Plurilock Closes First Tranche of Non-Brokered Private Placement of Convertible Debenture Units

Vancouver, British Columbia--(Newsfile Corp. - August 15, 2022) - Plurilock Security Inc. (TSXV: PLUR) (OTCQB: PLCKF) and related subsidiaries ("Plurilock" or the "Company"), an identity-centric cybersecurity solutions provider for workforces, is pleased to announce the closing of the first tranche (the "First Tranche") of its previously announced non-brokered private placement consisting of 1,245 convertible debenture units (the "Debenture Units") at a price of $1000 per Debenture Unit, for aggregate gross proceeds to the Company of $1,245,000.

Each Debenture Unit consisted of: (i) CAD $1,000 principal amount of 10% unsecured convertible debenture of the Company (each, a "Debenture") maturing on August 15, 2026, subject any forced conversion in certain circumstances; and (ii) 500 common share purchase warrants (each, a "Warrant").

Each Warrant entitles the holder thereof to acquire one common share of the Company (each, a "Warrant Share") at an exercise price of $0.40 per Warrant Share until August 15, 2024. The Warrants are subject to an accelerated expiry if, anytime following the date of issuance, the weighted average daily trading price of the common shares of the Company on the TSX Venture Exchange (the "TSXV") is or exceeds C$0.50 for any 10 consecutive trading days, in which the holder may, at the Company's election, be given notice, by way of a news release, that the Warrants will expire 30 days following the date of such notice.

The Debentures are convertible at the holder's option into common shares of the Company (the "Debenture Shares") at a conversion price of $0.285 per Debenture Share.

In connection with the First Tranche, the Company paid certain eligible persons: (i) a cash commission in the aggregate of approximately $21,300; and (ii) an aggregate of 74,735 finder's warrants (each, a "Finder's Warrant"). Each Finder's Warrant is exercisable into one Common Share at a price of $0.285 per share until August 15, 2024.

The Company expects to close the second tranche of the non-brokered private placement on or about August 31, 2022. The closing of the balance of the financing is subject to regulatory approvals, including approval of the applicable Canadian securities regulatory authorities and the TSXV.

The Company intends to use the net proceeds received from the First Tranche towards Plurilock's acquisition pipeline and for general corporate purposes. Plurilock intends to complete several accretive acquisitions that generate cash flow, improve gross margins and provide the opportunity for unlocking revenue and cost synergies while bolstering its zero-trust technology portfolio.

Plurilock is also pleased to announce a strategic push towards profitability. The Company believes that this plan can be executed while continuing to grow and maintaining a best-in-class customer experience.

As part of this push, Plurilock announced that it is shifting to a more balanced approach to growth and profitability in the immediate future. A large part of this approach includes a focus on realizing synergies from recent acquisitions and continuous careful allocation of costs.

"We have a clear plan to unlock our operating leverage and bring the Company to breakeven," said Ian L. Paterson, CEO of Plurilock. "Given market conditions, capital allocation is more critical than ever. We are very well positioned to take advantage of strong performers who are embedded in different parts of the Plurilock organization and will be counting on these individuals to drive the continued growth and success of the business."

As a result of this shift, Garr Stephenson will be leaving his role as Chief Revenue Officer to pursue other opportunities. Stephenson will be leaving the Company in Q3 following a thorough handover of responsibilities.

Ian added, "Our leadership team is working hard to continue to spread awareness about our products and to deliver the best experience possible to our customers. We remain committed to the initiatives underway and thank Garr for his contributions. We expect a smooth transition across our sales teams as we continue to focus on serving our customers and helping organizations manage identity authentication."

About Plurilock

Plurilock provides identity-centric cybersecurity for today's workforces. The Plurilock family of companies enables organizations to operate safely and securely while reducing cybersecurity friction. Plurilock offers world-class IT and cybersecurity solutions through its Solutions Division, paired with proprietary, AI-driven and cloud-friendly security through its Technology Division. Together, the Plurilock family of companies delivers persistent identity assurance with unmatched ease of use.

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Forward-Looking Statements

This press release may contain certain forward-looking statements and forward-looking information (collectively, "forward-looking statements") related to future events 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. Forward-looking statements are not guarantees of future performance, actions, or developments and are based on expectations, assumptions, and other factors that management currently believes are relevant, reasonable, and appropriate in the circumstances. Although management believes that the forward-looking statements herein are reasonable, actual results could be substantially different due to the risks and uncertainties associated with and inherent to Plurilock's business. Additional material risks and uncertainties applicable to the forward-looking statements herein include, without limitation, the impact of general economic conditions, the success of the Company in obtaining new or extended contracts or orders; the Company's ability to maintain existing customers or develop new customers; the Company's ability to successfully integrate acquisitions of other businesses and/or companies or to realize on the anticipated benefits thereof; and unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant. This list is not exhaustive of the factors that may affect the Company's forward-looking statements. Many of these factors are beyond the control of Plurilock. All forward-looking statements included in this press release are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this press release are made as at the date hereof, and Plurilock undertakes no obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws. Risks and uncertainties about the Company's business are more fully discussed under the heading "Risk Factors" in its most recent Annual Information Form. They are otherwise disclosed in its filings with securities regulatory authorities available on SEDAR at www.sedar.com.

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