

Quarterly Financial Statement Compilation

Nexus Intelligent Systems, Inc.

Q4 2023 Financial Report

CONFIDENTIAL DOCUMENT

PREPARED FOR INTERNAL AND RESTRICTED REVIEW

1. INTRODUCTION AND STATEMENT OF COMPILATION

1 Purpose of Document

This Quarterly Financial Statement Compilation ("Compilation") represents the unaudited financial performance and position of Nexus Intelligent Systems, Inc. (the "Company") for the quarter ending December 31, 2023. The document has been prepared in accordance with generally accepted accounting principles (GAAP) and represents management's comprehensive financial disclosure.

2 Scope of Compilation

The financial information contained herein reflects the consolidated financial results of Nexus Intelligent Systems, Inc., including all subsidiary entities and operational divisions as of the reporting date.

2. FINANCIAL OVERVIEW

1 Revenue Performance

Total quarterly revenue: \$3,750,000

- Enterprise AI Services: \$2,250,000 (60%)
- Predictive Analytics Consulting: \$1,125,000 (30%)
- Software License Revenues: \$375,000 (10%)

Year-over-year revenue growth: 42.3%

2 Expense Breakdown

Total Operating Expenses: \$3,125,000

- Research & Development: \$1,187,500 (38%)
- Sales & Marketing: \$937,500 (30%)
- General & Administrative: \$625,000 (20%)

- Technology Infrastructure: \$374,500 (12%)

3. BALANCE SHEET SUMMARY

1 Assets

Total Assets: \$22,750,000

- Cash and Cash Equivalents: \$8,500,000
- Accounts Receivable: \$5,625,000
- Intellectual Property & Technology Assets: \$4,750,000
- Equipment and Infrastructure: \$3,875,000

2 Liabilities

Total Liabilities: \$9,750,000

- Short-Term Debt: \$3,250,000
- Accounts Payable: \$2,375,000
- Accrued Expenses: \$1,875,000
- Long-Term Debt Obligations: \$2,250,000

3 Shareholders' Equity

Total Shareholders' Equity: \$13,000,000

- Paid-in Capital: \$10,500,000
- Retained Earnings: \$2,500,000

4. CASH FLOW ANALYSIS

1 Operating Cash Flow

Net Cash from Operations: \$1,375,000

- Cash Received from Customers: \$3,625,000
- Cash Paid to Suppliers and Employees: (\$2,250,000)

2 Investment Activities

Net Cash Used in Investing: (\$625,000)

- Technology Infrastructure Investments: (\$375,000)
- R&D Capital Expenditures: (\$250,000)

3 Financing Activities

Net Cash from Financing: \$250,000

- Debt Refinancing: \$500,000
- Debt Repayments: (\$250,000)

5. KEY PERFORMANCE INDICATORS

1 Operational Metrics

- Customer Acquisition Cost: \$12,500
- Customer Retention Rate: 87%
- Average Contract Value: \$175,000
- Sales Conversion Rate: 22%

2 Financial Ratios

- Current Ratio: 2.3
- Debt-to-Equity Ratio: 0.75
- Gross Margin: 62%
- Net Profit Margin: 15%

6. LEGAL DISCLAIMERS

1 Compilation Status

This financial compilation is unaudited and prepared solely for internal and restricted review. It does not constitute a full financial audit and should not be considered definitive financial reporting.

2 Forward-Looking Statements

Certain statements in this document may constitute forward-looking statements involving risks and uncertainties. Actual results may differ materially from those anticipated.

7. CERTIFICATION

We certify that to the best of our knowledge, the financial information presented herein is accurate and represents the true financial position of Nexus Intelligent Systems, Inc. as of December 31, 2023.

Signed:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.

Date of Compilation: January 22, 2024