Annual Audited Financial Statements

Nexus Intelligent Systems, Inc.

Fiscal Year Ended December 31, 2023

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1. Independent Auditor's Report

To the Board of Directors and Stockholders of Nexus Intelligent Systems, Inc.:

We have audited the accompanying consolidated financial statements of Nexus Intelligent Systems, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the fiscal year then ended.

Auditor's Responsibility

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinion

In our professional opinion, the consolidated financial statements present fairly, in all material

respects, the financial position of Nexus Intelligent Systems, Inc. as of December 31, 2023, and the results of its operations and cash flows for the fiscal year then ended, in conformity with United States generally accepted accounting principles (U.S. GAAP).

Signed,
Ernst & Young LLP
San Francisco, California
January 22, 2024

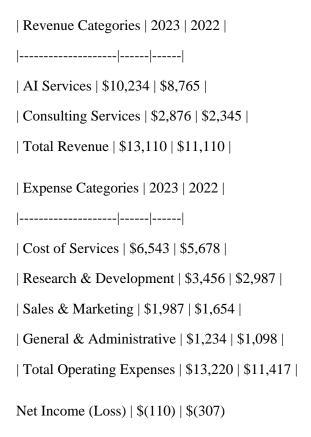
2. Financial Statements

Consolidated Balance Sheet

(Amounts in thousands of U.S. dollars)

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| ASSETS | 2023 | 2022 |
|-----|
| Current Assets |
| Cash and Cash Equivalents | $4,235 | $3,672 |
| Accounts Receivable | $6,543 | $5,221 |
| Prepaid Expenses | $892 | $678 |
| Total Current Assets | $11,670 | $9,571 |
| Property and Equipment | $2,345 | $1,987 |
| Intangible Assets | $3,456 | $2,890 |
| Total Assets | $17,471 | $14,448 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | 2023 | 2022 |
|-----|----|
| Current Liabilities |
| Accounts Payable | $2,345 | $1,876 |
| Accrued Expenses | $1,543 | $1,234 |
| Total Current Liabilities | $3,888 | $3,110 |
| Long-Term Debt | $5,672 | $4,500 |
| Total Liabilities | $9,560 | $7,610 |
| Stockholders' Equity | $7,911 | $6,838 |
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Consolidated Statement of Operations



3. Notes to Consolidated Financial Statements

Significant Accounting Policies

Basis of Presentation: These financial statements have been prepared in accordance with U.S. GAAP.

Revenue Recognition: Revenue is recognized when performance obligations are satisfied.

Research & Development: R&D costs are expensed as incurred.

Risk Factors

- Technological disruption in AI market
- Concentration of enterprise clients
- Ongoing capital requirements
- Competitive landscape in predictive analytics

4. Management's Discussion and Analysis

Business Overview

Nexus Intelligent Systems, Inc. continues to position itself as a leading enterprise AI services provider, focusing on predictive maintenance and digital transformation solutions for industrial sectors.

Financial Performance Highlights

- Revenue growth of 18% year-over-year
- Continued investment in R&D
- Expansion of enterprise client base
- Maintained strong cash reserves

5. Certification and Disclosures

Management Certification

We certify that these financial statements fairly represent the financial condition and operational results of Nexus Intelligent Systems, Inc.

Signed,

Dr. Elena Rodriguez, CEO

Michael Chen, CTO

Sarah Williamson, Chief Strategy Officer

End of Annual Audited Financial Statements