CLIENT PROJECT P&L STATEMENT

Microsoft Azure Migration Project

Summit Digital Solutions, Inc.

Period: January 1, 2023 - December 31, 2023

Document Reference: SDS-FIN-2023-AZ-001

1. EXECUTIVE SUMMARY

This Project Profit & Loss Statement ("P&L Statement") details the financial performance of the Microsoft Azure Migration Project (the "Project") undertaken by Summit Digital Solutions, Inc. ("Company") for Global Manufacturing Enterprise, Inc. ("Client") pursuant to Master Services Agreement dated March 15, 2023 (MSA Reference: SDS-MSA-2023-015).

2. PROJECT OVERVIEW

1. Project Scope: Enterprise-wide migration of Client's legacy infrastructure to Microsoft Azure cloud platform, including:

- Data center consolidation

- Application modernization

- Implementation of Peak Performance Platform

- IoT systems integration

- Security architecture implementation

2. Project Timeline:

- Commencement Date: April 1, 2023

- Completion Date: December 31, 2023

- Duration: 9 months

3. REVENUE BREAKDOWN

1. Professional Services Revenue

- Implementation Services: $4,850,000

- Architecture & Design: $750,000

- Project Management: $625,000

- Training & Knowledge Transfer: $275,000

- Total Professional Services: $6,500,000

2. Software & Licensing Revenue

- Peak Performance Platform Licenses: $1,200,000

- Third-party Tool Licenses: $300,000

- Total Software & Licensing: $1,500,000

3. Total Project Revenue: $8,000,000

4. DIRECT COSTS

1. Labor Costs

- Senior Architects (2,080 hours @ $185/hr): $384,800

- Technical Leads (4,160 hours @ $150/hr): $624,000

- Senior Developers (6,240 hours @ $125/hr): $780,000

- Project Managers (1,920 hours @ $140/hr): $268,800

- Total Labor Costs: $2,057,600

2. Software & License Costs

- Microsoft Azure Credits: $450,000

- Third-party Tools: $175,000

- Peak Performance Platform (Cost): $240,000

- Total Software Costs: $865,000

3. Travel & Expenses

- Air Travel: $85,000

- Accommodations: $65,000

- Local Transportation: $25,000

- Meals & Incidentals: $35,000

- Total T&E: $210,000

4. Total Direct Costs: $3,132,600

5. INDIRECT COSTS

1. Overhead Allocation

- Administrative Support: $180,000

- Facilities & Equipment: $125,000

- Insurance & Risk Management: $75,000

- Quality Assurance: $150,000

- Total Overhead: $530,000

2. Sales & Marketing Attribution

- Commission: $400,000

- Marketing Attribution: $160,000

- Total S&M: $560,000

3. Total Indirect Costs: $1,090,000

6. PROFITABILITY ANALYSIS

1. Gross Profit

- Total Revenue: $8,000,000

- Total Direct Costs: ($3,132,600)

- Gross Profit: $4,867,400

- Gross Margin: 60.84%

2. Operating Profit

- Gross Profit: $4,867,400

- Indirect Costs: ($1,090,000)

- Operating Profit: $3,777,400

- Operating Margin: 47.22%

7. DISCLAIMERS AND NOTICES

1. This P&L Statement has been prepared in accordance with generally accepted accounting principles (GAAP) and the Company's standard project accounting methodologies.

2. All figures are unaudited and subject to adjustment based on final project reconciliation and review.

3. This document contains confidential and proprietary information of Summit Digital Solutions, Inc. and shall not be disclosed to any third party without prior written consent.

8. CERTIFICATION

The undersigned hereby certifies that this P&L Statement accurately reflects the financial performance of the Microsoft Azure Migration Project based on the Company's books and records as of December 31, 2023.

SUMMIT DIGITAL SOLUTIONS, INC.

By: _
Name: Jennifer Martinez
Title: Chief Financial Officer
Date: January 15, 2024

By: _
Name: Michael Chang
Title: Chief Technology Officer
Date: January 15, 2024