

# **BALANCE SHEET**

## **DEEPSHIELD SYSTEMS, INC.**

**As of December 31, 2023**

(Amounts in United States Dollars)

NOTICE: This financial statement has been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). All figures are unaudited and subject to review.

### **ASSETS**

#### **Current Assets**

- Cash and cash equivalents: \$8,745,320
- Short-term investments: \$5,250,000
- Accounts receivable (net): \$7,832,450
- Unbilled receivables: \$2,145,680
- Prepaid expenses: \$875,320
- Inventory: \$1,245,890
- Other current assets: \$542,670

**Total Current Assets: \$26,637,330**

#### **Non-Current Assets**

- Property and equipment (net): \$4,825,670
- Capitalized software development: \$12,450,890
- Patents and intellectual property: \$3,875,420
- Goodwill: \$2,250,000
- Long-term investments: \$1,750,000
- Security deposits: \$245,890
- Operating lease right-of-use assets: \$3,245,670

**Total Non-Current Assets: \$28,643,540**

**TOTAL ASSETS: \$55,280,870**

### **LIABILITIES AND STOCKHOLDERS' EQUITY**

**Current Liabilities**

- Accounts payable: \$3,245,890
- Accrued expenses: \$2,145,670
- Current portion of long-term debt: \$1,500,000
- Deferred revenue: \$4,875,320
- Operating lease liabilities (current): \$875,420
- Employee compensation payable: \$1,245,890
- Income taxes payable: \$542,670

**Total Current Liabilities: \$14,430,860****Non-Current Liabilities**

- Long-term debt: \$8,500,000
- Operating lease liabilities (non-current): \$2,450,890
- Deferred tax liabilities: \$1,245,670
- Other long-term liabilities: \$875,420

**Total Non-Current Liabilities: \$13,071,980****TOTAL LIABILITIES: \$27,502,840****Stockholders' Equity**

- Preferred stock (\$0.001 par value, 10,000,000 shares authorized):
- Series A: \$2,500,000
- Series B: \$5,000,000
- Series C: \$7,500,000
- Common stock (\$0.001 par value, 50,000,000 shares authorized, 15,000,000 issued and outstanding): \$15,000
- Additional paid-in capital: \$18,245,890
- Accumulated other comprehensive income: \$142,670
- Retained earnings (accumulated deficit): \$(5,625,530)

**Total Stockholders' Equity: \$27,778,030****TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY: \$55,280,870****NOTES AND DISCLAIMERS**

This balance sheet represents the financial position of DeepShield Systems, Inc. as of December 31, 2023, and should be read in conjunction with the accompanying notes to the financial statements.

Certain reclassifications have been made to prior year amounts to conform to current year presentation.

The Company's fiscal year ends on December 31.

All amounts are presented in U.S. dollars unless otherwise noted.

This financial statement includes estimates and assumptions that affect reported amounts. Actual results could differ from these estimates.

## **CERTIFICATION**

The undersigned, in their capacity as Chief Financial Officer of DeepShield Systems, Inc., hereby certifies that this balance sheet fairly presents, in all material respects, the financial position of the Company as of December 31, 2023.

Dated: January 31, 2024

/s/ Robert Kessler

—

Robert Kessler

Chief Financial Officer

DeepShield Systems, Inc.

## **CONFIDENTIALITY NOTICE**

This document contains confidential and proprietary information of DeepShield Systems, Inc. Any unauthorized reproduction, distribution, or disclosure of this document or its contents is strictly prohibited. This document is provided for due diligence purposes only under applicable confidentiality agreements.