

Detailed Breakdown of Technology Development Expenses

Confidential Document - Nexus Intelligent Systems, Inc.

PRELIMINARY STATEMENT

This Detailed Breakdown of Technology Development Expenses ("Document") is prepared as of January 22, 2024, by Nexus Intelligent Systems, Inc., a Delaware corporation (hereinafter "Company"), for the purpose of providing a comprehensive financial disclosure related to technology research and development expenditures.

1. SCOPE OF DOCUMENTATION

1 Purpose

This document provides a comprehensive and detailed accounting of technology development expenses incurred by the Company between January 1, 2022, and December 31, 2023, inclusive of all direct and indirect costs associated with research, development, and technological innovation initiatives.

2 Reporting Methodology

Expenses have been categorized and reported in accordance with Generally Accepted Accounting Principles (GAAP) and internal financial reporting standards, with meticulous attention to accurate cost allocation and transparent financial representation.

2. EXPENSE CATEGORIES

1 Personnel Costs

- Senior Engineering Salaries: \$2,743,500
- Research Scientist Compensation: \$1,856,200
- Technical Support Staff: \$612,300
- Total Personnel Expenses: \$5,212,000 (62.4% of total development budget)

2 Technology Infrastructure

- Cloud Computing Resources: \$987,600
- Software Licensing: \$453,200
- Development Environment Tooling: \$276,500
- Hardware Procurement: \$412,300

- Total Infrastructure Expenses: \$2,129,600 (25.5% of total development budget)

3 Research and Prototype Development

- Machine Learning Model Training: \$436,700
- Predictive Analytics R&D: \$512,300
- Prototype Development Costs: \$387,600
- Testing and Validation Expenses: \$276,400
- Total R&D Expenses: \$1,613,000 (19.3% of total development budget)

3. PROJECT-SPECIFIC BREAKDOWNS

1 AI Predictive Maintenance Platform

- Total Development Expenditure: \$1,876,500
- Primary Technology Focus: Industrial machine learning diagnostics
- Key Development Milestones: Completed beta testing, initial enterprise pilot implementations

2 Enterprise Digital Transformation Toolkit

- Total Development Expenditure: \$1,243,700
- Primary Technology Focus: Intelligent automation frameworks
- Key Development Milestones: Initial product launch, first three enterprise customer integrations

4. INTELLECTUAL PROPERTY CONSIDERATIONS

1 Patent and Innovation Tracking

- Provisional Patent Applications Filed: 3
- Estimated Patent-Related Legal Expenses: \$187,600
- Intellectual Property Protection Strategy: Comprehensive trade secret and patent filing approach

5. FINANCIAL COMPLIANCE AND ATTESTATION

1 Financial Verification

These expenses have been internally reviewed and are consistent with the Company's financial records. External audit confirmation is available upon request.

2 Representation and Warranty

The undersigned hereby certifies that all information presented herein is true, accurate, and complete to the best of their knowledge.

6. CONFIDENTIALITY AND LIMITATIONS

1 Confidentiality

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

2 Limitation of Liability

Nexus Intelligent Systems, Inc. provides this documentation without any implied warranties. Recipients are advised to conduct independent verification.

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.