

Plurilock's Aurora Announces Closing of Asset Purchase Agreement with Atrion Communications, Inc.

- *Atrion Communications, Inc. is a leading U.S. provider of consulting, IT and cybersecurity solutions that recently generated roughly US\$14.0 million in annual revenue and EBITDA of over US\$0.5 million*
- *Purchase price is primarily financed by Aurora's increased line of credit, Plurilock common shares and performance-driven earnout payments*
- *This transaction marks Plurilock's fourth acquisition, enabling Plurilock to increase its annualized revenue run-rate to approximately CAD\$50 million and grow its client base and team to more than 600 acquired customer relationships, and over 80 staff across North America and India, respectively*

Vancouver, British Columbia--(Newsfile Corp. - September 26, 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 that the Company, through its subsidiary, Aurora Systems Consulting, Inc. ("Aurora") has completed the August 9, 2022 announced acquisition of certain assets and business of Atrion Communications, Inc. ("Atrion"), a veteran-owned leading U.S.-based provider of consulting, professional services and technology solutions (the "Acquisition").

The Acquisition provides the Company with additional network infrastructure and security solutions such as procurement services, professional services and solutions integrations, managed services, and cybersecurity consulting. Atrion's customers includes a Fortune 500 North American food services and facility management provider, a leading multinational pharmaceutical company and multiple renowned U.S. hospitals and medical centers. For its fiscal year ended March 31, 2022, Atrion generated approximately US\$14.0 million in revenue with a gross profit of US\$3.3 million and EBITDA of US\$533,300.¹

Given Plurilock's zero trust identity product suite and extensive distribution channels, the Acquisition will enable Aurora to leverage additional technology resources and expertise to optimize and grow its operations. Furthermore, the Company will gain access to new customers while expanding its footprint on the East Coast of the United States. In addition, this Acquisition represents Plurilock's fourth acquisition, to date, enabling the Company to increase its annualized revenue run-rate to approximately CAD\$50 million, grow its client network to over 600 acquired customer relationships and add new talent to its team, resulting in more than 80 staff working at the Plurilock family of companies across North America and India.²

"We are delighted to have completed our fourth acquisition to date and welcome the talented Atrion team to the Company with the goal of growing our overall business together," said Ian L. Paterson, CEO of Plurilock. "Atrion provides us with access to more top-tier customers, resulting in new cross-selling opportunities for our high-margin proprietary solutions. Furthermore, this transaction was completed with the use of proceeds from our extended credit facility which allows us to allocate our existing financial resources to finance other strategic initiatives."

"This transaction represents a new milestone for us and we are excited to join Plurilock," said Dominic Grillo, President of Atrion. "By joining our teams and products, we will be able to implement a comprehensive approach to expanding the delivery of our products and services as well as add Plurilock's state-of-the-art cybersecurity solutions to our existing product suite, resulting in a larger selection of technology offerings for our combined customers."

With an active M&A program, the Company plans to continue evaluating various acquisition targets that will enable Plurilock to unlock revenue and cost synergies and add advanced technology assets to its business.

Extension of Line of Credit

The Company is also pleased to announce that Aurora has increased its March 8, 2022 announced line of credit ("LOC") from Pathward National Association, fka Crestmark, a division of MetaBank National Association from up to US\$2 million to US\$4 million.

The proceeds of the increased LOC will be used by Aurora to finance the Acquisition and for working capital purposes.

Terms of the Acquisition

On August 8, 2022, the Company and Aurora entered into the Asset Purchase Agreement with Atrion and a certain vendor of Atrion (the "Purchase Agreement").

Upon closing, the Company paid Atrion US\$1,924,779 and issued 1,285,700 common shares of Plurilock ("Plurilock Shares") at \$0.30 per share. Pursuant to the terms of the Purchase Agreement, the Company will pay Atrion US\$500,000 in cash payable on the date that is 90 days following closing and issue to Atrion 1,285,700 Plurilock Shares at \$0.30 per share on the date that is one year following the closing. The Plurilock Shares issued or issuable under the terms of the Purchase Agreement are subject to a statutory hold period commencing on the date of issuance and shall expire on the date that is four months following the date of issuance. US\$410,000 will be held in escrow for 18 months, subject to early release in certain circumstances, to stand as security for any claims of the Company with respect to the representations and warranties of Atrion contained in the Purchase Agreement. Furthermore, the Purchase Agreement includes future based performance-based earnout payments ("Earnouts"), whereby up to US\$600,000 in cash may be paid to Atrion. The Earnouts are divided into three equal annual payments following the closing.

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.

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

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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.

Non-GAAP Measures

This news release contains reference to certain financial performance measures that are not recognized or defined under IFRS (termed "Non-GAAP Measures"). As a result, this data may not be comparable to data presented by other cybersecurity companies. Non-GAAP Measures in this news release include, but are not limited to, "EBITDA". Non-GAAP Measures should be considered together with other data prepared in accordance with IFRS to enable investors to evaluate the Company's operating results, underlying performance and prospects in a manner similar to Aurora's management. Accordingly, these non-GAAP Measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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

¹. Atrion management prepared and unaudited .

². Management estimate



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