

PLURILOCK SECURITY INC.
Annual Information Form
For the Year Ended December 31, 2021
April 15, 2022

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PRELIMINARY NOTES

Introduction

This Annual Information Form (“**AIF**”) has been prepared in accordance with Form 51-102F2 and should be read in conjunction with Plurilock Security Inc.’s (“**we**”, “**our**”, “**us**”, the “**Company**” or “**Plurilock**”) audited consolidated financial statements (and accompanying notes) for the year ended December 31, 2021 and Management’s Discussion and Analysis for the year ended December 31, 2021. These documents, along with additional information about Plurilock are available at www.Plurilock.com and under Plurilock’s issuer profile on SEDAR at www.sedar.com.

The word Plurilock refers to Plurilock together with its subsidiaries and/or the management and employees of the Company (as the context may require).

All information in this AIF is given as of April 15, 2022 unless otherwise indicated.

All dollar figures are stated in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

This AIF contains certain forward-looking statements and forward-looking information (collectively, “forward-looking statements”) which relate to future events and/or Plurilock’s future business, operations, and financial performance and condition. 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 and, within this AIF, include any statements (express or implied) respecting Plurilock’s:

- future plans, strategies, and objectives, including plans, strategies, and objectives arising out of the COVID-19 pandemic;
- impact of the COVID-19 pandemic on its business, operations, prospects, and financial results, including, without limitation, greater/continued remote working and/or distance learning and the effects of governmental lockdowns, restrictions, and new regulations on the Company’s operations and processes, business, and financial results;
- projected revenues, expenses, margins, and profitability;
- future trends, opportunities, challenges, and growth in its industry, including as a result of COVID-19;
- ability to grow revenue by selling to new customers and increasing revenues with existing customers;
- ability to renew customers’ agreements more efficiently and cost effectively;
- ability to maintain and enhance its competitive advantages within its industry and in certain markets;
- ability to remain compatible with existing and new operating systems;
- product maintenance and development;
- existing and new product functionality and suitability;
- product and research and development strategies and plans;
- privacy and data security controls;
- seasonality of future revenues and expenses;

- future availability of working capital and any required additional financing;
- future fluctuations in applicable tax rates, foreign exchange rates, and/or interest rates;
- future availability of tax credits;
- addition and retention of key personnel;
- increase to brand awareness and market penetration;
- future corporate, asset, or technology acquisitions;
- strategies respecting intellectual property protection and licensing;
- potential future litigation or product liability;
- foreign operations; and
- economic and market uncertainty.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and allowing investors and others to get a better understanding of our anticipated financial position, results of operations, and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Forward-looking statements are not a guaranty 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. The material expectations, assumptions, and other factors used in developing the forward-looking statements set out herein include or relate to the following, without limitation, Plurilock:

- will be able to successfully execute its plans, strategies, and objectives;
- will be able to successfully manage the impacts of COVID-19 on its business, operations, prospects, and financial results;
- will be able to successfully manage cash flow, operating expenses, interest expenses, capital expenditures, and working capital and credit, liquidity, and market risks;
- will be able to leverage its past, current, and planned investments to support growth and increase profitability;
- will be able to grow revenue by selling to new customers and increasing revenues with existing customers at or above the amounts currently anticipated;
- will maintain and enhance its competitive advantages within its industry and markets;
- will keep pace with or outpace the growth, direction, and technological advancement in its industry;
- will be able to source and provide industry data and projections that are accurate and reliable;
- will be able to adapt its technology to be compatible with changes to existing and new operating systems;
- will be able to maintain and develop partner networks;
- will continue to have existing and new products that will function as intended and will be suitable for the intended end users;
- will be able to design, develop, and release new products, features, and services and enhance its existing products and services;
- will be able to protect against the breach of data that it may process, store, and/or manage;
- expects revenues to not become subject to increased seasonality;
- expects future financing will be available to Plurilock on favourable terms if and when required;

- will not be exposed to material fluctuations in applicable tax rates, foreign exchange rates, and interest rates;
- will continue to access certain tax credits;
- will be able to attract and retain key personnel;
- will be successful in its brand awareness and other marketing initiatives;
- will be able to successfully integrate businesses, intellectual property, products, personnel, and/or technologies that it may acquire (if any);
- will be able to maintain and enhance its intellectual property portfolio;
- will have sufficient protection of its intellectual property and will not have its technology materially infringe third party intellectual property rights;
- will be able to obtain any necessary third-party licenses on favourable terms;
- will not become involved in material litigation;
- will not face any material unexpected costs related to product liability or warranties;
- will not have foreign jurisdictions that impose unexpected risks;
- will not have economic and market conditions (including, without limitation, as affected by the COVID-19 pandemic) that impose unexpected risks or challenges; and
- will maintain or enhance its accounting policies and standards and internal controls over financial reporting.

Although management believes that the forward-looking statements in this AIF are reasonable, actual results could be substantially different due to the risks and uncertainties associated with and inherent to Plurilock's business, including the following risks (as more particularly referred to in the "Risk Factors" section of this AIF):

- Alignment of Plurilock's cost structure with revenue;
- Ability to Predict Profitability and risks associated with any continued sales growth;
- Plurilock's focus on larger enterprise customers could result in greater costs, less favourable commercial terms, and other adverse impacts to Plurilock;
- Plurilock is reliant on key management;
- Plurilock operates in a highly competitive industry and may be unable to retain clients or market share;
- Plurilock may not be able to attract new customers, maintain its existing consumer base or grow or upgrade the products provided to these customers;
- Plurilock may not be able to prevent damages resulting from a cybersecurity attack;
- There are risks inherent in Plurilock's acquisition strategy;
- Plurilock's business is subject to broader economic factors;
- Current and future global economic and political volatility and uncertainty may negatively impact Plurilock's financial performance and results of operations as well as its ability to predict future spending requirements and growth, if any;
- Plurilock's business may suffer if it cannot continue to protect its intellectual property rights;
- Plurilock may be unable to obtain patent or other proprietary or statutory protection for new or improved technologies or products;
- Plurilock's research and development efforts may not be successful;
- Plurilock's software may contain errors, vulnerabilities or defects;
- Uncertainty of Liquidity and Sourcing Capital Requirements;
- Directors and officers of Plurilock may be subject to conflicts of interest;
- Dependence on Distribution Channels;
- The Company relies on third parties to provide some of its services and its business

- will be harmed if it is unable to provide these services in a cost-effective manner;
- Growing stringent regulations and compliance requirements;
- Ethical Business Conduct;
- Confidentiality & Privacy of Information;
- The Company Needs to Comply with Financial Reporting and Other Requirements as a Public Company;
- Plurilock has limited operating history;
- Damage to Plurilock's brand may harm its results;
- Plurilock faces fluctuating foreign exchange rates;
- The price of the Common Shares may be volatile;
- The market price of the Common Shares may decline due to the large number of convertible securities issued and outstanding Common Shares eligible for future sale;
- Plurilock may be subject to litigation;
- Risks related to Plurilock's foreign operations;
- Lenders may penalize or otherwise take action against Plurilock if it is unable to meet its obligations under financial instruments;
- Plurilock does not anticipate paying dividends on the Common Shares;
- Management has discretion concerning unallocated funds;
- The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, is adversely affecting and is expected to continue to adversely affect Plurilock's business and future results of operations and financial condition, and this adverse affect could be material;
- Plurilock may issue additional equity securities or engage in other transactions that could dilute its book value or affect the priority of the Common Shares, which may adversely affect the market price of Common Shares;
- Plurilock is a holding company with its only material assets being direct or indirect ownership of the Amalgamated Entity, PLUS, PSP, INC and ASC;
- Income tax related risks;
- Plurilock's business could be disrupted as a result of actions of certain shareholders or potential acquirers of Plurilock;
- Plurilock's reliance on copyrights, trademarks, trade secrets, confidentiality procedures and similar contractual provisions; and
- Other Risks.

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 AIF are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this AIF 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.

Industry and Market Data

Information contained in this AIF concerning the industry and the markets in which Plurilock operates, including Plurilock's perceived trends, market position, market opportunity, market share, and competitive advantages within the markets in which it operates, is based on information from independent industry analysts and third-party sources (including industry

publications, surveys, and forecasts), Plurilock's internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from Plurilock's internal research, and are based on assumptions made by Plurilock from such data and its knowledge of its industry and markets, which management believes to be reasonable. Certain sources utilized in this AIF have not consented to the inclusion of any data from their reports, nor has Plurilock sought their consent. Plurilock's internal research has not been verified by any independent source and Plurilock has not independently verified any third-party information. While Plurilock believes the market opportunity and market share information included in this AIF is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of Plurilock's future performance and the future performance of the industry and the markets in which Plurilock operates constitute forward-looking statements herein and are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to in the "Risk Factors" and other sections of this AIF.

Trademarks

PLURILOCK, AURORA SYSTEMS CONSULTING "AURORA", INTEGRA NETWORKS CORPORATION "INTEGRA" and the PLURILOCK, AURORA & INTEGRA logos are trademarks of Plurilock. Other names or logos mentioned herein may be the trademarks of Plurilock or their respective owners. The absence of the symbols ™ and ® in proximity to each trademark, or at all, herein is not a disclaimer of ownership of the related trademark.

CORPORATE STRUCTURE

Plurilock was incorporated on July 5, 2018, under the laws of the Province of British Columbia, Canada. The address of the Company's corporate office is 1021 West Hastings Street, MNP Tower, 9th Floor Vancouver, BC, V6E 0C3, Canada. The Company's registered office is 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia V6E 4N7.

Plurilock is an identity-centric cybersecurity company that provides (a) advanced and continuous authentication using behavioral biometrics and artificial intelligence ("AI") solutions; and (b) products and services that proactively prevent, secure, and manage advanced threats and malware, to enterprise & government customers.

On September 17, 2020, Plurilock completed its Qualifying Transaction ("QT") under TSX Venture Exchange (the "TSXV") Policy 2.4 – *Capital Pool Companies* ("Policy 2.4") and concurrently changed its name from "Libby K Industries Ltd." to "Plurilock Security Inc.". Prior to the QT, Plurilock was a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 that performed no significant business activities other than the identification and evaluation of assets or businesses with the view of completing a qualifying transaction.

Plurilock has the following material, directly or indirectly, wholly-owned subsidiaries:

1. Plurilock Security Solutions Inc. (the "**Amalgamated Entity**" or "**PL**"), a company formed pursuant to an amalgamation under the *Business Corporations Act* (British Columbia) pursuant to the QT;
2. Plurilock Security Corp. ("**PLUS**"), a company incorporated under the laws of the

State of Delaware, U.S.A.;

3. Aurora Systems Consulting Inc. ("**ASC**"), a company incorporated under the laws of the State of California, U.S.A.;
4. Plurilock Security Private Limited ("**PSP**"), a company incorporated under the laws of India; and
5. Integra Networks Corporation ("**INC**"), a company incorporated under the laws of Ontario, Canada.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Prior to the QT, Plurilock was a CPC that performed no significant business activities other than the identification and evaluation of assets or businesses with the view of completing a qualifying transaction. Following the completion of the QT, Plurilock adopted the business of PL, the predecessor to the Amalgamated Entity.

Year Ended September 30, 2019

In the 2019 fiscal year, the Company had the following major product and operational achievements:

- On February 8, 2019, the Company completed its initial public offering, pursuant to which, the Company issued 5,000,000 common shares of the Company (the "**Common Shares**") for gross proceeds of \$500,000. The Company became a reporting issuer in the provinces of British Columbia, Alberta and Ontario and its Common Shares were listed for trading on the TSXV under the symbol "LBB.P".
- In February 2019, PL released its newest product, ADAPT MFA, which provides next-generation multi-factor authorization ("**MFA**") for Citrix, web, and enterprise environments using PL's proprietary, device-free authentication stack. PL also added ADAPT's capabilities to its DEFEND continuous authentication product. The release enables DEFEND to invisibly validate identities at both initial sign-on and potentially 800 times per day as users work, making it the industry's first end-to-end composite authentication solution. By analyzing behavioral-biometric, environmental, and contextual factors throughout user sessions, DEFEND protects against credential sharing, credential theft, walk-away attacks, automated or scripted attacks, and improper escalations across an enterprise's internal endpoints, Citrix VDI sessions, and online applications.
- On July 4, 2019, Canada's Department of National Defence and the Canadian Armed Forces ("**DND/CAF**") awarded PL a contract to advance the state of the art real-time cyberattack detection. The project, funded through the Innovation for Defence Excellence and Security program, is designed to enhance DND/CAF's ability to combat advanced persistent threats in government cyber-systems.
- On November 13, 2019, PL was awarded a follow-on contract by the U.S. Department

of Homeland Security (“**DHS**”) to advance machine-to-machine authentication and anomaly detection, and to continue development and delivery of machine-to-machine anomaly detection technologies. These will enable future Internet of Things authentication capabilities in certain federal networks. The contract is funded through the U.S. DHS Science and Technology Directorate’s Silicon Valley Innovation Program (“**S&T SVIP**”) and represents the next phase in an ongoing collaboration between PL and DHS in a program in which PL is one of only three non-U.S. companies, and the only Canadian company, represented.

- In November 2019, PL signed a material three-year sale with a mid-size U.S. commercial bank.

Year Ended December 31, 2020

In the 2020 fiscal year, the Company had the following major product and operational achievements:

- On January 16, January 30 and February 21, 2020, PL completed three tranches of a bridge placement consisting of an aggregate of principal amount of \$817,375 debenture of PL and 811,665 units of PL at a price of \$0.225 per unit, for aggregate gross proceeds of approximately \$1 million (the “**Bridge #1 Financing**”) ahead of the QT.
- On April 1, 2020, Ed Hammersla was appointed to PL’s board of directors.
- In March 2020, the World Health Organization declared coronavirus (specifically identified as COVID-19) a global pandemic. This contagious disease outbreak resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, had caused material disruption to businesses globally resulting in significant economic uncertainty. These measures adopted by various governments worldwide could impact the Company’s business whether through supply chain or demand. However, it was not possible for the Company to reliably estimate the duration or magnitude of the adverse results of the outbreak and its impact on the Company’s financial results in future periods. See “*Risk Factors*”.
- On May 29, 2020 and June 18, 2020, PL completed two tranches of another bridge placement consisting of an aggregate of principal amount of \$490,000 debenture of PL and \$58,000 units of PL on the same terms as the Bridge #1 (the “**Bridge #2 Financing**”) Financing ahead of the QT.
- On July 30, 2020, PL was awarded a new contract by the DHS to continue its development of advanced machine-to-machine authentication and anomaly detection tools. The contract, which totaled approximately US\$198,000, was the third in a series of related contracts funded through the S&T SVIP and renewed the ongoing collaboration between PL and DHS.
- On September 16 and September 17, 2020, in connection with the QT, the Company and PL completed concurrent brokered private placements (together, the “**Concurrent Financings**”) for aggregate proceeds of \$2.6 million. The Concurrent Financings were conducted in two components:

- (a) by the Company, for retail investors who subscribed under the prospectus exemption pursuant to BC Instrument 45-536 (the "**Plurilock Brokered Component**"); and
- (b) by PL, for investors who subscribed under all other prospectus exemptions (the "**PL Brokered Component**").

The Plurilock Brokered Component was comprised of 1,262,000 units of the Company (the "**Units**") at a price of \$0.30 per Unit, for aggregate gross proceeds of \$378,600. Each Unit was comprised of one Common Share and one-half of a warrant and each whole warrant is exercisable for one Common Share at an exercise price of \$0.40 until September 17, 2022, all on a post-Consolidation (as defined below) basis.

The PL Brokered Component was comprised of 7,416,162 subscription receipts of Plurilock (the "**Subscription Receipts**") at a price of \$0.30 per Subscription Receipt, for aggregate gross proceeds of approximately \$2,224,848. Pursuant to the terms of the QT (and after giving effect to the Consolidation), each Subscription Receipt was effectively converted into one Unit for a total of 7,416,162 Units. PI Financial Corp. ("**PI Financial**") (as lead agent) and Industrial Alliance Securities Inc. (together with PI Financial, the "**Agents**") acted as agents for the Concurrent Financings. As consideration for certain services provided in connection with the Concurrent Financings, the Agents and members of the selling group, received an aggregate of \$186,675.94 in cash and 622,252 compensation warrants (the "**Compensation Warrants**"). Each Compensation Warrant is exercisable for one Common Share at an exercise price of \$0.30 until September 17, 2022.

- On September 17, 2020, the Company completed the QT. In connection with the QT, the Company changed its name to "Plurilock Security Inc." and completed a consolidation of its Common Shares at a ratio of 2:1 (the "**Consolidation**"). In accordance with the terms of the amalgamation agreement dated June 23, 2020, as amended, among the Company, PL and a wholly-owned subsidiary of the Company, and immediately before completion of the Share Exchange (as defined below): (a) all of the in-the-money stock options and warrants of PL were deemed to be exercised into 900,524 PL common shares ("**PL Shares**") on a cashless basis; and (b) each outstanding PL preferred share was cancelled and converted into 2,514,692 PL Shares. A wholly-owned subsidiary of the Company amalgamated with PL and the outstanding securities of PL were exchanged for securities of the Company immediately before the completion of the QT (the "**Share Exchange**"), as follows:
 - each outstanding PL Share held by certain shareholders that formed the founder trust distribution in 2020 (the "**1.655 Exchange Ratio Plurilock Holders**") were exchanged for 1.655 shares of the Company on a post-Consolidation basis;
 - all securities issued pursuant to the Bridge #1 Financing and Bridge #2 Financing were exchanged for one Unit, at a discounted price of \$0.225 per Unit, for an aggregate of 6,879,992 Units; and
 - each outstanding PL Share that: (i) is not held by 1.655 Exchange Ratio Plurilock Holders; and (ii) does not comprise a portion of the Bridge #1 Financing or Bridge #2 Financing, was exchanged for 0.8152 Common Shares.

After the Share Exchange, each outstanding PL Share was exchanged for one Common Share.

- On September 24, 2020, the Company announced it had retained PI Financial to provide market making services and Thesis Capital Inc. for investor relations services.
- On October 7, 2020, the Company announced that it appointed Dr. Issa Traoré, Ph.D, Merv Chia and Mark Orsmond to its newly formed advisory board (the "**Advisory Board**"). The Advisory Board consisted of experts in the technology sector with a particular focus on scaling organizations through strategic mergers and acquisitions, operational strategy, and private and public financings.
- On October 14, 2020, the Company announced the appointment of Gaétan Houle with 35 years of security leadership experience, as a Senior Advisor.
- On November 7, 2020, the Company's loan totaling US\$39,072 was forgiven by the U.S. Small Business Administration Paycheck Protection Program and the loan agreement with the Silicon Valley Bank was automatically cancelled.
- On November 10, 2020, the Company announced that it outsourced a federal sales agency, Government Sales Specialists, LLC to leverage and optimize Plurilock's existing federal government processes, assets, and relationships in order to grow Plurilock's government sales funnel.
- On November 18, 2020, the Company announced the launch of a new product collaboration with prominent open source identity and access management ("**IAM**") software vendor, Gluu, Inc. ("**Gluu**"). Under the collaboration, Plurilock gained the ability to offer solutions which would support Gluu's cutting-edge IAM platform and Gluu gained the ability to offer Plurilock's AI-driven invisible MFA and continuous authentication technologies.
- On December 8, 2020, the Company announced the availability of a new Plurilock mobile app for iPhone and Android Devices which was incorporated as a standard part of ADAPT, Plurilock's invisible MFA product.
- On December 14, 2020, the Company announced the successful completion of the first of four milestones of a recent US\$198,000 contract with the DHS S&T SVIP. Under the milestone, Plurilock received US\$70,000 in funds.
- On December 15, 2020, the Company announced new product features and enterprise-oriented infrastructure to Plurilock's family of identity-centric cybersecurity products, including Plurilock's ADAPT and DEFEND. The product release introduced a new cloud server architecture; new optimizations in Plurilock's behavioral biometrics infrastructure that reduced the amount of data that must be gathered and maintained to continuously identify users, further enhancing Plurilock's privacy profile; the availability of Plurilock's mobile applications for iOS and Android on Google's Play Store and Apple's iOS App Store; the addition of Windows and Mac OS proxy environments as supported configurations; the addition of recent versions of Apple Mac hardware and Apple Mac OS operating systems as supported configurations; and a new real-time customer support portal designed to make service and support even more accessible to clients.

- On December 16, 2020, the Company announced the appointment of Chris Pierce, with more than 30 years of success across the military, civil, intelligence, commercial and international markets focused on management and technology consulting, as a Senior Advisor.

Year Ended December 31, 2021

In the 2021 fiscal year (“**F2021**”), the Company had the following major product and operational achievements:

- On January 13, 2021, the Company announced that it has received a patent pending with the United States Patent and Trademark Office to document a new form of continuous authentication. The application covers a continuous authentication method to validate and confirm the identity of a user during remote work. The process involves comparing the digital user’s distinct and unique patterns (i.e. keystrokes) with patterns previously collected, while enabling the user to work on a remote device and/or in a remote setting without any interruption. Plurilock’s latest continuous authentication method, as documented in the patent pending application, will enable companies to constantly authenticate the identity of their employees and staff even though the user is completely ‘invisible’ to them.
- On January 15, 2021, the Company announced that it has entered into a non-exclusive Reseller Agreement with X10 Networks Inc., a leading provider of network engineering solutions.
- On January 21, 2021, Plurilock began trading on the Over-the-Counter Market OTCQB Venture Market (“**OTCQB**”) under the ticker “PLCKF”. On March 1, 2021, Plurilock received approval from the Depository Trust Company to make their shares eligible on the OTC, allowing United States investors to clear their trades seamlessly under the ticker “PLCKF”.
- On January 29, 2021, the Company announced that it had entered into a reseller agreement with Tantallon Ltd., a UK-based distributor of cyber defense solutions.
- On February 4, 2021, Plurilock announced the appointment of U.S. Vice Admiral, Jan E. Tighe, to the Advisory Board.
- On February 18, 2021, Plurilock announced the closing of its non-brokered private placement consisting of the issuance of 7,914,732 units at a subscription price of \$0.45 per unit, for aggregate gross proceeds to the Company of approximately \$3.56 million.
- On February 26, 2021, due to strong investor demand, Plurilock closed a second non-brokered private placement consisting of the issuance of 3,326,004 units at a subscription price of \$0.48 per unit, for aggregate gross proceeds to the Company of approximately \$1.6 million.
- On March 15, 2021, Plurilock announced the addition of Molly Falconer de Ramel to its board of directors (the “**Board**”).
- On March 25, 2021, the Company announced that it had entered into a master OEM agreement with Baco Holdings, doing business as “Untangl”, a leading contact center technology solutions provider to integrate and resell Plurilock’s products.

- On March 31, 2021, Plurilock's United States subsidiary, PLUS, completed the acquisition of ASC, a provider of advanced cybersecurity technology and services based in California, USA. PLUS acquired all of the outstanding securities of ASC. Pursuant to the terms of the definitive agreement, PLUS paid ASC and the shareholder of ASC, an aggregate consideration of US\$1.5 million, which includes a performance-based earnout of US\$300,000 in Common Shares. In addition, upon closing of the acquisition of ASC, US\$90,000 of the consideration was 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. The Company filed a Form 51-102F4 in respect of the acquisition, which can be found under the Company's profile on SEDAR at www.sedar.com.

On April 27, 2021, Plurilock filed two additional U.S. provisional patent applications for new advancements in continuous authentication technology. The first application documents new techniques for utilizing behavioral biometrics in forensic analysis of insider threats, a key cyber concern for work forces. The second application covers enhancements to Plurilock's invisible authentication technology, which would broaden the situations in which it can be used while ensuring its robustness in today's multimodal and increasingly remote work environments.

- On May 9, 2021, the Company filed a preliminary short form base shelf prospectus with securities regulators in each of the provinces and territories of Canada, other than Québec.
- On May 31, 2021, Plurilock announced the availability of its Spring 2021 product release to provide additional early access features and enhanced functionality for Plurilock's enterprise authentication solutions, including Plurilock's ADAPT standards-based login MFA and Plurilock's DEFEND continuous authentication.
- On May 31, 2021, the Company filed a final short form base shelf prospectus (the "**Prospectus**"), enabling Plurilock to offer, issue and sell up to \$50 million of common shares, warrants, subscription receipts, debt securities and units or a combination thereof from time to time, separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the offering and as set out in an accompanying prospectus supplement, during the 25-month period that the Prospectus, when made final, remain valid.
- On June 28, 2021, the Company released a new Splunk® SIEM application for its DEFEND continuous authentication product.
- On June 29, 2021, the Company added retired U.S. Navy vice-admiral Jan E. Tighe, who currently serves as an independent director on the board of Goldman Sachs, to its advisory board.
- On September 15, 2021, Plurilock released ADAPT Administration Dashboard V1.2 to customers under the Early Access Program.
- On September 17, 2021, the Company transitioned its auditors from Deloitte LLP to Mazars, LLP.
- On September 29, 2021, the Company received a SOC2 Type II report from the security and compliance firm BARR Advisory, P.A., indicating that Plurilock met all requirements by completing an examination that focuses on five trust service

principles of security, which includes confidentiality, security, availability, processing integrity, and the privacy of customer data to obtain the SOC2 Type II certification for the ADAPT and DEFEND products.

- On September 30, 2021, the Company deployed Plurilock DEFEND 5.4 in Asia. This was the first time Plurilock DEFEND version 5 was deployed outside of North America.
- On September 30, 2021, Plurilock was named "Authentication Solution of the Year" as a winner of the 2021 Cybersecurity Breakthrough Awards, for its cutting-edge DEFEND continuous authentication product.
- On October 21, 2021, the Company announced that it had entered into definitive asset purchase agreements (the "**CloudCodes Agreements**") to acquire certain assets of CloudCodes Software Private Limited ("**CloudCodes**"), a leading cloud access security broker based in India. Pursuant to the terms of the CloudCodes Agreements, the Company agreed to pay CloudCodes aggregate consideration of US\$1,700,000 payable as follows: (i) US\$1,000,000 in cash payable on closing; and (ii) US\$700,000 in common shares of Plurilock (the "**CloudCodes Consideration Shares**"), less any deferred revenue. The CloudCodes Consideration Shares were issued at a deemed price of C\$0.59 per share and will be held in escrow for 12 months to satisfy any indemnification obligations to the Company.
- On October 28, 2021, the Company submitted documentation to finalize a patent pending with the United States Patent and Trademark Office ("**USPTO**") that covers enhancements to its continuous authentication solution.
- On November 9, 2021, the Company announced a strategic partnership with Absolute Software, a leader in next generation Endpoint Resilience solutions, pairing with Application Persistence capabilities with the Company's DEFEND continuous authentic solution.
- On November 2, 2021, the Company entered into an agreement (the "**Underwriting Agreement**") with Leede Jones Gable Inc., PI Financial and Paradigm Capital Inc. (collectively, the "**Underwriters**"), pursuant to which the Underwriters agreed to purchase, on a bought-deal basis, 8,000,000 common shares (the "**Bought Deal Offering**") for gross proceeds to the Company of \$4,000,000 at a price of \$0.50 per common share (the "**Offering Price**"). The Company also granted the Underwriters an option (the "**Over-Allotment Option**") to purchase up to 1,200,000 additional common shares at the Offering Price for additional gross proceeds of up to \$600,000 to the Company.
- On November 4, 2022, the Company announced the passing of Molly Faconer de Ramel, one of the Company's directors.
- On November 10, 2021, the Company closed the Bought Deal Offering. Pursuant to the Bought Deal Offering, the Company issued an aggregate of 9,200,000 Shares at the Offering Price for aggregate gross proceeds of \$4,600,000, including the exercise in full of the Over-Allotment Option.
- On November 18, 2021, the Company entered into a reseller agreement with BeyondTrust Corporation® to sell their suite of cybersecurity and IT support products.

- On November 30, 2021, the Company announced the availability of its Fall 2021 product release that provides additional features and enhanced functionality for Plurilock's zero trust authentication solutions, including Plurilock ADAPT, a standards-based login MFA and Plurilock DEFEND, a continuous authentication solution.
- On December 3, 2021, the Company announced that it was approved for graduation from Tier 2 issuer status to Tier 1 issuer status on the TSXV, effective December 8, 2021.
- On December 8, 2021, the Company signed as a reseller of CloudCodes so that the Company can market and sell the solution while it waits for the acquisition to complete.
- On December 30, 2021, the Company announced that it has entered into an online marketing agreement ("**AGORA Agreement**") with AGORA Internet Relations Corp. ("**AGORA**"). Pursuant to the terms and conditions of the AGORA Agreement, AGORA will assist the Company with its launch of a 12-month online marketing campaign. AGORA will assist the Company with ad placements and other branding initiatives which will be posted on AGOROCOM and distributed on YouTube, various social media platforms, and all podcast platforms.

Subsequent to the Year Ended December 31, 2021 to the date of this AIF

From January 1, 2022 to the date of this AIF, the Company had the following major product and operational achievements:

- On January 19, 2022, the Company submitted a non-provisional patent application with the USPTO for an innovative forensic attribution technology enhancement. The patent application, titled "Forensics Analysis for Malicious Insider Attack Attribution based on Activity Monitoring and Behavioral Biometrics Profiling", documents the Company's forensic attribution technology, which when paired with its continuous authentication solution Plurilock DEFEND, assists organizations in assessing user data and narrowing down individuals that could have been involved in an insider threat attack, based on their behavioral biometrics profile.
- On February 23, 2022, the Company announced the availability of its Spring 2022 product release that provides additional features and enhanced functionality for Plurilock's zero trust identity solutions, including Plurilock ADAPT, a standards-based login MFA solution and Plurilock DEFEND, a continuous authentication solution.
- On February 24, 2022, the Company was named by The Globee® Awards as a winner in the 18th Annual 2022 Cyber Security Global Excellence Awards® for the "Hot Security Technology of the Year" award, in the artificial intelligence (AI) in security category, for the newly released v5.6.1 of Plurilock DEFEND.
- On March 4, 2022, Plurilock acquired all the issued and outstanding shares of INC, a leading Canadian enterprise IT and cybersecurity solutions provider located in Ontario, Canada (the "**INC Acquisition**"). Pursuant to the terms of the Share Purchase Agreement among the Company, INC and the shareholder of INC dated March 4, 2022, the total consideration payable by the Company was \$1,200,000 (the "**Consideration**"). \$600,000 in cash, subject to working capital adjustments, was paid upon closing and 476,190 common shares of Plurilock were issued at closing (the "**INC Consideration Shares**") at \$0.42 per INC Consideration Share, for a total value of

\$200,000 in INC Consideration Shares. \$75,000 in cash and 178,571 INC Consideration Shares were placed in escrow for 12 months to satisfy any indemnification obligations to the Company. The remaining \$400,000 Consideration is payable as a future based performance-based earnout, payable in common shares of Plurilock (the "**Earnout Shares**"). The Earnout Shares are issuable 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 the issuance of the Earnout Shares. In connection with the INC Acquisition, the Company issued 42,647 common shares to a strategic consultant of the Company for services provided in connection with the INC Acquisition.

- On March 8, 2022, the Company announced that ASC obtained a revolving line of credit from Crestmark, the Commercial Finance division of MetaBank®, N.A. for up to US\$2 million.
- On March 17, 2022, Plurilock announced the appointment of Brandon Swafford to the it's Advisory Board.
- On March 22, 2022, Plurilock announced the appointment of Tucker Zengerle as its Chief Operating Officer ("**COO**").
- On March 28, 2022, the Company announced that it had submitted a non-provisional patent application with the USTPO for a multi-device user identity confirmation technology enhancement.
- On April 1, 2022, Plurilock announced the appointment of Garr Stephenson Jr. as its Chief Revenue Officer ("**CRO**").
- On April 7, 2022, Plurilock announced that in accordance with the Share Purchase Agreement dated March 26, 2021 among the Company, PLUS and ASC, the performance-based earnout was achieved and the Company issued 1,154,676 common shares of the Company at \$0.325 per share to the vendor in satisfaction of the earnout payment of US\$300,000.

DESCRIPTION OF THE BUSINESS

Company Overview

Plurilock is an identity-centric cybersecurity solutions provider to businesses.

Cybersecurity has become an identity-driven discipline, and identity-driven solutions are needed to combat today's pressing threats, comply with regulation, and ensure the safety of contemporary business environments. Plurilock's vision is to meet this need by delivering solutions that combine next-generation identity technologies with best-of-breed cybersecurity tools, all delivered with a customer-obsessed focus.

Plurilock operates two business divisions, a technology division (the "**Technology Division**") and a solutions division (the "**Solutions Division**"). The Technology Division, operated under the Plurilock brand, builds and operates Plurilock's own proprietary products. The Solutions

Division, operated separately as ASC and INC, offers services and resells IT and cybersecurity industry products and technologies to meet customer needs.

Technology Division

At Plurilock's heart is the ability to recognize individuals and verify identities using cutting-edge behavioral biometric signatures, each generated by applying machine learning in the background to personal behavioral and input patterns, physical location, and other contextual data, as users do their normal work. Plurilock joins this capability to industry-leading products and services in powerful solutions that secure the systems and attack surfaces that are of greatest cybersecurity concern in today's enterprises—all without requiring new user training, authentication steps, security hardware, or helpdesk support.

Solutions Division

Plurilock's Solutions Division supports clients' business-critical applications with a deeply consultative approach to cybersecurity, combining partner-provided solutions with in-house security services to help clients address the complex challenges of cybersecurity. ASC and INC sell both hardware and packaged software and offers both expert professional services and long-term managed services capabilities.

Principal Products and Services

Technology Division

Plurilock's Technology Division offers a core, multiple-patent-protected technology that confirms user identity without passwords, numeric MFA codes, fingerprints, or other common identity confirmation technologies. This enables robust control of access to key systems and data resources while eliminating obstacles that hamper adoption of other security tools. It does this by:

- observing user keyboard behavior, pointer behavior, physical location, machine identity, network context, and other factors on an ongoing basis and in real time,
- analyzing this data using machine learning techniques to generate a unique and evolving identity signature for each distinct user as work happens, and
- leveraging this identity signature to grant or deny access as appropriate, every few seconds throughout the workday, without additional user or administrator steps.

This core capability is incorporated directly into Plurilock's two branded products:

- Plurilock DEFEND, an enterprise continuous authentication platform that confirms user identity or alerts security teams to detected intrusions in real time, as regular work is carried out, without otherwise inconveniencing or interrupting users; and
- Plurilock ADAPT, a standards-based login MFA platform that provides added login security without relying on fingerprint scans, SMS codes, authenticator apps, hardware tokens, or other intrusive legacy MFA requirements.

Solutions Division

Plurilock's Solution Division provides an extensive line of best-of-breed, Tier-1 cybersecurity technologies, services and products covering each of the major service areas and risk areas in cybersecurity along with enterprise service provision to manage these product deployments and their integration and operation.

The combination of Plurilock's next-generation technology offerings as well as ASC's and INC's stable of cybersecurity capabilities enables the creation of enterprise-ready, single-provider solutions that cover traditional, organization-wide cybersecurity requirements while also providing cutting-edge capabilities to address emerging threats.

Revenues

Plurilock derives revenues from three main sources:

(a) Hardware and physical software sales

Hardware and physical software sales revenues are comprised of products that proactively prevent, secure and manage advanced cybersecurity threats and malware for customers.

(b) Electronic software license and maintenance sales

Electronic software and maintenance sales revenues are comprised of fees that provide customers with access to propriety and third-party software licenses and related support and updates during the term of the customer agreements.

(c) Professional Services

Professional services are generally on either a fixed fee, milestone based, time & material or subscription basis. These services are generally distinct from other goods or services that the Company might provide to the same customer under the same or separate contracts.

Operations

Plurilock is headquartered in Vancouver, British Columbia, Canada. The Company's Technology and Solutions Divisions have various regional offices in Canada, United States and India.

Plurilock currently sells to larger enterprise and government customers. For this reason, sales cycles are relatively long and unpredictable as well as seasonal. There may be fluctuations in sales and cash flow in quarters during which large sales are completed.

Plurilock does not anticipate any effects on major aspects of the business over the next 12 months resulting from termination or renegotiation of contracts.

Plurilock's staff have deeply rooted domain knowledge of the regional and global cybersecurity industry, which provides a competitive advantage through its specialized software architecting and development skills and its sales, training and support capabilities. As of the date hereof,

Plurilock has 60 full and part-time staff.

Sales, support, and information technology software development offices are located and managed at Plurilock's division offices. Plurilock will add regional sales offices as required and will continue to rely on securing channel partners in markets where Plurilock does not maintain a sales force. These partners in local markets conduct in-person sales, support, and account relations activity in close collaboration with Plurilock to ensure client satisfaction and retention.

Plurilock develops its products using employed software developers, as well as retaining specialized sub-contractors on a case-by-case basis.

Plurilock holds several patents, related to our core intellectual property and is actively filing for additional.

Plurilock technologies and services depend on a variety of "open source" software tools, applications, and libraries. The continued availability of these tools, applications, and libraries under appropriate commercially compatible licences is important to the segment.

Plurilock's most important intangible assets are its intellectual property, maintained as a body of trade secrets in the form computer code, and the practical knowledge and experience of behavioural biometrics methods and approaches gained through operational experimentation.

Markets

Plurilock is directly focused on business-to-business ("**B2B**") sales in the North American market, particularly the United States and Canada, where there are some 65 million white-collar employees.¹ In particular, outbound sales efforts for both divisions target three markets in North America aggressively:

1. **Federal government sales.** Plurilock and its holdings have multiple existing contracts with both U.S. and Canadian federal government agencies and maintain current a number of procurement vehicles, including a NASA Solutions for Enterprise-Wide Procurement contract, a Government-Wide Acquisition Contract, and a General Services Administration STARS-II contract to enable the conduct of business with U.S. Federal agencies such as the U.S. Department of Defense, U.S. Air Force, and U.S. Department of the Navy.
2. **State, local, and education ("SLED") sales.** Plurilock and its holdings maintain procurement vehicles, expertise, and existing relationships to sell to public sector and critical infrastructure organizations below the federal level, representing an expanding area of aggressive focus. Available procurement vehicles include multiple California Multiple Awards Schedule contracts, with recently closed SLED business that includes the California State Teachers' Retirement System and the California Department of Motor Vehicles.

¹ Kaiser Family Foundation, www.kff.org/other/state-indicator/blue-and-white-collar-workers/?dataView=1¤tTimeframe=0&sortModel=%7B%22colId%22%3A%22Location%22%2C%22sort%22%3A%22asc%22%7D

3. **Commercial entity sales.** Key verticals in the commercial market space are marked by significant cyber-threat pressure and/or significant regulatory compliance requirements with regard to cybersecurity, data safety, and privacy. Plurilock sells to commercial entities facing either of these realities.

Go to Market

Plurilock is highly focused on B2B sales and goes to market by identifying prospects in federal government and SLED verticals, and regulated commercial organizations that:

- Face significant IT & cybersecurity risks and requirements;
- Face significant regulatory and compliance pressure to address such cybersecurity risks and liabilities;
- Demonstrate or show evidence of budgetary allocations to enable such purchases

Sales Strategy

Plurilock pursues these clients with a “land and expand” sales model that combines the resale of third-party products with upselling/cross-sales of high-margin services and Plurilock’s own high-margin recurring revenue products. Any initial sale forms the basis of a business relationship that enables subsequent, more lucrative sales.

Plurilock’s sales process relies on an organic force of specialized B2B sales representatives, developed long-term relationships, a well-considered sales strategy, and extensive support from marketing teams, infrastructure, and initiatives:

- Sales representatives retain and grow their customer base by maintaining close, meaningful relationships with their clients, partners, and team members. This direct engagement generates on-the-ground expertise that enables effective prioritization and decision-making, producing high rates of customer satisfaction.
- Partnerships are signed, maintained, and promoted with pride and similarly close contact, enabling relationship priority in pricing, knowledge distribution, and other kinds of access. Marketing of these partnerships prioritizes brand consistency and leveraging partner relationships to enable thought leadership when engaging key decision-makers.
- In addition to its force of B2B sales representatives, Plurilock may in the future add touchless self-service purchasing options operated through its corporate website, with self-service options serving as supplements to, rather than replacements for, expert B2B sales labor.

Marketing expenses, excluding employee labor costs, are currently centered heavily on software, infrastructure, and advertising expenses including inbound sales such as website & other advertising platforms; outbound direct sales and event-driven sales.

Growth Strategy

Plurilock employs a multi-pronged strategy to ensure continued rapid growth:

- **Organic acquisition of new customers through referrals.** Plurilock retains existing customers by maintaining deep engagement, including in-person sales and engineering team visits to develop and refine security strategy and client relationships. These positive relationships, combined with product line breadth, enable increased customer base penetration and expansion to adjacent markets through references and organic word-of-mouth marketing.
- **Channel partners to accelerate awareness.** In regions without a direct Plurilock presence, Plurilock employs channel partners to drive awareness and empowers these channel partners with regular close interaction and a deep library of marketing and sales collateral.
- **Strategic acquisition of synergistic companies.** Plurilock continues to pursue strategic acquisitions that enhance its go-to-market and sales capabilities. The acquisitions of ASC and INC, which provided Plurilock with an already extremely successful sales organization and extensive stable of best-of-breed cybersecurity products to enable comprehensive solutions provision and cross-sale capabilities, is broadly representative of Plurilock’s strategy to:
 - enable the provision of the more comprehensive, single-provider solution set for which the market is increasingly calling, and
 - add complementary capabilities that accelerate adoption and sales of core Plurilock technologies and the integration of these technologies into delivered solution.

Future acquisitions may include, but are not limited to, those that add new capabilities in cloud and remote work security, capabilities in managed and professional services provision, and core technologies or intellectual property able to further enhance the utility and differentiation of core Plurilock products and technologies.

Acquisition Strategy

Plurilock’s growth strategy also includes completing strategic acquisitions. In assessing the suitability of potential acquisition targets (“**PAT**”), Plurilock considers numerous operational and strategic factors as they relate to Plurilock which may include, amongst others, the following: enhanced, additional and diversified product offerings and customer lists; strong brands and intellectual property; additional sales channel and partnerships; new revenue streams in adjacent market segments; and accretive revenue and costs synergies.

To date, Plurilock has completed two such acquisitions, that being ASC and INC. As well, the Company announced on October 21, 2021 that it had entered into Agreements with CC, a leading cloud security provider based in India. Closing of the Cloud Codes Agreements is currently awaiting India regulatory approval.

There is significant competition for PATs due to the dynamic nature of the security industry. Valuations for PATs are at an all-time market high and Plurilock may need to pay a premium to acquire desirable PATs. In North America, there are several hundred companies that fit the PAT profile identified by Plurilock, but some have not achieved the revenue scale, or product-market-fit to make them accretive to Plurilock’s core business.

Plurilock's acquisition model is expected to include paying for acquisitions with a combination of cash, shares, and earn-out payments (debt). Acquisitions may also be structured to accommodate the continued involvement for the vendor and the retention of individuals key to the success and viability of the acquired firm. The structure of Plurilock's acquisitions, including the proportion of cash, shares, and earn-out payments/debt as consideration are subject to deal specific factors including business, legal, and tax advice, and are reviewed and approved by the Board.

Plurilock does not necessarily envision integrating newly acquired businesses under one common corporate brand. Instead, Plurilock's strategy may include maintaining the value created by the vendor by retaining the identity, specialization, and other success factors of the target firm within its local market. Each PAT will be reviewed and negotiated separately.

Product and Service Pricing

Technology Division

Plurilock's Technology Division argues that clients adopting Plurilock in place of other solutions will realize a return on investment ("**ROI**") in the form of non-product cost savings resulting from the advantages of Plurilock products. Plurilock thus prices broadly to market vs. competing solutions (see "*Competition*") as follows:

- Plurilock ADAPT — US\$3.00/user/month
- Plurilock DEFEND — US\$9.00/user/month

Where appropriate, volume discounts may apply for per-user costs on a negotiated basis.

Solutions Division

Plurilock's Solutions Division invests heavily in key partner relationships and maintains professional certifications to ensure deal registration and volume discounts. These relationships enable the group to offer significant discounts versus Manufacturer's Suggested Retail Price on partner solutions, enabling pricing flexibility in relation to market forces and the use of pricing as a purchase incentive.

Professional services fees are generally priced to market billed on a fixed-fee basis with an average daily rate between US\$2,000-\$2,500, though rates in particular cases may vary from these slightly as a function of service complexity and market conditions.

Competition

Technology Division

Plurilock Technology Division's competition falls into the following categories:

- **Inaction** – Following cost-benefit and risk analyses, prospects may choose to continue to rely on usernames and passwords or on already-deployed identity security solutions.
- **Login authentication incumbents** – Incumbent MFA solutions enjoy wide deployment in today's marketplace. Plurilock can be used in addition to these solutions,

can replace them in order to address incumbent weaknesses not present in Plurilock, or can replace them in order to realize cost-savings ROI. Examples include Yubico, RSA, DUO, and Okta.

- **Technology competitors** — Other behavioral biometrics providers exist and may appear superficially similar to Plurilock. The market positioning and use cases for such providers, however, differ significantly from those of Plurilock. In particular, other behavior-biometric solutions are not designed to provide true continuous authentication for enterprise employees, systems, and environments. Examples include BioCatch, BehavioSec, and TypingDNA.
- **Alternative approaches** — Other methods for cybersecurity risk mitigation may for certain applications serve as Plurilock alternatives. Examples include alternative forms of non-password authentication provided by Hypr, Ping Identity, and Auth0 and alternative forms of user analytics or threat detection provided by Splunk, Exabeam, or CrowdStrike. In general, these products do not compete directly with Plurilock; their typical use cases and functionality remain broadly different in each case.

Solutions Division

As a solutions and services provider, the Solutions Division competes most directly against a crowded field of cybersecurity resellers, both regionally and governmentally. ASC's and INC's competitiveness lies in its breadth of available procurement vehicles for federal and local government sales, dedicated proposals team for securing such sales, strong stable of existing enterprise customers as testimonials, and in its proven track record of large client satisfaction and retention.

Intellectual Property

Plurilock's roots as a research-driven organization translate into strong intellectual property holdings and a strong intellectual property pipeline today. At present:

- **Plurilock holds existing issued patents** in the United States and Canada covering the most central aspects of Plurilock's core technology.
- **Plurilock has filed additional patents** in the United States that remain pending.
- **Plurilock holds an extensive stable of trade secrets** that encompass many of the remaining functional aspects of Plurilock's core technology.

Multiple issued patents in the United States and Canada provide strong differentiation and fundamental competitive advantages in Plurilock's product development and sales efforts, particularly those involving Plurilock's behavioral biometrics and machine learning capabilities.

In certain cases, Plurilock has chosen to safeguard innovative developments as trade secrets rather than through patent protection. In cases where this decision has been made, trade secrets are closely held and protected by multiple layers of policy and access control within Plurilock itself. Plurilock trade secrets are not generally accessible to Plurilock team members and are accessible only on a need-to-know basis. As a standard practice, Plurilock enters into non-disclosure agreements and intellectual property assignment agreements with all

individuals and organizations that may encounter Plurilock trade secrets, including new employees.

Foreign Operations

Plurilock's offices are located in Canada, United States and India. As a result, the Company is able to service existing, and target new, key clients and markets that are benefited by a local presence. All Plurilock offices employ managerial, sales and marketing and support personnel, as well as technical engineers who provide cybersecurity services and solutions to the Company's clients and are also responsible for generating new business within their respective local markets.

The Company is focused on growing the foreign operations and thus results are subject to financial risk as a result of fluctuations in currency exchange rates.

Reorganization

The Company completed the QT on September 17, 2020. See "*General Development of the Business – Three Year History*".

RISK FACTORS

The following are certain factors relating to the Company's business which prospective investors should carefully consider before deciding whether to purchase Common Shares in the Company's authorized capital. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones the Company is facing. Additional risk and uncertainties not presently known to Plurilock, or that Plurilock currently deems immaterial, may also impair our operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

Alignment of Plurilock's cost structure with revenue

Plurilock must ensure that its costs and workforce continue to be proportionate to demand for its services. Failure to align Plurilock's cost structure and headcount with net revenue could adversely affect Plurilock's business, financial condition and results of operations. Plurilock attempts to mitigate the risks of short-term revenue shifts by having a large portion of employee compensation based on the revenue of the employee's business unit, and for management to consolidate revenue and operating profit. Plurilock is a growth company, and in order to facilitate growth, Plurilock must continually invest in resources and overhead costs ahead of planned revenue. Accordingly, Plurilock may operate with substantial negative cash flow in the future.

The majority of Plurilock's revenues from certain of its business units are generated from a few customers. There can be no guarantee that any agreements with these customers will be extended or renewed, or, if extended or renewed, that they will be extended or renewed on the same or similar terms. Failure by Plurilock to maintain these relationships could have a material adverse impact on the business and financial condition of Plurilock. While Plurilock expects this concentration of business to decrease over time, it may continue to depend upon a relatively small number of clients for a significant portion of revenue into the foreseeable future.

Ability to Predict Profitability and risks associated with any continued sales growth

Plurilock focuses on several key performance metrics including, but not limited to, Revenue, Net Income (Loss), EBITDA and Adjusted EBITDA. Management believes that IFRS profitability will increase over time, however, due to the evolving business model and the unpredictability of its emerging and competitive category of security products, the Company may not be able to accurately forecast the rate of adoption of its services and hence its revenue growth and profitability. The Company bases its current and future expense levels and its investment plans on estimates of future revenue growth. Plurilock may not be able to adjust its spending quickly enough if the rate of new or renewed subscriptions falls short of its expectations. In addition, the intense competition the Company faces in the sales of its products and services and general economic and business conditions (including foreign exchange rates) can put pressure on it to change its prices. If Plurilock's competitors offer deep discounts on certain products or services or develop products that the marketplace considers more valuable, the Company may need to lower its prices or offer other favorable terms in order to compete successfully. Any such changes may reduce margins and could adversely affect operating results. Plurilock's operating results may also fluctuate significantly on a quarterly basis. Accordingly, period-to-period comparisons of its operating results may not necessarily be a meaningful indicator of future performance. Plurilock has remained focused on sales growth. This has resulted, at times, in increasing headcount and operational costs to generate and support this growing customer base, which has placed, and will continue to place, to the extent that Plurilock is able to sustain such growth, significant strain on Plurilock's management, administrative, operational, and financial infrastructure. Plurilock anticipates that further growth will be required to address increases in the customer base, further development of its products, and expansion into new geographic areas, amongst other areas of its business and operations. Further growth will require Plurilock to continue to hire, train and manage new employees as needed. If new hires perform poorly, or if Plurilock is unsuccessful in hiring, training, managing and integrating new employees, or if Plurilock is unsuccessful in retaining existing employees, its business may be harmed. In addition, Plurilock may look to expand its engineering and sales teams in an attempt to increase sales growth. Such sales growth may not match, or exceed, the increase in operating costs associated with hiring, training, managing, and integrating of such employees.

Plurilock's focus on larger enterprise customers could result in greater costs, less favourable commercial terms, and other adverse impacts to Plurilock.

As Plurilock continues to direct more sales efforts at larger enterprise customers, Plurilock could face greater costs, less favourable commercial and contract terms and conditions, greater due diligence and technical scrutiny, longer sales cycles, less predictability in completing some sales and greater fluctuation in sales and cash flow in quarters where these large deals conclude. In this market segment, the customer's decision to use Plurilock's service or products may be an enterprise-wide decision and, if so, these types of sales may require Plurilock to provide increased product discounts, additional global support and professional services, increased service level availability, greater levels of education and training regarding the use and benefits of the service. As a result of these factors, these sales opportunities may require Plurilock to devote greater sales support and professional services resources to individual customers, driving up costs and time required to complete sales and diverting sales and professional services resources to a smaller number of larger transactions.

Plurilock is reliant on key management

The success of Plurilock is dependent upon the ability, expertise and judgment of its senior management, and in particular, Ian Paterson, Roland Sartorius, Jord Tanner, Tucker Zengerle and Garr Stephenson. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of Plurilock and results of operations of the business. The loss of any of Plurilock's senior management or key employees, particularly Mr. Paterson, Mr. Sartorius, Mr. Tanner, Mr. Zengerle and/or Mr. Stephenson could materially and adversely affect Plurilock's ability to execute its business plan and strategy and Plurilock may not be able to find adequate replacements on a timely basis, or at all.

Plurilock operates in a highly competitive industry and may be unable to retain clients or market share.

Plurilock operates in a highly competitive business and may be unable to retain clients or market share. The cybersecurity industry is highly competitive, and the barriers to entry are low. There are many competitors, and new competitors are entering the market constantly. Current and new competitors may be better capitalized, have a stronger operating history, have more expertise and be able to provide comparable or superior services at the same or lower cost. Long-term contracts also form a small and declining portion of Plurilock's revenue. There is no assurance that Plurilock will be able to retain clients or its market share in the future, nor can there be any assurance that it will, in light of competitive pressures, be able to maintain or increase its current margins, or reach and sustain profitability.

Plurilock may not be able to attract new customers, maintain its existing consumer base or grow or upgrade the products provided to these customers.

To expand Plurilock's customer base, Plurilock needs to convince potential customers to allocate a portion of their discretionary budgets to purchase Plurilock's solutions. Plurilock's sales efforts often involve educating its prospective customers about the uses and benefits of Plurilock's solutions. Enterprises and governments that use other forms of security products may be hesitant to purchase Plurilock's solutions if they believe that these products are more cost effective, provide substantially the same functionality as Plurilock's solutions, or provide a level of security that is sufficient to meet their needs. Plurilock may have difficulty convincing prospective customers of the value of adopting Plurilock's solutions. Even if Plurilock is successful in convincing prospective customers that Plurilock's solutions are critical to protect against cyberattacks, they may not decide to purchase Plurilock's solutions for a variety of reasons, some of which are out of Plurilock's control. For example, any deterioration in general economic conditions, including a downturn due to COVID-19, may cause Plurilock's customers to cut their overall security and IT operations spending, and such cuts may fall disproportionately on security solutions like Plurilock's. Economic weakness, customer financial difficulties, and constrained spending on security and IT operations may result in decreased revenue, reduced sales, lengthened sales cycles, increased churn, lower demand for Plurilock's products, and adversely affect its results of operations and financial conditions. If organizations do not continue to adopt Plurilock's solutions, Plurilock's sales will not grow as quickly as anticipated, or at all, and Plurilock's business, results of operations, and financial condition would be harmed.

In order for Plurilock to maintain or improve its financial and operational results, it is important that Plurilock's existing customers renew their subscriptions for Plurilock's solutions when existing contract terms expire, and that Plurilock expand its commercial relationships with its existing customers by selling and deploying to more endpoints in their environments, selling

additional types of services, and/or moving these customers to higher tiers of Plurilock's solutions. Plurilock's customers typically have no obligation to renew their subscription for Plurilock's solutions after the expiration of their contractual subscription period, and in the normal course of business, some customers have elected not to renew. In addition, customers may seek to renew for shorter contract subscription lengths, reduce the number of users accounts, or downgrade to lower tiers of Plurilock's solutions. Customer retention and expansion may decline or fluctuate as a result of a number of factors, including customers' satisfaction with Plurilock's services, pricing, customer security and networking issues and requirements, customers' spending levels, mergers and acquisitions involving its customers, industry developments, competition and general economic conditions. Plurilock is focused on maintaining or increasing its customer renewal and growth rates efficiently and cost effectively. However, if Plurilock's efforts to maintain and expand its relationships with its existing customers are not successful, its business, results of operations, and financial condition may materially suffer.

Plurilock may not be able to prevent damages resulting from a cybersecurity attack.

Plurilock's business uses confidential information about candidates (successful and unsuccessful), employees, and clients. Plurilock is subject to cyberattacks, computer viruses, social engineering schemes and other means of unauthorized access to its systems. Plurilock has not experienced any material losses to date related to cyber-attacks or other information security breaches, but there can be no assurance that Plurilock will not incur such losses in the future. The security controls over sensitive or confidential information and other practices implemented by Plurilock and its third-party vendors may not prevent the improper access to, disclosure of, or loss of such information. Failure to protect the integrity and security of such confidential and/or proprietary information could expose Plurilock to fines, litigation, contractual liability, damage to its reputation and increased compliance costs. In addition, as cyber threats continue to evolve, Plurilock may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

There are risks inherent in Plurilock's acquisition strategy.

Plurilock intends to continue actively pursuing accretive business acquisitions in Canada, the United States, India and/or internationally consistent with its investment strategy. Such acquisitions involve inherent risks including but not limited to: (a) unanticipated costs; (b) potential loss of key employees of the company or the business acquired; (c) unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and (d) decline in the value of the acquired business or assets. Further, there can be no assurance that an acquired business will achieve the desired levels of revenue, profitability or productivity or otherwise perform as expected. Any one or more of these factors could cause Plurilock to fail to realize the anticipated benefits of the acquisition in question. Additionally, there can be no assurance that Plurilock will be able to successfully identify suitable acquisition targets and complete acquisitions on terms beneficial to Plurilock and its shareholders. Plurilock's failure to successfully execute its acquisition strategy could have a material adverse effect on its business. Moreover, Plurilock may be required to use available cash, incur debt, issue securities, or a combination of these in order to complete an acquisition. This could affect Plurilock's future flexibility and ability to raise capital, operate or develop its business, and could dilute its existing shareholders' holdings, as well as decrease

the trading price of the Common Shares. In addition, the process of acquiring and integrating companies into Plurilock's existing business may also result in unforeseen difficulties which may absorb significant management attention, require significant financial resources, and be disruptive to operations causing the business and results of operations to suffer materially. There is no assurance that when evaluating a possible acquisition, Plurilock will correctly identify and manage the risks and costs inherent in the business or asset to be acquired.

Plurilock's business is subject to broader economic factors.

Any adverse change in general economic conditions may adversely affect Plurilock's business and financial condition. The demand for workforce solutions is highly dependent upon the state of the economy and upon the staffing needs of Plurilock clients, which creates uncertainty and volatility. As economic activity slows, the need for temporary and new employees decreases. Significant declines in demand of any region or industry in which Plurilock has a major presence may significantly decrease its revenues and profits. Deterioration in economic conditions or the financial or credit markets could also have an adverse impact on the ability of Plurilock to collect payment for services.

It is difficult for Plurilock to forecast future demand for its services due to the inherent uncertainty in forecasting the direction and strength of economic cycles, the terms and nature of future staffing assignments and the financial viability of its clients. Additionally, Plurilock may experience a decline in revenue before a decline in economic activity is seen in the broader economy. When it is difficult for Plurilock to accurately forecast future demand, Plurilock may not be able to determine the optimal level of personnel and investment necessary to profitably take advantage of growth opportunities.

Current and future global economic and political volatility and uncertainty may negatively impact Plurilock's financial performance and results of operations as well as its ability to predict future spending requirements and growth, if any.

Current and future global economic, political and social conditions remain volatile and uncertain, especially due to the continuing impacts and uncertainties as a result of the COVID-19 pandemic, especially in certain parts of the world. As a result, it is difficult to estimate the level of growth or contraction for the global economy as a whole. It is even more difficult to estimate economic growth or contraction in various sectors and regions, including the markets in which the Company operates. Because all components of Plurilock's budgeting and forecasting are dependent upon estimates of growth or contraction in the markets it serves and the demand for its products and services, the prevailing economic uncertainties render estimates of future income and expenditures very difficult to make. Adverse changes may occur as a result of the impact of the COVID-19 pandemic or the continued prevalence of public health crises, wavering consumer confidence, unemployment, declines in stock markets, contraction of credit availability, declines in real estate values, stagnant economic conditions, increasing nationalism and protectionism, trade tensions and tariff uncertainty, political deadlock, war, social unrest or other factors affecting economic conditions generally. These changes may negatively affect the sales of our products and services and, therefore, may impact our ability to meet our targets for revenue, Adjusted EBITDA and cash from operating activities.

Plurilock's business may suffer if it cannot continue to protect its intellectual property rights.

Plurilock's revenue, cost of revenue, and expenses may suffer if Plurilock cannot continue to protect its intellectual property rights, or if third parties assert that Plurilock violates their intellectual property rights. Plurilock and its subsidiaries rely upon patent, copyright,

trademark and trade secret laws in the United States and Canada and similar laws in other countries, and agreements with employees, customers, suppliers and other parties, to establish and maintain intellectual property rights in its principal products, amongst other items. PLURILOCK, AURORA and the PLURILOCK & AURORA logos are unregistered trademarks of Plurilock. An unregistered trademark provides its owners with common law rights to prevent another party from representing its goods or services as that of another. The risk of Plurilock using an unregistered trademark in a particular country is that such use risks infringing on the registered or unregistered trademark of another party. Such infringement may result in liability to Plurilock and the loss of use of such trademark.

The industry in which Plurilock competes may include new or existing entrants that own, or claim to own, intellectual property, and Plurilock has received, and may receive in the future, assertions and claims from third parties that the Company's products infringe on their patents or other intellectual property rights. Litigation has been, and in the future may continue to be, necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish Plurilock's proprietary rights. Any of Plurilock's direct or indirect intellectual property rights could be challenged, invalidated or circumvented, or such intellectual property rights may not be sufficient to permit Plurilock to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly or delayed product redesign efforts, discontinuance of certain product offerings, or other competitive harm. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of Canada or the United States. Therefore, in certain jurisdictions, Plurilock may be unable to protect its proprietary technology adequately against unauthorized third-party copying or use, which could adversely affect its competitive position. Third parties also may claim that Plurilock or customers or partners indemnified by Plurilock are infringing upon their intellectual property rights. Even if management believes that the claims are without merit, the claims can be time-consuming and costly to defend, and divert management's attention and resources away from the business. Claims of intellectual property infringement also might require Plurilock to redesign affected products, enter into costly settlement or license agreements (if such licenses can be obtained on commercially reasonable terms, or at all) or pay costly damage awards, or face a temporary or permanent injunction prohibiting the marketing or selling certain of its products, which could result in Plurilock's business, operating results and financial condition being materially adversely affected.

Plurilock may be unable to obtain patent or other proprietary or statutory protection for new or improved technologies or products.

Plurilock's research and development activities and commercial success depend in part upon its ability to develop new or improved technologies and products, and to successfully obtain patent or other proprietary or statutory protection for these technologies and products in Canada, the United States, India and other countries. Plurilock seeks to patent concepts, components, protocols and other inventions that are considered to have commercial value or that will likely yield a technological advantage. Plurilock owns rights to patented and patent pending technologies in the United States, Canada, and other countries. Plurilock may not be able to develop new technology that is patentable; new patents may not be issued in connection with Plurilock's pending applications; allowed claims may not be sufficient to protect Plurilock's new technology; and patents may not be obtained by Plurilock in every jurisdiction where Plurilock's products are sold. Furthermore, any patents issued could be challenged, invalidated or circumvented and may not provide proprietary protection or a competitive advantage. New entrants to the field may have been issued patents and may

have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those that Plurilock has made or may make in the future. Since patent applications filed before November 29, 2000 in the United States are maintained in secrecy until issued as patents, and since publication or public awareness of new technologies often lags behind actual discoveries, Plurilock cannot be absolutely certain that it was the first to develop the technology covered by its pending patent applications or that it was the first to file patent applications for the technology. In addition, the disclosure in Plurilock's new patent applications, particularly in respect of the utility of its claimed inventions, may not be sufficient to meet the statutory requirements for patentability in all cases. As a result, there can be no assurance that Plurilock's new patent applications will result in enforceable patents, nor can the breadth of allowed claims in Plurilock's patents, and their enforceability, be predicted. Even if Plurilock's patents are held to be enforceable, others may be able to design around these patents or develop products similar to Plurilock's products that are not within the scope of these patents.

Plurilock's research and development efforts may not be successful.

Plurilock believes that it must continue to dedicate a significant amount of resources to its research and development efforts to maintain and develop its solutions and maintain and enhance its competitive position. Plurilock recognizes the costs associated with these research and development investments earlier than the anticipated benefits, and the return on these investments may be lower, or may develop more slowly, than it expects. If Plurilock spends significant resources on research & development and is unable to generate an adequate return on its investment, its business, financial condition and results of operations may be materially and adversely affected.

Plurilock's software may contain errors, vulnerabilities or defects.

The software technology enabling Plurilock's software services is complex and the related application software may contain errors, vulnerabilities or defects, especially when upgrades or new versions are released. Any errors or vulnerabilities that are discovered after commercial release could result in loss of revenues or delay in market acceptance, diversion of development resources, damage to Plurilock's reputation, increased service and warranty costs, liability claims and its end customers' unwillingness to buy products from Plurilock. In addition, it is possible that Plurilock's product, vendor supply chain or externally sourced technology may become the subject of a third-party attack or disruption, whether malicious or otherwise. This could detrimentally affect the persistence of Plurilock's technology, which could have a material adverse effect on its business.

Uncertainty of Liquidity and Sourcing Capital Requirements.

The future capital requirements of the Company will depend on many factors, including the number and size of acquisitions consummated, rate of growth of its customer base, the costs of expanding into new markets, the growth of the market for cybersecurity services and the costs of administration. In order to meet such capital requirements, the Company may consider additional public or private financing (including the incurrence of debt and the issuance of additional common shares) to fund all or a part of a particular venture, which could entail dilution of current investors' interest in the Company. There can be no assurance that additional funding will be available or, if available, that it will be available on acceptable terms. If adequate funds are not available, the Company may have to reduce substantially or otherwise eliminate certain expenditures. There can be no assurance that the Company will be able to raise additional capital if its capital resources are depleted or exhausted. Further, due to regulatory impediments and lack of investor appetite, the ability of the Company to

issue additional common shares or other securities exchangeable for or convertible into common shares to finance acquisitions may be restricted.

Directors and officers of Plurilock may be subject to conflicts of interest.

Plurilock is subject to various potential conflicts of interest because of the fact that some of its officers and directors are engaged in a range of business activities. In addition, Plurilock's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to Plurilock. In some cases, Plurilock's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to Plurilock's business and affairs and that could adversely affect Plurilock's operations. These business interests could require significant time and attention of Plurilock's executive officers and directors.

In addition, Plurilock may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or corporations with which Plurilock may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of Plurilock. In addition, from time to time, these persons may be competing with Plurilock for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under the *Business Corporations Act* (British Columbia).

Dependence on Distribution Channels.

Plurilock's product and sales strategies include its ability to partner with successful distribution partners. The Company's products may compete with other solutions developed and/or marketed by another distribution partner or otherwise lose favour with these partners. Its distribution partners may also cease or reduce marketing its products with limited or no notice and with little or no penalty. New distribution partners require extensive training and may take several months or more to achieve productivity. If any of its distribution partners elect to sell competing products, this could have a material adverse effect on the Company's business, operating results and financial condition. In addition, if any of its distribution partners cease or reduce marketing our solutions and/or the Company fails to manage these important sales and distribution channels effectively, Plurilock may have to change its sales strategies, which could have a material adverse effect on its business, operating results and financial condition.

The Company relies on third parties to provide some of its services and its business will be harmed if it is unable to provide these services in a cost-effective manner.

The Company relies heavily on third parties such as cloud computing service vendors and partners to provide some of its services. If these third parties were unable or unwilling to provide these services in the future, or if these third parties are ineffective at providing services, the Company would need to obtain such services from other providers. This could cause the Company to incur additional costs or cause interruptions in its business until these services are replaced.

Growing stringent regulations and compliance requirements.

Regulatory bodies are increasing cybersecurity requirements, and cybersecurity practices are therefore becoming a board-level fiduciary and legal concern. Evidence for this can be seen in the proliferation of standards and regulations, including the General Data Protection Regulation, the Payment Card Industry Data Security Standard, the Health Insurance

Portability and Accountability Act ("**HIPPA**"), the Federal Information Security Management Act, and the Gramm-Leach-Bliley Act, amongst others. As requirements grow, the use of point solutions and hotfixes to maintain near-term compliance is also increasing, causing intractable complexity, high maintainability costs, and unforeseen knock-on vulnerabilities. As a result, there is growing enterprise demand for risk-based authentication solutions, common, extensible infrastructures to support compliance regimes, and the collection of more sophisticated and timely security intelligence. As a result, Plurilock's business operates in an environment in which government regulations and funding play a key role. Any change in governmental regulation and licensing requirements or their interpretation and application, which are beyond the Company's control, could adversely affect the business, financial condition and results of operations of the business. In addition, the Company could incur significant costs in the course of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of the Company.

Ethical Business Conduct.

Any failure of Plurilock to adhere to its corporate governance or business policies, the law or ethical business practices could significantly affect its reputation and brands and could therefore negatively impact the Company's financial performance. The Company's framework for managing ethical business conduct includes the adoption of a Code of Business Conduct and Ethics which directors, employees, advisors and consultants of the Company are required to acknowledge and agree to. As well, as part of an independent audit and security function the Company maintains a whistle blowing hotline. There can be no assurance that these measures will be effective to prevent violations of law or ethical business practices.

Confidentiality & Privacy of Information.

The Company's staff may have access, in the course of their duties, to certain information of the Company's customers. Although, all staff are required to sign confidentiality agreements, there can be no assurance that the Company's existing policies, procedures and systems will be enough to address the privacy concerns of existing and future customers. If a customer's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines or penalties.

The Company Needs to Comply with Financial Reporting and Other Requirements as a Public Company.

The Company is subject to reporting and other obligations under applicable Canadian & US securities laws, as well as TSXV (including National Instrument 52-109) & OTC rules. These reporting and other obligations place significant demands on the Company's management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company's reported financial information, which could result in a lower trading price of its securities. Management does not expect that Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of

controls can provide Plurilock assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of some persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Plurilock has limited operating history

Prior to the QT, Plurilock was a CPC and as a result has not commenced commercial operations and has no assets other than cash. Following the QT, Plurilock adopted the business of PL. PL began carrying on business in 2008 and has been incurring operating losses and cash flow deficits since inception. Plurilock is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, and limitations with respect to personnel, financial, and other resources. There is no assurance that Plurilock will be successful, and the likelihood of success must be considered in light of its early stage of operations. The majority of Plurilock's revenues are generated from a few customers. If economic or other factors were to change and thus impact these customers or the market, then the revenues of Plurilock would be negatively impacted. To the extent Plurilock has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such operating cash flow. Plurilock may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that Plurilock will be able to generate a positive cash flow from operations, that additional capital or other types of financing will be available when needed, or that such financings will be on favourable terms.

Damage to Plurilock's brand may harm its results.

Plurilock's business depends on its strong reputation. Anything that harms Plurilock's reputation will likely harm its results. As a provider of temporary and permanent staffing, Plurilock's reputation is dependent, in part, on the performance of its employees. If Plurilock's clients become dissatisfied with the performance of Plurilock's employees, or if any of Plurilock's employees engage in or are believed to have engaged in conduct that is harmful to Plurilock's clients, Plurilock's ability to retain existing clients and maintain or expand its client base may be negatively affected. Plurilock's ability to attract suitable candidates to fulfil both temporary and permanent positions is also affected by the external perception of its brand and reputation.

Damage to Plurilock's reputation can be the result of the actual or perceived occurrence of any number of events and could include any negative publicity, whether true or not. Although Plurilock operates in a manner that is respectful to all stakeholders and that takes care in protecting its image and reputation, Plurilock does not ultimately have direct control over how it is perceived by others. Reputational damage could negatively affect its ability to attract and retain employees, decreased shareholder confidence, increased challenges in maintaining relationships with prospective clients and other industry participants, and an impediment to its ability to execute its business plan, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Plurilock faces fluctuating foreign exchange rates.

Plurilock's reporting and functional currency is the Canadian dollar. However, a significant portion of operating expenses is denominated in U.S. dollars. As a result, Plurilock is exposed to fluctuations in the U.S. dollar exchange rate for which it has not entered into foreign exchange hedges. Currency markets by their nature are volatile and have seen increased volatility recently due to the COVID-19 pandemic. A significant appreciation of the Canadian dollar relative to the U.S. dollar could materially impact the profitability of Plurilock. In addition, Plurilock will be exposed to greater foreign exchange risk from other countries as its operations, and its operating expenses, expand in foreign jurisdictions.

The price of the Common Shares may be volatile.

The price of the Common Shares may be volatile and subject to wide fluctuations as a result of a variety of factors, many of which are beyond Plurilock's control including the following:

- actual or anticipated quarterly fluctuations in its operating results and financial condition;
- changes in financial estimates or publication of research reports and recommendations by financial analysts;
- reports in the press or investment community generally or relating to Plurilock's reputation or the industry in which it operates;
- strategic actions by Plurilock or its competitors, such as acquisitions, restructurings, dispositions, or financings;
- fluctuations in the stock price and operating results of Plurilock's competitors;
- future sales of Plurilock's equity or equity-related securities;
- proposed or adopted regulatory changes or developments;
- domestic and international economic & political factors unrelated to Plurilock's performance; and
- general market conditions.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values, or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if Plurilock's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur.

The market price of the Common Shares may decline due to the large number of convertible securities issued and outstanding Common Shares eligible for future sale.

Sales of substantial amounts of Common Shares in the public market, or the perception that these sales could occur, could cause the market price of Common Shares to decline. These sales could also make it more difficult for Plurilock to sell equity or equity-related securities in the future at a time and price that it deems appropriate.

Plurilock may be subject to litigation.

Plurilock may become party to litigation, either as plaintiff or defendant, from time to time in the ordinary course of business including but not limited to actions related to Plurilock's commercial relationships, employment matters, and services delivered. Such matters include both actual and threatened claims. Should any litigation in which Plurilock becomes involved be determined against Plurilock, such a decision could adversely affect Plurilock's ability to continue operating, and the market price for the Common Shares. Even if Plurilock is

successful in litigation, litigation can redirect significant company resources.

Risks related to Plurilock's foreign operations.

Plurilock intends to continue to pursue and commit resources to growth opportunities beyond North America which could result in international sales accounting for an increasing portion of Plurilock's consolidated revenues. Plurilock will be subject to a number of risks associated with international business activities that may increase liability or costs, lengthen sales and/or product development cycles, or require significant management attention. International operations carry certain risks and associated costs, such as: the complexities and expense of administering a business abroad; complications in compliance with, and unexpected changes in legal and regulatory restrictions or requirements; foreign laws, international import and export legislation; trading and investment policies; economic and political instability; foreign currency fluctuations; exchange controls; increased nationalism and protectionism; tariffs and other trade barriers; difficulties in collecting accounts receivable; potential adverse tax consequences; uncertainties of laws and enforcement relating to intellectual property and privacy rights; unauthorized copying of software; difficulty in managing a geographically dispersed workforce in compliance with diverse local laws and customs; potential governmental expropriation (especially in countries with undemocratic/authoritarian ruling parties); and other factors depending upon the country involved. There can be no assurance that Plurilock will not experience these risks in the future. If foreign operations expand to the point where they account for a significant portion of Plurilock's consolidated revenues, the presence of such risks could have a material adverse effect on Plurilock's business, financial condition, and results of operations.

Lenders may penalize or otherwise take action against Plurilock if it is unable to meet its obligations under financial instruments.

Plurilock's ability to continue its operations is dependent upon the continued support of its shareholders, its ability to obtain additional financing as and when required and generating revenue. Currently, Plurilock's revenues combined with its financing activities provide enough resources to fund its obligations as they come due.

Plurilock does not anticipate paying dividends on the Common Shares.

Plurilock has not previously paid any dividends and does not anticipate paying any dividends in the foreseeable future. Dividends paid by Plurilock would be subject to tax and, potentially, withholdings. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant. As a result, investors may not receive any return on an investment in Common Shares, other than an appreciation in share price.

Management has discretion concerning unallocated funds.

Management will have discretion concerning the use and allocation of Plurilock's available funds as well as the timing of their expenditure. As a result, shareholders will be relying on the judgment of management for the application of the available funds. The results and the effectiveness of the application of the funds are uncertain. If Plurilock's cash reserves are not applied effectively, Plurilock's results of operations may suffer.

The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, is adversely affecting and is expected to continue to adversely affect Plurilock's business and future results of operations and financial condition, and this adverse affect could be material.

The future impact of the COVID-19 pandemic on Plurilock's business, financial condition and results of operations remains uncertain. The measures attempting to contain and mitigate the effects of the virus such as travel restrictions, self-isolation measures, mandatory closures of nonessential services and businesses, physical distancing practices, and the resulting effect on the operations of and spending by Plurilock's consumers have disrupted and may continue to disrupt Plurilock's normal operations and impact Plurilock's employees, partners, customers and their customers, third-party service providers, suppliers and other stakeholders. Many of the measures attempting to contain and mitigate the effect of the COVID-19 virus were initially implemented in March 2020, and in many of the geographies Plurilock serves have remained or were reinstated after temporarily being lifted as a result of resurgences of the virus. Such measures have significantly contributed to rising unemployment and negatively impacted consumer and business spending. The Company is uncertain of the impact of these measures in subsequent periods as, even though many jurisdictions were able to ease measures after an initial period, many have strengthened or re-strengthened measures, including forced business closures, with continuing resurgences of COVID-19 cases in many of the geographies Plurilock serves around the world.

The pandemic has already caused, and is likely to result in further, significant disruption of global financial markets and economic uncertainty. Uncertain and adverse economic conditions may also lead to potential losses for the Company, which could adversely affect Plurilock's business and may require Plurilock to recognize an impairment related to Plurilock's assets in Plurilock's financial statements. Since the impact of the COVID-19 pandemic is ongoing, the effect of the COVID-19 outbreak and the related impact on the global economy may not be fully reflected in Plurilock's results of operations until future periods.

In addition, Plurilock's technology platforms and the other systems or networks used in its business may experience an increase in attempted cyber-attacks, targeted intrusion, ransomware and phishing campaigns seeking to take advantage of shifts to employees working remotely using their household or personal internet networks as a result of the COVID-19 pandemic. The success of any of these unauthorized attempts could substantially impact the Company's technology platforms, the proprietary and other confidential data contained therein or otherwise stored or processed in the Company's operations, and ultimately its business. Any actual or perceived security incident also may cause Plurilock to incur increased expenses to improve its security controls and to remediate security vulnerabilities.

The spread of COVID-19 has caused Plurilock to modify its business practices to help minimize the risk of the virus to its employees, partners, customers and the communities in which Plurilock participates, which could negatively impact its business. In response to the COVID-19 pandemic, Plurilock has enabled its employees to work remotely, implemented travel restrictions for all non-essential business and shifted company events to virtual-only experiences, and Plurilock may deem it advisable to similarly alter, postpone or cancel additional events in the future. There is no certainty that the measures Plurilock has taken will be sufficient to mitigate the risks posed by the virus. If the COVID-19 pandemic worsens, or if new variants emerge, Plurilock's business activities originating from affected areas could be adversely affected. Disruptive activities could include additional business closures in impacted areas, further restrictions on Plurilock's employees' ability to travel, impacts to productivity if Plurilock's employees or their family members experience health issues and

potential delays in hiring and onboarding of new employees. The Company may take further actions that alter its business operations as may be required by local, provincial, state or federal authorities or that the Company determines are in the best interests of its employees. Such measures could negatively affect Plurilock's sales and marketing efforts, sales cycles, employee productivity or customer retention, any of which could harm the Company's financial condition and business operations. Plurilock may also be affected by significant supply chain constraints such that it cannot procure the hardware needed to deliver products to its customers on time. Increased pricing of these components could also affect costs to deliver its products and result in delayed or lost sales. Changes in internal controls due to remote work arrangements may result in control deficiencies and impact Plurilock's financial reporting systems, which may also be material.

The extent and continued impact of the COVID-19 pandemic on Plurilock's business will depend on certain future developments, including: the duration and spread of the outbreak; government responses to the pandemic; delays in vaccine rollout; the effectiveness of vaccines against the virus and its mutations; the impact on the Company's customers and its sales cycles; the impact on customer, industry or employee events; the impact on economic activity and domestic and international trade; and the effect on Plurilock's partners, customers and supply chains, all of which are uncertain and cannot be predicted. If Plurilock or its customers experience prolonged shutdowns or other business disruptions in the future, the Company's ability to conduct its business in the manner and within planned timelines could be materially adversely impacted.

The duration and severity of the COVID-19 pandemic, including variants such as Delta and Omicron, may also have the effect of heightening many of the other risks described in this "Risks Factors" section. Additionally, although Plurilock has attempted to identify the COVID-19-related risks faced by its business, the uncertainty and lack of predictability around the COVID-19 pandemic means there may be other risks not presently known to the Company or that the Company presently believes are not material that could also affect its business, financial condition and results of operations. Plurilock cannot currently estimate the overall severity, extent or duration of any resulting adverse impact on its business, financial condition or results of operations from COVID-19, including variants such as Delta and Omicron, though the impact may be material. A material adverse effect on Plurilock's employees, partners, customers, suppliers and/or other stakeholders could have a material adverse effect on the Company.

Plurilock may issue additional equity securities or engage in other transactions that could dilute its book value or affect the priority of the Common Shares, which may adversely affect the market price of Common Shares.

The Board may determine from time to time that it needs to raise additional capital by issuing additional Common Shares or other securities. Except as otherwise described in this AIF, Plurilock will not be restricted from issuing additional Common Shares, including securities that are convertible into or exchangeable for, or that represent the right to receive, Common Shares. Because Plurilock's decision to issue securities in any future offering will depend on market conditions and other factors beyond Plurilock's control, it cannot predict or estimate the amount, timing, or nature of any future offerings, or the prices at which such offerings may be affected. Additional equity offerings may dilute the holdings of Plurilock's existing shareholders or reduce the market price of the Common Shares, or both. Holders of Common Shares are not entitled to pre-emptive rights or other protections against dilution. New investors also may have rights, preferences and privileges that are senior to, and that adversely affect, Plurilock's then-current holders of Common Shares. Additionally, if Plurilock

raises additional capital by making offerings of debt or preference shares, upon liquidation of Plurilock, holders of its debt securities and preference shares, and lenders with respect to other borrowings, may receive distributions of its available assets before the holders of Common Shares.

Plurilock is a holding company with its only material assets being direct or indirect ownership of the Amalgamated Entity, PLUS, PSP, INC and ASC.

Plurilock is a holding company and essentially all of its assets are the capital stock of its subsidiaries. Consequently, Plurilock's cash flows and ability to leverage future business opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to Plurilock. The ability of its subsidiaries to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt, if any. In the event of a bankruptcy, liquidation or reorganization of any of its subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Plurilock.

Income tax related risks.

Significant judgment is required in determining Plurilock's provision for income taxes. Various internal and external factors may have favourable or unfavourable effects on Plurilock's future provision for income taxes, income taxes payable and/or effective income tax rate. These factors include, but are not limited to: changes in tax laws, regulations and/or rates; results of audits by tax authorities; changing interpretations of existing tax laws or regulations; changes in estimates of prior years' items; future levels of R&D spending; changes in the overall mix of income among the different jurisdictions in which Plurilock operates; and changes in overall levels of income before taxes. To the extent that the taxation authorities do not agree with Plurilock's tax positions, Plurilock may not be able to realize all or a portion of the tax benefits recognized. Furthermore, new accounting pronouncements or new interpretations of existing accounting pronouncements can have a material impact on Plurilock's effective income tax rate. Plurilock and its subsidiaries file income tax returns and pay income taxes in jurisdictions where Plurilock believes it is subject to tax. In jurisdictions in which Plurilock and its subsidiaries do not believe they are subject to tax and therefore do not file income tax returns, Plurilock can provide no certainty that tax authorities in those jurisdictions will not subject one or more tax years (since inception of Plurilock or its subsidiaries) to examination. Tax examinations are often complex as tax authorities may disagree with the treatment of items reported by Plurilock, the result of which could have a material adverse effect on Plurilock's financial condition and results of operations. In addition, in response to significant market volatility and disruptions to business operations resulting from COVID-19, legislatures and taxing authorities in many jurisdictions in which Plurilock operates may propose changes to their tax rules. These changes could include modifications that have temporary effect, and more permanent changes. The impact of these potential new rules on Plurilock, its long-term tax planning, and its tax effective tax rate could be material.

Plurilock's business could be disrupted as a result of actions of certain shareholders or potential acquirers of Plurilock.

If any of the holders of Common Shares commence a proxy contest, advocate for change that is not necessarily in the best interests of Plurilock and all of its stakeholders, make public statements critical of Plurilock's performance or business, or engage in other similar activities, or if Plurilock becomes subject to a potential acquisition target, then Plurilock's business could be adversely affected because Plurilock may have difficulty attracting and retaining employees and clients due to perceived uncertainties as to its future direction and negative public statements about its business. In addition, responding to proxy contests and other similar actions by shareholders is likely to result in Plurilock incurring substantial additional costs and significantly diverting the attention of management and employees; and, if individuals are elected to the Board with a specific agenda, the execution of Plurilock's strategic plan may be disrupted or a new strategic plan altogether may be implemented, which could have a material adverse impact on its business, financial condition or results of operations. Further, any of these matters or any such actions by shareholders may impact and result in volatility of the price of the Common Shares.

Plurilock's reliance on copyrights, trademarks, trade secrets, confidentiality procedures and similar contractual provisions.

In addition to patents, Plurilock relies on, among other things, copyrights, trademarks, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights in Canada, the United States, and other countries. As a result, it is possible that the following may occur: some or all of the confidentiality agreements entered into by Plurilock with its employees, consultants, business partners, customers, potential customers and other third parties will not be honoured; third parties will independently develop equivalent technology or misappropriate Plurilock's technology and/or designs; disputes will arise with Plurilock's strategic partners, customers or others concerning the ownership of intellectual property; there may occur an unauthorized disclosure of source code, know-how or trade secrets; or contractual provisions may not be enforced in foreign jurisdictions. There can be no assurance that Plurilock will be successful in protecting its proprietary rights in Canada, the United States, and other countries.

Other Risks.

There can be no assurance that an active and liquid market for the Company's common shares will develop, and investors may find it difficult to resell the common shares.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends or made distributions on its Common Shares since incorporation. The Company has no present intention of paying dividends in the near future. It will pay dividends when, as and if declared by the Board. The Company expects to pay dividends only out of retained earnings in the event that it does not require its retained earnings for operations and reserves. There are no restrictions in the Company's articles of incorporation or bylaws that prevent it from declaring dividends. The Company has no shares with preferential dividend and distribution rights authorized or outstanding.

DESCRIPTION OF CAPITAL STRUCTURE

Plurilock is authorized to issue an unlimited number of common shares without nominal or par value of which, as of the date hereof, 71,497,240 Common Shares are issued and

outstanding. The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Company's shareholders and are entitled to one vote for each Common Share held. The holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Company, the holders of the Common Shares are entitled to share pro rata in the remaining assets of the Company. The Common Shares do not have attached thereto any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions or provisions requiring a security holder to contribute additional capital.

MARKET FOR SECURITIES

Trading Price and Volume

On February 8, 2019, the Common Shares began trading on the TSXV under the symbol "LBB". Trading was halted on January 3, 2020 in connection with the QT. On September 24, 2020, the Common Shares commenced trading under the symbol "PLUR". The table below summarizes the range and volume of trading prices for the last 12 months:

Month	TSXV Price Range		Total Volume
	High	Low	
April 2021 ⁽¹⁾	\$0.74	\$0.58	2,403,666
May 2021	\$0.58	\$0.49	1,717,566
June 2021	\$0.55	\$0.43	2,572,577
July 2021	\$0.57	\$0.44	3,187,578
August 2021	\$0.75	\$0.50	4,027,900
September 2021	\$0.68	\$0.53	3,132,536
October 2021	\$0.68	\$0.52	2,463,932
November 2021	\$0.57	\$0.41	3,087,654
December 2021	\$0.50	\$0.36	3,377,525
January 2022	\$0.47	\$0.34	1,695,034
February 2022	\$0.40	\$0.28	1,835,683
March 2022	\$0.42	\$0.32	2,092,603
April 1 – April 14, 2022	\$0.34	\$0.285	527,938

Note:

(1) Trading halted on January 3, 2020, pending announcement of the QT and remained halted until the QT was

completed and recommenced trading under the symbol PLUR on September 24, 2020.

Prior Sales

During the financial year ended December 31, 2021, the Company issued the following Common Shares or securities exercisable into Common Shares:

Date of Issue	Description	Number of Securities	Price per Security/ Exercise Price
January 11, 2021	Common Shares	7,094 ⁽¹⁾	\$0.20
January 18, 2021	Common Shares	4,653 ⁽¹⁾	\$0.30
January 26, 2021	Common Shares	50,000 ⁽¹⁾	\$0.40
January 26, 2021	Common Shares	26,500 ⁽¹⁾	\$0.40
January 27, 2021	Common Shares	55,555 ⁽¹⁾	\$0.40
February 1, 2021	Common Shares	22,222 ⁽¹⁾	\$0.40
February 03, 2021	Options	50,000 ⁽²⁾	\$0.50
February 03, 2021	Common Shares	166,665 ⁽¹⁾	\$0.40
February 04, 2021	Common Shares	3,800 ⁽¹⁾	\$0.20
February 05, 2021	Common Shares	1,450 ⁽¹⁾	\$0.20
February 08, 2021	Common Shares	80,068 ⁽¹⁾	\$0.20
February 08, 2021	Common Shares	35,000 ⁽¹⁾	\$0.40
February 08, 2021	Common Shares	8,500 ⁽¹⁾	\$0.40
February 10, 2021	Common Shares	22,222 ⁽¹⁾	\$0.40
February 17, 2021	Common Shares	172,633 ⁽¹⁾	\$0.30
February 17, 2021	Common Shares	72,777 ⁽¹⁾	\$0.40
February 18, 2021	Common Shares	44,444 ⁽¹⁾	\$0.40
February 18, 2021	Common Shares	22,222 ⁽¹⁾	\$0.40
February 18, 2021	Common Shares	28,580 ⁽¹⁾	\$0.30
February 19, 2021	Common Shares	35,000 ⁽¹⁾	\$0.40
February 19, 2021	Common Shares	18,900 ⁽¹⁾	\$0.30
February 23, 2021	Common Shares	100,000 ⁽¹⁾	\$0.40

February 24, 2021	Common Shares	11,111 ⁽¹⁾	\$0.40
February 18, 2021	Common Shares	7,914,732 ⁽⁴⁾	\$0.45
February 18, 2021	Warrants	3,957,366 ⁽⁴⁾	\$0.65
February 18, 2021	Broker Warrants	374,951 ⁽⁴⁾	\$0.65
February 24, 2021	Options	50,000 ⁽²⁾	\$0.60
February 26, 2021	Common Shares	3,326,004 ⁽⁴⁾	\$0.48
February 26, 2021	Warrants	1,663,002 ⁽⁴⁾	\$0.65
February 26, 2021	Broker Warrants	92,427 ⁽⁴⁾	\$0.65
March 05, 2021	Options	100,000 ⁽²⁾	\$0.56
March 14, 2021	Options	300,000 ⁽²⁾	\$0.67
March 16, 2021	Common Shares	138,750 ⁽³⁾	\$0.20
March 16, 2021	Common Shares	71,111 ⁽¹⁾	\$0.40
March 31, 2021	Common Shares	698,888 ⁽⁵⁾	\$0.54
March 31, 2021	Common Shares	46,296 ⁽⁵⁾	\$0.54
April 5, 2021	Common Shares	100,000 ⁽¹⁾	\$0.40
April 7, 2021	Common Shares	5,000 ⁽¹⁾	\$0.40
April 8, 2021	Common Shares	44,444 ⁽¹⁾	\$0.40
April 12, 2021	Common Shares	22,220 ⁽¹⁾	\$0.40
April 14, 2021	Common Shares	35,000 ⁽¹⁾	\$0.40
April 15, 2021	Common Shares	22,222 ⁽¹⁾	\$0.40
April 30, 2021	Common Shares	21,440 ⁽¹⁾	\$0.30
May 13, 2021	Common Shares	16,750 ⁽¹⁾	\$0.40
May 17, 2021	Common Shares	26,750 ⁽¹⁾	\$0.40
May 25, 2021	Common Shares	18,180 ⁽¹⁾	\$0.40
May 27, 2021	Common Shares	16,750 ⁽¹⁾	\$0.40
June 01, 2021	Common Shares	16,750 ⁽¹⁾	\$0.40
June 03, 2021	Common Shares	16,750 ⁽¹⁾	\$0.40

August 03, 2021	Common Shares	20,000 ⁽¹⁾	\$0.30
August 24, 2021	Common Shares	2,613 ⁽¹⁾	\$0.30
August 27, 2021	Common Shares	33,333 ⁽¹⁾	\$0.40
August 30, 2021	Common Shares	547,222 ⁽¹⁾	\$0.40
September 07, 2021	Common Shares	50,000 ⁽¹⁾	\$0.40
September 15, 2021	Common Shares	772 ⁽³⁾	\$0.34
September 15, 2021	Common Shares	2,228 ⁽³⁾	\$0.34
September 17, 2021	Common Shares	1,235 ⁽³⁾	\$0.34
September 17, 2021	Common Shares	3,765 ⁽³⁾	\$0.34
September 21, 2021	Common Shares	2,428 ⁽³⁾	\$0.34
September 21, 2021	Common Shares	32,572 ⁽³⁾	\$0.34
September 27, 2021	Common Shares	11,889 ⁽¹⁾	\$0.30
September 29, 2021	Common Shares	3,500 ⁽¹⁾	\$0.40
October 01, 2021	Common Shares	9,000 ⁽¹⁾	\$0.30
October 04, 2021	Common Shares	5,000 ⁽¹⁾	\$0.40
October 07, 2021	Common Shares	76,110 ⁽¹⁾	\$0.40
October 12, 2021	Common Shares	320,000 ⁽¹⁾	\$0.40
October 12, 2021	Common Shares	500,555 ⁽¹⁾	\$0.40
October 22, 2021	Common Shares	106,665 ⁽¹⁾	\$0.40
November 10, 2021	Common Shares	9,200,000 ⁽⁶⁾	\$0.50
November 10, 2021	Warrants	527,100 ⁽⁷⁾	\$0.50
November 12, 2021	Options	1,778,000 ⁽²⁾	\$0.52

Notes:

- (1) Issued pursuant to the exercise of Warrants.
- (2) Issued to employees, directors, officers and consultants of the Company pursuant to the Company's stock option plan.
- (3) Issued pursuant to the exercise of Options.
- (4) Issued with respect to the private placement of units the Company completed in February 2021.
- (5) Issued in connection with the acquisition of all of the issued and outstanding shares of ASC.
- (6) Issued in respect to Bought Deal Offering.
- (7) Underwriters Warrants (as defined in the Underwriting Agreement) issued in connection to Bought Deal Offering.

Subsequent to the financial year ended December 31, 2021, the Company issued the following

Common Shares or securities exercisable into Common Shares:

Date of Issue	Description	Number of Securities	Price per Security/ Exercise Price
January 06, 2022	Common Shares	10,000 ⁽¹⁾	\$0.30
January 12, 2022	Common Shares	53,809 ⁽³⁾	\$0.42
March 4, 2022	Common Shares	476,190 ⁽⁴⁾	\$0.42
March 11, 2022	Common Shares	2,808 ⁽¹⁾	\$0.34
March 11, 2022	Common Shares	42,647 ⁽⁵⁾	\$0.34
March 24, 2022	Options	624,000 ⁽²⁾	\$0.37
April 01, 2022	Options	800,000 ⁽²⁾	\$0.33
April 01, 2022	Common Shares	69,538 ⁽³⁾	\$0.325
April 06, 2022	Common Shares	1,154,676 ⁽⁶⁾	\$0.325

Notes:

- (1) Issued pursuant to exercise of Warrants.
- (2) Issued to employees, directors, officers and consultants of the Company pursuant to the Company's stock option plan.
- (3) Issued pursuant to shares for services agreement.
- (4) Issued pursuant to the INC Acquisition.
- (5) Issued to a strategic consultant of the Company for services provided in connection with the INC Acquisition.
- (6) Issued pursuant to achievement of the performance based earnout outlined in the Share Purchase Agreement with Aurora Systems Consulting, Inc.

ESCROWED SECURITIES

As of the December 31, 2021, the following table sets out the number of securities of each class of the Company held in escrow or that are subject to a contractual restriction on transfer:

Designation of Class ^[MS1] ^[AL2]	Number of Securities held in escrow or subject to a contractual restriction on transfer	Percentage of class ⁽¹⁾
Common Shares	1,830,000 ⁽²⁾	2.6%
Common Shares	3,042,368 ⁽³⁾	4.3%
Common Shares	2,389,470 ⁽⁴⁾	3.4%
Warrants	98,888 ⁽⁴⁾	0.1%
Common Shares	13,289,874 ⁽⁵⁾	18.6%

Common Shares	178,571 ⁽⁶⁾	0.2%
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Notes:

- (1) Based on 71,497,240 Common Shares and 12,011,257 Warrants issued and outstanding as of December 31, 2021.
- (2) 3,050,000 Common Shares were subject to the escrow agreement dated January 16, 2019 between the Company and Computershare Trust Company of Canada. 10% of these Common Shares were released on September 22, 2020 (the "**Release Date**") and 15% will be released every six months thereafter.
- (3) 5,070,614 Common Shares were subject to the escrow agreement dated September 17, 2020 between the Company and Computershare Trust Company of Canada. 10% of these Common Shares were released on the Release Date and 15% will be released every six months thereafter.
- (4) 2,986,838 Common Shares and 123,610 Warrants were subject to the escrow agreement dated September 17, 2020 between the Company and Computershare Trust Company of Canada. 5% of these Common Shares were released on the Release Date, another 5% were released on March 22, 2021, 10% will be released on the 12 and 18 month anniversaries of the Release Date, 15% will be released on the 24 and 30 month anniversaries of the Release Date and 40% will be released on the 36 month anniversary of the Release Date.
- (5) Certain shareholders of the Company are subject to a lock-up agreements whereby such shareholders agreed to not directly or indirectly, option, sell, convey, transfer, pledge, encumber, grant a security interest in, hypothecate, assign, gift, or otherwise dispose of any of their Common Shares, or enter into any agreement or contract in respect thereto or agree or announce any intention to do so until September 17, 2022.
- (6) 178,571 Common Shares issued pursuant to the INC Acquisition were placed in escrow for 12 months to satisfy any indemnification obligations by INC to the Company.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The Directors of the Company are set out below. The Directors are elected by the shareholders at each annual meeting of shareholders and typically hold office until the next annual meeting of shareholders, at which time they may be re-elected or replaced.

The Board has three committees, each comprised entirely of independent Directors: an audit committee (the "**Audit Committee**"), a compensation committee (the "**Compensation Committee**") and a M&A advisory committee (the "**M&A Advisory Committee**").

Name, Municipality of Resident and Position	Principal Occupation for the Past Five (5) Years	Common Shares
Ian L. Paterson Chief Executive Officer and Director Victoria, B.C.	Chief Executive Officer of Plurilock Security Solutions, Inc. (June 2017 - Present) Vice President, Sales of Plurilock Security Solutions, Inc. (Jan 2016 - June 2017)	1,499,980
Robert Kiesman ⁽²⁾ Chairman & Director Richmond, BC	Owner of Vancouver Corporate Solutions Inc. (July 2020 – Present) Owner & Chief Legal Officer of Valley Personnel Ltd. (May 2017 - Present) Owner & President of Steveston Employment Advisors Inc. (Sept 1994 - Present) Mergers and acquisitions lawyer at Stikeman Elliott	480,000 ⁽⁴⁾

	LLP (August 2010 - June 2017)	
Adm. Mike McConnell ⁽²⁾⁽³⁾ Director Middleburg, Virginia, USA	Executive Director (part-time) of the Center for Cybersecurity (Cyber Florida USA) (February 2020 – Present) Director of Securonix Inc. (November 2017– April 2022) Director of ZeroFox (August 2014 - Present) Director of IronNet Cybersecurity, Inc. (September 2016 – Present) Director of Fortinet Federal Inc. (August 2017 – August 2021) Member of Security Board Member of Nokia Corporation (February 2017 - Present) Member of Advisory Board of 1Kosmos Block ID (February 2017– Present) Member of Security Board of Nokia Corporation (February 2017 - Present) Advisor of Booz Allen Hamilton Inc. (July 2014– Present) Advisor of Kohn’s Corporation (September 2016 - Present)	28,251
Barry Carlson ⁽²⁾⁽³⁾ Director; Victoria, BC	Chairman of Plurilock Security Solutions, Inc. (June 2017 - May, 2019) and (August 2019 - Present) Chief Executive Officer of Plurilock Security Solutions, Inc. (September 2015 - June 2017)	440,297
Ed Hammersla ⁽³⁾ Director Mechanicsville, Maryland, USA	Chief Executive Officer of Utilidata, Inc. (February 2017 - January 2018) President of Raytheon Cyber Products (October 2010 – January 2017)	14,126
Roland Sartorius Chief Financial Officer & Corporate Secretary Vancouver, BC	Chief Financial Officer & Corporate Secretary of Plurilock Security Solutions, Inc. (November 2017 - Present) Chief Financial Officer & Corporate Secretary of Datable Technology Corp. (October 2017 - Present) Chief Financial Officer & Corporate Secretary of Zorroa Corp. (March 2016 - March 2018)	874,672 ⁽⁵⁾

Jord Tanner Chief Technology Officer Sooke, B.C.	Chief Technology Officer of Plurilock Security Solutions Inc. (December 2019 - Present) Vice President, Engineering of Plurilock Security Solutions Inc. (May 2018 - November 2019) VP Infrastructure and Security of Terapeak Canada Inc. (February 2016 - March 2018)	219,012
Tucker Zengerle Chief Operating Officer Ramsey, New Jersey, USA	Vice President Operations - QOMPLX (August 2020 - November 2021) Deputy Chief Operating Officer– Dun and Bradstreet (Jan 2020 - April 2020) Interim Chief Operating Officer– Natland (Jan 2019 – Dec 2019) Chief Technology Officer and Chief Executive Officer – Creditinfo Solutions (June 2015- Jan 2019)	Nil
Garr Stephenson Jr. Chief Revenue Officer San Diego, California, USA	Executive Vice President & General Manager - ISR & Mobility, UltiSat Inc (May 2014 – March 2022)	Nil

Notes:

- (1) Percentage of voting securities on an undiluted basis.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Includes Common Shares held by Skeena Gold Fishing Ltd. and Debra Wampler. Mr. Kiesman exercises control and direction over these Common Shares.
- (5) Includes shares held by RoJan Consultants Ltd. Mr. Sartorius exercises control and direction over these Common Shares.

The following are brief biographies of the above individuals:

Directors

Ian L. Paterson – Chief Executive Officer & Director

Ian L. Paterson is the Company’s Chief Executive Officer. Mr. Paterson joined PL as Vice-President, Sales in January 2016, was promoted to Chief Operation Officer in November 2018 and subsequently promoted to Chief Executive Officer in June 2017. Mr. Paterson was appointed the Company’s Chief Executive Officer on September 17, 2021. Mr. Paterson is an entrepreneur with 10+ years of experience in leading and commercializing technology companies. Paterson has raised over \$15M in private and public financing, completed international mergers and acquisitions transactions and is co-inventor of three patents. Previously Paterson served as Chief Executive Officer and founder of data monetization platform

Exapik (acquired), and as Director of Insights for Terapeak, a venture-backed analytics firm acquired by eBay.

Robert Kiesman – Chairman & Director

Robert Kiesman was appointed the Chairman of the Board on September 17, 2020 and is a member of the Audit Committee and M&A Advisory Committee. Mr. Kiesman is a private business owner and corporate lawyer who specialized in securities law and mergers & acquisitions for eight years (2009 to 2017) with Stikeman Elliott LLP in Vancouver. He has served as board chairman of the Steveston Harbour Authority since 2014. He also served as Vice Chair of the board of directors of the Provincial Health Services Authority, a public health authority with an annual budget of over \$4 billion. He served as a director and Audit Committee chair of Powerband Solutions Inc. (TSX-V:PBX) in 2018 and is a director of Four Arrows Capital Corp. (TSX-V:AROW). Mr. Kiesman has a law degree from the University of British Columbia and a BA in Political Studies from Trinity Western University.

Admiral Mike McConnell – Director

Vice Admiral Mike McConnell, USN (Ret.) was appointed to the Board on September 17, 2020 and is a member of the Audit and Compensation Committee. Mr. McConnell previously served as the Director of National Security Agency of the United States under President Clinton and President George H.W. Bush, then as U.S. Director of National Intelligence under President George W. Bush and President Obama, managing an organization of 100,000 people with annual budget of \$47 billion. Vice Admiral McConnell also served as the head of the intelligence business at Booz Allen Hamilton Inc. (NYSE: BAH) before retiring as Vice Chairman. He currently serves on the board of directors for several companies. He twice received the nation's highest award for service in the intelligence community, once by President Clinton and once by President W. Bush. Vice Admiral McConnell holds an M.P.A. from George Washington University and has been awarded four honorary doctorate degrees, the most recent from the University of South Florida.

Barry Carlson – Director

Barry Carlson was appointed to the Board on September 17, 2020 and is chair of the Audit Committee and a member of the Compensation Committee. Mr. Carlson was previously the Chairman of the Board of PL and is a veteran executive and investor who has served for 45 years in leadership and governance roles in the software and information technology industries in BC. He was most recently the Founder and Chief Executive Officer of Parasun Technologies Inc. (acquired by Uniserve in 2007), and Chairman and Chief Executive Officer of Scorpion Software Inc. (acquired by Kaseya in 2015). He has served as President of the BC Electronic Manufacturers Association and led the creation of the BC Technology Industries Association (now BC TECH).

Ed Hammersla - Director

Edward Hammersla III was appointed to the Board on September 17, 2020, and is chair of the Compensation Committee and a member of the M&A Advisory Committee. Mr. Hammersla is a seasoned executive with more than 40 years of experience in software technology, start-ups and cyber security. He has demonstrated unique success in applying tech transfer methods to create enterprise value from technologies sourced from Government and Private

Sector R&D labs. The resulting products are deployed worldwide today solving operational and security challenges in commercial and government organizations. Recently, Mr. Hammersla served as Chairman & Chief Executive Officer of Utilidata, Inc., a provider of intelligent software that protects and regulates the Grid. Prior to this, Mr. Hammersla served as President of Global Governments and Chief Strategy Officer for Forcepoint. As President of Raytheon Cyber Products, a cybersecurity software company owned by Raytheon, he led sustained double-digit growth in revenues, while coordinating M & A activities and the creation of the cyber security joint venture today known as Forcepoint. Prior to joining Raytheon Cyber Products, he held leadership positions with Trusted Computer Solutions, Sterling Software, Informix Federal and NEC. He has also worked in the venture capital community as investor and adviser for multiple companies. Mr. Hammersla has played a key role in the development of a trusted version of Linux that evolved into Red Hat Enterprise Linux (RHEL), the world's first commercially available mainstream Linux operating system evaluated under the internationally-recognized Common Criteria Evaluation and Certification Scheme (CCEVS) with an Evaluation Assurance Level (EAL) and Protection Profiles (PPs) that qualify it as a "trusted" operating system. He began his career with 10 years at IBM, moving from engineering to marketing and various management positions. He serves on the Advisory Board for the Critical Infrastructure Resilience Institute (CIRI) as well as other government committees, industry association working groups, and boards of directors. Mr. Hammersla holds a bachelor's degree in business administration and biblical archaeology from Principia College in Elsah, Illinois.

Executive Officers

The executive officers of the Company are:

Ian L. Paterson – Chief Executive Officer

See Mr. Paterson's biography above.

Roland Sartorius, CPA, CGA – Chief Financial Officer & Corporate Secretary

Roland Sartorius joined PL as the Chief Financial Officer & Corporate Secretary in November 2017 and was appointed Chief Financial Officer of Plurilock on September 17, 2020. Mr. Sartorius has over 30 years of proven senior Chief Financial Officer experience with North American and European high-growth public & private technology companies and private equity. His recent North American public company Chief Financial Officer tenures include Carmanah Technologies Corp. and Infosat Communications, Inc. (Bell Canada). Mr. Sartorius' background includes being the Chief Financial Officer of a significant sized Swiss-based private equity firm and spending eight years with KPMG in Corporate Finance and Audit. He is also a strategic & financial advisor to several Canadian & U.S. early stage technology companies. Mr. Sartorius is a CPA, CGA and holds a Bachelor of Commerce & Business Administration degree from the University of British Columbia.

Jord Tanner – Chief Technology Officer

Jord Tanner joined PL as Vice President, Engineering in May 2018 and was appointed Chief Technology Officer on December 1, 2019. Following the QT, Mr. Tanner was appointed Chief Technology Officer of the Company. Mr. Tanner has 25 years' experience in technology, specializing in leadership of software development and software service delivery teams. He

has held a variety of senior technical leadership roles in manufacturing, financial services, insurance, and e-commerce. Mr. Tanner has excelled in regulated industries, valuing security and reliability without sacrificing user experience. He served for more than a decade at Terapeak, with Director and VP roles in technical operations, software development, research, and security, and stayed with the company through a purchase by eBay. Mr. Tanner also has worked as an independent software developer, value added reseller, document management specialist, PCI DSS specialist, and has migrated multiple physical data centers to the cloud. Mr. Tanner studied computer science at University of British Columbia.

Garr Stephenson Jr. – Chief Revenue Officer

Garr Stephenson joined PLUS as a Business Development Consultant in October 2021 and was appointed Chief Revenue Officer of the Company on April 1, 2022. Mr. Stephenson has more than 20 years of senior leadership profit and loss responsibilities within in the US government contracting and technologies industries, most recently as Executive Vice President & General Manager - ISR & Mobility, UltiSat Inc. Previously Mr. Stephenson worked for various management capacities with Tachyon Industries, Science Applications International Corporation (SAIC), Sprint E|Solutions. As well, Mr. Stephenson was a senior consultant with Anderson Consulting. Mr. Stephenson currently carries a Top Secret (TS) Security Clearance with US Department of Defense. Mr. Stephenson studied business at University of Richmond – Robins School of Business.

Tucker Zengerle – Chief Operating Officer

Tucker Zengerle was appointed Chief Operating Officer on March 21, 2022. Mr. Zengerle has more than 20 years experience in scaling operations and driving efficient and sustainable business growth in the Fintech sector. Having spent much of his career living and working in Europe, he leverages extensive knowledge of international business working as Chief Information Officer, Chief Technology Officer, Chief Operating Officer and Chief Executive Officer to address a wide variety of challenges as they arise across all major functions. Mr. Zengerle has worked with companies in a variety of industries including banking, private equity and cybersecurity including Dun & Bradstreet, Natland, and HSBC. Most recently Mr. Zengerle assisted in preparing an organization for the going public process and as well as the acquisition and integration of two other companies. Mr. Zengerle studied literature at Swarthmore College.

Security Holding

As of the date hereof, the Directors and executive officers of the Company collectively owned or controlled 3,556,338 Common Shares, representing approximately 5.0% of the Company's outstanding Common Shares as of the date of the AIF.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

None of our Directors or executive officers has, within the 10 years prior to the date of this AIF, been a director, chief executive officer, or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity), was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in

each case for a period of more than 30 consecutive days.

None of our Directors or executive officers or, to our knowledge, shareholders holding a sufficient number of securities to materially affect control of Plurilock has within the 10 years prior to the date of this AIF: (i) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of our Directors or executive officers or, to our knowledge, shareholders holding a sufficient number of securities to materially affect control of Plurilock has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

The Company is not aware of any existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any Director or officer of the Company or of a subsidiary of the Company.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee's Charter is attached to this AIF as Schedule "A".

Composition of the Audit Committee

As of the date of this AIF, the Audit Committee is composed of Barry Carlson (Chair), Robert Kiesman and Mike McConnell, each of whom is financially literate and independent of the Company as such terms are defined in National Instrument 52-110 – Audit Committees.

Relevant Education and Experience

See "*Directors and Officers*" above for a description of the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member.

Audit Committee Oversight

During F2021, all recommendations of the Audit Committee with respect to nomination or compensation of the Company's external auditor were adopted by the Board.

Pre-Approval Policies and Procedures

During F2021, the Audit Committee pre-approved a number of specific non-audit services, namely, tax advisory services.

External Auditor Service Fees

Fees billed or to be billed by the Company's external auditor for the fiscal year ended December 31, 2021 and for the year ended December 31, 2020 are expected to be as follows:

Financial Period Ending	Audit Fees (\$) ⁽¹⁾	Audit Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$)
2021	172,421	287,057	38,114	nil
2020	63,000	80,450	34,191	nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of security filings, and statutory audits and quarterly reviews.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include quarterly financial statement reviews, employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning, and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

PROMOTERS

Each of Ian Paterson and Mr. Robert Kiesman has been within the two years immediately preceding the date hereof, a promoter of the Company. Ian Paterson beneficially owns or controls, directly or indirectly, an aggregate of 1,499,980 (2.1%) (YE I&O 69,687,572) of the issued and outstanding Common Shares on an undiluted basis as of the date hereof), 2,100,000 Options (18.9% of the issued and outstanding Options as of the date hereof) and 54,721 Warrants (0.5% of the issued and outstanding Warrants as of the date hereof). During F2021, Ian Paterson was paid a salary of \$267,039 for his position as Chief Executive Officer of the Company. Robert Kiesman beneficially owns or controls directly an aggregate of 480,000 Common Shares (0.7% of the issued and outstanding Common Shares on an undiluted basis as of the date hereof) and 888,750 Options (8.0% of the issued and outstanding Options as of the date hereof).

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not aware of any existing or contemplated legal proceedings that it is or was a party to, or that any of its property is or was the subject of, during F2021 that involves a claim for damages which, exclusive of interest and costs, would exceed 10% of the current assets of the Company.

Regulatory Actions

There were no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed fiscal year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements that the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company is not aware of any material interest, direct or indirect, of: (i) a Director or executive officer of the Company, (ii) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares of the Company, or (iii) any associate or affiliate of any of the foregoing, in any transaction within the three most recently completed fiscal years or during the current fiscal year, that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Company's Common Shares is Computershare Trust Company of Canada at its offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

Other than as disclosed below, the Company is not party to any material contract (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) entered during the year ended December 31, 2021 or the date hereof or previously that is still in effect:

- the Share Purchase Agreement among the Company, PLUS, ASC and the shareholder of ASC dated March 26, 2021;
- the Share Purchase Agreement between the Company and CloudCodes dated October 21, 2021, as amended on November 30, 2021;
- the Asset Purchase Agreement between PSP and CloudCodes dated October 21, 2021, as amended on November 30, 2021;
- the Asset Purchase Agreement between PL and CloudCodes dated October 21, 2021, as amended on November 30, 2021;
- the Loan and Security Agreement dated March 4, 2022 between ASC and Crestmark, the Commercial Finance division of MetaBank®, N.A.; and
- the Share Purchase Agreement among the Company, INC and the shareholder of INC dated March 4, 2022.

INTERESTS OF EXPERTS

Names of Experts

Deloitte LLP was the previous auditor of the Company and reported on the Company's audited consolidated financial statements for the year ended December 31, 2020, which are filed on SEDAR. The Company's current auditor is Mazars, LLP who will report on the Company's audited consolidated financial statements for the year ended December 31, 2021.

Interests of Experts

Mazars, LLP are the external auditors for the Company and have confirmed that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

Additional information, including additional information with respect to the Directors and officers of the Company and their remuneration and indebtedness, options to purchase securities, interests in material transactions, and securities authorized for issuance under equity compensation plans (as applicable) is and will be contained in the Company's management information circulars for its prior and upcoming annual general meetings, which are and will be available under the Company's profile on SEDAR at www.sedar.com.

Additional financial information, including information with respect to risks and uncertainties, is provided in the Company's audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2021. Copies of the financial statements and Management's Discussion and Analysis are available under the Company's profile on SEDAR at www.sedar.com.

SCHEDULE "A"

PLURILOCK SECURITY INC.

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the Audit Committee is to assist the Company's board of directors (the "**Board of Directors**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting, and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

Meetings

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit

Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.