

# Ciscom Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE PERIOD OF JANUARY 1, 2023 to MARCH 31, 2023  
(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 subsidiaries Market Focus Direct Inc. ("**MFD**") and 1883713 Ontario Inc. ("**188Ont**") and its wholly owned subsidiary Prospect Media Group Ltd. ("**PMG**") constitutes management's review of the factors that affected the Company's financial and operating performance from January 1, 2023 to March 31, 2023 with respective comparative periods. On September 30, 2022 the Company completed the acquisition of 100% of all issued and outstanding shares of 188Ont inclusive of its wholly owned subsidiary, PMG. Consequently, the consolidated statement of financial position reflects the assets and liabilities and purchase price accounting and the consolidated statement of profit since the closing of the acquisition.

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 consolidated 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 March 31, 2023 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.

### 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.

MFD was incorporated under the Business Corporations Act (Ontario) (“OBCA”) on November 15, 1991. Until March 31, 2023, MFD’s head office, principal address and registered and records office is located at 550 Alden Road, suite 207, Markham, Ontario, L3R 6A8. As of April 1, 2023, MFD operates virtually and has moved its head office to Ciscom’s premises is located at 20 Bay Street, Suite 1110, Toronto, Ontario, M5J 2N8. 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.

188Ont 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. 188Ont, including its wholly owned subsidiary PMG, (together referred to as “188Ont”) 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. 188Ont’s and PMG’s financial year ends on December 31.

Considering the synergies and shared resources, the Company and its subsidiaries operate as one Cash Generating Unit (“CGU”).

*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 March 31, 2023 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:

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.

### *Operating Segment(s)*

As the two subsidiaries of the Company are in the same sector at period and year end, the operations are under one general segment as products and services are intertwined, there is no distinct reporting division(s), no divisional or departmental statement of profit and loss, no distinct physical location(s) and staff are blended amongst accounts. Considering the synergies and shared resources, the Company and its subsidiaries operate as one Cash Generating Unit (“CGU”). All clients are domestic (Canadian).

### **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.

Management made estimates and assumptions, 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 March 31, 2023, the Company has issued a total of 51,563,831 Ciscom Shares for a total consideration of \$9,114,565 (as at December 31, 2022, respectively 51,108,882 Ciscom Shares for a total consideration of \$8,886,565). The Company has reserved a rolling 10% of its issued and outstanding Common Shares for its Executive Stock Option Plan. A total of 3,520,000 Ciscom Options have been issued as of March 31, 2023 (3,220,000 as of December 31, 2022). Each option consists of one Common Share exercisable for 5 years. As of March 31, 2023, a total of 2,220,000 Ciscom Options are exercisable at \$0.10, a total of 55,000 Ciscom Options are exercisable at \$0.25 and a total of 1,245,000 Ciscom Options are exercisable at \$0.55.

On close of business on August 31, 2021 (effective 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 Cisco 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.

On September 30, 2022, the Company completed a Share Purchase Agreement (“SPA”) transaction with 188Ont for the purchase price of \$12,488,481 for 100% of all issued shares. The purchase price was satisfied with a cash payment of \$5,800,000, a short-term note payable in 2023 of \$1,163,521, the issuance of 7,633,889 common shares of the Company in the amount of \$3,435,250 that was determined by using \$0.45 per share, an Earn-Out of \$900,000 (payable in Cisco Shares) and a convertible debenture in the amount of \$1,400,000. The Earn-Out revenue performance targets are a gross profit increase of \$275,000 for 2022 over 2021 and a gross profit increase of \$500,000 for 2023 over 2022. The fair value of the Earn Out Consideration was in the amount of \$689,710 upon acquisition date and \$689,710 as of September 30, 2022 respectively (face value of \$900,000). As the Earn Out Consideration is conditional upon achieving certain milestones, it has been treated as a financial liability and classified as FVTPL. A business valuation was performed on the closing date of the acquisition.

- (i) David Mathews remains the President and Managing Director of PMG;
- (ii) On closing, the directors of 188Ont and PMG resigned, and Drew Reid and Michel Pepin became directors of 188Ont and PMG;
- (iii) 188Ont became a wholly owned subsidiary of the Company; and,
- (iv) 188Ont 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 consolidated statement of financial position includes 188Ont as at September 30, 2022. Considering the synergies and shared resources, the Company and its subsidiaries operate as one Cash Generating Unit (“CGU”).

#### *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, there were material uncertainties influencing management's going concerns and assumptions. Management could not accurately predict the future impact COVID-19 at the time in relation to:

- 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 effects of the pandemic are mainly behind us from a medical point of view, there are lagging economics consequences that will remain for a period of time. While interest rates have increased to levels not seen in years and there is noise related to a recession, the employment market remains strong as per the employment reports from both the American and Canadian authorities, and the retail spend levels are solid. As such, 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.

#### COVID-19 impact disclosure

While COVID-19 has impacted businesses at large, other businesses have fared well during the pandemic. The business of the Company is to buy and manage portfolio companies operating in the ICT sector.

Ciscom is looking at acquiring and managing companies at a time where businesses have already experienced reduced revenue on the heels of COVID-19 affecting us all since March 2020. This favours Ciscom from an acquisition standpoint as targets are coming to market with reduced expectations (lower acquisition price points) while they are still nicely profitable. Companies have had to reorganize operations, costs and management to accommodate the new environment.

Many owners and operators have had a wake-up call of their own longevity and financial security due to COVID-19 and find themselves far more interested in selling their business into a public company. Typically, transactions for smaller entities are straight cash with an earn-out based on performance. The Ciscom model transaction provides the sellers the exit they are looking for at a fair (yet lower) price in a combination of cash and shares. They receive a portion of the proceeds in cash and the balance in shares of a publicly traded company (proportions are tailored to each

transaction). Consequently, the sellers will benefit from a second event (kicker) when they sell their stock in the public company at a far greater multiple they would have on a full cash deal, especially with results that are impacted by COVID.

As these companies rebound through and post COVID, the profitability of Ciscom and its subsidiaries will increase substantially. The underlying valuation of Ciscom will increase and drive shareholder value, open up the market and lead to more substantial and profitable acquisitions.

From a day-today operations standpoint, Ciscom itself has not been affected by the pandemic. As noted above, the pandemic could be financial beneficial in the long run for Ciscom's shareholders.

Ciscom continuously monitor the impact of COVID-19 and will keep report both positive and negative impacts along with corrective measures implemented to ensure the preservation of assets and created shareholders' return.

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*

Once the Company has achieved its public company status and secured additional financing, it intends to explore 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 consolidated financial statements of the Company as at March 31, 2023 (3 months) and December 31, 2022 (12 months incorporating the operations of 188Ont as of October 1, 2022).



Consolidated results	March 31, 2023 \$	December 31, 2022 (audited) \$
Revenue	7,253,560	14,766,407
Gross Profit	1,294,918	2,298,158
Compensation	967,431	1,582,435
Stock based compensation	134,888	327,961
Professional fees	149,111	697,057
Other operating expenses	195,190	389,088
Total Operating expenses	1,446,619	2,996,541
Net Operating Loss	(151,701)	(698,383)
Finance costs	156,581	250,408
Amortization and Depreciation	382,156	811,704
Goodwill impairment and change in liability consideration	-	406
Income taxes	(115,239)	(215,537)
Net Loss	(575,199)	(1,545,364)
Net loss per share – basic and diluted	(0.011)	(0.035)
Total assets on December 31	51,396,895	23,803,577
Distributions or dividends	Nil	Nil

Considering the synergies and shared resources, the Company and its subsidiaries operate as one Cash Generating Unit (“CGU”).

On a full year basis, assuming that 188Ont had been acquired on January 1, 2022, operating results for the year ended December 31, 2022 would have been the following:

	188Ont	MFD	Ciscom	Total
Sales	30,725,474	3,110,085	0	33,835,559
Cost of Goods Sold	25,340,417	2,623,314	0	27,963,731
<b>Gross Profit</b>	<b>5,385,057</b>	<b>486,771</b>	<b>0</b>	<b>5,871,828</b>
Compensation	2,777,044	588,694	208,060	3,573,798
Professional fees	86,203	0	676,558	762,761
General & Administration	531,313	92,816	154,301	778,430
<b>Total Expenses</b>	<b>3,394,559</b>	<b>681,510</b>	<b>1,038,919</b>	<b>5,114,988</b>
<b>Operating profit (cash basis)</b>	<b>1,990,498</b>	<b>-194,739</b>	<b>-1,038,919</b>	<b>756,840</b>
Stock based compensation	0	0	327,961	327,961
<b>Operating profit</b>	<b>1,990,498</b>	<b>-194,739</b>	<b>-1,366,880</b>	<b>428,879</b>

*g) Off-Balance Sheet Arrangements*

As at March 31, 2023 and December 31, 2022, 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) Financial Highlights*

*Revenues/Sales*

For the period ended March 31, 2023, the Company consolidated revenues were \$7,253,560 versus \$403,449 for the period ended March 31, 2022 which did not include revenues from 188Ont.

The Covid-19 pandemic has negatively impacted MFD’s revenue since March 2020. Reduced clients’ spend and clients cancelling and postponing their campaign had the following negative impact.

MFD 2019 Revenue (12 months): \$9,773,180  
MFD 2020 Revenue (12 months): \$6,143,857 reduction of \$3,629,328 (-37.1%)  
MFD 2021 Revenue (12 months): \$2,780,412 reduction of \$3,363,445 (-54.7%)  
MFD 2022 Revenue (12 months): \$3,110,085 increase of \$329,673 (+11.9%)  
Cumulative revenue reduction 2022 over 2019: \$6,663,095 (-68.2%)

MFD had one client representing 40% to 45% of its yearly revenue in prior years that reduced its activities in 2020 and for the first 9 months of 2021 and then, subsequently cancelled all of its order for Q4 2021 which negatively affected MFD’s revenue through 2021. This client had some minimal activity in 2022. In 2022, MFD recovered by getting new clients, increased volumes from current clients and the introduction of a digital offering.

During the same period, 188Ont/PMG revenues were initially affected by the pandemic then increased as a function of service offering diversification including digital and social media delivery.

PMG 2019 Revenue (12 months): \$23,678,736  
PMG 2020 Revenue (12 months): \$21,279,384 reduction of \$2,399,352 (-10.1%)  
PMG 2021 Revenue (12 months): \$26,733,158 increase of \$5,453,774 (+25.6%)  
PMG 2022 Revenue (12 months): \$30,725,474 increase of \$3,992,316 (+14.9%)  
Cumulative revenue increase 2022 over 2019: \$7,046,738 (+29.8%)

For the first quarter ended March 31, 2023 and 2022, sales for PMG and MFD were:

<b>SALES</b>	<b>PMG</b>	<b>MFD</b>	<b>Total</b>
<b>Q1 2023</b>	6,773,990	479,569	7,253,560
<b>Q1 2022</b>	0	403,449	403,449

Sales and Cost of Sales ("COS")

	For the period ended March 31, 2023	For the period ended March 31, 2022
	\$	\$
<b>Revenue</b>		
Print Distribution	1,432,505	403,449
Direct Mail	3,401,191	-
Digital	1,873,432	-
Other	546,432	-
	<b>7,253,560</b>	<b>403,449</b>
<b>Cost of Revenue</b>		
Print Distribution	1,258,289	323,028
Direct Mail	2,860,702	-
Digital	1,789,294	-
Other	50,357	-
	<b>5,958,642</b>	<b>323,028</b>
<b>Gross Profit</b>	<b>1,294,918</b>	<b>80,421</b>

Had 188Ont been acquired on January 1, 2022, revenues and cost of revenues for the first quarter of 2023 and 2022 would have been the following:

	For the period ended March 31, 2023	For the period ended March 31, 2022	Year-over-year Variance	
	\$	\$	\$	%
<b>Revenue</b>				
Print Distribution	1,432,505	1,287,721	144,784	11.2%
Direct Mail	3,401,191	3,357,158	44,033	1.3%
Digital	1,873,432	637,744	1,235,688	193.8%
Other	546,432	508,302	38,130	7.5%
	<b>7,253,560</b>	<b>5,790,925</b>	<b>1,462,635</b>	<b>25.3%</b>
<b>Cost of Revenue</b>				
Print Distribution	1,258,289	1,159,790	98,499	8.5%
Direct Mail	2,860,702	2,873,123	-12,421	-0.4%
Digital	1,789,294	576,404	1,212,890	210.4%
Other	50,357	30,950	19,407	62.7%
	<b>5,958,642</b>	<b>4,640,267</b>	<b>1,318,375</b>	<b>28.4%</b>
<b>Gross Profit</b>	<b>1,294,918</b>	<b>1,150,658</b>	<b>144,260</b>	<b>12.5%</b>

## **Revenues**

### *Print Distribution*

Print distribution revenue increased \$145k (11.2%) to \$1.43M for the period ended March 31, 2023 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. Clients continue their spend on print distribution as it has proven effective. The cost of Print Distribution was up by \$98k (8.5%) to \$1.26M for the same period in the prior year.

### *Direct Mail*

Direct mail revenue increased by \$44k (1.3%) to \$3.40M for the period ended March 31, 2023 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 decreased by \$12k (0.4%) to \$2.87M for the same period in the prior year.

### *Digital*

Digital revenue increased by \$1.24M (193.8%) to \$1.87M for the period ended March 31, 2023 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 \$1.21M to \$1.79M (210.4%) versus a cost of \$576k the prior year.

### *Other*

Other revenues include radio, television, OOH, analytics and management fees. Other revenues have increased by \$38k (7.5%) to \$546k. Of the \$546k for the period ending March 31, 2023, management fees account for \$424k compared to \$432k from the year prior.

## **Gross Profit**

Although Revenues continue to grow, gross margins have reduced from 19.9% the prior year to 17.9% for the period ended March 31, 2023 mainly due to the pricing of the digital line of business. The print distribution margin has increased to 12.6% from 9.9% the previous year and the digital margin has declined to 4.5% from 9.6% the prior year. Approximately 30% of our clients are on a monthly retainer basis and thus if they significantly increase their spend it can adversely effect the category margin. Several of our digital Clients began to increase their spend dramatically in Q3 of 2022. As such, there was an increase in "Flow-Through" dollars on the digital part of the business.

## **Expenses**

MFD action plan rolled out in Q4 2021 to increase revenue and reduce expenses has been fully implemented and yielded results in 2022. Starting in 2023, with the acquisition of 188Ont/PMG, Ciscom is realizing additional cost synergies in the areas of data licenses and staffing. Additional savings will start materializing in April 2023 forward as the MFD lease ended March 31, 2023 and was not extended – both PMG and MFD operate 100% virtually. Annualized savings are:

<b>Items</b>	<b>\$</b>
Data licenses	115,000
Staffing	180,000
Occupancy	63,000
<b>Total</b>	<b>358,000</b>

In March 2022, the 2 Ciscom executives started being compensated at the rate of \$60k per annum each. Following the closing of the 188Ont acquisition, compensation was increased to \$120k per annum each. As such Q1 2023 compensation and benefits totaled \$69,337 versus \$10,758 in Q1 2022.

PMG's total compensation increased by \$59,397 (9.3%) to \$696,805 which is aligned to its gross profit increase of 12.4% year-over-year the first quarter of 2023.

MFD total compensation increased by \$65,245 (48.0%) which is 100% related to the accrual of severances in the amount of \$68,600 for the first quarter of 2023. Eliminating the severances from the comparatives, the first quarter compensation would actually decrease by \$3,355 to \$132,689.

The share-based compensation of \$122,358 was incurred in relation to 300,000 stock options issued during the quarter.

Ciscom (corporate) expenses in 2022 increased as a function of its activities. The level of expenses is being maintained in the first quarter of 2023 with significant professional fees being incurred with auditors, consultants, valuers and lawyers in relation with the Company's initiative to become a publicly traded entity. These expenses are for the most part exceptional in that they are not recurring and the professional fees will significantly decrease in the second part of 2023 and forward.

For the first quarter ended March 31, 2023 and 2022, and assuming that the 188Ont/PMG acquisition was effective January 1, 2022, operating expenses were the following:

## Ciscom's Combined Operating Expenses Q1 2023 vs. 2022

2023	MFD	PMG	Ciscom	31-Mar-23
Compensation (1)	201,289	696,805	69,337	967,431
Share-based compensation	0	0	134,888	134,888
Professional fees	5,633	8,775	134,703	149,111
General administrative	19,637	133,719	41,833	195,189
<b>Total</b>	<b>226,559</b>	<b>839,299</b>	<b>380,761</b>	<b>1,446,619</b>

2022	MFD	PMG	Ciscom	31-Mar-22
Compensation (1)	136,044	637,408	10,758	784,210
Share-based compensation	0	0	20,436	20,436
Professional fees	2,275	15,500	104,184	121,959
General administrative	50,054	119,663	18,337	188,054
<b>Total</b>	<b>188,373</b>	<b>772,571</b>	<b>153,715</b>	<b>1,114,659</b>

Variance	MFD	PMG	Ciscom	Variance
Compensation (1)	65,245	59,397	58,579	183,221
Share-based compensation	0	0	114,452	114,452
Professional fees	3,358	-6,725	30,519	27,152
General administrative	-30,417	14,056	23,496	7,135
<b>Total</b>	<b>38,186</b>	<b>66,728</b>	<b>227,046</b>	<b>331,960</b>

Note 1: The MFD compensation expense includes an amount of \$68,600 for severances

### ***Interests and Amortization***

The Company borrowed \$1,000,000 for the acquisition of MFD. The term loan was amortized over 60 months and principal payments are \$16,667 per month starting August 31, 2021. Interest rate was prime + 1.25%. Interest charges are calculated on the declining balances. The loan was fully repaid on September 30, 2022.

On September 30, 2022, as part of the closing of the 188Ont acquisition, the Company borrowed \$6,000,000 from HSBC Bank Canada and repaid the balance of the prior MFD acquisition loan in the process. The HSBC facility is a term loan in the amount of \$3,500,000 (fixed interest rate of 7.695%) amortized over 36 months and a revolving facility operating loan (line of credit) in the amount of \$2,500,000 (interest rate of prime + 1.10%) – no principal repayments are required on the revolving facility (line of credit). Interest charges are calculated monthly on outstanding balances. At year-end and up to March 31, 2023, the Company is meeting bank covenants related to the facilities.

Business valuations were performed by an independent professional business valuator on both MFD and 188Ont/PMG as of December 31, 2022. The professional independent valuator reviewed several factors and concluded that the on-going value of the 188Ont/PMG goodwill and the intangible values for both 188Ont/PMG and MFD were justified and supported. The Company's auditors also reviewed the reports and came to the same conclusion.

For the quarter ended March 31, 2023, the Company had amortization in the amount of \$381,764 (2022: \$133,682) of which the intangible assets amortization related to the MFD and 188Ont acquisitions represented an amount of \$372,500 (2022: \$125,375). The balance of the amortization expense was a combination of fixed assets and ROU assets.

***Fair value change in contingent consideration liability***

On September 30, 2022, Ciscom purchased 100% of all issued and outstanding shares of 188Ont for an amount of \$12,488,481 satisfied with the payment of \$5,800,000 in cash, a short-term loan due in 2023 of \$1,163,521, an earn-out of \$900,000, a convertible debenture of \$1,400,000 and \$3,435,250 in Common Shares valued at \$0.45 per share (share issuance of 7,633,889 shares). The Earn-Out (“**188Ont Earn-Out**”) can be up to maximum of \$1,500,000 is payable in Common Shares at \$0.45. As the target gross profit for 2022 would not be met as per the Earn-Out criteria, the amount was reduced to \$900,000 to only consider 2023. The gross profit projected growth for 2023 exceeds the target gross profit growth in the amount of \$500,000 for the 188Ont Earn-Out, the full consideration of \$900,000 remained on the Statement of Financial Position as of December 31, 2022.

The 188Ont purchase price is distributed as follows:

	<b>Face Value</b>	<b>Fair Value</b>
Cash on closing	\$5,800,000	\$5,800,000
Short-term loan payable	1,163,521	1,163,521
Convertible debenture (debt component)	1,400,000	977,090
Convertible debenture (equity component)	-	422,910
Ciscom shares issuance	3,435,250	3,435,250
Earn-Out payable in shares	900,000	689,710
<b>Total</b>	<b>\$12,698,771</b>	<b>\$12,488,481</b>

The valuation of the acquisition is the following:

	<b>Fair Value</b>
Net assets acquired	\$2,116,657
Intangibles	5,931,000
Deferred tax liabilities	(1,571,715)
Goodwill	6,012,539
<b>Total</b>	<b>\$12,488,481</b>

*Income taxes*

As at March 31, 2023, the Company was in a consolidated loss position and as such had no income taxes payable. During Q1 2023, an income taxes refund of \$16,486 was recorded for MFD as a function of applying tax losses to prior years.

A deferred income tax credit of \$98,753 was recorded in Q1 2023 in the Profit and Loss statement as a function of the MFD and 188Ont acquisitions and their inherent intangible assets (2022: \$33,250). An amount of \$2,028,126 remains as a liability in the Company’s Statement of Financial Position as of March 31, 2023 (December 31, 2022: \$2,126,879).

*Net Income (Loss)*

For the quarter ended March 31, 2023, the Company had a net loss in the amount of \$575,199 (2022: \$377,338).

The operating loss includes significant non-cash items and expenses related to professional fees (audits, valuations and legal) which are expenses related to the Company's initiative to go public and the 188Ont acquisition. The professional fees incurred were part of acquisition negotiations with MFD and 188Ont where Ciscom agreed to cover costs as part of the consideration. As Ciscom has closed its second acquisition (188Ont), thus has created critical mass and generates positive cash flow, management will no longer offer to cover auditing and other professional fees to potential acquirers.

The following table presents the results for the period ended March 31, 2023 for Ciscom, MFD and 188Ont/PMG separately:

***Consolidated Statement of Profit & Loss***

**For the 3-month period (Q1) ended 31 March 2023**

	<b>MFD</b>	<b>188Ont/PMG</b>	<b>Ciscom</b>	<b>31-Mar-23</b>
Sales	479,569	6,773,991	0	7,253,560
COS	388,094	5,570,548	0	5,958,642
<b>Gross Profit</b>	<b>91,475</b>	<b>1,203,443</b>	<b>0</b>	<b>1,294,918</b>
Compensation	201,289	696,805	69,336	967,430
Share-based compensation	0	0	134,888	134,888
Professional fees	5,633	8,775	134,703	149,111
Subscription and permits	0	64,720	0	64,720
Insurance	1,032	19,512	20,353	40,897
Occupancy	9,347	1,479	297	11,123
General administrative	9,258	48,008	21,184	78,450
<b>Total expenses</b>	<b>226,559</b>	<b>839,299</b>	<b>380,761</b>	<b>1,446,619</b>
<b>Operating profit/EBITDA</b>	<b>-135,084</b>	<b>364,144</b>	<b>-380,761</b>	<b>-151,701</b>
Interests	-502	-18,278	175,361	156,581
Amortization	4,285	5,371	372,500	382,156
<b>Profit (Loss) before taxes</b>	<b>-138,867</b>	<b>377,051</b>	<b>-928,622</b>	<b>-690,438</b>
Income taxes	-16,486	0	0	-16,486
Deferred income taxes	0	0	-98,753	-98,753
<b>Net Income (Loss)</b>	<b>-122,381</b>	<b>377,051</b>	<b>-829,869</b>	<b>-575,199</b>
Basic and diluted net loss per share				-0.011
Weighted average number of shares				51,396,895



As evidence in the Consolidated Statement of Cash Flows, non-cash items for the quarter ended March 31 2023 were \$478k and professional fees \$149k. By normalizing the professional fees to \$25k for Q1 2023 which is the projected annual level going forward, the net loss would become a net income on a normalized cash basis. For the year ended December 31, 2022 when reducing the net loss by the non-cash items totaling \$1.044M and professional fees \$697k. By normalizing the professional fees to \$100k which is the projected annual level going forward, the net loss would become a net income on a normalized cash basis.

	<b>31-Mar-23</b>	<b>31-Dec-22</b>
	<b>(3 months)</b>	<b>(12 months)</b>
	<b>\$</b>	<b>\$</b>
<b>Net loss</b>	<b>-575,199</b>	<b>-1,545,364</b>
Normalized professional fees	124,111	597,058
Severances	63,800	0
Non-cash expenses	478,213	1,044,088
<b>Normalized net income on a cash basis</b>	<b>90,925</b>	<b>95,782</b>

### Liquidity

As at March 31, 2023, the Company had \$636,844 in cash and a total cash availability of \$1,824,951 (considering the availability of the line of credit) and a negative working capital of \$3,085,302. On December 31, 2022, the Company had \$1,053,042 in cash and a total cash available of \$1,116,658 (considering the availability of the line of credit) and a negative working capital of \$2,931,001. The negative working capital is related to a one-time purchase price payment of \$1,163,521 related to the acquisition of 188Ont and the revolving operating loan financing obtained from HSBC in the amount of \$2,500,000 used to complete the 188Ont Acquisition that must be presented as a current liability under IFRS. This \$2,500,000 revolving operating loan has no repayment requirement and remains at that level at all times.

During the quarter ended March 31, 2023 the Company paid \$600,010 of the due to related party reducing the balance due to \$514,473.

The negative working capital will be replenished by profitable operations in the coming months. Consequently, the Company has sufficient capital for the foreseeable future. The Company has been and continues to be successful in raising additional equity capital.

The 188Ont Acquisition closed on September 30, 2022. 188Ont is a profitable entity producing an operating income before income taxes of over \$2.0M per year. 188Ont has low capital expenditures and no debt. As such, cash flows closely align to net income (before shareholders' distributions/dividends). Consequently, on a consolidated basis, Ciscom has sufficient liquidity and working capital to sustain operations going forward .

The Company (Ciscom) has not declared dividends since its inception.

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 growth and operations.

In other to manage liquidity, Ciscom continue to raise capital from investors and following the lost of MFD's main client in Q4 2021, Ciscom and MFD developed an action plan to increase revenue and reduce expenses. The action plan includes:

- The termination of the current sale force;
- Employ industry recognized sales executives;
- Redesign client-oriented sales/marketing documents;
- Enhance current services and deploy new services, including digital, Omni and Intent;
- Reduce the number of employees by 3;
- Move 2 employees to jobs sharing (part-time);
- Reduce salary levels.

The plan is fully implemented and sales efforts are starting to yield positive results. It is to be noted that the sales cycle takes time, usually 3 to 6 months for qualified targets. In Q3 2022, the negative revenue trend was reversed as a function of increased client activity and new clients.

### **Capital Resources**

Management is not aware of any significant commitments or expected fluctuations with respect to its capital resources at this time for the Company and its subsidiaries.

### **Fixed Assets and Right-of-Use Assets**

The Company (Ciscom) 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 on March 31, 2023 at \$Nil as the office was lease was not renewed (2022: \$3,893).

AS of March 31, 2023, 188Ont fixed asset are low and closed the period at \$46,412 (December 31, 2022: \$40,452). 188Ont did not renew its office lease in November 2020 and has been operating 100% remotely (work from home) since then and in the process disposed of all its furniture, fixtures and equipment. As such, fixed assets are computer hardware and software.

A Right-of-Use Asset related to MFD's office lease expired on March 31, 2022. The lease was renewed effective April 1, 2022 for a period of 12 months on a month-to-month basis ending March 31, 2023 and in the process, MFD reduce the size of the location from 3,603 to 1,802 square feet. As at March 31, 2023, there are no Right-of-Use related to the office lease (March 31, 2022: \$8,332), and ROU is not recognized for the short-term lease. The lease was not renewed after March 31, 2023.

188Ont has Right-Of-Use assets related to a postage machine and photocopiers with a book value of \$1,059 as of March 31, 2023 (2021: \$Nil). The postage machine lease ends in February 2024 and the photocopier lease ended in November 2022.

*i) 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 March 31, 2023, and to the date of this MD&A, the cash resources of the Company are held with Canadian chartered banks.

*j) Prospective Acquisitions*

Ciscom wishes to achieve public company status, secure equity and debt financing before entering in discussions with potential acquisition targets. As such, Ciscom has not entered into formal or informal acquisition discussion with any organization and has not entered into any major contracts save for the 188Ont acquisition which closed on September 30, 2022.

As part of the acquisition, Ciscom secured a credit facility with HSBC Bank Canada, an international a Canadian Schedule II chartered bank to satisfy a portion of the cash portion of the 188Ont Acquisition.

Aside from the 188Ont Acquisition, Ciscom has not initiated any additional projects for expansion or entered into material contracts. Discussions may be initiated once Ciscom has achieved public company status and secured financing/equity, which is uncertain and carry inherent risks.

As Ciscom has closed the 188Ont Acquisition and is seeking to become a publicly traded entity, Ciscom and its subsidiaries have not committed to any plan, including expenditures. Ciscom ability to raise equity and debt will determine the future plans. As such, the Company is at a standstill until it achieves its public company status.

*k) 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 \$9,114,565 as of March 31, 2023 (December 31, 2022: \$8,886,565) and issued 51,563,831 Common Shares (December 31, 2022: 51,108,802).

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 on-going activities. The Company's capital management objectives, policies and processes have remained unchanged during the period ended March 31, 2023. The Company and its subsidiaries operate as one CGU and pool cash for efficient management. The Company is subject to financial covenants with HSBC (lender). All financial covenants are in good standing at the date of this MD&A. Following the 188Ont Acquisition, the Company has profitable operations and his cash flow positive when taking into account on-going current operations.

#### *l) 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.

*m) Major Shareholders and Related Party Disclosures*

*Major shareholders*

To the knowledge of the directors and senior officers of the Company, as at March 31, 2023, 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 as at March 31, 2023:

<b>Name</b>	<b>Number of common shares issued</b>	<b>Percentage of outstanding and issued Common Shares</b>	<b>Percentage of outstanding Common Shares – fully diluted</b>
Drew Reid	5,030,000	9.8%	9.1%
Paul Gaynor/Whittaker Inc.	10,806,333	20.9%	19.6%
David and Nashly Mathews	7,633,889	14.8%	13.8%
Total Issued	51,563,831	100.0%	93.6%
Total Ciscom Shares Fully Diluted	55,083,831		100.0%

None of the Company's shareholders have different voting rights than other holders of the Company's common shares.

*n) 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 March 31, 2023, Alkaneid Corp. (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. Mr. Reid transferred 20,000 shares to a family member.
- Since the Company's inception through March 31, 2023 Michel Pepin subscribed to 2,175,000 Ciscom Shares of the Company at prices of \$0.02 per share and \$0.10 per share and was granted 2,125,000 shares. He was also granted 500,000 Ciscom Options. Mr. Pepin transferred 1,000,000 shares to 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.

*o) Share Capital*

As at March 31, 2023, the Company had issued a total of 51,563,831 Ciscom Shares and 3,520,000 Ciscom Options.

*p) 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.

*q) 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.

*r) 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.

s) *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.

t) *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.

u) *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.

v) *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.

*w) 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.

*x) 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.

*y) 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.

*z) 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.

*aa) 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.

*bb) 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.

*cc) 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.

*dd) 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.

MFD only operates in one sector which is marketing and advertising for retailers. Starting in March In 2020 and through 2021, the retail industry was greatly impacted by Covid-19 with closures and in-store restrictions limiting customers access. The above and the loss of MFD's largest client in Q4 negatively impacted MFD client base where spend for programs delivered by MFD were cut and generated losses in 2021. The trend started to reverse in Q3 2022 were new clients were signed and increased volumes were processed.

*ee) In addition to leveraging PMG digital offering, MFD has now developed a digital offering named OMNI+ and has also added Intent marketing services to its menu of services. Consequently, MFD has a more complete service offering and as become more competitive in the market. 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.

*ff) Subsequent Events*

The MFD office lease ended March 31, 2023 and was not renewed. All employees are now working remotely in the same fashion that PMG employees have been operating since the 2020.

Subsequent to March 31, 2023, the Company issued 150,000 stock options to one of its Directors.

END of the MD&A