

# CASH FLOW PROJECTIONS 2024-2026

**DeepShield Systems, Inc.**

**CONFIDENTIAL & PROPRIETARY**

**Prepared: January 11, 2024**

## 1. INTRODUCTION

1 This document contains forward-looking cash flow projections for DeepShield Systems, Inc. ("Company") for fiscal years 2024 through 2026. These projections have been prepared by management based on reasonable assumptions and currently available information.

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

## 2. BASIS OF PROJECTIONS

1 These projections are based on:

- Historical financial performance FY2021-2023
- Current sales pipeline and contracted revenues
- Projected market growth in industrial cybersecurity sector
- Planned product development roadmap
- Expected operational costs and capital expenditures
- Known customer contracts and renewal rates

2 Key Growth Drivers:

- Expansion of maritime security platform
- Launch of new AI-enhanced threat detection modules
- Geographic expansion into APAC markets
- Increased regulatory compliance requirements in target sectors

## 3. PROJECTED CASH FLOWS

### 3.1 Operating Cash Flows (in thousands USD)

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FY2024    FY2025    FY2026

Revenue	42,250	55,725	71,828
Operating Expenses	(31,688)	(39,008)	(48,760)
EBITDA	10,562	16,717	23,068
Working Capital	(2,113)	(2,786)	(3,591)
Tax	(2,113)	(3,343)	(4,614)
Operating Cash Flow	6,336	10,588	14,863
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### 3.2 Investment Cash Flows (in thousands USD)

	FY2024	FY2025	FY2026
CapEx	(4,225)	(5,573)	(7,183)
R&D Investment	(6,338)	(8,359)	(10,774)
Investment Cash Flow	(10,563)	(13,932)	(17,957)
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### 3.3 Financing Cash Flows (in thousands USD)

	FY2024	FY2025	FY2026
Debt Proceeds	5,000	0	0
Equity Investment	7,500	0	0
Debt Service	(1,250)	(1,250)	(1,250)
Financing Cash Flow	11,250	(1,250)	(1,250)
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## 4. KEY ASSUMPTIONS

### 1 Revenue Growth:

- 30% year-over-year growth in core product revenue
- 40% growth in maritime security platform
- 25% growth in professional services

### 2 Operating Expenses:

- Personnel costs increasing 25% annually
- R&D investment at 15% of revenue
- Sales & Marketing at 20% of revenue
- G&A at 10% of revenue

3 Working Capital:

- DSO: 60 days
- DPO: 45 days
- Inventory turnover: N/A (software business)

## **5. RISK FACTORS**

1 These projections are subject to various risks and uncertainties, including:

- Competitive market dynamics
- Technological changes
- Regulatory environment
- Economic conditions
- Customer adoption rates
- Cybersecurity threat landscape

## **6. DISCLAIMERS**

1 These projections are forward-looking statements that involve risks and uncertainties. Actual results may differ materially from these projections.

2 This document is provided for information purposes only and should not be relied upon as the sole basis for any business or investment decision.

3 The Company does not undertake any obligation to update or revise these projections to reflect events or circumstances after the date of this document.

## **7. CONFIDENTIALITY**

1 This document contains confidential and proprietary information of DeepShield Systems, Inc. and is subject to the terms of the applicable Non-Disclosure Agreement.

## 8. CERTIFICATION

The undersigned certifies that these projections have been prepared in good faith and represent management's best estimates and judgments as of the date hereof.

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DEEPSHIELD SYSTEMS, INC.

**By:** \_

Robert Kessler

Chief Financial Officer

Date: January 11, 2024

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## 9. APPENDIX

1 These projections should be read in conjunction with:

- Audited Financial Statements FY2021-2023
- Current Customer Contracts
- Product Development Roadmap
- Market Analysis Reports
- Operational Plans

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