

# Plurilock to Acquire Aurora Systems Consulting Inc.

## Aurora is a leading U.S.-based cybersecurity solutions provider with over 140 clients and revenue of US\$28.11 million (CAD\$35.82 million) in 2020

Victoria, British Columbia--(Newsfile Corp. - March 29, 2021) - Plurilock Security Inc. (TSXV: PLUR) (OTCQB: PLCKF) ("Plurilock" or the "Company"), a leading provider of invisible and continuous authentication technologies for enterprises, is pleased to announce that it has entered into a definitive share purchase agreement dated March 26, 2021 (the "Definitive Agreement") to acquire all of the issued and outstanding securities of Aurora Systems Consulting Inc. ("Aurora"), a provider of advanced cybersecurity technology and services based in California (the "Acquisition").

Since 2001, Aurora has provided cybersecurity products and offered professional services to U.S. clients across three main segments: (1) federal government institutions; (2) state, local, education ("SLED") government agencies; and (3) commercial firms. Aurora's main clients comprise large and reputable organizations such as the U.S. Department of Defense, U.S. Department of the Air Force, U.S. Department of the Navy, U.S. National Aeronautics and Space Administration, U.S. Department of the Treasury and U.S. Department of the Army.

### Key Highlights of Aurora

- Revenue of US\$28.1 million (CAD\$35.8 million) in 2020<sup>1</sup>
- Gross Margin of US\$1.4M in 2020<sup>1</sup>
- Diversified client base consisting of over 140 tier-1 organizations
- Numerous prominent master service agreements with state and federal agencies in the United States

Aurora marks the first acquisition by Plurilock since completing its reverse takeover transaction in September 2020 when it began trading on the TSX Venture Exchange ("TSXV"). Upon closing of the Acquisition, the Company will assume Aurora's United States Small Business Administration COVID related assistance long term debt of US\$149,000<sup>1</sup> (as of December 31, 2020).

As part of the Company's growth strategy, Aurora will operate as an additional sales force to deliver Plurilock's state-of-the-art identity assurance solutions to Aurora's vast network of clients. As a result, it is expected that the Acquisition will accelerate Plurilock's sales growth to rapidly deploy its high margin software products within regulated industries such as finance, healthcare, and defense in the United States.

Through the Acquisition, Plurilock will obtain a professional services team, a new office on the West Coast of the United States, a larger market presence in the U.S. cybersecurity industry and an offshore office in India built for quoting government deals. The Company will also bring more products and services to its clients without having to add additional vendors. Aurora will gain access to the Company's cutting-edge AI platform, resulting in a high-level of cross pollination between Plurilock's and Aurora's technology offerings.

"The acquisition of Aurora will represent a significant milestone in Plurilock's development and in our M&A strategy of acquiring attractive assets that have the ability to scale," said Ian L. Paterson, CEO of Plurilock. "With an established customer base of top-tier organizations, the Aurora acquisition provides us with an opportunity to integrate our higher margin cybersecurity software into their existing solution

offering in order to increase sales while expanding their overall margins. We expect this acquisition will rapidly advance our growth initiatives and we are looking forward to working with Philip de Souza and his impressive team as we continue to aggressively build our company."

"We are pleased to join Plurilock in delivering cybersecurity offerings to North American organizations across key industry verticals," said Philip de Souza, Founder and President of Aurora. "By incorporating Plurilock's cutting-edge technology platform into our product offering, our clients will receive a more robust and comprehensive identity authentication solution, which has been adapted to provide safe and secure remote work access to employees working from home."

Once the Acquisition is completed, Aurora will continue to operate as a wholly-owned subsidiary under the guidance of Plurilock's management team.

### **Terms of the Definitive Agreement**

The Company entered into the Definitive Agreement with Plurilock Security Corp., the Company's wholly-owned U.S. subsidiary, Aurora and the shareholder of Aurora (the "Seller"), whereby Plurilock Security Corp. will acquire all of the outstanding securities of Aurora. Pursuant to the terms of the Definitive Agreement, the Company has agreed to pay the Seller aggregate consideration of US\$1,500,000 payable as follows: (i) US\$900,000 in cash payable on closing (the "Closing Cash Payment"), subject to a working capital adjustment; (ii) US\$300,000 in common shares of Plurilock (the "Closing Consideration Shares") payable on closing; and (iii) a performance-based earnout of US\$300,000 in common shares of Plurilock (the "Earnout Shares"). The Closing Consideration Shares will be issued at a deemed price of C\$0.54 per share. The Earnout Shares will be issued at a deemed price equal to the closing trading price of the common shares of Plurilock on the TSXV on the date prior to announcement of issuance of the Earnout Shares, subject to a minimum share price of \$0.30. The Closing Consideration Shares will be subject to certain contractual restrictions on trading for a period of 18 months from the date of issuance. The Closing Cash Payment will be paid from a portion of the cash proceeds raised from Plurilock's recent C\$5.1 million private placements that closed in February 2021.

In addition, upon closing of the Acquisition, US\$90,000 of the consideration will be placed in escrow for 12 months to satisfy any indemnification obligations to the Company, as well as any purchase price adjustments pursuant to the terms of the Definitive Agreement.

In connection with the Acquisition, the Company will be paying a transaction fee to an arm's length third party consultant in \$25,000 in cash and 46,296 common shares of the Company at a deemed price of C\$0.54 per share. These shares are subject to statutory hold period expiring on the date that is four months and a day from the date of issuance.

The Acquisition is subject to customary closing conditions and receipt of the approval of the TSXV. The Company expects to close the Acquisition on or around March 31, 2021.

### **About Aurora**

Aurora is revolutionizing the Cybersecurity approach with products and services that proactively prevent, secure, and manage advanced threats and malware. Aurora's technology offerings and portfolio of services protect hundreds of enterprise clients worldwide including Fortune 1000 organizations, local government, and federal institutions.

### **About Plurilock**

Plurilock is a cybersecurity company that provides advanced and continuous authentication for standards and regulatory compliance. Plurilock's software leverages state-of-the-art behavioral-biometric, environmental, and contextual technologies to provide invisible, adaptive, and risk-based MFA solutions with the lowest possible cost and complexity. Plurilock enables organizations to compute safely-and with peace of mind.

For more information, visit <https://www.plurilock.com> or contact:

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## **Disclaimers and Additional Information**

This press release contains certain Financial Information (as defined in footnote 1 below) which represents the most current information available to the Company. As the Company receives the Aurora final auditor's report, the actual Financial Information may result in changes to the Financial Information summarized in this press release. Although the Company believes the Financial Information reflected in this press release are final, the Company can give no assurance that actual results will not differ from those presented in this press release.

## **Forward-Looking Statements**

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") which relate to future events or Plurilock's future business, operations, and financial performance and condition, including with respect to the Company's business plan with Aurora following the closing of the Acquisition, the anticipated closing date of the Acquisition and the anticipated growth of the Company's sales following closing of the Acquisition. Forward-looking statements normally contain words like "will", "intend", "anticipate", "could", "should", "may", "might", "expect", "estimate", "forecast", "plan", "potential", "project", "assume", "contemplate", "believe", "shall", "scheduled", and similar terms. Forward-looking statements are not guarantees of future performance, actions, or developments and are based on expectations, assumptions and other factors that management currently believes are relevant, reasonable, and appropriate in the circumstances. Although management believes that the forward-looking statements herein are reasonable, actual results could be substantially different due to the risks and uncertainties associated with and inherent to Plurilock's business. Additional material risks and uncertainties applicable to the forward-looking statements herein include, without limitation, unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant. Many of these factors are beyond the control of Plurilock. All forward-looking statements included in this press release are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this press release are made as at the date hereof and Plurilock undertakes no obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

<sup>1</sup> The Company cautions that the Aurora financial information ("Financial Information") in this press release is audited but subject to receipt of the final auditor's report which is expected before or at closing. Any changes to the Financial Information, if any, are anticipated to be immaterial.

<sup>2</sup> Based on an exchange rate posted by [fx-exchange.com](http://fx-exchange.com) as of December 31, 2020, being the fiscal

year end of Aurora.



# Plurilock

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