

Depreciation and Amortization Schedule

Confidential Document - Nexus Intelligent Systems, Inc.

1. INTRODUCTION AND PURPOSE

1 This Depreciation and Amortization Schedule ("Schedule") is prepared by Nexus Intelligent Systems, Inc., a Delaware corporation (the "Company"), to provide a comprehensive accounting of the Company's tangible and intangible asset depreciation and amortization for the fiscal periods ending December 31, 2022 and December 31, 2021.

2 The Schedule is intended to provide a detailed accounting of the Company's asset depreciation methodologies, current asset values, accumulated depreciation, and projected depreciation expenses in compliance with Generally Accepted Accounting Principles (GAAP).

2. ASSET CLASSIFICATION AND DEPRECIATION METHODOLOGIES

1 Tangible Fixed Assets

The Company utilizes the following depreciation methods for its tangible fixed assets:

a) Computer and Technology Equipment

- Straight-line method
- Useful life: 3-5 years
- Depreciation rate: 20-33.33% per annum

b) Office Furniture and Fixtures

- Straight-line method
- Useful life: 7 years
- Depreciation rate: 14.29% per annum

c) Leasehold Improvements

- Straight-line method
- Useful life: Lesser of lease term or improvement useful life
- Depreciation rate: Varies based on specific improvement

2 Intangible Assets

The Company applies the following amortization approaches for intangible assets:

a) Proprietary Software and Intellectual Property

- Straight-line method
- Useful life: 5-7 years
- Amortization rate: 14.29-20% per annum

b) Developed Technology Platforms

- Accelerated amortization method
- Useful life: 4-6 years
- Amortization rate: Declining balance method

3. DETAILED ASSET DEPRECIATION SUMMARY

1 Fiscal Year 2022 Depreciation Summary

- Total Tangible Asset Depreciation: \$1,247,500
- Total Intangible Asset Amortization: \$2,385,750
- Aggregate Depreciation and Amortization Expense: \$3,633,250

2 Fiscal Year 2021 Depreciation Summary

- Total Tangible Asset Depreciation: \$987,300
- Total Intangible Asset Amortization: \$1,876,450
- Aggregate Depreciation and Amortization Expense: \$2,863,750

4. SIGNIFICANT ACCOUNTING POLICIES

1 Depreciation Calculation Principles

- Assets are depreciated from the date of acquisition
- Partial year depreciation calculated on a pro-rata basis
- Residual values considered immaterial and set to zero

2 Impairment Assessment

The Company conducts annual impairment tests for significant intangible assets, evaluating technological obsolescence and future economic benefits.

5. LIMITATIONS AND DISCLAIMERS

1 This Schedule represents management's best estimate based on current information and accounting

policies. Actual depreciation may vary due to:

- Changes in asset useful life estimates
- Technological advancements
- Unexpected asset disposals or replacements

2 The Schedule is prepared for internal accounting and potential investor due diligence purposes and should not be considered a definitive financial statement.

6. CERTIFICATION

We certify that the information contained in this Depreciation and Amortization Schedule 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.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.