

Cloud Infrastructure Cost Allocation Summary

Confidential Document

Prepared for: Potential Investors and Due Diligence Review

Date of Preparation: January 22, 2024

Company: Nexus Intelligent Systems, Inc.

1. EXECUTIVE SUMMARY

1 This Cloud Infrastructure Cost Allocation Summary provides a comprehensive analysis of Nexus Intelligent Systems, Inc.'s ("Company") cloud infrastructure expenditures, cost distribution methodologies, and strategic resource allocation for fiscal years 2022-2024.

2 The document represents a detailed financial disclosure intended to provide transparency regarding the Company's cloud computing infrastructure investments, cost management strategies, and operational efficiency metrics.

2. DEFINITIONS

1 "Cloud Infrastructure" shall mean all computational, storage, networking, and related technological resources procured from third-party cloud service providers.

2 "Cost Allocation" refers to the systematic method of attributing cloud computing expenses across different organizational departments, projects, and operational units.

3 "Direct Costs" are expenses directly attributable to specific cloud services, including computational resources, storage, data transfer, and specialized service instances.

3. CLOUD INFRASTRUCTURE EXPENDITURE OVERVIEW

1 Total Cloud Infrastructure Expenditure

- Fiscal Year 2022: \$1,247,500
- Fiscal Year 2023: \$1,872,300
- Projected Fiscal Year 2024: \$2,415,750

2 Primary Cloud Service Providers

- Amazon Web Services (AWS): 68% of total infrastructure spend

- Google Cloud Platform (GCP): 22% of total infrastructure spend
- Microsoft Azure: 10% of total infrastructure spend

4. COST ALLOCATION METHODOLOGY

1 Departmental Allocation Breakdown

- AI Research & Development: 42% of cloud infrastructure resources
- Machine Learning Model Training: 28% of cloud infrastructure resources
- Enterprise Solutions Development: 18% of cloud infrastructure resources
- Corporate IT and Administrative Functions: 12% of cloud infrastructure resources

2 Cost Allocation Principles

- Direct attribution of computational resources to specific projects
- Proportional allocation based on actual resource consumption
- Monthly reconciliation and cost center reallocation
- Quarterly comprehensive cost optimization review

5. COST OPTIMIZATION STRATEGIES

1 Implemented Cost Management Techniques

- Reserved instance purchases for predictable workloads
- Automated scaling and resource rightsizing
- Multi-cloud strategy to optimize pricing and performance
- Continuous monitoring of resource utilization

2 Projected Cost Efficiency Gains

- Expected infrastructure cost reduction: 12-15% annually
- Improved resource utilization efficiency
- Enhanced predictive cost management capabilities

6. COMPLIANCE AND SECURITY CONSIDERATIONS

1 Compliance Framework

- SOC 2 Type II certification for cloud infrastructure management
- GDPR and CCPA data handling compliance

- Regular third-party security audits

2 Data Protection Measures

- Encryption of data at rest and in transit
- Multi-factor authentication for cloud resource access
- Comprehensive access control and monitoring protocols

7. LIMITATIONS AND DISCLAIMERS

1 This document represents management's best estimate of cloud infrastructure costs and allocations based on historical data and projected requirements.

2 Actual costs may vary due to technological changes, market conditions, and unforeseen computational demands.

3 The information provided is confidential and intended solely for due diligence purposes.

8. CERTIFICATION

We certify that the information contained herein is true, accurate, and complete to the best of our knowledge.

Executed By:

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Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

—

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

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