CLIENT PROJECT P&L STATEMENT

Microsoft Enterprise AI Implementation Initiative

Summit Digital Solutions, Inc.

Period: January 1, 2023 - December 31, 2023

Document Reference: SDS-MSFT-P&L-2023-001

1. EXECUTIVE SUMMARY

This Project Profit & Loss Statement ("P&L Statement") details the financial performance of Summit Digital Solutions, Inc.'s ("Company") Microsoft Enterprise AI Implementation project ("Project") for Fortune 500 Client XYZ Corporation ("Client"). This document has been prepared in accordance with GAAP standards and the Company's revenue recognition policies.

2. PROJECT OVERVIEW

1. Project Scope: Enterprise-wide implementation of Microsoft Azure AI services, including:

- Machine Learning Operations (MLOps) Platform

- Natural Language Processing Solutions

- Predictive Analytics Framework

- Custom AI Model Development

- Enterprise System Integration

2. Project Timeline:

- Commencement Date: January 15, 2023

- Completion Date: December 31, 2023

- Total Project Duration: 11.5 months

3. REVENUE BREAKDOWN

1. Professional Services Revenue

- Implementation Services: $4,850,000

- Technical Consulting: $2,275,000

- Architecture & Design: $1,125,000

- Training & Knowledge Transfer: $750,000

2. Software Licensing Revenue

- Microsoft Enterprise Licenses: $1,500,000

- Peak Performance Platform Licenses: $875,000

3. Total Project Revenue: $11,375,000

4. DIRECT COSTS

1. Labor Costs

- Senior Consultants (4,800 hours): $1,440,000

- Technical Architects (2,400 hours): $960,000

- Data Scientists (3,200 hours): $1,120,000

- Project Management (1,600 hours): $480,000

2. Software & Infrastructure

- Microsoft License Costs: $1,125,000

- Cloud Infrastructure: $375,000

- Development Tools: $125,000

3. Total Direct Costs: $5,625,000

5. INDIRECT COSTS

1. Overhead Allocation

- Administrative Support: $225,000

- Quality Assurance: $175,000

- Technical Support: $150,000

2. Other Indirect Costs

- Travel & Expenses: $225,000

- Insurance & Risk Management: $75,000

- Professional Services: $50,000

3. Total Indirect Costs: $900,000

6. PROFIT ANALYSIS

1. Gross Profit

- Total Revenue: $11,375,000

- Total Direct Costs: ($5,625,000)

- Gross Profit: $5,750,000

- Gross Margin: 50.55%

2. Operating Profit

- Gross Profit: $5,750,000

- Indirect Costs: ($900,000)

- Operating Profit: $4,850,000

- Operating Margin: 42.64%

7. KEY PERFORMANCE METRICS

1. Resource Utilization

- Billable Utilization Rate: 85%

- Average Bill Rate: $225/hour

- Resource Leverage Ratio: 3.2

2. Project Economics

- Revenue per Employee: $325,000

- Cost per Billable Hour: $145

- Project ROI: 74.5%

8. DISCLAIMERS AND NOTICES

1. This P&L Statement is confidential and proprietary to Summit Digital Solutions, Inc.

2. All financial figures are unaudited and subject to adjustment during year-end close procedures.

3. Revenue recognition follows ASC 606 guidelines and Company accounting policies.

4. This document may not be disclosed to any third party without written consent from Summit Digital Solutions, Inc.

9. CERTIFICATION

The undersigned hereby certifies that this P&L Statement accurately reflects the financial performance of the Microsoft Enterprise AI Implementation Project based on the Company's books and records as of December 31, 2023.

SUMMIT DIGITAL SOLUTIONS, INC.

By: _

Name: Sarah Blackwell

Title: Chief Operating Officer

Date: January 9, 2024

By: _

Name: David Chen

Title: Chief Financial Officer

Date: January 9, 2024

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