

SERIES C CAPITALIZATION TABLE UPDATE

DeepShield Systems, Inc.

(A Delaware Corporation)

As of December 31, 2023

1. OVERVIEW AND PURPOSE

This Series C Capitalization Table Update (the "Cap Table") reflects the current capitalization structure of DeepShield Systems, Inc. (the "Company") following the closing of its Series C Preferred Stock financing on December 15, 2023 (the "Series C Financing").

2. SHARE STRUCTURE SUMMARY

2.1 Authorized Capital Stock

- Common Stock: 20,000,000 shares
- Preferred Stock: 12,000,000 shares, of which:
 - Series A Preferred: 3,000,000 shares
 - Series B Preferred: 4,000,000 shares
 - Series C Preferred: 5,000,000 shares

2.2 Outstanding Shares

- Common Stock: 4,250,000 shares
- Series A Preferred: 2,750,000 shares
- Series B Preferred: 3,500,000 shares
- Series C Preferred: 4,200,000 shares

3. OWNERSHIP DISTRIBUTION

3.1 Common Stock Holdings

- Founders and Co-Founders: 2,850,000 shares (67.06%)
- Dr. Marcus Chen (CEO): 1,200,000 shares
- Sarah Blackwood (CTO): 1,000,000 shares
- Dr. Elena Rodriguez: 650,000 shares
- Employee Stock Option Pool: 1,150,000 shares (27.06%)

- Early Angels and Advisors: 250,000 shares (5.88%)

3.2 Preferred Stock Holdings

Series A Preferred (2,750,000 shares)

- Cyber Ventures Fund IV: 1,375,000 shares
- Industrial Tech Partners: 825,000 shares
- Maritime Innovation Capital: 550,000 shares

Series B Preferred (3,500,000 shares)

- Growth Capital Partners: 1,750,000 shares
- OT Security Fund II: 1,050,000 shares
- Strategic Investors Pool: 700,000 shares

Series C Preferred (4,200,000 shares)

- Infrastructure Capital Group: 2,100,000 shares
- Global Security Fund: 1,260,000 shares
- Tech Growth Fund III: 840,000 shares

4. CONVERSION AND LIQUIDATION TERMS

4.1 Conversion Rights

- Series A: 1:1 conversion ratio
- Series B: 1:1.2 conversion ratio
- Series C: 1:1.5 conversion ratio

4.2 Liquidation Preferences

- Series C: 1.5x with participation rights
- Series B: 1.3x with participation rights
- Series A: 1x non-participating

5. OPTION POOL AND WARRANTS

5.1 Employee Stock Option Pool

- Total Reserved: 2,000,000 shares
- Allocated: 1,150,000 shares

- Available for Future Grants: 850,000 shares

5.2 Outstanding Warrants

- Series B Warrants: 175,000 shares at \$12.50/share
- Series C Warrants: 210,000 shares at \$18.75/share

6. ANTI-DILUTION PROVISIONS

All series of Preferred Stock contain broad-based weighted average anti-dilution protection, calculated in accordance with the Company's Amended and Restated Certificate of Incorporation dated December 15, 2023.

7. CERTIFICATION

The undersigned hereby certifies that this Cap Table accurately reflects the capitalization of DeepShield Systems, Inc. as of December 31, 2023, subject to the terms and conditions of the Company's governing documents.

8. DISCLAIMERS

This Cap Table is for informational purposes only and does not constitute an offer to sell or solicitation of an offer to buy any securities. The information contained herein is subject to change and should be read in conjunction with the Company's Certificate of Incorporation, Bylaws, and other governing documents.

EXECUTED as of December 31, 2023

DEEPSHIELD SYSTEMS, INC.

By: _

Robert Kessler

Chief Financial Officer

APPROVED:

By: _

Dr. Marcus Chen

Chief Executive Officer