

Executive Summary

Spring 2024



Nexscient, Inc.

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1.0 Overview

Nexscient, Inc. (the “Company”), a development-stage company currently in the process of going public, is developing the AegisOne Intelligent Enterprise Solution (“AegisOne IES”), a holistic approach that delivers insight, intelligence, and innovation to the business enterprise. We plan to assemble a digital ecosystem of enabling enterprise technologies by developing, acquiring, and investing in emerging companies that are capitalizing on machine learning, artificial intelligence (AI), and the Internet of Things (IoT). Our objective is to build a Software as a Service (SaaS) platform of intelligent business applications, integrated AI technologies and connected business process solutions that delivers actionable insights for businesses seeking to improve their operations, realize market differentiation, and attain industry relevance.

Our inaugural application part of the AegisOne IES platform suite is AegisOne RxM, a prescriptive maintenance solution addressing the needs of manufacturers and continuous production facilities. US industrial facilities lose approximately \$50 billion per year due to unanticipated machine breakdowns and inefficient maintenance practices. By utilizing Industrial IoT technology, machine learning and AI-driven analytics, AegisOne RxM is expected to deliver an effective yet affordable equipment monitoring solution to help reduce equipment failures, avoid unscheduled downtimes, decrease equipment maintenance costs, and improve overall equipment efficiencies.

The substantial growth in AI creates tremendous market opportunities for emerging companies with novel technologies. The global AI market was valued at \$146 billion in 2023 and is expected to grow to \$1,812 billion by the end of 2030, with a CAGR of over 38% between 2024 and 2030. The major drivers for this increase include the adoption of AI technologies across multiple industries, as well as advancements in algorithms and infrastructure. The market is expected to see continued innovation and expansion over the next decade, with AI becoming an increasingly integral part of many business operations.

With this growth, we are seeing a rush of new market entrants (startups) seeking to capitalize on this opportunity -- many of which house brilliant minds, brimming with innovative ideas for AI-enabled technologies, products, and services embarking on a journey to build new enterprise. But many of these aspiring companies struggle to commercialize their ideas because they have difficulty accessing capital and strategic guidance, among other things. We intend to capitalize on this market opportunity by exploiting our status as a publicly-traded company combined with the collective knowledge, experience, and resources of our executives, advisory board, and industry networks to build out AegisOne IES. As a publicly-traded company, we will not only be able to raise capital from the public markets at favorable valuations to fund operations, but we may also utilize our stock as a secondary currency to make strategic investments and acquisitions of qualified emerging companies and integrate them into our platform.

To become successful, business enterprises must rapidly identify market demands and move quickly to satisfy those needs by adapting to market conditions, establishing critical partnerships, and gaining market share. However, the lack of insight, innovation and limited capital resources are recurring obstacles encountered by many businesses placing them at a significant competitive disadvantage. Management believes that Nexscient, and its AegisOne IES platform, present a viable resource for operating businesses, to not only enjoy the benefits of an intelligent enterprise, but also for emerging companies to access capital and strategic guidance through our collaborative network, while at the same time offering Nexscient shareholders a real and compelling opportunity to realize an extraordinary return on investment.

1.1 Opportunity

Industrial revolutions have come along every hundred years over the past few centuries—think mechanization and steam power in the late 1700s, mass production in the late 1800s and computers in the late 1900s. And now, just half a century after the start of the electronic era, is the fourth industrial revolution, Industry 4.0 has introduced the ‘Age of Intelligence.’ It blends global networks, the Internet of things (IoT), artificial intelligence (AI), machine learning (ML), predictive analytics and much more -- and it’s transforming businesses. However, transformation requires more than technology.

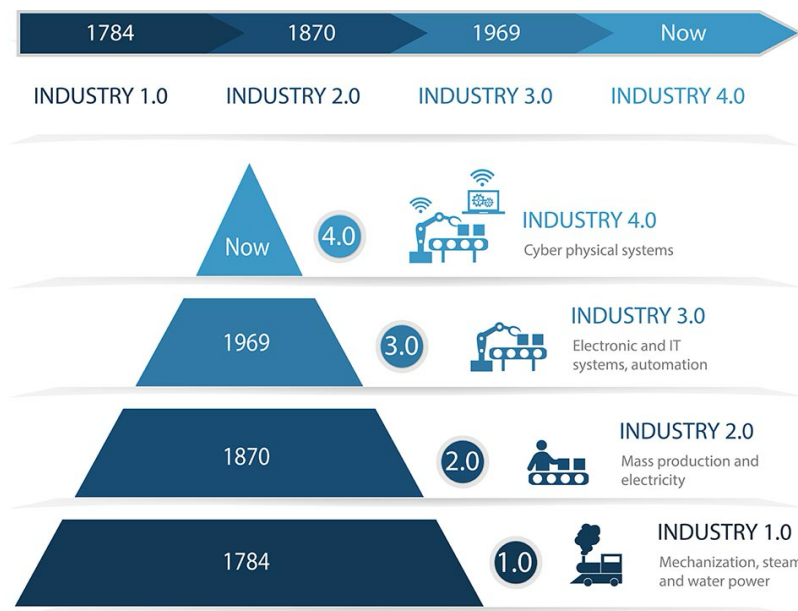


Figure: Evolution of industrial technology

Enterprises are constrained by a lack of insight or enterprise intelligence. Skill shortages, inadequate tools and lack of experience, continue to inhibit transformation. When combined with the challenge of business process complexity, organizations become rigid and unable to connect business applications with new technologies and ultimately unable to activate insight, react to market challenges, or innovate at speed and scale. An organization’s ability to differentiate itself and lead markets becomes more difficult under these conditions. Culprits that hold back businesses include:

- Process complexity that degrades both customer experiences and employee productivity;
- Lack of business insight needed to innovate for industry differentiation; and
- Inadequate skills, tools and focus.

Businesses understand that the latest technologies and trends are crucial to maximizing competitive advantage. That’s one reason they’re spending vast sums to adopt them—an anticipated \$1.8 trillion in 2024, up by 45% from 2023, according to IDC. However, only some of these efforts will succeed - others will fall short because they require more than technology. Without insight, intelligence, and innovation, businesses can get stuck in reactive modes.

1.2 Our Solution

Nexscient is developing the AegisOne Intelligent Enterprise Solution (“AegisOne IES”), a holistic approach that supports business transformations into becoming intelligent enterprises. With AegisOne IES, businesses can predict and lead through insight, intelligence, and innovation. We intend to provide a comprehensive platform by integrating disparate technologies into a digital-ready ecosystem. Within our ecosystem, there will be a foundation of intelligent business applications connected to new and existing business operations, processes, and technologies. The AegisOne IES platform is premised on three fundamental principles: (i) digital realization, (ii) business process agility, and (iii) insight & innovation.

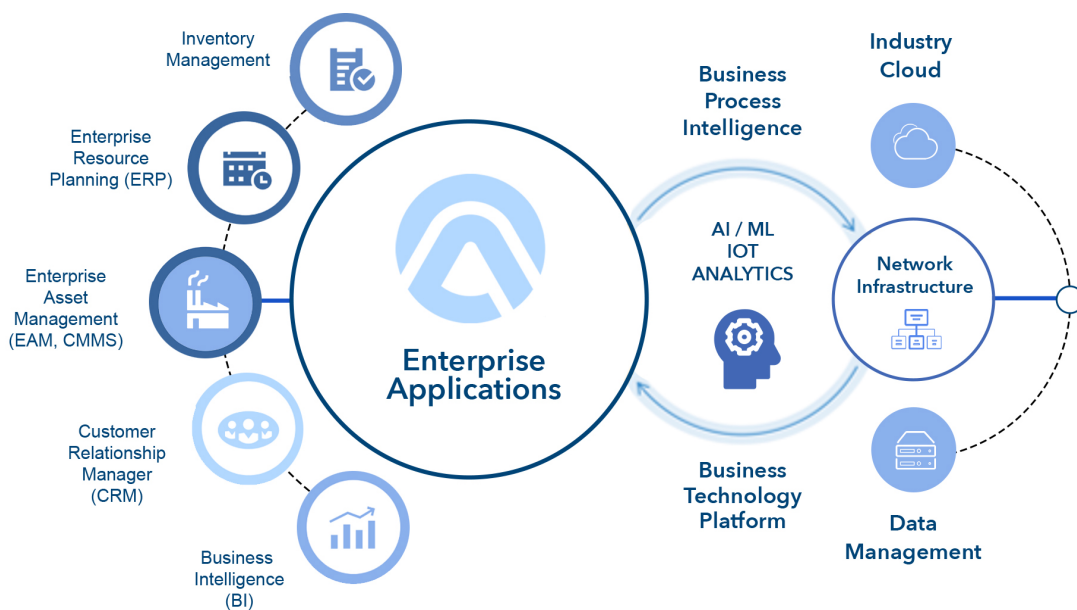


Figure: AegisOne Intelligent Enterprise Solutions Platform

In the Age of Intelligence, the AegisOne IES platform can enable businesses to bolster their market potential through digital realization, empowering them with process agility and activating insight and innovation. The AegisOne IES platform marshals intelligent business applications leveraging AI, machine learning, and IoT to help companies gain insights, take predictive actions, and lead respective markets. Within the AegisOne IES, which will be offered as Software as a Service (SaaS), these enterprise AI applications use data and intelligence to capture new business opportunities and enable better decisions at all levels of an organization. It breaks down the silos between traditional technologies such as CRM, EAM and ERP. It integrates with a wider cloud platform, that includes core enterprise process functions and innovative AI technologies.

The key business enablers of the AegisOne IES platform include a digital ecosystem of intelligent business applications, integrated technologies, and a connected system of intelligence and solutions developed with insight, industry relevance, and market differentiation. As a result, the intelligent enterprise becomes more likely to innovate with industry insight, simplify business processes, empower employees, improve customer experiences, and realize their business objectives.

1.3 Market Size

As businesses aim to decrease their IT costs and enhance scalability, the adoption of SaaS solutions continues to increase. The global software as a service (SaaS) market size is projected to hit around \$1,016 billion by 2032 from \$276 billion in 2022, registering a CAGR of 13.92% during the forecast period 2023 to 2032. Major drivers for this market are increasing demand for predictive analytics and growing adoption of cloud-based technology. The enterprise AI market size was valued at \$10 billion in 2023 and is predicted to reach \$270 billion by 2032 with a CAGR of 37.87% from 2024-2032.

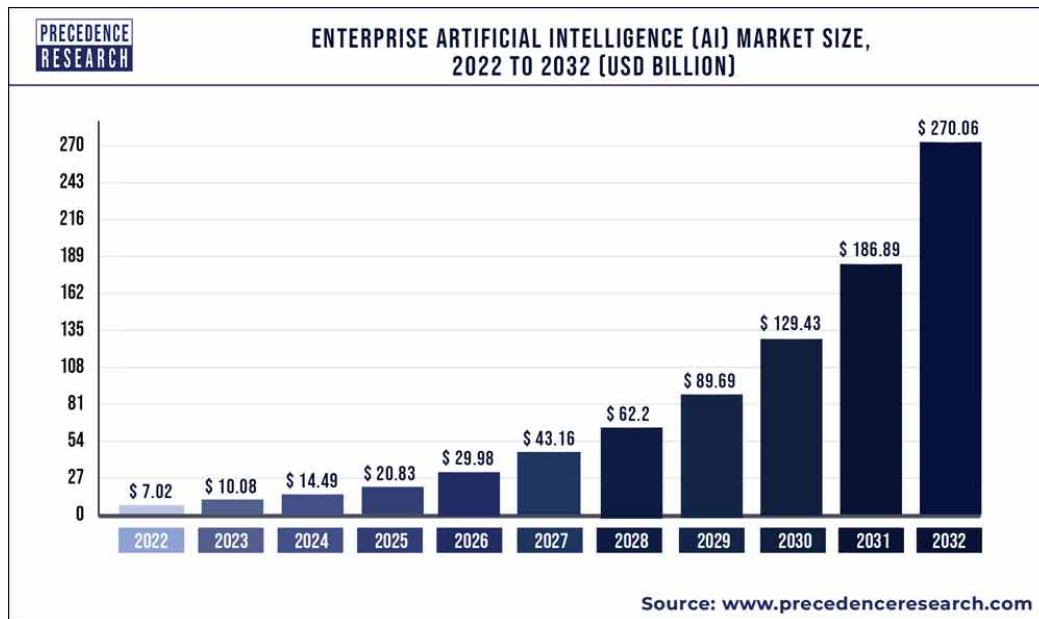


Chart: Enterprise AI market size potential

1.4 Business Model

We take a holistic approach by assembling a digital ecosystem that brings unequalled technology expertise, business breadth and industry insights. The journey through digital transformation can be complex but, with the right guide, it doesn't have to be lengthy or high risk. Our platform can quickly turn an enterprise's vision into executable strategies and successful business outcomes. The AegisOne IES platform expects to deliver business processes that drive digital transformation through industry specific-configurations.

Creating the AegisOne Intelligent Enterprise Solution involves several advanced technologies and analytic techniques that deploy neural networks, deep learning, machine learning and predictive analytics:

- **Descriptive Analytics:** This component generally provides a dimensional view of business performance. It collects and reveals present and historical data on an organization's operating

metrics such as revenues, customers, costs, operational KPIs, and other financial information, among other things. Then, this data is processed through predictive analytics.

- **Predictive Analytics:** As the name suggests, this technique will tell us what will happen next by using past experiences. With the application of several techniques in data science, such as clustering classification and regression, we'll be able to answer questions like which product a customer will buy next or which equipment needs attention or even predict when it's likely to fail. This information is further processed through cognitive analytics.
- **Cognitive Analytics:** This analytic technique involves applying human-like intelligence to a particular task for understanding, not only the words of information, but also the underlying context. It brings together several intelligent technologies that involve artificial intelligence algorithms, cognitive computing, and a number of machine learning technologies such as neural networks and deep learning.
- **Prescriptive Analytics:** This technique will help uncover actionable insights, that is, the best set of actions for a given situation by prescribing proper recommendations. It brings together several intelligent techniques such as neural networks, deep learning, and several other AI algorithms.

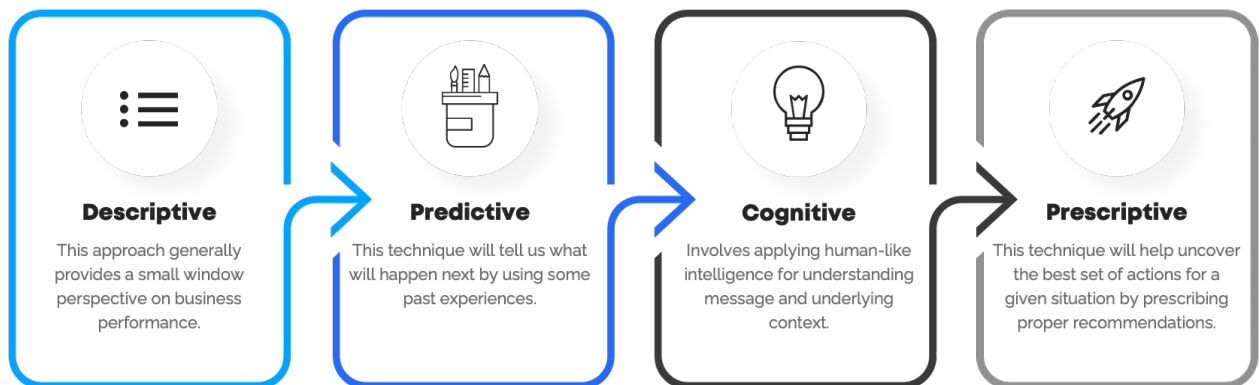


Figure: AegisOne IES business model process flow

1.4.1 AegisOne IES Platform Benefits

The AegisOne IES platform can provide the following key benefits:

- **Visibility:** removal of barriers to more data and process integration; the ability to join the organization's ecosystem and integrate its software environment for maximum transparency, ease of access, and on-demand access, analysis, and reporting in support of advanced pattern recognition on data, process minimization, proper decision making, and innovation.
- **Focus:** the ability to strengthen insights derived from improved visibility to model possible outcomes more effectively and create efficient and better use of resources, capital, and labor.
- **Agility:** capacity for swift, strategic, and value-focused responses to rapid changes in the supply chain, marketplace, or the organization itself.

- **Efficiency:** real-time data analytics and agility allow businesses to address ever-changing markets by adjusting operations efficiently during market fluctuations.
- **Innovation:** integrated into team structure for efficient collaboration and customer-centric solutions, with high level of confidence from data-driven solutions, collaboratively assembled and customer approved.
- **Customer-Centric:** customer-focused solutions are realized with proper techniques and tools to accurately obtain data and gear that information based on customer needs, and integrated into the foundation of the intelligent enterprise.

1.5 Flagship Product

The inaugural application of the AegisOne IES platform suite addresses the prescriptive maintenance category with **AegisOne RxM**, our SaaS product that offers continuous, remote monitoring solutions for prescriptive maintenance programs utilizing Industrial IoT (IIoT) technology and machine learning and AI-driven analytics. AegisOne RxM offers comprehensive and actionable insights to manufacturers and continuous process facilities seeking an effective yet affordable equipment monitoring solution to help reduce equipment failures, avoid unscheduled downtimes, decrease equipment maintenance costs, and improve overall equipment efficiencies.

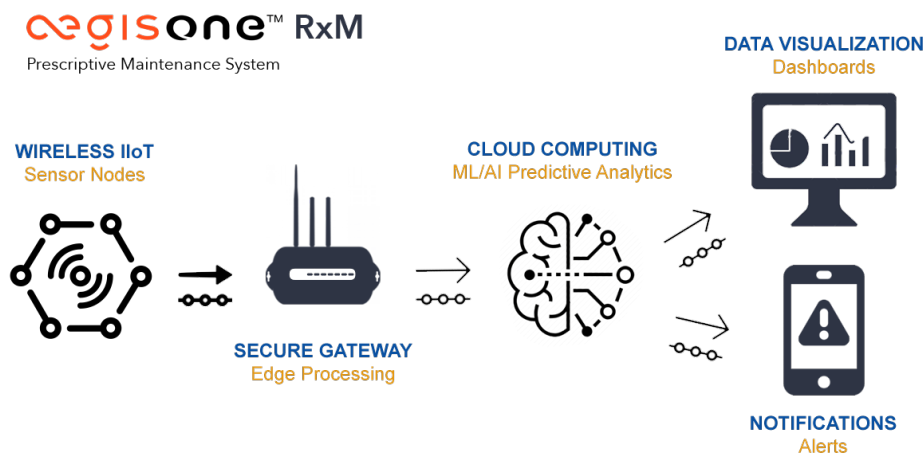


Figure: AegisOne RxM Prescriptive Maintenance Solution

1.5.1 Industrial Market Opportunity

US industrial facilities lose approximately \$50 billion per year due to unanticipated machine breakdowns and inefficient maintenance practices. New prescriptive maintenance technology, such as the Aegis One RxM system, gives industrial facilities affordable an easy-to-use tool that alerts operations and maintenance personnel that machinery will soon require service, allowing them to make repairs before failure occurs and realize significant efficiencies through advanced warning and planning. The CXP Group report, *"Digital Industrial Revolution with Predictive Maintenance,"* revealed that 91% of the manufacturers who use predictive maintenance programs

see a reduction of repair time and unplanned downtime, and 93% see improvement of aging industrial infrastructure.

1.5.2 AegisOne RxM Features

Deploying AegisOne RxM Nodes on equipment in the factory, the incorporated sensors remove much of the guesswork because maintenance decisions can be made based on data collected directly from each machine itself. For example, acoustic, vibration, and temperature sensors can detect signs of misaligned, loose or worn parts on a machine. By monitoring machine components on a regular basis, problems can be detected and resolved before they become too severe and cause additional damage or result in unplanned downtime. Over time, the historical data creates a valuable machine performance log that can be used in machine learning algorithms to produce better-informed maintenance decisions. Our distinct advantage is realized through our ability to rapidly deploy a continuous remote monitoring solution that produces actionable insights with highly accurate predictions of imminent failures well in advance of their occurrence (i.e., 30 to 90 days prior).

AegisOne Nodes are included with each subscription to the AegisOne RxM prescriptive maintenance solution. The number of Aegis Nodes will depend on the selected subscription plan and number of machines being monitored. Deployment is virtually “plug ‘n play,” as each Aegis Node takes only a few minutes to self-configure before beginning to collect data.

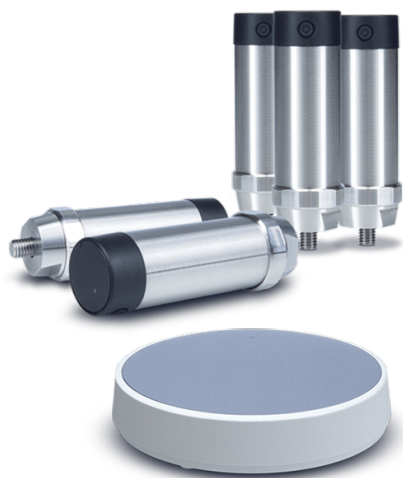


Figure: AegisOne RxM Nodes and user interface dashboard concept

AegisOne RxM employs rule-based logic for immediate identification of incipient problems. Advanced machine learning and AI algorithms continuously ingest acoustic, vibration, and temperature data via the Aegis Nodes for anomaly detection, root cause analysis and other assessments such as remaining useful life.

1.5.3 AegisOne RxM Benefits

Operational and financial benefits that can be further realized from using the AegisOne RxM system for continuous condition monitoring include:

- Decrease average equipment repair time by 50-60%
- Extend equipment life by upwards of 30%
- Reduce need for stocking spare parts inventory by 20%.
- Improved production quality by 10-20%
- Increase in OEE (availability, performance, quality) by 5-15%

Additional benefits of condition monitoring for industrial equipment include:

- Reduce maintenance costs by through efficient scheduling of repairs;
- Reduce chances of collateral damage or catastrophic failure;
- Increase production through greater machine availability;
- Extend bearing service life;
- Improve product quality; and
- Improve employee safety

1.5.4 AegisOne RxM Marketing Strategy

We believe our service will be viewed by businesses as a cost-effective way to reduce maintenance costs while increasing productivity, giving them advance warning of potential machine failure allowing them to properly schedule maintenance and better manage their resources. One of the key differentiators in our marketing strategy is to emphasize the “no up-front cost” subscription feature because we provide all of the monitoring sensors as part of the subscription service, thereby eliminating a capital expenditure to the business's balance sheet.

Management will emphasize speed in penetrating selected markets and implementing advertising and public relations campaigns. Financial results will be compiled and reported weekly so that gross and net margins can be reviewed and benchmarked against the competition. Marketing will be continually monitored and adjusted as needed to maximize market penetration and profitability. Cost control and brand management will be critical to the overall strategy.

Our most important marketing goal as a start-up is to establish product and brand awareness with customers in each target market. The way we go about this task will vary from one target market segment to another. The market channels we intend to pursue include: (a) direct sales, (b) channel partners, and (c) OEMs.

The key to selling AegisOne RxM is the ability to identify a singular market and its unique needs, develop channels to these markets, to configure the AegisOne system, and market that particular feature set to that market. This strategy has the distinct advantage, critical with a potentially complex product, of a focused and simple sales message.

1.6 Acquisition Strategy

Our strategy is to attract, acquire and/or invest in emerging companies involved in enterprise AI applications (“partner companies”) and integrating them into the digital ecosystem of the AegisOne IES platform. We seek to identify companies which are capable of being market leaders in segments of the enterprise AI technologies and applications and which are at a stage of development that would benefit from Nexscient's support, financing, and market knowledge. We generally seek to acquire a large enough stake in a partner company to enable us to have significant influence over the management and policies of the company and to realize a large enough return to compensate us for our investment of management time and effort, as well as capital.

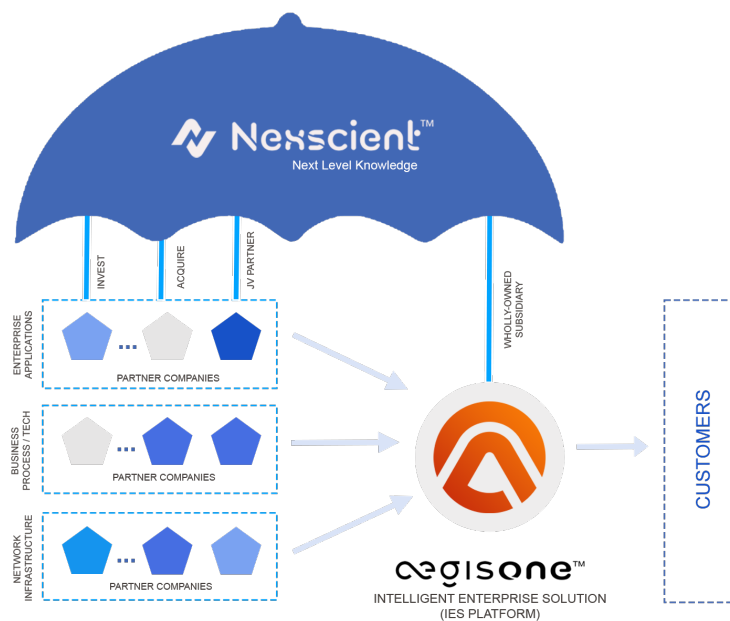


Figure: Nexscient's contemplated structure

We believe that our relationship with our partner companies will offer the benefits of both the venture capital model and strategic investor model without related drawbacks. Nexscient has both the capital and managerial resources to provide financing and strategic, managerial, and operational support as needed by an emerging company. In addition, we encourage emerging companies to achieve the superior returns on investment generally provided by public offerings, only when it is appropriate for the development of the business of that emerging company. Key steps that we will take include:

- Identifying emerging companies with novel technologies that can be beneficial
- Acquire interests and integrate them into our IES platform and collaborative network
- Raise capital and down-stream to fund operations and growth of partner companies
- Provide strategic guidance, resources, and operational support
- Promote synergistic collaboration between and among partner companies
- Craft and execute exit strategies for partner companies

1.7 Long-Term Objective

Our objective is to build AegisOne IES into a leading enterprise AI SaaS platform by developing, acquiring and investing in emerging companies and integrating them into our platform. Furthermore, by focusing on emerging companies allows us to capitalize rapidly on new technological innovations and further enhance our shareholder value through a diversified portfolio of emerging companies.

1.8 Company Offices

Our corporate offices are located at 2029 Century Park East, Suite 400, Los Angeles, CA 90067; telephone number is (310) 494-6620; and email at info@nexscient.com. We maintain a presence on the Internet through our website located at nexscient.ai.

1.9 Capital Stock

Our authorized capital stock consists of 75,000,000 shares of Common Stock, par value \$0.001 per share and 10,000,000 shares of authorized but undesignated shares of preferred stock, par value \$0.001 per share. There are presently issued and outstanding 19,955,980 shares of common stock.

1.10 Company Ownership

The following table presents the capitalization of the Company after giving effect to the issuance of 4,000,000 shares of the Company's common stock at the completion of the contemplated \$3,000,000 equity financing, currently underway.

Title Description	Name of Beneficial Owner	Number of Shares Owned	Percent of Class post IPO
Director, President & Chief Executive Officer	Fred E. Tannous	6,000,000	25.02%
Director & Chief Operating Officer	Tarek N. Choufani	3,000,000	12.52%
Director & Chief Financial Officer	Michael J. Portera	1,500,000	6.26%
Director Non-Officer	Eric Manlunas	1,773,000	7.40%
SUBTOTAL Management as a Group		12,273,000	51.20%
Current Shareholders Private Placement Offering		7,682,980	32.10%
IPO Shares Registered Offering (\$0.75/share)		4,000,000	16.70%
Proforma shares issued and outstanding		23,955,980	100.00%

1.11 Management Team

Our management team is anchored by entrepreneurs, engineers, financiers and highly regarded thought leaders in the technology, communications, data analytics, and venture capital community. Drawing on previous experiences and professional affiliations within top-tier organizations, our management is uniquely qualified to successfully execute our business plan.

Name	Age	Position with Nexscient, Inc.
Fred E. Tannous	57	Director, President & CEO
Tarek N. Shoufani	42	Director, Chief Operating Officer
Michael J. Portera	63	Director, Chief Financial Officer

1.12 Board of Directors

Currently, the Board of Directors consists of Messrs. Tannous, Shoufani, Portera and Manlunas. As the Company evolves, we expect to assemble a Board of Directors comprised of senior executives whose experience and guidance will help realize the Company's mission.

Name	Age	Title
Eric Manlunas	55	Director, Managing Partner, Wavemaker Ventures

1.13 Board of Advisors

Our advisors possess extensive knowledge and experience in the areas of wireless technologies, industrial operations, data sciences, engineering, finance and corporate governance. Their combined experience, deep domain knowledge and operating skills enable us to source and evaluate game-changing opportunities and create inter-relationships that accelerate the clock speed of innovation.

Name	Age	Title
Gerald Quindlen	64	Private Investor, former CEO of Logitech
Jim Childress	59	Senior Director, Alvarez & Marsal
Anthony Schweiger	81	CEO, The Tomorrow Group
Bryan Williams	37	Vice President, Data Science, Edisen

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