TAX DEPRECIATION SCHEDULE - SOFTWARE ASSETS

Summit Digital Solutions, Inc.

For Fiscal Year Ending December 31, 2023

EIN: 47-3856291

1. OVERVIEW AND CERTIFICATION

This Tax Depreciation Schedule for Software Assets (the "Schedule") has been prepared in accordance with Internal Revenue Code Section 167 and 197, and represents a complete and accurate record of all depreciable software assets owned by Summit Digital Solutions, Inc. (the "Company") as of December 31, 2023.

2. PROPRIETARY SOFTWARE PLATFORMS

2.1 Peak Performance Platform(TM)

- Initial Development Cost: $12,475,000

- Capitalization Date: March 15, 2020

- Amortization Period: 36 months (IRC 167(f)(1))

- Remaining Book Value: $4,158,333

- Annual Depreciation: $4,158,333

- Depreciation Method: Straight-line

2.2 Enterprise Analytics Engine

- Initial Development Cost: $8,250,000

- Capitalization Date: June 30, 2021

- Amortization Period: 36 months

- Remaining Book Value: $4,125,000

- Annual Depreciation: $2,750,000

- Depreciation Method: Straight-line

3. LICENSED SOFTWARE ASSETS

3.1 Enterprise Resource Planning Systems

- SAP S/4HANA Enterprise License

- Purchase Cost: $2,850,000

- Acquisition Date: January 15, 2022

- Amortization Period: 60 months

- Remaining Book Value: $1,995,000

- Annual Depreciation: $570,000

3.2 Development Tools and Platforms

- Microsoft Azure Enterprise Suite

- Purchase Cost: $975,000

- Acquisition Date: April 1, 2022

- Amortization Period: 36 months

- Remaining Book Value: $541,667

- Annual Depreciation: $325,000

4. CAPITALIZED IMPLEMENTATION COSTS

4.1 Cloud Computing Arrangements (ASU 2018-15)

- Cloud Infrastructure Implementation

- Capitalized Cost: $3,250,000

- Implementation Date: September 1, 2022

- Amortization Period: 48 months

- Remaining Book Value: $2,437,500

- Annual Depreciation: $812,500

4.2 Integration Development

- API Framework Development

- Capitalized Cost: $1,875,000

- Completion Date: November 30, 2022

- Amortization Period: 36 months

- Remaining Book Value: $1,302,083

- Annual Depreciation: $625,000

5. RESEARCH & DEVELOPMENT SOFTWARE

5.1 Experimental AI Models

- Machine Learning Development Environment

- Capitalized Cost: $4,250,000

- Recognition Date: July 1, 2023

- Amortization Period: 24 months

- Remaining Book Value: $3,718,750

- Annual Depreciation: $2,125,000

6. ACCUMULATED DEPRECIATION SUMMARY

Total Software Asset Value: $33,925,000

Total Accumulated Depreciation: $15,646,667

Net Book Value: $18,278,333

7. NOTES AND ATTESTATIONS

1 All software assets listed herein have been capitalized in accordance with GAAP and applicable tax regulations.

2 The Company applies straight-line depreciation unless otherwise noted.

3 Internal-use software is amortized over the lesser of its useful life or 36 months per IRC 167(f)(1).

4 Cloud computing implementation costs are capitalized and amortized according to ASU 2018-15 guidance.

8. CERTIFICATION

The undersigned hereby certifies that this Schedule is true and accurate to the best of their knowledge and belief.

SUMMIT DIGITAL SOLUTIONS, INC.

By: _

Name: Sarah Blackwell

Title: Chief Operating Officer

Date: January 15, 2024

By: _

Name: Marcus Chen

Title: Corporate Controller

Date: January 15, 2024

9. DISCLAIMER

This Schedule has been prepared for tax and accounting purposes only. The values stated herein should not be relied upon for any other purpose. The Company reserves the right to amend this Schedule as necessary to reflect any changes in applicable law or accounting standards.