

STATE APPORTIONMENT AND ALLOCATION WORKSHEET

Confidential Document - Nexus Intelligent Systems, Inc.

1. PRELIMINARY DEFINITIONS

1 "Company" shall mean Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices located at 1200 Technology Park Drive, Austin, Texas 78758.

2 "Taxable Year" refers to the fiscal year ending December 31, 2023.

3 "Apportionment Factors" means the specific mathematical calculations used to determine the Company's state tax liability across multiple jurisdictions.

2. CORPORATE OVERVIEW

1 Corporate Structure

Nexus Intelligent Systems, Inc. is a technology services corporation specializing in enterprise AI solutions, with operations spanning multiple states including California, Texas, New York, and Illinois.

2 Business Segments

- Predictive Maintenance Platforms
- Machine Learning Diagnostic Tools
- Enterprise Digital Transformation Consulting

3. APPORTIONMENT METHODOLOGY

1 Property Factor Calculation

Total Real and Tangible Property Value: \$4,237,500

- Texas Property Value: \$2,145,000
- California Property Value: \$1,092,500
- New York Property Value: \$625,000
- Illinois Property Value: \$375,000

Property Factor: $(\text{State Property Value} / \text{Total Property Value}) = \text{Specific State Percentage}$

2 Payroll Factor Calculation

Total Annual Payroll: \$8,750,000

- Texas Payroll: \$4,375,000
- California Payroll: \$2,625,000
- New York Payroll: \$1,312,500
- Illinois Payroll: \$437,500

Payroll Factor: (State Payroll / Total Payroll) = Specific State Percentage

3 Revenue Factor Calculation

Total Annual Revenue: \$12,500,000

- Texas Revenue: \$6,250,000
- California Revenue: \$3,750,000
- New York Revenue: \$1,875,000
- Illinois Revenue: \$625,000

Revenue Factor: (State Revenue / Total Revenue) = Specific State Percentage

4. APPORTIONMENT WEIGHTS

1 Standard Three-Factor Formula

- Property Factor Weight: 33.33%
- Payroll Factor Weight: 33.33%
- Revenue Factor Weight: 33.33%

2 Calculated State Allocation Percentages

- Texas: 38.5%
- California: 29.2%
- New York: 20.8%
- Illinois: 11.5%

5. TAX LIABILITY ESTIMATION

1 Estimated State Tax Liabilities

- Texas: \$475,000
- California: \$362,500
- New York: \$256,250

- Illinois: \$142,500

6. COMPLIANCE DECLARATIONS

1 The undersigned hereby certifies that:

- All financial information is accurate and complete
- Calculations follow standard GAAP and state tax regulations
- All reported figures represent true and correct business records

7. LIMITATIONS AND DISCLAIMERS

1 This worksheet represents a good faith estimate and is subject to review by appropriate tax authorities.

2 The Company reserves the right to adjust calculations based on subsequent audit findings or regulatory guidance.

8. EXECUTION

Executed this 22nd day of January, 2024

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Financial Officer

Nexus Intelligent Systems, Inc.

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