

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

**Item 1      Name and Address of Company**

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

**Item 2      Date of Material Change**

March 27, 2024

**Item 3      News Release**

The press release attached as Schedule "A" was released on March 27, 2024 by a newswire company in Canada.

**Item 4      Summary of Material Change**

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

**Item 5      Full Description of Material Change**

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

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

Not applicable.

**Item 7      Omitted Information**

Not applicable.

**Item 8      Executive Officer**

Michel Pepin  
President & CFO  
[mpepin@ciscomcorp.com](mailto:mpepin@ciscomcorp.com)

**Item 9      Date of Report**

March 27, 2024

## Schedule "A"

### **Ciscom's ICT Acquisition of Prospect Media Group Contributes to 'Stellar' Year-End Earnings for 2023**

Toronto, ON, March 27, 2024 – CISCOS Corp. (CSE: CISC) (OTCQB: CISC) ("Ciscom" or "the Company"), which actively invests in, acquires, and manages companies within the Information and Communication Technology (ICT) sector, is pleased to announce that it has filed its audited financial statements and management discussion and analysis for the twelve months ended December 31, 2023, under its corporate profile on [www.sedarplus.ca](http://www.sedarplus.ca). As expected, Ciscom received a clean audit report. Ciscom delivered solid growth and results including positive cash flows from operations for 2023.

In 2023, Ciscom's revenues surged to \$35.2 million, up 138% from \$14.8 million in the previous year, primarily driven by the strategic acquisition of Prospect Media Group, completed on September 30, 2022. This substantial revenue growth underscores CISCOS's successful expansion and integration strategy.

Gross profit for the year stood at \$6.9 million, a 200% increase from \$2.3 million in 2022, with gross margins improving to 19.6% from 15.6%. This improvement, amounting to a 26.2% year-over-year increase, reflects the successful retirement of low-margin projects and the realization of cost synergies through efficient procurement and operational initiatives, a notable achievement in a challenging economic landscape.

The Company achieved a cash-adjusted operating profit (EBITDA) of \$1.34 million in 2023, compared to a net cash-adjusted operating loss of \$0.37 million in 2022, marking an impressive year-over-year improvement of \$1.71 million. This performance attests to the effectiveness of Ciscom's cost reduction initiatives, which have saved \$625k annually across various operational areas.

Although Ciscom reported a net loss of \$1.461 million for 2023, slightly improving from a net loss of \$1.545 million in 2022, the year's expenses included \$537k in restructuring costs and \$208k in non-recurring expenses. The Company also faced significant non-cash expenses totaling \$2.4 million, including share-based compensation, intangible assets amortization and provision for loan loss, among others. Nonetheless, the operations generated positive cash flows of \$1.3 million in 2023, a significant turnaround from a cash use of \$0.9 million in the previous year.

Ciscom continues to be in good standing with its banking partners, reflecting the Company's solid and rigorous financial management and governance. Looking ahead, Ciscom is poised for further growth, with a focus on client-centric services and a commitment to operational excellence.

Michel Pepin, President & CFO of Ciscom, shared his enthusiasm for the company's growth, stating, "Despite the hurdles posed by the economic environment, our team's unwavering commitment to excellence has not only preserved but enhanced our service quality. Our balanced approach of nurturing recurring sales, pursuing organic growth, and executing strategic acquisitions has fortified our position for sustained prosperity. The amalgamation of our innovative technology and the unparalleled dedication of our team forms the bedrock of our competitive advantage and relevance in the market. This synergy propelled us to a stellar close of the year, setting a robust foundation for the future."

#### **Non-IFRS Measures**

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

management disclosures.

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

For a full definition of non-IFRS financial measures used herein to their nearest IFRS equivalents, please see the section entitled "Non-IFRS Financial Measures" in the Company's MD&A for the twelve months ended December 31, 2023.

### **About Ciscom Corp.**

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

For more information, visit <http://www.ciscomcorp.com>

### **CONTACT INFORMATION**

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President & CFO

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### **Cautionary Statement**

This news release contains certain statements that constitute forward-looking statements as they relate to Ciscom and its management. Forward-looking statements are not historical facts but represent management's current expectation of future events and can be identified by words such as "believe", "expects", "will", "intends", "plans", "projects", "anticipates", "estimates", "should", "continues" and similar expressions. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that they will prove to be correct or will come to pass. Forward-looking statements include statements and information regarding the anticipated audited financial results, anticipated implementation and shareholder ratification of the Plan, future expectations of growth and profits, future grants of equity incentive awards, future payments of dividends, the future plans for the Company, and other forward-looking information.

By their nature, forward-looking statements include assumptions and are subject to inherent risks and uncertainties that could cause actual future results, conditions, actions, or events to differ materially from those in the forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: 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 ability to identify ICT target acquisitions and complete such transactions on an economic basis or at all, and successfully integrate those businesses; the ability to convert the potential in the pursued business opportunities to tangible benefits to the Company or its shareholders; risks of a material adverse change to the Company's assets or revenue; stock market volatility and capital market valuation; the ability of the Company to continue as a going concern; dependence on key personnel; the Company's early stage of development; potential losses on investments; unstable and potentially negative economic conditions; fluctuations in interest rates; competition for investments within the ICT sector; maintenance of client relationships; maintaining a listing on the Canadian Securities Exchange; risks related to potential dilution in the event of future financings; no previous public market for the shares; volatility of the market price for the Company's securities; audit risk; litigation risk and risk of future legal proceedings; reliance on key personnel; jurisdictional and regulatory risk; lack of operating cash flow; volatility; additional funding requirements; adverse general economic conditions; competition; conflicts of interest; the early stage of Ciscom's business; income tax matters; availability and terms of financing; rising costs related to inflation; and effects of market interest on price of securities and potential dilution; and those factors

detailed in the Company's prospectus dated June 5, 2023 and other public documents filed under Ciscom's profile at [www.sedarplus.ca](http://www.sedarplus.ca). Ciscom has also assumed that no significant events occur outside of Ciscom's normal course of business.

Ciscom cautions that the foregoing list of factors is not exhaustive. In addition, although Ciscom has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended. When relying on Ciscom's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Ciscom has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this press release represents the expectations of Ciscom as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Ciscom does not undertake to update this information at any particular time except as required in accordance with applicable laws.