

TAX MATTERS CERTIFICATE AND COMPLIANCE DOCUMENTATION

THIS TAX MATTERS CERTIFICATE AND COMPLIANCE DOCUMENTATION (this "Certificate") is made and executed as of January 15, 2024 (the "Effective Date"), by Nexus Industrial Intelligence, Inc., a Delaware corporation (the "Company").

WHEREAS, the Company desires to document and certify its tax status, compliance, and material tax positions for purposes of regulatory compliance and corporate recordkeeping;

WHEREAS, the Company develops and licenses proprietary artificial intelligence software solutions through its NexusCore™ Industrial AI Platform on a subscription basis to customers across multiple jurisdictions; and

WHEREAS, the Company seeks to maintain accurate and complete documentation of its tax treatment and positions related to its software-as-a-service business model.

NOW, THEREFORE, the Company hereby certifies and declares as follows:

1.0 TAX MATTERS CERTIFICATE

1.1 Entity Classification

The Company hereby certifies that it is classified as a C-corporation for U.S. federal income tax purposes and has not made any entity classification elections under Treasury Regulations Section 301.7701-3. The Company maintains this classification continuously since its incorporation and acknowledges its obligations under Subchapter C of the Internal Revenue Code.

1.2 Tax Residency

The Company is incorporated in Delaware and maintains its principal place of business at 2500 Innovation Drive, Suite 400, Wilmington, Delaware 19801. The Company is a U.S. tax resident and files Form 1120 U.S. Corporation Income Tax Return. All corporate governance meetings are conducted within U.S. jurisdiction, and management control is exercised exclusively within the United States.

1.3 FATCA Status

The Company certifies its status as a U.S. person for purposes of the Foreign Account Tax Compliance Act ("FATCA") and is not subject to FATCA withholding requirements. The

Company maintains appropriate documentation, including Form W-9, to verify its status and complies with all applicable reporting obligations under FATCA and related intergovernmental agreements.

1.4 Sales Tax Nexus

The Company maintains sales tax nexus and collection obligations in thirty-seven (37) U.S. states where its NexusCore™ platform is deployed or where the Company maintains sufficient economic presence under applicable state laws. The Company's software-as-a-service offerings are subject to sales tax in jurisdictions that impose tax on digital goods and services. The Company utilizes automated tax calculation and collection systems to ensure compliance with varying state requirements and maintains current tax registrations in all applicable jurisdictions.

1.5 Tax Compliance Procedures

The Company maintains comprehensive internal controls and procedures for tax compliance, including regular reviews of state nexus thresholds, maintenance of exemption certificates, and timely filing of all required returns and information reports. The Company engages qualified tax professionals to review its tax positions and maintains documentation supporting all material tax positions in accordance with ASC 740 requirements.

2.0 TAX COMPLIANCE REPRESENTATIONS

2.1 Federal Tax Compliance

(a) The Company has timely filed all required federal income tax returns and information returns, including Forms 1120, 941, 940, 1099, and W-2, for all tax years within the applicable statute of limitations. (b) All federal tax payments, deposits, and estimated tax payments have been made when due, including quarterly estimated payments pursuant to IRC Section 6655. (c) The Company claims research and development tax credits under IRC Section 41 for qualifying software development activities, maintaining contemporaneous documentation of qualified research expenses and base period calculations. (d) No federal tax audits or examinations are currently pending or threatened, and all prior audits have been resolved with no material adjustments. (e) The Company maintains comprehensive records supporting all tax positions, including substantiation for deductions, credits, and special tax elections.

2.2 State Tax Registration

The Company maintains active tax registrations in all required state jurisdictions, including: (a) Income/franchise tax registrations in states where nexus exists through physical presence, economic activity, or virtual connections (b) Sales/use tax permits in states where collection obligations exist under economic nexus thresholds (c) Employment tax registrations where

employees are located, including remote workers (d) All required annual reports and state tax filings are current and complete (e) The Company monitors and responds to changes in state nexus requirements and filing obligations (f) Documentation is maintained supporting nexus determinations and filing positions

2.3 Sales and Use Tax Compliance

(a) The Company utilizes automated tax calculation and collection software integrated with its billing system, updated monthly for rate and jurisdictional changes (b) Customer invoices separately state applicable sales tax charges and clearly identify taxable versus non-taxable items (c) Sales tax returns are filed and tax amounts remitted monthly or quarterly as required by each jurisdiction, with reconciliations performed between reported amounts and general ledger balances (d) The Company maintains exemption certificates for exempt customers in a centralized digital system (e) Regular reviews are conducted to ensure compliance with marketplace facilitator laws and economic nexus thresholds (f) Use tax is properly accrued and remitted on purchases where vendors have not collected applicable sales tax

2.4 International Tax Obligations

The Company certifies that it: (a) Has no permanent establishments outside the United States as defined under applicable tax treaties (b) Does not currently have foreign tax filing obligations but monitors international activities for potential triggers (c) Complies with transfer pricing requirements for intercompany transactions, maintaining contemporaneous documentation (d) Reports all foreign-source income on its U.S. tax returns in accordance with IRC Sections 951-965 (e) Maintains documentation supporting its position regarding foreign tax credit claims (f) Conducts periodic reviews to ensure compliance with FATCA and other international reporting requirements (g) Implements procedures to identify and report specified foreign financial assets under IRC Section 6038D

2.5 Documentation and Controls

The Company maintains: (a) A comprehensive tax compliance calendar tracking all filing deadlines (b) Written procedures for tax compliance processes and controls (c) Regular training programs for personnel involved in tax matters (d) Periodic internal reviews of tax compliance procedures (e) Engagement with qualified tax professionals for complex matters

3.0 REVENUE RECOGNITION AND TAX TREATMENT

3.1 SaaS Revenue Classification

(a) Subscription revenue from the NexusCore™ platform is recognized ratably over the subscription term, with recognition commencing upon customer access activation. (b) Implementation and professional services revenue is recognized as services are performed,

measured by completed milestones or time-and-materials basis. (c) Revenue recognition policies comply with ASC 606 requirements, following the five-step model: (i) Identification of customer contracts (ii) Determination of performance obligations (iii) Establishment of transaction price (iv) Allocation of transaction price to performance obligations (v) Recognition of revenue upon satisfaction of obligations (d) Distinct performance obligations are identified and priced separately when determinable.

3.2 Deferred Revenue Treatment

(a) Advance customer payments are recorded as deferred revenue and maintained on the balance sheet as a liability. (b) Revenue is recognized for tax purposes in accordance with IRC Section 451, including: (i) Application of the all-events test (ii) Economic performance requirements (iii) Treatment under IRC Section 451(c) for advance payments (c) The Company maintains reconciliations between book and tax treatment of deferred revenue, including: (i) Detailed scheduling of recognition timing differences (ii) Documentation of tax positions and methodologies (iii) Quarterly review and adjustment procedures

3.3 Multi-State Revenue Allocation

(a) Subscription revenue is sourced based on customer location, determined by: (i) Primary business address for business customers (ii) Billing address for individual subscribers (iii) IP-based location verification where required (b) Market-based sourcing rules are followed where applicable, with consideration for: (i) Location of benefit received (ii) Customer's market location (iii) State-specific sourcing hierarchies (c) Cost of performance rules are followed in states requiring such methodology, including: (i) Direct cost allocation (ii) Operational infrastructure location (iii) Server and data center locations

3.4 International Revenue Sourcing

(a) All revenue is currently sourced to U.S. customers and reported as U.S.-source income for tax purposes. (b) Future international expansion will require: (i) Treaty consideration and permanent establishment analysis (ii) Transfer pricing documentation (iii) Foreign tax credit planning (iv) VAT/GST compliance procedures (c) Documentation requirements include: (i) Customer location verification (ii) Digital service delivery confirmation (iii) Cross-border transaction records

4.0 TAX POSITIONS AND ELECTIONS

4.1 Research & Development Treatment

(a) The Company capitalizes software development costs under IRC Section 174 as amended by the Tax Cuts and Jobs Act, effective for tax years beginning after December 31, 2021. (b) Qualifying research expenses are identified and tracked contemporaneously through

established internal control procedures and documentation protocols. (c) Documentation supporting R&D credit claims is maintained, including: (i) Time tracking records with detailed allocation of employee hours to specific qualifying projects (ii) Project documentation including technical specifications, development milestones, and testing protocols (iii) Technical uncertainty analysis demonstrating capability, methodology, and design uncertainties (iv) Process of experimentation evidence including systematic evaluation of alternatives (v) Contemporary documentation of failed approaches and iterative development cycles (d) The Company maintains a quarterly review process to validate R&D expenditures, ensuring: (i) Proper segregation of qualifying versus non-qualifying activities (ii) Appropriate allocation of overhead costs (iii) Compliance with the four-part test under IRC Section 41 (iv) Verification of nexus between claimed expenses and qualified research

4.2 State Tax Elections

(a) Combined reporting elections in applicable states, specifically: (i) Unitary combined reporting in mandatory states (ii) Elective combined reporting where advantageous (iii) Worldwide combination elections where permitted (b) Alternative apportionment methodologies where approved, including: (i) Market-based sourcing for service revenue (ii) Cost of performance methodologies where beneficial (iii) Special industry formulas where applicable (c) Economic nexus safe harbor elections where available, incorporating: (i) Revenue thresholds compliance monitoring (ii) Transaction volume tracking (iii) Physical presence documentation

4.3 Software Development Costs

(a) Internal-use software development costs are capitalized for tax purposes pursuant to: (i) Treasury Regulation §1.263(a)-4(b)(1)(iv) (ii) Revenue Procedure 2000-50 guidelines (iii) Applicable case law precedents (b) Cloud computing implementation costs are treated in accordance with Rev. Proc. 2000-50, including: (i) Initial application development phase costs (ii) Post-implementation upgrade and enhancement costs (iii) Maintenance and operation expenses (c) Amortization periods align with applicable tax guidance, specifically: (i) 36-month amortization for purchased software (ii) 60-month amortization for self-developed software (iii) Straight-line methodology application

4.4 Intellectual Property Structure

(a) All intellectual property is held directly by the Company with no special purpose holding entities, encompassing: (i) Patents and patent applications (ii) Registered and unregistered trademarks (iii) Copyrights and trade secrets (iv) Proprietary software and algorithms (b) Transfer pricing considerations: (i) Arm's length principles for intercompany transactions (ii) Documentation requirements under IRC Section 482 (iii) Cost sharing arrangements, if applicable (c) Foreign tax implications: (i) Subpart F income characterization (ii) GILTI provisions compliance (iii) Treaty benefits application

IN WITNESS WHEREOF, the undersigned, being duly authorized, has executed this Certificate as of the Effective Date.

[Signature block and certification as in original]