

Comprehensive Balance Sheet

Nexus Intelligent Systems, Inc.

As of December 31, 2023

CONFIDENTIAL DOCUMENT

Prepared for Potential Merger & Acquisition Due Diligence

1. STATEMENT OF FINANCIAL POSITION

1.1 Assets

1.1.1 Current Assets

- Cash and Cash Equivalents: \$4,750,000
- Short-Term Investments: \$2,300,000
- Accounts Receivable: \$3,450,000
- Prepaid Expenses: \$425,000
- Research and Development Tax Credits: \$675,000

Total Current Assets: \$11,600,000

1.1.2 Non-Current Assets

- Property and Equipment (Net): \$2,250,000
- Intellectual Property Portfolios: \$5,600,000
- Long-Term Investments: \$1,875,000
- Capitalized Software Development: \$3,200,000
- Goodwill: \$1,500,000

Total Non-Current Assets: \$14,425,000

1.2 Liabilities

1.2.1 Current Liabilities

- Accounts Payable: \$1,875,000
- Accrued Compensation: \$1,250,000
- Short-Term Debt Obligations: \$2,100,000

- Deferred Revenue: \$1,600,000
- Tax Liabilities: \$425,000

Total Current Liabilities: \$7,250,000

1.2.2 Non-Current Liabilities

- Long-Term Debt: \$6,500,000
- Lease Obligations: \$1,750,000
- Deferred Tax Liabilities: \$875,000
- Pension Obligations: \$350,000

Total Non-Current Liabilities: \$9,475,000

1.3 Shareholders' Equity

1.3.1 Capitalization

- Preferred Stock: \$5,000,000
- Common Stock: \$750,000
- Additional Paid-In Capital: \$8,250,000
- Retained Earnings: \$(5,700,000)

Total Shareholders' Equity: \$8,300,000

2. FINANCIAL STATEMENT NOTES

2.1 Accounting Principles

This balance sheet has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and reflects the financial position of Nexus Intelligent Systems, Inc. as of December 31, 2023.

2.2 Significant Accounting Policies

- Revenue Recognition: Completed contract method
- Depreciation: Straight-line method
- Inventory Valuation: Weighted average cost
- Research and Development Expenses: Expensed as incurred

2.3 Material Contingencies

- Pending Patent Litigation: Potential liability of \$750,000
- Equipment Lease Commitments: \$1,250,000 over next 36 months
- Potential Tax Audit Exposure: Estimated \$500,000

3. CERTIFICATION

I, Dr. Elena Rodriguez, Chief Executive Officer of Nexus Intelligent Systems, Inc., hereby certify that the foregoing balance sheet and accompanying notes represent a true and accurate representation of the company's financial position as of December 31, 2023.

Signature Block

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024

4. DISCLAIMER

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