

SERIES C CAPITALIZATION TABLE AND EQUITY STRUCTURE

DeepShield Systems, Inc.

As of January 11, 2024

1. DOCUMENT OVERVIEW

This document sets forth the complete capitalization structure of DeepShield Systems, Inc., a Delaware corporation (the "Company"), following the closing of its Series C Preferred Stock financing on January 11, 2024 (the "Series C Closing").

2. AUTHORIZED CAPITAL STOCK

1. The Company's Certificate of Incorporation authorizes:

- 65,000,000 shares of Common Stock, \$0.001 par value per share
- 25,000,000 shares of Preferred Stock, \$0.001 par value per share, of which:
- 5,000,000 shares are designated as Series A Preferred Stock
- 8,000,000 shares are designated as Series B Preferred Stock
- 12,000,000 shares are designated as Series C Preferred Stock

3. ISSUED AND OUTSTANDING SHARES

1. Common Stock

- Founders: 12,500,000 shares
- Employees (vested): 3,750,000 shares
- Option Pool (exercised): 1,250,000 shares
- Total Common Stock Outstanding: 17,500,000 shares

2. Preferred Stock

- Series A: 4,500,000 shares
- Series B: 7,200,000 shares
- Series C: 10,000,000 shares
- Total Preferred Stock Outstanding: 21,700,000 shares

4. OWNERSHIP STRUCTURE

1. Fully-Diluted Capitalization

- Total Shares Outstanding: 39,200,000
- Fully-Diluted Shares: 45,000,000 (including unexercised options)

2. Ownership Percentages (Fully-Diluted Basis)

- Founders: 27.78%
- Employees: 8.33%
- Option Pool (exercised): 2.78%
- Series A Investors: 10.00%
- Series B Investors: 16.00%
- Series C Investors: 22.22%
- Remaining Option Pool: 12.89%

5. CONVERTIBLE SECURITIES

1. Stock Option Pool

- Total Reserved: 7,500,000 shares
- Granted and Outstanding: 5,800,000 shares
- Exercised: 1,250,000 shares
- Available for Grant: 1,700,000 shares

2. Warrants

- Series B Warrants: 250,000 shares at \$4.25 per share
- Series C Warrants: 350,000 shares at \$8.50 per share

6. CONVERSION AND LIQUIDATION PREFERENCES

1. Series A Preferred Stock

- Original Issue Price: \$1.50 per share
- Liquidation Preference: 1x non-participating
- Conversion Ratio: 1:1

2. Series B Preferred Stock

- Original Issue Price: \$4.25 per share

- Liquidation Preference: 1x non-participating
- Conversion Ratio: 1:1

3. Series C Preferred Stock

- Original Issue Price: \$8.50 per share
- Liquidation Preference: 1x non-participating
- Conversion Ratio: 1:1

7. ANTI-DILUTION PROVISIONS

1. All series of Preferred Stock carry broad-based weighted average anti-dilution protection.
2. Anti-dilution adjustments exclude:
 - Options issued under approved equity incentive plans
 - Shares issued for strategic partnerships (up to 500,000)
 - Shares issued upon conversion of existing preferred stock
 - Shares issued in connection with equipment financing

8. CERTIFICATION

The undersigned hereby certifies that this Cap Table accurately reflects the capitalization of DeepShield Systems, Inc. as of the Series C Closing Date.

DEEPSHIELD SYSTEMS, INC.

By: _

Robert Kessler

Chief Financial Officer

Date: January 11, 2024

9. DISCLAIMERS

This document is confidential and proprietary to DeepShield Systems, Inc. The information contained herein is subject to change and does not constitute a commitment by the Company. All share numbers are subject to adjustment for stock splits, combinations, or similar events. This document supersedes all previous capitalization tables.