

**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**

July 25, 2024

**Item 3      News Release**

The press release attached as Schedule "A" was released on July 25, 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**

July 25, 2024

## Schedule "A"

### **Ciscom Reports Significant Revenue Growth in First Half of 2024**

Toronto, ON, July 25, 2024 – CISCOM Corp. (CSE: CISC) (OTCQB: CISCF) (“Ciscom” or “the Company”), which actively invests in, acquires, and manages companies within the Information and Communication Technology (“ICT”) sector, is pleased to announce that it has filed its condensed consolidated financial statements and management discussion and analysis for the six-month period ended June 30, 2024. The financial statements, available on [www.sedarplus.ca](http://www.sedarplus.ca), show that Ciscom delivered significant organic growth and results including positive cash flows from operations for the first semester ended June 30, 2024 (Q2 2024).

According to the newly filed financial statements, in Q2 2024 Ciscom's revenues increased to \$9.9 million, up 42.8% from \$6.9 million for the same period the prior year. For the first half of 2024, revenues increased to \$17.3 million, up 21.7% from \$14.2 million for the same period the prior year.

"Achieving over 20% organic revenue growth in 2024 over the same six-month period last year is substantial by itself, yet it is noteworthy that we did it while also reducing operating expenses by 12%," reported Michel Pepin, President, CFO and Director of Ciscom Corp. "This is a testimony to the quality and expertise of our team. These notable achievements were realized amid economic challenges and a changing market landscape. As capital markets have begun to favor smaller capital entities, Ciscom is well-positioned to leverage these opportunities and deliver on its acquisitions mandate. We are focused and driving our competitive advantage in our mission to build shareholder value."

In Q2 2024 Ciscom gross profit increased to \$1.8 million, up 29.1% from \$1.4 million for the same period the prior year. For the first half of 2024, gross profit increased to \$3.2 million, up 19.5% from \$2.7 million for the same period the prior year. Gross margins remained stable.

The Company achieved a cash-adjusted operating profit (EBITDA) of \$0.529 million in Q2 2024, compared to EBITDA of \$0.096 million in Q2 2023, for a sizeable year-over-year improvement of \$0.433 million (453% growth). For the first half of 2024, EBITDA was \$0.782 million, a significant increase of \$0.832 million when compared to the operating loss of \$0.050 million for the same period in 2023. This performance is in part due to the effectiveness of Ciscom's cost reduction initiatives, which have saved \$625k annually across various operational areas.

For the first semester of 2024, Ciscom reported a net loss of \$0.186 million, an improvement of \$0.879 million compared to a net loss of \$1.065 million for the same period in 2023. The Company also carries significant non-cash expenses totaling \$0.813 million for the first semester of 2024, including share-based compensation, intangible assets amortization and deferred charges. Nonetheless, Ciscom's operations generated positive cash flows of \$0.814 million in the first half of 2024.

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

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

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

The Company believes that this measure provides investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods

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

For a full 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 three months period ended June 30, 2024.

### **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 any anticipated investing in or acquisition of additional companies in the ICT sector, the anticipated development or trend of the capital markets and the size of corporate entities such markets may favour, any expected opportunities which may become available to Ciscom and the ability or choice of Ciscom to avail itself thereof, any expected competitive advantage which Ciscom may have, any expected increase of or change in shareholder value, any expected continuance of Ciscom's relations with its banking and other business partners and any expected maintenance of the quality thereof, the quality and continuance of Ciscom's financial management and governance standards, expectations of operational excellence, expectations of optimized advertising spend, high returns on investments for customers and high levels of customer engagement, 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, interest rate and debt market volatility; changing capital market valuations; 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; 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.