

## **IoT Solutions Division P&L Statement - Q3 2023**

Summit Digital Solutions, Inc.

For the Quarter Ended September 30, 2023

(Unaudited, in thousands USD)

### **CONFIDENTIALITY NOTICE**

This document contains confidential financial information of Summit Digital Solutions, Inc. and is subject to the terms of the Non-Disclosure Agreement dated [DATE]. Unauthorized disclosure, copying, or distribution is strictly prohibited.

### **REVENUE**

#### **Product Revenue**

- IoT Hardware Sales: \$12,450
- Sensor Systems: \$8,275
- Edge Computing Devices: \$3,890
- Integration Components: \$2,865

**Total Product Revenue: \$27,480**

#### **Service Revenue**

- Implementation Services: \$9,875
- Managed IoT Services: \$7,650
- Platform Subscriptions: \$5,890
- Technical Support: \$3,245
- Consulting Services: \$4,560

**Total Service Revenue: \$31,220**

**TOTAL REVENUE: \$58,700**

### **COST OF REVENUE**

#### **Product Costs**

- Hardware COGS: \$6,225
- Manufacturing Overhead: \$2,485

- Supply Chain & Logistics: \$1,945
- Quality Assurance: \$965

**Total Product Costs: \$11,620**

#### **Service Delivery Costs**

- Technical Personnel: \$8,450
- Cloud Infrastructure: \$2,890
- Third-party Licenses: \$1,245
- Support Operations: \$1,875

**Total Service Delivery Costs: \$14,460**

**TOTAL COST OF REVENUE: \$26,080**

**GROSS PROFIT: \$32,620**

**GROSS MARGIN: 55.6%**

#### **OPERATING EXPENSES**

##### **Sales & Marketing**

- Sales Personnel: \$4,875
- Marketing Programs: \$2,245
- Trade Shows & Events: \$985
- Sales Operations: \$1,120

**Total Sales & Marketing: \$9,225**

##### **Research & Development**

- R&D Personnel: \$3,890
- Product Development: \$2,145
- Testing & Validation: \$965
- Technical Infrastructure: \$785

**Total R&D: \$7,785**

##### **General & Administrative**

- Administrative Personnel: \$2,245
- Professional Services: \$985

- Facilities & Equipment: \$765
- Insurance & Compliance: \$545

**Total G&A: \$4,540**

**TOTAL OPERATING EXPENSES: \$21,550**

**OPERATING INCOME: \$11,070**

**OPERATING MARGIN: 18.9%**

**OTHER INCOME/(EXPENSE)**

- Interest Income: \$245
- Foreign Exchange Gain/(Loss): (\$165)
- Other Income: \$85

**Total Other Income/(Expense): \$165**

**INCOME BEFORE TAXES: \$11,235**

**Income Tax Provision**

- Federal Tax: \$2,245
- State Tax: \$675

**Total Income Tax Provision: \$2,920**

**NET INCOME: \$8,315**

**NET MARGIN: 14.2%**

**NOTES AND ASSUMPTIONS**

All figures are presented in thousands of US dollars

Revenue recognition follows ASC 606 guidelines

Foreign currency transactions converted at average quarterly rates

R&D costs include capitalized software development

Operating expenses exclude stock-based compensation

Tax calculations based on effective rate of 26%

**CERTIFICATION**

The undersigned, in their capacity as Chief Financial Officer of Summit Digital Solutions, Inc., hereby certifies that this P&L statement fairly presents, in all material respects, the financial condition and results of operations of the IoT Solutions Division for the period indicated.

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/s/ [CFO Name]

Chief Financial Officer

Summit Digital Solutions, Inc.

Date: October 15, 2023

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## **DISCLAIMER**

This financial statement is unaudited and for internal use only. Actual results may vary from the figures presented. This document should be read in conjunction with the company's audited financial statements and accompanying notes.