

Research and Development Investment Tracker

Confidential Legal Document

Nexus Intelligent Systems, Inc.

1. PRELIMINARY DEFINITIONS

1 "Company" shall mean Nexus Intelligent Systems, Inc., a Delaware corporation with principal offices located at 1200 Technology Park Drive, San Jose, California 95134.

2 "R&D Investment" means all financial allocations, personnel resources, capital expenditures, and intellectual property development efforts directly related to technological innovation and product research within the Company's core enterprise AI services platform.

3 "Tracking Period" refers to the fiscal years 2022-2024, inclusive of all quarterly reporting cycles.

2. INVESTMENT OVERVIEW

1 Cumulative R&D Expenditures

The Company hereby certifies the following aggregate research and development investments:

- Fiscal Year 2022: \$3,750,000
- Fiscal Year 2023: \$4,625,000
- Projected Fiscal Year 2024: \$5,900,000

2 Investment Allocation Breakdown

a) Personnel Allocation

- Senior Research Engineers: 22 FTE
- Machine Learning Specialists: 15 FTE
- Data Science Researchers: 11 FTE

b) Capital Expenditures

- Advanced Computing Infrastructure: \$1,250,000
- Software Licensing and Development Tools: \$875,000
- Specialized Research Equipment: \$625,000

3. TECHNOLOGICAL FOCUS AREAS

1 Primary Research Domains

- Predictive Maintenance AI Algorithms
- Enterprise Machine Learning Diagnostic Platforms
- Industrial Automation Intelligence Systems

2 Key Innovation Metrics

- Patent Applications Filed: 7
- Provisional Patents: 3
- Active Research Initiatives: 12
- External Collaborative Research Partnerships: 4

4. FINANCIAL COMPLIANCE AND REPORTING

1 Accounting Standards

All R&D investments have been tracked and reported in strict compliance with:

- Generally Accepted Accounting Principles (GAAP)
- Financial Accounting Standards Board (FASB) guidelines
- Internal Revenue Code Section 41 Research Credit Provisions

2 Documentation Integrity

The Company affirms that:

- All financial records are complete and accurate
- Supporting documentation exists for each reported expenditure
- Independent third-party verification is available upon request

5. INTELLECTUAL PROPERTY CONSIDERATIONS

1 IP Development Tracking

The Company maintains comprehensive records documenting:

- Invention disclosure forms
- Research project documentation
- Inventor attribution and contribution tracking

2 Ownership Declarations

All research outputs are explicitly owned by Nexus Intelligent Systems, Inc., with appropriate

assignment agreements executed for all contributing personnel.

6. CONFIDENTIALITY AND LIMITATIONS

1 Disclosure Restrictions

This document is strictly confidential and intended solely for authorized review purposes.

Unauthorized reproduction or distribution is prohibited.

2 Disclaimer

While prepared with utmost diligence, this tracker represents management's best representations and is subject to ongoing verification and potential adjustment.

7. EXECUTION

Executed this 22nd day of January, 2024.

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Technology Officer

Nexus Intelligent Systems, Inc.

8. CERTIFICATION

We hereby certify that the foregoing Research and Development Investment Tracker represents a true and accurate representation of the Company's innovation investments for the specified tracking period.