

2023 Annual Revenue Breakdown by Customer Segment

CONFIDENTIAL AND PROPRIETARY INFORMATION

DeepShield Systems, Inc.

For the Fiscal Year Ended December 31, 2023

1. DOCUMENT PURPOSE AND SCOPE

1. This document provides a detailed segmentation analysis of DeepShield Systems, Inc.'s ("Company") revenue streams for fiscal year 2023, prepared in accordance with GAAP standards and the Company's revenue recognition policies.

2. All figures presented herein are in United States Dollars (USD) unless otherwise specified.

2. REVENUE RECOGNITION METHODOLOGY

1. Revenue is recognized in accordance with ASC 606, with the following key criteria:

- a) Identification of customer contracts
- b) Performance obligations satisfaction
- c) Transaction price determination
- d) Allocation across delivery components
- e) Recognition upon transfer of control

2. Multi-year contracts are recognized ratably over the service period with appropriate deferrals.

3. CUSTOMER SEGMENT DEFINITIONS

1. Critical Infrastructure

- Federal and state utility providers
- Power generation facilities
- Water treatment facilities
- Transportation infrastructure operators

2. Maritime & Offshore

- Commercial shipping operators
- Offshore drilling platforms

- Port facilities
- Subsea infrastructure operators

3. Manufacturing & Industrial

- Process manufacturing facilities
- Discrete manufacturing operations
- Industrial automation environments
- Smart factory implementations

4. Energy Sector

- Oil and gas operations
- Renewable energy facilities
- Energy distribution networks
- Pipeline operators

4. REVENUE BREAKDOWN BY SEGMENT

1. Critical Infrastructure

- Annual Revenue: \$11,375,000
- Percentage of Total: 35%
- Key Components:
- Platform Licenses: \$6,825,000
- Professional Services: \$2,843,750
- Maintenance & Support: \$1,706,250

2. Maritime & Offshore

- Annual Revenue: \$8,125,000
- Percentage of Total: 25%
- Key Components:
- Platform Licenses: \$4,875,000
- Professional Services: \$2,031,250
- Maintenance & Support: \$1,218,750

3. Manufacturing & Industrial

- Annual Revenue: \$6,500,000
- Percentage of Total: 20%
- Key Components:
- Platform Licenses: \$3,900,000
- Professional Services: \$1,625,000
- Maintenance & Support: \$975,000

4. Energy Sector

- Annual Revenue: \$6,500,000
- Percentage of Total: 20%
- Key Components:
- Platform Licenses: \$3,900,000
- Professional Services: \$1,625,000
- Maintenance & Support: \$975,000

5. GEOGRAPHIC DISTRIBUTION

1. Revenue by Region

- North America: 65% (\$21,125,000)
- Europe: 20% (\$6,500,000)
- Asia-Pacific: 10% (\$3,250,000)
- Rest of World: 5% (\$1,625,000)

6. REVENUE QUALITY METRICS

1. Recurring Revenue

- Total Recurring Revenue: \$24,375,000
- Percentage of Total Revenue: 75%
- Year-over-Year Growth: 42%

2. Customer Retention

- Net Revenue Retention: 118%
- Logo Retention Rate: 94%
- Average Contract Term: 36 months

7. DISCLAIMERS AND LIMITATIONS

1. This document contains confidential and proprietary information of DeepShield Systems, Inc. and is protected under applicable securities laws and confidentiality agreements.
2. Financial data presented is unaudited and subject to adjustment during year-end close procedures.
3. Forward-looking statements and projections are based on current expectations and subject to risks and uncertainties.

8. CERTIFICATION

The undersigned hereby certifies that the information contained in this document is true and accurate to the best of their knowledge as of the date below.

DEEPSHIELD SYSTEMS, INC.

By: _

Robert Kessler

Chief Financial Officer

Date: January 15, 2024

9. DOCUMENT CONTROL

Document ID: FIN-REV-2023-001

Version: 1.0

Last Updated: January 15, 2024

Classification: Confidential

Distribution: Virtual Data Room - Series D Financing

Access Level: Restricted to Authorized Recipients

[END OF DOCUMENT]