

MONTHLY CASH FLOW STATEMENT

Summit Digital Solutions, Inc.

For the Period Ending November 30, 2023

(Amounts in USD)

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1. OPERATING ACTIVITIES

Cash Inflows

- Customer Payments Received: \$8,245,000
- Service Contract Prepayments: \$1,750,000
- License Fee Collections: \$875,000
- Other Operating Receipts: \$125,000

Total Operating Inflows: \$10,995,000

Cash Outflows

- Payroll and Benefits: (\$3,850,000)
- Cloud Infrastructure Costs: (\$1,125,000)
- Technology Licenses: (\$685,000)
- Professional Services: (\$425,000)
- Office Operations: (\$295,000)
- Sales and Marketing: (\$475,000)
- Travel and Entertainment: (\$165,000)
- Insurance Premiums: (\$95,000)
- Other Operating Expenses: (\$225,000)

Total Operating Outflows: (\$7,340,000)

Net Cash from Operations: \$3,655,000

2. INVESTING ACTIVITIES

Investment Outflows

- Software Development Capitalization: (\$750,000)
- IT Equipment Purchases: (\$285,000)
- Patent Applications: (\$125,000)
- Office Improvements: (\$95,000)

Total Investment Outflows: (\$1,255,000)

Investment Inflows

- Equipment Disposals: \$45,000
- Investment Income: \$25,000

Total Investment Inflows: \$70,000

Net Cash from Investing: (\$1,185,000)

3. FINANCING ACTIVITIES

Financing Inflows

- Line of Credit Draws: \$0
- Equipment Financing: \$200,000

Total Financing Inflows: \$200,000

Financing Outflows

- Term Loan Payment: (\$250,000)
- Equipment Lease Payments: (\$85,000)
- Interest Payments: (\$125,000)

Total Financing Outflows: (\$460,000)

Net Cash from Financing: (\$260,000)

4. CASH POSITION SUMMARY

Beginning Balance (November 1, 2023)

- Operating Accounts: \$12,850,000
- Money Market Accounts: \$5,500,000
- Restricted Cash: \$1,000,000

Total Beginning Balance: \$19,350,000**Net Cash Movement**

- Net Operating Cash Flow: \$3,655,000
- Net Investing Cash Flow: (\$1,185,000)
- Net Financing Cash Flow: (\$260,000)

Total Net Movement: \$2,210,000**Ending Balance (November 30, 2023)**

- Operating Accounts: \$14,960,000
- Money Market Accounts: \$5,600,000
- Restricted Cash: \$1,000,000

Total Ending Balance: \$21,560,000

5. SUPPLEMENTAL DISCLOSURES**5.1 Non-Cash Transactions**

- Stock-Based Compensation: \$375,000
- Capitalized Software Development: \$750,000
- Equipment Acquired Through Finance Lease: \$200,000

5.2 Key Performance Metrics

- Days Sales Outstanding (DSO): 45 days
- Operating Cash Conversion: 85%
- Free Cash Flow Margin: 28%

5.3 Restricted Cash Details

- Performance Bonds: \$750,000
- Letter of Credit Collateral: \$250,000

6. CERTIFICATION

The undersigned, duly authorized officer of Summit Digital Solutions, Inc., hereby certifies that this Monthly Cash Flow Statement fairly presents, in all material respects, the cash flows of the Company for the period indicated.

Prepared by:

/s/ Jennifer Martinez

Jennifer Martinez

Corporate Controller

Date: December 8, 2023

Reviewed by:

/s/ Sarah Blackwell

Sarah Blackwell

Chief Operating Officer

Date: December 8, 2023

7. DISCLAIMERS

This statement has been prepared for internal management purposes and potential transaction due diligence. It has not been audited or reviewed by independent accountants. Actual results may vary from the amounts presented. This document contains confidential information and is subject to the terms of the applicable Non-Disclosure Agreement.