

A copy of this non-offering preliminary prospectus has been filed with the securities regulatory authority in the province of Ontario but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

This Preliminary Prospectus is not related to a public offering. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

Non-offering Prospectus

May 2, 2022



CISCOM CORP.

No securities are being offered pursuant to this prospectus.

This non-offering prospectus (the “**Prospectus**”) of Ciscom Corp. (“**Ciscom**” or the “**Company**”) is being filed with the Ontario Securities Commission (the “**OSC**”) to comply with Policy 2 – *Qualifications for Listing of the Canadian Securities Exchange* of the Canadian Securities Exchange (the “**CSE**”) in order for the Company to meet one of the eligibility requirements for the listing of the Company’s common shares (the “**Common Shares**”) on the CSE by becoming a reporting issuer pursuant to applicable securities legislation in the Province of Ontario. Upon the final receipt of this Prospectus by the OSC, the Company will become a reporting issuer in Ontario.

No securities are being offered pursuant to this Prospectus. As such, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds. This Prospectus also qualifies the distribution of the Common Shares issued to the shareholders of CBLT Inc. (“**CBLT**”) pursuant to the option previously granted to CBLT to acquire Common Shares in exchange for the provision of capital market services and guidance to Ciscom (the “**CBLT Option**”).

An application will be filed by the Company to have its Common Shares listed for trading on the CSE. The listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including without limitation, the ownership of the Common Shares to a minimum number of public shareholders and the Company meeting certain financial and other requirements.

There is no market through which the securities of the Company may be sold, and holders of the Company's securities may not be able to resell any such securities. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS Markets operated by PLUS Markets Group plc).

An investment in the securities of the Company is subject to a number of risks. Investors should carefully consider the risk factors described under the heading "Risk Factors" before purchasing any securities of the Company.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of its contents.

No person has been authorized to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Unless otherwise noted all currency amounts in this Prospectus are stated in Canadian dollars.

The head and registered offices of the Company are at 20 Bay Street, Suite 1110, Toronto, Ontario, M5J 2N8.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS	1
CURRENCY	1
CAUTION REGARDING FORWARD-LOOKING STATEMENTS	1
ELIGIBILITY FOR INVESTMENT	3
GLOSSARY	4
PROSPECTUS SUMMARY	7
The Company.....	7
Management, Directors & Officers.....	7
Description of Business	7
Selected of Financial Information.....	8
Estimated Funds Available and Principal Purposes	9
The Listing.....	10
Business Objectives and Milestones.....	10
Risk Factors.....	10
CORPORATE STRUCTURE	11
DESCRIPTION OF THE BUSINESS	11
Business of the Company	11
Competitive Conditions.....	13
Initial Investment – Market Focus Direct	13
Second Investment – 188Ont (Prospect Media Group)	14
NARRATIVE DESCRIPTION OF THE BUSINESSES	14
Stated Business Objectives.....	20
Ownership and Underlying Agreements	20
DIVIDENDS OR DISTRIBUTIONS	22
MANAGEMENT DISCUSSION AND ANALYSIS	22
Description of the securities	22
Ciscom Shares.....	22
CAPITALIZATION	23
OPTIONS AND WARRANTS TO PURCHASE SECURITIES	23
Stock Option Plan	23
Warrants attached to Common Shares.....	23
Performance Warrants.....	24
PRIOR SALES	24
Trading Price and Volume	24
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	25
PRINCIPAL SHAREHOLDERS	26
DIRECTORS AND EXECUTIVE OFFICERS	27
Name, Occupation and Security Holdings.....	27
Directors and Officers of the Company.....	37
Term of Office of Directors.....	31

Aggregate Ownership of Common Shares	31
Conflicts of Interest	31
Cease Trade Orders and Bankruptcies	31
Bankruptcies	32
Penalties or Sanctions	32
EXECUTIVE COMPENSATION	32
Director and Named Executive Officer Compensation, Excluding Compensation Securities	32
Stock Options and Other Compensation Securities	34
Employment, Consulting and Management Agreements	34
Oversight and Description of Director and NEO Compensation	35
Pension Plan Benefits	35
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	35
Aggregate Indebtedness.....	35
AUDIT COMMITTEE AND CORPORATE GOVERNANCE.....	36
Composition of the Audit Committee	36
Audit Committee Oversight.....	36
Reliance on Certain Exemptions.....	36
Pre-Approval Policies and Procedures for Non-Audit Services	37
External Audit Services.....	37
Statement of Corporate Governance Practices	37
The Board of Directors	37
Other Reporting Issuer Experience	38
Orientation and Continuing Education.....	38
Ethical Business Conduct.....	38
Nomination of Directors.....	38
Compensation	39
Other Board Committees	39
Assessments	39
RISK FACTORS.....	39
Insufficient Capital.....	39
No Established Market	39
Limited Operating History	39
Lack of Operating Cash Flow	40
Resale of Common Shares.....	40
Price Volatility of Publicly Traded Securities	40
No Assurances	41
Additional Funding Requirements.....	41
Dilution	41
Regulatory Requirements.....	41
Risks Associated with Acquisitions	41
Executive Employee Recruitment and Retention.....	42
Adverse General Economic Conditions	42
COVID-19 Coronavirus Outbreak.....	42
Force Majeure	43
Uncertainty of Use of Funds.....	43

Competition and Maintenance of Client Relationships	43
Conflicts of Interest	44
Dividends.....	44
Reporting Issuer Status.....	44
Tax Issues.....	44
Early-Stage Development.....	44
Losses on Investments.....	45
Fluctuation of Interest Rates	45
Public Stock Exchange Listing of Common Shares Pending	45
Risks Related to Market and Operations	45
PROMOTERS.....	45
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	46
Legal Proceedings.....	46
Regulatory Actions	46
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	46
AUDITORS, TRANSFER AGENTS AND REGISTRARS	46
MATERIAL CONTRACTS	47
RIGHT TO WITHDRAWAL AND RESCISSON	47
CREDIT SUPPORTER DISCLOSURE.....	47
SIGNIFICANT ACQUISITION.....	47
FINANCIAL STATEMENT DISCLOSURE FOR ISSUER	48
EXPERTS.....	48
OTHER MATERIAL FACTS.....	48
CERTIFICATE OF THE COMPANY	49
CERTIFICATE OF THE PROMOTERS.....	49

SCHEDULES

Schedule A – Audited Financial Statements of Ciscom Corp. as at December 31, 2020.	50
Schedule B – Audited Consolidated Financial Statements of Ciscom Corp. as at December 31, 2021.	73
Schedule C – Audited Financial Statements of Market Focus Direct Inc. as at December 31, 2020....	109
Schedule D1 – Ciscom Corp. Management Discussion and Analysis as at December 31, 2020.....	136
Schedule D2 – Market Focus Direct Inc. Management Discussion and Analysis as at December 31, 2020.	152
Schedule E – Ciscom Consolidated Management Discussion and Analysis as at December 31, 2021.	165
Schedule F – Audited Consolidated Financial Statements of 1883713 Ontario Inc. 2019 and 2020 as at December 31, 2020.	182
Schedule G – Audited Consolidated Financial Statements of 1883713 Ontario Inc. as at December 31, 2021.	224
Schedule H – 1883713 Ontario Inc. Management Discussion and Analysis as at December 31, 2020.	255
Schedule I – 1883713 Ontario Inc. Management Discussion and Analysis as at December 31, 2021.	264
Schedule J – Unaudited Pro Forma Combined Statements of Financial Position of Ciscom Corp. including 1883713 Ontario Inc. and Market Focus Direct Inc. as at December 31, 2021.	273
Schedule K – Unaudited Pro Forma Combined Statements of Profit and Loss of Ciscom Corp. including 1883713 Ontario Inc. and Market Focus Direct Inc. as at December 31, 2021.	274
Schedule L – Audit Committee Charter	275

ABOUT THIS PROSPECTUS

Unless otherwise noted or the context otherwise indicates, the “Company”, “Cisco”, “we”, “us” and “our” refer to Cisco Corp. Certain terms and phrases used in this Prospectus are defined in the “Glossary”.

Prospective purchasers should rely only on the information contained in this Prospectus. We have not authorized any other person to provide prospective purchasers with additional or different information. If anyone provides prospective purchasers with additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers should not rely on it. The Company is not making an offer to sell or seeking offers to buy shares or other securities of the Company. The information appearing in this Prospectus is accurate only as of the date of this Prospectus, regardless of its time of delivery. The Company’s business, financial conditions, results of operations and prospects may have changed the date of this Prospectus.

Third Party Information

This Prospectus includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Prospectus or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry, and economic data are accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry, and economic data used throughout this Prospectus are not guaranteed and the Company does not make any representation as to the accuracy of such information.

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to \$ are to Canadian dollars.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, and therefore are, or may be deemed to be, “forward-looking statements.” These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “seeks”, “projects”, “intends”, “plans”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which we operate. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance, or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “Risk Factors” section of this Prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Prospectus. Such risks include, but are not limited to: a decrease in the value of the shares; 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 Canadian real estate sector; maintenance of client relationships; obtaining and maintaining a listing on the CSE; risks related to potential dilution in the event of future financings; no previous public market for the shares; volatility of the market price for shares; dual class share structure; and risks related to whether the Company will ever be in a position to declare and pay dividends. See “Risk Factors” for a complete list of risks relating to an investment in the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus.

These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which assumptions include, but are not limited to the Company’s future growth potential, results of operations, future prospects and opportunities, execution of the Company’s business strategy, a stable workforce, no material variations in the current tax and regulatory environments, future levels of indebtedness and the current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

- the timing and receipt of approvals and consents required;
- planned acquisitions and negotiated purchased prices;
- revenue and costs synergies;
- information with respect to the Company’s future financial and operating performance; and,
- expectations regarding the ability to raise capital and the availability of funds.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to any other assumptions identified in this Prospectus, assumptions have been made regarding, among other things:

- the timely receipt of required regulatory and exchange approvals and other necessary consents;
- the ability to obtain debt financing on acceptable terms;
- conditions in general economic and financial markets;
- timing and amount of capital expenditures, where required;
- the Company’s or its subsidiary’s ultimate ability, as applicable, to operate profitably;
- effects of regulation by governmental agencies; and
- future operating costs.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- general commercial risks inherent to operating non-manufacturing businesses;
- the capital requirements of the Company and ability to maintain adequate capital resources to carry out its business activities;
- the risk that the Company is unable to list its Shares on a stock exchange;
- industry competition;
- operating hazards and limitations on insurance risk;
- stock market volatility and capital market valuation;
- funds may not be available to the Company on terms acceptable to the Company or at all;

- financing risks and dilution to shareholders resulting from future financing activities;
- reliance on management and dependence on key personnel;
- conflicts of interest;
- general market and industry conditions; and
- the COVID-19 pandemic and its short-term and long-term effects on the global economy.

Any forward-looking statements which we make in this Prospectus speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

All monetary amounts in this prospectus are expressed in Canadian dollars, unless otherwise indicated.

ELIGIBILITY FOR INVESTMENT

Investors should consult their investment, legal and tax advisors and regarding their investments in the Company and eligibility to savings and retirement plans.

GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the Financial Statements may be defined separately and the terms defined below may not be used therein.

“Audit Committee” means the Audit Committee of the Company in accordance with NI 52-110.

“Auditors” means SRCO Professional Corporation, Chartered Professional Accountants.

“Board” means the board of directors of the Company.

“CBLT” means CBLT Inc., a reporting issuer in the provinces of British Columbia, Alberta and Ontario currently trading on the CSE;

“CBLT Option” means the Option Agreement signed on October 2, 2020 between CBLT and the Company that were exercised in its entirety on February 28, 2021.

“CEO” means Chief Executive Officer.

“CFO” means Chief Financial Officer.

“Chairman” or “Executive Chairman” means the chairman of the Board.

“Ciscom Financial Statements” means the Company’s IFRS audited financial statements and related notes thereto for the period from incorporation on June 29, 2020 to December 31, 2020 and for the year ended December 31, 2021.

“Ciscom Options” means the options issued under the Executive Stock Option Plan.

“Ciscom Securities” means, collectively, the Common Shares, Ciscom Options and Ciscom Warrants.

“Ciscom Shareholders” means the holders of outstanding Common Shares from time to time.

“Common Shares” means common shares in the capital of Ciscom.

“Company” and “Ciscom” mean Ciscom Corp., a company incorporated under the OBCA.

“CSE” means the Canadian Securities Exchange.

“CSE Policies” means the policies of the CSE, as amended from time to time.

“Escrow Agreement” means the escrow agreement to be entered into between TSX Trust and certain shareholders of the Company with respect to the listing on the CSE.

“Escrowed Securities” means the securities subject to the restrictions pursuant to the Escrow Agreement.

“IFRS” means International Financial Reporting Standards.

“Listing” means the proposed listing of the Common Shares on the CSE for trading.

“Listing Date” means the date of Listing.

“MD&A” means Management’s Discussion and Analysis.

“MFD” means Market Focus Direct Inc., a company incorporated under the OBCA located in Markham, Ontario, and following the Closing of the MFD Acquisition, a wholly owned subsidiary of the Company.

“MFD Acquisition” means the acquisition of MFD by way of cash and an issuance of Common Shares by the Company.

“MFD Financial Statements” Means MFD’s IFRS audited financial statements and the related notes thereto for the years ended December 31, 2020.

“MFD Shares” means the common shares of MFD.

“MFD Share Purchase Agreement” or “MFD SPA” means the acquisition agreement dated August 29, 2020 between Ciscom Corp. and Market Focus Direct Inc. and its shareholders, as subsequently amended.

“NEO” means “Named Executive Officer”, and has the meaning ascribed by the OSC in Form 51-102F6, as follows:

- (a) Company’s Chairman & CEO;
- (b) Company’s President & CFO; and
- (c) each of the two most highly compensated executive officers of the Company, including subsidiaries, other than the Chairman & CEO and President & CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“NI 58-101” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“NP 46-201” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“NP 58-201” means National Policy 58-201 – *Corporate Governance Guidelines*.

“OBCA” means the *Business Corporations Act* (Ontario), as it may be amended from time to time.

“OSC” means the Ontario Securities Commission.

“PIPEDA” means the *Personal Information Protection and Electronic Documents Act* (Canada).

“PMG” means Prospect Media Group Ltd., a company incorporated under the OBCA located in Toronto, Ontario, and a wholly owned subsidiary of 188Ont.

“Preferred Shares” means the preferred shares without par value in the capital of the Company.

“President” means the president of the Company.

“Pro Forma Financial Statements” means the unaudited pro forma financial statements in Schedule “J” giving effect to the MFD Acquisition and the 188Ont Acquisition as if it had taken place as of December 31, 2021, which are attached as Schedule “C” to this Prospectus.

“Prospectus” means this non-offering prospectus dated May 2, 2022.

“SEDAR” means the System for Electronic Document Analysis and Retrieval.

“Stock Option Plan” means the executive stock option plan adopted by the Board on July 15, 2020.

“Tax Act” means the *Income Tax Act* (Canada), as it may be amended from time to time.

“TSX” means the Toronto Stock Exchange.

“TSXV” means the TSX Venture Exchange.

“Warrants” means the Common Shares purchase warrants of the Company.

“188Ont” means 1883713 Ontario Inc., a company incorporated under the OBCA located in Toronto, Ontario, and owning 100% of all outstanding shares of PMG.

“188Ont Acquisition” means the acquisition of 188Ont by way of cash and a share issuance by the Company.

“188Ont Financial Statements” means 188Ont’s IFRS audited financial statements and the related notes thereto for the years ended December 31, 2020 and 2021.

“188Ont Share Purchase Agreement” or “188Ont SPA” means the share purchase agreement dated January 26, 2022 between Ciscom Corp. and 188Ont and its shareholders.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Company and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company and its Business

Ciscom was incorporated under the OBCA on June 29, 2020 with the intention of investing in, managing and acquiring other companies in the Information, Communications and Technology (“ICT”) sector. Since the date of its incorporation, the Company closed the MFD Acquisition and signed the 188Ont SPA. For a detailed description of the Company see “Corporate Structure” and “Description of the Business”.

Management, Directors & Officers

As of the date of this Prospectus, the senior management members of the Company are:

Drew Reid: Executive Chairman & CEO, Director, and Promoter
Michel Pepin: President & CFO, Corporate Secretary, Director and Promoter

See “Directors and Officers” for more details.

Acquisition of MFD

On August 29th, 2020, Ciscom entered into a SPA to acquire 100% of all issued and outstanding shares of MFD from its shareholders. The Share Purchase Agreement was subsequently amended to change the closing date and the nature of the purchase price consideration for the MFD Acquisition. Closing of the MFD Acquisition occurred on September 1, 2021.

Under the SPA, Ciscom has purchased 100% of all issued and outstanding shares of MFD for an amount of \$3,500,000 to be satisfied with the payment of \$1,000,000 in cash and \$2,500,000 in Common Shares valued at \$0.25 per share (share issuance of 10,000,000 Common Shares). The selling shareholders of MFD are entitled to an Earn-Out (“**MFD Earn-Out**”) in a maximum amount of \$500,000 based of cumulative revenue increases of 26% for the years 2022 and 2023 when compared to 2020.

Ciscom also raised debt financing with a Canadian Schedule 1 chartered bank, in the amount of \$1,000,000 to satisfy the cash portion of the MFD Acquisition.

188Ont SPA

On January 26th, 2022, Ciscom entered into a SPA to acquire 100% of all issued and outstanding shares of 188Ont from its shareholders with closing expected to occur in Q2 2022.

Under the SPA, Ciscom is purchasing 100% of all issued and outstanding shares of 188Ont for an amount of approximately \$10,830,000 to be satisfied with the payment of \$7,200,000 in cash, an earn-out of \$1,250,000 and \$2,380,000 in Common Shares valued at \$0.55 per share (share issuance of 4,328,000 shares). The Earn-Out (“**188Ont Earn-Out**”) of \$1,250,000 is payable in Common Shares at the then market value and can be increased to a maximum amount of \$1,500,000 based of cumulative revenue increases of 14.5% for the years 2022 and 2023 when compared to 2021.

Ciscom is in the process of raising equity and debt with a Canadian Schedule 1 chartered bank to satisfy some of the cash portion of the 188Ont Acquisition.

Selected Financial Information

The following table sets out selected audited financial information for Ciscom. It should be read in conjunction with “Management’s Discussion and Analysis” and the Company’s audited financial statements as at December 31, 2020 and 2021 and the notes thereto and the Pro Form Financial Statements attached as Schedule “A” to Schedule “G” to this Prospectus. The selected financial information is derived from the audited financial statements for the periods ended December 31, 2020 and 2021. The Company has established December 31 as its financial year end.

Audited Statement of Financial Position as at December 31, 2020:

	Ciscom Corp. (from June 29, 2020 to December 31, 2020 (audited))	Market Focus Direct Inc. (audited - 12 months)	Pro Forma Combined Position (unaudited)
Revenue	\$0	\$6,143,857	\$6,143,857
Profit (Loss) before interests, amortization, depreciation and income taxes	(\$224,079)	\$569,219	\$345,140
Income taxes expense	\$0	\$110,496	\$110,496
Net income	(\$224,079)	\$414,243	\$190,164
Current assets	\$32,441	\$3,815,783	\$3,838,224
Long term Assets	\$0	\$6,634	\$16,634
Other assets	\$0	\$39,591	\$39,591
Current Liabilities	\$84,409	\$2,702,452	\$2,786,861
Other liabilities	\$0	\$8,298	\$8,298
Capital Stock and Equity APIC	\$172,111	\$65	\$172,176
Retained Earnings (Losses)	(\$224,079)	\$1,151,193	\$927,114

Before the closing of the MFD Acquisition, MFD declared a dividend to its shareholders pursuant to the Share Purchase Agreement between the parties and a selling shareholder of MFD loaned \$150,000 in cash to MFD.

Audited Statement of Financial Position as at December 31, 2021

	Ciscom Consolidated (audited)
Revenue	\$1,132,076
Profit (Loss) before interests, amortization, depreciation, impairment, gain on acquisition and income taxes	(\$500,952)
Income taxes expense	(\$44,333)

Net income	(\$2,011,032)
Current assets	\$1,767,618
Long term Assets	\$13,042
Customer Relationships	\$1,001,111
Brand Name	\$688,500
Technology	\$1,152,222
Total Assets	\$4,622,493
Current Liabilities	\$1,117,021
Other liabilities and bank loan	\$1,647,220
Total Liabilities	\$2,764,241
Shareholders' Equity	\$1,858,252

The above table includes MFD's operations as of September 1, 2021, but excludes the 188Ont. Acquisition.

Estimated Funds Available and Use of Proceeds

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the OSC for the purpose of allowing the Company to become a reporting issuer in such jurisdiction and to enable the Company to develop an organized market for its Common Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from general corporate funds.

Estimated Funds Available

As of December 31, 2021, the Company had \$1,006,133 in cash (2020: \$6,066). These funds are related to MFD's ongoing operations and proceeds from private placements in the Company less cost of operations. The availability of funds and the Company's ability to raise and generate revenue over the next 12-month period may vary significantly and will depend on several factors including those set out in "Risk Factors". The Company had approximately \$1,003,000 in cash as at April 30, 2022.

Of the foregoing funds in the amount of \$1,003,000, a total of \$125,000 will be used by the Company to become a public entity. On-going operational expenses are projected at \$325,000 annually (\$350,000 in year 1). The principal purposes for are as follows:

Audit and Legal	\$ 125,000
Filing and Listing	<u>25,000</u>
Costs of becoming a public entity	<u>\$ 150,000</u>
First year expenses	
Office and General	\$ 150,000
Compensation	120,000
Audit	35,000

Advertising and Promotion	<u>45,000</u>
Total	<u>\$ 350,000</u>
Unallocated cash	<u>\$ 503,000</u>

The current global uncertainty with respect to the novel coronavirus (“**COVID-19**”), the consistently evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company.

The actual amount that the Company spends may vary significantly and will depend on several factors including those listed under the heading “*Risk Factors*.” See “*Use of Available Funds*” for further details.

The Listing

The Company will apply to list its Common Shares on the CSE. Listing will be subject to the Company’s fulfilling all of the listing requirements of the CSE, including, without limitation, ensuring that the minimum number of public shareholders of the Company meets the minimum listing requirements.

Business Objectives and Milestones

The principal business carried on and intended to be carried on by the Company is the acquisition and development of the businesses it acquires.

After obtaining a listing of the Common Shares on the CSE, the company plans on proceeding with additional acquisitions. See “*Estimated Funds Available and Use of Proceeds – Use of Available Funds*” for more details.

Since inception to the date of this Prospectus, the Company’s NEOs have received \$120,000 in cash compensation. Market level cash compensations are not planned to be paid to NEOs until the Company has achieved positive consolidated net income. The actual amount that the Company spends in connection with each intended use of funds may vary significantly from the amounts specified above and will depend on several factors including those listed under the heading “*Risk Factors*.” See “*Use of Available Funds*” for further details.

Risk Factors

Any future investment in the Common Shares should be considered highly speculative and investors may incur a loss on their investment. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: insufficient capital; no established market; limited operating history; lack of operating cash flow; resale of shares; price volatility of publicly traded securities; market for securities; risks associated with acquisitions; executive employee recruitment and retention; adverse general economic conditions; claims and legal proceedings; force majeure; uncertainty of use of proceeds; competition; conflicts of interest; dividends; litigation; the ongoing COVID-19 pandemic; reporting issuer status; tax issues; and operating hazards, risks and insurance. See the section entitled “*Risk Factors*” for details of these and other risks relating to the Company’s business. See “*Risk Factors*”.

CORPORATE STRUCTURE

The Company was incorporated on June 29, 2020 as Ciscom Corp. under the OBCA. Articles of Incorporation have not been amended. The Company has its principal and registered offices located at 20 Bay Street, Suite 1110, Toronto, Ontario, M5J 2N8.

Currently the Company has one (1) subsidiary, MFD, which is incorporated under the OBCA and wholly owned. MFD has three (3) authorized classes of shares:

1. Unlimited number of common shares with no stated par value with one vote per share;
2. Unlimited number of class A shares with no stated par value with one vote per share; and,
3. Unlimited number of class B shares with no stated par value with one vote per share.

MFD issued capital is 10,000 MFD Shares, all of which are owned by the Company. MFD remains a wholly owned subsidiary of Ciscom and will continue to operate as an independent business. MFD has its principal and registered offices located at 550 Alden Road, Suite 207, Markham, Ontario, L3R 6A8.

Under the 188Ont SPA the Company will acquire a second subsidiary, 188Ont who owns 100% of PMG, both of which were incorporated under the OBCA. 188Ont has five (5) authorized classes of shares:

1. Unlimited number of class 1 common shares, one vote per share, without par value,
2. Unlimited number of class 2 common shares, non-voting share, without par value,
3. Unlimited number of class A shares, one vote per share, with no stated par value,
4. Unlimited number of class B shares, non-voting share, with no stated par value, and
5. Unlimited number of class C shares, one vote per share, with no stated par value.

188Ont issued capital is 100 class 1 common shares, 100 class 2 common shares and 750,000 class A shares. Once acquired, 188Ont will remain a wholly owned subsidiary of Ciscom and will continue to operate as an independent business.

MFD and PMG (subsidiary of 188Ont) are long standing competitors in the same industry. As such the "Narrative Description Of The Business" below covers both MFD and PMG.

DESCRIPTION OF THE BUSINESS

The Business of the Company

The Company's principal business is investing in and acquiring companies operating in the ICT sector and playing an active role in the management of these companies to mitigate risk and maximize growth. The Company defines itself as an enabling business accelerator. Through ownership of Common Shares, the general public has an opportunity to participate in the financial growth of the investments and acquisitions made by the Ciscom in these companies.

Ciscom targets companies in the following areas:

1. The ICT sector; and
2. Organizations using technology as a way to process data, incorporate external databases, documents and information to deliver the products and services (big data applications).

In addition to its investment and acquisition activities, the Company's business mandate includes the negotiating strategic joint ventures and the identification of the implementation of synergies through shared services.

The business of the Company includes the management of its investments and acquisitions to improve long-term performance. The Company invests and acquires small to medium size enterprises/businesses ("**SME**") with growth potential and is paying moderate acquisition prices, based on proven profitability track records, which lowers risks and shortens the return on capital period.

In addition to providing returns to its investors, Ciscom provides an exit strategy to entrepreneurs. Currently there is significant inter-generational wealth transfers which create an increased influx of offers to sell, while there are limited opportunities being offered to the SME market participants. The Company addresses this gap in the market.

The Company charges subsidiaries a management fee for its services. The Company second investment is expected to close in calendar Q2 2022 and it is further expected to initiate third and fourth investments and acquisitions in the summer and fall of 2022.

Ciscom believes that its success will be dependent on its systemic business and selection approach to mergers and acquisitions ("**M&A**") and the experience and expertise of its senior management team. Management of Ciscom believes that the market is buoyant with entrepreneurs looking for exits which will provide additional opportunities for the Company to make additional investments and acquisitions within the parameters of its business model.

The Company's executive officers and board of directors have considerable experience in several industries which will provide the Company with the ability to develop valuable insights and complete transactions efficiently and expeditiously. See "Directors and Officers". The Company's philosophy and strategy is to follow a disciplined and systematic approach to investments and is guided by four (4) core principles which will be applied consistently across all transactions, each of which is described in further detail below:

- Capital Preservation;
- Profitable Income Growth Potential;
- Risk Management; and
- Shareholder Value.

- (1) *Capital Preservation*: This principle is at the core of the Company's investment guidelines. Ciscom will focus on investing in companies with an historic of stable, predictable and positive cash flows. The Company will not invest in pre-revenue early-stage organizations.
- (2) *Profitable Income Growth Potential*: Making investments that are already profitable and that have the potential for growth and additional cash flows for re-investment and eventual shareholders' dividend payments.
- (3) *Risk Management*: The Company's management will take on an active role in each of its investments and acquisitions by controlling the respective board of directors representation, governance matrices and weekly operational reviews with subsidiaries management and their operators.

- (4) *Shareholder Value*: The principal driver of the Company's corporate initiatives, and investment decisions, is the objective of creating and enhancing long-term value for its shareholders. With its M&A approach, investments made will be accretive to shareholder value on day one.

The Company will not sit on non-performing and idling cash. It will invest in M&A respecting its systemic qualification criteria or return its excess cash to shareholders. Ciscom will work with management of operating subsidiary companies in order to create and enhance value. These activities will include equity financing, developing mergers and acquisitions, providing operational management support and structuring and negotiating debt and equity placements.

Competitive Conditions

The Company's business of M&A and the ensuing active management has several participants operating at different levels. Most participants are targeting medium to large size organizations, which are typically large conglomerates and private equity funds. Larger and smaller participants and competitors are expected to continue to enter into market. Some of those competitors may be better known, may have greater financial resources and may have more established operating histories than Ciscom.

The Company differentiates itself from its competitors (other participants) through its unique market approach and investment philosophy, the significant experience and expertise of its executive officers and its Board of Directors. There are very few participants in the SMEs M&A sector able to acquire complementary businesses with growth potential where leverage and synergies can be realized, in addition to providing an orderly transition for the exiting entrepreneurs, thus ensuring continued performance of the acquired businesses.

Initial Investment – Market Focus Direct

Market Focus Direct Inc.

Ciscom owns all of the issued and outstanding MFD Shares, consisting of 10,000 MFD Shares. MFD does not have subsidiaries or investments in other entities.

Name, Address and Incorporation

MFD was incorporated pursuant to the OBCA on November 15th, 1991 under the name Market Focus Distribution Services Inc. The articles of incorporation of MFD were subsequently amended on September 17th, 1996 to create an unlimited number of preference shares, and on May 26th, 2010 to change the name to Market Focus Direct Inc.

MFD's articles were further amended on December 20, 2013 to cancel the preference shares and issue an unlimited number of Class A shares, an unlimited number of Class B shares and to redesignate, subdivide and change all of the seventy-five (75) issued and outstanding common shares of MFD as and in a total of one million (1,000,000) Class B shares and seventy-five (75) common shares. In addition, the articles were amended on March 16, 2016 to subdivide the common shares from seventy-five (75) shares to ten thousand (10,000) shares, and all of the issued and outstanding Class B shares were redeemed in 2016 (900,000 shares) and 2017 (100,000 shares).

The head and records and registered office of MFD are located at 550 Alden Rd, Suite 207 Markham Ontario L3R 6A8, Canada. MFD has no subsidiaries.

Second Investment – 188Ont (Prospect Media Group)

1883713 Ontario Inc. and Prospect Media Group Ltd.

Ciscom will own all of the issued and outstanding 188Ont, consisting of 100 class 1 common shares, 100 class 2 common shares and 750,000 class A shares. 188Ont only has one asset, which is Prospect Media Group, a wholly owned subsidiary.

Name, Address and Incorporation

188Ont was incorporated pursuant to the OBCA on October 30, 2012. PMG predecessor entity, Prospect Media Inc., was incorporated pursuant to the OBCA on December 1, 1998. On January 1, 2014, Prospect Media Inc. and Stratafly Inc. amalgamated into a new corporation, Prospect Media Group Ltd. On the amalgamation date, 188Ont owned 46% of PMG. 188Ont purchased the other 54% of PMG on January 1, 2019.

The head and records and registered office of 188Ont are located at 19 Langmuir Crescent in Toronto, Ontario M6S2A8. PMG's office lease ended in November 2020 and management decided to operate 100% virtually since December 2020.

NARRATIVE DESCRIPTION OF THE BUSINESS

Both MFD and 188Ont (together, the “**Acquired Corporations**”) are technology driven direct marketing organizations that have developed unique proprietary software applications which enables the processing of big data very efficiently. On a day-to-day basis, the corporations provide retail analytics, digital and integrated media services, direct mail, flyer distribution management, and related services to Canadian retailers and business-to-consumer companies. The corporations use proprietary sophisticated software applications (IP) to provide fully customized marketing solutions to retail customers in a wide range of industries. The corporations' value lies in applying dynamic, customer transaction data, combined with consumer behavioural data, to develop an optimized and integrated media channel mix to reach client target audiences.

Ciscom completed the MFD Acquisition on September 1, 2021. Under the SPA, Ciscom purchased 100% of all issue and outstanding shares of MFD for an amount of \$3,500,000 to be satisfied with the payment of \$1,000,000 in cash and \$2,500,000 in Common Shares valued at \$0.25 per share (share issuance being 10,000,000 Common Shares). In addition of the purchase price, the selling shareholders of MFD are entitled to an Earn-Out in a maximum amount of \$500,000 based of cumulative revenue increases of 26% for the years 2022 and 2023 when compared to 2020.

In December 2020, MFD, with the approval of Ciscom, declared a dividend in the amount of \$640,000 (subsequently paid in 2021) to its shareholders. MFD declared a dividend in the amount of \$1,159,486 to its shareholders just before the Closing.

Significant Acquisitions and Dispositions

MFD, 188Ont and PMG have made no significant acquisitions or dispositions since their incorporation save for the transactions detailed in the previous page.

General

The Acquired Corporations' revenue mix, which is all driven by technology thus requiring lower resources, is composed of flyer distribution management services, orienting and direct mail, digital/media and analytics services. The corporations' suite of analytical, targeting, and management tools help retailers meet and exceed their marketing goals by providing customer and trade area analysis, insights and business intelligence, media planning and flyer program management.

The technology platforms are exhaustive and agile, thus enabling the customization of clients' solutions and programs to fit their strategy and objectives. Ciscom believes that the mutual IPs provide the corporations with the ability to processed detailed big data more efficiently than their average competitors.

Principal Products and Services

The main products and services provided by Acquired Corporations are:

1. **Consumer Data & Analytics** – Through proprietary analysis of client point of sale (POS) data (transaction data linked to customer postal code), identifying the highest value, highest opportunity consumers and households within retail trade areas. This data is applied to build a targeted, integrated media strategy focused on driving incremental traffic and sales (in-store & e-commerce).
2. **Print Flyer Management** – significant expertise in the print flyer and direct mail industry, leveraging data to ensure flyers are used effectively within an integrated media strategy. Turnkey flyer and direct mail management services are provided including printing, targeting, strategy, household distribution (via newspaper or Canada Post) and measurement of programs.
3. **Digital Media Management** – plans and buys digital media for its clients, including search engine marketing (SEM), social, display/programmatic, contextual, digital flyer, audio and video.
4. **Broadcast & Out of Home (OOH)** – provides full planning of all core media tactics including TV, radio, OOH and other specialty tactics.
5. **Integrated Media Strategy** – leverages its data and analytic expertise to develop fully integrated media strategy for its clients, ranging from the creation of consumer personas, market share analysis, media mix planning & channel investment recommendations, media performance and measurement.

Considering PIPEDA, the federal privacy legislation, and limitations imposed on emails and such, physical direct mail is an effective way to market to the public. This is the only way for retailers to ensure 100% penetration of their message into the market areas they want to target.

While other means are available, like social media and ads on the internet, they still have low conversion rates, and the return on investment (“ROI”) is often negative. Furthermore, they do not obtain as high a penetration as In-Home media. All receive direct mail almost daily in (physical) mailboxes and bags left on door handles and driveways. Clients use the services of the Acquired Corporations to better manage their efforts as far as reaching the right audience with the right message and save by eliminating over-distribution and untargeted areas, resulting in efficiency, efficacy and savings.

Market & Revenue Growth

The Acquired Corporations' revenue generation initiatives can be classified in three (3) main activities:

1. Direct solicitation: dedicated business development professionals knocking on doors daily introducing

the entity and soliciting business nationally.

2. Account management: the account managers (clients' services) are always looking for additional work, projects and budgets from clients and grow the partnership within.
3. Corporate: the corporations' are key figures and presences in the industry. Having led several initiatives and on the boards of industry organizations, the corporations have high visibility in the flyer distribution sphere.

The Acquired Corporations' revenue mix are heavily technology driven. Their suite of analytical, targeting, digital and management tools help retailers meet and exceed their marketing goals by providing customer and trade area analysis, insights and business intelligence, media planning and direct mail program management.

The above is supported by the Acquired Corporations' sound client and supplier relationships, favorable reputations in their markets and referrals. Furthermore, management has upheld both corporations' firm commitment to providing clients with the best possible products and services, timely delivery, and superior service at competitive prices.

The Acquired Corporations serve the retail and business to consumer (B2C) sectors nationally (Canada), specializing in medium and large-sized organizations, thus serving major recognizable brands/clients.

Growth

The Acquired Corporations' goals are to grow their sales and profitability through the following key initiatives:

1. Further develop the sales force;
2. Increased marketing spending;
3. Geographic diversification;
4. Introducing new products and services;
5. Pricing reviews;
6. Strategic procurement; and
7. Creating a shared services environment.

Gains in operating efficiencies

Through automation, the Acquired Corporations were able to gain significant operational efficiency and reduce human error. The continued investment in technology will further honed MFD's service offering and widened its client base.

Technology & Established leading market position

The Acquired Corporations use their information technology systems to manage their operations and, in particular, for the efficient functioning of their respective businesses, including accounting, data storage, purchasing and inventory management, supply chain management, customer data gathering, task automation, financial data generation and providing insight on consumer habits and spending. The ability to process big data from all sources including POS systems and other information technology systems enables management to more efficiently conduct their operations and gather, analyze and assess information across all business segments and geographic locations. The corporations believe that their information technology systems are sufficient to support operations and growth and provide the corporations with the information that they need to effectively run their business in the upcoming years.

KQuest Analytics is an owned asset

KQuest Analytics, MFD's flagship, proprietary software application, is a unique and powerful suite of analytical tools designed and built for the retailer industry. It generates powerful, decision-making insights about customers and market areas based on demographics, consumer spending, media usage and lifestyle traits. This allows retailers to target their advertising more effectively in all theatres, including flyers, direct mail, radio, digital, newspaper and social media.

Capabilities of the analytical software include:

1. ROI analysis, demographics analysis, media analysis and lifestyle personas.
2. The Phoenix mail manager is a robust software designed to provide comprehensive direct mail program management. Built to manage franchise-based programs, it handles any eventuality in the very complex direct mail distribution process. It integrates with KQuest and ORCA (Canada's National Database of Flyer Distributors) to assemble run lists, insertion orders, route files, CPC management, bindery, billing summaries, and other customized reporting. It is important to highlight that the technology platform is exhaustive and agile, thus enabling the customization of clients' solutions/programs to fit their strategy and objectives. Ciscom management believes that MFD has the most advanced and performant platform in the market, which provides advantages over other retailers agencies and competitors with respect to the ability to process detailed big data efficiently.

The main products and services provided by the corporations are:

- 1) ***Analysis:*** The analysis of retail trade areas and client data bases to identify highest value targetable neighborhoods.
- 2) ***Distribution:*** Design, targeting, strategy and management of programs for the distribution of physical mail pieces and flyers – also referred to as 'In-Home Advertising'.
- 3) ***Digital:*** SEM, Search, Display/Programmatic, Contextual, Digital Flyer, Audio and Video
- 4) ***Print management:*** The management of personalized direct mail programs and printing of flyers and direct mail material.

Analysis:

The Acquired Corporations use robust toolboxes of analytical tools to introduce efficiency and effectiveness to any retailer's advertising program. This suite of tools includes:

- a. ROI analysis
- b. Demographic, consumer spend, media usage and lifestyle preference analysis with proprietary analytics software.
- c. Geographic analysis
- d. Targeting of all media, including direct mail, digital, social media, radio, mags, flyers and newspapers.

Distribution:

The Acquired Corporations have created robust and highly efficient management software program for the management of the data rich direct mail and distribution programs. Built over the years, they facilitate every aspect of multi-store, multi-version and multi-channel programs. It allows the corporations to be highly effective in its internal manpower management.

The software applications integrate the analysis and targeting into each retailer's store trade area. Current clients and retailers have between 30 and 600 stores per program, although the software is capable of handling

more. From the analysis results, the corporations create all functions required for an effective distribution and post distribution management:

- a. Run list for printer
- b. Bindery and Canada Post prep instructions
- c. Shipping manifests
- d. Insertion orders for independent distributors
- e. All Canada Post management paperwork and electronic ordering
- f. Exact billing summaries for invoicing and client reconciliation

The physical distribution is then subcontracted to independent carriers and Canada Post. Direct mail pieces are then sent to the carriers and Canada Post nationally or locally as the case may be, with distribution directives.

Print Management

The Acquired Corporations have preferred relationships with large web printers and trade printers. They negotiated excellent rates and conditions with printers. As such, they manage the print production of flyers or direct mail for a number of its clients.

Considering PIPEDA, and limitations imposed on emails and such, physical direct mail is still considered an effective way to market to the public. This is the only way for retailers to ensure 100% penetration of their message into the market areas they want to target.

Digital, social media and ads on the internet are a key deliverable. While the conversion rates are somewhat lower, they can be deployed rapidly, adapted and are generally less expensive than print media.

We all receive direct mail almost daily in our (physical) mailbox and bags left on door handles and driveways – people actually look forward to the contents. This is further compounded with the large contingent of people working from home (or unemployed) that are looking for savings.

Clients use the Acquired Corporations' services to better manage their efforts as far as reaching the right audience with the right message and save by eliminating over-distribution and untargeted areas. Sending glass windows promotions to condominium residents is a waste of money, thus the need to manage distribution.

Regulatory Matters

The Acquired Corporations' commercial activities are subject to risks related to product safety laws. Procedures are in place in order to address such risks. Suppliers are responsible for the quality of their products, and, in situations of non-compliance, its suppliers would have to assume such risks. Among other things, the corporations reserve the right to discontinue acceptance of products from any supplier that are not in compliance with high quality standards. Before agreeing to conduct business with an international supplier, the corporations require a review of their existing procedures. They also inspect a prospective supplier's operations and production facilities in order to ensure compliance with standards. In addition, the corporations conduct random audits to ensure product quality and compliance with its standards.

Customers, Sales and Marketing

Sales and marketing are supported by sound client and supplier relationships, a favorable reputation in its markets, and referrals. Furthermore, management has upheld the corporations' commitment to providing

clients with the best possible products and services, timely delivery, and superior service at competitive prices. Under new ownership, additional investments are being contemplated to assess opportunities in order to accelerate revenue and profit growth by diversifying and expanding its customer base and geographic markets and looking into additional product offerings.

Competitive Strengths

The Acquired Corporations serve the retail and B2C sectors in Canada, specializing in medium and large-sized companies, including major recognizable brands/clients. Whoever is closest to the consumer gets the order. The corporations data-first approach gives an advantage related to consumer data and analytic expertise, setting us apart from the majority of media buying agencies in Canada. The corporations are in a privileged position, whereas clients entrust the corporations with their confidential transactional data, plus store and e-commerce sales information, in order to provide meaningful and actionable insights to drive better sales performance. The result is an optimized and integrated media strategy that reaches the clients core audience.

Typically, clients have limited marketing capabilities to effectively manage their flyer and direct mail programs to maximize impact through targeting and analytics. By using the corporations' platform, on average clients reduce their program costs. With its latest software development and further automation, the corporations can onboard a significant number of new clients with limited additional resources and staff.

Analytics, targeting, direct mail analysis and management is an intricate service. While the Acquired Corporations, with their technology, can onboard clients quickly, typically in the industry, it takes some time for a flyer and direct mail management partner to setup and establish an effective program tailored to clients' needs, and keep it optimized month after month. It requires an understanding of the client's store structures and program goals. Program changes are usually done within 24 to 72 hours, which is a key factor for retail direct mail and flyer merchandisers. By comparison, most competitors would require more lead-time to complete this.

A direct mail and flyer management partner is essentially an extension of the client's marketing team. Clients usually do not have the right resources to analyze, design and manage their direct mail program as efficiently as it does by using the corporations' platform and IP. With its proprietary technology, the corporations have been improving the performance of clients' programs, increasing impact and sales, and reducing costs.

The Acquired Corporations are also continually providing new opportunities for clients in the way of analysis and execution. The corporations and their clients have multi-level relationships between them – several staff on each side are involved in the program. This ensures that one staff departure or change on either side does not influence the account performance and stickiness.

Clients use a partner because of the deep investment needed to plan and execute a regular direct mail program. Canada has almost a million postal codes. A partner needs to maintain this database with concordance to every distributor and their route structures including Canada Post. As part of its IP, the corporations data bases integrate over 1,200 distributors, with very disparate route structures. This enables swift deployment of programs anywhere in Canada.

Clients' procurement efforts and Partner selection

It is important to understand the dynamic in clients' selection process: what problem are they trying to solve and what improvements are they looking for. Reasons to change partner are:

1. Misalignment of objectives
2. Lack of communication
3. Poor quality of services
4. Missed deadlines or deliveries
5. Cost and pricing
6. Supplier or partner staff rotation requiring extra efforts and investments of resources

Pricing

Pricing is at market. The staff of the Acquired Corporations have on average several years of services, and as such, provide corporate memory to clients with higher turnover. Often clients will call on the corporations' team members to discuss initiatives that took place in prior years and review results. Tracking improvements and the impact of program changes.

In changing a partner, there are both logistical and human factors. It is far more efficient to work with your current supplier at solving problems and improving quality versus switching supplier. In changing supplier, an organization opens itself to risks and uncertainties. Frequently implementations, even with the best of planning, go sideways, take longer, and do not yield the expected perceived savings.

The established business methodologies are expected to yield growth going forward. However, management cites several opportunities to accelerate growth trends over the next few years.

Ciscom is working with the Acquired Corporations at quantifying the opportunities through the following:

1. Enhanced Marketing Efforts:
 - The corporations currently employ sales and business development staff. Management believes that with the implementation of an even more comprehensive, strategic marketing plan, and hiring additional experienced, dedicated salespersons, the corporations could increase their market share, sales, and profitability.
 - Other avenues to help sales growth include enhancing and improving websites, publishing more product brochures, and creating an effective, targeted social media marketing campaigns.
2. KQuest Analytics: Management believes that growth opportunities exist in marketing KQuest, MFD's proprietary analytics software on a wide scale. With additional capital, the MFD could license this product to multiple markets throughout Canada, the US, and beyond, thereby increasing sales and profitability.
3. Geographic Market Expansion: The entire customer base is in Canada, with a concentration in Ontario. Given additional working capital, there is growth potential to further penetrate existing markets and expanding to the US.

Typically, clients have limited marketing capabilities to effectively manage their flyer programs to maximize impact through improved targeting and sophisticated analytics.

Competition

The Acquired Corporations compete within the broad and diverse media agency landscape. However, they are highly specialized, with significant expertise in consumer data, analytics, print optimization and digital media integration, plus, development of integrated media strategy. There are a small and select group of competitors within this space, such as Geomedia, Targeo (division of TC Transcontinental) and Novus. The Acquired Corporations have grown as leaders in this space, since the business evolved and diversified, focused on the transition of traditional, lower margin print media revenues, into profitable revenue streams (direct mail, digital, integrated strategy). This has been a key differentiator, combining expertise in data and analytics to build optimized, integrated media strategy. At the same time, the main competitors are experiencing contraction in their client base and revenues, due to a lack of diversification.

Employees

As of December 31, 2021, MFD employs 10 full time employees. As President, Paul Gaynor oversees the strategic direction of the business, and its IP and next software development to further improve products and services. MFD also has a support team handling operations, sales, and finances.

As of December 31, 2021, PMG employed 22 full time employees, including the owner. As President/Managing Director, David Mathews oversees the strategic direction of the business, and its IP and next software development to further improve products and services. PMG also has a support team handling operations, sales, and finances.

Real Property

MFD is headquartered in Markham, Ontario, Canada (suburb of Toronto), MFD leases a 3,603 square-foot office facility from an unrelated third party at a fair market rate. The lease has been renewed for 15 months effective January 1, 2021 and is transferable. The existing facility can support a significantly higher sales volume without the need for physical expansion or additional capital expenditures.

PMG has no office lease. When the prior lease expired in November 2020, in light of the Covid-19 pandemic, it was decided to move operations 100% virtually.

USE OF AVAILABLE FUNDS

As of December 31, 2021, the Company had \$1,006,133 in cash, and approximately \$1,003,000 as at April 30, 2022. These funds are related to MFD’s ongoing operations and proceeds from private placements in the Company less cost of operations. The availability of funds and the Company’s ability to raise and generate revenue over the next 12-month period may vary significantly and will depend on several factors including those set out in “Risk Factors”.

Of the foregoing funds in the amount of \$1,003,000, a total of \$125,000 will be used by the Company to become a public entity. On-going operational expenses are projected at \$325,000 annually (\$350,000 in year 1). The breakdown of the estimated use of such funds are as follows:

Audit and Legal	\$ 125,000
Filing and Listing	<u>25,000</u>
Costs of becoming a public entity	<u>\$ 150,000</u>

First year expenses

Office and General.....	\$ 150,000
Compensation.....	120,000
Audit.....	35,000
Advertising and Promotion.....	<u>45,000</u>
Total.....	<u>\$ 350,000</u>
Unallocated cash.....	<u>\$ 503,000</u>

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends since its incorporation. While there are no restrictions in the Company’s articles of incorporation, bylaws, or pursuant to any agreement or understanding which could prevent the Company from paying dividends or distributions, the Company has limited cash flow and anticipates using all available cash resources to fund working capital and grow its business.

As such, the Company has no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of the Company’s earnings, financial requirements and other conditions existing at the time a determination is made.

As private companies, MFD and 188Ont have declared dividends in the past from time to time. There will be no restrictions in the Company’s constating documents or elsewhere which would prevent the Company from paying dividends as a result of the MFD Acquisition or following the completion of the 188Ont Acquisition.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

Ciscom’s, MFD’s and 188Ont IFRS audited financial statements for December 31, 2021 with 2020 comparatives and December 31, 2020 with 2019 comparatives, with respective Management Discussions and Analysis (“MD&A”) are attached in Schedule “A” to “I”.

Management’s Discussion and Analysis

The MD&A of the financial condition and results of operations of Ciscom, MFD and 188Ont for the years ended December 31, 2021 and 2020 are attached as Schedules “D”, “E”, “H” and “I” and should be read in conjunction with the IFRS audited financial statements. Audited financial statements for the years ended December 31, 2021 and December 31, 2020, with comparatives, are attached in the Schedules for reference. The audited financial statements have been prepared in accordance with IFRS. For a discussion of risks and uncertainties facing MFD, 188Ont and the Company see “Risk Factors”.

DESCRIPTION OF COMPANY’S SECURITIES

Ciscom Shares

The Company is authorized to issue:

1. Unlimited number of common shares (Common Shares), one vote per share with no par value;

2. Unlimited number of class A Preferred Shares; non-voting, with no stated par value; and,
3. Unlimited number of class B Preferred Shares; non-voting, with no stated par value.

As at December 31, 2021, 40,254,979 (41,400,235 as at April 30, 2022) Common Shares are issued and outstanding as fully paid and non-assessable. Holders of Common Shares are entitled to one vote per share at the meetings of the Company's shareholders, dividends if, as and when declared by the Company's Board, and upon liquidation, to share equally in the assets of the Company that are distributable to the Company's shareholders.

The Company has never declared and paid dividends. The payments of dividends or distributions in the future are dependent on the Company's consolidated earnings, financial conditions and such other factors as the Company's Board considers appropriate.

As at April 30, 2022, the Company has issued 2,725,000 Ciscom Options to directors and advisors, 289,051 warrants to investors and 10,000,000 performance warrants for the senior management of the Company.

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2021, and as at the date of this Prospectus. The table should be read in conjunction with the Company's financial statements and the notes thereto included in the Schedules of this Prospectus.

Description of Security	Authorized Number	Outstanding as at December 31, 2021 (audited)	Outstanding as at April 30, 2022 (unaudited)
Common Shares	Unlimited	40,254,979	41,400,235
Class A Preferred Shares	Unlimited	Nil	Nil
Class B Preferred Shares	Unlimited	Nil	Nil

OPTIONS AND WARRANTS TO PURCHASE SECURITIES

Stock Options

On July 15, 2020, the Company adopted a Stock Option Plan with the purpose of rewarding key contributors to the success of the business. As at April 30, 2022, the Company had issued 2,725,000 Ciscom Options to Directors and advisors.

A total of 2,225,000 Ciscom Options were issued with an exercise price of \$0.10 and 495,000 Ciscom Options were issued with an exercise price of \$0.25. All Ciscom Options mature on May 31, 2025. No Ciscom Options have been exercised to date.

Warrants attached to Common Shares

The Company has raised equity through private placements. The current private placement offering initiated on November 1, 2021, is at \$0.55 per share and includes one warrant for every ten Common Shares purchased. The warrants are cashless, have a strike price of \$1.00 each entitling the owner to one Ciscom Share per warrant and mature 3 years from their issuances.

As at April 30, 2022, Ciscom had issued 289,051 warrants to investors. The warrants are cashless, have a strike price of \$1.00 each entitling the owner to one Ciscom Share per warrant and mature 3 years from their issuances. No warrants have been exercised to date.

Performance Warrants

The Company has reserved 10,000,000 performance warrants for the senior management of the Company. The performance warrants will be issued to management based on the achievement business objectives and thresholds. The strike price is \$0.25 and they mature May 31, 2025. No performance warrants were issue to date.

PRIOR SALES

The following table summarizes details of the securities issued by Company during the 12-month period prior to the date of this Prospectus.

Date of Issuance	Description of Security	Price per Security	Number of Securities Issued	Total Funds Received
15-May-21	Common Shares	\$0.02	2,050,000	\$41,000
21-May-21	Common Shares	\$0.02	850,000	\$17,000
28-May-21	Common Shares	\$0.02	3,200,000	\$64,000
28-May-21	Common Shares	\$0.10	50,000	\$5,000
28-May-21	Common Shares	\$0.10	60,000	\$6,000
01-Jun-21	Common Shares	\$0.02	1,175,000	\$23,500
01-Jun-21	Common Shares	\$0.10	150,000	\$15,000
03-Jun-21	Common Shares	\$0.10	680,000	\$68,000
07-Jun-21	Common Shares	\$0.10	150,000	\$15,000
08-Jun-21	Common Shares	\$0.02	500,000	\$10,000
08-Jun-21	Common Shares	\$0.10	50,000	\$5,000
10-Jun-21	Common Shares	\$0.10	130,000	\$13,000
11-Jun-21	Common Shares	\$0.10	50,000	\$5,000
12-Jun-21	Common Shares	\$0.10	100,000	\$10,000
14-Jun-21	Common Shares	\$0.10	100,000	\$10,000
21-Jun-21	Common Shares	\$0.10	300,000	\$30,000
23-Jun-21	Common Shares	\$0.10	50,000	\$5,000
28-Jun-21	Common Shares	\$0.02	750,000	\$15,000
28-Jun-21	Common Shares	\$0.10	50,000	\$0
03-Jul-21	Common Shares	\$0.10	50,000	\$5,000
07-Jul-21	Common Shares	\$0.10	50,000	\$5,000
11-Jul-21	Common Shares	\$0.10	350,000	\$35,000
27-Aug-21	Common Shares	\$0.25	25,000	\$6,250
10-Sep-21	Common Shares	\$0.25	20,000	\$5,000
13-Sep-21	Common Shares	\$0.25	621,000	\$155,250
18-Sep-21	Common Shares	\$0.25	20,000	\$5,000

Date of Issuance	Description of Security	Price per Security	Number of Securities Issued	Total Funds Received
22-Sep-21	Common Shares	\$0.25	20,000	\$5,000
28-Sep-21	Common Shares	\$0.25	260,000	\$65,000
04-Oct-21	Common Shares	\$0.25	20,000	\$5,000
05-Oct-21	Common Shares	\$0.25	282,500	\$70,625
15-Oct-21	Common Shares	\$0.25	120,000	\$30,000
20-Oct-21	Common Shares	\$0.25	60,000	\$15,000
22-Oct-21	Common Shares	\$0.25	100,000	\$25,000
29-Oct-21	Common Shares	\$0.25	20,000	\$5,000
02-Nov-21	Common Shares	\$0.55	40,000	\$22,000
11-Nov-21	Common Shares	\$0.55	110,000	\$60,500
13-Nov-21	Common Shares	\$0.55	30,000	\$16,500
16-Nov-21	Common Shares	\$0.55	10,000	\$5,500
18-Nov-21	Common Shares	\$0.55	270,000	\$148,500
29-Nov-21	Common Shares	\$0.55	70,000	\$38,500
04-Dec-21	Common Shares	\$0.55	70,000	\$38,500
08-Dec-21	Common Shares	\$0.55	36,364	\$20,000
13-Dec-21	Common Shares	\$0.55	50,000	\$27,500
14-Dec-21	Common Shares	\$0.55	170,000	\$93,500
10-Jan-22	Common Shares	\$0.55	14,000	\$7,700
14-Jan-22	Common Shares	\$0.55	100,000	\$55,000
15-Jan-22	Common Shares	\$0.55	40,000	\$22,000
16-Jan-22	Common Shares	\$0.55	70,000	\$38,500
25-Jan-22	Common Shares	\$0.55	40,000	\$22,000
02-Feb-22	Common Shares	\$0.55	20,033	\$11,018
07-Mar-22	Common Shares	\$0.55	62,318	\$34,275
12-Apr-22	Common Shares	\$0.45	888,889	\$400,000
Total			14,555,103	\$1,856,118

Trading Price and Volume

The Company is not and has never been listed or quoted on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The Escrow Agreement provides that the Escrowed Securities are held in escrow pursuant to its terms and may not be sold, assigned, hypothecated, or transferred within escrow or otherwise dealt with in any manner except as set out in the Escrow Agreement. In the event of the bankruptcy of an escrow shareholder, the Escrowed Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the escrowed shares which shares will remain in escrow subject to the Escrow Agreement. In the event of the death of an escrow shareholder, the Escrowed Securities held by the escrow shareholder will be released from escrow as permitted by the Escrow Agreement. As of April 30, 2022, the Escrowed Securities are held as follows:

Name of Shareholder	Designation of Class	Number of securities to be held in escrow or that are subject to a contractual restriction on transfer upon the listing of Company's shares on the CSE	Percentage of Class
Whittaker Inc., Markham, Ontario – directly owned by Paul Gaynor	Common Shares	8,816,000 Common Shares	20.0% ⁽¹⁾
Paul Gaynor, Oro-Medonte, Ontario ⁽²⁾	Common Shares	1,184,000 Common Shares	2.7% ⁽¹⁾
Drew Reid, Toronto, Ontario	Common Shares	5,050,000 Common Shares	11.4% ⁽¹⁾
	Ciscom Options	500,000 Ciscom Options	1.1% ⁽¹⁾
Michel Pepin, Brantford, Ontario	Common Shares	3,500,000 Common Shares	7.9% ⁽¹⁾
	Ciscom Options	500,000 Ciscom Options	1.1% ⁽¹⁾

(1) Based on 41,400,235 Common Shares issued and outstanding plus 2,725,000 Ciscom Options (total of 44,175,235) as of April 30, 2022.

(2) The Company may issue up to 1,000,000 performance Warrants to Paul Gaynor in relation to the MFD Acquisition and its revenue performance in 2022 and 2023.

PRINCIPAL SHAREHOLDERS

The following table sets out the name of each person who, to the knowledge of the Company, directly or indirectly, owns of record or beneficially, or exercises control or direction over more than 10% of the shares of the Company as at April 30, 2022.

Name of Shareholder	Occupation	Designation of Class	Number of securities held	Percentage of Class
Paul Gaynor, directly and indirectly through Whittaker Inc., Markham, Ontario ⁽²⁾	President of MFD	Common Shares	10,000,000	22.7% ⁽¹⁾
Drew Reid, Toronto, Ontario	Chairman & CEO of Ciscom	Common Shares	5,050,000	11.4% ⁽¹⁾
		Ciscom Options	500,000	1.1% ⁽¹⁾

Notes:

(1) Based on 41,400,235 Common Shares issued and outstanding plus 2,725,000 Ciscom Options (total of 44,175,235) as at April 30, 2022.

(2) The Company may issue up to 1,000,000 performance Warrants to Paul Gaynor in relation to the MFD Acquisition and its revenue increases in 2022 and 2023.

Following the completion of the 188Ont acquisition, the following table sets out the name of each person who, to the knowledge of the Company, directly or indirectly, owns of record or beneficially, or exercises control or direction over more than 10% of the shares of the Company.

Name of Shareholder	Occupation	Designation of Class	Number of securities held	Percentage of Class
Paul Gaynor, directly and indirectly through Whittaker Inc., Markham, Ontario (2)	President of MFD	Common Shares	10,000,000	20.5% ⁽¹⁾
David Mathews (3)	President of Prospect Media Group	Common Shares	4,353,295	8.9% ⁽¹⁾
Drew Reid, Toronto, Ontario	Chairman & CEO of Ciscom	Common Shares	5,050,000	10.4% ⁽¹⁾
		Ciscom Options	500,000	1.0% ⁽¹⁾

Notes:

- (1) Based on 45,753,530 Common Shares issued and outstanding plus 3,025,000 Ciscom Options (total of 48,778,530) as at April 30, 2022.
- (2) The Company may issue up to 1,000,000 performance Warrants to Paul Gaynor in relation to the MFD Acquisition and its revenue increases in 2022 and 2023.
- (3) The Company may issue up to 2,727,273 Common Share to David Mathews in relation to the 188Ont Earn-Out in 2022 and 2023.

DIRECTORS AND EXECUTIVE OFFICERS

Below is a brief description of each director and member of management of the Company, including their names, positions, and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus and experience in the Company's industry. As of the date of this Prospectus, none of the directors or officers have signed non-compete or nondisclosure agreements with the Company – see *"Conflicts of Interest"* below. None of the directors and officers of the Company are compensated in cash. As at December 31, 2021 and April 30, 2022, appointees and stock ownership are the following:

Directors:

Name	City of residence (1)	Board position	Board status	Principal Occupation(s) During Past Five Years	Board appointment	Ciscom Shares	Ciscom Options
Drew	Toronto,	Chairman	Executive	Executive Chairman	June 29, 2020	5,050,000	500,000

Reid (54 years old)	ON			and CEO, Ciscom Corp.;			
Michel Pepin (59 years old)	Brantford, ON	Secretary and Audit Committee	Executive	President and CFO, Ciscom Corp.; CFO and COO, Anova Fertility and Reproductive Health; CFO, The Minacs Group	Nov. 10, 2020	3,500,000	500,000
Paul Gaynor (76 years old) (2)	Oro-Medonte, ON	Director	Executive	President of Market Focus Direct	Sept 1, 2021	10,000,000	Nil
Peter Clausi (58 years old)	Burlington, ON	Director	Independent	CEO, CBLT; VP Capital Markets, Silver Bullet Mines; CEO & General Counsel, GTA Resources and Mining	July 23, 2021	Nil	225,000
Eric Klein (62 years old)	Toronto, ON	Director and Audit committee	Independent	President, Klein Advisory Services Inc.; EVP Corporate Development, Dundee Corporation	Aug. 16, 2021	Nil	225,000
Shaun Power (52 years old)	Burlington, ON	Director, Chair Audit Committee	Independent	Tax Consultant, BDFP+A CPA, LLP; Partner at BDO Canada LLP	Dec. 3, 2021	750,000	200,000
Julia Robinson (48 years old)	Toronto, ON	Director	Independent	Vice President of World Wave Events	Dec. 3, 2021	900,000	175,000
Josh Howard (51 years old)	London, ON	Director	Independent	Managing Partner & Real Estate Sales Representative of Forest Hill Real Estate	Dec. 3, 2021	725,000	175,000

Notes:

- (1) The information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective persons individually.
- (2) Share are owned directly and indirectly through Whittaker Inc.

The following is a summary of the relevant experience of the Company's directors and executive officers:

Drew Reid: As Chairman of the Board and Chief Executive Officer, Mr. Reid will oversee the Board's activities, stakeholders' relations, liaise with investors and financial institutions and seek acquisition targets on behalf of the Company. Mr. Reid of Toronto, Ontario will devote 100% of his time to the business of the Company and was appointed to the Board on June 29, 2020.

Mr. Reid has 34 years' experience in the finance industry, private equity, mergers and acquisitions, publicly traded and privately-owned companies. Positions held have ranged from commodities trade desks to bond, equities and currency trading with several banks and institutions, Bank of Tokyo, CIBC, and Burns Fry. Mr. Reid has been instrumental with developing profitable businesses, rebuilding troubled companies, advancing businesses to

public markets, compliance, government outreach architectural hardware design teams and managing legal and financial matters.

P. Michel Pepin, CPA, CA.: As President and Chief Financial Officer, Mr. Pepin will be responsible for the finances of the Company and for ensuring compliance with regulatory matters, including the filing by the Company on a timely basis of its financial statements and related documents and will assist the Chairman and CEO in his duties and will be responsible for overseeing the day-to-day management and performance of the Company, M&A, set performance management metrics and liaise with the subsidiaries. Mr. Michel Pepin of Brantford, Ontario devotes 100% of his time to the business of the Company and was appointed to the Board on November 10, 2020, is a member of the audit committee.

Mr. Pepin has led teams in domestic and global organizations and has worked in publicly traded, private equity and family-owned businesses, and traveled the world working with local management to re-enforce culture and improve performance. He has also led and participated in a number of new ventures, including M&A deals on both the buy and sell side and interacted with capital markets. He has a B.Comm. from UQAM and became a Chartered Accountant in 1987. Recent work experience includes:

- 2020 to present: President & CFO, Director, Ciscom Corp.
- 2018 – 2020: CFO & COO Anova Fertility.
- 2016 – 2018: General business consulting technology and real estate.
- 2015 – 2016: CFO (global), GLT and Board member (22,000 employees) Minacs Group (now Concentrix).
- 2013 – 2015: CFO, SLT and Board member at Millennium 1 Solutions. Carve out from D&H with 3 divisions and 1,400 employees.

Peter Clausi, BA, JD: Mr. Clausi of St. Catharines, Ontario, is an experienced Ontario lawyer, public company executive, investment banker and shareholder rights activist. He is a frequent speaker on diverse topics ranging from mining to governance / compliance. He is CEO of CBLT Inc. where he is overseeing the exploration of Canada's battery metals. He is also an independent director of Camrova Resources Corp., Alpha Peak Capital Inc., and Kermode Resources Ltd. and the VP Capital Markets for and a director of Silver Bullet Mines Inc., a near-term silver producer.

With GTA Resources in 2016, he helped create an innovative mining finance model to access recent securities regulatory amendments. He is General Counsel of GTA Resources and Mining Inc. (TSXV), an independent director of Camrova Resources Inc. (TSXV), and past Interim CEO of Eastern Platinum Limited (TSX) after leading a successful proxy battle for control.

He was appointed to the Board on July 23, 2021.

Eric Klein, CPA, CA, CBV, ICD.D: Mr. Klein of Toronto, Ontario is a Director, a Chartered Professional Accountant, Chartered Business Valuator and member of the Institute of Corporate Directors. Mr. Klein has over 35 years of both professional and corporate management experience. He focuses on mergers, acquisitions, divestitures, financings and strategic advisory as well as joint ventures for primarily mid-sized Canadian corporations. His experience as both a corporate executive and an advisor lead to unique and holistic results. As a member of the Institute of Corporate Directors, he serves on both public and private company boards.

Currently, Mr. Klein is the President of Klein Advisory Services Inc. Prior to that he held the position of Executive Vice President, Corporate Development of Dundee Corporation from 2016 to 2018. From 1992 to 2016, Mr. Klein served as the lead partner of Klein Farber Corporate Finance Inc., a financial services advisory firm that is a

member of the Farber Financial Group. Over the years, he has served as an advisor, executive and independent board member to various public and private corporations, quasi-government organizations, private individuals and family groups.

Mr. Klein holds a graduate diploma in Public Accounting and a B.Comm. degree from McGill University in Montreal. He was appointed to the Board on August 16, 2021.

Paul Gaynor: Mr. Paul Gaynor of Oro-Medonte, Ontario was the founder of MFD that started operations in 1991 and remain its President. Throughout the years, Mr. Gaynor has been an entrepreneur and a chair and board member of several trade associations pushing for the development and advancement of technology in the industry. He was appointed to the Board on September 1, 2021.

MFD is focused on the retail industry with a full-service agency serving clients across Canada and servicing large, multi-location retail clients. MFD provides efficient and effective in-home advertising, across all platforms, including digital, social media and physical documents.

Shaun Power, CPA, CA: Mr. Shaun Power of Burlington, Ontario was appointed to the Board on December 3, 2021, is an independent Director and the Chair of the Audit Committee.

Mr. Power practice includes small to large sized organizations. He advises in the areas of finance, taxation and strategic planning, and has substantive experience in corporate reorganizations and innovative financings. He has worked in all sectors of the economy, including retail, manufacturing, consumer products, automotive, and professional services. Mr. Power is a frequent speaker at renown tax conferences in addition to writing and course material. He has had several Board appointments including Momentum Credit Union, 2018 – Present as Audit and Finance Committee Chair, fund raising Boars/committee at the new facilities of Joseph Brant Hospital (\$60 million capital raise) and is currently on the Board of the Ronald MacDonald House in Hamilton. He has a BA from the University of Western Ontario abd graduated from the Accounting Program at the Wilfred Laurier University and became a Chartered Professional Accountant in 1994. Has also taken several specialty courses in corporate taxes. His recent work experience includes:

- 2020 to present: Partner at BDFP Chartered Accountants LLP.
- 2013 – 2020: Partner at BDO Canada LLP.

Julia Robinson: Mrs. Julia Robinson of Toronto, Ontario was appointed to the Board on December 3, 2021 as an independent director. Mrs. Robinson is a Vice-President of World Wave Events the Global experts in the design, fabrication and execution of brand environments and exhibits for trade expositions, in-store displays and special event, including the opening and closing ceremonies of the Olympic Games and FIFA World Cup Championship. he is actively involved in all aspects of daily operations supporting such clients as Mitsubishi Motors, Suzuki Canada and Nike. World Wave Events has been involved in executing such events as FIFA World Cup, The Ryder Cup and The Open. Prior to joining World Wave Events full time, Julia had a career in the Pharmaceutical and Medical Device industry as an independent sales representative for companies such as Valeant and Medexus Pharmaceuticals. Julia graduated from the University of Windsor in 1997 with an honors degree in Kinesiology.

Josh Howard: Mr. Howard of London, Ontario was appointed to the Board on December 3, 2021 as an independent Director. Mr. Howard has been practicing real estate since 2014. He is an active agent in Toronto, and an owner and the managing partner of a branch office in London for Forest Hill Real Estate. Prior thereto, he was President of Innovatech Display Technologies and a business consultant. Mr. Howard has been a board

member of a number of NGOs and has been recognized by the Governor General of Canada and the Business Development Bank for his work in the community and abroad.

Term of Office of Directors

The term of office of the directors expires annually at the time of the Company's annual general meeting of shareholders. The term of office of the executive officers expires at the discretion of the Board.

Aggregate Ownership of Common Shares

As at December 31, 2021 and April 30, 2022, to the best of the Company's knowledge, the directors and executive officers of the Company own, as a group, or exercise control or direction over, directly or indirectly, approximately 20,925,000 or 50.5% of the issued and outstanding Common Shares of the Company (51.9% fully diluted).

Conflicts of interest

Potential conflicts of interest may result from the fact that two of the directors of the Company are also senior executives of the Company. Messrs. Drew Reid and Michel Pepin are respectively the Chairman & CEO and the President & CFO of the Company. Certain of the directors and officers of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. See "Risk factors – Directors and Executive Officers – Conflicts of Interest".

Conflicts of interest may arise which could influence these individuals in generally acting on behalf of the Company. Pursuant to the OBCA, directors will be required to act honestly and in good faith with a view to the best interests of the Company. As required under the OBCA: (a) a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and (b) a director who holds a disclosable interest (as that term is used in the OBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve the contract or transaction.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the foregoing directors or executive officers of the Company is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:

- (i) was the subject of a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days; or
- (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, in such company becoming the subject of a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days.

None of the foregoing directors or executive officers of the Company, nor any shareholder holding a

sufficient number of securities of the Company to materially affect its control:

- a. is, or within the last ten years has been, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- b. has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- c. has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities' regulatory authority; or
- d. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Bankruptcies

No directors or executive officers of the Company has, within the 10 years prior to the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No directors or executive officers of the Company or shareholder holding sufficient securities of the Company to affect materially the control of the Company has:

- been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities' regulatory authority; or
- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table contains information about the non-securities compensation to, or earned by, individuals who were, as at the financial years ended December 31, 2020 and December 31, 2021, Directors or NEOs of the Company.

Table of compensation excluding compensation by securities							
Name and Position	Period	Salary (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Drew Reid, Ciscom Chairman & CEO	Dec. 31, 2020	\$0	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$0	\$0	\$0	\$0	\$100,000 ⁽¹⁾	\$100,000
Michel Pepin, Ciscom President & CFO	Dec. 31, 2020	\$0	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$0	\$0	\$0	\$0	\$0	\$0
Perter Clausi, Director	Dec. 31, 2020	\$0	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$0	\$0	\$0	\$0	\$0	\$0
Eric Klein, Director	Dec. 31, 2020	\$0	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$0	\$0	\$0	\$0	\$0	\$0
Paul Gaynor, President of MFD	Dec. 31, 2020	\$100,000	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$65,000	\$0	\$0	\$0	\$0	\$0
Shaun Power, Director	Dec. 31, 2020	\$0	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$0	\$0	\$0	\$0	\$0	\$0
Julia Robinson, Director	Dec. 31, 2020	\$0	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$0	\$0	\$0	\$0	\$0	\$0
Josh Howard, Director	Dec. 31, 2020	\$0	\$0	\$0	\$0	\$0	\$0
	Dec. 31, 2021	\$0	\$0	\$0	\$0	\$0	\$0

(1) The compensation was paid to Mr. Reid's holding company for services rendered since inception of the Company.

Stock Options and Other Compensation Securities

The following table contains information about the securities compensation to, or earned by, individuals who were, as at the financial years ended December 31, 2020 and December 31, 2021, Directors or NEOs of the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Drew Reid, Ciscom Executive Chairman & CEO	Common Shares	2,500,000	Nov. 10, 2020	N/A	\$0.10	\$0.55	N/A
	Stock Options	500,000	Nov. 10, 2020	\$0.10	\$0.10	\$0.55	May 31, 2026
Michel Pepin, Ciscom President, CFO and Corporate Secretary	Common Shares	2,125,000	Nov. 10, 2020	N/A	\$0.10	\$0.55	N/A
	Stock Options	500,000	Nov. 10, 2020	\$0.10	\$0.10	\$0.55	May 31, 2026
Peter Clausi, Director	Stock Options	225,000	July 15, 2021	\$0.25	\$0.25	\$0.55	May 31, 2026
Eric Klein, Director	Stock Options	225,000	July 15, 2021	\$0.25	\$0.25	\$0.55	May 31, 2026
Paul Gaynor, President of MFD	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
Shaun Power, Director	Common Shares	250,000	Nov. 10, 2020	N/A	\$0.10	\$0.55	N/A
	Stock Options	200,000	Nov. 10, 2020	\$0.10	\$0.10	\$0.55	May 31, 2026
Julia Robinson, Director	Stock Options	175,000	Nov. 10, 2020	\$0.10	\$0.10	\$0.55	May 31, 2026
Josh Howard, Director	Stock Options	175,000	Nov. 10, 2020	\$0.10	\$0.10	\$0.55	May 31, 2026

Employment, Consulting and Management Agreements

The Company has two Employment Agreements. Terms are the following:

1. Drew Reid:
 - a. Position: Executive Chairman & CEO;

- b. Effective date: November 10, 2020;
- c. Term: No limit;
- d. Compensation: Base salary of \$60,000 per year determined by the Board starting March 1, 2022. No cash compensation was paid before March 1, 2022;
- e. Bonus: 100% of base salary based on achievement of annual targets;
- f. Stock Options: to be determined by the Board from time to time;
- g. Performance Warrants: ability to earn up to 1,750,000 Performance Warrants based of business threshold achievements;
- h. Termination not for cause: Severance of 24 months plus bonus and benefits. Minimum of \$500,000.

2. Michel Pepin:

- a. Position: President & CFO;
- b. Effective date: November 10, 2020;
- c. Term: No limit;
- d. Compensation: Base salary of \$60,000 per year determined by the Board starting March 1, 2022. No cash compensation was paid before March 1, 2022;
- e. Bonus: 100% of base salary based on achievement of annual targets;
- f. Stock Options: to be determined by the Board from time to time;
- g. Performance Warrants: ability to earn up to 1,750,000 Performance Warrants based of business threshold achievements;
- h. Termination not for cause: Severance of 24 months plus bonus and benefits. Minimum of \$500,000.

The Company does not have any consulting or management agreements.

Oversight and Description of Director and NEO Compensation

Currently the Company does not have a compensation committee at this time. The compensation for the NEOs is set by the independent Directors and is to be reviewed periodically.

No compensation plans have yet been entertained for Directors.

Pension Plan Benefits

Currently the Company does not have a pension plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

Save for Mr. Reid as further described below, no director or officer of the Company, or any associate or affiliate of such person is or has ever been indebted to the Company; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

On February 24, 2022, the Company advance \$180,000 to Mr. Reid in the form of a Promissory Note. The Promissory Note carries interest at 6.25% per year, matures one year after its issuance and his guaranteed by

500,000 Ciscom Shares pledged by Mr. Reid.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

The Company currently has an Audit Committee in place. The following is a description of the mandate of the Audit Committee, and the text of the audit committee charter is included in its entirety as Schedule “L” to this Prospectus.

The Audit Committee oversees the Company’s financial reporting process and internal controls, and consults with management, the Company’s accounting department and its independent auditors on matters related to the Company’s annual audit and internal controls, published financial statements, accounting principles and auditing procedures. The Audit Committee also reviews management’s evaluation of the auditors’ independence and submits to the Ciscom Board its recommendations on the appointment of auditors.

Composition of the Audit Committee

The members of the Audit Committee are Shaun Power (Chair), Eric Klein and Michel Pepin. Under NI 52-110, a director of an audit committee is “independent” if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board, reasonably be expected to interfere with the exercise of the member’s independent judgment. For the purpose of assessing the independence of a member of an audit committee, NI 52-110 further provides that an individual will be deemed to have a material relationship with an issuer if he or she accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer, other than as remuneration for acting in his or her capacity as a member or as part-time chair or vice-chair of the board of directors of the issuer or any committee thereof. For this purpose, the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes the acceptance of a fee by an entity in which such individual is a partner, and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer.

Based on the foregoing, the Board has determined that Shaun Power and Eric Klein are independent members of the Company’s Audit Committee. The Board considers that Michel Pepin is not independent members of the Company’s Audit Committee in that he is the President & CFO of the Company.

All members of the Audit Committee are financially literate in that they have the ability to read and understand a set of financial statements that are of the same breadth and level of complexity of accounting issues as can be reasonably expected to be raised by the Company’s financial statements. See “Directors and Executive Officers” above for the relevant education and experience of the Audit Committee members.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

The Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations)

of NI 52-110.

Pre-Approval Policies and Procedures for Non-Audit Services

The Audit Committee is responsible for pre-approving all non-audit services to be provided by the external auditor to the Company other than *de minimis* non-audit services referred to in section 2.4 of NI 52-110. In particular, the chairman of the Audit Committee is authorized to approve any non-audit services. Furthermore, the Audit Committee is required to evaluate the independence and objectivity of the external auditors. The Audit Committee also has the authority to engage independent legal counsel and other advisors as it determines necessary to carry out its duties and responsibilities.

External Auditor Service Fees

The following table discloses the fees billed to the Company by its external auditor since incorporation.

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
Dec. 31, 2020	\$70,000	Nil	\$2,000	\$0
Dec. 31, 2021	\$104,300	Nil	\$2,300	\$0

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-101 of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

The following is a description of the Ciscom’s approach to corporate governance in relation to the Guidelines.

The Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the issuer. A “material relationship” is in turn defined as a relationship which could, in the view of the board of directors, be reasonably expected to interfere with such member’s independent judgment. Ciscom’s Board is currently comprised of eight (8) members.

As at the date of this prospectus, Peter Clausi, Eric Klein, Shaun Power, Julia Robinson, and Josh Howard are considered independent directors since they are each independent of management and free from any material relationship with the Company within the meaning of NI 58-101.

Messrs. Drew Reid, Michel Pepin and Paul Gaynor are not considered to be independent directors within the meaning of NI 58-101 by virtue of their roles as executive officers of the Company and its subsidiaries.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where

otherwise appropriate.

Other Reporting Issuer Experience

The following table sets out the proposed directors, executive officers and Promoters of Ciscom that are, or have been within the last five years, directors, executive officers or Promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	From	To
Peter Clausi	Silver Bullet Mines Corp.	TSXV	Director	December 2021	Present
	Kermode Resources	TSXV	Director	August 2021	Present
	Camrova Resources	TSXV	Director	August 2012	Present
	Star Navigation System Group	CSE	Director	December 2019	April 2020
	Buccaneer Gold	TSXV	Director	March 2016	December 2021
	Wabi Exploration / Getchell Gold	CSE	CEO/President	July 2017	June 2019
	CBLT Inc.	TSXV	CEO, Director	December 2011	Present
	GTA Financecorp / GTA Resources and Mining	TSXV	CEO, General counsel	August 2008	November 2021
Shaun Power	Element Nutritional Sciences	CSE	CFO, Director	May 26, 2021	Present
Eric Klein	INV Metal	TSX	Director	January 2008	July 2021
	Ramm Pharmaceutical	CSE	Director	October 2020	Present
	Braingrid Ltd	CSE	Director	December 2018	April 2020
	Dundee Corporation	TSE	Officer	May 2016	January 2018
	12 Exploration Inc.	CSE	Officer & Director	March 2019	June 2020

Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees proposed are generally the result of recruitment efforts by the members of the Board,

including both formal and informal discussions among the members of the Board.

Compensation

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committee(s).

RISK FACTORS

An investment in the Common Shares, in the event that the Common Shares are offered for sale at some time in the future or purchased on a stock exchange such as the CSE, should be considered highly speculative due to the nature of the Company's business and the present stage of development. An investment in the Common Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Prospectus, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations and other risks and uncertainties affecting the Company's business could potentially arise or become material in the future.

Insufficient Capital

Since the acquisition of MFD on September 1, 2021, the Company has revenue producing operations. However, the Company may require additional funds, and there is no assurance that the Company will be successful in obtaining such additional financing.

No Established Market

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE. There is currently no market through which the Company's securities may be sold.

Limited Operating History

The Company is an early-stage company. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages,

limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

Although no securities are being offered pursuant to this prospectus, any investment in the Common Shares carries a high degree of risk and should be considered speculative by purchasers. There is a low probability of dividends being paid on the Common Shares.

Lack of Operating Cash Flow

Following the closing of the MFD acquisition on September 1, 2021, the Company has secured a source of operating cash flow. The Company's failure to achieve profitability and positive operating cash flows, on a consolidated basis, could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. There can be no assurance that the Company will realize revenue or achieve profitability.

As at December 31, 2020, the Company had a negative working capital balance of \$51,968. On December 31, 2021, the Company had a positive working capital balance of \$650,597 and \$1,006,133 in cash. Cash on hand as at April 30, 2022 was approximately \$1,003,000.

As Ciscom is acquiring SMEs using a combination of cash and shares, the ratio of which is based on size, profitability, economic environment and other risk factors, the cash versus shares proportions will vary from one transaction to the next.

As the Company is a not revenue generating save for the management fees charged to its subsidiaries, while the corporate expenses will be moderate, they need to be covered until critical mass has been achieved. Corporate expenses are estimated at \$350,000 per year in the initial year following Ciscom obtaining its public company status. The Company is not currently paying compensation to its executives.

Aside from its M&A activities, the Company does not anticipate purchasing significant assets. The Company has access to shared offices at 20 Bay Street, Suite 1110, Toronto, ON and will operate virtually in addition to leveraging operating subsidiaries' locations and facilities.

Resale of Common Shares

The continued operations of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market

trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

No Assurance (Nature of the Securities)

The ownership of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Additional Funding Requirements

The acquisition of additional businesses will require additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets, the Company's status as a new enterprise with a limited history and/or the loss of key management personnel. Failure to obtain sufficient financing will result in a delay or indefinite postponement of development of the business plan.

Dilution

Common Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to Common Share purchase warrants and the options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares could result in dilution to holders of Common Shares.

Regulatory Requirements

The Company and its subsidiary are not subject to regulatory requirement at this time. As it is anticipated that the Common Shares will be listed on the CSE, it will be subject to the terms and conditions, and rules and regulations of the stock exchange and the OSC.

Risks Associated with Acquisitions and Related to Ability to Continue as a Going Concern

Although there are no assurances that management's plans will be realized, management believes that the Company will be able to continue operations into the future. However, the continuation of the Company as a going concern, and the risk to an investment in the Company, is dependent upon:

1. the Company's ability to successfully raise debt financing it requires;
2. the Company's ability to find viable companies in which to invest or acquire and manage;
3. the Company's ability to successfully manage the companies in which it invests or acquires; and
4. the Company's ability to successfully expand, leverage and create the synergies in of its portfolio companies.

Executive Employee Recruitment and Retention and Dependence on Key Personnel

Ciscom is dependent upon the personal efforts, performance and commitment of its senior officers and directors, who are responsible for the future development of Ciscom's business. Investors will be relying upon the business judgment, expertise and integrity of Ciscom's senior officers and directors. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business. The number of persons skilled in acquisitions and operations may be limited and competition for such persons can be high. As the Company's business activity grows, it will require additional key financial, administrative as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Adverse General Economic Conditions

In recent years, the securities markets in Canada, have experienced volatility, and many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in developing assets, adding additional resources, investments or creating revenues, cash flows or earnings. The value of securities will be affected by market volatility. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop or continue, the liquidity of a shareholder's investment may be limited, and the price of the Common Shares may decline.

Economic and geopolitical uncertainty may negatively affect the business of the Company or its portfolio companies. The markets for the products of the Company or its portfolio companies may depend on economic and geopolitical conditions that affect the broader market. Economic conditions globally are beyond the Company's control. In addition, acts of terrorism and the outbreak of hostilities and armed conflicts between countries can create geopolitical uncertainties that may affect both local and global economies. Unfavorable economic conditions, geopolitical uncertainties and negative equity market conditions may negatively impact new investment opportunities and have a negative impact on the value of Ciscom's existing portfolio. Unfavorable economic and market conditions could also decrease Ciscom's net income, reduce demand for its services and limit access to capital markets.

COVID-19 Coronavirus Outbreak

The current global uncertainty with respect to the spread of COVID-19, the consistently evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company. While the precise impact of the

COVID-19 outbreak on the Company remains unknown, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct and indirect impacts on businesses in Canada.

Force Majeure

The adverse effect of a Force Majeure could create risks outside the control of the Company, and negatively impact results.

Uncertainty of Use of Funds

Although the Company has set out its intended use of proceeds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Competition and Maintenance of Client Relationships

The Company is in the business of M&A and the ensuing active management has several participants operating at different levels. Most participants are targeting medium to large size organizations. The participants are typically large conglomerates and private equity funds. Larger and smaller participants/competitors are expected to continue to enter into market. Some of those competitors may be better known, may have greater financial resources and/or may have more established operating histories than Ciscom.

The Company differentiates itself from its competitors (other participants) through its unique market approach and investment philosophy, the significant experience and expertise of its executive officers and its Board of Directors. There are very few participants in the SMEs M&A sector able to acquire complementary businesses with growth potential where leverage and synergies can be realized, in addition to providing an orderly transition for the exiting entrepreneurs, thus ensuring continued performance of the acquired businesses.

MFD and 188Ont have several competitors in Ontario. Competitors range from advertising agencies, direct marketing agencies, printers, specialized services and in-house ad/marketing departments. MFD and 188Ont distinguish their businesses from competitors with its ability to manage large quantities linked to national programs and dealing with different promotion versions very efficiently. As significant investments were made in its IP, MFD and 188Ont handle volumes very efficiently which most organizations cannot offer when dealing with large volumes, big-data and in a multitude of versions.

The ability of the Company's operating subsidiaries to attract and maintain clients requires that it provide a competitive offering of products and services that meet the needs and expectations of its clients. Subsidiaries' ability to satisfy the needs or demands of their clients may be adversely affected by factors such as the inability or failure to identify changing client needs or expectations or the inability to adapt in a timely and cost-effective manner to innovative products and services offered by competitors.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The OBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the OBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the OBCA.

Dividends

The Company has not declared or paid any dividends on its shares since inception and does not anticipate paying any such dividends for the foreseeable future. Any decision to pay dividends on the shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. Investors seeking dividend income or liquidity should not invest in the Company's shares.

Reporting Issuer Status

As a reporting issuer, the Company will be subject to reporting requirements under applicable securities law and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations.

The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Company expects that being a reporting issuer may make it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances by each purchaser of Common Shares. Prospective purchasers should seek independent advice from their own tax and legal advisors prior to subscribing for Common Shares.

Early Stage of Development

Ciscom is at an early stage of development in its business. There can be no assurance that Ciscom's business will be profitable. There can be no assurance that the Company will be able to generate sufficient activity to be profitable in the future and Ciscom's limited operating history makes an evaluation of its prospects difficult.

Future results of operations may fluctuate significantly based upon numerous factors, including economic conditions, activities of competitors and the ability of the Company to create a diversified investment portfolio of real estate financial services companies.

Losses on Investments

The nature and operational quality of Ciscom's investments portfolio will impact upon Ciscom's asset base and the return it is able to generate on its investments. In its selection process, Ciscom targets certain industry sectors. There can be no assurance that the nature of the investment will not be adversely impacted by general economic or industry specific conditions, which in turn may adversely impact the value of Ciscom's portfolio.

Fluctuations in Interest Rates

Should Ciscom heavily rely on debt to finance its investments, a significant increase in market interest rates could also adversely affect Ciscom's net income and its market value.

Public Stock Exchange Listing of Common Shares Pending

Until the Common Shares of Ciscom are listed on any public stock exchange, they will have very limited liquidity. The Company is applying to list its Common Shares on the CSE. Listing will be subject the Company fulfilling all of the listing requirements of the CSE. The Company cannot provide assurances that an active trading market will develop or will be sustained if listed. If an active public trading market does not develop, the liquidity of an investment in the Company may be limited.

Risks Related to the Market

Sale by Ciscom shareholders. Ciscom Shareholders may choose to sell their shares, which could depress the trading price of the Common Shares for as long as those sales are continuing. Sales of a substantial number of Common Shares, or the perception that those sales may occur, could depress the prevailing market prices of the Company's shares, regardless of the Company's business prospects.

Volatility of share prices. Share prices are subject to changes because of numerous factors beyond the Company's control, including reports of new information, changes in the Company's financial situation, the sale of the Shares in the market, the Company's failure to achieve financial results in line with the expectations of analysts, or announcements by the Company or any of its competitors concerning results. There is no guarantee that the market price of the Company's shares will be protected from any such fluctuations in the future.

Absence of prior public market. There has been no prior public market for the Common Shares, and an active trading Market may not develop or, if it does develop, may not be sustained. The lack of an active market may impair shareholders' ability to sell their Common Shares at the time they wish to sell them or at a price that they consider reasonable. The lack of an active market may also reduce the fair market value and increase the volatility of the Common Shares. An inactive market may also impair the Company's ability to raise capital by selling Common Shares and to make acquisitions by using the Common Shares as consideration.

PROMOTERS

Each of the following directors and executive officers of the Company is considered to be a "promoter" of the

Company as that term is defined in the *Securities Act* (Ontario). As at April 30, 2022, ownerships are the following:

Name	Number of Common Shares & Ciscom Options Owned	Percentage of Common Shares & Ciscom Options Owned ⁽¹⁾
Drew Reid: shares	5,050,000	11.4%
Drew Reid: stock option	500,000	1.1%
Michel Pepin: shares	3,500,000	7.9%
Michel Pepin: stock options	500,000	1.1%

⁽¹⁾ Based on 41,400,235 Common Shares issued and outstanding and 2,725,000 Ciscom Options issued for a total of 44,175,235 as at April 30, 2022.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against the Company or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Company are any such legal proceedings contemplated which could become material to a purchaser of the Company's securities.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities' regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Prospectus, since the incorporation of the Company on June 29, 2020, no director, executive officer or person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the Company or any associate or affiliate of the foregoing has, or has had, any material interest, direct or indirect, in any transaction prior to the date of this Prospectus or any proposed transaction that has materially affected, or is reasonably expected to materially affect, the Company or any of its affiliates.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are SRCO Professional Corporation, Chartered Accountants, Park Place Corporate Centre, 15 Wertheim Court, Suite 409, Richmond Hill, Ontario L4B 3H7 since their appointment on March 2, 2021.

TSX Trust, at its principal offices located at 100 Adelaide St W #301, Toronto, ON M5H 1S3, will be the transfer agent and registrar of the Common Shares.

MATERIAL CONTRACTS

The only material contracts entered into, or to be entered into, by the Company since the date of its incorporation, other than those entered into in the ordinary course of business, are the following:

1. the MFD SPA between Ciscom, MFD and its shareholders dated August 29, 2020 and its ensuing amendments;
2. a \$50,000 loan agreement between the Company and Whittaker Inc., the majority shareholder of MFD before the acquisition of MFD by the Company, owned by Paul Gaynor;
3. a \$150,000 Convertible debenture agreement between the Company, MFD and Whittaker Inc., the majority shareholder of MFD before the acquisition of MFD by the Company, owned by Paul Gaynor;
4. a \$1,000,000 term loan agreement entered into with a Canadian Schedule 1 chartered bank;
5. the 188Ont Share Purchase Agreement;
6. the employment agreements with Messrs. Reid and Pepin; and
7. the office lease for MFD's business located in Markham, Ontario.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus or any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CREDIT SUPPORTER DISCLOSURE

Messrs. Reid, Pepin and Gaynor have personally guaranteed the Company's loan of \$1,000,000 taken with a Schedule 1 chartered Canadian bank on September 1, 2021 for the acquisition of MFD. The personal guarantees are joint and several for a total of \$500,000, representing 50% of the original loan. As of April 30, 2022, the loan is in good standing, monthly principal payments of \$16,667 are made and has a balance of \$833,331.

The Company does not have any other credit supporter that has provided guarantees or other alternative support of any form.

SIGNIFICANT ACQUISITIONS

MFD: On August 29th, 2020, as subsequently amended Ciscom entered into the SPA to acquire 100% of all issued and outstanding shares of MFD. The MFD Acquisition closed on September 1, 2021.

Under the SPA, Ciscom purchased 100% of the shares of MFD for an amount of \$3,500,000 to be satisfied with the payment of \$1,000,000 in cash and \$2,500,000 in Ciscom Common Shares valued at \$0.25 per share (share

issuance of 10,000,000 Common Shares). The selling shareholders of MFD are entitled to an Earn-Out in a maximum amount of \$500,000 based of cumulative revenue increases of 26% for the years 2022 and 2023 when compared to 2020. On closing, MFD had approximately \$300,000 in cash.

Concurrently with the closing of the MFD Acquisition, Ciscom raised bank debt (5-year opened term loan) in the amount of \$1,000,000 with a Schedule I Canadian chartered bank to satisfy the cash portion of the MFD Acquisition.

188Ont: On January 26th, 2022, Ciscom entered into a SPA to acquire 100% of all issued and outstanding shares of 188Ont from its shareholders with a Closing in Q2 2022.

Under the SPA, Ciscom is purchasing 100% of all issued and outstanding shares of 188Ont for an amount of approximately \$10,830,000 to be satisfied with the payment of \$7,200,000 in cash, an earn-out of \$1,250,000 and \$2,380,000 in Common Shares valued at \$0.55 per share (share issuance of 4,328,000 shares). The Earn-Out ("**188Ont Earn-Out**") of \$1,250,000 can be increased to a maximum amount of \$1,500,000 based of cumulative revenue increases of 14.5% for the years 2022 and 2023 when compared to 2021.

Ciscom is in the process of raising equity and debt financing with a Canadian Schedule 1 chartered Canadian bank to satisfy a portion of the cash portion of the 188Ont Acquisition.

FINANCIAL STATEMENT DISCLOSURE FOR ISSUER

Please refer to Schedules "A" through "K" for financial statements MD&As and pro-forma statements for Ciscom, MFD and 188Ont.

EXPERTS

Certain legal matters in connection with the Prospectus will be passed upon on behalf of the Company by CP LLP and with regard to certain tax matters by SRCO Professional Company as the case may be. As at the date hereof, the partners and associates of CP LLP, counsel to the Company, do not own, directly or indirectly, any outstanding shares of the Company.

The audited financial statements of the Company included in this Prospectus were passed upon on behalf of the Company by SRCO Professional Corporation, Chartered Accountants, and their audit report is included herein. SRCO Professional Corporation is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. As at the date hereof, the partners and associates of SRCO Professional Corporation do not own, directly or indirectly, any outstanding shares of the Company.

OTHER MATERIAL FACTS

There are no other material facts to disclose that are not disclosed within this Prospectus.

CERTIFICATE OF CISCOM CORP.

Dated: May 2, 2022

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Ciscom as required by the securities legislation of Ontario.

By: (signed) *Drew Reid*

By: (signed) *Michel Pepin*

Drew Reid
Executive Chairman and
Chief Executive Officer

Michel Pepin
President & Chief Financial Officer

ON BEHALF OF THE BOARD

By: (signed) *Peter Clausi*

By: (signed) *Shaun Power*

Peter Clausi
Independent Director

Shaun Power
Independent Director

CERTIFICATE OF THE PROMOTER OF CISCOM CORP.

Dated: May 2 , 2022

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Ciscom as required by the securities legislation of Ontario

By: (signed) *Drew Reid*

By: (signed) *Michel Pepin*

Drew Reid
Promoter

Michel Pepin
Promoter

Schedule A
Audited Financial Statements of Ciscom Corp. as at December 31, 2020

Financial Statements

Ciscom Corp.

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

(Expressed in Canadian dollars)

Ciscom Corp.

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

Table of contents

INDEPENDENT AUDITOR’S REPORT1-2

FINANCIAL STATEMENTS

Statement of Financial Position.....3

Statement of Loss and Comprehensive Loss4

Statement of Changes in Shareholders’ Deficiency.....5

Statement of Cash Flows.....6

Notes to Financial Statements.....7-21



SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7
Tel: 905 882 9500 & 416 671 7292
Fax: 905 882 9580
Email: info@srco.ca
www.srco.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ciscom Corp.

Opinion

We have audited the financial statements of Ciscom Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2020, and the statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the period from June 29, 2020 (Incorporation Date) to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from June 29, 2020 (Incorporation Date) to December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(continues)



Independent Auditor's Report to the Shareholders of Ciscom Corp. *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SRCO Professional Corporation

Richmond Hill, Canada
August 15, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Ciscom Corp.
Statement of Financial Position
(Expressed in Canadian Dollars)

As at December 31, 2020

\$

ASSETS

CURRENT

Cash	6,066
Harmonized sales tax recoverable	16,375
Acquisition deposit <i>[note 10]</i>	10,000

Total assets	32,441
---------------------	---------------

LIABILITIES AND SHAREHOLDERS' DEFICIENCY

CURRENT

Accounts payable and accrued liabilities <i>[note 4]</i>	84,409
--	--------

Total liabilities	84,409
--------------------------	---------------

SHAREHOLDERS' DEFICIENCY

Share capital <i>[notes 5 and 6]</i>	121,750
Shares to be issued <i>[notes 5 and 6]</i>	30,000
Share options reserve <i>[notes 6]</i>	20,361
Accumulated deficit	(224,079)

Total shareholders' deficiency	(51,968)
---------------------------------------	-----------------

Total liabilities and shareholders' deficiency	32,441
---	---------------

Subsequent events *[note 10]*

See accompanying notes

Approved on behalf of the Board:

Director

Director

Ciscom Corp.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the period from June 29, 2020 (Incorporation Date) to December 31, 2020
	\$
EXPENSES	
Professional services	111,853
General and administrative	30,615
Share based compensation <i>[notes 5 and 6]</i>	81,611
TOTAL EXPENSES	224,079
NET LOSS BEFORE INCOME TAXES	(224,079)
Current income tax <i>[note 7]</i>	-
Deferred income tax <i>[note 7]</i>	-
NET LOSS AND COMPREHENSIVE LOSS	(224,079)
Basic and diluted loss per share	(0.2206)
Weighted average number of common shares	1,015,753

See accompanying notes

Ciscom Corp.
Statement of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Number of common shares	Share capital \$	Number of common shares to be issued	Shares to be issued \$	Share options reserve \$	Accumulated deficit \$	Total \$
Balance, June 29, 2020	-	-	-	-	-	-	-
Issuance of common shares <i>[note 6]</i>	4,775,000	90,500	-	-	-	-	90,500
Issuance of stock options <i>[notes 5 and 6]</i>	-	-	-	-	20,361	-	20,361
Issuance of shares for services <i>[notes 5 and 6]</i>	6,500,000	31,250	4,956,116	30,000	-	-	61,250
Net loss and comprehensive loss	-	-	-	-	-	(224,079)	(224,079)
Balance, December 31, 2020	11,275,000	121,750	4,956,116	30,000	20,361	(224,079)	(51,968)

See accompanying notes

Ciscom Corp.
Statement of Cash Flows
(Expressed in Canadian Dollars)

**For the period from June
29, 2020
(Incorporation Date) to
December 31,
2020
\$**

OPERATING ACTIVITIES

Net loss	(224,079)
Items not affecting cash:	
Share based compensation	81,611
Changes in non-cash working capital balances:	
Harmonized sales tax recoverable	(16,375)
Accounts payable and accrued liabilities	84,409
Cash used in operating activities	(74,434)

INVESTING ACTIVITIES

Acquisition deposit	(10,000)
Cash used in investing activities	(10,000)

FINANCING ACTIVITIES

Issuance of common shares	90,500
Cash provided by financing activities	90,500

INCREASE IN CASH	6,066
CASH - BEGINNING OF PERIOD	-
CASH - END OF PERIOD	6,066

Supplementary cash flow information

Interest income	-
Income tax paid	-

See accompanying notes

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

1. NATURE OF BUSINESS

Ciscom Corp. (the “Company”) is incorporated under the Business Corporations Act of Ontario on June 29, 2020. The Company’s principal business is investing in or acquiring operating companies in the ICT and assuming an active role in the management of these companies to mitigate risk and maximize growth.

The office address of the Company is 20 Bay Street, Suite 1110, Toronto, Ontario, M5J 2N8.

2. BASIS OF PRESENTATION

2.1 Basis of presentation and statement of compliance

These financial statements for the Company for the period from June 29, 2020 (Incorporation Date) to December 31, 2020 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”).

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on August 15, 2021. These financial statements are presented in Canadian dollars which is also the Company’s functional currency. The accounting policies have been applied consistently in these financial statements, unless otherwise indicated.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company’s functional currency is the Canadian dollar. These financial statements are presented in Canadian dollars (“CAD”), which is the Company’s presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash represents amounts deposited with the financial institution.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Taxation

Income tax expense represents the sum of current income tax expense and deferred income tax expense. Current income tax expense is based on taxable income for the period. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

Deferred income tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable income against which deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current income tax assets and liabilities on a net basis.

On June 29, 2020, the Company adopted IFRIC 23, Uncertainty over Income Tax Treatment, which clarified how to apply the recognition and measurement requirement in IAS 12, Income Tax, when there is uncertainty over income tax treatments. There are no significant adjustments to the amounts recognized in the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments

The three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVTOCI”), and fair value through profit or loss (FVTPL). The classification of financial assets under is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Further, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instruments as a whole is assessed for classification.

a) Classification of financial assets and financial liabilities

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on three categories: amortized cost (“AMC”), fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”). Financial liabilities are classified and measured in two categories: amortized cost or FVTPL. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated, but the hybrid financial instrument as a whole is assessed for classification.

The Company’s financial assets and financial liabilities are classified as follows:

	Classification under IFRS 9
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

On initial recognition, a financial asset is classified as measured at amortized costs, FVTPL, or FVTOCI. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent to initial recognition, financial assets at amortized costs are measured at cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income/(loss). At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in the statement of comprehensive income/(loss) in the period in which they arise.

b) Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" ("ECL") model. The ECL model requires judgement, including consideration of how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model is applied, at each reporting date, to the Company's financial assets measured at amortized cost. Impairment losses are recorded in profit or loss with the carrying amount of the financial asset reduced through the use of impairment allowance accounts.

c) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in profit or loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Impairment of non-financial assets

At each date of the statements of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior periods. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

3.5 Significant accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these consolidated financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and judgments are based on management's historical experience, best knowledge of current events or conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates.

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Significant accounting judgments and estimates (continued)

Information about significant judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- i) Determination of current and deferred income taxes
- ii) COVID-19

Determination of current and deferred income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

COVID-19

Due to the disruption of the COVID-19 crisis, the Company's business activities might be subject to certain level of adverse impact. To the date of the issuance of these financial statements, the Company is still assessing the impact on its business, results of operations, financial position and cash flows, which will be accounted for when the reliable estimates will become available.

3.6 Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are translated at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency translation (continued)

that date. Exchange gains and losses are recognized on a net basis in the statement of loss and comprehensive loss.

3.7 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and units are recognized as a deduction from equity. The Company records proceeds from share issuances net of issue costs and any tax effects.

3.8 Share-based payment

Where common shares are issued to employees and non-employees for services received, they are recorded at the fair value of the service received at the grant date. The issuance date fair value is recognized in profit or loss over the vesting period.

Stock purchase options that have been granted is measured by using Black-Scholes Option Pricing Model and is recognized in profit or loss over the vesting period with a corresponding increase in stock option reserves.

3.9 Loss per share

Loss per share is calculated by dividing the total net loss by the weighted average number of shares outstanding during the period. Outstanding warrants as at December 31, 2020 has not been factored into the calculation as they are considered anti-dilutive.

3.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.11 Standards issued but not yet effective

The Company has evaluated all recent accounting pronouncements up to the date of issuance of these financial statements, and conclude that these pronouncements are not expected to have any significant impact on the Company's financial statements.

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2020
	\$
Accounts payable	75,409
Accrued liabilities	9,000
	84,409

Advances from related parties in amount of \$434 is included in accounts payable (note 5).

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

5. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are defined as management and principal shareholders of the Company and/or members of their immediate family and/or other companies and/or entities in which a principal shareholder, director or senior officer is a principal owner or senior executive.

Related party transactions, with entity with common management and shareholders, are as follows:

	For the period from June 29, 2020 (Incorporation Date) to December 31, 2020
	\$
Shareholders Advance	434

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors, advisory board members, officers of the Company. The following share-based compensations were awarded by the Company during the period from June 29, 2020 (Incorporation Date) to December 31, 2020:

- On November 10, 2020, the Company granted an aggregate of 2,225,000 share purchase options under the Company's share option plan to certain directors, officers, and consultants of the Company. The options are exercisable at \$0.10 per share, are vested immediately, and shall be exercisable for a term of 5 years. The value of these options in amount of \$20,361 was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.26%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of \$0.019 at the time of grant for a valuation of \$0.0092 per option (note 6).
- On November 10, 2020, the Company issued 6,500,000 common shares to management and directors for various professional services provided to the Company. The fair value of the share-based compensation transaction, in the amount of \$31,250, was determined by fair value of those services received by the Company (note 6).

Ciscom Corp.
Notes to Financial Statements
For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

6. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares, one vote per share, without par value.

Issuances of common shares are recorded in “share capital” in the statement of financial position.

b) Issued:

	As at December 31, 2020
	\$
4,775,000 common shares pursuant to private placement	90,500
6,500,000 common shares for services provided	31,250
	121,750

Shares issued and to be issued for service provided

On November 10, 2020, the Company issued 6,500,000 common shares to management and directors for various professional services provided to the Company. The fair value of the share-based compensation transaction, in the amount of \$31,250, was determined by fair value of those services received by the Company.

During the year ended 2020, the Company received certain professional service with a service provider and per agreement, the Company would issue 4,965,116 common shares to compensate the service provider. The fair value of the share-based compensation transaction, in the amount of \$30,000, was determined by fair value of those services received by the Company. Subsequent to year ended December 31, 2020, the Company issued 4,965,116 common shares.

Share options

On November 10, 2020, the Company granted an aggregate of 2,225,000 share purchase options under the Company’s share option plan to certain directors, officers, and consultants of the Company. The options are exercisable at \$0.10 per share, are vested immediately, and shall be exercisable for a term of 5 years. The value of these options in amount of \$20,361 was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.26%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of \$0.019 at the time of grant for a valuation of \$0.0092 per option.

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

7. INCOME TAXES

The Company's Canadian operations are subject to income tax at a combined Federal and Provincial statutory income tax rate of 26.5% for the period from June 29, 2020 (Incorporation Date) to December 31, 2020 are as follows:

	For the period from June 29, 2020 (Incorporation Date) to December 31, 2020
Current income taxes	\$
Net loss before income taxes	(224,079)
Tax rate	26.5%
Income tax recoverable	(59,381)
Permanent differences	1,792
Unrecognized deferred tax assets	57,589
	-

	For the period from June 29, 2020 (Incorporation Date) to December 31, 2020
Deferred income taxes	\$
Non-capital loss carry-forward	57,589
Deferred tax assets not recognized	(57,589)
	-

The Company's ability to realize the tax benefits is dependent upon a number of factors, including the history of earnings and the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, a corresponding full valuation allowance was recorded to deferred tax assets.

As at December 31, 2020, the Company had non-capital losses amounting to approximately \$217,317 and will expire in 2040.

8. FINANCIAL RISK FACTORS

Fair Value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

The following table summarizes the fair values of recognized financial instruments. Unless otherwise noted, the carrying value of cash, accounts receivable, accounts payable and accrued liabilities, and Accounts payable for capital expenditure approximates fair value for each financial instrument.

Ciscom Corp.
Notes to Financial Statements
For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

8. FINANCIAL RISK FACTORS (continued)

Fair Value (continued)

	December 31, 2020	
	\$	
	Carrying Value	Fair Value
	AMC	Total
Financial Assets		
Cash	6,066	6,066

	December 31, 2020	
	\$	
	Carrying Value	Fair Value
	AMC	Total
Financial Liabilities		
Accounts payable and accrued liabilities	84,409	84,409

Financial Risk Management

The Company is exposed to credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and the Company risk appetite.

(a) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, accounts receivable, share subscriptions receivable and loan receivable. The cash consists of money held in a reputable Canadian bank. In order to reduce its credit risk from its loan receivable balances, the Company keeps a close connection with the third party.

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

8. FINANCIAL RISK FACTORS (continued)

(a) Credit Risk (continued)

To reduce its credit risk from its accounts receivable and share subscriptions receivable balances, the Company reviews a new client and share subscriber's credit history before extending credit. The Company recognized an impairment provision in amount of \$NIL as at December 31, 2020.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligation associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through obtaining financing from its shareholders.

c) Foreign Currency Risk

Currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The functional currency of the Company is the Canadian dollar. The Company is exposed to the currency exchange rate risk on its accounts payable. During the year, the Company did not incur significant foreign currency transactions. The Company does not use derivative financial instruments to mitigate its exposure to currency risk. Management, however, mitigates currency risk by regular monitoring, transacting in stable currencies, matching the foreign currency payables and minimizing the net exposure in any foreign currency at any point of time.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The capital of the Company consists of equity.

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. There were no externally imposed capital requirements to which the Company is subject as at December 31, 2020.

Ciscom Corp.

Notes to Financial Statements

For the period from June 29, 2020 (Incorporation Date) to December 31, 2020

10. SUBSEQUENT EVENTS

Acquisition

On August 29th, 2020, the Company entered into a Share Purchase Agreement (“SPA”) to acquire 100% of all issued and outstanding shares of Market Focus Direct Inc. (“MFD”) of Markham, Ontario, from its shareholders with a closing on October 30th, 2020. On October 30th, 2020, the SPA was amended to delay the Closing up to December 15th, 2020. On December 15th, 2020, the SPA was amended a second time to delay the Closing up to March 15th, 2021. On March 15th, 2021, the SPA was amended a third time to delay the Closing up to May 15th, 2021. On May 13th, 2021, the SPA was amended a fourth time to delay the Closing up to July 15th, 2021. On May 13th, 2021, the SPA was amended a fifth time to amend the purchase price. On July 15th, 2021, the SPA was amended a sixth time to extend the closing date to on or before August 15th, 2021 as well as amend section 7.1. to “The Closing of the sale and purchase shall take place at the offices of the Purchasers’ Counsel in Toronto, Ontario on the Closing Date or upon such earlier or later time and date and manner as may be agreed upon by all of the parties hereto in writing.”

The purchase price of \$3,500,000.00 is to be satisfied with a cash payment of \$1,000,000 and \$2,500,000 in Ciscom Corp.’s common shares valued at a minimum of \$0.25 per share (maximum share issuance of 10,000,000 shares). The selling shareholders of MFD are entitled to an earn-out payment based on revenue performance for the years 2022 and 2023 to a cumulative maximum of \$500,000. On the day of the closing of the acquisition, MFD will have approximately \$300,000 of positive working capital (current assets less all liabilities). The Company made a \$10,000 down payment to MFD’s shareholders for the acquisition.

The Company and MFD work closely to negotiate a seventh amendment to further extend the closing date.

Loan

On February 5, 2021 the Company entered into a Loan Agreement in the amount of \$50,000 with Whittaker Graphic Systems Inc. (majority shareholder of Market Focus Direct Inc.). The loan matures on December 31, 2021 and has a nominal single interest rate of 1% per year. The Company can repay in whole or in part any portion of the loan before maturity. The loan is not guaranteed.

Financing

Subsequent to year end, the Company issued 13,290,000 common shares pursuant to private placement and received proceeds in amount of \$563,510.

Prospectus

The Company is in the process of filing a prospectus with the OSC to be listed on the CSE and have its shares listed and publicly traded.

Schedule B
Audited Consolidated Financial Statements of Ciscorm Corp. as at December 31, 2021

Consolidated Financial Statements

Ciscorm Corp.

For the year ended December 31, 2021 and for the period from June 29, 2020 (Incorporation Date) to December 31, 2020

(Expressed in Canadian dollars)

Cisco Corp.

For the year ended December 31, 2021 and for the period from June 29, 2020 (Incorporation Date) to December 31, 2020

Table of contents

INDEPENDENT AUDITOR’S REPORT1

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Financial Position.....3

Consolidated Statements of Loss and Comprehensive Loss4

Consolidated Statements of Changes in Shareholders’ Equity.....5

Consolidated Statements of Cash Flows.....6

Notes to Consolidated Financial Statements.....7-33



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Ciscom Corp.

Opinion

We have audited the consolidated financial statements of Ciscom Corp. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021 and 2020, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

(continues)



Independent Auditor's Report to the Shareholders of Ciscom Corp. *(continued)*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
April 12, 2022

Ciscom Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at December 31,	2021	2020
	\$	\$
ASSETS		
CURRENT		
Cash	1,006,133	6,066
Trade and other receivables <i>[note 5]</i>	623,445	-
Harmonized sales tax recoverable	64,016	16,375
Prepays and deposits <i>[note 4]</i>	74,024	10,000
	1,767,618	32,441
Property and equipment <i>[note 8]</i>	5,124	-
Right of use assets <i>[note 9]</i>	7,918	-
Intangibles <i>[note 4] [note 7]</i>	2,841,833	-
Goodwill <i>[notes 4 and 7]</i>	-	-
Total assets	4,622,493	32,441
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
CURRENT		
Accounts payable and accrued liabilities <i>[note 6]</i>	864,209	84,409
Lease liabilities <i>[notes 10]</i>	8,360	-
Deferred grants <i>[note 15]</i>	1,997	-
Loan payable - current portion <i>[notes 12 and 14]</i>	242,455	-
Contingent consideration liability <i>[note 4]</i>	-	-
	1,117,021	84,409
NON-CURRENT		
Convertible debenture loan from a related party <i>[note 12]</i>	131,800	-
Loan payable - noncurrent portion <i>[notes 13 and 14]</i>	757,577	-
Deferred grants <i>[note 15]</i>	4,176	-
Deferred tax liabilities <i>[notes 4 and 17]</i>	753,667	-
Total liabilities	2,764,241	84,409
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital <i>[notes 4 and 16]</i>	4,038,012	121,750
Shares to be issued <i>[note 16]</i>	-	30,000
Share options reserve <i>[note 16]</i>	32,008	20,361
Contributed surplus <i>[note 12]</i>	23,343	-
Accumulated deficit	(2,235,111)	(224,079)
Total shareholders' equity (deficiency)	1,858,252	(51,968)
Total liabilities and shareholders' equity (deficiency)	4,622,493	32,441
Subsequent events <i>[note 21]</i>		
<i>See accompanying notes</i>		
Approved on behalf of the Board:		
<hr/>		
Director		
<hr/>		
Director		

Ciscom Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the year ended December 31, 2021	For the period from June 29, 2020 (incorporation date) to December 31, 2020
	\$	\$
REVENUE	1,132,076	-
COST OF REVENUE	941,425	-
GROSS PROFIT	190,651	-
EXPENSES		
Depreciation and amortization [notes 7, 8 and 9]	178,242	-
Professional services	322,046	111,853
Salaries and wages	176,829	-
Stock based compensation [note 16]	11,647	81,611
General and administrative	156,224	30,615
Finance costs [note 12]	24,857	-
Amortization of deferred grants	(2,072)	-
Fair value change in contingent consideration liability [note 4]	(275,000)	-
Impairment of goodwill [note 7]	1,653,243	-
TOTAL EXPENSES	2,246,016	224,079
NET LOSS BEFORE INCOME TAXES	(2,055,365)	(224,079)
Current income tax [note 17]	-	-
Deferred income tax [note 17]	(44,333)	-
NET LOSS AND COMPREHENSIVE LOSS	(2,011,032)	(224,079)
Basic and diluted loss per share	(0.075)	(0.221)
Weighted average number of common shares	26,901,595	1,015,753

See accompanying notes

Ciscom Corp.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Number of shares	Share capital \$	Number of shares to be issued	Shares to be issued \$	Stock option reserve \$	Contributed surplus \$	Accumulated deficit \$	Total \$
Balance, December 31, 2020	11,275,000	121,750	4,956,116	30,000	20,361	-	(224,079)	(51,968)
Issuance of common shares [notes 16]	14,014,863	1,386,262	-	-	-	-	-	1,386,262
Issuance of common shares pursuant to business acquisition [note 4]	10,000,000	2,500,000	-	-	-	-	-	2,500,000
Issuance of common shares for services [note 16]	4,965,116	30,000	(4,956,116)	(30,000)	-	-	-	-
Issuance of stock options [note 16]	-	-	-	-	11,647	-	-	11,647
Issuance of convertible notes [note 12]	-	-	-	-	-	23,343	-	23,343
Net loss and comprehensive loss	-	-	-	-	-	-	(2,011,032)	(2,011,032)
Balance, December 31, 2021	40,254,979	4,038,012	-	-	32,008.00	23,343	(2,235,111)	1,858.252

	Number of shares	Share capital \$	Number of shares to be issued	Shares to be issued \$	Stock option reserve \$	Contributed surplus \$	Accumulated deficit \$	Total \$
Balance, June 29, 2020	-	-	-	-	-	-	-	-
Issuance of common shares [notes 16]	4,775,000	90,500	-	-	-	-	-	90,500
Issuance of stock options [note 16]	-	-	-	-	20,361	-	-	20,361
Issuance of shares for services [note 16]	6,500,000	31,250	4,965,116	30,000	-	-	-	61,250
Net loss and comprehensive loss	-	-	-	-	-	-	(224,079)	(224,079)
Balance, December 31, 2020	11,275,000	121,750	4,965,116	30,000	20,361	-	(224,079)	(51,968)

See accompanying note

Ciscom Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended December 31, 2021	For the period from June 29, 2020 (incorporation date) to December 31, 2020
	\$	\$
OPERATING ACTIVITIES		
Net loss	(2,011,032)	(224,079)
Items not affecting cash:		
Depreciation and amortization	178,242	-
Fair value change in contingent consideration liability	(275,000)	-
Share based compensation	11,647	81,611
Amortization of deferred grants and debt	(2,072)	-
Accretion of interest – government loan	1,998	-
Accretion of interest – lease liability	266	-
Accretion of interest – convertible debenture	5,143	-
Amortization of loan related transaction costs	2,667	-
Impairment of goodwill	1,653,243	-
Impairment provision – accounts receivable	11,740	-
Changes in non-cash working capital balances:		
Accounts and other receivables	(344,159)	-
Harmonized sales tax recoverable	(46,870)	(16,375)
Prepaid expenses	(48,835)	-
Accounts payable and accrued liabilities	25,938	84,409
Cash used in operating activities	(837,084)	(74,434)
INVESTING ACTIVITIES		
Cash received on business acquisition	358,363	-
Payment for business acquisition	(990,000)	(10,000)
Cash used in investing activities	(631,637)	(10,000)
FINANCING ACTIVITIES		
Proceeds from term loan, net	960,000	-
Principal repayment on term loan	(66,666)	-
Issuance of common shares for cash	1,386,262	90,500
Proceeds from related party loans	200,000	-
Lease payments	(10,808)	-
Cash provided by financing activities	2,468,788	90,500
INCREASE IN CASH	1,000,067	6,066
CASH - BEGINNING OF YEAR/PERIOD	6,066	-
CASH - END OF YEAR/PERIOD	1,006,133	6,066
Supplementary cash flow information		
Interest paid	14,050	-
Income tax paid	-	-

See accompanying notes

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

1. NATURE OF BUSINESS

Ciscom Corp. (the “Company”) was incorporated under the Business Corporations Act of Ontario on June 29, 2020. The Company’s principal business is investing in or acquiring operating companies in the Information, Communication and Technology sector and assuming an active role in the management of these companies to mitigate risk and maximize growth. The office address of the Company is 20 Bay Street, Suite 1110, Toronto, Ontario, M5J 2N8. The Company acquired 100% of all issued and outstanding shares of Market Focus Direct Inc. (“MFD”) on August 31, 2021 (Note 4).

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”).

These consolidated financial statements have been prepared on a going concern basis, which assumes that the future operations will allow for the realization of assets and the discharge of liabilities in the normal course of business. These consolidated financial statements do not include any adjustments to the carrying value and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

These consolidated financial statements were approved by the Company’s Board of Directors and authorized for issue on April 12, 2022.

2.2 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary company. On August 31, 2021 the Company acquired and now consolidates MFD. Subsidiaries are those entities over which the Company has control. Control is achieved when the Company is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries, including entities that the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. Intercompany transactions and balances have been eliminated in full.

2.3 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained.

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

2. BASIS OF PRESENTATION (continued)

2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company’s and its subsidiary’s functional currency are the Canadian dollar. These financial statements are presented in Canadian dollars (“CAD”), which is the Company’s presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash includes amount deposited with the financial institutions and demand deposits held with banks with an original maturity of 90 days or less.

3.2 Revenue recognition

The Company recognizes revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Specifically, the Company uses a 5-step approach to revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation has been performed (“point in time” recognition) or “over a period of time” as control of the performance obligation is transferred to the customer.

Distribution and production of advertisement flyer revenue and market strategy service revenue are recognized at a “point in time”, after all foregoing conditions of revenue recognition have been met. For those amounts of payments from customers for services to be rendered in a future time, those amounts are deferred and presented as deferred revenue in the statement of financial position and recognize as revenue upon delivery of services. Revenue related to advertisement is recognized when advertisements are printed and distributed or are placed on the digital platforms and collection is reasonably assured. Revenue related to market strategy is recognized when the related services are provided to customers.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Property and equipment

Equipment is stated at cost, less accumulated amortization. The cost of equipment comprises its purchase price, any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Amortization is calculated over the useful life of the equipment less estimated residual value and recognized in the statements of income and comprehensive income. The methods and rates used for calculating the amortization are as follows:

Furniture and equipment	20% declining basis
Computer equipment	30% declining basis
Computer software	33% declining basis

Equipment acquired during the period but not placed into use are not depreciated until they are placed into use. All additions made during the period is depreciated at 50% of the above rates.

Maintenance and repairs are charged to expense as incurred. Renewals and betterments, which materially prolong the useful lives of the assets, are capitalized. The cost and related accumulated amortization of equipment retired or sold are removed from the accounts, and gains or losses are recognized in the statements of income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for equipment, and any changes in estimates arising from the assessment are applied by the Company prospectively.

3.4 Taxation

Income tax expense represents the sum of current income tax expense and deferred income tax expense. Current income tax expense is based on taxable income for the period. Income tax is recognized in the statement of income and comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Taxation (continued)

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to business acquisitions to the extent that they will probably not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

Deferred income tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable income against which deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current income tax assets and liabilities on a net basis.

On June 29, 2020, the Company adopted IFRIC 23, Uncertainty over Income Tax Treatment, which clarified how to apply the recognition and measurement requirement in IAS 12, Income Tax, when there is uncertainty over income tax treatments. There are no significant adjustments to the amounts recognized in the financial statements.

3.5 Financial instruments

The three classification categories for financial assets are: measured at amortized cost, fair value through other comprehensive income (“FVTOCI”), and fair value through profit or loss (FVTPL). The classification of financial assets under is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Further, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instruments as a whole are assessed for classification.

Cisco Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

a) Classification of financial assets and financial liabilities

Financial liabilities are classified and measured in two categories: amortized cost or “FVTPL”. The Company’s financial assets and financial liabilities are classified as follows:

	Classification
Cash	Amortized cost
Trade and other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost
Convertible debenture	Amortized cost
Lease liabilities	Amortized cost
Contingent consideration liability	FVTPL

Financial assets are recognized in the consolidated statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

All financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent to initial recognition, financial assets as amortized costs are measured at cost using the effective interest method reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. All financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income/(loss). At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in the statement of comprehensive loss in the period in which they arise.

b) Impairment of financial assets

IFRS 9 uses a forward-looking "expected credit loss" ("ECL") model. The ECL model requires judgement, including consideration of how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The ECL impairment model is applied, at each reporting date, to the Company's financial assets measured at amortized cost. Impairment losses are recorded in profit or loss with the carrying amount of the financial asset reduced through the use of impairment allowance accounts and the movement in the allowance is reflected in the statement of loss immediately.

c) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in profit or loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible assets

Intangible assets acquired through asset acquisitions or business combinations are initially recognized at fair value. The intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives unless such lives are deemed indefinite. The Company evaluates the reasonableness of the estimated useful lives of these intangible assets on an annual basis. The Company reviews intangible assets with indefinite lives annually for impairment but impairment may be reviewed earlier if circumstances indicate that the carrying amount may not be recoverable.

The estimated useful lives of intangible assets are as follows:

Customer relationships	6 years
Brand name	6 years
Technology	6 years

3.7 Goodwill

Goodwill represents the excess purchase price over the fair value of identifiable assets acquired less liabilities assumed from business combinations. Goodwill is not amortized. The Company reviews goodwill annually for impairment but impairment may be reviewed earlier if circumstances indicate that the carrying amount may not be recoverable.

3.8 Impairment of non-current assets

At each date of the statements of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Impairment of non-current assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior periods. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

3.9 Significant accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these consolidated financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and judgments are based on management's historical experience, best knowledge of current events or conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates.

Information about significant judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- iii) Business combination
- iv) Intangible assets and goodwill
- v) Determination of current and deferred income taxes
- vi) COVID-19
- vii) Share-based payment

Business combination

The Company uses judgement in determining the entities that it controls and therefore consolidates or has significant influence and therefore uses equity method to account. The Company controls an entity when the Company has the existing rights that give it the current ability to direct the activities that significantly affect the entities' returns. The Company has significant influence when the Company has the power to participate in the financial and operating policy decisions of the investee, but does not control nor has joint control of that investee's policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Significant accounting judgments and estimates (continued)

Intangible assets and goodwill

Management is required to use judgement in determining the economic useful lives of identifiable intangible assets. Judgement is also required to determine the frequency with which these assets are to be tested for impairment. The Company uses judgment in determining the grouping of assets to identify its Cash Generating Units (“CGUs”) for purposes of testing for impairment of intangible assets and goodwill. In testing for impairment, goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from the synergies of the business combination. In testing for impairment of intangibles with indefinite lives, these assets are allocated to the CGUs to which they relate.

Determination of current and deferred income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

COVID-19

Due to the disruption of the COVID-19 crisis, the Company’s business activities might be subject to certain level of adverse impact. To the date of the issuance of these financial statements, the Company is still assessing the impact on its business, results of operations, financial position and cash flows, which will be accounted for when the reliable estimates will become available.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Significant accounting judgments and estimates (continued)

Share-based payment

In calculating share options valuations, various inputs and assumptions are used with respect to expected option life, risk free interest rate, dividend yield; expected volatility.

3.10 Lease

The Company uses a single lessee accounting model which requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company leases buildings, primarily for office use. For all lease contracts entered into, or changed the Company recognizes a right-of-use asset and a lease liability at the lease commencement or change date, respectively.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. There are no dismantling, removal and restoration costs included in the cost of the right-of-use asset as management has not incurred an obligation for those costs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

Upon a modification of a lease contract and pursuant to a change in scope of a lease or the consideration of a lease that are not part of the original terms of the previous lease contact, the Company evaluates whether the lease modification results in a separate lease or a change in the accounting for the existing lease. During the year ended December 31, 2020, the lease contact modification agreed by the Company and the lessor did not result in separate leases. For lease modification that is not accounted for as a separate lease, the Company, at the effective date of the lease modification, remeasures lease liabilities by discounting the revised lease payments using discount rate that represents the incremental borrowing rate of the Company, and the Company recognizes the revised right-of-use to reflect the modification.

3.11 Inventory

The Company has no inventory.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are translated at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at that date. Exchange gains and losses are recognized on a net basis in the statement of loss.

3.13 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and units are recognized as a deduction from equity. The Company records proceeds from share issuances net of issue costs and any tax effects.

3.14 Share-based payment

Where common shares are issued to employees and non-employees for services received, they are recorded at the fair value of the service received at the grant date. The issuance date fair value is recognized in profit or loss over the vesting period.

Stock purchase options that have been granted is measured by using Black-Scholes Option Pricing Model and is recognized in profit or loss over the vesting period with a corresponding increase in stock option reserves.

3.15 Loss per share

Loss per share is calculated by dividing the total net loss by the weighted average number of shares outstanding during the period. Outstanding warrants and options as at December 31, 2021 has not been factored into the calculation as they are considered anti-dilutive.

3.16 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Government assistance

Government grants are recognized when there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attached to them.

Loans received from government grants are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received recorded as a government grant gain in the consolidated statements of loss and comprehensive loss. Government assistances related to salary and wages and office rents claimed and received by MFD during the year ended December 31, 2021 were recognized and applied against salaries and wages and occupancy expense in the amount of \$16,934 and \$2,093, respectively.

3.18 Standards issued but not yet effective

The Company has evaluated all recent accounting pronouncements up to the date of issuance of these financial statements and conclude that these pronouncements are not expected to have any significant impact on the Company's financial statements.

Ciscom Corp.**Notes to Consolidated Financial Statements****For the year ended December 31, 2021 and for the period from June 29, 2020****(Incorporation Date) to December 31, 2020****4. BUSINESS ACQUISITION**

On August 31, 2021, the Company acquired 100% of all issued and outstanding shares of Market Focus Direct Inc. (“MFD”) of Markham Ontario, from its shareholders. The purchase price of \$3,500,000.00 was satisfied with a cash payment of \$1,000,000 and \$2,500,000 in Ciscom common shares valued at \$0.25 per share (share issuance of 10,000,000 shares). The selling shareholders of MFD are entitled to an Earn-Out payment based on revenue performance for the years 2022 and 2023 to a cumulative maximum of \$500,000. The Earn-Out revenue performance targets are a gross profit of \$1,500,000 for 2022 and a gross profit of \$1,800,000 for 2023. The fair value of the Earn Out Consideration was in the amount of \$275,000 upon acquisition date and \$Nil as of December 31, 2021 respectively. As the Earn Out Consideration is conditional upon achieving certain milestones, it has been treated as a liability and categorized as FVTPL. The Company had made a deposit of \$10,000 in September 2020 as a partial payment related to the MFD acquisition. The deposit was applied against and reduced the cash payment on closing.

A business valuation was performed on the closing date of the acquisition whereas the following value were established:

Brand name (note 7)	\$729,000
Technology (note 7)	1,220,000
Customer relationships (note 7)	\$1,060,000
Fair value of identifiable intangible assets	\$3,009,000
Deferred tax liabilities	(798,000)
Net liabilities assumed*	\$(89,243)
Goodwill (note 7)	\$1,653,243
Purchase consideration	\$3,775,000

*The details of net liabilities assumed is as below:

	\$
Assets acquired	
Cash	358,362
Accounts receivable and other current assets	360,682
Property and equipment	5,642
Right-of-use assets	18,475
	743,161
Liabilities assumed	
Accounts payables and other current liabilities	(753,683)
Loan payable	(51,574)
Deferred grants	(8,245)
Lease liabilities	(18,902)
	(832,404)
Net liabilities assumed	(89,243)

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

4. BUSINESS ACQUISITION (continued)

The Company recognized an impairment of goodwill in the amount of \$1,653,243 as of December 31, 2021.

Should the Company have acquired MFD on January 1, 2021, the Company would have incurred a loss of approximately \$300,000.

5. TRADE AND OTHER RECEIVABLES

As at December 31,	2021	2020
	\$	\$
Trade receivables	735,185	-
Impairment provision for trade receivable	(111,740)	-
Trade and other receivables, net	623,445	-

As at December 31,	2021	2020
	\$	\$
MFD impairment provision for trade receivable on August 31, 2021	100,000	-
Impairment provision increase for the period	11,740	-
Impairment provisions at the end of the year	111,740	-

During the year, MFD increased its trade receivables impairment by \$11,740, from \$100,000 to \$111,740 and included into general and administrative expenses.

6. ACCOUNT PAYABLE AND ACCRUED LIABILITIES

As at December 31,	2021	2020
	\$	\$
Accounts payable	672,972	75,409
Accrued liabilities	191,237	9,000
	864,209	84,409

Advances from related parties in amount of \$Nil (\$434 in 2020) are included in accounts payable.

Cisco Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

	Brand name	Technology	Customer relationships	Total
	\$	\$	\$	\$
Cost				
Balance at date of acquisition (note 4)	729,000	1,220,000	1,060,000	3,009,000
Additions	-	-	-	-
Balance at December 31, 2021	729,000	1,220,000	1,060,000	3,009,000
Accumulated amortization				
Balance at date of acquisition	-	-	-	-
Amortization	40,500	67,778	58,889	167,167
Balance at December 31, 2021	40,500	67,778	58,889	167,167
Net book value				
Balance at December 31, 2021	688,500	1,152,222	1,001,111	2,841,833
Goodwill				
				\$
Balance at date of acquisition (note 4)				1,653,243
Impairment (note 4)				(1,653,243)
Balance at December 31, 2021				-

Cisco Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

8. PROPERTY AND EQUIPMENT

	Furniture and equipment \$	Computer equipment \$	Computer software \$	Total \$
Cost:				
As at December 31, 2020	-	-	-	-
Additions on acquisition (Note 4)	4,277	642	723	5,642
As at December 31, 2021	4,277	642	723	5,642
Accumulated depreciation:				
As at December 31, 2020	-	-	-	-
Additions	335	86	97	518
As at December 31, 2021	335	86	97	518
Net book value:				
As at December 31, 2020	-	-	-	-
As at December 31, 2021	3,942	556	626	5,124

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

9. RIGHT-OF-USE ASSETS

	As at December 31, 2021 \$	As at December 31, 2020 \$
Cost:		
Opening balance	-	-
Addition pursuant to lease modification (note 4)	18,475	-
Closing balance	18,475	-
Accumulated depreciation:		
Opening balance	-	-
Additions	10,557	-
Closing balance	10,557	-
Net book value:		
As at period end	7,918	-

10. LEASE LIABILITIES

Upon the maturity of the lease contract during November 2020, the Company entered into a modified lease contract with landlord and recognized additional right-of-use asset (note 9) and corresponding lease liabilities. The lease payments are discounted using an incremental borrowing rate of 5%.

The continuity of lease liabilities is presented in the table below:

	As at December 31, 2021 \$	As at December 31, 2020 \$
Opening balance	-	-
Additions (note 4)	18,902	-
Accretion expense	266	-
Lease payments	(10,808)	-
Closing balance	8,360	-
Current portion	8,360	-
Non-current portion	-	-

Maturity analysis – contractual undiscounted cash flow

As at December 31, 2021

Due in fiscal year 2022	8,492	-
-------------------------	-------	---

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

11. REVENUE

The Company's revenues for the nine-month periods ended December 31, 2021 and 2020 were comprised of the following:

	For the year ended December 31, 2021	For the period from June 29, 2020 to December 31, 2020
	\$	\$
Distribution	883,478	-
Production	248,598	-
	1,132,076	-

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are defined as management and principal shareholders of the Company and/or members of their immediate family and/or other companies and/or entities in which a principal shareholder, director or senior officer is a principal owner or senior executive.

Related party balances, with entity with common management and shareholders, are as follows:

	For the year ended December 31, 2021	For the period from June 29, 2020 to December 31, 2020
	\$	\$
Shareholder advance	-	(434)
Loan from a related party	50,459	-
Convertible debenture loan from a related party	131,800	-

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors, advisory board members, officers of the Company. The following share-based compensations were awarded by the Company during the period from June 29, 2020 until December 31, 2020 and for the year ended December 31, 2021:

- On November 10, 2020, the Company granted an aggregate of 2,225,000 share purchase options under the Company's share option plan to certain directors, officers, and consultants of the Company. The options are exercisable at \$0.10 per share, are vested immediately, and shall be exercisable for a term of 5 years. The value of these options in amount of \$20,361 was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.26%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of \$0.019 at the time of grant for a valuation of \$0.0092 per option (note 6). No share purchase options were exercised or cancelled during the year ended December 31, 2021 (2020: Nil). The \$20,361 was included into Stock based compensation expenses and charged to the statement of loss.

Ciscom Corp.

Notes to Consolidated Financial Statements

For the year ended December 31, 2021 and for the period from June 29, 2020

(Incorporation Date) to December 31, 2020

12. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- On November 10, 2020, the Company issued 6,500,000 common shares to management and directors for various professional services provided to the Company. The fair value of the share-based compensation transaction, in the amount of \$31,250, was determined by fair value of those services received by the Company (note 16), included in Stock based compensation expenses and charged to the statement of loss for the period ended December 31, 2020.
- On July 15, 2021, the Company granted an aggregate of 495,000 share purchase options under the Company's share option plan to certain directors, officers, and consultants of the Company. The options are exercisable at \$0.25 per share, are vested immediately, and shall be exercisable for a term of 5 years. The value of these options in amount of \$11,647, charged to the statement of loss and comprehensive loss, was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.26%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of \$0.05 at the time of grant for a valuation of \$0.0235 per option (note 6).

Loan from a related party

On February 5, 2021, the Company obtained a loan in the amount of \$50,000 from a corporation where the key management member of the Company is the main shareholder. The loan initially matured on December 31, 2021 and was extended to March 31, 2022. It has a interest rate of 1% per year. The Company can repay in whole or in part any portion of the loan before maturity. Interests in the amount of \$324 were recorded and are not yet paid. The loan is unsecured and not guaranteed. Subsequent to March 31, 2022, both parties agreed that the loan will be due on demand.

On August 31, 2021, the Company obtained a Convertible debenture loan in the amount of \$150,000 from a corporation where the key management member of the Company is the main shareholder. The loan matures on January 31, 2023. It has a nominal single interest rate of 4.7% per year. The Company can repay in whole or in part any portion of the loan before maturity. The loan is unsecured and not guaranteed. The conversion right is for 4 Company shares for \$1 of outstanding loan (\$0.25 per share) if not repaid at maturity. The Convertible debenture loan can be increased up to \$300,000 should the Company need additional working capital. The loan was accounted by using effective interest method and the conversion feature in the amount of \$23,343 was recorded into contributed surplus. The remaining portion of the convertible debentures was subjected to accretion of interest. The total accretion of interest expense was in the amount of \$5,143 for the year ended December 31, 2021 and included into finance cost.

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

13. CREDIT FACILITY

On August 31, 2021, the Company and MFD entered into a Line of Credit Agreement in the amount of \$250,000 with the Bank of Montreal (a Canadian Financial Institution). The line of credit carries interests at the bank's prime rate plus 1.50% and remains unutilized since inception, and as such there is no interest expense related to the Line of Credit. The line of credit is guaranteed by a Personal Property Security Agreement ("PPSA") over the Company's assets and several personal guarantees up to \$250,000 of three individuals related to the Company.

14. TERM LOAN

On August 31, 2021, the Company entered into a Loan Agreement in the amount of \$1,000,000 with Bank of Montreal (a Canadian Financial Institution). The loan matures in August 2026 (a 60-month period) and carries interests at the bank's prime rate plus 1.25%. The Company made repayment of \$66,666 for the year ended December 31, 2021. The loan is guaranteed by a PPSA over the Company's assets and joint and several personal guarantees up to \$500,000 of three individuals related to the Company. The Company incurred \$40,000 transaction cost that was directly attributable to the term loan financing. The transaction cost was accounted for as a reduction of the loan and would amortize over the term of the loan. During the year ended December 31, 2021, the amortization was in the amount of \$2,667 and included in finance cost. At December 31, 2021, the remaining balance of the transaction cost in the amount of \$37,333 was allocated into its current portion and noncurrent portion in the amount of \$8,004 and \$29,329 respectively.

Loans Payable Summary

The Company and MFD have entered into several loan agreements detailed in Notes 12, 13, 14 and 15.

	For the year ended December 31, 2021	For the period from June 29, 2020 to December 31, 2020
	\$	\$
CEBA loan payable <i>[note 15]</i>	53,572	-
Bank term loan	896,001	-
Loan from a related party <i>[note 12]</i>	50,459	-
Convertible debenture loan from a related party <i>[note 12]</i>	131,800	-
Total loans payable	1,131,832	-
Current portion	242,455	-
Non-current portion	889,377	-

Ciscom Corp.

Notes to Consolidated Financial Statements

For the year ended December 31, 2021 and for the period from June 29, 2020

(Incorporation Date) to December 31, 2020

15. GOVERNMENT SPONSORED TERM DEBT AND DEFERRED GRANTS

In April 2021, MFD obtained \$60,000 loan under the Canada Emergency Business Account Program. If the Company repays \$10,000 by December 31, 2022, a \$20,000 balance will be forgiven. Otherwise, an interest rate of 5% will apply to the balance, which will be repayable in 36 monthly blended instalments by December 31, 2025. An effective rate of 12% was used, taking into account the rate that the Company would have obtained for a similar loan, to arrive the present value of the CEBA loan in amount of \$49,264 upon receipt of the CEBA loan proceeds. The effective interest would be accreted to the loan balance as well as charged to statement of loss over the period from date of receipt of loan proceeds to December 31, 2025. The difference between the present value and the proceeds from the CEBA loan in the amount of \$10,736 was recorded as a deferred grant in April 2021 and will be recognized in the statement of loss at the same time as the occurrence of underlying expenses.

	December 31, 2021
The reconciliation of CEBA loans is as follows:	\$
Balance assumed pursuant to business acquisition (note 4)	51,574
Interest accretion during the period	1,998
Balance as at December 31, 2021	53,572

	December 31, 2021
The reconciliation of deferred grants is as below:	\$
Balance assumed pursuant to business acquisition (note 4)	8,245
Amortization of deferred grants during the period	(2,072)
Balance as at December 31, 2021	6,173

The summary of classification of long-term debt and deferred grants at December 31, 2021 is as follows:

	\$
Non-current portion of long-term debt	52,063
	\$
Non-current portion of deferred grants	4,176
	\$
Current portion of deferred grants	1,997

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

16. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares, one vote per share, without par value. Issuances of common shares are recorded in “Share capital” in the statement of financial position.

b) Shares issued and to be issued for service provided

During the period ended December 31, 2020, the Company issued 4,775,000 common shares via several private placements and raised \$90,500 in cash.

On November 10, 2020, the Company issued 6,500,000 common shares to management and directors for various professional services provided to the Company. The fair value of the share-based compensation transaction, in the amount of \$31,250, was determined by fair value of those services received by the Company.

During the period ended December 31, 2020, the Company received certain professional service with a service provider and per agreement, the Company would issue 4,965,116 common shares to compensate the service provider. The fair value of the share-based compensation transaction, in the amount of \$30,000, was determined by fair value of those services received by the Company. The \$30,000 was included into the Stock based compensation expenses in the statement of loss. During the year ended December 31, 2021, the Company issued 4,965,116 common shares.

On August 31, 2021, the Company acquired 100% of all issued and outstanding shares of MFD of Markham Ontario, from its shareholders. The purchase price of \$3,500,000.00 was satisfied with a cash payment of \$1,000,000 and \$2,500,000 in Ciscom common shares valued at \$0.25 per share (share issuance of 10,000,000 shares). The selling shareholders of MFD are entitled to and Earn-Out payment based on revenue performance for the years 2022 and 2023 to a cumulative maximum of \$500,000.

During the year ended December 31, 2021, the Company issued 14,014,863 common shares via several private placements and raised \$1,386,262 (gross and net proceeds) in cash. No commissions or charges were paid in relation to the private placements.

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

16. SHARE CAPITAL (continued)

c) Share options

On November 10, 2020, the Company granted an aggregate of 2,225,000 share purchase options under the Company's share option plan to certain directors, officers, and consultants of the Company. The options are exercisable at \$0.10 per share, are vested immediately, and shall be exercisable for a term of 5 years. The value of these options in amount of \$20,361 was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.26%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of \$0.019 at the time of grant for a valuation of \$0.0092 per option.

On July 15, 2021, the Company granted an aggregate of 495,000 share purchase options under the Company's share option plan to certain directors, officers, and consultants of the Company. The options are exercisable at \$0.25 per share, are vested immediately, and shall be exercisable for a term of 5 years. The value of these options in amount of \$11,647 was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.26%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of \$0.05 at the time of grant for a valuation of \$0.0235 per option.

As at December 31, 2021, the following Options were outstanding:

Number of options	Exercise price	Expiry date	Remaining contractual life (years)
2,225,000	\$0.10	November 9, 2025	3.8
495,000	\$0.25	July 14, 2026	4.5

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

17. INCOME TAXES

The Company's Canadian operations are subject to income tax at a combined Federal and Provincial statutory income tax rate of 26.5%, as follows:

	December 31, 2021	December 31, 2020
	\$	\$
Current income taxes		
Net loss before income taxes	(2,011,032)	(224,079)
Tax rate	26.50%	26.50%
Income tax recoverable	(532,923)	(59,381)
Non-deductible items	416,479	1,792
Unrecognized deferred tax assets	116,444	57,589
	-	-
Deferred tax assets		
Non-capital loss carry-forward	174,033	57,589
Deferred tax assets not recognized	(174,033)	(57,589)
	-	-
Deferred tax liabilities		
Deferred tax recognized pursuant to business acquisition <i>[note 4]</i>	798,000	-
Deferred income taxes	(44,333)	-
	753,667	-

The Company's ability to realize the tax benefits is dependent upon a number of factors, including the history of earnings and the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, a corresponding full valuation allowance was recorded to deferred tax assets.

As at December 31, 2021, the Company had non-capital losses amounting to \$663,486 (December 31, 2020 - \$224,074) and will expire starting in 2041.

18. FINANCIAL RISK FACTORS

Fair Value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

Financial Risk Management

The Company is exposed to credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and the Company risk appetite.

Ciscom Corp.
Notes to Consolidated Financial Statements
For the year ended December 31, 2021 and for the period from June 29, 2020
(Incorporation Date) to December 31, 2020

18. FINANCIAL RISK FACTORS (continued)

Financial Risk Management (continued)

(a) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and trade receivables. The cash consists of money held in a reputable Canadian bank. To reduce its credit risk from its trade receivables balances, the Company reviews a new client credit history before extending credit. During the year ended December 31, 2021, the Company's accumulated provision is in the amount of \$111,740. (Note 5)

The following table provides information regarding the gross amount of aged trade receivables:

	Current	31-60 days	60 days to 90 days	Over 90 days	Total
	\$	\$	\$	\$	\$
At December 31, 2021	210,198	392,578	12,010	120,399	735,185

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligation associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through obtaining financing from its shareholders.

As at December 31, 2021 the Company had \$1,767,618 in current assets including \$1,006,133 in cash, \$250,000 in unutilized line of credit as against \$864,209 in accounts payable and accrued liabilities. Following the year end, the Company raised additional equity in the amount of \$551,718 through April 12, 2022. As such, the Company has sufficient funds to pay for its liabilities for the foreseeable future.

(c) Foreign Currency Risk

Currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The functional currency of the Company is the Canadian dollar. The Company is exposed to the currency exchange rate risk on its accounts payable. During the year, the Company did not incur significant foreign currency transactions. The Company does not use derivative financial instruments to mitigate its exposure to currency risk. Management, however, mitigates currency risk by regular monitoring, transacting in stable currencies, matching the foreign currency payables and minimizing the net exposure in any foreign currency at any point of time.

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The capital of the Company consists of equity.

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. There were no externally imposed capital requirements to which the Company is subject as at December 31, 2020 and December 31, 2021.

20. CONTINGENCIES

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As at December 31, 2021 and December 31, 2020 there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

21. SUBSEQUENT EVENTS

Equity Financing:

Subsequent to December 31, 2021, and up to April 12, 2022, the Company issued 1,145,256 common shares pursuant to private placements and received proceeds in amount of \$551,718.

Acquisition:

On January 26, 2022, the Company entered into a share purchase agreement with 1883713 Ontario Inc., a company incorporated under the laws of the province of Ontario, to acquire all of the issued and outstanding shares of 1883713 Ontario Inc. The transaction is expected to complete during second quarter of 2022. The terms of the share purchase agreement remain confidential at this time. The purchase price will be satisfied with a combination of cash, bank debt and the Company's shares.

Schedule C
Audited Financial Statements of Market Focus Direct Inc. as at December 31, 2020

Financial Statements

Market Focus Direct Inc.

Years ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

Market Focus Direct Inc.

Years ended December 31, 2020 and 2019

Table of contents

INDEPENDENT AUDITOR’S REPORT.....1-2

FINANCIAL STATEMENTS

Statements of Financial Position.....3

Statements of Income and Comprehensive Income4

Statements of Changes in Shareholders’ Equity.....5

Statements of Cash Flows.....6

Notes to Financial Statements.....7-25

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Market Focus Direct Inc.

Opinion

We have audited the financial statements of Market Focus Direct Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2020, and the statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the year ended December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year ended December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Comparative Information

The financial statements for the year ended December 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 17, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.
(continues)



Independent Auditor's Report to the Shareholders of Market Focus Direct Inc. *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SRCO Professional Corporation

Richmond Hill, Canada
August 4, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Market Focus Direct Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2020	As at December 31, 2019
	\$	\$
ASSETS		
CURRENT		
Cash	1,698,170	1,920,335
Trade and other receivables <i>[notes 4 and 13]</i>	2,047,679	1,798,056
Income taxes recoverable	-	11,871
Prepaid expenses	69,934	51,700
	3,815,783	3,781,962
Equipment <i>[note 5]</i>	6,634	8,030
Right-of-use assets <i>[note 6]</i>	39,591	42,579
Total assets	3,862,008	3,832,571
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities <i>[note 7]</i>	1,931,685	2,378,940
Harmonized sales tax payable	7,570	15,702
Lease liabilities <i>[note 8]</i>	31,293	39,754
Income taxes payable	92,280	-
Due to related parties <i>[note 10]</i>	639,624	27,816
	2,702,452	2,462,212
Lease liabilities <i>[note 8]</i>	8,298	-
Total liabilities	2,710,750	2,462,212
SHAREHOLDERS' EQUITY		
Share capital <i>[note 11]</i>	65	65
Retained earnings	1,151,193	1,370,294
Total shareholders' equity	1,151,258	1,370,359
Total liabilities and shareholders' equity	3,862,008	3,832,571

Subsequent events *[note 15]*

See accompanying notes

Approved on behalf of the Board:

Director

Director

Market Focus Direct Inc.
Statements of Income and Comprehensive Income
(Expressed in Canadian Dollars)

	For the year ended December 31, 2020 \$	For the year ended December 31, 2019 \$
REVENUE	6,143,857	9,773,180
COST OF REVENUE	4,715,596	7,838,842
GROSS PROFIT	1,428,261	1,934,338
EXPENSES		
Depreciation and amortization <i>[notes 5 and 6]</i>	44,480	44,881
Impairment provision <i>[notes 4 and 13]</i>	58,542	50,000
Occupancy expense	43,143	71,235
General and administrative	56,411	53,114
Marketing and travel	29,418	56,323
Professional fees	56,668	78,437
Salaries and wages <i>[note 10]</i>	614,860	885,556
TOTAL EXPENSES	903,522	1,239,546
NET INCOME BEFORE INCOME TAXES	524,739	694,792
Current income tax <i>[note 12]</i>	110,496	86,415
Deferred income tax <i>[note 12]</i>	-	-
NET INCOME AND COMPREHENSIVE INCOME	414,243	608,377
Basic and diluted earnings per share	41.42	60.84
Weighted average number of common shares - basic and diluted	10,000	10,000

See accompanying notes

Market Focus Direct Inc.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of common shares	Share capital \$	Retained earnings \$	Total \$
Balance, December 31, 2018	10,000	65	761,917	761,982
Net income and comprehensive income	-	-	608,377	608,377
Balance, December 31, 2019	10,000	65	1,370,294	1,370,359
Dividends <i>[notes 10 and 11]</i>	-	-	(640,000)	(640,000)
Dividend tax refund <i>[note 12]</i>	-	-	6,656	6,656
Net income and comprehensive income	-	-	414,243	414,243
Balance, December 31, 2020	10,000	65	1,151,193	1,151,258

See accompanying notes

Market Focus Direct Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	December 31, 2020	December 31, 2019
	\$	\$
OPERATING ACTIVITIES		
Net income	414,243	608,377
Items not affecting cash:		
Depreciation and amortization	44,480	44,881
Interest accretion	832	2,903
Changes in non-cash working capital balances:		
Trade and other receivables	(249,623)	9,255
Harmonized sales tax	(8,132)	(31,921)
Prepaid expenses and other receivables	(18,234)	17,197
Accounts payable and accrued liabilities	(447,255)	515,430
Income taxes	110,807	(9,639)
Cash used in (provided by) operating activities	(152,882)	1,156,483
INVESTING ACTIVITIES		
Purchase of equipment	(505)	(2,402)
Cash used in investing activities	(505)	(2,402)
FINANCING ACTIVITIES		
Due to related parties	(28,192)	(78,160)
Lease payments	(40,586)	(43,010)
Cash used in financing activities	(68,778)	(121,170)
(DECREASE) INCREASE IN CASH	(222,165)	1,032,911
CASH - BEGINNING OF YEAR	1,920,335	887,424
CASH - END OF YEAR	1,698,170	1,920,335
Supplementary information:		
Interest paid	-	-
Tax paid and refund received, net	311	96,054

See accompanying notes

1. NATURE OF BUSINESS

Market Focus Direct Inc. (the “Company”) was incorporated under the Business Corporations Act of Ontario on November 15, 1991. The Company is engaged in providing retail analytics and flyer distribution management to retailers and business-to-consumer companies.

The office address of the Company is 550 Alden Rd, Suite. 207 Markham Ontario, Canada, L3R 6A8.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations set by the IFRS Interpretations Committee (previously the International Financial Reporting Interpretations Committee, (“IFRIC”)).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention, except for certain financial instruments, which have been measured at fair value. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and are presented in Canadian dollars.

These financial statements were approved by the Company’s Board of Directors and authorized for issue on August 4, 2021.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company’s functional currency is the Canadian dollar. These financial statements are presented in Canadian dollars (“CAD”), which is the Company’s presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash includes only cash on deposit in Canadian chartered banks.

3.2 Revenue recognition

The Company recognizes revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Specifically, the Company uses a 5-step approach to revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation has been performed (“point in time” recognition) or “over a period of time” as control of the performance obligation is transferred to the customer.

Distribution and production of ad flyer revenues are recognized at a “point in time”, after all foregoing conditions of revenue recognition have been met.

Interest income, including income arising from deposits in banking institution, is recognised using the effective interest method.

3.3 Equipment

Equipment is stated at cost, less accumulated amortization. The cost of equipment comprises its purchase price, and any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Amortization is calculated over the useful life of the equipment less estimated residual value and recognized in the statements of income and comprehensive income. The methods and rates used for calculating the amortization are as follows:

Furniture and equipment	20% declining basis
Computer equipment	30% declining basis
Computer software	33% declining basis

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Equipment (continued)

Equipment acquired during the period but not placed into use are not depreciated until they are placed into use. All additions made during the period is depreciated at 50% of the above rates.

Maintenance and repairs are charged to expense as incurred. Renewals and betterments, which materially prolong the useful lives of the assets, are capitalized. The cost and related accumulated amortization of equipment retired or sold are removed from the accounts, and gains or losses are recognized in the statements of income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for equipment, and any changes in estimates arising from the assessment are applied by the Company prospectively.

3.4 Taxation

Income tax expense represents the sum of current income tax expense and deferred income tax expense. Current income tax expense is based on taxable income for the period. Income tax is recognized in the statement of income and comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Taxation (continued)

Deferred income tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable income against which deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current income tax assets and liabilities on a net basis.

On January 1, 2019, the Company adopted IFRIC 23, Uncertainty over Income Tax Treatment, which clarified how to apply the recognition and measurement requirement in IAS 12, Income Tax, when there is uncertainty over income tax treatments. There are no significant adjustments to the amounts recognized in the consolidated financial statements.

3.5 Financial instruments

The Company uses three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVTOCI”), and fair value through profit or loss (FVTPL). The classification of financial assets under is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified and measured in two categories, amortized cost or FVTPL. The Company does not separate derivatives embedded in contracts where the host is a financial asset. Instead, the hybrid financial instruments as a whole are assessed for classification.

a) Classification of financial assets and financial liabilities

The Company’s financial assets and financial liabilities are classified as follows:

	Classification
Cash	Amortized cost
Trade and other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Lease liabilities	Amortized cost

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

On initial recognition, a financial asset is classified as measured at amortized costs, FVTPL, or FVTOCI. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company recognizes trade receivables initially when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All trade receivables without a significant financing component are initially measured at their transaction prices. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent to initial recognition, financial assets as amortized costs are measured at cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of income. At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in the statement of income in the period in which they arise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Financial instruments (continued)

b) Impairment of financial assets

The Company uses a forward-looking "expected credit loss" ("ECL") model. The ECL model requires judgement, including consideration of how changes in economic factors and forward-looking information affect ECLs, which will be determined on a probability-weighted basis. The new impairment model is applied, at each reporting date, to the Company's financial assets measured at amortized cost. Impairment losses are recorded in office and general expenses with the carrying amount of the financial asset reduced through the use of impairment allowance accounts.

3.6 Impairment of non-financial assets

At each date of the statements of financial position, the Company reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior periods. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Significant accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these consolidated financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and judgments are based on management's historical experience, best knowledge of current events or conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates.

Information about significant judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- (i) Assessment of credit risk and the determination of the expected credit losses;
- (ii) Determination of current and deferred income taxes;
- (iii) Determination of useful lives of equipment;
- (iv) Determination of the valuation of the right-of-use asset and lease liabilities; and
- (v) COVID-19

Assessment of credit risk and the determination of the expected credit losses

An 'expected credit loss' impairment model requires an allowance to be recognized based on expected credit losses that require management's estimate and judgment related to the future probability of realized credit losses.

Determination of current and deferred income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Significant accounting judgments and estimates (continued)

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Determination of useful lives of equipment

Changes in the intended use of equipment as well as changes in technology or economic conditions may cause the estimated useful life of these assets to change. The change in useful lives could impact the depreciation expense and carrying value of equipment.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Determination of the valuation of the right-of-use asset and lease liabilities

The Company exercises judgment in determining the approximate lease term on a contract-by-contract basis. The Company considers all facts and circumstances that may create an economic incentive to exercise renewal options and also evaluated the economic incentive related to continuation of existing leaseholds. The Company is also required to estimate specific criteria in order to estimate the carrying amount of right-of-use assets and lease liabilities including the incremental borrowing rate and effective interest rate.

COVID-19

Due to the disruption of the COVID-19 crisis, the Company's business activities might be subject to certain level of adverse impact. To the date of the issuance of these financial statements, the Company is still assessing the impact on its business, results of operations, financial position and cash flows, which will be accounted for when the reliable estimates will become available.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Lease

Effective January 1, 2019, the Company adopted IFRS 16 – Leases, which supersedes previous accounting standards for leases, including IAS 17 – Leases and IFRIC 4 – Determining whether an arrangement contains a lease. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company accounted for office operating leases with a remaining lease term, as of January 1, 2019, of less than 12 months as short-term leases (remaining lease term, as of January 1, 2019, of more than 12 months are included for IFRS 16 adoption purposes).

The Company leases buildings, primarily for office use. For all lease contracts entered into, or changed, on or after January 1, 2019, the Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. There are no dismantling, removal and restoration costs included in the cost of the right-of-use asset as management has not incurred an obligation for those costs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

Upon a modification of a lease contract and pursuant to a change in scope of a lease or the consideration of a lease that are not part of the original terms of the previous lease contact, the Company evaluates whether the lease modification results in a separate lease or a change in the accounting for the existing lease. During the year, the lease contact modification agreed by the Company and the lessor did not result in separate leases. For lease modification that is not accounted for as a separate lease, the Company, at the effective date of the lease modification, remeasures lease liabilities by discounting the revised lease payments using discount rate that represents the incremental borrowing rate of the Company, and the Company recognises the revised right-of-use to reflect the modification.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Foreign currency translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are translated at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at that date. Exchange gains and losses are recognized on a net basis in the statement of income.

3.10 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and units are recognized as a deduction from equity. The Company records proceeds from share issuances net of issue costs and any tax effects.

3.11 Earnings per share

Earnings per share is calculated by dividing the total net income by the weighted average number of shares outstanding during the period. There are no outstanding warrants as at December 31, 2020.

3.12 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amounts recognized as a provision are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. Where the Company expects reimbursement associated with a provision, the reimbursement is recognized as an asset if and when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statements of Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.13 Government assistance

Government assistances related to salary and wages and office rents claimed and received during the year were recognized and applied against salaries and wages and occupancy expense in the amount of \$249,380 and \$2,212, respectively.

3.14 Standards issued but not yet effective

The Company has evaluated all recent accounting pronouncements up to the date of issuance of these financial statements, and conclude that these pronouncements are not expected to have any significant impact on the Company's financial statements.

Market Focus Direct Inc.
Notes to Financial Statements
Years ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

4. TRADE AND OTHER RECEIVABLES

	As at December 31, 2020	As at December 31, 2019
	\$	\$
Trade receivables	2,117,863	1,848,056
Other receivables	29,816	-
Impairment provision for trade receivable	(100,000)	(50,000)
Trade and other receivables, net	2,047,679	1,798,056

5. EQUIPMENT

	Furniture and equipment	Computer equipment	Computer software	Total
	\$	\$	\$	\$
Cost:				
As at December 31, 2018	22,919	56,030	-	78,949
Additions	623	-	1,779	2,402
As at December 31, 2019	23,542	56,030	1,779	81,351
Additions	505	-	-	505
As at December 31, 2020	24,047	56,030	1,779	81,856
Accumulated depreciation:				
As at December 31, 2018	16,623	54,395	-	71,018
Additions	1,322	492	489	2,303
As at December 31, 2019	17,945	54,887	489	73,321
Additions	1,171	343	387	1,901
As at December 31, 2020	19,116	55,230	876	75,222
Net book value:				
As at December 31, 2019	5,597	1,143	1,290	8,030
As at December 31, 2020	4,931	800	903	6,634

Market Focus Direct Inc.
Notes to Financial Statements
Years ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

6. RIGHT-OF-USE ASSETS

	As at December 31, 2020 \$	As at December 31, 2019 \$
Cost:		
Opening balance	85,157	85,157
Addition pursuant to lease modification	39,591	-
Maturity	(85,157)	-
Closing balance	39,591	85,157
Accumulated depreciation:		
Opening balance	42,578	-
Additions	42,579	42,578
Maturity	(85,157)	-
Closing balance	-	42,578
Net book value:		
As at December 31, 2020 and 2019	39,591	42,579

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2020 \$	As at December 31, 2019 \$
Accounts payable	1,884,078	2,271,188
Accrued liabilities	47,607	107,752
	1,931,685	2,378,940

8. LEASE LIABILITIES

On January 1, 2019, the Company adopted IFRS 16. As at January 1, 2019, the Company recognized right-of-use assets of \$85,157, and a lease liability of \$79,861. The Company applied IFRS 16 on a modified retrospective basis.

The Company recorded right-of-use assets (note 6) and a lease liability for office space in the statement of financial position as at January 1, 2019. On adoption of IFRS 16, the lease liabilities were measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 5%.

The Company renewed its office lease effective January 1, 2021 for a period of fifteen months ending March 31, 2022. As the Company has learnt to work remotely during the COVID-19 pandemic, it reduced the size of its offices from 5,060 square feet to 3,603 square feet effective January 1, 2021.

Upon the maturity of the lease contract reached in prior year, during November 2020, the Company reached a modified lease contract with landlord and recognized additional right-of-use asset (note 6) and corresponding lease liabilities. The lease payments are discounted using an incremental borrowing rate of 5%.

The continuity of lease liabilities is presented in the table below:

	As at December 31, 2020	As at December 31, 2019
	\$	\$
Opening balance	39,754	79,861
Accretion expense	832	2,903
Lease payments	(40,586)	(43,010)
Additions pursuant to lease modification	39,591	-
Closing balance	39,591	39,754
Current portion	31,293	39,754
Non-current portion	8,298	-

Maturity analysis – contractual undiscounted cash flows as at December 31, 2020

	\$
Due in fiscal year 2021	32,427
Due in fiscal year 2022	8,332

During the year ended December 31, 2020, the Company expensed \$1,429 related to short term leases (2019 - \$11,410).

9. REVENUE

The Company's revenues for the years ended December 31, 2020 and 2019 were comprised of the following:

	2020	2019
	(\$)	(\$)
Distribution	4,162,170	7,005,596
Production	1,974,442	2,753,132
Interest income	7,245	14,452
	6,143,857	9,773,180

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are defined as management and principal shareholders of the Company and/or members of their immediate family and/or other companies and/or entities in which a principal shareholder, director or senior officer is a principal owner or senior executive.

Related party transactions were performed in the normal course of business and are related to compensation and shareholder dividends.

As at December 31, 2020, total amounts due to related parties was \$639,624 (2019 - \$27,816). The balance was composed of a receivable due from a related party in the amount of \$376 and dividend payable to the President who is also a main direct and corporate shareholder of the Company in the amount of \$640,000. The amount due to related parties as at December 31, 2020 and 2019 respective is unsecured, due on demand and non-interest bearing.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors, advisory board members, officers of the Company. During the year, key management personnel was compensated for \$100,000 (2019 - \$116,000). There were no share-based compensations in 2020 and in 2019.

11. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares, one votes per share, without par value.

Unlimited number of class A shares with no stated par value, one votes per share.

Unlimited number of class B shares with no stated par value, one votes per share.

b) Issued:

	As at December 31, 2020	As at December 31, 2019
Common shares	10,000	10,000

The Company declared a dividend in the amount of \$640,000 to its shareholders in 2020 (\$Nil in 2019). The dividend was unpaid at year end and included into due to related party.

12. INCOME TAXES

The Company's Canadian operations are subject to income tax at a combined Federal and Provincial statutory income tax rate of 26.5% (2019 – 26.5%) for the years ended December 31, 2020 and 2019 are as follows:

Current income taxes

	December 31, 2020	December 31, 2019
	\$	\$
Net income before income taxes	524,739	694,792
Tax rate	26.5%	26.5%
Income tax payable	139,056	184,120
Non-deductible items	2,497	3,726
Dividends taxes recoverable	(6,656)	-
Small business deduction and others	(24,401)	(55,704)
Unrecognized deferred tax assets	-	(45,727)
	110,496	86,415

Deferred income taxes

Unrecognized deferred tax assets

	December 31, 2020	December 31,
	\$	2019
		\$
Capital losses carried forward	114,115	114,115

The Company's ability to realize the tax benefits is dependent upon a number of factors, including the history of earnings and the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, a corresponding full valuation allowance was recorded to deferred tax assets.

The capital loss carry forward may be carried forward indefinitely but can only be used to reduce capital gains. Deferred tax assets have not been recognized in respect of these items because it is not probable that future profit will be available against which the Company can utilize the benefits therefrom.

13. FINANCIAL RISK FACTORS

Fair Value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

Financial Risk Management

The Company is exposed to credit risk, liquidity risk and foreign currency risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and the Company risk appetite.

13. FINANCIAL RISK FACTORS (continued)

(a) Credit Risk and Economic Dependence

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and trade and other receivables. The cash consists of money held in a reputable Canadian bank. To reduce its credit risk from its trade receivables balances, the Company reviews a new client credit history before extending credit. The Company recognized an impairment provision in the amount of \$100,000 as at December 31, 2020 (2019: \$50,000).

The following table provides information regarding the aged trade receivables:

	Current	31-60 days	61 days over
December 31, 2020	34%	59%	7%
December 31, 2019	63%	26%	11%

As at December 31, 2020, one customer comprised 79% of trade receivables (2019 - 32%). The customer represented 64% revenue for the year ended December 31, 2020 (2019 - 49%).

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligation associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through maintaining sufficient funds in the bank.

The following table sets out the Company's contractual maturities (representing undiscounted contractual cash flows) of financial liabilities and commitments:

	12 months	1 to 2 years	2 to 5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,931,685	-	-	1,931,685
Due to related parties	639,624	-	-	639,624
Lease liabilities	32,427	8,332	-	40,759
At December 31, 2020	2,603,736	8,332	-	2,612,068
At December 31, 2019	2,447,341	-	-	2,447,341

13. FINANCIAL RISK FACTORS (continued)

c) Foreign Currency Risk

Currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The functional currency of the Company is the Canadian dollar. The Company is exposed to the currency exchange rate risk on its accounts payable. During the year, the Company did not incur significant foreign currency transactions. The Company does not use derivative financial instruments to mitigate its exposure to currency risk. Management, however, mitigates currency risk by regular monitoring, transacting in stable currencies, matching the foreign currency payables and minimizing the net exposure in any foreign currency at any point of time.

d) Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. The capital of the Company consists of equity.

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. There were no externally imposed capital requirements to which the Company is subject as at December 31, 2020.

15. SUBSEQUENT EVENTS

The global outbreak of COVID-19 (coronavirus) is still having a significant impact on businesses through restrictions put in place by governments regarding business operations and isolations/quarantine orders. At this time, with the on-going vaccination (immunization) program started in the winter of 2021 and continuing, it is anticipated that there will be "herd immunization" by September 2021 and more activities will start resuming in the last quarter of 2021.

The government grants such as the Canada Emergency Wage Subsidy (CEWS) program has now been extended through October 2021 which will benefit the Company. The Company has filed CEWS claims in the amount of \$194,132 subsequent to year end.

Schedule D-1
Ciscom Corp. Management Discussion and Analysis as at December 31, 2020

Ciscom Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FROM THE DATE OF INCORPORATION, JUNE 29, 2020 TO DECEMBER 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of the operations of Cisco Corp. (the "**Company**" or "**Cisco**") constitutes management's review of the factors that affected the Company's financial and operating performance from the date of incorporation of Cisco on June 29, 2020 to December 31, 2020. This MD&A was written to comply with the requirements of NI 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited financial statements of the Company and the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's and MFD's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Information contained herein is presented as of December 31, 2020 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Cisco common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A contains forward-looking information as further described in the "*Cautionary Note Regarding Forward-Looking Information*" at the end of this MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "*Risks and Uncertainties*" section below.

a) *Description of Business*

The Company was incorporated under the *Business Corporations Act* (Ontario) ("**OBCA**") on June 29, 2020. The Company's head office, principal address and registered and records office is located at 20 Bay Street, Suite 1110, Toronto, Ontario, M5J 2N8. The Company acquires and manages businesses in the technology and communications industry. The Company's financial year ends on December 31.

b) *Cautionary Note Regarding Forward-Looking Information*

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words

and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the dates specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “*Risk Factors*” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

c) *Financial and Operating Highlights*

Basis of Presentation

The following discussion and analysis of the Company’s financial condition as at December 31, 2020 should be read in conjunction with the Company’s audited financial statements contained in this prospectus. These financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”). All figures are expressed in Canadian dollars unless otherwise indicated.

See “*Risk Factors*” for a discussion of the risks inherent in the business of the Company, which may also affect its continuing financial conditions, cash flows and operating results.

Ciscom’s principal business is investing in or acquiring operating companies in the ICT sector and assuming an active role in the management of these companies to mitigate risk and maximize growth. The Company defines itself as an enabling business accelerator.

The Company targets companies in such areas as:

1. Companies in the ICT sector; and
2. Companies using technology as a way to process data, incorporate external databases, documents and information to deliver the products and services.

In addition to its investment and acquisition activities, the Company's business mandate includes the negotiating strategic joint ventures and the identification of the implementation of synergies through shared services.

Critical Accounting Estimates

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Financial statement items subject to significant management judgment include:

- Provision for clients' bad debt – Management exercises judgement to determine whether accounts receivable are in good standing and closely follow remittances.
- Impairment of assets – Management exercises judgement to determine whether indicators of impairment exist, and if so, management must estimate the timing and amount of future cash flows from sales.

While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

Changes in Accounting Policies

There were no changes in accounting policies during the year.

Corporate

On June 29, 2020, the Company was incorporated under the Ontario Business Corporation Act, and authorized to issue an unlimited number of shares of the following classes:

- a. Common shares;
- b. Class A preferred shares; and,
- c. Class B Preferred shares.

As of December 31, 2020, the Company has issued a total of 11,275,000 common shares for a total consideration of \$121,750 and had issued an Option to purchase shares to CBLT Inc. for 4,965,116 shares for a total consideration of \$30,000 (the Option was exercised in its entirety on February 28th, 2021). The Company has reserved Common Shares for its Executive Stock Option Plan. A total of 2,225,000 Ciscom Options have been issued as of December 31, 2020. Each option consists of one Common Share exercisable at \$0.10 per share up to May 31, 2026.

On August 29, 2020, the Company entered into a Share Purchase Agreement ("SPA") transaction with Market Focus Direct Inc. for the purchase price of \$3,500,000 for 100% of all issued shares. The purchase price is being satisfied with \$1,000,000 in cash and \$2,500,000 in common shares of the Company issued shares at a price value of \$0.25 per share. The transaction will be completed

through the issuance of 10,000,000 common shares of the Company on closing. The transaction closed on September 1, 2021.

- (i) Paul Gaynor, founder of MFD, will remain President of MFD;
- (ii) Paul Gaynor will resign as the sole director and officer of MFD, and Drew Reid and Michel Pepin will become directors of MFD;
- (iii) Paul Gaynor will become a director of the Company; and,
- (iv) MFD will become a fully owned subsidiary of the Company.
- (v) MFD is a technology driven direct marketing organization that has developed unique proprietary software applications which enables the processing of big data very efficiently. On a day-to-day basis, MFD provides retail analytics, digital marketing, In-Home Advertising (direct mail and flyer distribution management), and related services to Canadian retailers and business-to-consumer companies. MFD uses proprietary sophisticated software applications (IP) to provide fully customized marketing solutions to retail customers in a wide range of industries.

d) Trends and Economic Conditions

Management regularly monitors economic conditions and estimates, their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Interest rate fluctuations;
- Availability of suitable business for acquisition
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labor availability and supply lines.
- Availability of government supplies, such as food, water and electricity.
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "*Risks and Uncertainties*", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "*Cautionary Note Regarding Forward-Looking Information*" above.

e) *Outlook*

The Company intends to continue exploring acquisition opportunities that have the potential to be suitable to Ciscom's objectives. In addition, management will review project submissions, and conduct independent research, for opportunities in such jurisdictions and businesses as it may consider prospective.

There is no assurance that capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

f) *Selected Annual Financial Information*

The following is selected financial data derived from the audited financial statements of the Company and MFD as at December 31, 2020. For the Company, for the period from the date of incorporation on June 29, 2020 to December 31, 2020.

Year ended December 31, 2020	Ciscom (audited)
Revenue	Nil
Operating expenses	\$224,079
Net Income Loss	(\$224,079)
Net Income (loss) per share – basic and diluted	(\$0.2206)
Total assets on December 31, 2020	\$32,441
Distributions or dividends	Nil

g) *Off-Balance Sheet Arrangements*

As at December 31, 2020, the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

h) *Proposed Transactions*

On August 29, 2020, the Company entered into a Share Purchase Agreement with MFD and its shareholders for the acquisition of the 100% of the shares of MFD. The transaction closing date has been extended in order for the Company to complete a financing. The transaction closed on September 1, 2021. The MFD acquisition was satisfied with \$1,000,000 in cash and \$2,500,000 in common shares of the Company issued at \$0.25 per share.

(i) Paul Gaynor, founder of MFD, will remain President of MFD;

(ii) Paul Gaynor will resign as the sole director and officer of MFD, and Drew Reid and Michel Pepin will become directors of MFD;

(iii) Paul Gaynor will become a director of the Company; and,

(iv) MFD will become a fully owned subsidiary of the Company.

i) Financial Highlights

For the Company, from Incorporation date of June 29, 2020 to December 31, 2020.

Revenues

The Company had no revenues in 2020 as it is in start-up in building mode.

Expenses

The expenses for the Company for the period from incorporation for the period June 29, 2020 to December 31, 2020 of \$224,079, consisted of: (i) Accounting/Auditing fees \$72,000, (ii) Legal & Advisory Fees \$48,908 (iii) share based compensation of \$81,611 and (iii) Operational Expenses \$21,560. Advisory and professional fees are related to the Company's initiatives including the SPA with MFD, audits and fees related to becoming a publicly traded entity.

No cash compensation was paid to management and directors during the year.

Interests and Amortization

The Company and MFD do not have any loan or debt with a third party, and as such, interest charges are minimal.

Income taxes

As at December 31, 2020, the Company was in a cumulative losses position and as such had no income taxes to pay or to record.

Net Income

The Company closed its initial year (6 months) with a net loss of \$224,079 as it has no revenue and is incurring expenses with the set up of its operations and the advisor, accounting, audit and legal fees related to its public company listing initiative.

Liquidity

As at December 31, 2020, the Company had \$6,066 in cash and no investment(s) and a negative working capital of \$51,968. The Company needed to raise additional capital to pay its existing liabilities as at December 31, 2020. The Company was successful in raising additional capital and paid all suppliers. The Company did not have any bank indebtedness as at December 31, 2020.

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, Ciscom may procure debt financing from time to time to fund its operations.

Capital Resources

Management is not aware of any significant commitments or expected fluctuations with respect to its capital resources at year-end for the Company.

Fixed Assets and Right-of-Use Assets

The Company has no fixed assets and no Right-of-Use assets.

j) Liquidity and Capital Resources

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, Ciscom may procure debt financing from time to time to fund its operations.

The activities of the Company are principally the acquisition of established organizations, with solid annual revenue (\$5M minimum). The potential acquisition targets must fit within the Company's roll up model and criteria. The potential acquisition targets will be financed through the completion of equity and debt transactions, such as equity offerings, the issuance of convertible debt and the assumption of standard loans from financial institutions. There is no assurance that equity capital or debt financing will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "*Risks and Uncertainties*" below.

As of December 31, 2020, and to the date of this MD&A, the cash resources of the Company are held with a Canadian Schedule 1 chartered bank.

At December 31, 2020, the Company had cash and cash equivalents balance of \$6,066. The cash was raised through share offerings at \$0.02 and \$0.10 per share during the period. Regardless of whether the Company acquires other entities following the Closing of the MFD Acquisition, its working capital was approximately \$423,000 at the date of the Closing which is anticipated to be adequate to sustain operations for a period of at least twenty-four months and beyond.

k) Prospective Acquisitions

While the Company is in discussions with different organizations, it does not have additional acquisitions signed. It is anticipating that acquisition transactions will be completed once the Company has secured its debt financing.

l) Capital Disclosure and Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and,
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, assuming debt, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and its Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned acquisition activities is uncertain and dependent upon securing additional financing.

The Company had issued equity in the amount of \$121,750 as at December 31, 2020 and had issued an Option to purchase shares to CBLT Inc. for 4,965,116 shares for a total consideration of \$30,000 (the Option was exercised in its entirety on February 28th, 2021).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its ongoing activities. The Company's capital management objectives, policies and processes have remained unchanged during the seven-month period ended December 31, 2020. The Company is not yet subject to any capital requirements imposed by a lending institution or regulatory body (may change with a debt financing to complete the MFD/first acquisition) and has adequate working capital or financial resources to maintain operations and cover general and administrative expenses for a period of twenty-four months.

m) Financial Instrument and Risk Management

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 asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payables and accrued liabilities, and due to related parties approximate their carrying value. The Company's other financial instrument, being cash and cash equivalents, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors 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:

(a) 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 and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities and due to related parties are due within the current operating period. The Company has a sufficient cash and cash equivalents balance to settle current liabilities.

(c) Market risk:

The Company is exposed to price risk with respect to equity prices, interest rate variations and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

(d) 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. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on deposit with financial institutions and management actively negotiates favorable market related interest rates.

n) *Major Shareholders and Related Party Disclosures*

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 2020, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than set out below:

Name	Number of common shares	Percentage of outstanding and issued Common Shares	Percentage of outstanding Common Shares – fully diluted
Drew Reid	4,700,000	41.4%	45.8%
Succession of Peter McDonald	1,675,000	14.8%	19.2%
Michel Pepin	2,175,000	19.2%	23.6%

Total Issued	11,275,000	100.0%	80.4%
Total Ciscom Shares Fully Diluted	13,500,000		100.0%

None of the Company's shareholders have different voting rights than other holders of the Company's common shares.

o) Related party disclosures

Related parties include the members of the Board of Directors, officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

- Through the period of June 29, 2020 to December 31, 2020, Drew Reid subscribed to 2,200,000 common shares of the Company at prices of \$0.02 per share and \$0.10 per share and was granted 2,500,000 shares;
- Through the period of June 29, 2020 to December 31, 2020 Peter McDonald (deceased) subscribed to 50,000 common shares of the Company at a price of \$0.10 per share and was granted 1,625,000 shares;
- Through the period of June 29, 2020 to December 31, 2020 Michel Pepin subscribed to 50,000 common shares of the Company at a price of \$0.10 per share and was granted 2,125,000 shares;

The above share subscriptions and grant for Messrs. Reid, McDonald (deceased) and Pepin were part of Builder's subscriptions and considered normal transactions on the start-up of a new company.

p) Share Capital

As at December 31, 2020, the Company had a total of 11,275,000 common shares issued and outstanding and 2,225,000 stock options issued and a total of 4,965,116 CBLT Options exchangeable one to one for common shares. As part of the MFD Acquisition (closed on September 1, 2021), the Company will issue 10,000,000 common shares as payment.

q) Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the financial statements (i) do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Company, in each case as of the date of and for the periods presented by such statements.

r) Risks and Uncertainties

The acquisition, management and development of acquired companies are subject to certain risks associated with such investments. While the management team of the Company has decades of relevant experience, the Company itself is at an early stage of development. The Company is a new

entity, and it acquires established entities with historical solid financial backgrounds which mitigates risks to some extent. Management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

s) Development Stage Company and Acquisition Risks

The Company is a roll up company focused primarily on the acquisition and development of businesses located in Canada. There is no assurance that through any of the Company's acquisition projects that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially advancing and promoting the companies acquired, to maintain existing and increase sales. The acquisition and development of businesses involves a certain degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Certain expenses may be required to establish cash reserves. The profitability of the Company's operations will be, in part, directly related to the cost and success of its acquisition and development programs, which may be affected by a number of factors.

t) Capital Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its acquisition activities may in the future be adversely affected by market conditions. Factors beyond the Company's control such as, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, taxes, and international political and economic trends, conditions, and events. If these or other factors adversely affect the availability of capital that are the subject of the Company's acquisition efforts, the market price or growth of the Company's securities may decline.

u) Market Fluctuation and Commercial Quantities

The market for available and viable companies to acquire is influenced by many factors beyond the Company's control, including without limitation the of capital financing, government legislation and regulations including those relating to prices, interest rates and taxes, and it is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

v) Option and Joint Venture Agreements

The Company has not to date but may enter into option agreements and/or joint ventures as a means of acquiring business interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a

materially adverse impact its strategic value.

w) Financing Risks

Although the Company currently has sufficient cash and cash equivalents, the Company has no source of operating cash flow until it completes the first acquisition with MFD. There is no assurance that additional funding will be available to it for further subsequent acquisitions and development of its projects. Further acquisitions and development of the Company's projects may be dependent upon its ability to obtain financing through equity or debt, and although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further acquisition and development of the Company's projects.

x) Government Regulations, Permitting and Taxation

The Company's acquisitions, operations are subject to standard government taxation under the Excise Tax Act of Canada. No abnormal taxation or regulation is expected or that is not provisioned for within an acquisition of a business that the company engages in.

y) Health, Safety and Community Relations

The Company's operations through various acquisitions may be subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. The company will be careful to weigh acquisitions opportunities within these categories carefully. These laws and regulations also grant the relevant authorities' broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company would, if necessary, comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities.

z) Reliance on Key Personnel

The Company's development to date has largely depended and in the future will continue to depend on the efforts of key management and other key personnel. Although a mandate of the company wand of an acquired business will be for former management to remain on for at least 2 years following the acquisition. Premature Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the

Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

aa) Competitive Industry Environment

The roll up industry is competitive, both domestically and internationally. The Company's ability to acquire businesses and develop those businesses in the future will depend on its ability to select and acquire suitable profitable, stable and established businesses. The Company may be at a competitive disadvantage in acquiring additional businesses because it must compete with other individuals and companies, many of which have greater financial resources, operational experience, and technical capabilities than the Company. Competition could adversely affect the Company's to realize its objectives.

bb) Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, which has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted.

cc) Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, the Company cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn and supply chain issues have caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain uncertain due to new variants. It is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

dd) Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact the Company's financial condition in future periods as a result of reduced business opportunities via acquisitions and dispositions of acquisitions and development of those businesses. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. The Company's strategic initiatives to advance business may be delayed or cancelled as a result.

To date, operations have remained stable under the pandemic but there can be no assurance that the Company's ability to continue to operate the business will not be adversely impacted, in

particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside the Company's control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on business and operations.

ee) Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit the Company's access to capital markets and ability to generate funds to meet out capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while the Company currently has sources of liquidity, such as cash balances, there can be no assurance that these sources will provide sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave the Company unable to react in a manner consistent with historical practices.

ff) Market Risk

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability. The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact the Company's financial condition.

gg) Subsequent Events

Acquisition:

On August 29, 2020, the Company entered into a share purchase agreement with MFD and its shareholders for 100% of its issued and outstanding shares (all categories). The transaction is expected to complete by way of a debt financing and share issuance.

- (i) The acquisition of MFD was to close on October 30, 2020. The closing date was extended and took place on September 1, 2021.
- (ii) Paul Gaynor, founder of MFD, will remain President of MFD;
- (iii) Paul Gaynor will resign as the sole director and officer of MFD, and Drew Reid, Peter McDonald and Michel Pepin will become directors of MFD;
- (iv) Paul Gaynor will become a director of the Company; and,
- (v) MFD will become a fully owned subsidiary of the Company.

Financing:

The Company entered into a loan agreement with Whittaker Graphic Systems Inc. (the majority shareholder of MFD before the Ciscom acquisition) on February 5, 2021 for an amount of \$50,000 to assist with working capital and on-going activities. The loan matures on December 31, 2021 and was extended to March 31, 2022. It carries interests at the rate of 1% per year, single interest.

As part of the MFD acquisition, the Company secured debt financing on September 1, 2021 with a Canadian financial institution (Schedule 1 chartered bank) to establish a credit facility totaling \$1,275,000.

Schedule D-2
Market Focus Direct Inc. Management Discussion and Analysis as at December 31, 2020

Market Focus Direct Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD OF JANUARY 1, 2020 to DECEMBER 31, 2020
(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of the operations of Market Focus Direct Inc. (the "**Company**" or "**MFD**") constitutes management's review of the factors that affected the Company's financial and operating performance from January 1, 2020 to December 31, 2020. This MD&A was written to comply with the requirements of NI 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited financial statements of the Company and the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Information contained herein is presented as of December 31, 2020 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Ciscom common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A contains forward-looking information as further described in the "*Cautionary Note Regarding Forward-Looking Information*" at the end of this MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "*Risks and Uncertainties*" section below.

hh) *Description of Business*

MFD was incorporated under the Business Corporations Act (Ontario) ("**OBCA**") on November 15, 1991. MFD's head office, principal address and registered and records office is located at 550 Alden Road, suite 207, Markham, Ontario, L3R 6A8. MFD is a technology driven organization that has developed unique proprietary software applications which enables the processing of big data very efficiently. On a day-to-day basis, MFD provides analytics, customer acquisition strategies, digital marketing, direct mail, flyer distribution management, and related services to Canadian retailers and business-to-consumer companies. MFD uses proprietary, sophisticated software applications (MFD's IP) to provide fully customized marketing solutions to retail customers in a wide range of industries. MFD's financial year ends on December 31.

ii) *Cautionary Note Regarding Forward-Looking Information*

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All

statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the dates specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “*Risk Factors*” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

jj) Financial and Operating Highlights

Basis of Presentation

The following discussion and analysis of the Company’s financial condition as at December 31, 2020 should be read in conjunction with the Company’s audited financial statements contained in this prospectus. These financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”). All figures are expressed in Canadian dollars unless otherwise indicated.

See “*Risk Factors*” for a discussion of the risks inherent in the business of the Company, which may also affect its continuing financial conditions, cash flows and operating results.

Critical Accounting Estimates

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Financial statement items subject to significant management judgment include:

- Provision for clients' bad debt – Management exercises judgement to determine whether accounts receivable are in good standing and closely follow remittances.
- Impairment of assets – Management exercises judgement to determine whether indicators of impairment exist, and if so, management must estimate the timing and amount of future cash flows from sales.

While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

Changes in Accounting Policies

There were no changes in accounting policies during the year.

Corporate

MFD is a technology driven direct marketing organization that has developed unique proprietary software applications which enables the processing of big data very efficiently. On a day-to-day basis, MFD provides retail analytics, digital marketing, In-Home Advertising (direct mail and flyer distribution management), and related services to Canadian retailers and business-to-consumer companies. MFD uses proprietary sophisticated software applications (IP) to provide fully customized marketing solutions to retail customers in a wide range of industries.

The Company was sold to Ciscom Corp. on September 1, 2021.

kk) Trends and Economic Conditions

Management regularly monitors economic conditions and estimates, their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Interest rate fluctuations;
- Availability of suitable business for acquisition
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labor availability and supply lines.

- Availability of government supplies, such as food, water and electricity.
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "*Risks and Uncertainties*", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "*Cautionary Note Regarding Forward-Looking Information*" above.

ll) Outlook

The Company intends to continue exploring acquisition opportunities that have the potential to be suitable to Ciscom's objectives. In addition, management will review project submissions, and conduct independent research, for opportunities in such jurisdictions and businesses as it may consider prospective.

There is no assurance that capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "*Risks and Uncertainties*" below.

mm) Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Company as at December 31, 2020.

Year ended December 31, 2020	MFD (audited)
Revenue	\$6,143,857
Cost of revenue and Operating expenses	\$5,619,118
Net income before income taxes	\$524,739
Current income taxes	\$110,496
Net Income Loss	\$414,243
Net Income (loss) per share – basic and diluted	\$41.42
Total assets on December 31, 2020	\$3,862,008
Distributions or dividends	\$640,000

nn) Off-Balance Sheet Arrangements

As at December 31, 2020, the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

oo) Proposed Transactions

On August 29, 2020, the Ciscom Corp. entered into a Share Purchase Agreement with MFD and its shareholders for the acquisition of the 100% of the shares of MFD. The transaction closing date has been extended in order for the Company to complete a financing. The transaction closed on September 1, 2021. The MFD acquisition was satisfied with \$1,000,000 in cash and \$2,500,000 in common shares of the Company issued at \$0.25 per share.

- (i) Paul Gaynor, founder of MFD, will remain President of MFD;
- (ii) Paul Gaynor will resign as the sole director and officer of MFD, and Drew Reid and Michel Pepin will become directors of MFD;
- (iii) Paul Gaynor will become a director of the Company; and,
- (iv) MFD will become a fully owned subsidiary of the Company.

pp) Financial Highlights

For the year ended on December 31, 2020.

Revenues

MFD had revenues of \$6,143,857 in 2020 compared to revenues of \$9,773,180 in 2019. A decreased of \$3,629,323 or 37% year-over-year. The decrease in revenues is 100% attributable to COVID-19 as closures, limitations on access and lockdowns have greatly impacted retailers worldwide. As such advertising and marketing budgets were reduced, thus affecting MFD revenue. MFD retained all of its clients and has virtually no current bad debt. Of note, 80% (70% in 2019) of MFD's revenues are from 'essential' providers/retailers which enabled MFD to maintain a respectable level of revenues. Retailers use the services of MFD to create foot traffic. As stores are closed and faced severe restrictions due to the pandemic, volumes decreased.

The pandemic is lasting for a longer period than everyone had anticipated and has affected 2021 results. Projections for Q2 2022 forward see volumes gradually going back to their historical levels.

Expenses

MFD was able to significantly reduce its expenses during the year as a function of additional automation and reduced volumes. Total expenses were \$5,574,638 in 2020 versus \$9,033,507 in 2019, a reduction of \$3,458,869 or 38.3% year-over-year. The impressive reduction in total expenses is in line with the decrease in revenue related to the pandemic, and MFD financial agility.

- Cost of sales were \$4,715,596 for 2020 versus \$7,839,842 in 2019, a reduction of \$3,123,246 or 40% year-over-year. The decrease was related to reduced volumes and additional automation/technology. MFD was able to reduce its cost of sales at a faster rate than the reduction in revenue for the year.
- Gross profit was \$1,428,261 in 2020 versus \$1,934,338 in 2019, a decrease of \$506,077 or 26% year-over-year.
- Gross margin increased in 2020 to 23% from 20% in 2019 as a function of cost of sales reduction and revenue mix. The increased gross margin is continuing in 2021.
- Operating expenses were \$903,522 in 2020 versus \$1,239,546 in 2019, a reduction of \$335,994 or 28%.
- Employees were not laid-off or furloughed as MFD's operations and activities continued, and at the onset of the COVID-19 pandemic, MFD decided to keep its staff on a full-time basis and at full pay, even if further contingent reductions were possible. There were two permanent terminations during the year related to advancement in technology. MFD received a total of \$249,380 in government assistance through the wage subsidy program.

Interests and Amortization

MFD amortization was \$44,480 for 2020 versus \$44,881 for 2019, a decrease of \$401. The main item in being amortized is the Right-of-use assets related to the office lease (\$42,579 in 2020 and \$42,578 in 2019).

Income taxes

As a function of its profitable operations, MFD has income taxes expense of \$110,496 in 2020 versus \$86,415 in 2019.

Net Income

MFD closed 2020 with a Net Income of \$414,243 versus \$608,377 in 2019, a decrease of \$194,134 or 32%. Considering the challenges that 2020 has brought to the retail industry and its suppliers, MFD performed well through this economic challenge.

Liquidity

As at December 31, 2020, MFD had \$1,698,170 in cash (2019: \$1,920,335) and no investment(s). MFD had a positive working capital of \$1,113,331 (2019: \$1,319,750) and a quick ratio of 1.41 (2019: 1.54). MFD does not have any bank indebtedness.

During 2020, MFD declared a dividend in the amount of \$640,000 to its shareholders. The amount was unpaid as at December 31, 2020 and presented in current liabilities.

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, Ciscom may procure debt financing from time to time to fund its operations.

Capital Resources

Management is not aware of any significant commitments or expected fluctuations with respect to its capital resources at year-end for both the Company and MFD.

Fixed Assets and Right-of-Use Assets

Over the years, MFD has invested heavily in the development of its proprietary software and IP. As MFD used internal resources to perform the development, criteria for capitalization under IFRS were not met, and as such, investments were expensed yearly and not capitalized. Consequently, MFD's fixed asset are low and closed at \$6,634 in 2020 and \$8,030 in 2019.

MFD's only Right-of-Use Asset is related to its office lease. As the office lease that was expiring on December 31, 2020 was renewed for 15 months in November 2020, MFD capitalized \$39,591 for its future lease (\$42,579 in 2019).

qq) Liquidity and Capital Resources

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, Ciscom may procure debt financing from time to time to fund its operations.

The activities of the Company are principally the acquisition of established organizations, with solid annual revenue (\$5M minimum). The potential acquisition targets must fit within the Company's roll up model and criteria. The potential acquisition targets will be financed through the completion of equity and debt transactions, such as equity offerings, the issuance of convertible debt and the assumption of standard loans from financial institutions. There is no assurance that equity capital or debt financing will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "*Risks and Uncertainties*" below.

As of December 31, 2020, and to the date of this MD&A, the cash resources of the Company are held with a Canadian Schedule 1 chartered bank.

rr) Prospective Acquisitions

The Company is not in discussions with any other organizations regarding potential acquisition(s).

ss) Capital Disclosure and Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and,
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general.

The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, assuming debt, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and its Board of Directors on an ongoing basis. The Company's ability to continue operations.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its ongoing activities. The Company's capital management objectives, policies and processes have remained unchanged for the period ended December 31, 2020. The Company is not yet subject to any capital requirements imposed by a lending institution or regulatory body and has adequate working capital or financial resources to maintain operations and cover general and administrative expenses for the foreseeable future.

tt) Financial Instrument and Risk Management

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 asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payables and accrued liabilities, and due to related parties approximate their carrying value. The Company's other financial instrument, being cash and cash equivalents, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors 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:

(e) 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 and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

(f) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities and due

to related parties are due within the current operating period. The Company has a sufficient cash and cash equivalents balance to settle current liabilities.

(g) Market risk:

The Company is exposed to price risk with respect to equity prices, interest rate variations and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

(h) 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. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on deposit with financial institutions and management actively negotiates favorable market related interest rates.

uu) *Major Shareholders and Related Party Disclosures*

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 2020, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than set out below:

Name	Number of common shares	Percentage of outstanding and issued Common Shares
Whittaker Inc.	8,816	88.16%
Paul Gaynor	1,184	11.84%
Total MFD Shares Issued	10,000	100.00%

None of the Company's shareholders have different voting rights than other holders of the Company's common shares.

vv) *Related party disclosures*

Related parties include the members of the Board of Directors, officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

- Aside from the payment of dividends described in the financial statements, there were no related party transaction(s) to report.

ww) Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the financial statements (i) do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Company, in each case as of the date of and for the periods presented by such statements.

xx) Government Regulations, Permitting and Taxation

The Company's operations are subject to standard government taxation under the Excise Tax Act of Canada. No abnormal taxation or regulation is expected.

yy) Health, Safety and Community Relations

The Company's operations through various acquisitions may be subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. The company will be careful to weigh acquisitions opportunities within these categories carefully. These laws and regulations also grant the relevant authorities' broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company would, if necessary, comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities.

zz) Reliance on Key Personnel

The Company's development to date has largely depended and in the future will continue to depend on the efforts of key management and other key personnel. Although a mandate of the company wand of an acquired business will be for former management to remain on for at least 2 years following the acquisition. Premature Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out 'key person' insurance in respect of any directors, officers or other

employees.

aaa) Competitive Industry Environment

The Company's industry is competitive. While a number of competitors are in the market, the cost of entry is now higher as specialized software is required for targeting client's the right audience. The ability to continue to deliver services using technology and at a competitive price is essential.

bbb) Global Financial Conditions

These conditions do not the Company's operations.

ccc) Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, the Company cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn and supply chain issues have caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain uncertain due to new variants. It is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

ddd) Strategic & Operational Risks

The ongoing COVID-19 pandemic has changed consumer habits whereas they now consume more online and retailers have repurposed advertising spend to digital media. The Company has adapted and developed a digital offering to remain a supplier of choice.

eee) Subsequent Events

Acquisition:

On August 29, 2020, Cisco Corp. entered into a share purchase agreement with MFD and its shareholders for 100% of its issued and outstanding shares (all categories). The transaction is expected to complete by way of a debt financing and share issuance.

- (i) The acquisition of MFD was to close on October 30, 2020. The closing date was extended and took place on September 1, 2021.
- (ii) Paul Gaynor, founder of MFD, will remain President of MFD;
- (iii) Paul Gaynor will resign as the sole director and officer of MFD, and Drew Reid and Michel Pepin will become directors of MFD;
- (iv) Paul Gaynor will become a director of Cisco Corp.; and,
- (v) MFD will become a fully owned subsidiary of the Company.

Financing:

As part of the MFD acquisition, the Company secured a line of credit on September 1, 2021 with a Canadian Schedule 1 chartered bank to establish a credit facility of \$250,000.

Schedule E
Cisco Corp. Consolidated Management Discussion and Analysis as at December 31, 2021

Cisco Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD OF JANUARY 1, 2021 to DECEMBER 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following Management's Discussion and Analysis ("**MD&A**") of the consolidated financial condition and results of the operations of Ciscom Corp. (the "**Company**" or "**Ciscom**") and its wholly owned subsidiary Market Focus Direct Inc. ("**MFD**") constitutes management's review of the factors that affected the Company's financial and operating performance from January 1, 2021 to December 31, 2021. This MD&A was written to comply with the requirements of NI 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited financial statements of the Company and the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's and MFD's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Information contained herein is presented as of December 31, 2021 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Ciscom common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A contains forward-looking information as further described in the "*Cautionary Note Regarding Forward-Looking Information*" at the end of this MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "*Risks and Uncertainties*" section below.

fff) Description of Business

The Company was incorporated under the *Business Corporations Act (Ontario)* ("**OBCA**") on June 29, 2020. The Company's head office, principal address and registered and records office is located at 20 Bay Street, Suite 1110, Toronto, Ontario, M5J 2N8. The Company acquires and manages businesses in the technology and communications industry. The Company's financial year ends on December 31.

MFD was incorporated under the *Business Corporations Act (Ontario)* ("**OBCA**") on November 15, 1991. MFD's head office, principal address and registered and records office is located at 550 Alden Road, suite 207, Markham, Ontario, L3R 6A8. MFD is a technology driven organization that has developed unique proprietary software applications which enables the processing of big data very efficiently. On a day-to-day basis, MFD provides analytics, customer acquisition strategies, digital marketing, direct mail, flyer distribution management, and related services to Canadian retailers and business-to-consumer companies. MFD uses proprietary, sophisticated software applications

(MFD's IP) to provide fully customized marketing solutions to retail customers in a wide range of industries. MFD's financial year ends on December 31.

ggg) Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the dates specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

hhh) Financial and Operating Highlights

Basis of Presentation

The following discussion and analysis of the Company's financial condition as at December 31, 2021 should be read in conjunction with the Company's consolidated audited financial statements contained in this prospectus. These financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are expressed in Canadian dollars unless otherwise indicated.

See "Risk Factors" for a discussion of the risks inherent in the business of the Company, which may also affect its continuing financial conditions, cash flows and operating results.

Ciscom's principal business is investing in or acquiring operating companies in the ICT sector and assuming an active role in the management of these companies to mitigate risk and maximize growth. The Company defines itself as an enabling business accelerator.

The Company targets companies in such areas as:

3. Companies in the ICT sector; and
4. Companies using technology as a way to process data, incorporate external databases, documents and information to deliver the products and services.

In addition to its investment and acquisition activities, the Company's business mandate includes the negotiating strategic joint ventures and the identification of the implementation of synergies through shared services.

Critical Accounting Estimates

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Financial statement items subject to significant management judgment include:

- Provision for clients' bad debt – Management exercises judgement to determine whether accounts receivable are in good standing and closely follow remittances.
- Impairment of assets – Management exercises judgement to determine whether indicators of impairment exist, and if so, management must estimate the timing and amount of future cash flows from sales.

While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates.

Changes in Accounting Policies

There were no changes in accounting policies during the year.

Corporate

On June 29, 2020, the Company was incorporated under the Ontario Business Corporation Act, and authorized to issue an unlimited number of shares of the following classes:

- d. Common shares;

- e. Class A preferred shares; and,
- f. Class B Preferred shares.

As of December 31, 2021, the Company has issued a total of 40,254,979 Ciscum Shares for a total consideration of \$4,038,012. CBLT Inc. exercised its Option to purchase 4,965,116 Ciscum Shares in its entirety on February 28th, 2021. The Company has reserved a rolling 10% of its issued and outstanding Common Shares for its Executive Stock Option Plan. A total of 2,720,000 Ciscum Options have been issued as of December 31, 2021. Each option consists of one Common Share exercisable per share up to May 31, 2026. A total of 2,225,000 Ciscum Options are exercisable at \$0.10 and a total of 495,000 are exercisable at \$0.25.

On September 1, 2021, the Company completed a Share Purchase Agreement (“SPA”) transaction with Market Focus Direct Inc. for the purchase price of \$3,500,000 for 100% of all issued shares. The purchase price is being satisfied with \$1,000,000 in cash and \$2,500,000 in common shares of the Company issued shares at a price value of \$0.25 per share. The Company issued 10,000,000 Ciscum Shares on closing to the selling shareholders of MFD.

- (i) Paul Gaynor, founder of MFD, is the President of MFD;
- (ii) Paul Gaynor resigned as the sole director and officer of MFD, and Drew Reid and Michel Pepin became directors of MFD;
- (iii) Paul Gaynor became a director of the Company; and,
- (iv) MFD became a wholly owned subsidiary of the Company.
- (v) MFD is a technology driven direct marketing organization that has developed unique proprietary software applications which enables the processing of big data very efficiently. On a day-to-day basis, MFD provides retail analytics, digital marketing, In-Home Advertising (direct mail and flyer distribution management), and related services to Canadian retailers and business-to-consumer companies. MFD uses proprietary sophisticated software applications (IP) to provide fully customized marketing solutions to retail customers in a wide range of industries.

iii) Trends and Economic Conditions

Management regularly monitors economic conditions and estimates, their impact on the Company’s operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management’s going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Interest rate fluctuations;
- Availability of suitable business for acquisition
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labor availability and supply lines.
- Availability of government supplies, such as food, water and electricity.
- Purchasing power of the Canadian dollar; and

- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "*Risks and Uncertainties*", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "*Cautionary Note Regarding Forward-Looking Information*" above.

jjj) Outlook

The Company intends to continue exploring acquisition opportunities that have the potential to be suitable to Cisco's objectives. In addition, management will review project submissions, and conduct independent research, for opportunities in such jurisdictions and businesses as it may consider prospective.

There is no assurance that capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "*Risks and Uncertainties*" below.

kkk) Selected Annual Financial Information

The following is selected financial data derived from the consolidated audited financial statements of the Company as at December 31, 2021. The operations of MFD are consolidated starting September 1, 2021.

Year ended December 31, 2021	Consolidated results (audited)
Revenue	\$1,132,076
Gross Profit	\$190,651
Total Operating expenses	\$691,603
Net Operating Loss	(\$500,952)
Amortization, Change in contingent consideration and Goodwill impairment	\$1,556,485
Net Loss	(\$2,011,032)
Net loss per share – basic and diluted	(\$0.075)
Total assets on December 31, 2021	\$4,622,493
Distributions or dividends	\$Nil

lll) Off-Balance Sheet Arrangements

As at December 31, 2021, the Company did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

mmm) Financial Highlights

For the year ended on December 31, 2021, incorporating the operations of MFD starting September 1, 2021.

Revenues

The Company consolidated revenues were \$1,132,076 (2020: \$Nil). The Covid-19 pandemic is lasting for a longer period than everyone had anticipated and has affected 2021 results. Projections for Q2 2022 forward see volumes gradually increasing.

Gross Profit

The Company realized a gross profit of \$190,651 which represents a gross margin of 17% which is in line with the market and MFD's historical operations.

Expenses

The operating expenses for the Company for the year ended December 31, 2021 were \$691,603. Expenses include \$322,046 in professional fees (accounting/audit, legal and advisory) which are related to the Company's initiative of becoming public and its acquisition prospections. No cash compensation was paid to the Company's management and directors during the year. MFD was able to significantly reduce its expenses during the year as a function of additional automation and reduced volumes.

Interests, Amortization and Impairment

The Company borrowed \$1,000,000 for the acquisition of MFD. The term loan is amortized over 60 months and principal payments are \$16,667 per month. Interest rate was 2.45% during the year which is prime + 1.25%. Interest charges are calculated on the declining balances. Nil in 2020.

The Company amortization of \$178,242 for the year (2020: \$Nil) include fixed assets (\$518), right-of-use assets (\$10,557) and intangibles (\$167,167) amortization. The right-of-use assets are related to the MFD office lease and the intangibles were a function of the MFD acquisition.

On closing of the MFD acquisition the Company recognized \$1,653,243 in goodwill. Following the closing of the MFD acquisition, client orders were cancelled which has led to revised projections. As a prudent and conservative measure, the Company decided to write-off (impairment) 100% of the goodwill in the current year.

Fair value change in contingent consideration liability

AS part of the MFD acquisition an Earn-Out in the amount of \$275,000 could be earned and was booked as a liability on closing. In accordance with the revised projections, the Earn-Out is not foreseen to be payable and was 100% written-off in the year, which provided a gain in the Profit and Loss statement.

Income taxes

As at December 31, 2021, the Company and MFD were in loss positions and as such had no income taxes payable to record.

A deferred tax credit of \$44,333 was recorded in the Profit and Loss statement as a function of the MFD acquisition and its inherent intangible assets.

Net Income

The Company net loss for the year was \$2,011,032. The operating loss was \$500,952 and \$1,510,080 of the loss was related to goodwill impairment and intangibles amortization. The operating loss includes high level of expenses related to professional fees expenses related to the Company's initiative to go public. The goodwill impairment of \$1,653,243 was a one-time event. As such, the Company's bottom line is set to sharply improve in the coming years.

Liquidity

As at December 31, 2021, the Company had \$1,006,133 in cash and no investment(s) and a positive working capital of \$650,597. The Company has sufficient capital for the foreseeable future. The Company has been and continues to be successful in raising additional equity capital.

During 2020, MFD declared a dividend in the amount of \$640,000 to its shareholders. The amount was unpaid as at December 31, 2020 and presented in current liabilities.

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, Ciscom may procure debt financing from time to time to fund its operations.

Capital Resources

Management is not aware of any significant commitments or expected fluctuations with respect to its capital resources at year-end for both the Company and MFD.

Fixed Assets and Right-of-Use Assets

The Company (Ciscom Corp.) has no fixed assets.

Over the years, MFD has invested heavily in the development of its proprietary software and IP. As MFD used internal resources to perform the development, criteria for capitalization under IFRS were not met, and as such, investments were expensed yearly and not capitalized. Consequently, MFD's fixed asset are low and closed at \$5,124 as at December 31, 2021 and \$6,634 in 2020.

The Company Right-of-Use Asset is related to MFD's office lease. The lease expired on March 31,

2022 and the Company further reduced the size of its office as remote work is now a permanent fixture in the work place.

nnn) Liquidity and Capital Resources

Management is not aware of any trends or expected fluctuations that would create any liquidity deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term. However, Ciscom may procure debt financing from time to time to fund its operations.

The activities of the Company are principally the acquisition of established organizations, with solid annual revenue (\$5M minimum). The potential acquisition targets must fit within the Company's roll up model and criteria. The potential acquisition targets will be financed through the completion of equity and debt transactions, such as equity offerings, the issuance of convertible debt and the assumption of standard loans from financial institutions. There is no assurance that equity capital or debt financing will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "*Risks and Uncertainties*" below.

As of December 31, 2021, and to the date of this MD&A, the cash resources of the Company are held with a Canadian chartered bank.

At December 31, 2021, the Company had cash balance of \$1,006,133. The cash was raised several private placements at increased valuations. Regardless of whether the Company acquires other entities following the Closing of the MFD Acquisition, its working capital is anticipated to be adequate to sustain operations for a period of at least twenty-four months and beyond.

ooo) Prospective Acquisitions

The Company is in discussions with different organizations.

On January 26th, 2022, Ciscom entered into a SPA to acquire 100% of all issued and outstanding shares of 188Ont from its shareholders with a Closing in Q2 2022.

Under the 188Ont SPA, Ciscom is purchasing 100% of all issued and outstanding shares of 188Ont for an amount of approximately \$10,830,000 to be satisfied with the payment of \$7,200,000 in cash, an earn-out of \$1,250,000 and \$2,380,000 in Common Shares valued at \$0.55 per share (share issuance of 4,328,000 shares). The Earn-Out ("**188Ont Earn-Out**") of \$1,250,000 is payable in Common Shares at the then market value and can be increased to a maximum amount of \$1,500,000 based of cumulative revenue increases of 14.5% for the years 2022 and 2023 when compared to 2021.

Ciscom is in the process of raising equity and debt with a Canadian Schedule 1 chartered bank to satisfy a portion of the cash portion of the 188Ont Acquisition.

ppp) Capital Disclosure and Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and,
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, assuming debt, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and its Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned acquisition activities is uncertain and dependent upon securing additional financing.

The Company had issued equity in the amount of \$4,038,012 as at December 31, 2021. An additional \$551,718 has been issued (raised) up to April 15, 2022.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its ongoing activities. The Company's capital management objectives, policies and processes have remained unchanged during the seven-month period ended December 31, 2020. The Company is not yet subject to any capital requirements imposed by a lending institution or regulatory body (may change with a debt financing to complete the MFD/first acquisition) and has adequate working capital or financial resources to maintain operations and cover general and administrative expenses for a period of twenty-four months.

qqq) Financial Instrument and Risk Management

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 asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payables and accrued liabilities, and due to related parties approximate their carrying value. The Company's other financial instrument, being cash and cash equivalents, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors 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:

(i) 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 and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

(j) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities and due to related parties are due within the current operating period. The Company has a sufficient cash and cash equivalents balance to settle current liabilities.

(k) Market risk:

The Company is exposed to price risk with respect to equity prices, interest rate variations and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

(l) 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. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on deposit with financial institutions and management actively negotiates favorable market related interest rates.

rrr) Major Shareholders and Related Party Disclosures

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 2021, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than set out below:

Name	Number of common shares	Percentage of outstanding and issued Common Shares	Percentage of outstanding Common Shares – fully diluted
Drew Reid	5,050,000	12.5%	13.0%
CBLT Inc.	4,215,116	10.5%	9.8%
Paul Gaynor/Whittaker Inc.	10,000,000	24.8%	23.3%

Michel Pepin	3,500,000	8.7%	9.3%
Total Issued	40,254,979	100.0%	91.1%
Total Ciscom Shares Fully Diluted	44,921,979		100.0%

None of the Company's shareholders have different voting rights than other holders of the Company's common shares.

sss) Related party disclosures

Related parties include the members of the Board of Directors, officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

- Since the Company's inception through December 31, 2021, Drew Reid subscribed to 2,550,000 Ciscom Shares at prices of \$0.02 per share and \$0.10 per share and was granted 2,500,000 Ciscom Shares. He was also granted 500,000 Ciscom Options;
- Since the Company's inception through December 31, 2021 Michel Pepin subscribed to 2,175,000 Ciscom Shares of the Company at a prices of \$0.02 per share and \$0.10 per share and was granted 2,125,000 shares. Mr. Pepin transferred 800,000 to his family members.;

The above share subscriptions and grant for Messrs. Reid and Pepin were part of Builder's subscriptions and considered normal transactions on the start-up of a new company.

ttt) Share Capital

As at December 31, 2021, the Company had issued a total of 40,254,979 Ciscom Shares and 2,720,000 Ciscom Options. Respectively 41,400,235 Ciscom Shares and 2,725,000 Ciscom Options as at April 30, 2022.

uuu) Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the financial statements (i) do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Company, in each case as of the date of and for the periods presented by such statements.

vvv) Risks and Uncertainties

The acquisition, management and development of acquired companies are subject to certain risks associated with such investments. While the management team of the Company has decades of relevant experience, the Company itself is at an early stage of development. The Company is a new entity, and it acquires established entities with historical solid financial backgrounds which mitigates risks to some extent. Management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the

Company may not be suitable for all investors.

www) Development Stage Company and Acquisition Risks

The Company is a roll up company focused primarily on the acquisition and development of businesses located in Canada. There is no assurance that through any of the Company's acquisition projects that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially advancing and promoting the companies acquired, to maintain existing and increase sales. The acquisition and development of businesses involves a certain degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Certain expenses may be required to establish cash reserves. The profitability of the Company's operations will be, in part, directly related to the cost and success of its acquisition and development programs, which may be affected by a number of factors.

xxx) Capital Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its acquisition activities may in the future be adversely affected by market conditions. Factors beyond the Company's control such as, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, taxes, and international political and economic trends, conditions, and events. If these or other factors adversely affect the availability of capital that are the subject of the Company's acquisition efforts, the market price or growth of the Company's securities may decline.

yyy) Market Fluctuation and Commercial Quantities

The market for available and viable companies to acquire is influenced by many factors beyond the Company's control, including without limitation the of capital financing, government legislation and regulations including those relating to prices, interest rates and taxes, and it is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

zzz) Option and Joint Venture Agreements

The Company has not to date but may enter into option agreements and/or joint ventures as a means of acquiring business interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact its strategic value.

aaaa) Financing Risks

Although the Company currently has sufficient cash and cash equivalents, the Company has no source of operating cash flow until it completes the first acquisition with MFD. There is no assurance that additional funding will be available to it for further subsequent acquisitions and development of its projects. Further acquisitions and development of the Company's projects may be dependent upon its ability to obtain financing through equity or debt, and although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further acquisition and development of the Company's projects.

bbbb) Government Regulations, Permitting and Taxation

The Company's acquisitions, operations are subject to standard government taxation under the Excise Tax Act of Canada. No abnormal taxation or regulation is expected or that is not provisioned for within an acquisition of a business that the company engages in.

cccc) Health, Safety and Community Relations

The Company's operations through various acquisitions may be subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. The company will be careful to weigh acquisitions opportunities within these categories carefully. These laws and regulations also grant the relevant authorities' broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company would, if necessary, comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities.

dddd) Reliance on Key Personnel

The Company's development to date has largely depended and in the future will continue to depend on the efforts of key management and other key personnel. Although a mandate of the company wand of an acquired business will be for former management to remain on for at least 2 years following the acquisition. Premature Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does

not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

eeee) Competitive Industry Environment

The roll up industry is competitive, both domestically and internationally. The Company's ability to acquire businesses and develop those businesses in the future will depend on its ability to select and acquire suitable profitable, stable and established businesses. The Company may be at a competitive disadvantage in acquiring additional businesses because it must compete with other individuals and companies, many of which have greater financial resources, operational experience, and technical capabilities than the Company. Competition could adversely affect the Company's to realize its objectives.

ffff) Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, which has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted.

gggg) Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, the Company cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn and supply chain issues have caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain uncertain due to new variants. It is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

hhhh) Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact the Company's financial condition in future periods as a result of reduced business opportunities via acquisitions and dispositions of acquisitions and development of those businesses. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. The Company's strategic initiatives to advance business may be delayed or cancelled as a result.

To date, operations have remained stable under the pandemic but there can be no assurance that the Company's ability to continue to operate the business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside the Company's control. If one or more of the third parties to whom we

outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on business and operations.

iii) Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit the Company's access to capital markets and ability to generate funds to meet out capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while the Company currently has sources of liquidity, such as cash balances, there can be no assurance that these sources will provide sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave the Company unable to react in a manner consistent with historical practices.

jjj) Market Risk

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability. The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact the Company's financial condition.

kkk) Subsequent Events

Acquisition:

On January 26th, 2022, Ciscom entered into a SPA to acquire 100% of all issued and outstanding shares of 188Ont from its shareholders with a Closing in Q2 2022.

Under the SPA, Ciscom is purchasing 100% of all issued and outstanding shares of 188Ont for an amount of approximately \$10,830,000 to be satisfied with the payment of \$7,200,000 in cash, an earn-out of \$1,250,000 and \$2,380,000 in Common Shares valued at \$0.55 per share (share issuance of 4,328,000 shares). The Earn-Out ("**188Ont Earn-Out**") of \$1,250,000 is payable in Common Shares at the then market value and can be increased to a maximum amount of \$1,500,000 based of cumulative revenue increases of 14.5% for the years 2022 and 2023 when compared to 2021.

Ciscom is in the process of raising equity and debt with a Canadian Schedule 1 chartered bank to satisfy a portion of the cash portion of the 188Ont Acquisition.

Financing:

The Company entered into a loan agreement with Whittaker Graphic Systems Inc. (the majority shareholder of MFD before the Ciscom acquisition) on February 5, 2021 for an amount of \$50,000 to assist with working capital and on-going activities. The loan matures on December 31, 2021 and was extended to February 28, 2022. It carries interests at the rate of 1% per year, single interest.

As part of the MFD acquisition, the Company secured debt financing on September 1, 2021 with a Canadian financial institution (Schedule 1 chartered bank) to establish a credit facility totaling \$1,275,000.

On September 1, 2021, the Company entered into a convertible debenture agreement with Whittaker Inc. (Paul Gaynor) to provide working capital to MFD. The convertible debenture is in the amount of \$150,000 and can be increased to \$300,000 should the company require working capital.

Schedule F
Audited Consolidated Financial Statements of 1883713 Ontario Inc. as at December 31, 2020

CONSOLIDATED FINANCIAL STATEMENTS
1883713 Ontario Inc.

For the years ended December 31, 2020 and 2019

1883713 Ontario Inc.

Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
(Canadian dollars)

Consolidated Financial Statements

Independent Auditor's Report	3 - 5
Consolidated Statements of Financial Position	6
Consolidated Statements of Income and Comprehensive Income	7
Consolidated Statements of Changes in Shareholders' Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	10-42



SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7
Tel: 905 882 9500 & 416 671 7292
Fax: 905 882 9580
Email: info@srco.ca
www.srco.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 1883713 Ontario Inc.

Opinion

We have audited the consolidated financial statements of 1883713 Ontario Inc. and its subsidiaries (the “Company”), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019 and January 1, 2019 [effective date of transition to the International Financial Reporting Standards (IFRS)], the consolidated statements of income and comprehensive income, changes in shareholders’ equity, and cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and 2019 and January 1, 2019, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2020 and 2019, in accordance with IFRS.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Change in Accounting Principles

Without qualifying our opinion on the consolidated financial statements, we draw attention to Note 3 to the consolidated financial statements, which indicates that the Company has retrospectively adopted IFRS as issued by the International Accounting Standards Board. Comparative figures, which were previously presented in accordance with Canadian Accounting Standards for Private Enterprises (ASPE), have been adjusted as necessary.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

(continues)



Independent Auditor's Report to the Shareholders of 1883713 Ontario Inc. (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(continues)



Independent Auditor's Report to the Shareholders of 1883713 Ontario Inc. (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
February 17, 2022

1883713 Ontario Inc.
Consolidated Statements of Financial Position

	Notes	December 31, 2020 \$	December 31, 2019 \$	January 1, 2019 (Note 3) \$
ASSETS				
Current				
Cash	2	1,484,760	676,295	15,022
Short term investment	2	800,000	800,000	-
Trade receivables	6	2,382,455	3,679,821	-
Harmonized sales tax receivable		78,588	59,492	-
Income taxes receivable		-	40,641	-
Prepaid expenses and deposits		119,155	522,387	-
Total Current Assets		4,864,958	5,778,636	15,022
Right-of-use assets	7	25,109	363,784	-
Property and equipment	9	56,206	91,497	-
Investment in equity accounted investee	4	-	-	380,560
Intangible assets	5, 8	408,000	612,000	-
Goodwill	5, 8	572,190	572,190	-
Total Assets		5,926,463	7,418,107	395,582
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	10	3,469,098	5,181,685	57
Deferred revenue		12,980	12,980	-
Income taxes payable	14	95,818	-	-
Deferred tax liabilities	14	54,060	54,060	-
Promissory note	11	423,000	188,000	-
Lease liabilities	7	14,954	342,009	-
Total Current Liabilities		4,069,910	5,778,734	57
Promissory note non-current portion	11	-	423,000	-
Deferred tax liabilities	14	60,349	115,581	-
Lease liabilities non-current portion	7	12,699	27,653	-
Total Liabilities		4,142,901	6,340,911	-
SHAREHOLDERS' EQUITY				
Share capital	13	53	53	53
Other comprehensive income	3, 5	619,908	619,908	-
Retained earnings		1,163,544	457,178	395,472
Total Shareholders' Equity		1,783,505	1,077,139	395,525
Total Liabilities and Shareholders' Equity		5,926,463	7,418,107	395,582

Contingencies [Note 16]

Subsequent events [Note 17]

Approved on behalf of the Board:

Director

Director

The accompanying notes are an integral part of the consolidated financial statements

1883713 Ontario Inc.**Consolidated Statements of Income and Comprehensive Income**

	Note	For year ended December 31, 2020	For year ended December 31, 2019
		\$	\$
Revenue			
Advertisement		19,374,640	21,770,970
Market strategy		1,904,744	1,907,766
		21,279,384	23,678,736
Cost of revenue		17,031,229	19,615,158
Gross profit		4,248,155	4,063,578
Expenses			
Salaries and wages	2	2,249,167	2,842,049
Subscriptions, permit and licenses		295,785	222,645
General and administrative		61,901	116,182
Insurance		99,793	98,506
Marketing and promotions		29,538	57,436
Depreciation and amortization	7, 8, 9	599,671	605,512
Professional fees		15,671	29,698
Interests	7, 11	25,676	45,089
Total expenses		3,377,202	4,017,117
Net income before income taxes		870,953	46,461
Current income tax	14	215,818	31,548
Deferred income tax	14	(51,231)	(46,793)
Net income		706,366	61,706
Remeasurement of equity investment upon acquisition date	3, 5	-	619,908
Net income and comprehensive income		706,366	681,614

The accompanying notes are an integral part of the consolidated financial statements

1883713 Ontario Inc.

Consolidated Statements of Changes in Shareholders' Equity

	Note	Class 1 common shares		Class 2 common shares		Class A shares		Other comprehensive	Retained	Total
		Number	Amount	Number	Amount	Number	Amount	Income	Earnings	
			\$		\$		\$	\$	\$	\$
Balance at January 1, 2019		100	10	100	10	750,000	33	-	431,519	431,572
IFRS 16 adjustment	3	-	-	-	-	-	-	-	(36,047)	(36,047)
Balance at January 1, 2019		100	10	100	10	750,000	33	-	395,472	395,525
Net income for the year		-	-	-	-	-	-	-	61,706	61,706
Remeasurement of equity investments upon acquisition date	3, 5	-	-	-	-	-	-	619,908	-	619,908
Balance at December 31, 2019		100	10	100	10	750,000	33	619,908	457,178	1,077,139
Net income for the year		-	-	-	-	-	-	-	706,366	706,366
Balance at December 31, 2020		100	10	100	10	750,000	33	619,908	1,163,544	1,783,505

The accompanying notes are an integral part of the consolidated financial statements

1883713 Ontario Inc.
Consolidated Statements of Cash Flows

	Note	For year ended December 31, 2020	For year ended December 31, 2019
		\$	\$
OPERATING ACTIVITIES			
Net income		706,366	61,706
Adjustments to reconcile net income to operating cash flow:			
Depreciation of property and equipment	9	56,996	34,506
Amortization of right-of use asset	7	338,675	367,006
Amortization of intangible assets	8	204,000	204,000
Gain on disposal of property and equipment	9	(6,530)	-
Interest accretion on lease liabilities	7	9,437	29,339
		1,308,944	696,557
Change in operating assets and liabilities:			
Trade receivables		1,297,366	1,376,559
Prepaid expenses and deposits		403,232	(287,290)
Harmonized sales tax receivable		(19,096)	(51,931)
Accounts payable and accrued liabilities		(1,712,587)	(2,168,384)
Deferred revenue		-	(38,420)
Income taxes receivable/payable and deferred tax liabilities		85,227	(123,623)
Cash provided by (used in) operating activities		1,363,086	(596,532)
INVESTING ACTIVITIES			
Purchase of property and equipment	9	(21,705)	(54,787)
Proceeds from disposal of property and equipment	9	6,530	-
Proceeds from business combination, net		-	1,803,705
Purchase of short term investment		-	(676,646)
Cash (used in) provided by investing activities		(15,175)	1,072,272
FINANCING ACTIVITIES			
Proceeds from promissory note	11	-	1,174,500
Repayment of promissory note	11	(188,000)	(563,500)
Principal payments of lease liabilities	7	(351,446)	(425,467)
Cash (used in) provided by financing activities		(539,446)	185,533
INCREASE IN CASH		808,465	661,273
CASH - BEGINNING OF YEAR		676,295	15,022
CASH - END OF YEAR		1,484,760	676,295
SUPPLEMENTAL CASH FLOW INFORMATION			
Income taxes paid		79,359	108,378
Interest paid		16,239	15,750

The accompanying notes are an integral part of the consolidated financial statements

1883713 Ontario Inc.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

1. NATURE OF BUSINESS

1883713 Ontario Inc. (the “Company”) was incorporated under the Business Corporations Act of Ontario on October 30, 2012. The Company maintains its registered office at 19 Langmuir Crescent, Toronto, Ontario, M6S 2A8.

Prior to January 1, 2019, the Company owned 46% of the ownership interest of Prospect Media Group Ltd. (“PMG”) (Note 4), an entity incorporated under the Business Corporations Act of Ontario, which provides marketers with consumer data, analytic insights and integrated media strategy, in addition to offering full-service media buying services across digital and traditional channels.

On January 1, 2019 (the date of acquisition), the Company acquired an additional 54% equity interest of PMG (Note 5) and PMG became a wholly-owned subsidiary of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

For all periods up to and including the year ended December 31, 2019 and 2018, the Company prepared its consolidated financial statements in accordance with Canadian Accounting Standards for Private Enterprises (ASPE). These consolidated financial statements for the year ended December 31, 2020 are the first time the Company has prepared in accordance with IFRS. The information on how the Company adopted IFRS first time is disclosed in Note 3.

These consolidated financial statements were approved and authorized for issuance by the Company’s Board of Directors on February 17, 2022. The consolidated financial statements are presented in Canadian dollars which is also the Company and the subsidiary’s functional currency. The accounting policies have been applied consistently in these consolidated financial statements, unless otherwise indicated.

Basis of consolidation

The consolidated financial statements include the accounts of the wholly-owned subsidiary PMG, and references to the Company include references to such subsidiary. The financial statements of the subsidiary are included in these consolidated financial statements from the date on which control commences until the date on which control ceases.

Intercompany balances and transactions are eliminated upon consolidation and preparation of these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest in equity-accounted investee

Prior to January 1, 2019, the Company's interest in equity-accounted investee comprised its interest in PMG. Equity-accounted investees are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. The Company's investment in PMG was accounted for using the equity method, and is recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, these consolidated financial statements include the Company's share of the profit or loss and other comprehensive income (loss) of the equity-accounted investee, until the date on which significant influence ceases (Note 4). If the Company's share of losses equals or exceeds its interest in the equity-accounted investee, including unsecured advances, the Company would not recognize further losses, unless it had incurred obligations or made payments on behalf of the equity-accounted investee. Dividends received from the equity-accounted investee reduce the carrying amount of the investment. Additional advances to the equity-accounted investee increase the carrying amount of the investment.

Unrealized gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses arising from transaction with equity-accounted investee are eliminated against the investment to the extent of the Company's interest in the investee, but only to the extent that there is no evidence of impairment.

Business combination achieved in stages

The acquisition of business transaction is accounted for as business combination by using acquisition method of accounting. The acquisition that is achieved in stages wherein control is acquired through multiple transactions and any investment previously held is remeasured to fair value, recognizing the resulting gain or loss, if any, in other comprehensive income (Note 5).

Revenue from contracts with customers

The Company recognizes revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Specifically, the Company uses a 5-step approach to revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation has been performed ("point in time")

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

recognition) or “over a period of time” as control of the performance obligation is transferred to the customer.

Distribution and production of advertisement flyer revenue and market strategy service revenue are recognized at a “point in time”, after all foregoing conditions of revenue recognition have been met. For those amounts of payments from customers for services to be rendered in a future time, those amounts are deferred and presented as deferred revenue in the statement of financial position and recognize as revenue upon delivery of services. Revenue related to advertisement is recognized when advertisements are printed and distributed or are placed on the digital platforms and collection is reasonably assured. Revenue related to market strategy is recognized when the related services are provided to customers.

Cash

Cash includes demand deposits held with bank with an original maturity of 90 days or less.

Short term investment

Short term investment includes term deposit held with bank with original maturity of more than 90 days but less than one year. Short-term investment is carried at amortized cost at an effective interest rate method less adjustment for impairment loss allowance, if any.

Lease

The Company elected to use modified retrospective method for adoption of IFRS 16, as permitted under the specific transition provisions. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on January 1, 2019 (Note 3).

IFRS 16 requires a lessee to recognize assets and liabilities for all leases subject to some practical expedients. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company accounted for real estate operating leases with a remaining lease term of less than 12 months as short-term leases (remaining lease term of more than 12 months are included for IFRS 16 adoption purposes unless the underlying asset is of a low value).

The Company leases buildings for office use, equipment and motor vehicle. For all long-term lease contracts, the Company recognises right-of-use assets and lease liabilities at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. There are no dismantling, removal and restoration costs included in the cost of the right-of-use asset as management has not incurred an obligation for those costs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

The Company generally uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Leases requires lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. This significant estimate could affect future results if the Company extends the lease or exercises an early termination option.

Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these consolidated financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and judgments are based on management's historical experience, best knowledge of current events or conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the amounts reported in these consolidated financial statements are discussed below:

a) Business combination, Business combination achieved in stages, control and significant influence

The Company uses judgement in determining the entities that it controls and therefore, consolidates or has significant influence and therefore equity accounts. The Company controls an entity when the Company has the existing rights that give it the current ability to direct the activities that significantly affect the entities' returns. The Company has significant influence when the Company has the power to participate in the financial and operating policy decisions of the investee, but does not control nor has joint control of that investee's policies.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Estimates and Judgments (continued)

b) Intangible assets and goodwill

Management is required to use judgement in determining the economic useful lives of identifiable intangible assets. Judgement is also required to determine the frequency with which these assets are to be tested for impairment. The Company uses judgment in determining the grouping of assets to identify its Cash Generating Units (“CGUs”) for purposes of testing for impairment of intangible assets and goodwill. In testing for impairment, goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from the synergies of the business combination. In testing for impairment of intangibles with indefinite lives, these assets are allocated to the CGUs to which they relate.

c) Income taxes

In calculating current and deferred income taxes, the Company uses judgment when interpreting the tax rules where the Company operates. The Company also uses judgment in classifying transactions and assessing probable outcomes of claimed or accrued deductions, which considers expectations of future operating results, the timing and reversal of temporary differences and possible audits of income taxes filings by tax authorities.

d) Covid-19 Impact

In December 2019, a novel strain of coronavirus (COVID-19) emerged. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, it has now spread to several other countries and infections have been reported globally.

During 2020, 2021 and 2022, as a result of COVID-19 infections having been reported throughout Canada, United States and other countries, certain national, provincial, state and local governmental issued proclamations and/or directives aimed at minimizing the spread of COVID-19. Due to the disruption of the COVID-19 crisis, the Company’s business activities might be subject to certain level of adverse impact. To the date of the issuance of these consolidated financial statements, the Company is still assessing the impact on its business, results of operations, financial position and cash flows, which will be accounted for when the reliable estimates will become available, if any, as the business prospered during the pandemic

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Estimates and Judgments (continued)

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in the consolidated statements of income and comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the changes affect both.

Certain estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next fiscal year include useful lives of property and equipment and intangible assets, and accrued liabilities. Those estimates are based on management's assumptions, based on current circumstances, that management believes are a reasonable basis upon which to estimate the future liability.

With respect to intangible assets acquired and goodwill recognized in a business combination, the Company determines fair values using such estimates as discounts rates, growth rates and terminal capitalization rates. These estimates take into account any material change to the assumptions that occur when reviewed regularly by management.

With respect to testing non-financial assets for impairment, the Company determines value in use and fair value less cost to sale using such estimates as cash flows and discount rates. These estimates are periodically reviewed by management.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company uses three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified and measured in two categories, amortized cost or FVTPL. The Company does not separate derivatives embedded in contracts where the host is a financial asset. Instead, the hybrid financial instruments as a whole are assessed for classification.

a) Classification of financial assets and financial liabilities

The Company's financial assets and financial liabilities are classified as follows:

	<u>Classification</u>
Cash	Amortized cost
Short term investment	Amortized cost
Trade receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note	Amortized cost
Lease liabilities	Amortized cost

On initial recognition, a financial asset is classified as measured at amortized cost, FVTPL, or FVTOCI. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company recognizes trade receivables initially when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All trade receivables without a significant financing component are initially measured at their transaction prices. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent to initial recognition, financial assets at amortized costs are measured at cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company recognizes debt securities it issues when they originate. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

a) Classification of financial assets and financial liabilities (continued)

effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the consolidated statements of income and comprehensive income. At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in the consolidated statements of income and comprehensive income in the period in which they arise.

b) Impairment of financial assets

The Company uses a forward-looking "expected credit loss" ("ECL") model. The ECL model requires judgement, including consideration of how changes in economic factors and forward-looking information affect ECLs, which will be determined on a probability-weighted basis. This model is applied, at each reporting date, to the Company's financial assets measured at amortized cost. Impairment losses are recorded in general and administrative expenses with the carrying amount of the financial asset reduced through the use of impairment allowance accounts. The Company applied the simplified approach for trade receivables and short term investment.

Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Gains and losses arising on the disposal of individual assets are recognized in income in the year of disposal. Costs, including financing charges and certain design, construction and installation costs, related to assets that are under construction and are in the process of being readied for their intended use are recorded as construction in progress and are not subject to depreciation until they are ready for their intended use.

Depreciation, which is recorded from the date on which each asset is available for service, is generally provided for on a declining balance method over the estimated useful lives of the property and equipment. The depreciation rates are as follows:

Computer equipment	30% to 55%
Office furniture and fixtures	20% to 30%
Office equipment	30%

Maintenance and repairs are charged to expense as incurred. Renewals and betterments, which materially prolong the useful lives of the assets, are capitalized. The cost and related accumulated amortization of property retired or sold are removed from the accounts, and gains or losses are recognized in the consolidated statements of income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property and equipment, and any changes in estimates arising from the assessment are applied by the Company prospectively.

Intangible assets

Intangible assets acquired through asset acquisitions or business combinations are initially recognized at fair value. The intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives unless such lives are deemed indefinite. The Company evaluates the reasonableness of the estimated useful lives of these intangible assets on an annual basis. The Company reviews intangible assets with indefinite lives annually for impairment but impairment may be reviewed earlier if circumstances indicate that the carrying amount may not be recoverable.

The estimated useful lives of intangible assets are as follows:

Customer relationships	4 years
Brand name	4 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill represents the excess purchase price over the fair value of identifiable assets acquired less liabilities assumed from business combinations. Goodwill is not amortized. The Company reviews goodwill annually for impairment but impairment may be reviewed earlier if circumstances indicate that the carrying amount may not be recoverable.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, assets are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For any other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversal of impairment losses are recognized immediately in the consolidated statements of income and comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense represents the sum of current income tax expense and deferred income tax expense. Current income tax expense is based on taxable income for the year. Income tax is recognized in the consolidated statements of income and comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

Deferred income tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable income against which deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current income tax assets and liabilities on a net basis.

The Company adopted IFRIC 23, *Uncertainty over Income Tax Treatment*, which clarified how to apply the recognition and measurement requirement in IAS 12, *Income Tax*, when there is uncertainty over income tax treatments. There were no uncertainties as at December 31, 2020, December 31, 2019 and January 1, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and units are recognized as a deduction from equity. The Company records proceeds from share issuances net of issue costs and any tax effects.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to salary and wages claimed are recognized as a credit to consolidated statements of income and applied against the salaries and wages. During the year ended December 31, 2020 and 2019, Canadian Emergency Wage Subsidy (“CEWS”) claimed and received that were recognized and applied against salaries and wages were in the amount of \$408,156 and \$NIL, respectively.

Operating segments

The Company determines its reportable segments based on, among other things, how the chief operating decision makers, regularly reviews its operations and performance. The Company follows the same accounting policies for its segments as those described in these consolidated financial statements.

For the years ended December 31, 2020 and 2019, management has determined that the Company is considered to be operating in a single operating and reportable segment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but Not Yet Applied

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee that are mandatory for fiscal periods beginning on or after January 1, 2021.

(a) Amendments to IAS 1, Classification of Liabilities as Current or Non-current (IAS 1)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The amendments to IAS 1 are not expected to have a significant impact on the Company's Consolidated Financial Statements.

(b) Amendments to IFRS 7 - Financial Instruments: Disclosure; IFRS 9 – Financial Instruments; IAS 39, Financial Instruments: Recognition and Measurement; and IFRS 16

In August 2020, the IASB published IBOR Reform Phase 2 which address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. For financial instruments at amortized cost, the amendments introduce a practical expedient such that if a change in the contractual cash flows is as a result of IBOR reform and occurs on an economically equivalent basis, the change will be accounted for by updating the effective interest rate with no immediate gain or loss recognized. The amendments are effective for annual periods beginning on or after January 1, 2021, with earlier application permitted. Management is in the process of assessing the impact of these amendments on contracts in scope, including our IBOR-based financial instruments and hedge relationships, if any.

(c) Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the IASB decided to

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but Not Yet Applied (continued)

(c) Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)

clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

(d) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

(e) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative (G&A) costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Company.

3. FIRST-TIME ADOPTION OF IFRS

These consolidated financial statements, for the year ended December 31, 2020, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended December 31, 2019, the Company prepared its consolidated financial statements in accordance with ASPE.

Accordingly, the Company has prepared consolidated financial statements that comply with IFRS applicable as at December 31, 2020, together with the comparative period data for the year ended December 31, 2019. In preparing the financial statements, the Company's opening statement of financial position was prepared as at January 1, 2019, the Company's date of transition to IFRS.

In preparing its opening and comparative IFRS statement of financial position, the Company has adjusted amounts reported previously in consolidated financial statements prepared in accordance with ASPE. Explanations of how the transition from ASPE to IFRS has affected the Company's equity, its comprehensive income and cash flows are set out in the following reconciliations and the notes that accompany them.

Reconciliation of the shareholders' equity as at January 1, 2019

	Reported under ASPE	Adjustments		Reported under IFRS
		(a)	(b)	
	\$	\$	\$	\$
Assets				
Current assets				
Cash	15,022	-	-	15,022
Total current assets	15,022	-	-	15,022
Equity investment in investee	417,630	(36,047)	(1,023)	380,560
Total Assets	432,652	(36,047)	(1,023)	395,582
Liabilities				
Current liabilities				
Accounts payable	57	-	-	57
Total current liabilities	57	-	-	57
Total Shareholders' Equity	432,595	(36,047)	(1,023)	395,525
Total Liabilities and Shareholders' Equity	432,652	(36,047)	(1,023)	395,582

3. FIRST-TIME ADOPTION OF IFRS (continued)

a) Leases

Prior to transition into IFRS, the Company accounted those lease transactions as operating leases with lease payments charged to profit or loss as incurred in accordance with ASPE. Upon transition into IFRS 16 effectively on January 1, 2019, the Company elected to use modified retrospective method and therefore not restated the prior reporting period comparatives, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on January 1, 2019. The adjustment represents the Company's share of the effect on profit or loss from PMG's IFRS 16 adjustments.

b) Deferred income taxes

Under ASPE, the Company accounted for income taxes using the taxes payable method under which the Company reported as an expense of the year only the cost of current taxes for that year determined in accordance with rules established by the taxation authorities. Upon transition to IFRS, the Company reports income taxes expense in accordance with IAS 12. Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance. The adjustment upon transition into IFRS represents the Company's share of PMG's deferred tax items from the unused income taxes losses carried forward and the timing difference between accounting depreciation of property and equipment and the capital cost allowances.

1883713 Ontario Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2020 and 2019

3. FIRST-TIME ADOPTION OF IFRS (continued)

Reconciliation of the balance sheet items impacted by adoption of IFRS as at December 31, 2019 are as follows:

	Reported	Adjustments				€	(€(e))	Reported	
	under ASPE	(a) (i)	(a) (ii)	(a) (iii)	(b)			under IFRS	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS									
Current assets									
Cash	676,295								676,295
Short term investment	800,000								800,000
Trade receivables	3,679,821								3,679,821
Harmonized sales tax receivable	59,492								59,492
Income taxes receivable	40,641								40,641
Prepaid expenses and deposits	565,750	(43,363)							522,387
Total Current Assets	5,821,999	(43,363)	-	-	-	-	-	-	5,778,636
Right-of-use assets	-	708,012			(344,228)				363,784
Property and equipment	91,497								91,497
Intangible assets	612,000								612,000
Goodwill	281,393			290,797					572,190
Total Assets	6,806,889	664,649	-	290,797	(344,228)	-	-	-	7,418,107
LIABILITIES AND SHAREHOLDERS' EQUITY									
Current liabilities									
Accounts payable and accrued liabilities	5,181,685								5,181,685
Deferred revenue	12,980								12,980
Promissory note	188,000								188,000
Deferred tax liabilities	-			54,060					54,060
Lease liabilities	-	391,196			(49,187)				342,009
Total Current Liabilities	5,382,665	391,196	-	54,060	(49,187)	-	-	-	5,778,734
Promissory note non-current portion	423,000								423,000
Deferred tax liabilities	-		(3,806)	162,1800		7,267	(54,060)		111,581
Lease liabilities non-current portion	-	351,816			(324,163)				27,653
Total Liabilities	5,805,608	743,012	(3,806)	216,240	(373,350)	7,267	(54,060)	-	6,340,968
SHAREHOLDERS' EQUITY									
Share capital	53								53
Other comprehensive income	582,838							37,070	619,908
Retained earnings	418,333	(78,363)	3,806	74,557	29,122	(7,267)	54,060	(37,070)	457,178
Total Shareholders' Equity	1,001,224	(78,363)	3,806	74,557	29,122	(7,267)	54,060	-	1,077,196
Total Liabilities and Shareholders' Equity	6,806,889	664,649	-	290,797	(344,228)	-	-	-	7,418,107

3. FIRST-TIME ADOPTION OF IFRS (continued)

a) i) Lease accounting on January 1, 2019

Prior to transition into IFRS, the Company accounted those lease transactions as operating leases with lease payments charged to profit or loss as incurred in accordance with ASPE. After transition into IFRS 16 effectively on January 1, 2019 and pursuant to the step-acquisition of PMG (Note 5), the Company recognized operating right-of-use assets and lease liabilities accordingly and the new leases accounting treatment decreased prepaid expenses and deposit by \$43,363, increased right-of-use assets by \$708,012, increased lease liabilities by \$734,012 (current portion - \$391,196 and non-current portion - \$351,816) with the difference of \$78,363 charged to retained earnings.

a) ii) Deferred income taxes accounting on January 1, 2019

Under ASPE, the Company accounted for income taxes using the taxes payable method under which the Company reported as an expense of the year only the cost of current taxes for that year determined in accordance with rules established by the taxation authorities. Upon transition to IFRS, the Company reports income taxes expense in accordance with IAS 12. Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance. The adjustment upon transition into IFRS represents the deferred tax items in the amount of \$3,806 from the unused income taxes losses carried forward, and the timing difference between accounting depreciation of property and equipment and the capital cost allowances.

a) iii) Business combination

Under ASPE, upon step-acquisition of PMG (Note 5), the Company did not recognize (i) deferred tax liabilities related to previously unrecognized intangible assets in amount of \$216,240, (ii) the total effect in opening retained earnings in the amount of \$74,557 related to operating leases related right-of-use assets and lease liabilities, deferred tax items from the timing difference between accounting depreciation of property and equipment and the capital cost allowances, and the unused income taxes losses carried forward. The total effect of the GAAP difference decreased the fair value of net assets and liabilities acquired by \$290,979 and an increased recognized goodwill by \$290,979 under IFRS.

b) Leases accounting for year ended December 31, 2019

Under ASPE, for leases transactions that would not transfer the ownership at end of the lease term, such transactions haven't been accounted for as operating leases with lease payments charged to profit or loss as incurred. After transition into IFRS 16 effectively on January 1, 2019, the Company recognized operating right-of-use assets and lease liabilities accordingly. The adjustments represent the recognition of right-of-use asset by \$22,778, the right-of-use assets amortization charge for the year in amount of \$367,006, the decrease of lease liabilities by

\$373,350 (current portion - \$49,187 and noncurrent portion - \$324,163), and the cumulative current year adjustments reflected in retained earnings in the amount of \$29,122.

3. FIRST-TIME ADOPTION OF IFRS (continued)

c) Deferred income taxes accounting for year ended December 31, 2019

Under ASPE, the Company accounted for income taxes using the taxes payable method under which the Company reported as an expense of the year only the cost of current taxes for that year determined in accordance with rules established by the taxation authorities. Upon transition to IFRS, the Company reports income taxes expense in accordance with IAS 12. The adjustments represent the increase of the deferred tax liabilities in the amount of \$7,267 from the timing difference between accounting depreciation of property and equipment and the capital cost allowances.

d) Deferred income taxes accounting related to intangible assets for year ended December 31, 2019

The adjustments represent the amortization of deferred tax liabilities related to intangible assets recognized pursuant to business combination transaction in amount of \$54,060 during current year.

e) Remeasurement of equity investments upon acquisition date for year ended December 31, 2019

Under ASPE, the Company did not recognize, measure and subsequently measure right-of-use assets, lease liabilities, deferred tax items from the timing difference between accounting depreciation of property and equipment and the capital cost allowances, the unused income taxes losses carried forward, and the deferred tax liabilities resulted from the previously unrecognized intangible assets acquired upon date of business acquisition (Note 5). The accumulated effect of those GAAP difference increased other comprehensive income by \$37,070 under IFRS.

1883713 Ontario Inc.**Notes to the Consolidated Financial Statements**

For the years ended December 31, 2020 and 2019

3. FIRST-TIME ADOPTION OF IFRS (continued)

Reconciliation of income and comprehensive income as at December 31, 2019

	Reported under ASPE	(a)	Adjustments		(d)	Reported under IFRS
	\$	\$	\$	\$	\$	\$
Revenue						
Advertisement	21,770,970					21,770,970
Market strategy	1,907,766					1,907,766
	23,678,736					23,678,736
Cost of sales	19,615,158					19,615,158
Gross Profit	4,063,578	-	-	-	-	4,063,578
Expenses						
Salaries and wages	2,842,049					2,842,049
Occupancy	411,562	(411,562)				-
Subscriptions, permit and licenses	222,645					222,645
General and administrative	130,087	(13,905)				116,182
Insurance	98,506					98,506
Marketing and promotions	57,436					57,436
Depreciation and amortization	238,506	367,006				605,512
Professional fees	29,698					29,698
Interests	15,750	29,339				45,089
Total expenses	4,046,239	(29,122)	-	-	-	4,017,117
Net income before income taxes	17,339	29,122	-	-	-	46,461
Current income tax	31,548					31,548
Deferred income tax	-		7,267	(54,060)		(46,793)
Net income	(14,209)	29,122	(7,267)	54,060	-	61,706
Remeasurement of equity investments upon acquisition date	582,838				37,070	619,908
Net income and comprehensive income	568,629	29,122	(7,267)	54,060	37,070	681,614

3. FIRST-TIME ADOPTION OF IFRS (continued)

a) Leases accounting for year ended December 31, 2019

Under ASPE, for leases transactions that would not transfer the ownership at end of the lease term, such transactions have been accounted for as operating leases with lease payments charged to profit or loss as incurred. Upon transition into IFRS 16 effectively on January 1, 2019, during year ended December 31, 2019, the Company recognized operating right-of-use assets and lease liabilities accordingly. The adjustments represent the recognition of right-of-use asset by \$22,778, the right-of-use assets amortization charge for the year in amount of \$367,006, the decrease of lease liabilities by \$373,350 (current portion - \$49,187 and noncurrent portion - \$324,163), and the cumulative current year adjustments reflected in retained earnings in amount of \$29,122.

b) Deferred income taxes accounting for year ended December 31, 2019

Under ASPE, the Company accounted for income taxes using the taxes payable method under which the Company reported as an expense of the year only the cost of current taxes for that year determined in accordance with rules established by the taxation authorities. Upon transition to IFRS, the Company reports income taxes expense in accordance with IAS 12. The adjustments represent the increase of the deferred tax liabilities in the amount of \$7,267 from the timing difference between accounting depreciation of property and equipment and the capital cost allowances as well as an increase in deferred income tax expense.

c) Deferred income taxes accounting related to intangible assets for year ended December 31, 2019

The adjustments represent the amortization of deferred tax liabilities related to intangible assets recognized pursuant to business combination transaction (Note 5) in amount of \$54,060 during current year.

d) Remeasurement of equity investments upon acquisition date for year ended December 31, 2019

Under ASPE, the Company did not recognize, measure and subsequently measure right-of-use assets, lease liabilities, deferred tax items from the timing difference between accounting depreciation of property and equipment and the capital cost allowances, the unused income taxes losses carried forward, and the deferred tax liabilities resulted from the previously unrecognized intangible assets acquired upon date of business acquisition (Note 5). The accumulated effect of those GAAP difference increased other comprehensive income by \$37,070 under IFRS.

1883713 Ontario Inc.**Notes to the Consolidated Financial Statements**

For the years ended December 31, 2020 and 2019

3. FIRST-TIME ADOPTION OF IFRS (continued)

Reconciliation of cash flows for year ended December 31, 2019

	Reported under ASPE	Adjustments		Reported under IFRS
		(a)	(b)	
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net income	(14,209)	29,122	46,793	61,706
Adjustments to reconcile net income to operating cash flow:				
Depreciation of property and equipment	34,506			34,506
Amortization of right-of use asset	-	367,006		367,006
Amortization of intangible assets	204,000			204,000
Interest accretion on lease liability	-	29,339		29,339
	224,297	425,467	46,793	696,557
Change in operating assets and liabilities:				
Trade receivables	1,376,559			1,376,559
Prepaid expenses and deposits	(287,290)			(287,290)
Harmonized sales tax receivable	(51,931)			(51,931)
Accounts payable and accrued liabilities	(2,168,384)			(2,168,384)
Deferred revenue	(38,420)			(38,420)
Income taxes receivable/payable and deferred tax liabilities	(76,830)		(46,793)	(123,623)
Cash provided by (used in) operating activities	(1,021,999)	425,467	-	(596,532)
INVESTING ACTIVITIES				
Purchase of property and equipment	(54,787)			(54,787)
Proceeds from business combination, net	1,803,705			1,803,705
Purchase of short term investment	(676,646)			(676,646)
Cash provided by investing activities	1,072,272			1,072,272
FINANCING ACTIVITIES				
Proceeds from promissory note	1,174,500			1,174,500
Repayment of promissory note	(563,500)			(563,500)
Principal payments of lease liabilities	-	(425,467)		(425,467)
Cash provided by (used in) financing activities	611,000	(425,467)		185,533
INCREASE IN CASH	661,273			661,273
CASH - BEGINNING OF YEAR	15,022			15,022
CASH - END OF YEAR	676,295			676,295

3. FIRST-TIME ADOPTION OF IFRS (continued)

a) Leases accounting for year ended December 31, 2019

Under ASPE, for leases transactions that would not transfer the ownership at end of the lease term, such transactions haven been accounted for as operating leases with lease payments charged to profit or loss as incurred. Upon transition into IFRS 16 effectively on January 1, 2019, during year ended December 31, 2019, the Company recognized operating right-of-use assets and lease liabilities accordingly. The adjustments represent respective IFRS 16 adjustments.

b) Deferred income taxes accounting for year ended December 31, 2019

Under ASPE, the Company accounted for income taxes using the taxes payable method under which the Company reported as an expense of the year only the cost of current taxes for that year determined in accordance with rules established by the taxation authorities. Upon transition to IFRS, the Company reports income taxes expense in accordance with IAS 12. The adjustments represent the IAS 12 adjustments.

4. INVESTMENT IN EQUITY INVESTEE

Prior to acquisition of control of PMG on January 1, 2019 (Note 5) and up to December 31, 2018, the Company owned 46% of the ownership interest of PMG. The carrying amount of investment in equity investee was \$380,560 that composed of initial investments in cost of \$50,398 and the Company's share of PMG's retained earnings in amount of \$330,162. The following summarizes PMG's financial information under IFRS:

	As at January 1, 2019
	\$
Current assets	8,400,597
Non-current assets	779,228
Current liabilities	(7,828,797)
Non-current liabilities	(348,010)

5. ACQUISITION OF BUSINESS

On January 1, 2019 (date of transaction), the Company acquired an additional 54% of the shares of PMG for cash consideration of \$1,174,500. Upon completion of the transaction, the Company obtained controlling interest of PMG and PMG become a wholly owned subsidiary of the Company.

The transactions of the investments in PMG during prior years (Note 4) and the 54% additional share purchase have been accounted for in accordance to IAS 28 - Investments in Associates and Joint Ventures and IFRS 3 – Business Combinations as business acquisition in stages or step-acquisition.

The following table summarizes the purchase price allocation:

	\$
Cash consideration	1,174,500
Fair value of previously held equity interest	1,000,468
Total	2,174,968
Assets acquired and liabilities assumed	
Cash	2,978,205
Short term investment	123,354
Trade and receivables	5,056,380
Harmonized sales tax receivable	7,561
Prepaid expenses and deposits	235,097
Right-of-use assets (Note 7)	708,012
Property and Equipment (Note 9)	71,216
Intangible assets (Note 8)	816,000
Accounts payable and Accrued liabilities	(7,350,012)
Deferred revenue	(51,400)
Income taxes payable	(36,189)
Lease liabilities (Note 7)	(743,012)
Deferred tax liabilities	(212,434)
Total net assets	1,602,778
Goodwill	572,190

Pursuant to the transaction, the Company identified intangible assets with a fair value of \$816,000 (Customer relationships in the amount of \$272,000 and Brand name in the amount of \$544,000) as well as recognized related deferred tax liabilities.

The Company accounted for its previously held 46% equity interest in PMG up to January 1, 2019 as an equity-accounted investee. The fair value of previously held equity interest in PMG was in amount of \$1,000,468 on date of acquisition. The difference of \$619,908 between the fair value and carrying value of \$380,560 (Note 4) was recorded as a credit to the other comprehensive income.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

6. TRADE RECEIVABLES

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
Trade receivables	2,382,455	3,679,821
Impairment provision for trade receivables	-	-
Total	2,382,455	3,679,821

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company's leases are related to the lease of office space, equipment and vehicle. During the year ended December 31, 2021, upon the expiry of the office lease contract in November 2021, the Company did not extend the lease contract. When measuring lease liability, the Company discounted lease payments using its incremental borrowing rate of 5% (2019: 5%).

Right-of-use assets

	\$
Balance at the balance initial recognition (Note 5)	708,012
Additions during the year	22,778
Amortization charge for the year	(367,006)
Balance at December 31, 2019	363,784
Amortization charge for the year	(338,675)
Balance at December 31, 2020	25,109

Lease liabilities

	\$
Balance at the balance initial recognition (Note 5)	743,012
Additions during the year	22,778
Accretion on lease liability	29,339
Lease payments	(425,467)
Balance at December 31, 2019	369,662
Accretion on lease liability	9,437
Lease payments	(351,446)
Balance at December 31, 2020	27,653

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
Classified as current	14,954	342,009
Classified as non-current	12,699	27,653

8. INTANGIBLE ASSETS AND GOODWILL**a) Intangible assets**

	Brand name	Customer relationships	Total
	\$	\$	\$
Cost			
Initial recognition on date of acquisition (Note 5)	544,000	272,000	816,000
Additions	-	-	-
Balance at December 31, 2019	544,000	272,000	816,000
Additions	-	-	-
Balance at December 31, 2020	544,000	272,000	816,000
Accumulated amortization			
Initial recognition on date of acquisition	-	-	-
Amortization	136,000	68,000	204,000
Balance at December 31, 2019	136,000	68,000	204,000
Amortization	136,000	68,000	204,000
Balance at December 31, 2020	272,000	136,000	408,000
Net book value			
Initial recognition on date of acquisition (Note 5)	544,000	272,000	816,000
Balance at December 31, 2019	408,000	204,000	612,000
Balance at December 31, 2020	272,000	136,000	408,000

b) Goodwill

Initial recognition on date of transaction, as at December 31, 2019 and 2020 (Note 5)	<u>572,190</u>
---	----------------

1883713 Ontario Inc.**Notes to the Consolidated Financial Statements**

For the years ended December 31, 2020 and 2019

9. PROPERTY AND EQUIPMENT

	Computer equipment	Office furniture and fixture	Office equipment	Total
	\$	\$	\$	\$
Cost				
Initial recognition on date of acquisition	443,919	193,579	13,768	651,266
Additions	54,787	-	-	54,787
Balance at December 31, 2019	498,706	193,579	13,768	706,053
Additions	21,705	-	-	21,705
Disposal	-	(193,579)	(13,768)	(207,346)
Balance at December 31, 2020	520,411	-	-	520,411
Accumulated depreciation				
Initial recognition on date of acquisition	398,068	169,835	12,147	580,050
Depreciation	28,761	5,259	486	34,506
Balance at December 31, 2019	426,829	175,094	12,633	614,556
Depreciation	37,376	18,485	1,135	56,996
Disposal	-	(193,579)	(13,768)	(207,347)
Balance at December 31, 2020	464,205	-	-	464,205
Carrying amounts				
Initial recognition on date of acquisition (Note 5)	45,852	23,743	1,621	71,216
Balance at December 31, 2019	71,878	18,484	1,135	91,497
Balance at December 31, 2020	56,206	-	-	56,206

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
Accounts payable	3,319,111	4,965,909
Accrued liabilities	149,987	215,776
Total	3,469,098	5,181,685

11. PROMISSORY NOTE

On January 1, 2019, the Company issued a promissory note in the amount of \$1,174,500 carrying interest rate of approximately 3% per year and repaid \$422,500. The promissory note was repayable on a quarterly basis at \$47,000 per quarter and maturing on January 1, 2023. Unpaid balance of the promissory note was subject to a general security agreement related to the Company’s assets and the Company pledged the 54% of the subsidiary’s common shares as security. The Company has fully paid the promissory note at December 31, 2021 and was released from all debts by the lender (Note 17).

The interest expenses paid and charged to the consolidated statements of income was in the amount of \$16,239 (2019 - \$15,750).

12. RELATED PARTY TRANSACTIONS

Related parties are defined as management and principal shareholders of the Company and/or members of their immediate family and/or other companies and/or entities in which a principal shareholder, director or senior officer is a principal owner or senior executive.

Related party transactions were performed in the normal course of business and are related to compensation to senior management.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors, advisory board members, officers of the Company. During the year, key management personnel were compensated for \$1,112,619 (2019 - \$1,263,760).

13. SHARE CAPITAL

a) Authorized:

Unlimited number of class 1 common shares, one vote per share, without par value.

Unlimited number of class 2 common shares, non-voting share, without par value.

Unlimited number of class A shares, one vote per share, with no stated par value.

Unlimited number of class B shares, non-voting share, with no stated par value.

Unlimited number of class C shares, one vote per share, with no stated par value.

b) Issued:

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
100 Class 1 common shares	10	10
100 Class 2 common shares	10	10
750,000 Class A shares	33	33
	53	53

14. INCOME TAXES

a) Amounts recognized in profit or loss

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
Current income tax	215,818	31,548
Deferred income tax	(51,231)	(46,793)
Income tax expenses (recovery)	164,587	(15,245)

b) Current income taxes

The income taxes expenses differ from that which would be expected by applying the federal and provincial statutory income tax rates of 26.50% for year ended December 31, 2020 (2019 – 26.50%) to income before income taxes. A reconciliation of the difference is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
Income before tax	870,953	46,461
Expected income tax expenses at statutory tax rate of 26.5%	230,803	12,312
Tax effect on:		
Non-deductible and non-taxable items, net	52,152	53,579
Small business deduction and other changes	(67,137)	(34,343)
Change in deferred tax items	(51,231)	(46,793)
	164,587	(15,245)

c) Deferred income taxes

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
Capital loss	(6,501)	(6,501)
Timing difference	12,790	9,962
Deferred tax liabilities recognized pursuant to acquisition of business (Note 5)	108,120	162,180
Total deferred tax liabilities	114,409	165,641

The capital loss can be carried forward to reduce the taxable capital gain in future.

15. FINANCIAL INSTRUMENTS

Fair Value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are unobservable inputs.

Any assets and liabilities which to be measured at fair value will be categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

Financial Risk Management

The Company is exposed to credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and the Company risk appetite.

15. FINANCIAL INSTRUMENTS (continued)

a) Credit Risk and Economic Dependence

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and trade receivables. The cash consists of money held in a reputable Canadian bank. To reduce its credit risk from its trade receivables balances, the Company reviews a new client credit history before extending credit. The Company recognized an impairment provision in the amount of \$NIL as at December 31, 2020 (December 31, 2019 - \$NIL; January 1, 2019 - \$NIL;).

The following table provides information regarding the aged trade receivables:

	Current	31-60 days	60 days to 90 days	Over 90 days	Total
	\$	\$	\$	\$	\$
At December 31, 2020	1,680,883	640,299	61,273	-	2,382,455
At December 31, 2019	2,651,236	559,583	108,587	360,415	3,679,821

For year ended December 31, 2020, 65% (2019: 62%) revenue was generated from 6 customers, and which represented 79% (2019:60%) of the trade receivable balance as at December 31, 2020.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligation associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through maintaining sufficient funds in the bank.

15. FINANCIAL INSTRUMENTS (continued)

b) Liquidity Risk (continued)

The following table sets out the Company's contractual maturities (representing undiscounted contractual cash flows) of financial liabilities and commitments:

	12 months	1 to 2 years	2 to 5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	3,469,098	-	-	3,469,098
Promissory note	423,000	-	-	423,000
Lease liabilities	15,828	12,791	221	28,840
At December 31, 2020	3,907,926	12,791	221	3,920,938

	12 months	1 to 2 years	2 to 5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	5,181,685	-	-	5,181,685
Promissory note	188,000	423,000	-	611,000
Lease liabilities	351,545	31,079	5,337	387,961
At December 31, 2019	5,721,230	454,079	5,337	6,180,646

c) Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

16. CONTINGENCIES

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As at December 31, 2020, December 31, 2019 and January 1, 2019 there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

17. SUBSEQUENT EVENTS

The Company fully paid the promissory note at December 31, 2021 and was released from all debts by the lender (Note 11).

On January 26, 2022, the Company's shareholders entered into a Share Purchase Agreement with Ciscom Corp. to sell all of the issued and outstanding shares of the Company to Ciscom Corp., a company incorporated under the laws of the province of Ontario. The purchase price will be satisfied by payment of cash and issuance of Ciscom Corp. shares. The transaction is expected to close on February 28, 2022.

Schedule G
Audited Consolidated Financial Statements of 1883713 Ontario Inc. as at December 31, 2021

CONSOLIDATED FINANCIAL STATEMENTS
1883713 Ontario Inc.

For the years ended December 31, 2021 and 2020

1883713 Ontario Inc.

Consolidated Financial Statements
For the years ended December 31, 2021 and 2020
(Canadian dollars)

Consolidated Financial Statements

Independent Auditor's Report	3 - 5
Consolidated Statements of Financial Position	6
Consolidated Statements of Income and Comprehensive Income	7
Consolidated Statements of Changes in Shareholders' Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	10-31



SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7
Tel: 905 882 9500 & 416 671 7292
Fax: 905 882 9580
Email: info@srco.ca
www.srco.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 1883713 Ontario Inc.

Opinion

We have audited the consolidated financial statements of 1883713 Ontario Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, the consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020, in accordance with IFRS.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

(continues)



Independent Auditor's Report to the Shareholders of 1883713 Ontario Inc. (continued)

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(continues)



Independent Auditor's Report to the Shareholders of 1883713 Ontario Inc. (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SRCO Professional Corporation

Richmond Hill, Canada
April 11, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

1883713 Ontario Inc.
Consolidated Statements of Financial Position

	Notes	December 31, 2021 \$	December 31, 2020 \$
ASSETS			
Current			
Cash	2	2,233,707	1,484,760
Short term investment	2	-	800,000
Trade receivables	4	4,539,075	2,382,455
Harmonized sales tax receivable		34,293	78,588
Prepaid expenses and deposits		334,886	119,155
Total Current Assets		7,141,961	4,864,958
Right-of-use assets	5	10,935	25,109
Property and equipment	7	43,667	56,206
Cash surrender value of insurance policy		21,000	-
Intangible assets	3, 6	204,000	408,000
Goodwill	3, 6	572,190	572,190
Total Assets		7,993,753	5,926,463
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	4,333,172	3,469,098
Deferred revenue and advance from customer		221,870	12,980
Income taxes payable	12	259,963	95,818
Promissory note	9	-	423,000
Deferred tax liabilities	12	54,060	54,060
Lease liabilities	7	11,190	14,954
Total Current Liabilities		4,880,255	4,069,910
Deferred tax liabilities	12	3,429	60,349
Lease liabilities non-current portion	5	1,508	12,699
Total Liabilities		4,885,192	4,142,958
SHAREHOLDERS' EQUITY			
Share capital	11	53	53
Accumulated other comprehensive income	3	619,908	619,908
Retained earnings		2,488,600	1,163,544
Total Shareholders' Equity		3,108,561	1,783,505
Total Liabilities and Shareholders' Equity		7,993,753	5,926,463

Contingencies [Note 14]

Subsequent events [Note 15]

Approved on behalf of the Board:

Director

Director

The accompanying notes are an integral part of the consolidated financial statements

1883713 Ontario Inc.**Consolidated Statements of Income and Comprehensive Income**

	Note	For year ended December 31, 2021	For year ended December 31, 2020
		\$	\$
Revenue			
Advertisement		24,709,213	19,374,640
Market strategy		2,023,945	1,904,744
		26,733,158	21,279,384
Cost of revenue		21,376,655	17,031,229
Gross profit		5,356,503	4,248,155
Expenses			
Salaries and wages	2	2,711,620	2,249,167
Subscriptions, permit and licenses		283,067	295,785
General and administrative		107,219	61,901
Insurance		145,845	99,793
Marketing and promotions		27,614	29,538
Depreciation and amortization	5, 6, 7	245,696	599,671
Professional fees		78,161	15,671
Interests	5, 9	13,362	25,676
Total expenses		3,612,584	3,377,202
Net income before income taxes		1,743,919	870,953
Current income tax	12	475,783	215,818
Deferred income tax	12	(56,920)	(51,231)
Net income and comprehensive income		1,325,056	706,366

The accompanying notes are an integral part of the consolidated financial statements

1883713 Ontario Inc.

Consolidated Statements of Changes in Shareholders' Equity

	8	Class 2 common shares		Class A shares		Other comprehensive	Retained			
	Note	Number	Amount	Number	Amount	Income (Note 3)	Earnings	Total		
			\$		\$		\$	\$		
Balance at December 31, 2019		100	10	100	10	750,000	33	619,908	457,178	1,077,139
Net income for the year		-	-	-	-	-	-	-	706,366	706,366
Balance at December 31, 2020		100	10	100	10	750,000	33	619,908	1,163,544	1,783,505
Net income for the year		-	-	-	-	-	-	-	1,325,056	1,325,056
Balance at December 31, 2021		100	10	100	10	750,000	33	619,908	2,488,660	3,108,561

1883713 Ontario Inc.
Consolidated Statements of Cash Flows

	Note	For year ended December 31, 2021	For year ended December 31, 2020
		\$	\$
OPERATING ACTIVITIES			
Net income		1,325,056	706,366
Adjustments to reconcile net income to operating cash flow:			
Depreciation of property and equipment	7	27,521	56,996
Amortization of right-of use asset	5	14,174	338,675
Amortization of intangible assets	6	204,000	204,000
Gain on disposal of property and equipment	7	-	(6,530)
Interest accretion on lease liabilities	5	873	9,437
		1,571,624	1,308,944
Change in operating assets and liabilities:			
Trade receivables		(2,156,620)	1,297,366
Prepaid expenses and deposits		(215,731)	403,232
Harmonized sales tax receivable		44,295	(19,096)
Accounts payable and accrued liabilities		864,074	(1,712,587)
Deferred revenue and advance from customers		208,890	-
Income taxes receivable/payable and deferred tax liabilities		107,225	85,227
Cash provided by operating activities		423,757	1,363,086
INVESTING ACTIVITIES			
Purchase of property and equipment	7	(14,982)	(21,705)
Proceeds from disposal of property and equipment	7	-	6,530
Purchase life insurance policy		(21,000)	-
Cash used in investing activities		(35,982)	(15,175)
FINANCING ACTIVITIES			
Proceeds of sale of short-term investment		800,000	-
Repayment of promissory note	9	(423,000)	(188,000)
Principal payments of lease liabilities	5	(15,828)	(351,446)
Cash provided by (used in) financing activities		361,172	(539,446)
INCREASE IN CASH		748,947	808,465
CASH - BEGINNING OF YEAR		1,484,760	676,295
CASH - END OF YEAR		2,233,707	1,484,760
SUPPLEMENTAL CASH FLOW INFORMATION			
Income taxes paid		311,638	79,359
Interest paid		13,362	16,239

The accompanying notes are an integral part of the consolidated financial statements

1. NATURE OF BUSINESS

1883713 Ontario Inc. (the “Company”) was incorporated under the Business Corporations Act of Ontario on October 30, 2012. The Company maintains its registered office at 19 Langmuir Crescent, Toronto, Ontario, M6S 2A8.

Prior to January 1, 2019, the Company owned 46% of the ownership interest of Prospect Media Group Ltd. (“PMG”) (Note 3), an entity incorporated under the Business Corporations Act of Ontario, which provides marketers with consumer data, analytic insights and integrated media strategy, in addition to offering full-service media buying services across digital and traditional channels.

On January 1, 2019 (the date of acquisition), the Company acquired an additional 54% equity interest of PMG (Note 3) and PMG became a wholly-owned subsidiary of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements were approved and authorized for issuance by the Company’s Board of Directors on April 11, 2022. The consolidated financial statements are presented in Canadian dollars which is also the Company and the subsidiary’s functional currency. The accounting policies have been applied consistently in these consolidated financial statements, unless otherwise indicated.

Basis of consolidation

The consolidated financial statements include the accounts of the wholly-owned subsidiary PMG, and references to the Company include references to such subsidiary. The financial statements of the subsidiary are included in these consolidated financial statements from the date on which control commences until the date on which control ceases.

Intercompany balances and transactions are eliminated upon consolidation and preparation of these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers

The Company recognizes revenue based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Specifically, the Company uses a 5-step approach to revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation has been performed (“point in time” recognition) or “over a period of time” as control of the performance obligation is transferred to the customer.

Distribution and production of advertisement flyer revenue and market strategy service revenue are recognized at a “point in time”, after all foregoing conditions of revenue recognition have been met. For those amounts of payments from customers for services to be rendered in a future time, those amounts are deferred and presented as deferred revenue in the statement of financial position and recognize as revenue upon delivery of services. Revenue related to advertisement is recognized when advertisements are printed and distributed or are placed on the digital platforms and collection is reasonably assured. Revenue related to market strategy is recognized when the related services are provided to customers.

Cash

Cash includes demand deposits held with bank with an original maturity of 90 days or less.

Short term investment

Short term investment includes term deposit held with bank with original maturity of more than 90 days but less than one year. Short-term investment is carried at amortized cost at an effective interest rate method less adjustment for impairment loss allowance, if any.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease

IFRS 16 requires a lessee to recognize assets and liabilities for all leases subject to some practical expedients. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company accounted for real estate operating leases with a remaining lease term of less than 12 months as short-term leases (remaining lease term of more than 12 months are included for IFRS 16 adoption purposes unless the underlying asset is of a low value).

The Company leases buildings for office use, equipment and motor vehicle. For all long-term lease contracts, the Company recognises right-of-use assets and lease liabilities at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. There are no dismantling, removal and restoration costs included in the cost of the right-of-use asset as management has not incurred an obligation for those costs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

The Company generally uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Leases requires lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. This significant estimate could affect future results if the Company extends the lease or exercises an early termination option.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and judgements that affect the applications of accounting policies regarding certain types of assets, liabilities, revenues, and expenses in the preparation of these consolidated financial statements. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. These estimates and judgments are based on management's historical experience, best knowledge of current events or conditions and activities that the Company may undertake in the future. Actual results could differ materially from these estimates.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the amounts reported in these consolidated financial statements are discussed below:

a) Intangible assets and goodwill

Management is required to use judgement in determining the economic useful lives of identifiable intangible assets. Judgement is also required to determine the frequency with which these assets are to be tested for impairment. The Company uses judgment in determining the grouping of assets to identify its Cash Generating Units ("CGUs") for purposes of testing for impairment of intangible assets and goodwill. In testing for impairment, goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from the synergies of the business combination. In testing for impairment of intangibles with indefinite lives, these assets are allocated to the CGUs to which they relate.

b) Income taxes

In calculating current and deferred income taxes, the Company uses judgment when interpreting the tax rules where the Company operates. The Company also uses judgment in classifying transactions and assessing probable outcomes of claimed or accrued deductions, which considers expectations of future operating results as well as the timing and reversal of temporary differences.

c) Covid-19 Impact

In December 2019, a novel strain of coronavirus (COVID-19) emerged. While initially the outbreak was largely concentrated in China and caused significant disruptions to its economy, it has now spread to several other countries and infections have been reported globally. During 2020, 2021 and 2022, as a result of COVID-19 infections having been reported throughout Canada, United States and other countries, certain national, provincial, state and local governmental issued proclamations and/or directives aimed at minimizing the spread of COVID-19. Due to the disruption of the COVID-19 crisis, the Company's business activities might be subject to certain level

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Estimates and Judgments (continued)

of adverse impact. To the date of the issuance of these consolidated financial statements, the Company is still assessing the impact on its business, results of operations, financial position and cash flows, which will be accounted for when the reliable estimates will become available, if any, as the business prospered during the pandemic.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in the consolidated statements of income and comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the changes affect both.

Certain estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next fiscal year include useful lives of property and equipment and intangible assets, and accrued liabilities. Those estimates are based on management's assumptions, based on current circumstances, that management believes are a reasonable basis upon which to estimate the future liability.

With respect to intangible assets acquired and goodwill recognized in a business combination, the Company determines fair values using such estimates as discounts rates, growth rates and terminal capitalization rates. These estimates take into account any material change to the assumptions that occur when reviewed regularly by management.

With respect to testing non-financial assets for impairment, the Company determines value in use and fair value less cost to sale using such estimates as cash flows and discount rates. These estimates are periodically reviewed by management.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company uses three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified and measured in two categories, amortized cost or FVTPL. The Company does not separate derivatives embedded in contracts where the host is a financial asset. Instead, the hybrid financial instruments as a whole are assessed for classification.

a) Classification of financial assets and financial liabilities

The Company's financial assets and financial liabilities are classified as follows:

	<u>Classification</u>
Cash	Amortized cost
Short term investment	Amortized cost
Trade receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note	Amortized cost
Lease liabilities	Amortized cost

On initial recognition, a financial asset is classified as measured at amortized cost, FVTPL, or FVTOCI. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company recognizes trade receivables initially when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All trade receivables without a significant financing component are initially measured at their transaction prices. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent to initial recognition, financial assets at amortized costs are measured at cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company recognizes debt securities it issues when they originate. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective

2. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial instruments (continued)

a) **Classification of financial assets and financial liabilities (continued)**

interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the consolidated statements of income and comprehensive income. At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in the consolidated statements of income and comprehensive income in the period in which they arise.

b) **Impairment of financial assets**

The Company uses a forward-looking "expected credit loss" ("ECL") model. The ECL model requires judgement, including consideration of how changes in economic factors and forward-looking information affect ECLs, which will be determined on a probability-weighted basis. This model is applied, at each reporting date, to the Company's financial assets measured at amortized cost. Impairment losses are recorded in general and administrative expenses with the carrying amount of the financial asset reduced through the use of impairment allowance accounts. The Company applied the simplified approach for trade receivables and short-term investment.

Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Gains and losses arising on the disposal of individual assets are recognized in income in the year of disposal. Costs, including financing charges and certain design, construction and installation costs, related to assets that are under construction and are in the process of being readied for their intended use are recorded as construction in progress and are not subject to depreciation until they are ready for their intended use.

Depreciation, which is recorded from the date on which each asset is available for service, is generally provided for on a declining balance method over the estimated useful lives of the property and equipment. The depreciation rates are as follows:

Computer equipment	30% to 55%
Office furniture and fixtures	20% to 30%
Office equipment	30%

Maintenance and repairs are charged to expense as incurred. Renewals and betterments, which materially prolong the useful lives of the assets, are capitalized. The cost and related accumulated amortization of property retired or sold are removed from the accounts, and gains or losses are recognized in the consolidated statements of income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property and equipment, and any changes in estimates arising from the assessment are applied by the Company prospectively.

Intangible assets

Intangible assets acquired through asset acquisitions or business combinations are initially recognized at fair value. The intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives unless such lives are deemed indefinite. The Company evaluates the reasonableness of the estimated useful lives of these intangible assets on an annual basis. The Company reviews intangible assets with indefinite lives annually for impairment but impairment may be reviewed earlier if circumstances indicate that the carrying amount may not be recoverable.

The estimated useful lives of intangible assets are as follows:

Customer relationships	4 years
Brand name	4 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill represents the excess purchase price over the fair value of identifiable assets acquired less liabilities assumed from business combinations. Goodwill is not amortized. The Company reviews goodwill annually for impairment but impairment may be reviewed earlier if circumstances indicate that the carrying amount may not be recoverable.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, assets are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For any other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversal of impairment losses are recognized immediately in the consolidated statements of income and comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense represents the sum of current income tax expense and deferred income tax expense. Current income tax expense is based on taxable income for the year. Income tax is recognized in the consolidated statements of income and comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

Deferred income tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable income against which deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current income tax assets and liabilities on a net basis.

The Company adopted IFRIC 23, *Uncertainty over Income Tax Treatment*, which clarified how to apply the recognition and measurement requirement in IAS 12, *Income Tax*, when there is uncertainty over income tax treatments. There were no uncertainties as at December 31, 2021 and 2020.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and units are recognized as a deduction from equity. The Company records proceeds from share issuances net of issue costs and any tax effects.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to salary and wages claimed are recognized as a credit to consolidated statements of income and applied against the salaries and wages. During the year ended December 31, 2021 and 2020, Canadian Emergency Wage Subsidy (“CEWS”) claimed and received that were recognized and applied against salaries and wages were in the amount of \$137,190 and \$408,156, respectively.

Operating segments

The Company determines its reportable segments based on, among other things, how the chief operating decision makers, regularly reviews its operations and performance. The Company follows the same accounting policies for its segments as those described in these consolidated financial statements.

For the years ended December 31, 2021 and 2020, management has determined that the Company is considered to be operating in a single operating and reportable segment.

2. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Accounting Standards Issued but Not Yet Applied

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee that are mandatory for fiscal periods beginning on or after January 1, 2021.

(a) Amendments to IAS 1, Classification of Liabilities as Current or Non-current (IAS 1)

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The amendments to IAS 1 are not expected to have a significant impact on the Company's Consolidated Financial Statements.

(b) Amendments to IFRS 7 - Financial Instruments: Disclosure; IFRS 9 – Financial Instruments; IAS 39, Financial Instruments: Recognition and Measurement; and IFRS 16

In August 2020, the IASB published IBOR Reform Phase 2 which address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. For financial instruments at amortized cost, the amendments introduce a practical expedient such that if a change in the contractual cash flows is as a result of IBOR reform and occurs on an economically equivalent basis, the change will be accounted for by updating the effective interest rate with no immediate gain or loss recognized. The amendments are effective for annual periods beginning on or after January 1, 2021, with earlier application permitted. Management is in the process of assessing the impact of these amendments on contracts in scope, including our IBOR-based financial instruments and hedge relationships, if any.

(c) Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the IASB decided to

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Accounting Standards Issued but Not Yet Applied (continued)****(c) Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)**

clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

(d) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

(e) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative (G&A) costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Company.

3. ACQUISITION OF BUSINESS

Up to December 31, 2018, the Company owned 46% of the ownership interest of PMG. Upon completion of a business acquisition transaction on January 1, 2019 (“date of acquisition”), the Company acquired the remaining 54% of shares of PMG and obtained controlling interest of PMG and PMG become a wholly owned subsidiary of the Company.

The transactions of the investments in PMG during prior years and up to the date of acquisition were accounted for in accordance to IAS 28 - Investments in Associates and Joint Ventures. The business acquisition transaction was accounted for in accordance to IFRS 3 – Business Combinations as business acquisition in stages or step-acquisition.

Pursuant to the business acquisition transaction, fair value of the consideration was in the amount of \$2,174,968, the Company identified intangible assets with a fair value of \$816,000 (Customer relationships in the amount of \$272,000 and Brand name in the amount of \$544,000 respectively) as well as recognized related deferred tax liabilities in the amount of \$216,240, and the difference between the total purchase consideration and the total net assets acquired was recorded as a goodwill of \$572,190 (Note 6).

The Company accounted for its previously held 46% equity interest in PMG up to date of acquisition as an equity-accounted investee. The fair value of previously held equity interest in PMG was in amount of \$1,000,468 on the date of acquisition. The difference of \$619,908 between the fair value and carrying value of \$380,560 was recorded as a credit to the other comprehensive income.

4. TRADE RECEIVABLES

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Trade receivables (Note 13)	4,539,075	2,382,455
Impairment provision for trade receivables	-	-
Total	4,539,075	2,382,455

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company's leases are related to the lease of office space, equipment and vehicle. Upon the expiry of the office lease contract in November 2020, the Company did not extend the office lease contract. When measuring lease liability, the Company discounted lease payments using its incremental borrowing rate of 5% (2020: 5%).

Right-of-use assets	\$
Balance at December 31, 2019	363,784
Amortization charge for the year	(338,675)
Balance at December 31, 2020	25,109
Amortization charge for the year	(14,174)
Balance at December 31, 2021	10,935

Lease liabilities	\$
Balance at December 31, 2019	369,662
Accretion on lease liability	9,437
Lease payments	(351,446)
Balance at December 31, 2020	27,653
Accretion on lease liability	873
Lease payments	(15,828)
Balance at December 31, 2021	12,698

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Classified as current	11,190	14,954
Classified as non-current	1,508	12,699

6. INTANGIBLE ASSETS AND GOODWILL**a) Intangible assets**

	Brand name	Customer relationships	Total
	\$	\$	\$
Cost			
Balance at December 31, 2019 (Note 3)	544,000	272,000	816,000
Additions	-	-	-
Balance at December 31, 2020	544,000	272,000	816,000
Additions	-	-	-
Balance at December 31, 2021	544,000	272,000	816,000
Accumulated amortization			
Balance at December 31, 2019	408,000	204,000	612,000
Amortization	136,000	68,000	204,000
Balance at December 31, 2020	272,000	136,000	408,000
Amortization	136,000	68,000	204,000
Balance at December 31, 2021	136,000	68,000	204,000
Net book value			
Balance at December 31, 2019	408,000	204,000	612,000
Balance at December 31, 2020	272,000	136,000	408,000
Balance at December 31, 2021	136,000	68,000	204,000

b) Goodwill

	\$
As at December 31, 2019, 2020 and 2021 (Note 3)	<u>572,190</u>

7. PROPERTY AND EQUIPMENT

	Computer equipment	Office furniture and fixture	Office equipment	Total
	\$	\$	\$	\$
Cost				
Balance at December 31, 2019	498,706	193,579	13,768	706,053
Addition	21,705	-	-	21,705
Disposal	-	(193,579)	(13,768)	(207,347)
Balance at December 31, 2020	520,411	-	-	520,411
Addition	14,982	-	-	14,982
Disposal	(138,716)	-	-	(138,716)
Balance at December 31, 2021	396,677	-	-	396,677
Accumulated depreciation				
Balance at December 31, 2019	426,829	175,094	12,633	614,556
Addition	37,376	18,485	1,135	56,996
Disposal	-	(193,579)	(13,768)	(207,347)
Balance at December 31, 2020	464,205	-	-	464,205
Addition	27,521	-	-	27,521
Disposal	(138,716)	-	-	(138,716)
Balance at December 31, 2021	353,010	-	-	353,010
Carrying amounts				
Balance at December 31, 2019	71,878	18,484	1,135	91,497
Balance at December 31, 2020	56,206	-	-	56,206
Balance at December 31, 2021	43,667	-	-	43,667

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Accounts payable	3,978,091	3,319,111
Accrued liabilities	355,081	149,987
Total	4,333,172	3,469,098

9. PROMISSORY NOTE

On January 1, 2019, the Company issued a promissory note in the amount of \$1,174,500 carrying interest rate of approximately 3% per year and repaid \$422,500. The promissory note was repayable on a quarterly basis at \$47,000 per quarter and maturing on January 1, 2023. Unpaid balance of the promissory note was subject to a general security agreement related to the Company's assets and the Company pledged the 54% of the subsidiary's common shares as security. The Company has fully paid the promissory note at December 31, 2021 and was released from all debts by the lender.

The interest expenses paid and charged to the consolidated statements of income was in the amount of \$13,362 (2020 - \$16,239).

10. RELATED PARTY TRANSACTIONS

Related parties are defined as management and principal shareholders of the Company and/or members of their immediate family and/or other companies and/or entities in which a principal shareholder, director or senior officer is a principal owner or senior executive.

Related party transactions were performed in the normal course of business and are related to compensation to senior management.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors, advisory board members, officers of the Company. During the year, key management personnel were compensated for \$1,242,994 (2020 - \$1,112,619).

11. SHARE CAPITAL**a) Authorized:**

Unlimited number of Class 1 common shares, one vote per share, without par value.

Unlimited number of Class 2 common shares, non-voting share, without par value.

Unlimited number of Class A shares, one vote per share, with no stated par value.

Unlimited number of Class B shares, non-voting share, with no stated par value.

Unlimited number of Class C shares, one vote per share, with no stated par value.

b) Issued:

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
100 Class 1 common shares	10	10
100 Class 2 common shares	10	10
750,000 Class A shares	33	33
	53	53

12. INCOME TAXES**a) Amounts recognized in profit or loss**

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Current income tax	475,783	215,818
Deferred income tax	(56,920)	(51,231)
Income tax expenses (recovery)	418,863	164,587

b) Current income taxes

The income taxes expenses differ from that which would be expected by applying the federal and provincial statutory income tax rates of 26.50% for year ended December 31, 2021 (2020 – 26.50%) to income before income taxes. A reconciliation of the difference is as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Income before tax	1,743,919	870,953
Expected income tax expenses at statutory tax rate of 26.5%	462,139	230,803
Tax effect on:		
Non-deductible and non-taxable items, net	66,394	52,152
Small business deduction and other changes	(52,750)	(67,137)
Change in deferred tax items	(56,920)	(51,231)
	418,863	164,587

c) Deferred income tax liabilities

	Year ended December 31, 2021	Year ended December 31, 2020
	\$	\$
Capital loss	(6,501)	(6,501)
Timing difference	9,930	12,790
Deferred tax liabilities recognized pursuant to acquisition of business (Note 5)	54,060	108,120
Total deferred tax liabilities	57,489	114,409

The capital loss can be carried forward to reduce the taxable capital gain in future.

13. FINANCIAL INSTRUMENTS

Fair Value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are unobservable inputs.

Any assets and liabilities which to be measured at fair value will be categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

Financial Risk Management

The Company is exposed to credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and the Company risk appetite.

13. FINANCIAL INSTRUMENTS (continued)

a) Credit Risk and Economic Dependence

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and trade receivables. The cash consists of money held in a reputable Canadian bank. To reduce its credit risk from its trade receivables balances, the Company reviews a new client credit history before extending credit. The Company recognized an impairment provision in the amount of \$NIL as at December 31, 2021 (December 31, 2020 - \$NIL).

The following table provides information regarding the aged trade receivables:

	Current	31-60 days	60 days to 90 days	Over 90 days	Total
	\$	\$	\$	\$	\$
At December 31, 2021	4,211,361	327,714	-	-	4,539,075
At December 31, 2020	1,680,883	640,299	61,273	-	2,382,455

For year ended December 31, 2021, 69% (2020: 65%) revenue was generated from 6 customers, and which represented 67% (2020: 79%) of the trade receivable balance as at December 31, 2021.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligation associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through maintaining sufficient funds in the bank.

The following table sets out the Company's contractual maturities (representing undiscounted contractual cash flows) of financial liabilities and commitments:

	12 months	1 to 2 years	2 to 5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	4,333,172	-	-	4,333,172
Lease liabilities	11,463	1,549	-	13,012
At December 31, 2021	4,344,635	1,549	-	4,346,184

	12 months	1 to 2 years	2 to 5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	3,469,098	-	-	3,469,098
Promissory note	423,000	-	-	423,000
Lease liabilities	15,828	12,791	221	28,840
At December 31, 2020	3,907,926	12,791	221	3,920,938

13. FINANCIAL INSTRUMENTS (continued)

c) Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

14. CONTINGENCIES

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As at December 31, 2021 and December 31, 2020 there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

15. SUBSEQUENT EVENTS

On January 26, 2022, the Company's shareholders entered into a Share Purchase Agreement with Ciscom Corp. to sell all of the issued and outstanding shares of the Company to Ciscom Corp., a company incorporated under the laws of the province of Ontario. The purchase price will be satisfied by payment of cash and issuance of Ciscom Corp. shares. The transaction is expected to close in the second quarter of 2022.

1883713 Ontario Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD OF JANUARY 1, 2020 to DECEMBER 31, 2020
(EXPRESSED IN CANADIAN DOLLARS)

Overview

Business Overview

1883713 Ontario Inc., including wholly owned subsidiary Prospect Media Group Ltd., (together referred to as “the Company”) is a retail focused, data-driven, integrated media agency. The Company provides marketing services to a broad range of major retail clients across Canada, including consumer data & analytics, media planning and buying for advertisers across Canada, with leading expertise in the optimization and integration of print and digital media channels. The Company leverages its 20+ year expertise in analyzing consumer and market data, to provide clients with vital insights and information used to build integrated media strategy (traditional and digital) and enhance marketing spend effectiveness.

The Company’s core expertise lies in serving national Retail clients in Canada, with the objective of driving traffic and sales to both brick & mortar and ecommerce stores. Key business segments have historically been comprised of consumer data & analytic services and retail flyer (print media) optimization and management. Over the course of the past 5 years, the Company has shifted and diversified its business significantly, investing in new data tools and talent to guide clients in the reduction and transition of traditional print flyer spend to digital media tactics, as part of an overall omni-channel, integrated media strategy.

The Company’s approach today is focused on unlocking data insights that provide a holistic view of all media channels as one integrated platform, using data to make informed decisions about targeting high value consumer audiences and implementing media strategy to meet the changing habits of consumers. The business has experienced significant growth, fueled by the shift away from low margin revenues (i.e. newspaper flyers) to higher margin revenues, that includes 360° media buying services. Digital media services are at the forefront of this change, combined with high impact Canada Post Neighbourhood Mail, Out-of-Home (“OOH”), Broadcast, together with other complementary services, including consumer insights, mobile location data, audience targeting, competitive customer acquisition, strategy development, media planning and placement, as well as performance and measurement reporting.

Objectives & Strategy

Consumer data and analytics will continue to be at the centre of the Company’s strategic plan. The Company’s leadership position within the Retail Marketing sector, is due to its expertise in the analysis of consumer data, including client-supplied transactional data (POS, loyalty, ecomm, etc.), that is used to build custom analytic models tailored to each respective client’s category and business. This is a noteworthy competitive advantage for the Company, that differentiates the Company from other media agencies and has positioned it as the dominant player in the industry. This is the foundation of the business and connects directly to its revenue growth strategy in its Media services segment – specifically media planning and buying, as well as integrated media strategy development.

The key objective for the Company will be to invest further in data, technology, software and tools that will allow for additional growth, based on extracting rich consumer insights in order to meet the changing needs of advertisers across Canada. In addition, the Company will continue to align its data capabilities with emerging Media channels (Connected TV, Digital OOH, Digital Audio, etc.), to expand its media services for clients moving forward.

In terms of the legacy Print Media sector, the Company will continue to leverage its data-driven print expertise as the launching pad to onboard new clients and build integrated marketing strategy for Advertisers

seeking to transition a portion of their traditional marketing spend to Digital channels. In the Canadian retail landscape, there continues to be significant investment by major retailers in traditional print flyers (specifically Grocery, Mass Merchandisers, Specialty Retail). The printed flyer is still a key driver of sales and traffic for retailers in Canada and it continues to hold a strong position within the integrated media mix. However, COVID-19 negatively impacted this spend in 2020, accelerating the need for greater optimization of the flyer investment, in order to free up budget for digital media tactics. This presents a sizeable growth opportunity for the Company, as Canadians media habits continue to shift online. The strategy of optimization and reduction of print investment will be utilized to expand services and revenue streams with the Company's clients (both current and future). The Company will support clients, not only to plan marketing programs, but also to deploy, manage and measure them across all media channels.

Competition in the media agency industry remains highly fragmented and intense. The industry has a complex competitive landscape, compounded by the COVID-19 pandemic, which, in turn, has accelerated the shift from traditional to digital media channels, powered by a data-first approach. The Company has experienced strong growth during the pandemic and is well positioned for expansion and foresees continued growth opportunities to increase market share from competitive agencies, with ongoing new business development initiatives. These new business efforts will focus specifically on print management and marketing consulting firms that do not provide enhanced data & analytic services, do not understand the role of print flyers and direct mail within the overall marketing mix, or those that have not diversified their approach to offer integrated media strategy.

Overview of Trends Affecting The Company

The Company works within the Marketing and Media Agency industry, providing services for Advertisers (as noted above), focused within the Retail Sector. The Company's services are well aligned with current trends in our industry, specifically the need for consumer first-party data and analytics, where the Company is a leader; optimization and integration of print media (e.g. flyers, direct mail) with digital tactics; leveraging consumer data to build effective integrated media strategy; measurement of media performance and impact (e.g. traffic and sales). The Company is capitalizing on these trends and anticipates continued growth with the addition of new clients and the expansion of services being offered.

As consumer media consumption habits change, marketing services providers face increased demand to offer end-to-end marketing services, from data and analytics, to strategy development, through media execution across all channels, traditional and digital. As new marketing and advertising channels emerge, marketing services providers must expand their services beyond traditional channels, such as television, newspapers, print flyers, OOH and radio, to digital channels, such as mobile, search, social, display and video, to create effective multichannel campaigns for their clients. This trend greatly influences the Company's ongoing efforts to redefine the future of integrated media strategy and create greater value for its clients who are looking for less complexity, greater transparency/openness and accountability from their business partners.

During 2020, the Company continued to focus on providing brands and marketers with a more efficient and effective way to go to market and reach consumers. Through its integrated marketing model, the Company creates greater value for clients by helping them reduce the complexities of working with multiple agency partners and vendors; reduce process inefficiencies through workflow re-engineering and process optimization; and improve marketing spend effectiveness through data-driven insights and integrated solutions that help clients target audiences, plan and measure marketing, strategize and connect with consumers through multiple channels.

COVID-19 accelerated the change in consumer media usage, increasing digital media engagement, and placing additional downward pressure on the use of print flyers. Retailer print flyer volumes declined more rapidly during 2020 due to store closures, long timelines to develop and produce flyers, as well as supply chain issues. These sudden and rapid changes forced retailers to re-evaluate the use of traditional flyers and quickly shift marketing spend to Digital channels in order to adjust to the changing landscape. This change increased the need for the Company's data and analytic services, created significant growth opportunities with the expansion of our Digital services, a shift to Canada Post distribution (from newspaper) and laid the foundation for future growth moving forward.

In its strategic approach to the market, the Company understood the need to change from its traditional media and focus on new delivery options, including digital. The Company had been anticipating and planning for the reduction in print flyer revenues for the past 5+ years. As part of the Company's diversification plan, we have mitigated the risk to revenues and built a growth strategy that incorporates future changes in the media landscape. The implementation of the strategy was timely and has proven successful. While lower margin sales/accounts were retired, during 2020 (and through the initial impact of COVID-19), the Company realized YoY growth in gross profits. Accordingly, traditional print flyer revenues via newspaper declined by 49.8% and in contrast, Canada Post Neighbourhood Mail revenues increased by 282.6% and Digital revenues increased by 23.1%. This foundational change in the Company's business model has created additional revenue growth potential in the years ahead with new media and elevated the Company's own client loyalty with strengthened relationships.

The Company believes that a disciplined approach for capital management and a strong balance sheet are critical to be able to invest in profitable growth opportunities and technological advances, thereby providing the highest return for shareholders. The Company continues to make progress on integrating and streamlining all aspects of its business (business development, analytics, media and finance), driving productivity improvements and sustainable growth initiatives into the future through an engaged workforce, media partnerships and ongoing adoption of the latest data tools, automation and technology. The Company transitioned to a fully virtual "work from home" model in 2020, ensuring the safety and well being of its team. As the pandemic continues to evolve, the extent of the impact on the Company's business, financial condition, cash flow, results of operations will depend on future developments, all of which are still highly uncertain and cannot be predicted. However, through this diversification strategy, the Company believes it can drive sustainable growth, delivering faster, more insightful and more effective media strategy for clients.

Capability to Deliver Results

The Company's position as a leader in the industry bodes well for future growth and continued strong revenue performance. The Company has built a dynamic culture for clients and employees ensuring low turnover and long tenure. The Company has made investments in 4 main pillars; key services, talent, technology and business development, in order to enhance our capabilities and mitigate the impact of changes within the media, retail and consumer landscapes. Our plan is to help clients successfully navigate the ever-changing media environment, through the Company's data analytics, in order to grow on a large scale looking forward.

Key Services:

- The Company provides clients with customized consumer analytics in order to identify high value, high opportunity consumers for their respective businesses. The Company utilizes consumer data and analytics to build integrated media strategies for our clients, including print (e.g. flyers, direct

mail), digital (e.g. display, social, SEM), broadcast (e.g. TV, radio), OOH (out-of-home) and other media tactics. The Company provides media planning and buying services on behalf of our clients to support their marketing objectives and seasonal campaigns. Client scope of work varies significantly by advertiser. Depending on the client, our services can range from analytics only, to print flyer/direct mail management, digital media management, integrated media strategy development, etc.

Talent:

- The Company has been focused on recruiting talent with key areas of expertise in order to enhance in-house capabilities, while reducing reliance on external vendors and improving margins. Staffing recruitment has been prioritized within the areas of Digital Media, Data & Analytics and Integrated Media Strategy. We will continue to expand our team in order to provide the expertise required to support the changing needs of our clients, the evolving media landscape and to contribute to the positive growth of the overall business. We are continually evaluating our needs, in terms of people, including retention of our current team, as well as future hires.

Technology:

- Technology is a key area of investment. Given the significant amount of data that is managed daily, and the extensive analytic requirements of our clients, the Company is engaged in ongoing evaluation of software and technology that will support automation, insights and reporting. In addition, new consumer data tools are launched annually by 3rd party vendors that will improve speed to market and client deliverables. These are continuously being evaluated for potential use and in order to generate new revenue streams moving forward.

Business Development:

- The Company has a strong Business Development team, focused on client services, managing longstanding client relationships, generating new revenue streams with both current and new clients. The Company's team is proactively focused on creating direct relationships with new clients and key decision makers when engaged in new business prospecting efforts. This is a unique model in the agency industry, where business development efforts are mainly focused on RFP's and referral models.

Key Performance Metrics Overview

The Company's management believes the ability to generate net sales growth, profit increases and positive cash flow are key indicators of the successful execution of the Company's business strategy and will increase shareholder value. The Company uses period-over-period net sales growth, EBITDA and EBITDA margin, performance goals and quarterly gross profit to measure operating performance, financial condition and liquidity.

Net sales growth

The Company uses period-over-period net sales growth as a key performance metric. The Company's management assesses net sales growth based on the ability to generate increased net sales through

increased sales to existing clients, sales to new clients, sales of new or expanded solutions to existing and new clients, and opportunities to expand sales through strategic investments, including acquisitions.

EBITDA and EBITDA margin

The Company uses EBITDA and EBITDA margin as metrics to assess operating performance. The Company's management assesses EBITDA and EBITDA margin based on the ability to increase revenues while controlling variable expense growth.

Performance Goals

The Company establishes annual performance goals (or key performance indicators) for the Company, based on the following metrics: 1) Client Goals – maintain current client base, onboard new annual clients, plus, onboard project-based clients for ad hoc campaigns; 2) Revenue Goals – annual gross profit goal, media services revenue goals; 3) People Goals - quarterly “Fight Plan” check-ins, work efficiency goals, collaboration tools.

Quarterly Gross Profit

The Company has quarterly Gross Profit targets in place that trigger staff bonuses. These are a gauge of our ongoing revenue targets and goals. In addition, there is monthly review of financials between the Managing Director and Director of Finance to track performance. Weekly review of sales activity with the Business Development team – every other week, review revenue numbers and gross margin targets (YoY); every other week, discuss new business and client strategies to grow our revenues.

Results of Operations & Outlook

The Company's operating results for the fiscal year ended December 31, 2020 as compared to the year ended December 31, 2019:

	<u>2020</u>	<u>2019</u>
Revenues		
Print Distribution	8,630,082	17,207,317
Direct Mail	7,565,509	1,977,383
Digital	2,791,675	2,267,100
Other	2,292,118	2,226,936
	<u>21,279,384</u>	<u>23,678,736</u>
COGS		
Print Distribution	7,846,197	15,882,014
Direct Mail	6,482,578	1,559,524
Digital	2,417,253	1,850,002
Other	285,201	323,618
	<u>17,031,229</u>	<u>19,615,158</u>
Gross margin	4,248,155	4,063,578
Expenses		
Compensation	2,657,323	2,842,049
Subscriptions, permits and licences	295,785	222,645
General and administrative	61,901	116,182
Insurance	99,793	98,506
Other operating	70,884	132,223
	<u>3,185,686</u>	<u>3,411,605</u>
Operating income before depreciation and unusual items	1,062,469	651,973
Depreciation and amortization	599,671	605,512
Canada Emergency Wage Subsidy (CEWS)	(408,156)	-
Earnings before income taxes	870,954	46,461
Provision for income taxes	164,587	(15,245)
Net income	706,367	61,706
Remeasurement of equity investment upon acquisition date	-	619,908
Net income and comprehensive income	706,367	681,614

Revenue and COGS

Print Distribution

As planned/anticipated, print distribution revenue decreased \$8.6 million, or 49.8%, to \$8.6 million for the year ended December 31, 2021 as compared to the same period in prior year. The Company has been focusing our client base on an integrated media strategy using a combination of distribution, direct mail and digital. The cost of Print Distribution was proportionately down by \$8.0 million, or 50.6%, to \$7.8 million for the same period in the prior year.

Direct Mail

Direct mail revenue increased by \$5.6 million, or 282.6%, to \$6.5 million for the year ended December 31, 2021 as compared to the same period in the year prior due to the Company's focus on converting clients to an integrated print strategy. The cost of Direct Mail through Canada Post increased by \$4.9 million, or 315.7%, to \$6.5 million from \$1.6 million the prior year.

Digital

Digital revenue increased by \$0.5 million, or 23.1%, to \$2.8 million for the year ended December 31, 2021 as compared to the same period in the year prior. The Company's retail clients have been slow to adopt digital spending; however, the COVID-19 pandemic has introduced them to a low cost, quick to market alternative to print distribution. The costs associated with Digital Media has increased by \$0.5 million to \$2.4 million, or 30.7%, versus a cost of \$1.8 million the prior year.

Other

Other revenues include radio, television, OOH, analytics and management fees. Other revenues have increased by \$65k, or 2.9%, to \$2.3 million. Of the \$2.3 million for the period ending December 31, 2021, management fees account for \$1.52 million compared to \$1.355 million from the year prior.

Overall, the strategy was successfully implemented. Low margin and smaller accounts were retired, and resources were invested, working with clients, in areas of growth bringing value and results to clients.

Expenses

Compensation

Compensation for the year ended December 31, 2020 decreased by \$184k, or 7.0%, to \$2.7 million from the prior year. A contributing factor to this reduction is the decrease in the Company's contract labour expense. Contract labour decreased by \$81k, or 91.1%, to \$81k from \$155k the year prior. In addition, the commission expense decreased by \$31k, or 11.6%, to \$271k as a result of the commission calculations being revamped for the 2020 fiscal year.

Subscriptions, permits and licences (SPL)

SPL expenses increased by \$73k, or 24.7%, to \$295k from the prior year. As the Company continues to provide value added solutions, the Company requires additional sourcing for data comparison and analysis.

General and administrative (G&A)

G&A expenses decreased by \$54k, or 87.7%, to \$62k from the prior year. As the COVID-19 pandemic began, the Company assessed all necessary expenditures and either eliminated or reduced the expenditures to coincide with the reduced revenue in the Spring of 2020.

Insurance

Insurance has increased by \$1.3k, or 1.3%, to \$100k from the prior year. Included in the results are \$31k in credit insurance for the Company's receivables.

Other Operating

Other operating expenses for the year ended December 31, 2020 decreased by \$61k, or 86.5%, to \$71k versus \$132k the year prior. As a result of the COVID-19 pandemic, travel expense decreased by \$40k, or 378.3%.

Operating income before depreciation and unusual items

Operating income before depreciation and unusual items for the year ended December 31, 2020 increased by \$410k, or \$63.0%, to \$1.06M from \$652k the year prior. There were several factors that resulted in this positive variance. As COVID-19 began, the Company's clients paused their Print Distribution and opted for reduced Direct Mail and/or Digital Marketing campaigns. As planned, this shifted the Company's margins from "Pass Through" low margin campaigns to higher margin campaigns. In addition, operating expense savings were realized in the amount of \$226k, or 7.1%, over the previous period.

Depreciation and amortization

Depreciation decreased by a nominal \$6k, or 1.0%, to \$600k versus \$606k the year prior.

Canada Employment Wage Subsidy (CEWS)

As part of the Government of Canada's COVID-19 measures, The Company was eligible to receive \$408k in CEWS subsidies as a result of reduced revenues in the Spring 2020.

Remeasurement of equity upon acquisition date

On January 1, 2019, 1883713 Ontario Inc. that owned 46% of Prospect Media Group ("PMG") purchased the balance of 54% of PMG outstanding shares. The difference between the fair value of previously held equity interest in PMG and the carrying value of the equity method accounted investment reflected as a remeasurement of equity upon acquisition date..

Liquidity and Capital Resources

The Company at December 31, 2020 had respectively \$1.48 million in cash, \$800k in term deposits and a letter of credit in the amount of \$800k. The Company had a positive working capital of \$795k at the end of December 31, 2020. The liabilities relate to on-going media costs and the seasonality impact of Q4. The Company did not have any bank indebtedness.

Management is not aware of any trends or expected fluctuations that would create any liquid deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support The Company's operations in the long-term.

No significant expenditures were made in 2020.

At the twelve months ended of both 2020 and 2019, the cash resources of The Company were held with Canadian chartered banks.

The Company Outlook

At the end of December 2020, the Company executed contracts with two new clients focusing on Data, Analytics, Integrated Media Strategy and Digital Marketing services. All existing contracts remain in full effect for the 2021 calendar year. As the COVID-19 pandemic continues, the Company's existing client base continues to shift to an Integrated Marketing Strategy combining all major aspects of the Company's product line. As a result, the Company has budgeted \$22.0 million in sales with a Gross Profit of \$4.6 million. The Company's operating budget is \$3.4 million with a net income before taxes of \$1.2 million.

End of December 31, 2020 1883713 Ontario Inc. MD&A

Schedule I
1883713 Ontario Inc. Management Discussion and Analysis as at December 31, 2021

1883713 Ontario Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD OF JANUARY 1, 2021 to DECEMBER 31, 2021
(EXPRESSED IN CANADIAN DOLLARS)

Overview

Business Overview

1883713 Ontario Inc., including wholly owned subsidiary Prospect Media Group Ltd., (together referred to as “the Company”) is a retail focused, data-driven, integrated media agency. The Company provides marketing services to a broad range of major retail clients across Canada, including consumer data & analytics, media planning and buying for advertisers across Canada, with leading expertise in the optimization and integration of print and digital media channels. The Company leverages its 20+ year expertise in analyzing consumer and market data, to provide clients with vital insights and information used to build integrated media strategy (traditional and digital) and enhance marketing spend effectiveness.

The Company’s core expertise lies in serving national Retail clients in Canada, with the objective of driving traffic and sales to both brick & mortar and ecommerce stores. Key business segments have historically been comprised of consumer data & analytic services and retail flyer (print media) optimization and management. Over the course of the past 5+ years, the Company has shifted and diversified its business significantly, investing in new data tools and talent to guide clients in the reduction and transition of traditional print flyer spend to digital media tactics, as part of an overall omni-channel, integrated media strategy.

The Company’s approach today is focused on unlocking data insights that provide a holistic view of all media channels as one integrated platform, using data to make informed decisions about targeting high value consumer audiences and implementing media strategy to meet the changing habits of consumers. The business has experienced significant growth, fueled by the shift away from low margin revenues (i.e. newspaper flyers) to higher margin revenues that includes 360° media buying services. Digital media services are at the forefront of this change, combined with high impact Canada Post Neighbourhood Mail, Out-of-Home (“OOH”), Broadcast, together with other complementary services, including consumer insights, mobile location data, audience targeting, competitive customer acquisition, strategy development, media planning and placement, as well as performance and measurement reporting.

Objectives & Strategy

Consumer data and analytics will continue to be at the centre of the Company’s strategic plan. The Company’s leadership position within the Retail Marketing sector, is due to its expertise in the analysis of consumer data, including client-supplied transactional data (POS, loyalty, ecommerce, etc.), that is used to build custom analytic models tailored to each respective client’s category and business. This is a noteworthy competitive advantage for the Company that differentiates the Company from other media agencies and has positioned it as the dominant player in the industry. This is the foundation of the business and connects directly to its revenue growth strategy in its Media services segment – specifically media planning and buying, as well as integrated media strategy development.

The key objective for the Company will be to invest further in data, technology, software and tools that will allow for additional growth, based on extracting rich consumer insights in order to meet the changing needs of advertisers across Canada. In addition, the Company will continue to align its data capabilities with emerging Media channels (Connected TV, Digital OOH, Digital Audio, etc.), to expand its media services for clients moving forward.

In terms of the legacy Print Media sector, the Company will continue to leverage its data-driven print expertise as the launching pad to onboard new clients and build integrated marketing strategy for Advertisers

seeking to transition a portion of their traditional marketing spend to Digital channels. In the Canadian retail landscape, there continues to be significant investment by major retailers in traditional print flyers (specifically Grocery, Mass Merchandisers, Specialty Retail). The printed flyer is still a key driver of sales and traffic for retailers in Canada and it continues to hold a strong position within the integrated media mix. However, COVID-19 negatively impacted this spend in 2020, accelerating the need for greater optimization of the flyer investment, in order to free up budget for digital media tactics. This trend has continued in 2021, with print flyer volumes via newspaper remaining lower and the impact of the pandemic has continued to shift more spend to Digital. This presents a sizeable growth opportunity for the Company, as Canadians media habits continue to shift online. The strategy of optimization and reduction of print investment will be utilized to expand services and revenue streams with the Company's clients (both current and future). The Company will support clients, not only to plan marketing programs, but also to deploy, manage and measure them across all media channels.

Competition in the media agency industry remains highly fragmented and intense. The industry has a complex competitive landscape, compounded by the COVID-19 pandemic, which, in turn, has accelerated the shift from traditional to digital media channels, powered by a data-first approach. The Company has experienced very strong growth during the pandemic, with 2021 trending well above 2020, and is well positioned for expansion and foresees continued growth opportunities to increase market share from competitive agencies, with ongoing new business development initiatives. These new business efforts will focus specifically on print management and marketing consulting firms that do not provide enhanced data & analytic services, do not understand the role of print flyers and direct mail within the overall marketing mix, or those that have not diversified their approach to offer integrated media strategy.

Overview of Trends Affecting The Company

The Company works within the Marketing and Media Agency industry, providing services for Advertisers (as noted above), focused within the Retail Sector. The Company's services are well aligned with current trends in our industry, specifically the need for consumer first-party data and analytics, where the Company is a leader; optimization and integration of print media (e.g. flyers, direct mail) with digital tactics; leveraging consumer data to build effective integrated media strategy; measurement of media performance and impact (e.g. traffic and sales). The Company is capitalizing on these trends and anticipates continued growth with the addition of new clients and the expansion of services being offered.

As consumer media consumption habits change, marketing services providers face increased demand to offer end-to-end marketing services, from data and analytics, to strategy development, through media execution across all channels, traditional and digital. As new marketing and advertising channels emerge, marketing services providers must expand their services beyond traditional channels, such as television, newspapers, print flyers, OOH and radio, to digital channels, such as mobile, search, social, display and video, to create effective multichannel campaigns for their clients. This trend greatly influences the Company's ongoing efforts to redefine the future of integrated media strategy and create greater value for its clients who are looking for less complexity, greater transparency/openness and accountability from their business partners.

During 2021, the Company continued to focus on providing brands and marketers with a more efficient and effective way to go to market and reach consumers. Through its integrated marketing model, the Company creates greater value for clients by helping them reduce the complexities of working with multiple agency partners and vendors; reduce process inefficiencies through workflow re-engineering and process optimization; and improve marketing spend effectiveness through data-driven insights and integrated

solutions that help clients target audiences, plan and measure marketing, strategize and connect with consumers through multiple channels.

COVID-19 accelerated the change in consumer media usage, increasing digital media engagement, and placing additional downward pressure on the use of print flyers. Retailer print flyer volumes declined more rapidly during 2020 due to store closures, long timelines to develop and produce flyers, as well as supply chain issues. This trend has continued in 2021, with continued lockdown measures and supply chain product delays. These sudden and rapid changes forced retailers to re-evaluate the use of traditional flyers and quickly shift marketing spend to Digital channels in order to adjust to the changing landscape. This change increased the need for the Company's data and analytic services, created significant growth opportunities with the expansion of our Digital services, a larger shift to Canada Post distribution (from newspaper) and laid the foundation for future growth moving forward.

In its strategic approach to the market, the Company understood the need to change from its traditional media and focus on new delivery options, including digital. The Company had been anticipating and planning for the reduction in print flyer revenues for the past 5+ years. As part of the Company's diversification plan, we have mitigated the risk to revenues and built a growth strategy that will incorporate future changes in the media landscape. The implementation of the strategy was timely and has proven successful. While lower margin sales/accounts were retired during 2020 (and through the initial impact of COVID-19), the Company realized YoY growth in gross profits. In 2021, the Company has realized significantly higher gains YoY vs. 2020, as our data-driven business strategy has resonated with clients. Accordingly, traditional print flyer revenues via newspaper declined by 42.7%. In contrast, Canada Post Neighbourhood Mail revenues increased by 137.8% and Digital revenues increased by 43.5%. This foundational change in the Company's business model has created additional revenue growth potential in the years ahead with new media and elevated the Company's own client loyalty with strengthened relationships.

The Company believes that a disciplined approach for capital management and a strong balance sheet are critical to be able to invest in profitable growth opportunities and technological advances, thereby providing the highest return for shareholders. The Company continues to make progress on integrating and streamlining all aspects of its business (business development, analytics, media and finance), driving productivity improvements and sustainable growth initiatives into the future through an engaged workforce, media partnerships and ongoing adoption of the latest data tools, automation and technology. The Company transitioned to a fully virtual "work from home" model in 2020, ensuring the safety and well being of its team. This virtual working model has been maintained throughout 2021, with no office lease commitments during this fiscal year. As the pandemic continues to evolve, the extent of the impact on the Company's business, financial condition, cash flow, results of operations will depend on future developments, all of which are still highly uncertain and cannot be predicted. However, through this diversification strategy, the Company believes it can drive sustainable growth, delivering faster, more insightful and more effective media strategy for clients.

Capability to Deliver Results

The Company's position as a leader in the industry bodes well for future growth and continued strong revenue performance. The Company has built a dynamic culture for clients and employees ensuring low turnover and long tenure. The Company has made investments in 4 main pillars; key services, talent, technology and business development, in order to enhance our capabilities and mitigate the impact of changes within the media, retail and consumer landscapes. Our plan is to help clients successfully navigate

the ever-changing media environment, through the Company's data analytics, in order to grow on a large scale looking forward.

Key Services:

- The Company provides clients with customized consumer analytics in order to identify high value, high opportunity consumers for their respective businesses. The Company utilizes consumer data and analytics to build integrated media strategies for our clients, including print (e.g. flyers, direct mail), digital (e.g. display, social, SEM), broadcast (e.g. TV, radio), OOH (out-of-home) and other media tactics. The Company provides media planning and buying services on behalf of our clients to support their marketing objectives and seasonal campaigns. Client scope of work varies significantly by advertiser. Depending on the client, our services can range from analytics only, to print flyer/direct mail management, digital media management, integrated media strategy development, etc.

Talent:

- The Company has been focused on recruiting talent with key areas of expertise in order to enhance in-house capabilities, while reducing reliance on external vendors and improving margins. Staffing recruitment has been prioritized within the areas of Digital Media, Data & Analytics and Integrated Media Strategy. We will continue to expand our team in order to provide the expertise required to support the changing needs of our clients, the evolving media landscape and to contribute to the positive growth of the overall business. We are continually evaluating our needs, in terms of people, including retention of our current team, as well as future hires.

Technology:

- Technology is a key area of investment. Given the significant amount of data that is managed daily, and the extensive analytic requirements of our clients, the Company is engaged in ongoing evaluation of software and technology that will support automation, insights and reporting. In addition, new consumer data tools are launched annually by 3rd party vendors that will improve speed to market and client deliverables. Lastly, new media tools are being evaluated for potential use in order to reduce reliance on outsourced services, reduce costs and generate new revenue streams moving forward.

Business Development:

- The Company has a strong Business Development team, focused on client services, managing longstanding client relationships, generating new revenue streams with both current and new clients. The Company's team is proactively focused on creating direct relationships with new clients and key decision makers when engaged in new business prospecting efforts. This is a unique model in the agency industry, where business development efforts are mainly focused on RFP's and referral models.

Key Performance Metrics Overview

The Company's management believes the ability to generate net sales growth, profit increases and positive cash flow are key indicators of the successful execution of the Company's business strategy and will increase shareholder value. The Company uses period-over-period net sales growth, EBITDA and EBITDA margin, performance goals and quarterly gross profit to measure operating performance, financial condition and liquidity.

Net sales growth

The Company uses period-over-period net sales growth as a key performance metric. The Company's management assesses net sales growth based on the ability to generate increased net sales through increased sales to existing clients, sales to new clients, sales of new or expanded solutions to existing and new clients, and opportunities to expand sales through strategic investments, including acquisitions.

EBITDA and EBITDA margin

The Company uses EBITDA and EBITDA margin as metrics to assess operating performance. The Company's management assesses EBITDA and EBITDA margin based on the ability to increase revenues while controlling variable expense growth.

Performance Goals

The Company establishes annual performance goals (or key performance indicators) for the company, based on the following metrics: 1) Client Goals – maintain current client base, onboard new annual clients, plus, onboard project-based clients for ad hoc campaigns; 2) Revenue Goals – annual gross profit goal, media services revenue goals; 3) People Goals - quarterly "Fight Plan" check-ins, work efficiency goals, collaboration tools.

Quarterly Gross Profit

The Company has quarterly Gross Profit targets in place that trigger staff bonuses. These are a gauge of our ongoing revenue targets and goals. In addition, there is monthly review of financials between the Managing Director and Director of Finance to track performance. Weekly review of sales activity with the Business Development team – every other week, review revenue numbers and gross margin targets (YoY); every other week, discuss new business and client strategies to grow our revenues.

Results of Operations & Outlook

The Company's operating results for the fiscal year ended December 31, 2021 as compared to the year ended December 31, 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Print Distribution	5,615,612	8,630,082
Direct Mail	14,220,957	7,565,509
Digital	4,554,703	2,791,675
Other	2,341,886	2,292,118
	<u>26,733,158</u>	<u>21,279,384</u>
COGS		
Print Distribution	5,074,047	7,846,197
Direct Mail	12,215,633	6,482,578
Digital	3,944,488	2,417,253
Other	142,486	285,201
	<u>21,376,655</u>	<u>17,031,229</u>
Gross margin	5,356,503	4,248,155
Expenses		
Compensation	2,848,810	2,657,323
Subscriptions, permits and licences	283,067	295,785
General and administrative	107,219	61,901
Insurance	145,845	99,793
Other operating	119,137	70,885
	<u>3,504,078</u>	<u>3,185,687</u>
Operating income before depreciation and unusual items	1,852,425	1,062,469
Depreciation	245,696	599,671
Canada Emergency Wage Subsidy (CEWS)	(137,190)	(408,156)
Earnings before income taxes	1,743,919	870,953
Provision for income taxes	418,863	164,587
Net earnings	<u>1,325,056</u>	<u>706,366</u>

Revenue and COGS

Print Distribution

As planned/anticipated, print distribution revenue decreased \$3.0 million, or 34.9%, to \$5.62 million for the period ended December 31, 2021 as compared to the same period in prior year. The Company has been focusing our client base on an integrated media strategy using a combination of distribution, direct mail and digital. As our clients adopt this model, print distribution revenues will decrease while direct mail and digital will increase. The cost of Print Distribution was proportionately down by \$2.7 million, or 35.3%, to \$5.07 million for the same period in the prior year.

Direct Mail

Direct mail revenue increased by \$6.6 million, or 88.0%, to \$14.2 million for the year ended December 31, 2021 as compared to the same period in the year prior. The Company continues to focus on converting clients to an integrated print strategy. The cost of Direct Mail through Canada Post increased by \$5.7 million, or 88.4%, to \$12.2 million from \$6.5 million the prior year.

Digital

Digital revenue increased by \$1.76 million, or 63.2%, to \$4.5 million for the period ended December 31, 2021 as compared to the same period in the year prior. The Company's retail clients are continuing to adopt digital spending as part of their strategy and as such have moved away from traditional print distribution. The costs associated with Digital Media has increased by \$1.5 million to \$3.9 million, or 63.2%, versus a cost of \$2.4 million the prior year.

Other

Other revenues include radio, television, OOH, analytics and management fees. Other revenues have increased slightly by \$50k, or 2.2%, to \$2.3 million. Of the \$2.3 million for the period ending December 31, 2021, management fees account for \$1.71 million compared to \$1.52 million from the year prior.

Expenses

Compensation

Compensation for the fiscal year ended December 31, 2021 increased by \$191k, or 6.7%, to \$2.8 million from the prior year. There were increases in yearend bonuses of \$225k, higher commission payouts of \$39k offset by lower replacement costs for 2 maternity leaves.

Subscriptions, permits and licences (SPL)

SPL decreased by \$12.7k, or 4.5%, to \$283k from \$296k the year prior. The cost savings for the year was a result of Canada Post deferring their licencing fee from May to December 2021. This resulted in a cost savings of \$13.8k for the calendar year.

General and administrative (G&A)

G&A expenses increased by \$45k, or 42.3%, to \$107k from the prior year. The increased costs are due to additional travel in 2021 versus 2020 when the COVID-19 pandemic was in full force.

Insurance

Insurance has increased by \$46k, or 31.6%, to \$147k from the prior year. There were additional insurance policies purchased in 2021 for the owner/operator.

Other Operating

Other operating expenses for the year ended December 31, 2021 increased by \$48k, or 40.5%, to \$119k versus \$71k the year prior. There was an additional \$60k in audit fees as the Company converted their financial statements to IFRS standards.

Overall, the strategy was successfully implemented. Low margin and smaller accounts were retired and resources were invested, working with clients, in areas of growth bringing value and results to clients.

Operating income before depreciation and unusual items

Operating income before depreciation and unusual items for the year ended December 31, 2021 increased by \$790k, or 74.4%, to \$1.85 million from \$1.06 million the year prior. There were several factors that resulted in this positive variance. As the COVID-19 continues, the Company's clients continue to switch their Print Distribution to a focused Direct Mail and/or Digital Marketing campaigns. This shifted the Company's margins from "Pass Through" low margin campaigns to higher margin campaigns.

Depreciation

Depreciation decreased by \$354k, or 144.1%, to \$246k versus \$600k the year prior. The main reason for the decrease is the expiry of the office lease which was not renewed in December 2020. From that date on, in light of the pandemic persisting, the Company adopted a 100% work-from-home policy which as proven to work well. As such, there was no Right-of-use Asset related to an office lease to depreciate in 2021.

Canada Employment Wage Subsidy (CEWS)

As part of the Government of Canada's COVID-19 measures, the Company was eligible to receive \$137k in CEWS subsidies for the year ended December 31, 2021. The CEWS subsidy decreased by \$270k, or 66.4%, from the \$408k the prior year.

Liquidity and Capital Resources

At the year ended December 31, 2021, the Company had respectively \$2.23 million in cash. The \$800k in term deposits and a letter of credit in the amount of \$800k from the prior year were paid in full. The Company had a positive working capital of \$2.26 million at the end of December 31, 2021. The liabilities relate to on-going media costs and the seasonality impact of Q4. The Company did not have any bank indebtedness.

Management is not aware of any trends or expected fluctuations that would create any liquid deficiencies. The Company believes that cash flow from continuing operations and existing cash resources will be sufficient to meet its short-term requirements, as well as ongoing operations, and will be able to generate sufficient capital to support the Company's operations in the long-term.

No significant expenditures were made to date in 2021.

At the twelve months ended of both 2021 and 2020, the cash resources of The Company were held with Canadian chartered banks.

The Company Outlook

As the COVID-19 pandemic continues, the Company's existing client base continues to shift to an Integrated Marketing Strategy combining all major aspects of the Company product line. At the beginning of the 2022 year, the Company had budgeted for \$29.2 million in sales with a Gross Profit of \$5.7 million, an operating budget of \$3.75 million with a net income before taxes of \$1.92 million.

End of December 31, 2021 1883713 Ontario Inc. MD&A

Schedule J
Combined Pro Forma Statement of Financial Position with Ciscom Corp. and 1883713 Ontario Inc.
as at December 31, 2021

Combined Pro Forma Statement of Financial Position
As at 31 December 2021

	Ciscom Consolidated	188Ont/PMG	Combined
	December 31, 2021	December 31, 2021	December 31, 2021
	Unaudited	Unaudited	Unaudited
ASSETS			
Cash	1,006,133	2,233,707	3,239,840
Receivables	623,445	4,539,075	5,162,520
Harmonized sales tax receivable	64,016	34,293	98,309
Prepays	74,024	334,886	408,910
Total current assets	1,767,618	7,141,961	8,909,579
Fixed Assets	5,124	43,667	48,791
Right of use assets	7,918	10,935	18,853
Cash surrender value of insurance policy	0	21,000	21,000
Intangibles	2,841,833	204,000	3,045,833
Goodwill	0	572,190	572,190
Total assets	4,622,493	7,993,753	12,616,246
LIABILITIES AND SHAREHOLDERS' EQUITY			
Payables and accruals	864,209	4,333,172	5,197,381
Deferred revenue	0	221,870	221,870
Lease liability	8,360	11,190	19,550
Income taxes payable	0	259,963	259,963
Deferred tax liabilities	0	54,060	54,060
Deferred grant - current portion	1,997	0	1,997
Loan payable - current portion	242,455	0	242,455
Total current liabilities	1,117,021	4,880,255	5,997,276
Deferred tax liabilities	753,667	3,429	757,096
Lease liabilities non-current portion	0	1,508	1,508
Deferred grant - non-current portion	4,176	0	4,176
Convertible debenture from related party	131,800	0	131,800
Loan payable - non-current portion	757,577	0	757,577
Total liabilities	2,764,241	4,885,192	7,649,433
Common shares	4,038,012	53	4,038,065
Options reserve	32,008	0	32,008
Surplus	23,343	619,908	643,251
Retained Earnings (Deficit)	-2,235,111	2,488,600	253,489
Total shareholders' equity	1,858,252	3,108,561	4,966,813
Total liabilities and equity	4,622,493	7,993,753	12,616,246

Schedule K
Combined Pro Forma Statement of Profit & Loss with Ciscom Corp. and 1883713 Ontario Inc.
as at December 31, 2021

Combined Pro Forma Statement of Profit & Loss and Comprehensive Income (Loss)

As at 31 December 2021

	Ciscom Consolidated (1+2)	188Ont/PMG (3)	Combined
	December 31, 2021	December 31, 2021	December 31, 2021
	Audited	Audited	
Sales	1,132,076	26,733,158	27,865,234
Cost of sales	941,425	21,376,655	22,318,079
Gross Profit	190,651	5,356,503	5,547,155
Expenses			
Compensation	188,476	2,711,620	2,900,096
Professional Fees	322,046	78,161	400,207
Subscriptions, permits and licences	0	283,067	283,067
General and administrative	166,049	280,678	446,727
Total operating expenses	676,571	3,353,526	4,030,097
Operating Profit (Loss)	-485,920	2,002,977	1,517,058
Interest	15,032	13,362	28,394
Amortization	176,170	245,696	421,866
Fair value exchange in contingent consideration liability	-275,000	0	-275,000
Impairment of goodwill	1,653,243	0	1,653,243
Income before income taxes	-2,055,365	1,743,919	-311,445
Current income tax	0	475,783	475,783
Deferred income tax	-44,333	-56,920	-101,253
Net income	-2,011,032	1,325,056	-685,975

Note 1: For Ciscom Corp., for the 12-month period ended December 31, 2021.

Note 2: Includes Market Focus Direct operations since the acquisition closing on August 31, 2021 (4 months).

Note 3: For 188Ont and Prospect Media Group, for the 12-month period ended December 31, 2021.

Schedule L
Audit Committee Charter of the Company

Audit Committee Charter

Table of contents

Purpose	1
Role and responsibilities of the Committee	1
Size, Composition, and Independence	6
Committee Meeting Administration	7
Delegation of Responsibility	8
Review and Revision of Charter	8
Other Matters	9

Purpose

This Charter has been adopted by the Board of Ciscam (the “Company”) to assist the Audit Committee (the “Committee”) and the Board in exercising their responsibilities, particularly by defining the scope of the Committee’s authority in respect of financial and audit- related matters delegated to it by the Board. The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities.

Where used in this Charter, the term “Executive Management” has the meaning ascribed to it in the Corporation’s Board Charter.

The Charter will be reviewed periodically to ensure it addresses the business environment in light of the Company operations.

Role and responsibilities of the Committee

1. The Board has delegated to the Committee the responsibility for the following matters:

Independent Auditor

- a. Selection and Compensation of Independent Auditor: recommending to the Board and shareholders:
 - the Independent Auditor to be retained for the purpose of conducting review engagements on a quarterly basis and an annual audit of the Corporation’s financial statements (Independent Auditor);
 - the compensation of the Independent Auditor; and,
 - communicating to the Independent Auditor that it is ultimately accountable to the Board and the Committee as the representative of the shareholders.
- b. Oversight of Independent Auditor: overseeing the work of the Independent Auditor, which shall report directly to the Committee, including the resolution of disagreements between Executive Management and the Independent Auditor regarding financial reporting.
- c. Pre-Approval of Audit Fees: pre-approving or establishing procedures and policies for the pre-approval of the engagement and compensation of the Independent Auditor in respect of the provision of all audit, audit-related, review, or attest engagements required by applicable law.
- d. Pre-Approval of Non-Audit Fees: establishing policies and procedures for the pre-approval of Non-Audit services performed by the Independent Auditor, provided that they are detailed as to the particular services and designed to safeguard the independence of the Independent Auditor.
- e. Audit Scope: reviewing and approving the objectives and general scope of the independent audit (including the overall audit plan, the proposed timing, and completion dates) and discussing the independent audit with the Independent Auditor.
- f. Independent Auditor’s Quality Control Procedures, Performance and Independence: evaluating the quality control procedures, performance (annual and comprehensive reviews) and independence of the Independent Auditor in carrying out its responsibilities, including by obtaining and reviewing, at least annually, a report by the Independent Auditor describing:

- the firm’s internal quality control procedures;
 - any material issues raised by the most recent internal quality control review of the firm, or by any inquiry or investigation by governmental or professional authorities (e.g., Canadian Public Accountability Board (Canada) and/or Public Company Accounting Oversight Board (US)), within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
 - all relationships between the Independent Auditor and the Corporation.
- g. Staffing of the Audit Team: reviewing the experience and qualifications of the Independent Auditor’s audit team assigned to the audit of the Corporation each year and determining that all partner rotation requirements, as promulgated by applicable rules and regulations, are executed. The Audit Committee should present its conclusions to the Board.
- h. Required Disclosures: reviewing and discussing with the Independent Auditor all disclosures required by applicable accounting or other regulators to be reviewed with respect to the conduct of the audit and quarterly review of the interim financial results.
- i. Relationship between the Independent Auditor and Management: satisfying itself generally that there is a good working relationship between Executive Management and the Independent Auditor, and reviewing any material correspondence between the Independent Auditor and Executive Management, including but not limited to:
- any management representation letters;
 - the Independent Auditor’s management letters and management’s responses thereto;
 - the Independent Auditor’s schedule of unadjusted differences; and
 - any material correspondence of the Independent Auditor;
- as well as discussing any material differences of opinion between management and the Independent Auditor.
- j. Hiring the Independent Auditor: reviewing the hiring of partners, employees, and former partners and employees of the present and any former Independent Auditor who were engaged on the Corporation’s account within the last three years prior to such hiring.

Internal Controls

- k. System of Internal Controls: satisfying itself that Executive Management has:
- established and is maintaining an adequate and effective system of internal control over financial reporting and information technology general controls (“ITGCs”); and
 - is responding on a timely basis to any material weaknesses or significant deficiencies that have been identified,
- including, by meeting with and reviewing reports of the Corporation’s Internal Audit Department (“IAD”) and the Independent Auditor relating to the Corporation’s internal controls and ITGCs.
- l. Reports on Internal Controls: annually reviewing:
- Executive Management’s report relating to the effectiveness of the Corporation’s disclosure controls and procedures, internal control over financial reporting, changes in internal controls

over financial reporting and ITGCs; and

- the Independent Auditor's report on internal controls over financial reporting under International Financial Reporting Standards ("IFRS") and of the United States Public Company Accounting Oversight Board (if the issuer is a Securities and Exchange Commission (SEC) registrant).

Internal Audit

- m. Internal Audit Department (IAD): overseeing the appointment, termination, and replacement of the Chief Audit Executive of IAD, the scope of the IAD's work plan and budget, as well as the overall performance, staffing and resources of the IAD. The Committee shall also be responsible for coordinating the IAD and Independent Auditor.

The Committee shall also review:

- Annually, the IAD Charter and recommend changes (if any) to the Charter;
- Periodically, with the Chief Audit Executive, any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the IAD's work.

Accounting Matters

- n. Critical Accounting Policies: reviewing and discussing with the Independent Auditor:
 - the selection, use, and application of, as well as proposed material changes to, critical accounting policies, principles, practices, and related judgments;
 - alternative IFRS/GAAP treatments for policies and practices relating to material items, including the ramifications of such alternative disclosures or treatments and any recommended treatment;
 - review and approve all related party transactions and the Independent Auditor's evaluation of the Corporation's identification of, accounting for, and disclosure of its relationships with related parties;
 - review and understand strategies, assumptions, and estimates that management has made in preparing financial statements, budgets, and investment plans;to satisfy itself that the critical accounting policies and practices and GAAP treatments adopted are appropriate and consistent with the Corporation's needs and applicable requirements.
- o. Critical audit matters (CAMs) / Key audit matters (KAMs): discussing the CAMs/KAMs and related disclosures with the independent auditor.
- p. Disagreements: satisfying itself that there is an agreed upon course of action leading to the resolution of significant unsettled issues between Executive Management and the Independent Auditor that do not affect the audited financial statements (e.g., disagreements regarding correction of internal control deficiencies or the application of accounting principles to proposed transactions), if any.
- q. Off-Balance Sheet Transactions: reviewing all material off-balance sheet transactions and the related accounting presentation and disclosure.

Risk Oversight

- r. Financial Risk Oversight: assessing with Executive Management the Corporation's material risk exposures relating to financial and financial reporting matters and the Corporation's actions to identify, monitor, and mitigate such exposures.
- s. Litigation/Regulatory Actions Oversight: monitoring the status and potential impact of material litigation, regulatory proceedings, and any tax uncertainties.
- t. Reviewing, monitoring, reporting and, where appropriate, providing recommendations to the Board on the Corporation's major legal obligations and compliance risks including regulatory, privacy and records management, environmental risks, and environment trends that may impact the Corporation's operations and business.

Financial Disclosures

- u. Disclosure Controls: satisfying itself that procedures are in place for the review of the Corporation's public disclosure of financial information and assessing the adequacy of those procedures annually.
- v. Approval of Disclosures: meeting to review and discuss the Corporation's financial statements with Executive Management and the Independent Auditor and recommending to the Board, prior to release, all such financial statements of the Corporation, together with related Management's Discussion & Analysis of Results of Operations and Financial Position ("MD&A"), earnings press releases, the use of "pro forma" or non-IFRS/GAAP financial information and all other public disclosure documents of the Corporation containing financial information of the Corporation. Also, discussing the impact of selecting one of several IFRS/GAAP and/or non-IFRS/GAAP measures on the financial statements when such a selection has been made in the current reporting period. Alternatively, the Board may delegate the quarterly approval of the interim financial statements of the Corporation, together with related MD&A, earnings press releases, and all other public disclosure documents of the Corporation containing financial information of the Corporation to the Committee. The annual financial statements and applicable reports must be approved by the Board.
- w. The Committee will review, discuss with Management and with others, as it deems appropriate, and approve all related party transactions and the disclosure thereof.

Financial Integrity and Whistle-Blowing

- x. Financial Integrity: reviewing on behalf of the Board:
 - any actual or alleged illegal, improper, or fraudulent behaviour related to the Corporation's financial statements, or its accounting or auditing practices; and
 - the findings of any regulatory authorities in relation to the financial affairs of the Corporation;
- y. Whistle-Blowing Procedures: overseeing the implementation, operation and effectiveness of the Corporation's mechanisms for:
 - the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal controls, and auditing matters; and
 - the confidential, anonymous submission of complaints by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Ethics and Legal Compliance

- z. Compliance Culture and Training: reviewing Executive Management's implementation of systems and controls designed to promote compliance with applicable legal and regulatory requirements. In performing its oversight responsibilities, the Committee shall:
- satisfy itself that Executive Management has established an appropriate tone and culture with respect to:
 - ethical business conduct by the Corporation's employees, agents, representatives, contractors, and suppliers; and
 - legal and regulatory compliance;
 - review with Executive Management the design, implementation, and effectiveness of policies or programs that promote compliance with legal and regulatory requirements; and
 - periodically meet with representatives of the Corporation's various functional departments and/or external advisors to discuss the Corporation's compliance with applicable legal and regulatory requirements, the results of internal compliance reviews and material non-compliance with legal and/or regulatory requirements or internal policies, procedures and programs of the Corporation.
- aa. Code of Conduct: monitoring the implementation, operation, and effectiveness of the Corporation's Code of Conduct, periodically reviewing and recommending to the Board changes to such Code, authorizing any waiver of compliance of such Code and overseeing the investigation of any alleged breach thereof.

Reporting and Disclosure

- bb. Reporting to the Board: quarterly reporting to the Board with respect to the Committee's review of the Corporation's financial statements, MD&A, financial disclosures, earnings press releases, and related matters, and at least quarterly with respect to the Committee's other activities.
- cc. Audit Committee Report: overseeing the preparation of the Audit Committee report for inclusion in the Corporation's management information circular/proxy statement, in the form and at the time required by the laws, rules, and regulations of applicable regulatory authorities.

Size, Composition, and Independence

2. Size: The Committee shall be composed of not less than three (3) nor more than five (5) members. The Board shall annually appoint the members of the Committee and a Chair from amongst those appointed, to hold office until the next annual meeting of the shareholders of the Corporation. The members of the Committee shall serve at the request of the Board and vacancies occurring from time to time shall be filled by the Corporate Governance, Compensation and Nominating Committee. Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee once the member is no longer a director of the Corporation.
3. Independence: All of the members of the Committee shall meet the independence standards specified by the applicable laws, which currently are Sections 1.4 and 1.5 of National Instrument 52-110 of the Canadian Securities Administrators.

4. Financial Literacy and Expertise: All of the members of the Committee shall be “financially literate” as such term is defined in National Instrument 52-110 of the Canadian Securities Administrators, and at least one member of the Committee shall have such accounting or financial expertise as is required to comply with applicable rules and regulations of the Ontario Securities Commission (“OSC”) and any other regulatory authority having jurisdiction.
5. Limit on outside audit committees: No director shall serve as a member of the Committee if that director is a member of the audit committees of more than three other boards of directors of other public companies. If the member of Committee can demonstrate financial expertise then that director shall serve no more than four other board of directors of other public companies.
6. Independent Advisors: The Committee may retain and compensate such outside financial, legal, and other advisors at the expense of the Corporation as it deems reasonably necessary to assist and advise the Committee in carrying out the Committee’s duties and responsibilities.
7. Role of Chair: The Chair of the Committee shall generally provide leadership to enhance the effectiveness of the Committee and act as the liaison between the Committee and the Board as well as between the Committee and Executive Management. The Chair shall also manage the Committee’s activities and meetings, manage any outside legal or other advisors retained by the Committee, and manage the process of reporting to the Board on the Committee’s activities and related recommendations.
8. Secretary of the Committee: Unless otherwise determined or approved by the Committee, the Secretary or an Assistant Secretary of the Corporation shall act as the Secretary of the Committee. In the absence of the Secretary or an Assistant Secretary, the Committee shall select an individual to act as the Secretary of the Committee. The Secretary of the Committee shall keep minutes of the Committee and such minutes shall be retained in the corporate records of the Corporation. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and once approved, shall be made available to all members of the Board, unless a conflict of interest exists.

Committee Meeting Administration

9. Meetings: The Committee shall hold at least four scheduled meetings each year, consisting of quarterly meetings held within the timeframes set forth in Section 10 of this Charter. Other meetings shall be scheduled as required. Regular meetings of the Committee shall be called by the Chair of the Committee, and additional meetings may be called by any member of the Committee, the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief Legal Officer or the Secretary of the Corporation. At each quarterly meeting, the Committee shall meet separately with the Independent Auditor and the Chief Audit Executive in the absence of Management, and Management in the absence of the Independent Auditor. At least annually, the Committee shall meet separately with the Corporation’s Vice President, Ethics and Legal Compliance, without members of Management being present.
10. Quarterly Meetings: the Committee shall meet with Executive Management and the Independent Auditor of the Corporation within:
 - a. forty-five (45) days, or such lesser period as may be prescribed by applicable law, following the end of each of the first three financial quarters of the Corporation, but in any event prior to the release of the financial results for each such quarter and their filing with the applicable regulatory authorities,

to review and discuss the financial results of the Corporation for the fiscal quarter and the related MD&A as well as the results of the Independent Auditor's review of the financial statements for such quarter and, if satisfied, report thereon to, and recommend their approval by, the Board and their inclusion in the Corporation's required regulatory filings for such quarter; and,

- b. seventy-five (75) days, or such lesser period as may be prescribed by applicable law, following the financial year-end of the Corporation, but in any event prior to the release of the financial results for the financial year and their filing with the applicable regulatory authorities, to review and discuss the audited financial statements of the Corporation for the preceding fiscal year and the related MD&A, as well as the results of the Independent Auditor's audit of the financial statements for the year and, if satisfied, report thereon to, and recommend their approval by, the Board and the Corporation's shareholders as required by applicable law and their inclusion in the Corporation's Annual Report and other required regulatory filings.

In reviewing the quarterly and annual financial results, the Committee shall ensure that there are adequate procedures for the review of such financial results, including a timely review by the Independent Auditor.

11. **Minimum Attendance:** Each member of the Committee is expected to use all reasonable efforts to attend a minimum of 75% of all regularly scheduled Committee meetings, except to the extent that any absence is due to medical or other valid reasons.
12. **Notice of Meeting:** Unless otherwise determined or approved by the Committee, the Secretary of the Committee shall provide notice of each meeting of the Committee to the following persons, all of whom shall be entitled to attend each Committee meeting, if such appointment exists:
 - the Committee Chair and each member of the Committee;
 - the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer of the Corporation, the Senior Vice-President, Finance, and the Controller;
 - the Independent Auditor;
 - the Chief Audit Executive;
 - the Chief Compliance Officer; and
 - any other person whose attendance is deemed necessary or advisable by the Chair of the Committee.
13. **Committee Access to Employees and Others:** For the purpose of performing their duties and responsibilities, the members of the Committee shall have full access to and the right to discuss any matters relating to such duties with any or all of:
 - any employee of the Corporation;
 - the Independent Auditor; and/or
 - any advisors to the Corporation (including advisors retained by the Committee),as well as the right to inspect all applicable books, records, and facilities of the Corporation and its subsidiaries and shall be permitted to discuss such books, records and facilities and any other matters within the Committee's mandate with any of the foregoing.
14. **Meeting Agendas:** The Committee Chair shall establish a preliminary agenda for each Committee meeting with the assistance of the Secretary of the Corporation. Any director or other person entitled to call a meeting may request items to be included on the agenda for any meeting.
15. **Meeting Materials:** To the reasonably practicable extent, meeting materials shall be distributed

sufficiently in advance of Committee meetings to permit members to properly review and consider such materials.

16. Quorum: A majority of the members of the Committee shall constitute a quorum and all actions of the Committee shall be taken by a majority of the members present at the meeting. If the Committee only has two members as a result of a vacancy on the Committee, both members shall constitute a quorum. The definition of quorum is usually disclosed in the by-laws of the Corporation.

Delegation of Responsibility

17. Right of Delegation: Subject to applicable law, the Committee may, from time to time, delegate one or more of its duties and responsibilities under this Charter to the Chair of the Committee, any other member of the Committee or any sub-committee of the Committee.

Review and Revision of Charter

18. Annual review: The Committee shall annually review this Charter and recommend to the Corporate Governance, Compensation, and Nominating Committee of the Board such changes as it deems advisable.

Other Matters

19. Training of Committee Members: The Committee shall be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all other members. The induction program for new members should cover this Charter and provide an overview of the Organization's internal controls and risk management systems. This induction should also include meeting the Independent Auditor and relevant employees of the Corporation.
20. Performance of the Committee: The Committee shall review its own performance on a biennial basis to ensure that it is operating at maximum effectiveness and also recommend any changes it considers necessary to the Board for approval.