

ACCOUNTS RECEIVABLE AGING REPORT

DeepShield Systems, Inc.

As of December 31, 2023

CONFIDENTIAL - FOR DUE DILIGENCE PURPOSES ONLY

1. EXECUTIVE SUMMARY

This Accounts Receivable Aging Report presents the detailed analysis of outstanding receivables for DeepShield Systems, Inc. as of December 31, 2023. Total accounts receivable balance: \$8,427,500

Summary of Aging Categories:

- Current (0-30 days): \$4,215,300 (50.0%)
- 31-60 days: \$2,527,250 (30.0%)
- 61-90 days: \$842,750 (10.0%)
- 91-120 days: \$505,650 (6.0%)
- Over 120 days: \$336,550 (4.0%)

2. DETAILED AGING ANALYSIS

2.1 Current (0-30 Days) - \$4,215,300

Customer	Invoice Date	Amount	Product/Service
Maritime Security Corp.	12/15/2023	\$875,000	OT Security Platform - Enterprise
Global Energy Partners	12/18/2023	\$725,000	SCADA Protection Suite
Atlantic Infrastructure	12/22/2023	\$650,000	Maritime Defense Module
Pacific Grid Solutions	12/28/2023	\$575,000	Annual Maintenance
Other Customers (12)	Various	\$1,390,300	Various Services

2.2 31-60 Days Outstanding - \$2,527,250

Customer	Invoice Date	Amount	Product/Service
Northern Manufacturing	11/12/2023	\$625,000	ICS Security Implementation
Midwest Utilities Corp	11/18/2023	\$550,000	Network Monitoring Suite

| Other Customers (8) | Various | \$1,352,250 | Various Services |

2.3 61-90 Days Outstanding - \$842,750

| Customer | Invoice Date | Amount | Product/Service |

|-----|-----|-----|-----|

| Southeast Power & Light | 10/05/2023 | \$375,000 | Security Upgrade Package |

| Western Grid Operations | 10/15/2023 | \$285,000 | Maintenance Renewal |

| Other Customers (4) | Various | \$182,750 | Various Services |

2.4 91-120 Days Outstanding - \$505,650

| Customer | Invoice Date | Amount | Product/Service |

|-----|-----|-----|-----|

| Central Infrastructure | 09/08/2023 | \$285,000 | System Integration |

| Harbor Operations LLC | 09/22/2023 | \$165,000 | Maritime Module |

| Other Customers (3) | Various | \$55,650 | Various Services |

2.5 Over 120 Days Outstanding - \$336,550

| Customer | Invoice Date | Amount | Status |

|-----|-----|-----|-----|

| Gulf Coast Energy | 08/15/2023 | \$175,000 | In Dispute |

| Mountain State Power | 08/02/2023 | \$125,000 | Payment Plan |

| Other Customers (2) | Various | \$36,550 | Collection Process |

3. COLLECTION STATUS AND ACTIONS

3.1 Active Collection Efforts

- Accounts 91-120 days: Weekly follow-up calls initiated
- Payment plans established for accounts over \$100,000
- Third-party collection agency engaged for accounts over 120 days

3.2 Dispute Resolution Status

- Gulf Coast Energy: Technical implementation dispute under review
- Mountain State Power: Payment plan established, current on installments

4. CREDIT QUALITY ANALYSIS

4.1 Customer Credit Ratings

- 85% of receivables rated investment grade
- 12% rated speculative grade
- 3% unrated or watch list

4.2 Industry Distribution

- Utilities: 45%
- Maritime Operations: 25%
- Manufacturing: 20%
- Other Industrial: 10%

5. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Current reserve balance: \$168,550 (2% of total AR)

- Specific reserves: \$125,000
- General reserves: \$43,550

6. CERTIFICATION

This report has been prepared by the Finance Department of DeepShield Systems, Inc. and reviewed by Robert Kessler, Chief Financial Officer. All amounts are stated in US Dollars and are derived from the company's financial management system as of December 31, 2023.

7. DISCLAIMERS AND LIMITATIONS

This report is provided for due diligence purposes only and should be read in conjunction with the company's audited financial statements. All information is confidential and subject to change. Past payment history is not indicative of future collection performance. The aging categories and collection status represent management's best assessment as of the report date.

Prepared by: /s/ Sarah Thompson

Title: Accounts Receivable Manager

Date: January 2, 2024

Reviewed by: /s/ Robert Kessler

Title: Chief Financial Officer

Date: January 2, 2024

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