Condensed interim consolidated financial statements of
Plurilock Security Inc.

For the nine months ended September 30, 2025 and 2024 (unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Plurilock Security Inc. have been prepared by and are the responsibility of management. These condensed interim consolidated financial statements for the nine months ended September 30, 2025, have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars unless otherwise stated.

Plurilock Security Inc.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(Expressed in Canadian dollars)

	Notes	**September 30, 2025 $**	December 31, 2024 $
Assets			
Current assets			
Cash and cash equivalents		**1,499,767**	1,399,463
Restricted cash	5	**20,000**	20,000
Trade and other receivables	6	**3,041,984**	8,698,200
Tax credits receivable	7	**98,625**	128,979
Inventory	8	**655,207**	12,005
Prepaid expenses and deposits	9	**11,581,092**	19,819,032
Contract asset	10	**675,681**	433,002
Investment in Scope Technologies	11,28	**1,638,000**	—
Total current assets		**19,210,356**	30,510,681
Non-current assets			
Property and equipment	12	**26,626**	91,543
Right-of-use asset	13	**—**	4,416
Net investment in sublease	14	**—**	6,495
Intangible assets	15	**668,226**	1,315,883
Goodwill	15	**2,425,615**	2,507,202
Other non-current assets		**33,952**	36,970
Total assets		**22,364,775**	34,473,190
Liabilities			
Current liabilities			
Trade and other payables	16	**9,896,263**	12,142,512
Unearned revenue	17	**14,553,848**	24,703,817
Short-term loans	18	**1,060,688**	2,408,034
Lease liability	14	**—**	12,390
Convertible debenture - current portion	19	**336,727**	—
Total current liabilities		**25,847,526**	39,266,753
Non-current liabilities			
Deferred tax liability		**25,047**	19,440
Convertible debenture	19	**—**	328,296
Total liabilities		**25,872,573**	39,614,489
Shareholders' equity			
Share capital	20(b)	**45,358,589**	38,543,997
Equity reserve		**260,242**	754,642
Foreign currency translation (deficit) reserve		**122,516**	(595,114)
Contributed and other surplus		**5,784,691**	4,922,606
Accumulated deficit		**(55,033,836)**	(48,767,430)
Total equity		**(3,507,798)**	(5,141,299)
Total equity and liabilities		**22,364,775**	34,473,190

Nature of operations and going concern	1
Subsequent events	29

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Approved by the Board

"Blake Corbet"
Blake Corbet, Director

"Jennifer Swindell"
Jennifer Swindell, Director

Plurilock Security Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian dollars)

		Three months ended September 30,		Nine months ended September 30,	
			Restated - Note 27, 28		*Restated - Note 27, 28**
		2025	2024	**2025**	2024
	Notes	**$**	$	**$**	$
Revenue	23	**15,393,747**	14,263,076	**50,498,220**	40,941,846
Cost of sales		**(14,031,760)**	(13,275,113)	**(45,091,265)**	(36,284,834)
Gross profit		**1,361,987**	987,963	**5,406,955**	4,657,012
Operating expenses					
Research and development	24	**2,571**	3,246	**8,439**	33,312
Sales and marketing	24	**861,728**	425,414	**2,520,813**	1,608,051
General and administrative	24	**2,335,672**	3,074,560	**7,782,194**	6,876,285
Impairment on intangibles	15	**467,754**	—	**467,754**	—
Stock-based compensation	20 (d)(g)	**138,707**	888,952	**572,142**	1,327,750
Total operating expenses		**3,806,432**	4,392,172	**11,351,342**	9,845,398
Operating loss		**(2,444,445)**	(3,404,209)	**(5,944,387)**	(5,188,386)
Other income (expenses)					
Foreign exchange translation gain (loss)		**(27,521)**	95,824	**(772,242)**	9,617
Acquisition-related expenses		**(19,554)**	(307,771)	**(64,106)**	(400,026)
Financing expenses		**(10,000)**	(21,262)	**(251,367)**	(240,390)
Loss on convertible debt conversion inducement		**—**	—	**—**	(1,817,470)
Loss on settlement of debt		**—**	—	**—**	(454,128)
Other income (expenses)		**(262)**	11,520	**52,115**	95,178
Impairment on assets		**—**	(1,414)	**(942)**	(4,787)
Gain on disposal of assets		**—**	407	**1,669**	407
Unrealized gain on marketable securities	11	**210,000**	—	**210,000**	—
Interest expenses		**(126,842)**	(139,461)	**(426,498)**	(818,605)
Total other income (expenses)		**25,821**	(362,157)	**(1,251,371)**	(3,630,204)
Loss for the period before tax		**(2,418,624)**	(3,766,366)	**(7,195,758)**	(8,818,590)
Income tax (expense) recovery		**(56,509)**	4,806	**(66,353)**	(3,676)
Net loss for the period from continuing operations		**(2,475,133)**	(3,761,560)	**(7,262,111)**	(8,822,266)
Discontinued operations					
Net income (loss) from discontinued operations	28	**1,451,919**	(224,050)	**995,705**	(699,576)
Net loss for the period		**(1,023,214)**	(3,985,610)	**(6,266,406)**	(9,521,842)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to net results					
Foreign exchange translation difference from continuing operations		**(2,977)**	52,599	**718,274**	(146,185)
Other comprehensive income (loss) from continuing operations		**(2,977)**	52,599	**718,274**	(146,185)
Foreign exchange translation difference from discontinued operations		**(145)**	(217)	**(644)**	(213)
Other comprehensive income (loss) from discontinued operations		**(145)**	(217)	**(644)**	(213)
Comprehensive loss for the period		**(1,026,336)**	(3,933,228)	**(5,548,776)**	(9,668,240)
Basic and diluted gain (loss) per share (Restated - Note 26, 27)					
- Continuing operations	25	**(0.03)**	(0.08)	**(0.10)**	(0.29)
- Discontinued operations	25	**0.02**	(0.00)	**0.01**	(0.02)
Basic and diluted net loss per share (Restated - Note 26, 27)	25	**(0.01)**	(0.08)	**(0.08)**	(0.31)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

* Comparative information has been re-presented due to discontinued operations and restatement. See Note 27 and 28

Plurilock Security Inc.

Condensed Interim Consolidated Statements in Changes in Equity (unaudited)

September 30, 2025 and 2024

(Expressed in Canadian dollars)

	Notes		Share capital	Contributed and other surplus	Equity reserve	Foreign currency ranslation (deficit) reserve	Accumulated deficit	Total
		#	$	$	$	$	$	$
Balance, January 1, 2024 - Restated (Note 26, 27)		**10,168,182**	**25,370,093**	**2,919,750**	**675,879**	**(302,145)**	**(37,234,957)**	**(8,571,380)**
Units issued for cash	20(b)	26,944,443	5,500,000	-	-	-	-	5,500,000
Share issuance costs	20(b)	-	(221,514)	-	-	-	-	(221,514)
Shares issued for debt settlement		1,092,762	437,105	-	-	-	-	437,105
Shares issued pursuant to consulting service agreement	20(b)	400,326	200,163	-	-	-	-	200,163
Shares issued as part of acquisition consideration	20(b)	128,570	245,560	-	-	-	-	245,560
Warrants issued as private placement broker fee	20(b)	-	(169,828)	-	169,828	-	-	-
Shares and warrants issued for convertible debenture interest	20(b)	349,417	146,823	-	-	-	-	146,823
Shares issued for convertible debenture conversion	19	4,367,500	2,324,653	-	664,202	-	-	2,988,855
Equity component of convertible debenture	19	-	-	-	(222,038)	-	-	(222,038)
Warrants issued as part of financing on convertible debt - conversion		-	-	85,002	(85,002)	-	-	-
Warrants issued as part of debt settlement		-	-	-	235,576	-	-	235,576
Recognition of stock-based compensation	20(d)(g)	-	-	1,327,750	-	-	-	1,327,750
Exercise of warrants		13,480,613	3,673,467	-	(114,573)	-	-	3,558,894
Expiry of warrants		-	-	14,392	(14,392)	-	-	-
Net loss for the period		-	-	-	-	-	(9,521,842)	(9,521,842)
Other comprehensive loss		-	-	-	-	(146,398)	-	(146,398)
Balance, September 30, 2024 - Restated (Note 26, 27)		**56,931,813**	**37,506,522**	**4,346,894**	**1,309,480**	**(448,543)**	**(46,756,799)**	**(4,042,446)**
Recognition of stock-based compensation	20(d)(g)	-	-	362,889	-	-	-	362,889
Exercise of warrants		2,697,438	1,037,475	-	(342,015)	-	-	695,460
Expiry of warrants		-	-	212,823	(212,823)	-	-	-
Net loss for the period		-	-	-	-	-	(2,010,631)	(2,010,631)
Other comprehensive loss		-	-	-	-	(146,571)	-	(146,571)
Balance, December 31, 2024		**59,629,251**	**38,543,997**	**4,922,606**	**754,642**	**(595,114)**	**(48,767,430)**	**(5,141,299)**
Units issued for cash	20(b)	12,459,125	4,983,650	-		-	-	4,983,650
Share issuance costs	20(b)	-	(277,610)	-	-	-	-	(277,610)
Shares issued pursuant to disposal of subsidary broker fee	28	200,000	40,000	-	-	-	-	40,000
Warrants issued as private placement broker fee	20(b)	-	(192,722)	-	192,722	-	-	-
Recognition of stock-based compensation	20(d)(g)	-	-	572,142	-	-	-	572,142
Exercise of warrants		6,438,493	2,261,274	-	(397,179)	-	-	1,864,095
Expiry of warrants		-	-	289,943	(289,943)	-	-	-
Net loss for the period		-	-	-	-	-	(6,266,406)	(6,266,406)
Other comprehensive gain		-	-	-	-	717,630	-	717,630
Balance, September 30, 2025		**78,726,869**	**45,358,589**	**5,784,691**	**260,242**	**122,516**	**(55,033,836)**	**(3,507,798)**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Plurilock Security Inc.

Condensed Interim Consolidated Statements of Cashflows (unaudited)

September 30, 2025 and 2024

(Expressed in Canadian dollars)

		Three months ended September 30,	*Restated - Note 27, 28*	Nine months ended September 30,	*Restated - Note 27, 28*
		2025	2024	**2025**	2024
	Notes	**$**	$	**$**	$
Net loss for the period		**(1,023,214)**	(3,985,610)	**(6,266,406)**	(9,521,842)
Operating activities					
Adjustments for					
Amortization	24	**45,624**	54,819	**196,079**	230,672
Gain on disposal of asset		**—**	—	**(1,669)**	—
Income tax expense (recovery)		**56,509**	(4,806)	**66,353**	3,676
Stock-based compensation	20 (d)(g)	**138,707**	888,952	**572,142**	1,327,750
Impairment on assets		**—**	(407)	**—**	(407)
Bad debt		**146,913**	(7,790)	**146,913**	28,086
Impairment on lease		**—**	1,414	**942**	4,787
Impairment on intangibles		**467,754**	—	**467,754**	—
Loss on inducement of convertible debt		**—**	—	**—**	1,817,470
Interest accretion - convertible debt	19	**—**	—	**8,431**	11,667
Interest expense on convertible debt	19	**—**	—	**—**	70,823
Interest expense - lease liability	14	**—**	1,201	**778**	5,433
Gain on sale of subsidiary	28	**(1,464,291)**	—	**(1,464,291)**	—
Loss on debt settlement		**—**	—	**—**	454,128
Acquisition-related costs		**—**	(191,115)	**—**	53,855
Non-cash operating expenses		**—**	200,163	**—**	200,163
Non-cash deferred rent		**—**	8,420	**5,553**	25,095
Unrealized marketable securities (gain)/loss	11	**(210,000)**	—	**(210,000)**	—
Unrealized foreign exchange (gain)/loss		**27,521**	95,824	**772,242**	(9,617)
Changes in working capital and other items					
Trade and other receivables		**2,631,868**	1,977,577	**5,564,243**	1,943,690
Tax credits receivable		**82,377**	(67,482)	**85,822**	(21,181)
Inventory		**(98,827)**	(2,982,063)	**(643,202)**	(3,269,376)
Prepaid expenses and deposits		**4,575,787**	4,324,792	**8,239,212**	(140,033)
Contract asset		**73,782**	—	**(242,679)**	—
Other non-current assets		**(181)**	985	**3,018**	(8,929)
Trade and other payables		**1,435,721**	(1,866,356)	**(2,323,944)**	(2,488,532)
Unearned revenue		**(7,055,928)**	(2,938,371)	**(10,167,928)**	2,609,340
Other non-current liabilties		**—**	(248,465)	**—**	(240,733)
Net cash flows provided by (used in) operating activities		**(169,878)**	(4,738,318)	**(5,190,637)**	(6,914,015)
Investing activities					
Net cash provided by from disposal of equipment	12	**—**	(21,796)	**12,954**	(27,773)
Net cash flows provided by (used in) investing activities		**—**	(21,796)	**12,954**	(27,773)
Financing activities					
Proceeds from issuance of shares, net of issuance costs	20 (b)	**—**	—	**4,706,040**	8,837,380
Proceeds from warrant exercise		**—**	3,558,894	**1,864,095**	—
Repayments to short-term loans, net		**—**	—	**—**	(353,527)
Repayment of short-term loans (LOC)		**35,166**	1,429,538	**(1,274,572)**	(451,080)
Lease payments	14	**—**	(29,199)	**(13,168)**	(75,636)
Net cash flows provided by (used in) financing activities		**35,166**	4,959,233	**5,282,395**	7,957,137
Foreign exchange effect on cash and cash equivalents and restricted cash		**(85,164)**	319,076	**(4,408)**	354,435
Net (decrease)/ increase in cash and cash equivalents and restricted cash		**(134,712)**	199,119	**104,712**	1,015,349
Cash and cash equivalents and restricted cash, beginning of period		**1,739,643**	2,909,782	**1,419,463**	2,058,193
Cash and cash equivalents and restricted cash, end of period		**1,519,767**	3,427,977	**1,519,767**	3,427,977

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Plurilock Security Inc.
Condensed Interim Consolidated Statements of Cash Flows (unaudited)
(Expressed in Canadian dollars)

Supplemental cash flow information

Non-cash financing and investing activities	Notes	Three months ended September 30, 2025 $	Three months ended September 30, 2024 $	Nine months ended September 30, 2025 $	Nine months ended September 30, 2024 $
Warrants issued as brokers fee pursuant to financing	20(e)	-	-	-	169,828
Warrants issued for debt settlement	20(e)	-	-	-	235,576
Shares issued as part of sale of subsidiary	28	40,000	-	40,000	-
Shares received as part of sale of subsidiary consideration	11, 28	1,428,000	-	1,428,000	-
Shares issued as part of acquisition	20(b)	-	-	-	245,560
Shares issued as part of shares for debt settlement	20(b)	-	-	-	437,105
Shares issued as part of service consulting agreement	20(b)	-	200,163	-	200,163
Shares issued for convertible debenture interest payment	19	-	22,500	-	146,823
Shares issued for convertible debenture conversion	19	-	175,000	-	2,324,653

1. Nature of operations and going concern

Plurilock Security Inc. (“**Plurilock**”, “**PSI**” or the “**Company**”), formerly Libby K Industries Inc. (“**Libby K**”), was incorporated under the BC Business Corporations Act on July 5, 2018. The Company’s head office and principal place of business is located at 1021 West Hastings Street, MNP Tower, 9th Floor, Vancouver, BC, V6E 0C3, Canada.

The Company’s common shares trade on the TSX-V as a Tier 1 technology issuer under the ticker symbol “TSX-V: PLUR” and on the OTCQB under the ticker symbol “OTCQB: PLCKF”.

Plurilock offers IT and cybersecurity services and solutions.

As at the consolidated financial statements December 31, 2024 date, Plurilock had five wholly owned subsidiaries. Plurilock Security Solutions Inc. (“**PL**”) was formed following the amalgamation of PL and 1243540 B.C. Ltd. on September 17, 2020 pursuant to a Qualifying Transaction (“**QT**”). Integra Network Corporation (“**INC**”) was acquired on March 4, 2022. PL in turn has one wholly owned subsidiary, Plurilock Security Corp. (“**PLUS**”). PLUS was incorporated on November 15, 2017 in the State of Delaware, USA. On March 31, 2021, PLUS acquired Aurora Systems Consulting Inc. (“**ASC**”), a provider of advanced cybersecurity technology and services based in the State of California, USA. PLUS acquired all of the outstanding securities of ASC. On July 22, 2021, Plurilock incorporated an Indian subsidiary, Plurilock Security Private Limited (“**PSP**”). PSP is owned 99.99% by PSI and 0.01% by PL. On September 9, 2025, the Company disposed its Indian subsidiary PSP.

These condensed interim consolidated financial statements report that the Company has a net loss of $1,023,214 and $6,266,406 for the three and nine months ended September 30, 2025, and $3,985,610 and $9,521,842 for the three and nine months ended September 30, 2024, respectively and an accumulated deficit of $55,033,836 and $48,767,430 as at September 30, 2025 and December 31, 2024, respectively. The Company has financed its operating cash requirements primarily through the issuance of share capital. The Company’s ability to realize the carrying value of its assets and to continue as a going concern is dependent upon the successful execution of the Company’s strategic plan to improve the scale and profitability of its business to achieve future profitable operations. It will be necessary for the Company to raise additional funds from time to time for the continued execution of its strategic plan. These funds may come from sources which include the issuance of shares, the issuance of debt or alternative sources of financing. The ability of the Company to continue as a going concern is dependent upon the continued support from the Company’s shareholders, lenders, and the Company’s ability to attain profitable operations in the near future. There can be no assurance that the Company will successfully generate sufficient operating cash flows or raise sufficient funds to continue the execution of its strategic plan and to operate as a going concern. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 26, 2025.

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee issued and effective as of December 31, 2024. The Company's material accounting policies are presented in Note 3 to the consolidated financial statements for the year ended December 31, 2024, and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

Basis of presentation

These condensed interim consolidated financial statements were prepared on a going concern basis, under the historical cost convention, except for certain items not carried at historical cost as noted below. These condensed interim consolidated financial statements are presented in Canadian dollars.

Critical accounting estimates and judgements

In preparing these condensed interim consolidated financial statements management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant estimates and judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the most recent annual consolidated financial statements.

3. Material accounting policies

The preparation of these condensed interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's audited financial statements for the year ended December 31, 2024, unless otherwise indicated.

There are no new IFRS standards issued, but not yet effective, that may affect the condensed interim consolidated financial statements of the Company.

These condensed interim consolidated financial statements include the financial statements of the Company and its subsidiaries (Note 1).

Plurilock consolidates subsidiaries controlled by the Company. Control exists when the Company is exposed, or has the rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All intercompany balances, transactions, revenues, and expenses are eliminated.

Non-current assets held for sale and discontinued operations

The Company classifies non-current assets and liabilities and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and liabilities and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to

3. Material accounting policies (continued)

the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of net loss and comprehensive loss.

Additional disclosures are provided in Note 28. All other notes to the condensed interim consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Investments and other financial assets

(i) Classification

Financial assets are classified into two categories based on measurement:

• amortized cost; and

• measurement at fair value either through other comprehensive income ("OCI") or through profit and loss.

This classification depends on the Company's business model for managing its financial assets and contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

(ii) Recognition and derecognition Regular way purchases and sales of financial assets are recognised on their trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

4. New accounting policies

The following new standards, amendments to standards and interpretations have been issued but are not effective during the nine months ended September 30, 2025 and the year ended December 31, 2024.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) — the amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, classification of liabilities as current or non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are to be applied retrospectively. There was no material impact on adoption.

The IASB's newly issued IFRS Accounting Standard, IFRS 18 Presentation and Disclosure in Financial Statements aims to improve the usefulness of information presented and disclosed in

(Expressed in Canadian dollars)

4. New accounting policies (continued)

financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. AcSB will ballot IFRS 18 and complete its endorsement process in Q2 2024. The Company has not adopted this standard and will plan implementation by the prescribed deadline.

The Company does not expect the amendment or any other amendments to standards and interpretations applicable to the Company and not yet effective for the nine months ended September 30, 2025 to have a significant effect on its condensed interim consolidated financial statements.

5. Restricted cash

Restricted cash contains deposits held as securities against the Company's business credit cards. The renewal terms on these deposits are twelve months. We have no ability to draw on such funds as long as they remain restricted under the applicable arrangements.

6. Trade and other receivables

The Company's trade receivables and other receivables are comprised of the following:

	September 30, 2025	December 31, 2024
	$	$
Trade receivables	**3,041,984**	8,698,200
	3,041,984	8,698,200

As at September 30, 2025, $350,460 or 11.5% of the trade receivables balance is over 90 days past due compared to $977,528 or 11.2% as at December 31, 2024 and 62.6% of the trade receivable balances are owing from 5 customers as at September 30, 2025 compared to 54.9% owing from 5 customers as at December 31, 2024. The Company evaluates credit losses on a regular basis based on the aging and collectability of its receivables.

7. Tax credits receivable

The Company's tax credits receivable are comprised of the following:

	September 30, 2025	December 31, 2024
	$	$
Tax credits receivable	**98,625**	128,979
	98,625	128,979

Tax credits receivable balance as at September 30, 2025 of $98,625 is related to goods and services tax ("GST") receivable compared to $128,979 as at December 31, 2024.

(Expressed in Canadian dollars)

8. Inventory

	September 30, 2025 $	December 31, 2024 $
Finished goods	**655,207**	12,005
	655,207	12,005

Inventory balance as at September 30, 2025 of $655,207 ($12,005 as at December 31, 2024) is related to products under the Company's possession but not yet delivered to customers.

Amounts of $1,515,738 and $5,390,802 of inventories was expensed during the three and nine months ended September 30, 2025, as cost of sales ($3,220,331 and $13,118,820 during the three and nine months ended September 30, 2024).

9. Prepaid expenses and deposits

	September 30, 2025 $	December 31, 2024 $
Prepaid service contracts	**413,710**	321,750
Deposits	**534**	954
Advance to supplier	**11,166,848**	19,496,328
	11,581,092	19,819,032

Prepaid service contracts consist of various prepaid agreements including online subscriptions, insurance, membership fees, marketing and consulting services for mainly corporate finance and investor relations purposes. As at September 30, 2025, the Company had an advance to suppliers balance of $11,166,848 compared to $19,496,328 as at December 31, 2024, reflecting prepayments made for inventory.

10. Contract Asset

	September 30, 2025 $	December 31, 2024 $
Contract Asset	**675,681**	433,002
	675,681	433,002

As at September 30, 2025, the Company recognized a contract asset of $675,681 compared to $433,002 as at December 31, 2024, reflecting revenue earned but not yet billed, aligning with the Company's revenue recognition policies.

(Expressed in Canadian dollars)

11. Investments

On September 9, 2025, the Company announced that it sold its assets in CloudCodes to Scope Technologies Corp (CSE:SCPE) ("**Scope**"). As part of that transaction, the Company received 4,200,000 shares of Scope at a price of $0.34 for a total value of $1,428,000. As at September 30, 2025, the Company has revalued the shares of Scope to their current market price of $0.39 for a total value of $1,638,000 resulting in $210,000 of unrealized gain on marketable securities on the condensed interim consolidated statements of loss and comprehensive loss.

12. Property and equipment

Property and equipment consist of furniture, computer equipment and a vehicle and are broken down as follows:

Property and equipment - cost	**$**
Balance January 1, 2024	**234,812**
Additions	42,191
Foreign exchange gain	(2,031)
Balance December 31, 2024	**274,972**
Disposals	(75,799)
Foreign exchange gain	2,220
Balance September 30, 2025	**201,393**

Property and equipment - accumulated depreciation	**$**
Balance January 1, 2024	**151,387**
Depreciation for the year	32,042
Balance December 31, 2024	**183,429**
Depreciation for the period	54,182
Disposals	(62,844)
Balance September 30, 2025	**174,767**

Property and equipment net book value	**$**
At December 31, 2024	**91,543**
At September 30, 2025	**26,626**

13. Right-of-use asset

Right-of-use asset relates to an office space lease acquired as part of the business acquisition. During the nine months ended September 30, 2025, the Company fully depreciated all of its right-of-use assets. The following table provides a reconciliation of this right-of-use asset:

Right-of-use asset	**$**
Balance January 1, 2024	**52,848**
Derecognition of ROU asset	1,988
Depreciation	(50,420)
Balance December 31, 2024	**4,416**
Depreciation	(4,416)
Balance September 30, 2025	**-**

(Expressed in Canadian dollars)

14. Lease liability

Lease liability relates to the lease of office spaces acquired as part of business acquisitions, for which the lease term ends on January 31, 2025, and February 28, 2025 respectively, and were discounted using an interest rate of 10%. During the nine months ended September 30, 2025, the Company recognized $778 (September 30, 2024 - $5,433) in interest expense on the lease liability and paid out the lease liability obligations and forfeited extending the lease terms.

On April 1, 2023, the Company subleased the above discussed office space for which the lease term ends on February 28, 2025. The Company is an intermediate lessor and subleased its whole office space (head lease). The Company has assessed the classification of its sublease arrangements in accordance with IFRS 16 and has determined that they qualify as finance leases. Accordingly, the recognition of lease income and expense is consistent with the finance lease accounting principles outlined in the accounting policies note. The sub-lease of office space is for 23 months. The sublease payments are fixed, the difference between payments from sublease and payments to the head lease has been recorded under 'Impairment on Assets' on condensed interim consolidated statements of loss and comprehensive loss.

Lease liablity	**$**
Balance January 1, 2024	**122,153**
Add: interest during the year	5,670
Less: payment during the year	(115,433)
Balance December 31, 2024	**12,390**
Add: interest during the period	**778**
Less: payment during the period	**(13,168)**
Balance September 30, 2025	**-**

15. Intangible assets and goodwill

Intangible assets consist of (i) patent costs incurred in 2015 related to three (3) 20-year patents ("**Patents**") covering certain aspects of our behavioral biometric algorithms, (ii) a U.S. government wide procurement contract ("**Procurement Contract**"), (iii) a brand name ("**Brand name**"), and (iv) customer relationships ("**Customer Relationships**") acquired as a part of business acquisitions.

(Expressed in Canadian dollars)

15. Intangible assets and goodwill (continued)

The changes in the Company's intangible assets for the nine months ended September 30, 2025 and at December 31, 2024 are as follows:

	Patent	Procurement Contract	Customer Relationships	Brand	Total
Cost					
January 1, 2024	**$100,000**	**$275,559**	**$1,699,284**	**$369,674**	**$2,444,517**
Additions	-	-	104,266	-	104,266
Foreign exchange	-	23,764	-	31,882	55,646
December 31, 2024	**$100,000**	**$299,323**	**$1,803,550**	**$401,556**	**$2,604,429**
Foreign exchange	-	-	(160,029)	(13,069)	(173,098)
Impairment	-	-	(467,763)		(467,753)
September 30, 2025	**$100,000**	**$299,323**	**$1,175,768**	**$388,487**	**$1,963,568**
Amortization					
January 1, 2024	**$45,000**	**$249,960**	**$736,060**	**$ -**	**$1,031,020**
Additions	5,000	26,696	203,163	-	234,859
Foreign exchange	-	22,667	-	-	22,667
December 31, 2024	**$50,000**	**$299,323**	**$939,223**	**$ -**	**$1,288,546**
Additions	3,750	-	133,731	-	137,481
Foreign exchange	-	-	(130,674)	-	(130,674)
September 30, 2025	**$53,750**	**$299,323**	**$942,280**	**$ -**	**$1,295,353**
Net Book Value					
December 31, 2024	**$50,000**	**$ -**	**$864,327**	**$401,556**	**$1,315,883**
September 30, 2025	**$46,250**	**$ -**	**$233,488**	**$388,487**	**$668,226**

For the three and nine months ended September 30, 2025 and 2024, the Company recognized impairment charge of $467,763 and $467,763 (2024 - $Nil and $Nil) respectively to its intangible assets balance, of which $467,763 (2024 - $Nil) was recognized in the continuing operations and $Nil (2024 - $Nil) was recognized in discontinued operations.

Goodwill	**$**
Balance January 1, 2024	**2,308,148**
Change in foreign exchange evaluation	199,054
Balance December 31, 2024	**2,507,202**
Change in foreign exchange evaluation	(81,587)
Balance September 30, 2025	**2,425,615**

During the nine months ended September 30, 2025, management completed an impairment indicator assessment related to the brand and goodwill. At the time of the assessment management found that an impairment of customer relationships of $467,763 was warranted due to loss of certain customer relationships. Management found no other indicators to be evident warranting an impairment on the remaining intangibles or goodwill.

(Expressed in Canadian dollars)

16. Trade and other payables

The Company's trade and other payables are comprised of the following:

	September 30, 2025 $	December 31, 2024 $
Trade payables and accrued liabilities	**8,907,093**	11,493,347
Payroll liabilities	**961,386**	709,835
Other payables	**27,784**	(60,670)
	9,896,263	12,142,512

Accrued liabilities as at September 30, 2025, included contingent considerations of $Nil ($212,041 as at December 31, 2024) including performance-based earnout to be paid to the vendors as part of business acquisitions. During the nine months ended September 30, 2025, the Company paid out $287,870 to certain vendors as part of the business acquisition consideration that was recorded in accrued liabilities. During the year ended December 31, 2024, the Company issued $245,560 of shares to certain vendors as part of the business acquisition consideration of which $191,705 was recorded in accrued liabilities and the remaining balance of $53,855 to the Company's consolidated statements of loss and comprehensive loss.

17. Unearned revenue

	$
Balance January 1, 2024	**18,487,955**
Amounts received	19,642,975
Revenue recognized	(15,108,695)
Foreign exchange	1,681,582
Balance December 31, 2024	**24,703,817**
Amounts received	(45,233,959)
Revenue recognized	36,786,687
Disposed through sale of subsidiary	(130,766)
Foreign exchange	(1,571,931)
Balance September 30, 2025	**14,553,848**

Unearned revenue as at September 30, 2025 and December 31, 2024 consisted of cash collected under customer contracts with goods or services that had not yet been delivered.

18. Short-term loans

On October 17, 2023, the Company announced the increase to its Pathward line of credit ("LOC") from up to US$4.0 million (CAD$5.7 million) to US$7.0 million (CAD$10.1 million) to its wholly owned subsidiary, Aurora Systems Consulting, Inc. ("Aurora"). The interest rate of the loan is prime plus 4.25% on any outstanding amount. The loan is eligible up to 85% of accounts receivable. During the three and nine months ended September 30, 2025, the Company paid $31,356 and $192,474 respectively (September 30, 2024 – $63,122 and $374,401) in interest on Pathward line of credit. During the nine-month period ended September 30, 2025, the Company and the lender agreed to close the facility effective December 8, 2025. Any outstanding balance as of that date will be settled in accordance with the facility's existing repayment terms.

(Expressed in Canadian dollars)

18. Short-term loans (continued)

	September 2025	December 31, 2024
	$	$
Line of credit (LOC)	**1,060,688**	2,408,034
	1,060,688	2,408,034

19. Convertible debenture

The Company completed two rounds of financing on August 15, 2022, and September 20, 2022 in the form of convertible debenture. On August 15, 2022, the Company completed the first tranche (the "**First Tranche**") of the financing for aggregate gross proceeds of $1,245,000 through non-brokered private placement of convertible debenture units ("**Debenture Units**") at $1,000 per debenture unit ("**Financing**").

Each debenture consists of $1,000 principal amount of 10% unsecured convertible debenture of the Company with a maturity date of 48 months from the date of issuance, subject any forced conversion in certain circumstances and 500 common share purchase warrants. Each warrant will entitle the holders thereof to acquire one common share of the Company at an exercise price of $0.40 per warrant share for 24 months from the date of the issuance. The Warrants will be 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 is or exceeds $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. Subject to approval from the TSXV, the Debentures will be convertible at the holder's option into common shares (the "**Debenture Shares**") at a conversion price of $0.285 per Debenture Share. On September 20, 2022, the Company completed the second tranche (the "Second Tranche") of the financing for aggregate gross proceeds of $285,000 through non-brokered private placement of debenture units at $1,000 per debenture unit. These debenture units have the same terms as the First Tranche debenture units.

According to IFRS 9 as well as IAS 32, part of the debenture units with total value of $1,166,666 has been classified as liabilities on the consolidated statements of financial position. This portion of the debenture units has been valued at its fair value at initial recognition.

The convertible feature of the debenture units as well as the warrants attached with total value of $363,334 have been classified as equity reserves and on the consolidated statements of equity. The fair values of the convertible feature of the debenture units and the warrants are assessed at residual value at initial recognition with no subsequent measurement.

A total of $38,273 broker fee and direct expenses were incurred in relation to the First and Second Tranche of the financing. An additional amount of broker warrants of $13,800 was issued as compensation for completing the financing. The broker warrants have been classified as equity and its fair values were assessed with the Black-Scholes model with no subsequent revaluation.

Broker fees paid in cash and broker warrants issued were proportionated according to the liabilities and equity portions of the convertible debenture discussed above and accounted for as transaction costs and netted against equity and liabilities accordingly.

During the year ended December 31, 2024, the Company settled the December 31, 2023 interest payment by issuing 126,666 common shares at $0.60 and 147,756 common shares for interest accrued on conversion and recognized $70,823 of interest expense on the Company's consolidated statements of loss and comprehensive loss. The Company settled the June 30,2024 interest payment by issuing 74,995 common shares at $0.30 and settled the December 31,2024 interest payment of $13,750 in cash. The Company recognized $20,098 of interest accretion on the convertible debt and $10,000 of convertible debt was converted for 3,509 common shares.

(Expressed in Canadian dollars)

19. Convertible debenture (continued)

On June 28, 2023, the Company announced the repricing of 76,500 of convertible debenture warrants from exercise price of $4.00 per warrant to $2.00 per warrant subject to TSX.V approval. In addition, the Company repriced the initially issued $1,530,000 of convertible debentures with a conversion exercise price of $2.85 per share to $2.00 per share for all unconverted debentures. On July 11, 2023, the TSX.V approved the warrant and conversion exercise reprice to $2.00.

During year ended December 31, 2024, the Company provided Debenture holders an opportunity to convert the Debentures at a reduced conversion price of $0.25 for a period of 30 days. The warrants held by those Debenture holders who elected to convert their debentures during the inducement period were cancelled and received one full common share purchase warrant for each debenture share issued on conversion of the Debentures. Each induced warrant entitles the holder of thereof to purchase one additional share for a period of one year at price of $0.30.

During the year ended December 31, 2024, the Company incurred a loss of $1,153,268 related to convertible debt inducements, contributing to a total net loss of $1,817,470 for the period. During the year ended December 31, 2024, $1,245,000 of convertible debt was converted for 4,367,500 common shares. Upon conversion of the induced convertible debt, 53,500 warrants were canceled and replaced with 4,280,000 new warrants. The fair value of the newly issued warrants was $664,202, which was recognized as a loss on inducement in the Company's consolidated statements of loss and comprehensive loss. During the nine months ended September 30, 2025, the Company recognized $8,431 ($11,667 – nine months ended September 30, 2024) in interest accretion on the convertible debt and no convertible debt was converted into common shares.

The following table summarizes the continuity of the Convertible Debenture:

	Debt Portion	*Equity Portion*	*Total Convertible Debenture*
	$	**$**	**$**
Balance January 1, 2024	**1,257,545**	**360,960**	**1,618,505**
Interest accretion recognized	20,098	-	20,098
Convertible debt converted to common shares	(949,347)	(307,040)	(1,256,387)
Balance December 31, 2024	**328,296**	**53,920**	**382,216**
Interest accretion recognized	8,431	-	8,431
Convertible debt converted to common shares	-	-	-
Balance September 30, 2025	**336,727**	**53,920**	**390,647**

20. Share capital

(a) Authorized

Unlimited number of common shares without par value and without special rights or restrictions attached.

Effective April 19, 2024, a share consolidation of the Company's issued and outstanding common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. As a result, the Company's issued and outstanding warrants and stock options were also consolidated on a ten-to-one basis. All information relating to basic and diluted loss per share, issued and outstanding common shares, share purchase warrants, broker warrants, stock options, share and per share amounts in these consolidated financial statements have been adjusted retrospectively to reflect the share consolidation for all prior periods presented. Following the share consolidation, the issued capital of the Company was reduced to 10,294,848 shares, 2,584,800 warrants and 1,079,683 stock options outstanding.

The total issued and outstanding share capital consists of 78,726,869 and 59,629,251 common shares without par value as at September 30, 2025 and December 31, 2024 respectively.

(b) Issued and outstanding

During the nine months ended September 30, 2025, the Company completed the following transactions:

- 12,459,125 units at $0.40 were issued for total gross proceeds of $4,983,650 and share issuance costs of $277,610. Each unit is comprised of one common share and one common share purchase warrant, where each three-year warrant is exercisable at $0.50. There was no value allocated to the warrants under the residual method. 689,675 broker warrants were issued, where each three-year warrant is exercisable with the same terms as the other warrants issued. $192,722 was allocated as fair value to the broker warrants and recorded as share issuance costs.

- 1,349,050 warrants were exercised at $0.25 for total gross proceeds of $337,262.

- 5,089,443 warrants were exercised at $0.30 for total gross proceeds of $1,526,833.

- 200,000 units at a fair value of $0.20 were issued for finders fees related to the sale of subsidiary in the amount of $40,000.

During the year ended December 31, 2024, the Company completed the following transactions:

- 22,500,000 units at $0.20 were issued for total gross proceeds of $4,500,000 and share issuance costs of $186,514. Each unit is comprised of one common share and one common share purchase warrant, where each two-year warrant is exercisable at $0.25 in the first year and $0.40 in the second year. There was no value allocated to the warrants under the residual method. 1,016,575 broker warrants were issued, where each two-year warrant is exercisable with the same terms as the other warrants issued. $145,207 was allocated as fair value to the broker warrants and recorded as share issuance costs.

- 4,444,443 units at $0.225 were issued for total gross proceeds of $1,000,000 and share issuance costs of $35,000. Each unit is comprised of one common share and one common share purchase warrant, where each warrant is exercisable at $0.30 for a period of two years. There was no value allocated to the warrants under the residual method. 155,555 broker warrants were issued, where each two-year warrant is exercisable with the same terms as the other warrants issued. $24,621 was allocated as fair value to the broker warrants and recorded as share issuance costs.

20. Share capital (continued)

(b) Issued and outstanding (continued)

- 1,092,762 units at a fair value $0.40 were issued for settlement of debt in the amount of $437,105. Each unit is comprised of one common share and one common share purchase warrants, where each two-year warrant is exercisable at $0.25 in the first year and $0.40 in the second year. The Company recognized a loss on debt settled in the amount of $454,128 on the Company's consolidated statements of loss and comprehensive loss of which $218,552 was related to the excess value of settlement of debt and $235,576 fair value of the warrants issued.

- 128,570 common shares at $1.90 were issued as part of the acquisition consideration of Atrion where $191,705 was recorded in accrued liabilities and the remaining balance was recognized as loss in the Company's consolidated statements of loss and comprehensive loss.

- 126,666 common shares at $0.60 were issued related to the December 31, 2023 interest payment for convertible debenture in the amount of $76,000 recorded in accrued liabilities.

- 74,995 common shares at $0.30 were issued related to the June 30, 2024 interest payment for convertible debenture in the amount of $22,500 recorded in accrued liabilities.

- 4,427,756 common shares were issued on the induced convertible debenture conversion plus interest accrued in the amount of $1,118,323 (Note 19).

- 14,211,451 warrants were exercised at $0.25 for total gross proceeds of $3,552,863.

- 1,892,555 warrants were exercised at $0.30 for total gross proceeds of $567,767.

- 22,826 warrants were exercised at $1.40 for total gross proceeds of $31,956.

- 1,219 warrants were exercised at $1.45 for total gross proceeds of $1,768.

- 50,000 warrants were exercised at $2.00 for total gross proceeds of $100,000.

- 400,326 common shares at $0.50 were issued pursuant to the consulting agreement to a certain director of the Company in the amount of $200,163.

- 87,500 common shares were issued on the convertible debenture conversion in the amount of $175,000 (Note 18).

(c) Stock option plan

On June 18, 2024, the Plurilock Board of Directors approved the replacement of the Plurilock ESOP Plan with a new Plurilock stock option plan ("**Omnibus Incentive Plan**") for the purchase of an aggregate of 3,460,000 common shares to employees, officers, directors, and consultants of the Company, pursuant to the terms of the Omnibus Plan. The stock options are exercisable at $0.30 per share, expire in five years from the date of grant, and most options vest immediately. Some options vest 25% each quarter over the course of the year. Subject to shareholder approval.

Under the Omnibus Plan, the Company adopted a rolling 10% stock option plan and fixed 10% RSU plan. The maximum number of non-voting shares available for issuance under the Omnibus Plan is 10% of the issued and outstanding common shares.

20. Share capital (continued)

(c) Stock option plan (continued)

On June 24, 2024, the Company granted to an officer of the Company an aggregate of 3,460,000 options to purchase common shares at an exercise price of $0.30 per share, expiring in five years from the date of grant, and most options vest immediately. Some options vest 25% each quarter over the course of the year.

On July 12, 2024, the Company granted certain consultants of the Company an aggregate of 280,000 options to purchase common shares at an exercise price of $1.03 per share, which will vest immediately from the grant date.

On July 30, 2024, the Company granted certain consultants of the Company an aggregate of 20,000 options to purchase common shares at an exercise price of $1.00 per share, which will vest immediately from the grant date.

On August 16, 2024, the Company granted certain consultants of the Company an aggregate of 150,000 options to purchase common shares at an exercise price of $2.13 per share, which will vest immediately from the grant date.

On September 4, 2024, the Company granted certain employees and consultants of the Company an aggregate of 195,000 options to purchase common shares at an exercise price of $0.73 per share, which will vest immediately from the grant date.

On September 4, 2024, the Company granted certain employees and consultants of the Company an aggregate of 100,000 options to purchase common shares at an exercise price of $1.00 per share, which will vest immediately from the grant date.

On September 16, 2024, the Company granted certain employees and consultants of the Company an aggregate of 20,000 options to purchase common shares at an exercise price of $0.65 per share, which will vest immediately from the grant date.

On October 15, 2024, the Company granted certain employees and consultants of the Company an aggregate of 335,000 options to purchase common shares at an exercise price of $0.66 per share, with various vesting dates.

On November 13, 2024, the Company granted certain employees and consultants of the Company an aggregate of 150,000 options to purchase common shares at an exercise price of $0.435 per share, which will vest immediately from the grant date.

On February 21, 2025, the Company granted certain employees and consultants of the Company an aggregate of 200,000 options to purchase common shares at an exercise price of $0.40 per share, which will vest immediately from the grant date.

On March 12, 2025, the Company granted certain employees and consultants of the Company an aggregate of 250,000 options to purchase common shares at an exercise price of $0.30 per share, which will vest immediately from the grant date.

On April 1, 2025, the Company granted certain employees and consultants of the Company an aggregate of 10,000 options to purchase common shares at an exercise price of $0.28 per share, which will vest immediately from the grant date.

On June 12, 2025, the Company granted certain employees and consultants of the Company an aggregate of 1,445,000 options to purchase common shares at an exercise price of $0.26 per share and an aggregate of 385,000 options to purchase common shares at an exercise price of $0.23 per share, which will vest immediately from the grant date.

(Expressed in Canadian dollars)

20. Share capital (continued)

(c) Stock option plan (continued)

The following table summarizes the continuity of the Company's Employee Stock Option Plan ("**ESOP**"):

	Number of options #	Weighted average exercise price $
Balance, January 1, 2024	1,126,764	2.80
Granted	4,713,879	0.45
Forfeited	(339,600)	1.73
Expired	(750,617)	3.24
Balance, December 31, 2024	4,750,426	0.48
Granted	2,290,000	0.27
Forfeited	(250,880)	0.32
Expired	(40,330)	0.31
Balance, September 30, 2025	**6,749,216**	**0.42**

Additional information concerning stock options outstanding as at September 30, 2025 and December 31, 2024 is as follows:

The number of exercisable stock options as of September 30, 2025 was 6,749,346 with an average exercise price of $0.42 per stock option as compared to 4,138,086 with an average exercise price of $0.48 per stock option as of December 31, 2024.

The weighted average remaining contractual life and exercise prices of stock options outstanding as at September 30, 2025 and December 31, 2024, as follows:

	September 30, 2025		December 31, 2024	
Exercise price	**Number of stock options**	**Weighted average contractual life (in years)**	**Number of stock options**	**Weighted average contractual life (in years)**
$ 0.24	235,000	4.70	-	-
$ 0.26	1,445,000	4.70	-	-
$ 0.28	10,000	4.50	-	-
$ 0.30	3,615,000	3.78	3,455,000	4.48
$ 0.40	200,000	4.40	-	-
$ 0.44	150,000	4.12	150,000	4.87
$ 0.65	20,000	3.96	20,000	4.71
$ 0.66	285,000	4.04	335,000	4.79
$ 0.73	195,000	3.93	195,000	4.68
$ 1.00	120,000	3.92	120,000	4.66
$ 1.03	280,000	3.78	280,000	4.53
$ 1.50	39,120	7.34	40,330	8.11
$ 2.00	5,000	7.42	5,000	8.17
$ 2.13	150,000	3.88	150,000	4.63
$ 3.70	96	6.48	96	7.23
Total	**6,749,216**	**4.08**	**4,750,426**	**4.57**

The estimated fair value of each option granted under the Company's SOP was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions. The volatility used is based on volatilities of peer companies:

(Expressed in Canadian dollars)

20. Share capital (continued)

(c) Stock option plan (continued)

Approval date	Exercise price	Share price at grant date	Expected life (years)	Expected volatility	Risk-free interest rate	Expected dividends	Options issued	Expiry date
March 24, 2022	$ 3.70	$ 3.60	10.00	112%	1.92%	0.00%	58,716	March 24, 2032
January 31, 2023	$ 1.50	$ 1.25	10.00	123%	3.50%	0.00%	5,000	January 31, 2033
January 31, 2023	$ 1.50	$ 1.25	10.00	118%	3.28%	0.00%	89,200	January 31, 2033
February 28, 2023	$ 2.00	$ 1.95	10.00	124%	2.99%	0.00%	5,000	February 28, 2033
March 31, 2023	$ 1.50	$ 1.65	10.00	125%	3.66%	0.00%	5,000	March 31, 2033
June 24, 2024	$ 0.30	$ 0.29	5.00	130%	3.76%	0.00%	3,460,000	June 24, 2029
July 12, 2024	$ 1.03	$ 1.03	5.00	141%	3.10%	0.00%	280,000	July 12, 2029
July 30, 2024	$ 1.00	$ 1.00	5.00	146%	3.10%	0.00%	20,000	July 30, 2029
August 16, 2024	$ 2.13	$ 2.13	5.00	151%	3.10%	0.00%	150,000	August 16, 2029
September 4, 2024	$ 0.73	$ 0.73	5.00	159%	2.84%	0.00%	195,000	September 4, 2029
September 4, 2024	$ 1.00	$ 0.73	5.00	159%	2.84%	0.00%	100,000	September 4, 2029
September 16, 2024	$ 0.65	$ 0.65	5.00	157%	2.66%	0.00%	20,000	September 16, 2029
October 15, 2024	$ 0.66	$ 0.66	5.00	139%	2.90%	0.00%	335,000	October 15, 2029
November 13, 2024	$ 0.44	$ 0.44	5.00	137%	3.02%	0.00%	150,000	November 13, 2029
February 21, 2025	$ 0.40	$ 0.33	5.00	112%	2.66%	0.00%	200,000	February 21, 2030
March 12, 2025	$ 0.30	$ 0.29	5.00	112%	2.66%	0.00%	250,000	March 12, 2030
April 1, 2025	$ 0.28	$ 0.28	5.00	111%	2.72%	0.00%	10,000	April 1, 2030
June 12, 2025	$ 0.26	$ 0.23	5.00	110%	2.93%	0.00%	1,445,000	June 12, 2030
June 12, 2025	$ 0.24	$ 0.23	5.00	110%	2.93%	0.00%	385,000	June 12, 2030

(d) Stock-based compensation reserve

Total stock-based compensation cost recognized in the Company's condensed interim consolidated statements of loss and comprehensive loss for the three and nine months ended September 30, 2025, was $138,707 and $572,142 compared to $888,952 and $1,327,750 in prior year and is credited to contributed surplus.

Total stock-based compensation expense for the three and nine months ended September 30, 2025, is comprised of the expense pursuant to stock options issued to related parties (as discussed in Note 26) of $Nil and $Nil compared to $(9,026) and $420,928 respectively in prior period and to other parties of $66,872 and $201,409 compared to $897,978 and $906,822 respectively in the prior year.

(e) Warrants

There were 23,344,280 warrants as at September 30, 2025, compared to 18,686,667 as at December 31, 2024.

The following table summarizes the continuity of the warrants:

	#	$
Balance, January 1, 2024	**2,637,800**	**2.10**
Private placement	26,944,443	0.32
Finder's fee for private placement	1,172,130	0.32
Convertible debt warrants forfeited on conversion	(53,000)	2.00
Convertible debenture conversion warrants issued	4,280,000	0.30
Shares for debt settlement	1,092,762	0.33
Expired	(1,209,417)	2.13
Warrants Exercised	(16,178,051)	0.26
Balance, December 31, 2024	**18,686,667**	**0.50**
Private placement - special warrants	**12,459,125**	**0.50**
Finder's fee for private placement - special warrants	**689,675**	**0.50**
Expired	**(2,052,694)**	**0.42**
Warrants Exercised	**(6,438,493)**	**0.29**
Balance, September 30, 2025	**23,344,280**	**0.56**

20. Share capital (continued)

(e) Warrants (continued)

During the year ended December 31, 2024, the Company provided Debenture holders an opportunity to convert the Debentures at a reduced conversion price of $0.25 for a period of 30 days.

The warrants held by those Debenture holders who elected to convert their debentures during the inducement period were cancelled and received one full common share purchase warrant for each debenture share issued on conversion of the Debentures. Each induced warrant entitles the holder of thereof to purchase one additional share for a period of one year at price of $0.30.

On conversion of the induced convertible debt, 53,500 warrants were cancelled and replaced with 4,280,000 warrants on conversion with a fair value of $664,202 which was recognized as a loss on inducement on the Company's consolidated statements of loss and comprehensive loss.

(f) Special Warrants

During the nine months ended September 30, 2025, the Company closed a non-brokered private placement of 12,459,125 special warrants at the price of $0.40 per Special Warrant for gross proceeds of $4,983,650. Each special warrant will automatically convert into one unit of the Company. Each Unit shall consist of one common share of the Company and one transferable common share purchase warrant. Each Warrant shall entitle the holder thereof to acquire one share at a price of $0.50 per share for a period of three years following the date of issue.

(g) Restricted share units

On June 18, 2024, the Plurilock Board of Directors approved the replacement of the Plurilock ESOP Plan with a new Plurilock stock option plan ("**Omnibus Incentive Plan**") for the purchase of an aggregate of 3,800,000 common shares to employees, officers, directors, and consultants of the Company, pursuant to the terms of the Omnibus Plan.

The RSUs are exercisable at $0.30 per share, 3-year vesting period with 1/3 vesting on the date that is one year from the date of grant and another 1/3 every 12 months thereafter. Under the Omnibus Plan, the Company adopted a rolling 10% stock option plan and fixed 10% RSU plan. The maximum number of RSU's the Company can issue under the plan is 4,051,485 RSUs.

On June 18, 2024, the Company granted to certain officers, employees, and consultants of the Company an aggregate of 3,800,000 RSU's, which has a 3-year vesting period with 1/3 vesting on the date that is one year from the date of grant and another 1/3 every 12 months thereafter. The total fair value of the RSU's granted is $1,026,000 to be recognized as the RSUs vest. During the three and nine months ended September 30, 2025, the Company recognized $71,836 and $370,735 respectively compared to $Nil respectively during the same period in the prior year of stock-based compensation on the condensed interim consolidated statements of loss and comprehensive loss.

On August 15, 2024, shareholders of the Company approved the new Omnibus Plan and issuance of RSU's and options to certain officers, employees and consultants issued on June 18, 2024.

Total stock-based compensation expense for the three and nine months ended September 30, 2025, is comprised of the expense pursuant to restricted share units issued to related parties

(Expressed in Canadian dollars)

20. Share capital (continued)

(g) Restricted share units (continued)

(as discussed in Note 26) of $71,836 and $370,735 compared to $Nil respectively in prior year for the same periods.

21. Capital risk management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents, restricted cash, marketable securities, loans, convertible debenture, and equity comprised of issued share capital, contributed surplus and equity reserve:

	September 30, 2025	December 31, 2024
	$	$
Cash and cash equivalents	**1,499,767**	1,399,463
Restricted cash	**20,000**	20,000
Investment in scope technologies	**1,638,000**	—
Short-term loans	**(1,060,688)**	(2,408,034)
Convertible debenture	**(336,727)**	(328,296)
Share capital	**(45,358,589)**	(38,543,997)
Contributed surplus	**(5,784,691)**	(4,922,606)
Equity reserve	**(260,242)**	(754,642)
Total	**(49,643,170)**	(45,538,112)

The Company manages its capital structure and adjusts it considering economic conditions. The Company, upon approval from its Board of Directors, balances its overall capital structure through new share issuances, loans, or by undertaking other activities as deemed appropriate under the specific circumstances.

22. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, trade and other receivables, marketable securities, trade payables and accruals, short term loans, and convertible debenture.

Cash and cash equivalents and restricted cash are classified as financial assets at amortized cost and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Trade receivables as collateral for loans are classified as financial assets at FVTOCI and are initially recognized at fair value and subsequently measured with FVTOCI. Trade and other receivables other than trade receivables as collateral for loans are classified as financial assets at amortized cost and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The carrying value of these financial assets approximates their fair value due to the relatively short period to maturity.

Trade payables and accruals, short term loans, lease liability, and a portion of convertible debenture are classified as financial liabilities at amortized cost and recognized at fair value and subsequently carried at amortized cost. The carrying value of other financial liabilities approximate fair value due to the relatively short period to maturity.

Financial risk management

Management and monitoring of financial risks are performed by the Company's management, which manages all financial exposures. The Company is exposed to various financial risks through its financial instruments: credit risk, liquidity risk and market risk (including currency risk, interest

(Expressed in Canadian dollars)

22. Financial instruments (continued)

Financial risk management

rate risk and other price risk). The following analysis enables users to evaluate the nature and extent of the risks at the end of each reporting period.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's significant financial assets include cash and cash equivalents, restricted cash, trade and other receivables and marketable securities. The Company mitigates credit risk on cash by placing it at credit-worthy financial institutions.

The carrying amounts of the financial assets represent the Company's maximum credit exposure:

	September 30, 2025 $	**December 31, 2024 $**
Cash and cash equivalents	**1,499,767**	**1,399,463**
Restricted cash	**20,000**	**20,000**
Trade and other receivables	**3,041,984**	**8,698,200**
	4,561,751	**10,117,663**

The Company transacts with customers with strong credit ratings and strives to minimize credit risk by performing credit reviews, ongoing credit evaluation and account monitoring procedures. The credit risk associated with trade receivables with the aging balances over 90 days at September 30, 2025 is considered lower than normal given the customers of the Company are governments. All of the Company's receivables have been reviewed for indicators of impairment and, if any, bad debt expenses have been recorded. The aging of trade and other receivables is as follows:

	0-30 days $	31-90 days $	Over 90 days $	**September 30, 2025 $**	December 31, 2024 $
Trade receivables	2,681,910	123,284	236,790	**3,041,984**	8,698,200
	2,681,910	123,284	236,790	**3,041,984**	8,698,200

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates of the Company's short-term loans are fixed; as a result, the Company is not subject to significant interest rate risk. Interest rate on the Company's cash deposits and guaranteed income certificates held at the bank is nominal.

(c) Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due or can only do so at excessive costs.

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing.

22. Financial instruments (continued)

Financial risk management (continued)

(d) Currency risk

The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due, through cash flows from its operations and anticipating any investing and financing activities. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company enters into foreign currency purchase and sale transactions and has assets and liabilities that are denominated in foreign currencies. The Company is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk.

A breakdown of the Company's financial instruments by currency, presented in Canadian dollars, is presented below:

	September 30, 2025 $					December 31, 2024 $				
	USD	**INR**	**EUR**	**CAD**	**Total**	USD	INR	EUR	CAD	Total
Cash and cash equivalents	**1,151,645**	**28,726**	**-**	**319,396**	**1,499,767**	417,954	94,553	205,543	681,413	1,399,463
Restricted cash	**-**	**-**	**-**	**20,000**	**20,000**	-	-	-	20,000	20,000
Trade and other receivables	**2,891,540**	**-**	**-**	**150,444**	**3,041,984**	7,513,349	58,252	-	1,126,599	8,698,200
Investment in scope technolgies	**-**	**-**	**-**	**1,638,000**	**1,638,000**	-	-	-	-	-
Trade payables and accruals	**7,397,011**	**-**	**-**	**1,510,082**	**8,907,093**	10,870,607	45,971	-	576,769	11,493,347
Short-term loans	**1,060,688**	**-**	**-**	**-**	**1,060,688**	2,408,034	-	-	-	2,408,034
Lease liability	**-**	**-**	**-**	**-**	**-**	5,268	-	-	7,122	12,390
Convertible debenture	**-**	**-**	**-**	**336,727**	**336,727**	-	-	-	328,296	328,296

Significant exchange rates used

	September 30, 2025	December 31, 2024
Average rate for the period/year		
US dollar	**1.4007**	1.4000
Indian Rupee	**0.0162**	0.0166
European Euro	**1.5681**	1.4816
Statement of financial position rates		
US dollar	**1.3924**	1.4393
Indian Rupee	**0.0157**	0.0168
European Euro	**1.6331**	1.4928

The table below shows the Company's sensitivity to foreign exchange rates for its U.S. dollar, European Euro and Indian Rupee financial instruments, the foreign currencies in which the Company's assets and liabilities are denominated:

(Expressed in Canadian dollars)

22. Financial instruments (continued)

Financial risk management (continued)

(d) Currency risk (continued)

	September 30, 2025 increase / (decrease) in equity	December 31, 2024 increase/(decrease) in equity
	$	$
10% appreciation of the U.S. dollar against Canadian dollar	**(441,451)**	(535,261)
10% depreciation of the U.S. dollar against Canadian dollar	**441,451**	535,261
10% appreciation of the European Euro against Canadian dollar	**-**	20,554
10% depreciation of the European Euro against Canadian dollar	**-**	(20,554)
10% appreciation of the Indian Rupee against Canadian dollar	**2,873**	10,684
10% depreciation of the Indian Rupee against Canadian dollar	**(2,873)**	(10,684)

(e) Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value reflects market conditions at a given date and, for this reason, may not be representative of future fair values or of the amount that will be realized upon settling the instrument.

To the extent possible, the Company uses data from observable markets to measure the fair value of an asset or liability. Fair value measurements are established based on a hierarchy into three levels that categorizes the inputs to valuation techniques.

Level 1 – Fair value measurement based on quoted prices (unadjusted) observable in active markets for identical assets or liabilities.

Level 2 – Fair value measurement using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Fair value measurement using inputs that are not based on observable market data (unobservable inputs).

The carrying value of cash and cash equivalents, restricted cash, trade and other receivables, marketable securities, trade payables and accruals and short-term loans approximates their fair value due to the relatively short-term maturity of these financial instruments and are measured and reported at amortized cost. The carrying values of the liability portion of the convertible debenture are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

(Expressed in Canadian dollars)

22. Financial instruments (continued)

Financial risk management (continued)

(e) Fair values (continued)

The fair value of financial assets and liabilities are as follows:

	September 30, 2025	December 31, 2024
	$	$
Cash and cash equivalents	**1,499,767**	1,399,463
Restricted cash	**20,000**	20,000
Trade and other receivables	**3,041,984**	8,698,200
Investment in scope technologies	**1,638,000**	-
Total financial assets	**6,199,751**	10,117,663
Trade payables and accruals	**8,907,093**	11,493,347
Short-term loans	**1,060,688**	2,408,034
Lease liability	**-**	12,390
Convertible debenture	**336,727**	328,296
Total financial liabilities	**10,304,508**	14,891,232

(f) Contractual cash flows

The contractual maturity of short-term loans, lease liability, convertible debenture and trade payables and accruals are shown below:

	September 30, 2025		
	Due in less than a year	**Due between one to five years**	**Total**
	$	**$**	**$**
Trade payables and other payables	**8,907,093**	**-**	**8,907,093**
Short-term loans	**1,060,688**	**-**	**1,060,688**
Convertible debenture	**336,727**	**-**	**336,727**
	10,304,508	**-**	**10,304,508**

	December 31, 2024		
	Due in less than a year	Due between one to five years	Total
	$	$	$
Trade payables and other payables	11,493,347	-	12,142,512
Short-term loans	2,408,034	-	2,408,034
Lease liability	12,390	-	12,390
Convertible debenture	-	328,296	328,296
	13,913,771	328,296	14,891,232

(Expressed in Canadian dollars)

23. Segment information

The Company's operating segments are organized according to similar economic characteristics by the markets and types of products it serves and are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"). The CEO and CFO are considered the chief operating decision-makers ("**CODMs**") and have the authority for resource allocation and are responsible for assessing the Company's performance.

(a) Operating segments

Plurilock has one operating segment, the following table provides an overview of these segments and underlying businesses. The Company has reviewed its activities and determined that it leads them in a single reportable operating segment. This single reportable operating segment derives its revenues from the deployment of solutions and services.

(b) Revenue from major products and services

Under the single operating segment, revenue is generated from the below three categories.

(i) Hardware and maintenance sales

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

(ii) Software, license, and maintenance sales

Software, license, 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.

(iii) 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.

Revenue from the above categories under each segment for three and nine months ended September 30, 2025 and 2024 are as follows:

	For the three months ended September 30,	
		Restated-Note 27, 28
	2025 Total Revenue $	**2024 Total Revenue $**
Hardware and systems sales	1,515,738	3,135,449
Software, license and maintenance sales	11,186,538	10,113,994
Professional services	2,691,471	1,013,633
Total	**15,393,747**	**14,263,076**

(Expressed in Canadian dollars)

23. Segment information (continued)

	For the nine months ended September 30,	
		Restated-Note 27, 28
	2025 Total Revenue $	**2024 Total Revenue $**
Hardware and systems sales	5,586,675	6,665,000
Software, license and maintenance sales	34,213,093	30,209,250
Professional services	10,698,452	4,067,596
Total	**50,498,220**	**40,941,846**

(b) Major customer information

A major customer is defined as an external customer that derives revenue equal to 10% or more of the Company's total consolidated revenue.

During the three and nine months ended September 30, 2025 one customer accounted for approximately 25.8% and 31.1% (2024 – two customers accounted for 42.4% and 30.5%) respectively of the Company's total consolidated revenues.

These revenues were derived from sales across two of the Company's major product lines:

Solutions business line: Approximately 14.6% and 13.7% (2024 – 42.4% and 30.5%) of consolidated revenues.

Services business line: Approximately 11.2% and 17.5% (2024 - $Nil and $Nil) of consolidated revenues.

All of these revenues were generated within the Company's segment. The Company considers this customer concentration to be an inherent business risk, and the loss of this customer could have a material adverse effect on the Company's financial results.

(c) Revenue and long-lived assets by geographic locations

Geographic revenue information is based on the location of the customers invoiced. Long-lived assets include property and equipment, non-current deposits, right-of-use asset, intangible assets, and goodwill.

	For the three months ended		For the nine months ended	
		Restated - Note 27, 28		*Restated - Note 27, 28*
	September 30, 2025 $	September 30, 2024 $	**September 30, 2025 $**	September 30, 2024 $
Revenue				
United States	**14,388,387**	13,878,856	**46,391,319**	38,552,187
Canada	**1,005,360**	384,220	**4,106,901**	2,389,659
	15,393,747	14,263,076	**50,498,220**	40,941,846

(Expressed in Canadian dollars)

23. Segment information (continued)

	September 30, 2025	Restated - Note 27, 28 December 31, 2024
	$	$
Long-lived assets		
United States	**3,108,119**	3,894,621
Canada	**46,300**	67,888
	3,154,419	3,962,509

24. Operating expenses

	For the three months ended		For the nine months ended	
		Restated - Note 27, 28		Restated - Note 27, 28
	September 30, 2025	September 30, 2024	**September 30, 2025**	September 30, 2024
	$	$	**$**	$
Research and development				
Communication and IT services	**2,571**	3,246	**8,439**	33,312
	2,571	**3,246**	**8,439**	**33,312**
Sales and marketing				
Advertising and promotion	**-**	13,031	**5,033**	25,612
Communication and IT services	**5,126**	3,965	**35,551**	30,667
Contractors	**-**	-	**3,500**	4,501
Marketing	**20,635**	700	**65,915**	9,753
Office and general	**-**	-	**2,678**	-
Salaries and benefits	**496,754**	316,807	**1,587,175**	1,279,475
Sales commission	**334,360**	90,439	**808,506**	257,571
Travel and entertainment	**4,853**	472	**12,455**	472
	861,728	**425,414**	**2,520,813**	**1,608,051**
General and administrative				
Amortization and depreciaition	**45,624**	54,819	**196,079**	230,672
Bad debt	**146,913**	(7,790)	**146,913**	28,086
Communication and IT services	**81,323**	112,476	**306,111**	223,360
Contractors	**114,750**	295,778	**318,644**	491,181
Insurance	**60,565**	112,685	**144,283**	169,539
Office and general	**181,132**	158,308	**339,998**	405,442
Professional fees	**346,588**	334,804	**1,128,248**	739,891
Investor relations and regulatory filing	**213,222**	747,461	**950,167**	1,174,559
Salaries and benefits	**1,108,994**	1,220,847	**4,101,394**	3,301,887
Travel and entertainment	**36,561**	45,172	**150,357**	111,668
	2,335,672	**3,074,560**	**7,782,194**	**6,876,285**

(Expressed in Canadian dollars)

25. Loss per share

Basic loss per share is calculated by dividing net loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated by dividing net loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period plus the weighted average number of common shares, if any, that would be issued on conversion of all the dilutive potential effects.

All of the outstanding stock options and share purchase warrants as at September 30, 2025 and 2024 were anti-dilutive as the Company was in a loss position.

The basic and diluted net loss per share for the Company for the period is calculated using the following:

	For the three months ended		For the nine months ended	
		Restated - Note 27, 28		*Restated - Note 27, 28*
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	$	$	$	$
Numerator				
Net loss from continuing operations for the period	(2,475,133)	(3,761,560)	(7,262,111)	(8,822,266)
Net income (loss) from discontinued operations for the period	1,451,919	(224,050)	995,705	(699,576)
Net loss for the period	(1,023,214)	(3,985,610)	(6,266,406)	(9,521,842)
Denominator				
Weighted average number of common shares outstanding, basic and diluted	78,526,870	49,337,848	75,419,165	30,737,539
Basic and diluted income (loss) per share				
- From continuing operations	(0.03)	(0.08)	(0.10)	(0.29)
- From discontinued operations	0.02	(0.00)	0.01	(0.02)
Basic and diluted net loss per share	(0.01)	(0.08)	(0.08)	(0.31)

26. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's Board of Directors and members of the executive team.

The following table summarizes the related party transactions:

	For the three months ended		For the nine months ended	
	September 30, 2025	September 30, 2024	**September 30, 2025**	September 30, 2024
	$	$	**$**	$
Salaries, benefits and consulting fees	**467,728**	541,031	**1,402,061**	1,368,022
Stock-based compensation expense*	**71,836**	(9,026)	**370,734**	420,928
	539,564	532,005	**1,772,795**	1,788,950

* Reflects the amount recorded as expense in the condensed interim consolidated statement of loss and comprehensive loss. The fair value of stock-based compensation is measured at grant date and is recognized as an expense over the vesting period.

27. Restatement of previously issued condensed interim consolidated financial statements

The Company has restated its comparative column to these condensed interim consolidated financial statements for the three and nine months ended September 30, 2024.

The Company reviewed its revenue recognition in accordance with IFRS 15. The Company has reassessed and changed from principal recognition to agent recognition for hardware maintenance and support transactions where the vendor has prime responsibility for carrying out the contractual obligations. The Company also reassessed that where it is reselling software and is principal, the revenue recognition is over time as opposed to a point in time. These changes created the following changes as represented in the tables below:

1. On the Statements of Loss and Comprehensive Loss for the three and nine months ended September 30, 2024:
    a. Revenue was increased by $157,288 and $3,081,186.
    b. Cost of sales was increased by $91,348 and $3,603,204.
    c. Operating expenses decreased by $41,943 and $94,586.
    d. Foreign exchange translation difference increased by $15,772 and decreased by $190,239.
2. On the Statements of Financial Position as at September 30, 2024:
    a. Trade and other receivables decreased by $7,275,359.
    b. Prepaid expenses and deposits increased by $14,029,513.
    c. Intangible assets decreased by $319,859.
    d. Goodwill decreased by $1,187,718.
    e. Trade and other payables decreased by $10,049,222.
    f. Unearned revenue increased by $19,748,702.

All issued and outstanding common shares, per share amounts, earnings per share, and outstanding equity instruments and awards exercisable into common shares in the condensed interim consolidated financial statements of the Company and notes thereto have been retroactively adjusted to reflect the (10:1) share consolidation on April 19, 2024 for all prior periods presented.

(Expressed in Canadian dollars)

27. Restatement of previously issued condensed interim consolidated financial statements (continued)

The following tables present the impact of the restatement on the Company's previously reported condensed interim consolidated statements of financial position for the three and nine months ended September 30, 2024:

	Previously reported	Adjustments	Restated
Assets			
Current			
Cash and cash equivalents	3,407,977	—	3,407,977
Restricted cash	20,000	—	20,000
Trade and other receivables	10,426,692	(7,275,359)	3,151,333
Tax credits receivable	193,369	—	193,369
Inventory	5,135,393	—	5,135,393
Prepaid expenses and deposits	713,043	14,029,513	14,742,556
Total current assets	19,896,474	6,754,154	26,650,628
Non-current			
Property and equipment	81,759	—	81,759
Right-of-use asset	16,600	—	16,600
Net investment in sublease	16,329	—	16,329
Intangible assets***	1,604,791	(319,859)	1,284,932
Goodwill****	3,543,992	(1,187,718)	2,356,274
Other non-current assets	35,335	—	35,335
Total assets	25,195,280	5,246,577	30,441,857
Liabilities			
Current			
Trade and other payables	18,770,210	(10,049,222)	8,720,988
Unearned revenue	1,348,593	19,748,702	21,097,295
Short-term loans	3,874,946	—	3,874,946
Lease liability - current	51,950	—	51,950
Total current liabilities	24,045,699	9,699,480	33,745,179
Non-current			
Lease liability - non-current	—	—	—
Deferred income tax liability	18,870	—	18,870
Convertible debenture	319,865	—	319,865
Other non-current liabilties	—	—	—
Total liabilities	24,384,434	9,699,480	34,083,914
Shareholders' equity			
Share capital	37,506,522	—	37,506,522
Equity reserve	1,309,480	—	1,309,480
Foreign currency translation reserve*	(48,154)	—	(48,154)
Contributed and other surplus	4,346,894	—	4,346,894
Accumulated deficit**	(42,303,896)	(4,452,903)	(46,756,799)
Total equity	810,846	(4,452,903)	(3,642,057)
Total equity and liabilities	25,195,280	5,246,577	30,441,857

* Included in the foreign currency translation reserve adjustment, from opening balance adjustment as of January 1, 2024.
** Included in the accumulated deficit adjustment, is from opening balance adjustment as of January 1, 2024.
*** Included in intangible assets adjustment, is from opening balance adjustment as of January 1, 2024.
**** Included in goodwill adjustment, is from opening balance adjustment as of January 1, 2024.

(Expressed in Canadian dollars)

27. Restatement of previously issued condensed interim consolidated financial statements (continued)

The following tables present the impact of the restatement on the Company's previously reported condensed interim consolidated statements of loss and comprehensive loss and cash flows for the three and nine months ended September 30, 2024:

Three months ended September 30, 2024

	Previously reported	Adjustments	Restated	Discontinued Operations	Continued Operations
Revenue	14,328,564	157,288	14,485,852	(222,776)	14,263,076
Cost of sales	(13,356,105)	(91,348)	(13,447,453)	172,340	(13,275,113)
Gross profit	972,459	65,940	1,038,399	(50,436)	987,963
Operating Expenses					
Research and development	172,070	—	172,070	(168,824)	3,246
Sales and marketing	500,365	—	500,365	(74,951)	425,414
General and administrative	3,147,214	(41,943)	3,105,271	(30,711)	3,074,560
Impairment on goodwill and intangibles	—	—	—	—	—
Share-based compensation	888,952	—	888,952	—	888,952
Total operating expenses	4,708,601	(41,943)	4,666,658	(274,486)	4,392,172
Operating income (loss)	(3,736,142)	107,883	(3,628,259)	224,050	(3,404,209)
Other income (expenses)					
Foreign exchange gain (loss)	95,824	—	95,824	—	95,824
Government Assistance Income	—	—	—	—	—
Other income (expense)	11,520	—	11,520	—	11,520
Acquisition related expenses	(307,771)	—	(307,771)	—	(307,771)
Financing expenses	(21,262)	—	(21,262)	—	(21,262)
Loss on convertible debt conversion inducement	—	—	—	—	—
Loss on settlement of debt	—	—	—	—	—
Listing expenses	—	—	—	—	—
Impairment on assets	(1,414)	—	(1,414)	—	(1,414)
Loss on disposal of assets	407	—	407	—	407
Interest expense	(139,461)	—	(139,461)	—	(139,461)
Total other expenses	(362,157)	—	(362,157)	—	(362,157)
Loss for the period before tax	(4,098,299)	107,883	(3,990,416)	224,050	(3,766,366)
Income tax recovery	4,806	—	4,806	—	4,806
Net loss for the period	(4,093,493)	107,883	(3,985,610)	224,050	(3,761,560)
Other comprehensive (loss) income					
Items that may be subsequently reclassified to net loss					
Foreign exchange translation difference	36,610	15,772	52,382	217	52,599
Other comprehensive (loss) income	36,610	15,772	52,382	217	52,599
Total comprehensive loss for the period	(4,056,883)	123,655	(3,933,228)	224,267	(3,708,961)
Loss per share - basic, dilutive					
Basic loss per share	(0.08)	0.00	(0.08)	0.00	(0.08)

(Expressed in Canadian dollars)

27. Restatement of previously issued condensed interim consolidated financial statements (continued)

Nine months ended September 30, 2024

	Previously reported	Adjustments	Restated	Discontinued Operations	Continued Operations
Revenue	38,545,520	3,081,186	41,626,706	(684,860)	40,941,846
Cost of sales	(33,068,017)	(3,603,204)	(36,671,221)	386,387	(36,284,834)
Gross profit	5,477,503	(522,018)	4,955,485	(298,473)	4,657,012
Operating Expenses					
Research and development	739,226	—	739,226	(705,914)	33,312
Sales and marketing	1,805,306	—	1,805,306	(197,255)	1,608,051
General and administrative	7,065,751	(94,586)	6,971,165	(94,880)	6,876,285
Impairment on goodwill and intangibles	—	—	—	—	—
Share-based compensation	1,327,750	—	1,327,750	—	1,327,750
Total operating expenses	10,938,033	(94,586)	10,843,447	(998,049)	9,845,398
Operating income (loss)	(5,460,530)	(427,432)	(5,887,962)	699,576	(5,188,386)
Other income (expenses)					
Foreign exchange gain (loss)	9,617	—	9,617	—	9,617
Government Assistance Income	—	—	—	—	—
Other income (expense)	95,178	—	95,178	—	95,178
Acquisition related expenses	(400,026)	—	(400,026)	—	(400,026)
Financing expenses	(240,390)	—	(240,390)	—	(240,390)
Loss on convertible debt conversion inducement	(1,817,470)	—	(1,817,470)	—	(1,817,470)
Loss on settlement of debt	(454,128)	—	(454,128)	—	(454,128)
Listing expenses	—	—	—	—	—
Impairment on assets	(4,787)	—	(4,787)	—	(4,787)
Loss on disposal of assets	407	—	407	—	407
Interest expense	(818,605)	—	(818,605)	—	(818,605)
Total other expenses	(3,630,204)	—	(3,630,204)	—	(3,630,204)
Loss for the period before tax	(9,090,734)	(427,432)	(9,518,166)	699,576	(8,818,590)
Income tax recovery	(3,676)	—	(3,676)	—	(3,676)
Net loss for the period	(9,094,410)	(427,432)	(9,521,842)	699,576	(8,822,266)
Other comprehensive (loss) income					
Items that may be subsequently reclassified to net loss					
Foreign exchange translation difference	43,841	(190,239)	(146,398)	213	(146,185)
Other comprehensive (loss) income	43,841	(190,239)	(146,398)	213	(146,185)
Total comprehensive loss for the period	(9,050,569)	(617,671)	(9,668,240)	699,789	(8,968,451)
Loss per share - basic, dilutive					
Basic loss per share	(0.30)	(0.02)	(0.32)	0.02	(0.30)

28. Discontinued operations and assets held-for-sale

Plurilock Security Private Ltd.

On September 9, 2025, the Company sold its assets and liabilities associated with Plurilock Security Private Ltd.’s business (CloudCodes) for a consideration of $1,528,000. The sale price comprised of cash payment of $100,000 at the time of closing and 4,200,000 common shares at $0.34 (at date of closing) per common share into Scope Technologies Corp for total fair value of $1,428,000 were issued to the Company. The Company incurred $40,000 of advisory fee costs associated with the sale of transaction paid through issuing 200,000 common shares of the Company at $0.20 per share. Transaction costs associate with the sale of the subsidiary consisted of $49,313 not including advisory fee. Following the sale of CloudCodes, the Company determined that technology division operations was no longer commercially sustainable and decided to discontinue its technology division operations which was operating through Plurilock Security Solutions Inc (PL) and Plurilock Security Private Ltd. (PSP). Accordingly, the operating results and operating cash flows for the previously reported subsidiaries are presented as discontinued operations separate from the Company’s continuing operations.

(Expressed in Canadian dollars)

28. Discontinued operations and assets held-for-sale (continued)

The results of the entities held-for-sale and other discontinued operations for the periods are presented below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Revenue	**118,358**	222,776	**459,462**	684,860
Cost of sales	**(44,015)**	(172,340)	**(133,756)**	(386,387)
Gross profit	**74,343**	50,436	**325,706**	298,473
Operating expenses				
Research and development	**112,862**	168,824	**610,306**	705,914
Sales and marketing	**13,946**	74,951	**100,015**	197,255
General and administrative	**(40,092)**	30,711	**83,972**	94,880
Total operating expenses	**86,716**	274,486	**794,293**	998,049
Operating loss	**(12,373)**	(224,050)	**(468,587)**	(699,576)
Other income (expenses)				
Sale of subsidiary related expenses	**(89,313)**	—	**(89,313)**	—
Gain on sale of subsidiary	**1,553,604**	—	**1,553,604**	—
Total other income	**1,464,292**	—	**1,464,292**	—
Loss for the period before tax from discontinued operations	**1,451,919**	(224,050)	**995,705**	(699,576)
Income tax (expense) recovery	**—**	—	**—**	—
Net loss for the period from discontinued operations	**1,451,919**	(224,050)	**995,705**	(699,576)
Net loss for the period	**1,451,919**	(224,050)	**995,705**	(699,576)
Other comprehensive income (loss)				
Items that may be subsequently reclassified to net results				
Foreign exchange translation difference from discontinued operations	**—**	(217)	**—**	(213)
Other comprehensive income (loss) from discontinued operations	**—**	(217)	**—**	(213)
Comprehensive loss for the period	**1,451,919**	(224,267)	**995,705**	(699,789)
Basic and diluted net loss per share from discontinued operations	**0.02**	(0.00)	**0.01**	(0.02)

(Expressed in Canadian dollars)

28. Discontinued operations and assets held-for-sale (continued)

The assets and liabilities of the discontinued operations are as follows:

	September 30, 2025	December 31, 2024
	$	$
Assets		
Current assets		
Cash and cash equivalents	—	66,953
Trade and other receivables	—	74,600
Tax credits receivable	—	19,597
Prepaid expenses and deposits	—	3,440
Total current assets	—	164,590
Non-current assets		
Property and equipment	—	—
Deferred tax asset	—	6,449
Total assets	—	171,039
Liabilities		
Current liabilities		
Trade and other payables	—	72,021
Unearned revenue	—	215,443
Total current liabilities	—	287,464
Total liabilities	—	287,464

The net cash flows incurred by the disposal group is, as follows:

	For the three months ended:		For the nine months ended:	
	September 30, 2025	September 30, 2024	**September 30, 2025**	September 30, 2024
	$	$	**$**	$
Operating activities	**(203,927)**	24,296	**(66,953)**	40,062
Net cash (outflow) inflow	**(203,927)**	24,296	**(66,953)**	40,062

29. Subsequent events

On October 31, 2025, the Company announced the closing of a $3.0 million non-brokered private placement unsecured convertible debenture offering through the issuance of 3,000 debenture units at $1,000 per unit at 10% interest per annum. 12,000,000 warrants were issued with the convertible debenture. Interest is payable quarterly. Each debenture unit is convertible at the option of the holder at $0.23 unit October 30, 2028, and 4,000 common share purchase warrants exercisable at $0.25 until October 30, 2028.