

STOCKHOLDER INFORMATION STATEMENT

DeepShield Systems, Inc.

(A Delaware Corporation)

As of December 31, 2023

1. INTRODUCTION

This Stockholder Information Statement (the "Statement") has been prepared by DeepShield Systems, Inc., a Delaware corporation (the "Company"), to provide current and prospective stockholders with material information regarding the Company's capitalization, ownership structure, and related matters as of December 31, 2023.

2. CAPITAL STRUCTURE

2.1 Authorized Capital Stock

The Company is authorized to issue:

- 20,000,000 shares of Common Stock, par value \$0.001 per share
- 5,000,000 shares of Preferred Stock, par value \$0.001 per share, of which:
- 2,000,000 shares are designated as Series A Preferred Stock
- 1,500,000 shares are designated as Series B Preferred Stock
- 1,000,000 shares are designated as Series C Preferred Stock

2.2 Outstanding Securities

As of December 31, 2023, the Company has issued and outstanding:

- 8,750,000 shares of Common Stock
- 1,850,000 shares of Series A Preferred Stock
- 1,250,000 shares of Series B Preferred Stock
- 875,000 shares of Series C Preferred Stock

2.3 Stock Options and Warrants

- Employee Stock Option Pool: 1,500,000 shares reserved
- Outstanding Options: 987,500 shares
- Outstanding Warrants: 225,000 shares
- Remaining Available Pool: 287,500 shares

3. OWNERSHIP STRUCTURE

3.1 Principal Stockholders

The following stockholders own 5% or more of the Company's outstanding capital stock on a fully-diluted basis:

- Quantum Ventures Fund III, LP: 18.5%
- CyberSec Growth Partners: 15.3%
- Infrastructure Capital Group: 12.7%
- Dr. Marcus Chen (Founder & CEO): 11.2%
- Sarah Blackwood (Co-Founder & CTO): 8.4%
- Maritime Technology Ventures: 6.8%

3.2 Employee Ownership

Approximately 15% of the Company's fully-diluted capitalization is allocated to current and former employees through stock options and restricted stock grants.

4. VOTING RIGHTS AND PREFERENCES

4.1 Common Stock

Each share of Common Stock entitles the holder to one vote on all matters submitted to stockholders.

4.2 Preferred Stock

- Series A: 1x liquidation preference; non-participating
- Series B: 1.5x liquidation preference; participating
- Series C: 2x liquidation preference; participating

4.3 Protective Provisions

Preferred stockholders maintain certain protective provisions, including:

- Sale or merger of the Company
- Creation of senior securities
- Changes to certificate of incorporation
- Increases in authorized shares
- Payment of dividends

5. TRANSFER RESTRICTIONS

5.1 Right of First Refusal

The Company maintains a right of first refusal on any proposed transfer of shares, subject to certain permitted transfers.

5.2 Co-Sale Rights

Investors maintain co-sale rights on transfers by founders and key holders.

5.3 Lock-Up Provisions

Employee stockholders are subject to standard lock-up provisions following an initial public offering.

6. REGISTRATION RIGHTS

6.1 Demand Rights

Series B and C investors may demand registration of their shares after the earlier of:

- Five years from their investment date
- Six months following an initial public offering

6.2 Piggyback Rights

All preferred stockholders maintain piggyback registration rights.

7. ADDITIONAL INFORMATION

7.1 Stock Transfer Agent

Continental Stock Transfer & Trust Company

1 State Street, 30th Floor

New York, NY 10004

7.2 Legal Counsel

Wilson Sonsini Goodrich & Rosati

650 Page Mill Road

Palo Alto, CA 94304

8. DISCLAIMER

This Statement is provided 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 without notice. While the Company believes all information to be accurate, it makes no representations or warranties regarding the completeness or accuracy of the information contained herein.

9. CERTIFICATION

The undersigned hereby certifies that this Stockholder Information Statement is true and complete to the best of their knowledge as of the date first written above.

DEEPSHIELD SYSTEMS, INC.

By: _

Robert Kessler

Chief Financial Officer

Date: December 31, 2023