

# **Customer Acquisition Cost Analysis**

## **Confidential Legal Document**

**Nexus Intelligent Systems, Inc.**

### **1. PRELIMINARY STATEMENT**

1 This Customer Acquisition Cost (CAC) Analysis document represents a comprehensive financial assessment prepared by Nexus Intelligent Systems, Inc. ("Company") for the purpose of internal strategic review and potential investor due diligence.

2 The analysis herein reflects financial data and strategic insights as of January 22, 2024, and provides a detailed examination of the Company's customer acquisition economics across its enterprise AI services segment.

### **2. DEFINITIONS**

1 "Customer Acquisition Cost" (CAC) shall mean the total cost associated with acquiring a new enterprise client, including but not limited to:

- a) Sales and marketing expenditures
- b) Direct personnel costs
- c) Marketing technology and infrastructure investments
- d) Indirect overhead allocations related to client development

2 "Lifetime Value" (LTV) shall represent the projected total revenue generated from a customer throughout their anticipated engagement with the Company.

### **3. METHODOLOGY**

#### **1 Data Collection Parameters**

- Analyzed period: January 1, 2023 - December 31, 2023
- Total sales and marketing expenditure: \$2,450,000
- New enterprise clients acquired: 17
- Average contract value: \$375,000

#### **2 Calculation Approach**

- Gross CAC: Total acquisition expenses divided by new clients

- Net CAC: Adjusted for indirect and overhead costs
- LTV:CAC Ratio: Comprehensive value assessment metric

#### **4. DETAILED CAC ANALYSIS**

##### **1 Direct Acquisition Expenses**

- Digital marketing investments: \$650,000
- Sales team compensation: \$1,200,000
- Conference and event participation: \$350,000
- Targeted enterprise outreach programs: \$250,000

##### **2 Acquisition Cost Breakdown**

- Gross CAC: \$144,117 per enterprise client
- Net CAC (including overhead): \$187,352 per enterprise client
- Estimated first-year revenue per client: \$475,000

##### **3 Performance Metrics**

- LTV:CAC Ratio: 2.53:1
- Payback Period: 14.2 months
- Gross Margin on Acquisition: 61.2%

#### **5. STRATEGIC INSIGHTS**

1 The Company's customer acquisition strategy demonstrates robust economic efficiency, with a strong LTV:CAC ratio indicating sustainable growth potential.

2 Target market segments (manufacturing, energy, transportation) show consistent acquisition performance with minimal variance in cost structures.

#### **6. LIMITATIONS AND DISCLAIMERS**

1 This analysis represents management's best estimates based on available data and reasonable projections.

2 Future performance is not guaranteed and may vary based on market conditions, competitive landscape, and internal strategic shifts.

3 The document is prepared for informational purposes and should not be considered definitive

financial guidance.

## **7. CONFIDENTIALITY**

1 This document is strictly confidential and intended solely for internal use and potential investor review.

2 Unauthorized reproduction or distribution is prohibited.

## **8. CERTIFICATION**

We certify that the information contained herein is true, accurate, and complete to the best of our knowledge.

Executed this 22nd day of January, 2024.

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### **Authorized Signatures:**

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.