**Integrated Cyber Solutions, LLC**

Management's Discussion and Analysis

for the Second quarter ended December 31, 2023

Prepared as of February 29, 2024

## ABOUT THIS MD&A

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations of Integrated Cyber Solutions, LLC. (the "**Company**") should be read in conjunction with the Company's audited consolidated financial statements for the period from July 1,2022 to June 30,2023, and the accompanying notes thereto (the "**Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This MD&A has been prepared as of February 29, 2024, pursuant to the disclosure requirements under National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**" or "**FLS**"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

## DESCRIPTION OF BUSINESS

Integrated Cyber, LLC (ICS) was organized in the state of Connecticut in November 2016. The Company's operational address is One Stiles Rd Suite 105 Salem, NH 03079

Integrated Cyber delivers cybersecurity managed services to the Small-to-Medium Business (SMB) and Small-to-Medium Enterprise (SME) segments, integrating best-in-class capabilities from multiple third-party cybersecurity providers. By providing cybersecurity as a 'managed service,' they are able to continuously evolve services as technology (and providers) evolve, thus future-proofing their customer's investment in the company. In addition to providing key cybersecurity services, Integrated Cyber correlates information across multiple siloed platforms in their customers' environments to help them better understand and manage their environments with simple, understandable and actionable insights. The Company emphasizes the human side of cybersecurity management, simplifying cyber concepts, and focusing on the critical role employee behavior plays in a company's cyber defenses.

## OVERALL PERFORMANCE FROM INCORPORATION to December 31, 2023

Despite the ongoing challenges, the Company has continued to build partnerships with cybersecurity technology providers to strengthen and diversify its portfolio. These partnerships have given ICS the ability to remain on the cutting edge of cyber technology. We have partnered with:

- Talion – a provider of advanced Detection and Response software and services replaced BluSapphire as the Company's Premium Edition partner for Managed Detection and Response, including discrete services for SIEM Management/Tuning, SOAR (Orchestration and Automated Response platform), and Managed SOC (Security Operations Center) services. Investments were made in joint marketing, and Talion is now being qualified as the future Platform for any business in the Middle East.
- KnowBe4 – the premium provider of awareness training was selected as one of two premium software partners for the Company's Employee Awareness and Engagement service. In 2021, KnowBe4 also acquired the Company's previous partner, Security Advisor. One of the Company's premier clients immediately switched to the new KnowBe4 Platform of the service upon introduction. The Company also sold additional KnowBe4 deals during the this year.
- Proofpoint Security Awareness and Training (formerly Wombat) – a second industry-leading provider of awareness training was added to the Company's Employee Awareness and Engagement service – resulting in an immediate sale of managed awareness service to an existing MDR client in the energy sector.
- Vulnera (formerly Furtim) – an online software solution for both one-time and continuous vulnerability assessments and management, was introduced in a new Vulnerability Management SMB Edition. A managed service was built around the software platform and quickly sold into one of the Company's larger clients, with a sales pipeline being built for additional clients.

The Company has also begun offering professional services and consulting to help bolster sales during the market downturn, including security remediation strategies and execution services.

During this year, Integrated Cyber focused on running existing customers as efficiently as possible, investing in extensive automation and orchestration of critical workflows both for business operations (i.e., partner, customer, and employee onboarding) as well as delivery operations (new service implementation and monthly recurring management processes). Integrated Cyber selected a workflow orchestration provider, PipelineApp.io, to automate these critical processes. There is no partnership involved as Integrated Cyber is a paying customer of the software provided by PipelineApp.io. Still, significant investment has been made in using that software platform to automate and manage multiple critical delivery and customer-facing processes.
Investments in marketing and sales automation were established with the goal of increasing awareness in the market without significant expense. Additional sales and marketing platforms were selected and deployed internally.
During this phase, the Company's priorities also shifted toward helping clients with professional services to get through the challenge of managing remote workforces. Integrated Cyber closed several robust consulting engagements with new clients, assisting them with vulnerability remediation.

## SELECTED QUARTERLY INFORMATION

(Information extracted from the Company's Interim financial statements)

*(Expressed in US Dollars)*

| | Six months ended Dec 31, 2023 |
|---|---|
| Current Assets | $ 34,310 |
| Total Assets | $ 38,105 |
| Current Liabilities | $ 297,916 |
| Total Liabilities | $ 322,916 |
| Revenue | $ 58,000 |
| Expenses | $ 666,015 |
| Net Income (Loss) | $ (608,015) |
| | |

## DISCUSSION OF OPERATIONS

At December 31, 2023, the Company has total assets of $38,105. On October 6, 2023, the Company completed its Initial Public Offering (IPO) on the Canadian Stock Exchange.It also completed its listing on the Frankfurt Stock Exchange.The Company's management continued to focus its energy on building its infrastructure as it ramps up its marketing efforts. The Company has hired a full time Senior Sales Manager to oversee business development. The Company's pipeline of clients has grown and expects to close agreements with several new clients and expansion of current services with existing clients in the third quarter.

## LIQUIDITY AND CAPITAL RESOURCES

For the period from October 1,2023 to December 31, 2023, the Company received $27,200 of additional related party funding and proceeds from its IPO of 913,500.

| **CASH FLOW ANALYSIS** | **December 31, 2023** |
|---|---|
| Cash at the beginning of the period | $ 11,432 |
| **Operating Activities** | |
| Loss for the period | $ (592,626) |
| Items not involving cash | $ 69,303 |
| Net changes in non-cash working capital items: | |
| Accounts payable and accrued liabilities | $ (234,623) |
| Accounts Receivable, net | $ 9,327 |
| | |
| **Investing Activity:** | |
| | $Nil |
| **Financing Activity:** | |
| Cash received from issuance of units/costs | $ 828,158 |
| Investor loans/payment of Member loans | $ (54,800) |
| Currency translation on cash | $ (15,374) |

| | |
|---|---|
| Net Cash Flow from Financing Activities | $ 757,984 |
| Cash, end of the period | $ 20,797 [illegible] |
| | |

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource, property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As of December 31, 2023 the Company had a cash balance of $ 20,797 and an accumulated deficit of $ (6,860,605). Working deficit was $ [284,811]. There was $100,000 received from private share placements. The Company has $38,105 in net assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Historically, the Company's sole source of funding has been from private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

**OFF-BALANCE SHEET TRANSACTIONS**

During the three months ended December 31, 2023, the Company has not entered into any off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of December 31, 2023, $208,364 was due to related parties.

**LINE OF CREDIT**

the Company and Alke Capital Limited ("Alke") entered into the investment and advisory agreement (the "Alke Agreement"). Pursuant to the Alke Agreement, Alke will (a) provide certain advisory services to the Company, ("Alke Advisory Services"), and (b) make available to the Company a non-revolving equity drawdown facility in the aggregate amount of up to $5,000,000 (the "Funding Commitment").

The Funding Commitment is for an aggregate amount of $5,000,000 and a term of three years. In addition, the Company may use the Funding Commitment as security, with the consent of Alke, to secure additional financing avenues if it so chooses. Upon listing of its common shares on the Canadian Stock Exchange (the "Listing") and under the terms of the Alke Agreement, the Company can immediately start drawing down funds from the $5,000,000 Funding Commitment during the three-year term at the Company's discretion by providing a notice to Alke (an "Alke Drawdown Notice").

## COMPLETED TRANSACTIONS

On May 12, 2023, the Company completed a reverse takeover (the "**Reverse Takeover**") with Integrated Cyber Solutions, LLC, a company organized under the Limited Liability Company Act of the State of Connecticut, on November 8, 2016. Pursuant to the Reverse Takeover, the Company changed its name to Integrated Cyber Solutions, Inc. Following the completion of the acquisition, Integrated Cyber Solutions LLC became a wholly owned subsidiary of the Company. As consideration for the sale of the Integrated Cyber Interests, the Company issued to the Integrated Cyber Members an aggregate of 32,280,000 Compensation Shares.

The Company began trading on the Canadian Stock Exchange (CSE) under the stock symbol ICS on October 10, 2023.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the fair value of Common Shares issued to settle accounts payable.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The board of directors of the Company approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and subscription receivable. Cash is deposited in bank accounts held with a major bank in Canada. As all of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank with high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been private investments. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

**Foreign Exchange Risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk since it bills its clients in US dollars.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of December 31, 2023, the Company did not have any financial instruments subject to interest rate risk.

**Price Rate Risk**

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

**Management of Capital**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

**SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies in Note A of the Company's audited financial statements as of December 31, 2023, have been consistently applied to all periods presented in the Financial Statements.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Please see Note 11 of the Company's audited financial statements for the period as of December 31, 2023, for full discussion on financial instruments, the fair value measurement and associated risk management.

## KEY DEVELOPMENTS SUBSEQUENT TO June 30, 2023

The Company began trading on the Canadian Stock Exchange (CSE) under the stock symbol ICS on October 10, 2023.

## LIMITATIONS ON SCOPE OF DESIGN

The Company has no limits to the design of its disclosure controls and procedures or internal control over its financial reporting.

## RISK FACTORS

In addition to the other information included in this report, readers should consider carefully the following factors, which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control. The following is a description of some of, but not all of, the important factors that may cause the Company's actual results of operations in future periods to differ materially from those currently expected or discussed in the FLS set forth in this report relating to the Company's financial results, operations and business prospects. Except as required by law, the Company undertakes no obligation to update any such FLS to reflect events or circumstances after the date of this MD&A.

For the purposes of this section, "**Material Adverse Change**" means any change of circumstances or any event which has, or would reasonably be expected to have, a material adverse effect in respect of the Company, any one or more changes, events or occurrences, and "**material adverse effect**" means, in respect of the Company, any change (or any condition, event or development involving a prospective change) in the business, operations, affairs (including the employment status of key employees), assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) capitalization, financial condition, licenses, permits, rights or privileges of the Company or any of its subsidiaries which in the judgment of the Company, acting reasonably in the circumstances, could reasonably be expected to materially and adversely affect the Company and its subsidiaries taken as a whole or the value of the securities of the Company.

These risks include, but are not limited to the following:

### Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

### Technology Sector Risk

After the completion of the transactions contemplated by the SPA, the Company anticipates becoming a technology company. General risks of technology companies include the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions.

**Regulatory Risks**

Changes in or more aggressive enforcement of laws and regulations could have a material adverse effect on the companies involved in the infrastructure, technology, and technological infrastructure sector. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could result in a Material Adverse Change to such businesses' future cash flows, earnings, results of operations and financial condition.

**Intellectual Property Rights**

Companies involved in the development and operation of certain technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any of the Company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred.

Any such claims and disputes arising may result in liability for substantial damages which in turn could harm the underlying business, results of operations and financial condition.

**Cyber Security Risks**

The Company anticipates being dependent on information technologies to conduct its operations, including management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm operations and result in a Material Adverse Change to the operation results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error.

The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. There can be no assurance that the Company has the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

**Key Personnel**

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse effect on its profitability, results of operations and financial condition.

**Internal Controls**

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken a number of procedures and implemented a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and result in a Material Adverse Change.