

# CONVERTIBLE NOTE FINANCING AGREEMENT

THIS CONVERTIBLE NOTE FINANCING AGREEMENT (the "Agreement") is made and entered into as of January 22, 2024, by and between:

NEXUS INTELLIGENT SYSTEMS, INC., a Delaware corporation with its principal place of business at 1200 Technology Park Drive, San Jose, California 95134 (the "Company")

AND

QUANTUM VENTURES PARTNERS, LP, a Delaware limited partnership with its principal office located at 2500 Sand Hill Road, Menlo Park, California 94025 (the "Investor")

## RECITALS

WHEREAS, the Company is an enterprise artificial intelligence and predictive analytics technology firm seeking additional growth capital;

WHEREAS, the Investor desires to provide financing to the Company through the purchase of convertible promissory notes;

WHEREAS, the parties wish to set forth the terms and conditions of the proposed investment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

## 1. DEFINITIONS

1 "Convertible Notes" shall mean the convertible promissory notes issued by the Company to the Investor pursuant to this Agreement.

2 "Maturity Date" shall mean the date 24 months from the initial issuance of the Convertible Notes.

3 "Conversion Price" shall mean the price per share determined by applying a 20% discount to the price per share in the Company's next qualified equity financing.

## 2. INVESTMENT TERMS

1 Principal Amount

The Investor agrees to purchase Convertible Notes with an aggregate principal amount of Three

Million Dollars (\$3,000,000), to be funded in two tranches:

- (a) Initial Tranche: Two Million Dollars (\$2,000,000) upon execution
- (b) Second Tranche: One Million Dollars (\$1,000,000) upon achieving specified revenue milestones

## 2 Interest Rate

The Convertible Notes shall bear interest at a rate of eight percent (8%) per annum, compounded annually.

## 3 Conversion Mechanics

The Convertible Notes shall be convertible into the Company's preferred equity securities under the following conditions:

- (a) Automatic conversion upon a Qualified Financing Event exceeding \$10,000,000
- (b) Optional conversion at the Investor's election prior to Maturity Date
- (c) Conversion price shall be subject to standard anti-dilution protections

# 3. REPRESENTATIONS AND WARRANTIES

## 1 Company Representations

The Company represents and warrants that:

- (a) It is a validly existing corporation in good standing
- (b) It has full corporate power and authority to execute this Agreement
- (c) The Convertible Notes, when issued, will be validly authorized

## 2 Investor Representations

The Investor represents that:

- (a) It is an accredited investor as defined under Rule 501(a) of Regulation D
- (b) It has sufficient knowledge and experience to evaluate the investment
- (c) It is purchasing the Convertible Notes for investment purposes

# 4. COVENANTS

## 1 Reporting Requirements

The Company shall provide to the Investor:

- (a) Quarterly unaudited financial statements
- (b) Annual audited financial statements

(c) Monthly operational updates

## 2 Restrictions

Without prior written consent of the Investor, the Company shall not:

- (a) Incur additional indebtedness exceeding \$500,000
- (b) Make material changes to executive compensation
- (c) Engage in transactions outside ordinary course of business

## 5. EVENTS OF DEFAULT

1 Events of Default shall include:

- (a) Failure to make principal or interest payments
- (b) Material breach of representations and warranties
- (c) Bankruptcy or insolvency proceedings
- (d) Failure to achieve specified revenue milestones

2 Upon occurrence of an Event of Default, the Investor may:

- (a) Accelerate the Convertible Notes
- (b) Convert notes to equity at a predetermined valuation
- (c) Pursue legal remedies

## 6. MISCELLANEOUS

### 1 Governing Law

This Agreement shall be governed by the laws of the State of Delaware.

### 2 Confidentiality

Both parties agree to maintain strict confidentiality regarding the terms of this Agreement.

### 3 Entire Agreement

This document constitutes the entire understanding between the parties.

## SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Convertible Note Financing Agreement as of the date first above written.

NEXUS INTELLIGENT SYSTEMS, INC.

By: /s/ Dr. Elena Rodriguez

Name: Dr. Elena Rodriguez

Title: Chief Executive Officer

QUANTUM VENTURES PARTNERS, LP

By: /s/ Jonathan Stern

Name: Jonathan Stern

Title: Managing Partner