

2023 Tax Return Documentation

DeepShield Systems, Inc.

Delaware C-Corporation

EIN: 81-3456789

Tax Year: 2023

1. Corporate Information

1. **Legal Entity Name**: DeepShield Systems, Inc.
2. **State of Incorporation**: Delaware
3. **Date of Incorporation**: March 15, 2016
4. **Principal Business Activity**: Industrial Cybersecurity Solutions
5. **NAICS Code**: 541512 (Computer Systems Design Services)
6. **Business Address**: 2250 Technology Drive, Suite 400, Wilmington, DE 19801

2. Financial Summary

1. **Gross Revenue**: \$32,500,000
2. **Cost of Goods Sold**: \$12,875,000
3. **Gross Profit**: \$19,625,000
4. **Operating Expenses**: \$16,250,000
5. **Net Income Before Tax**: \$3,375,000
6. **Federal Tax Liability**: \$708,750
7. **State Tax Liability**: \$168,750
8. **Net Income After Tax**: \$2,497,500

3. Tax Credits and Deductions

1. **Research & Development Tax Credit**
 - Qualified research expenses: \$4,850,000
 - Base amount: \$2,425,000
 - Credit calculation: \$485,000
2. **Employee Benefit Programs**

- Healthcare contributions: \$1,870,000
- 401(k) matching: \$935,000
- Other qualified benefits: \$374,000

3. ****Depreciation and Amortization****

- Equipment and hardware: \$875,000
- Software development costs: \$1,250,000
- Patents and IP: \$325,000

4. Supporting Documentation

1. ****Revenue Recognition****

- Software license revenue: \$18,525,000
- Professional services: \$8,775,000
- Maintenance and support: \$5,200,000

2. ****Cost Allocation****

- Direct labor: \$8,125,000
- Software development: \$4,875,000
- Infrastructure costs: \$3,250,000

3. ****State Tax Apportionment****

- Delaware: 35%
- California: 25%
- Texas: 20%
- Other states: 20%

5. Certification and Compliance

1. The undersigned officers of DeepShield Systems, Inc. hereby certify that:

- a) This tax return and accompanying schedules and statements were prepared under their direction in accordance with applicable tax laws and regulations.
- b) All information contained herein is true, correct, and complete to the best of their knowledge and belief.

c) The company maintains adequate books and records supporting all entries in this return.

2. ****Internal Controls Statement****

The company maintains an effective system of internal controls over tax reporting, including:

- Documentation of tax positions
- Review of material transactions
- Verification of calculations
- Retention of supporting documentation

6. Representations and Warranties

1. DeepShield Systems, Inc. represents and warrants that:

- a) All income, deductions, and credits have been properly reported.
- b) All required information returns have been or will be filed.
- c) All employment taxes have been paid or properly accrued.
- d) The company is not currently under audit by any taxing authority.

7. Signatures and Attestation

EXECUTED this 31st day of March, 2024

—

Robert Kessler

Chief Financial Officer

DeepShield Systems, Inc.

—

Marcus Chen

Chief Executive Officer

DeepShield Systems, Inc.

8. Preparer Information

Prepared by:

Johnson, Miller & Associates, LLP

Certified Public Accountants

1100 Corporate Boulevard

Boston, MA 02110

PTIN: P12345678

CONFIDENTIAL AND PRIVILEGED

This document contains confidential tax information of DeepShield Systems, Inc. Unauthorized disclosure or copying of this document, or any portion thereof, is strictly prohibited and may result in legal liability.