

SERIES C DUE DILIGENCE FINANCIAL PACKAGE

DeepShield Systems, Inc.

Confidential and Proprietary Information

Date: January 11, 2024

1. FINANCIAL OVERVIEW AND CERTIFICATION

The undersigned, Robert Kessler, in his capacity as Chief Financial Officer of DeepShield Systems, Inc., a Delaware corporation (the "Company"), hereby certifies that the financial information contained herein is true and accurate in all material respects as of the date of this certification.

2. FINANCIAL METRICS SUMMARY

2.1 Revenue Performance

- FY2023 Annual Revenue: \$32,500,000
- FY2022 Annual Revenue: \$24,750,000
- FY2021 Annual Revenue: \$18,200,000
- Three-year CAGR: 33.7%

2.2 Key Performance Indicators

- Gross Margin: 72%
- Customer Acquisition Cost (CAC): \$125,000
- Lifetime Value (LTV): \$875,000
- LTV/CAC Ratio: 7.0x
- Net Revenue Retention: 118%
- Average Contract Value: \$275,000

3. REVENUE COMPOSITION

3.1 Revenue by Product Line

- ICS Security Platform: 45% (\$14,625,000)
- SCADA Protection Suite: 30% (\$9,750,000)
- Maritime Security Solutions: 15% (\$4,875,000)
- Professional Services: 10% (\$3,250,000)

3.2 Revenue by Geography

- North America: 65%
- Europe: 20%
- Asia-Pacific: 10%
- Rest of World: 5%

4. OPERATING METRICS

4.1 Cost Structure

- Research & Development: 28% of revenue
- Sales & Marketing: 35% of revenue
- General & Administrative: 15% of revenue
- Cost of Goods Sold: 28% of revenue

4.2 Operational Statistics

- Employee Count: 187
- Revenue per Employee: \$173,796
- Customer Count: 118
- Average Implementation Time: 90 days

5. BALANCE SHEET HIGHLIGHTS

5.1 Assets

- Cash and Cash Equivalents: \$18,500,000
- Accounts Receivable: \$8,125,000
- Fixed Assets: \$3,750,000
- Intangible Assets: \$12,250,000
- Total Assets: \$42,625,000

5.2 Liabilities

- Accounts Payable: \$2,875,000
- Deferred Revenue: \$7,250,000
- Long-term Debt: \$5,000,000
- Total Liabilities: \$15,125,000

6. FUNDING HISTORY

6.1 Previous Rounds

- Series A (2018): \$8,000,000 at \$40,000,000 post-money
- Series B (2021): \$15,000,000 at \$95,000,000 post-money
- Total Capital Raised: \$23,000,000

6.2 Cap Table Summary

- Founders & Employees: 35%
- Series A Investors: 20%
- Series B Investors: 25%
- Option Pool: 20%

7. FINANCIAL PROJECTIONS

7.1 Three-Year Revenue Forecast

- FY2024: \$45,500,000
- FY2025: \$68,250,000
- FY2026: \$95,550,000

7.2 Margin Projections

- Gross Margin: 75% by FY2025
- EBITDA Margin: 20% by FY2025
- Free Cash Flow Margin: 15% by FY2025

8. CERTIFICATION AND DISCLAIMER

The financial information contained in this document is confidential and proprietary to DeepShield Systems, Inc. This information has been prepared in good faith based on internal company records and management estimates. While we believe these projections to be reasonable, actual results may vary materially from these forecasts.

IN WITNESS WHEREOF, the undersigned has executed this Financial Package as of the date first written above.

DEEPSHIELD SYSTEMS, INC.

By: _

Robert Kessler

Chief Financial Officer

Date: January 11, 2024

[COMPANY SEAL]