

Detailed Operating Expense Breakdown

Confidential Document - Nexus Intelligent Systems, Inc.

PRELIMINARY STATEMENT

This Detailed Operating Expense Breakdown ("Document") is prepared as of January 22, 2024, by Nexus Intelligent Systems, Inc., a Delaware corporation (hereinafter "Company"), for the purpose of providing comprehensive financial disclosure in connection with potential strategic transactions and investor due diligence.

1. OPERATING EXPENSE CATEGORIES

1.1 Personnel Expenses

Total Annual Personnel Expenses: \$5,742,000

1.1 Salary Allocations

- Executive Leadership: \$1,350,000
- Engineering & Product Development: \$2,100,000
- Sales & Marketing: \$1,050,000
- Operations & Support: \$742,000
- Administrative Staff: \$500,000

1.2 Benefits & Compensation

- Health Insurance: \$387,000
- 401(k) Matching: \$215,000
- Stock Option Pool: \$450,000
- Professional Development: \$98,000

1.2 Technology & Infrastructure Expenses

Total Annual Technology Expenses: \$1,875,000

2.1 Cloud Computing & Infrastructure

- AWS/Cloud Services: \$625,000
- Dedicated Server Infrastructure: \$275,000
- Network & Connectivity: \$150,000

2.2 Software & Licensing

- Enterprise Software Licenses: \$375,000
- Development Tools & Platforms: \$250,000
- Cybersecurity Solutions: \$200,000

1.3 Facilities & Operational Overhead

Total Annual Facilities Expenses: \$872,000

3.1 Physical Workspace

- San Francisco Headquarters Lease: \$525,000
- Utilities & Maintenance: \$127,000
- Office Equipment & Supplies: \$85,000

3.2 Travel & Client Engagement

- Business Travel: \$95,000
- Client Meeting & Demonstration Expenses: \$40,000

1.4 Marketing & Business Development

Total Annual Marketing Expenses: \$687,000

4.1 Digital Marketing

- Online Advertising: \$225,000
- Content Marketing: \$125,000
- SEO & Digital Campaigns: \$98,000

4.2 Industry Events & Conferences

- Conference Sponsorships: \$135,000
- Trade Show Participation: \$104,000

2. EXPENSE TREND ANALYSIS

2.1 Year-over-Year Comparison

- FY 2022 Total Operating Expenses: \$8,176,000
- FY 2023 Total Operating Expenses: \$9,176,000
- Projected FY 2024 Operating Expenses: \$10,176,000

2.2 Expense Growth Drivers

- Headcount Expansion: 22% increase
- Technology Infrastructure Investment: 18% increase
- Marketing & Business Development: 15% increase

3. LEGAL DISCLAIMERS

1 Confidentiality

This document contains proprietary and confidential information. Unauthorized disclosure is strictly prohibited.

2 Accuracy Statement

All financial figures represent management's good faith estimates based on internal accounting records and are subject to final audit and verification.

4. CERTIFICATION

I, Dr. Elena Rodriguez, CEO of Nexus Intelligent Systems, Inc., hereby certify that the foregoing Detailed Operating Expense Breakdown is true, accurate, and complete to the best of my knowledge.

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024

5. APPENDICES

Attached supplemental documentation available upon request, including:

- Detailed general ledger extracts
- Vendor contract summaries
- Historical expense reconciliation reports