

COST ANALYSIS - CLOUD INFRASTRUCTURE SERVICES

Summit Digital Solutions, Inc.

Confidential & Proprietary

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1. EXECUTIVE SUMMARY

This cost analysis document provides a comprehensive evaluation of Summit Digital Solutions, Inc.'s ("Company") cloud infrastructure services expenditure and utilization patterns for fiscal year 2023, with projections through 2025. This analysis has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and reviewed by the Company's Finance Department and external auditors.

2. SCOPE OF ANALYSIS

1. This analysis covers all cloud infrastructure services utilized by the Company, including:

- Amazon Web Services (AWS)
- Microsoft Azure
- Google Cloud Platform (GCP)
- Private cloud implementations
- Hybrid cloud configurations

2. Cost categories evaluated include:

- Compute resources
- Storage solutions
- Network services
- Database services
- Security and compliance
- Support and maintenance

3. CURRENT INFRASTRUCTURE COSTS

1. Annual Cloud Service Expenditure (FY2023)

- AWS: \$4,875,000

- Azure: \$2,950,000
- GCP: \$1,225,000
- Private Cloud: \$875,000
- Total: \$9,925,000

2. Cost Distribution by Service Type

- Compute: 45% (\$4,466,250)
- Storage: 22% (\$2,183,500)
- Network: 15% (\$1,488,750)
- Database: 12% (\$1,191,000)
- Security: 6% (\$595,500)

4. UTILIZATION METRICS

1. Peak Performance Platform Requirements

- Average daily compute units: 12,500
- Storage capacity utilized: 850 TB
- Monthly API calls: 75M
- Active user sessions: 25,000

2. Resource Allocation

- Client environments: 65%
- Internal operations: 20%
- Development/testing: 15%

5. COST OPTIMIZATION INITIATIVES

1. Identified Savings Opportunities

- Reserved instance optimization: \$750,000
- Resource right-sizing: \$425,000
- Storage tier optimization: \$275,000
- Total potential annual savings: \$1,450,000

2. Implementation Timeline

- Q1 2024: Reserved instance contracts
- Q2 2024: Resource optimization
- Q3 2024: Storage restructuring

6. PROJECTED COSTS (2024-2025)

1. FY2024 Projections

- Base infrastructure: \$10,420,000
- Growth allocation: \$1,250,000
- Optimization savings: (\$1,450,000)
- Net projected cost: \$10,220,000

2. FY2025 Projections

- Base infrastructure: \$11,750,000
- Growth allocation: \$1,875,000
- Optimization savings: (\$1,950,000)
- Net projected cost: \$11,675,000

7. RISK FACTORS

1. Cost Variability Factors

- Market pricing fluctuations
- Client workload variations
- Regulatory compliance requirements
- Technology stack evolution

2. Mitigation Strategies

- Multi-cloud vendor strategy
- Automated scaling policies
- Regular cost review procedures
- Reserved capacity agreements

8. LEGAL DISCLAIMERS

1. This analysis contains forward-looking projections that are subject to various risks and

uncertainties. Actual results may differ materially from those projected.

2. All financial figures are presented in United States Dollars (USD) and are exclusive of applicable taxes, fees, and surcharges.

3. This document is confidential and proprietary to Summit Digital Solutions, Inc. Unauthorized distribution or reproduction is strictly prohibited.

9. CERTIFICATION

The undersigned hereby certifies that this cost analysis has been prepared in accordance with company policies and procedures and represents a true and accurate assessment of cloud infrastructure services costs and projections.

SUMMIT DIGITAL SOLUTIONS, INC.

By:

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Date: January 9, 2024

By:

Name: Michael Chang

Title: Chief Technology Officer

Date: January 9, 2024

10. APPENDIX

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