

Annual Financial Statement

Nexus Intelligent Systems, Inc.

Fiscal Year Ending December 31, 2023

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1. Financial Overview

Nexus Intelligent Systems, Inc. (the "Company") hereby presents its Annual Financial Statement for the fiscal year ending December 31, 2023. This document provides a comprehensive review of the Company's financial performance, position, and operational results for the reporting period.

1.1 Company Profile

- Legal Entity: Nexus Intelligent Systems, Inc.
- State of Incorporation: Delaware
- Fiscal Year: January 1 - December 31, 2023
- Primary Business: Enterprise AI Services & Predictive Analytics
- Reporting Currency: United States Dollars (USD)

1.2 Key Financial Highlights

- Total Annual Revenue: \$12,500,000
- Gross Profit Margin: 62.3%
- Net Income: \$2,375,000
- Total Assets: \$18,750,000
- Total Liabilities: \$6,250,000
- Shareholders' Equity: \$12,500,000

2. Statement of Financial Position

2.1 Assets

2.1.1 Current Assets

- Cash and Cash Equivalents: \$3,750,000
- Accounts Receivable: \$2,500,000
- Prepaid Expenses: \$625,000
- Total Current Assets: \$6,875,000

2.1.2 Non-Current Assets

- Property and Equipment: \$1,875,000
- Intangible Assets: \$6,250,000
- Investment in R&D: \$3,750,000
- Total Non-Current Assets: \$11,875,000

2.2 Liabilities

2.2.1 Current Liabilities

- Accounts Payable: \$1,250,000
- Short-Term Debt: \$1,875,000
- Accrued Expenses: \$625,000
- Total Current Liabilities: \$3,750,000

2.2.2 Non-Current Liabilities

- Long-Term Debt: \$2,500,000
- Deferred Tax Liabilities: \$0
- Total Non-Current Liabilities: \$2,500,000

3. Income Statement

3.1 Revenue Breakdown

- Enterprise AI Services: \$7,500,000
- Predictive Maintenance Platforms: \$3,750,000
- Consulting Services: \$1,250,000

3.2 Expense Categories

- Cost of Goods Sold: \$4,725,000
- Research & Development: \$2,500,000
- Sales and Marketing: \$2,125,000
- General and Administrative: \$1,625,000

3.3 Profitability Metrics

- Gross Profit: \$7,775,000
- Operating Income: \$3,125,000
- Net Income: \$2,375,000
- Earnings Per Share: \$27.34

4. Cash Flow Statement

4.1 Operating Cash Flow

- Cash Generated from Operations: \$4,375,000
- Net Changes in Working Capital: (\$625,000)
- Income Taxes Paid: (\$750,000)

4.2 Investing Cash Flow

- Purchase of Equipment: (\$1,250,000)
- R&D Investment: (\$1,875,000)

4.3 Financing Cash Flow

- Debt Repayment: (\$625,000)
- Equity Financing: \$0

5. Notes to Financial Statements

5.1 Accounting Policies

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and reflect consistent application of accounting standards.

5.2 Significant Accounting Estimates

- Useful life of intangible assets
- Allowance for doubtful accounts
- Valuation of R&D investments

6. Management Discussion and Analysis

The past fiscal year represented significant growth and strategic development for Nexus Intelligent Systems. Our continued investment in AI-driven predictive maintenance technologies has positioned us as a leader in enterprise digital transformation solutions.

7. Auditor's Certification

These financial statements have been independently audited by Ernst & Young LLP and found to be materially accurate and compliant with applicable accounting standards.

Signed:

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

Date: January 22, 2024