakdown

Confidential Document - Nexus Intelligent Systems, Inc.

PRELIMINARY STATEMENT

This Comprehensive Overhead Cost Breakdown ("Document") is prepared as of January 22, 2024, by Nexus Intelligent Systems, Inc., a Delaware corporation (hereinafter "Company"), for the purpose of providing a detailed financial analysis of operational overhead expenses.

1. DEFINITIONS

- 1 "Overhead Costs" shall mean all indirect expenses associated with maintaining corporate operations that are not directly attributable to specific product or service delivery.
- 2 "Fixed Costs" shall represent expenses that remain constant regardless of business activity levels.
- 3 "Variable Costs" shall represent expenses that fluctuate proportionally with operational scale and intensity.

2. COMPREHENSIVE COST CATEGORIZATION

1 Facilities Expenses

- Office Lease (San Francisco, CA Headquarters): \$324,000/annually
- Utilities (Electricity, Water, Internet): \$78,600/annually
- Maintenance and Janitorial Services: \$54,000/annually
- Total Facilities Overhead: \$456,600

2 Technology Infrastructure

- Cloud Computing Services: \$215,400/annually
- Enterprise Software Licenses: \$187,200/annually
- Network and Cybersecurity Infrastructure: \$142,800/annually
- IT Support and Maintenance: \$98,600/annually
- Total Technology Overhead: \$644,000

3 Administrative Personnel

- Executive Management Salaries: \$1,250,000/annually

- HR and Recruiting Expenses: \$312,000/annually
- Legal and Compliance Personnel: \$425,000/annually
- Finance and Accounting Team: \$380,000/annually
- Total Personnel Overhead: \$2,367,000

4 Professional Services

- External Legal Counsel Retainer: \$180,000/annually
- Accounting and Audit Services: \$95,000/annually
- Management Consulting Fees: \$125,000/annually
- Total Professional Services: \$400,000

5 Marketing and Corporate Development

- Brand Marketing and Communications: \$275,000/annually
- Conference and Event Participation: \$98,000/annually
- Digital Marketing Platforms: \$112,000/annually
- Total Marketing Overhead: \$485,000

3. OVERHEAD COST ANALYSIS

1 Total Annual Overhead Calculation

- Aggregate Overhead Expenses: \$4,352,600
- Percentage of Annual Revenue: 34.8%
- Per-Employee Overhead Allocation: \$50,030

2 Cost Efficiency Metrics

- Overhead-to-Revenue Ratio: 0.348:1
- Year-over-Year Overhead Growth: 12.4%

4. COST OPTIMIZATION STRATEGIES

1 Recommended Cost Reduction Initiatives

- Migrate to hybrid work model
- Optimize cloud service contracts
- Consolidate software licensing
- Implement strategic outsourcing

5. LEGAL DISCLAIMERS

1 This document represents management's good faith representation of corporate overhead expenses as of the date specified.

2 All financial figures are unaudited and subject to final verification.

3 This breakdown is provided exclusively for internal and confidential review purposes.

6. CERTIFICATION

We certify that the foregoing Comprehensive Overhead Cost Breakdown is true, accurate, and complete to the best of our knowledge.

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.