

Corporate Alternative Minimum Tax Worksheet

Nexus Intelligent Systems, Inc.

Fiscal Year Ending December 31, 2023

1. PRELIMINARY DEFINITIONS

1 "Company" shall mean Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices located at 1200 Technology Park Drive, San Jose, California 95134.

2 "Tax Year" refers to the fiscal period ending December 31, 2023.

3 "Alternative Minimum Taxable Income" (AMTI) shall be calculated pursuant to Internal Revenue Code Section 55-59, as amended.

2. CORPORATE ALTERNATIVE MINIMUM TAX CALCULATION

1 Adjusted Financial Statement Income

1.1 Total Company Revenue: \$12,500,000

1.2 Cost of Goods Sold: \$4,375,000

1.3 Operating Expenses: \$6,250,000

1.4 Gross Income Before Adjustments: \$1,875,000

2 Adjustment Calculations

2.1 Depreciation Adjustments

- Standard Depreciation: \$625,000
- Alternative Minimum Tax Depreciation: \$412,500
- Depreciation Adjustment: (\$212,500)

2.2 Research & Development Credits

- Qualified R&D Expenditures: \$1,125,000
- R&D Credit Adjustment: \$337,500

2.3 Stock-Based Compensation Adjustments

- Total Stock Option Grants: \$375,000
- AMT Compensation Adjustment: \$187,500

3. ALTERNATIVE MINIMUM TAXABLE INCOME COMPUTATION

1 Base Income Calculation

- Gross Income: \$1,875,000
- Depreciation Adjustment: (\$212,500)
- R&D Credit Adjustment: \$337,500
- Stock Compensation Adjustment: \$187,500
- Preliminary AMTI: \$2,187,500

2 Exemption Calculation

- Statutory AMT Exemption: \$1,000,000
- Phase-Out Threshold: \$1,562,500
- Applicable Exemption: \$1,000,000

3 Alternative Minimum Taxable Base

- AMTI: \$2,187,500
- Less Exemption: (\$1,000,000)
- Taxable AMT Base: \$1,187,500

4. TAX RATE APPLICATION

1 Corporate Alternative Minimum Tax Rate: 15%

2 Calculated Alternative Minimum Tax: \$178,125

5. COMPARATIVE TAX LIABILITY

1 Regular Corporate Tax Calculation

- Effective Tax Rate: 21%
- Regular Corporate Tax: \$393,750

2 Minimum Tax Comparison

- Regular Corporate Tax: \$393,750
- Alternative Minimum Tax: \$178,125
- Applicable Tax: \$393,750

6. DOCUMENTATION AND COMPLIANCE

1 This worksheet has been prepared in accordance with applicable IRS regulations and represents a good faith calculation of the Company's Alternative Minimum Tax liability.

2 All calculations are subject to review and potential adjustment by internal accounting professionals and external tax advisors.

7. CERTIFICATION

We certify that the foregoing calculations have been prepared with reasonable care and represent an accurate representation of Nexus Intelligent Systems, Inc.'s tax position for the fiscal year ending December 31, 2023.

Executed this 22nd day of January, 2024.

Sarah Williamson

Chief Strategy Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Financial Officer

Nexus Intelligent Systems, Inc.