

IRS Form 1120: U.S. Corporation Income Tax Return

Fiscal Year Ending December 31, 2023

Taxpayer Information

Nexus Intelligent Systems, Inc.

Corporate Headquarters: 1200 Innovation Plaza

San Francisco, CA 94105

Federal Employer Identification Number (FEIN): 87-2341569

State of Incorporation: Delaware

Date of Incorporation: March 15, 2018

Tax Year Overview

Reporting Period: January 1, 2023 - December 31, 2023

Accounting Method: Accrual

Business Classification: Professional Services, NAICS Code 541511

Income Statement

Gross Receipts and Sales

Total Gross Receipts: \$12,500,000

Less: Returns and Allowances: \$0

Net Gross Receipts: \$12,500,000

Cost of Goods Sold

Direct Labor Costs: \$3,750,000

Subcontractor Expenses: \$1,250,000

Technology Infrastructure: \$875,000

Total Cost of Goods Sold: \$5,875,000

Gross Profit

Gross Profit Calculation: $\$12,500,000 - \$5,875,000 = \$6,625,000$

Deductions and Expenses

Operating Expenses

Salaries and Wages: \$4,125,000

Employee Benefits: \$825,000

Rent and Facilities: \$612,000

Professional Services: \$375,000

Marketing and Sales: \$687,500

Research and Development: \$1,250,000

Depreciation and Amortization: \$412,500

Other Deductible Expenses: \$375,000

Total Deductible Expenses: \$8,662,000

Taxable Income Calculation

Income Before Tax

Gross Profit: \$6,625,000

Less: Total Deductible Expenses: \$8,662,000

Net Operating Loss: (\$2,037,000)

Tax Credits and Adjustments

Research and Development Tax Credit: \$375,000

Small Business Innovation Credit: \$125,000

Total Tax Credits: \$500,000

Tax Liability

Corporate Tax Calculation

Adjusted Taxable Income: \$0

Effective Tax Rate: 0%

Total Tax Liability: \$0

Supplemental Disclosures

Ownership Structure

Total Outstanding Shares: 10,000,000

Ownership Breakdown:

- Venture Capital Investors: 65%
- Founder Shares: 25%
- Employee Stock Options: 10%

Material Contingencies

Pending Litigation: None

Outstanding Debt Obligations: \$2,500,000 Convertible Note

Certification and Signatures

The undersigned certifies that this corporate tax return, including accompanying schedules and statements, has been examined and is true, correct, and complete to the best of their knowledge.

Authorized Signatures

Dr. Elena Rodriguez

Chief Executive Officer

Nexus Intelligent Systems, Inc.

Michael Chen

Chief Financial Officer

Nexus Intelligent Systems, Inc.

Date of Execution: January 22, 2024

Disclaimer

This tax return is prepared in good faith based on the financial records and information available to Nexus Intelligent Systems, Inc. as of the date of filing. The company reserves all rights and maintains full legal protections under applicable tax regulations.