Plurilock Welcomes New Executive Chair and Begins Business Transformation Plan

- Plurilock has appointed Ali Hakimzadeh to the board of directors as Executive Chairman of the Board.
- The Company will undertake a 10:1 share consolidation.
- The Company will raise up to $3,000,000 to fuel growth in its VAR business, its growing Critical Services offering, and in its Plurilock AI sales team.

April 1, 2024 – For Immediate Release

Vancouver, British Columbia—Plurilock Security Inc. (TSXV: PLUR) (OTCQB: PLCKF) and related subsidiaries ("Plurilock" or the "Company"), a cybersecurity services and solutions provider, is pleased to provide information on its corporate transformation plan.

Appointment of Executive Chairman

The Company is pleased to announce the appointment of Ali Hakimzadeh to the board of directors and the election of Mr. Hakimzadeh as Executive Chairman of the Board. Mr. Hakimzadeh has an extensive background in capital markets and mergers and acquisitions. Mr. Hakimzadeh also brings over 25 years of investment banking, merchant banking, and capital market advisory experience. Most recently, Mr. Hakimzadeh was Executive Chairman of the Board of HS Govtech Solutions Inc., a company that sold software to state, municipal, and local governments in North America. HS Govtech was a listed issuer which was sold in 2023 to a San Francisco based private equity buyer at a price that was over a 150%[1][2] premium to the market price prior to announcement. Mr. Hakimzadeh replaces outgoing director and chairman Robert Kiesman.

"We are very excited for Mr. Hakimzadeh to join our team, particularly with his capital markets experience, and look forward to what we can accomplish together," says Ian L. Paterson, CEO of Plurilock.

Share Consolidation

To optimize the capital structure of the Company and to attract financing, the board of directors has approved a share consolidation at a ratio of one post-consolidated share for every ten (10) pre-consolidated shares (the "Share Consolidation"). The Share Consolidation is anticipated to be completed in the immediate future. Immediately following the Share Consolidation, the issued capital of the Company will be reduced to 10,294,845 shares outstanding.

Financing

In connection with the Share Consolidation, the Company will be undertaking a financing to raise approximately $3,000,000 (the “Offering”). The Offering will be priced in the context of the market and issued on a post-consolidated basis.

Capital raised through this transaction will be used to support the company’s increasing focus on its profit centers, including use for:

- Providing working capital in the VAR to fuel growth
- Hire additional sales and sales support staff

“Our focus over the course of 2024 will be on profitable growth and to improve Plurilock’s balance sheet,” says Paterson. “We will invest in the growth centers of the business, with the strong aim to continue to achieve positive margin growth throughout the year.”

Debt Settlement

The Company proposes to settle up to $500,000 of payables though the issuance of shares (the “Debt Settlement”). The Debt Settlement through share issuance will help to conserve and extend the Company’s working capital. The Debt Settlement will be priced in the context of the market on a post-consolidated basis.

Debenture Repriced and Inducement

The Company also announces its intention to induce conversion of its $1,520,000 of outstanding convertible debentures (the “Debenture Inducement”). It is intended that the Company will reprice the outstanding debentures and offer an inducement to exercise their conversion rights within a prescribed time period. The terms of the repricing and Debenture Inducement will be determined in the context of the market on a post-consolidated basis.

The Offering, the Debt Settlement, and the Debenture Inducement are all subject to exchange approval and, where applicable, subject to shareholder approval. Certain insiders of the Company will be participating in the Offering and the Debt Settlement and are relying upon exemptions from MI 61-101 pertaining to the protection of minority shareholders in related party transactions.

The transactions contemplated herein are described to transform the capital structure of the Company and position it for growth and shareholder value appreciation. Management believes that the transactions comprising the business transformation will benefit all shareholders as the Company continues to ramp up sales and business activity.

About Plurilock

Plurilock sells cybersecurity solutions to the United States and Canadian Federal Governments and to Global 2000 companies. Through these relationships, Plurilock sells its unique brand of critical services—leveraging our expertise to aid clients in defending against, detecting, and preventing costly data breaches and cyberattacks.

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.sedarplus.ca.

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.

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[1] https://www.newswire.ca/news-releases/hs-govtech-announces-execution-of-arrangement-agreement-880201244.html

[2] https://twitter.com/stocks_stones/status/1770857063909908637