

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Ciscom Corp.
20 Bay St., Suite 1110
Toronto, Ontario M5J 2N8

Item 2 Date of Material Change

April 3, 2025

Item 3 News Release

The press release attached as Schedule "A" was released on April 3, 2025 by a newswire company in Canada.

Item 4 Summary of Material Change

The material change is described in the press release attached as Schedule "A".

Item 5 Full Description of Material Change

The material change is described in the press release attached as Schedule "A".

Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Michel Pepin
President & Chief Executive Officer
mpepin@ciscomcorp.com

Item 9 Date of Report

April 3, 2025

Schedule "A"

Ciscom Significantly Improves Operational Results in 2024

Toronto, ON, April 3, 2024 – CISCOM Corp. (CSE: CISC) (OTCQB: CISCF) ("**Ciscom**" or "**the Company**"), which actively invests in, acquires, and manages companies within the Information and Communication Technology ("**ICT**") sector with a specialty in AdTech and MarTech, is pleased to announce that it has filed its audited consolidated financial statements and management's discussion and analysis ("**MD&A**") for the year ended December 31, 2024. The financial statements show that Ciscom's revenues were stable year-over-year, and its cash-basis operating results (EBITDA) before non-recurring impairment charge more than doubled year-over-year – an impressive organic growth. The financial statements and the related MD&A are available on www.sedarplus.ca.

Ciscom's subsidiaries have principally served the retail sector and sales are aligned to this sector. As a result, historically a significant portion of its sales occurs in the last 4 months of the year. The Canada Post Corporation ("**CPC**") labor dispute in the fall of 2024 disrupted business and sales overall as direct mail could not be distributed and clients cancelled campaigns. Consequently, the CPC labor dispute negatively impacted the Company's Q4 2024 sales and gross profit. Gross profit was negatively impacted by an amount of approximately \$750,000. Still, the Company was able to maintain its gross profit within approximately 1% year-over-year at \$6.8M, relative to \$6.9M in 2023.

The Company achieved sales of \$35.018M in 2024 versus \$35.160M in 2023, a minimal decrease of \$0.142M or 0.4%. Gross profit for 2024 was \$6.822M versus \$6.906M in 2023, a small reduction of \$0.084M or 1.2%. Gross margins remained stable at 19.5% versus 19.6% respectively.

Ciscom achieved a cash-based operating profit (EBITDA) of \$2.032M in 2024, a significant increase of \$1.048M (106.4% - more than double) when compared to the EBITDA of \$0.984M in 2023. This performance is in part due to the effectiveness of Ciscom's cost reduction initiatives, which have saved over \$0.6M annually across various operational areas.

For 2024, Ciscom reported a net loss of \$1.267M versus \$1.461M in 2023, an improvement of \$0.194M or 13%. In 2024, a significant client of the Company sought bankruptcy protection under the *Companies' Creditors Arrangement Act (CCAA)*, as previously disclosed in the press release of the Company dated February 5, 2025, and as a result the Company's accounts receivable were impaired by an amount of \$1.385M. If this non-recurring impairment had not occurred, the Company would have been profitable, with a net income of \$0.118M, which would have represented an improvement of \$1.579M year-over-year.

The Company continues to carry significant non-cash expenses totaling \$1.571M in 2024 (2023: \$1,828M), which include share-based compensation, intangible assets amortization and deferred charges. Nonetheless, Ciscom's operations generated positive cash flows of \$1.236M in 2024 (2023: \$1.273M) – significant outcome considering the \$1.385M impairment charge.

"We had a strong growth year that was dampened by the CPC labor dispute and a meaningful client's CCAA filing," reported Michel Pepin, President, CEO and Director of Ciscom Corp. "Yet, operations are doing well and new clients are being signed. We have a resilient business and we will recover from these two atypical and one-time events, stronger than before. It is particularly impressive that our growth comes during a difficult economy where retailers are still facing strong headwinds. Again, this is a testimony to the quality and expertise of our team, led by Dave Mathews and Sheri Rogers, and robust client relationships developed through the years, that we are able to withstand economic challenges and a changing market landscape."

"For Ciscom, 2024 was a year of significant multi-faceted challenges," continued Pepin. "These are now behind the Company and in 2025, the Company will be able to focus back on its core mandate by raising capital and closing acquisitions. Ciscom continues to be in good standing with its banking partners, reflecting the Company's rigorous financial management and governance standards. Looking ahead, Ciscom is poised for further growth, with a focus on new acquisitions, client-centric services, and a commitment to operational excellence."

Non-IFRS Measures

This news release contains non-IFRS financial measures, in particular, EBITDA, calculated as total operating income (loss), excluding depreciation and amortization, stock-based compensation, other non-cash expenses. The closest comparable IFRS measure is total operating income (loss). Such measures are standard practices for emerging companies with significant non-cash items as part of management disclosures.

The Company believes that this measure provides investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes this financial measure is important in evaluating the Company's performance, it is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS.

For a full comparison of non-IFRS financial measures used herein to their nearest IFRS equivalents, please see the section entitled "Non-IFRS Financial Measures" in the Company's MD&A for the year ended December 31, 2024.

About Ciscom Corp.

Ciscom actively invests in, acquires, and manages market leading companies within the Information and Communication Technology (ICT) sector, with a specialty in AdTech and MarTech, targeting SMEs with proven profitability. This approach allows entrepreneurs to monetize their equity and continue contributing, enhancing shareholder value through acquisitions. As a leader in omni-media, particularly in data-driven marketing, Ciscom, through its subsidiaries, optimizes advertising spend across platforms, ensuring high ROI and customer engagement. Strategic ICT acquisitions bolster service offerings and shareholder value, marking Ciscom as an emergent force in the data driven and technology market. Ciscom became an issuer in June 2023 on the CSE and October 2023 on the OTCQB. Ciscom has two subsidiaries, namely Market Focus Direct and Prospect Media Group. For more information, visit <http://www.ciscomcorp.com>

CONTACT INFORMATION

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Cautionary Statement

This news release contains certain statements that constitute forward-looking statements as they relate to Ciscom and its management. Forward-looking statements are not historical facts but represent management's current expectation of future events and can be identified by words such as "believe", "expects", "will", "intends", "plans", "projects", "anticipates", "estimates", "should", "continues" and similar expressions. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that they will prove to be correct or will come to pass. Forward-looking statements include statements and information regarding the anticipated audited financial results, anticipated signing of additional clients, potential future acquisitions and financings, future business and operational focuses of Ciscom, future expectations of growth and profits, future grants of equity incentive awards, future payments of dividends, the future plans for the Company, and other forward-looking information. By their nature, forward-looking statements include assumptions and are subject to inherent risks and uncertainties that could cause actual future results, conditions, actions, or events to differ materially from those in the forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: the capital requirements of the Company and ability to maintain adequate capital resources to carry out its business activities and raise additional capital as required or expedient; the ability to identify target acquisitions and complete such transactions on an economic basis or at all, and successfully integrate those business; the ability to convert the potential in the pursued business opportunities to tangible benefits to the Company or its shareholders; risks of a material adverse change to the Company's assets or revenue; stock market volatility and capital market valuation; the ability of the Company to continue as a going concern; dependence on key

personnel; the Company's early stage of development; potential losses on investments; unstable and potentially negative economic conditions; fluctuations in interest rates; competition for investments within the ICT sector; maintenance of client relationships; maintaining a listing on the Canadian Securities Exchange; risks related to potential dilution in the event of future financings; audit risk; litigation risk and risk of future legal proceedings; jurisdictional and regulatory risk; lack of operating cash flow; income tax matters; availability and terms of financing; rising costs related to inflation; and effects of market interest on price of securities and potential dilution; and those factors detailed in the Company's prospectus dated June 5, 2023 and other public documents filed under Ciscom's profile at www.sedarplus.ca. The foregoing list of factors is not exhaustive. Ciscom's assumptions in making any forward-looking statements herein include that no significant events will occur outside of Ciscom's normal course of business and that the material factors referred to in this paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. Although Ciscom has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended. The forward-looking information contained in this press release represents the expectations of Ciscom as of the date of this press release and, accordingly, is subject to change after such date. Ciscom does not undertake to update this information at any particular time except as required in accordance with applicable laws.