



ANNUAL GENERAL & SPECIAL MEETING

20 AUGUST 2024

ACQUIRING AND MANAGING COMPANIES IN THE ICT SECTOR

CSE: CISC, OTCQB: CISCF

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Wealth Transition

**Profit & Growth Through
Entrepreneurs' Exits**

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Creating Opportunities for SME Entrepreneurs

Private companies require succession plans

- There are over 300,000 Boomer owned businesses in Canada that employ under 20 people, representing 7% to 8% of GDP.*
- Most of these businesses have no defined succession plan.
- This creates a great opportunity for Ciscom shareholders.

Intergenerational Wealth Transfer

Demographics show that there is a massive wealth transfer in the next couple of decades as entrepreneurs look to exit. The opportunities created by this shift are massive.

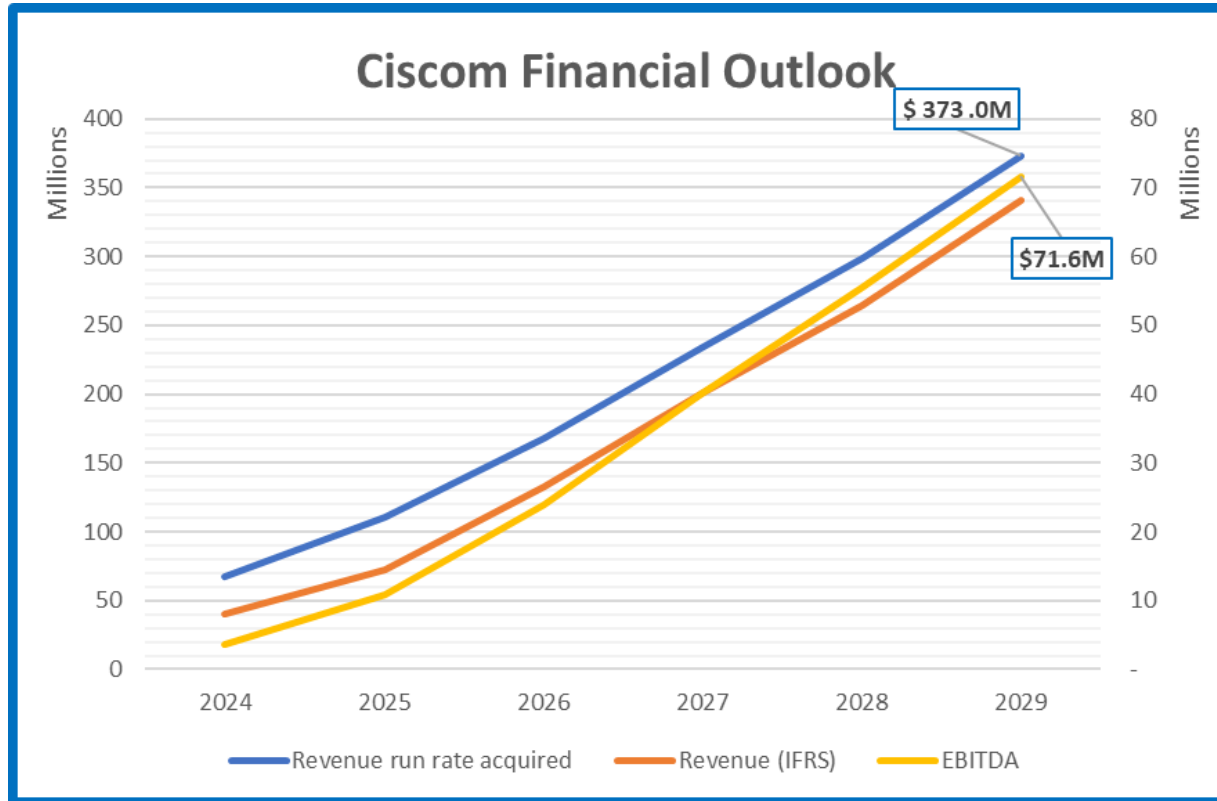
\$31 Billion: Estimated Net Worth transfers in the next 10 yrs.*

**Source: Statistics Canada*

Ciscom's Business Model

- Ciscom actively invests in, acquires, and manages market leading companies in the Information and Communication Technology (ICT) sector.
- Attractive to entrepreneurs who monetize their equity and continue contributing.
- Ciscom shareholder value further enhanced through acquisitions.
- Acquisitions create a technology powerhouse with delivery proficiency and big data expertise.
- Targeting SMEs with proven profitability.
 - Attractive wealth transfer/succession
 - Buying at private company multiples
 - Tax benefits – lifetime capital exemption and rollover of shares
 - Ability to use Ciscom shares to fund acquisitions
 - Harnessing talent, smarts and agility of independent entrepreneurs
 - Exponentially enhancing individual contributions to cohesive and powerful team collaborations

Profitable Growth Objectives



	2024	2025	2026	2027	2028	2029
Revenue acquired	67,275,000	110,672,875	167,866,612	233,777,942	298,973,508	373,406,786
Revenue (IFRS)	39,780,822	72,015,341	132,976,201	201,408,079	264,083,097	341,036,923
EBITDA	3,600,164	10,802,301	23,935,716	40,281,616	55,457,450	71,617,754

2023

- Revenue of \$35.2M (audited)
- Normalized Cash EBITDA of \$1.8M

2024 to 2029

- Target of 2 to 3 acquisitions per year starting in 2025
- Improvement margins through consolidation and cost synergies
- 2029 target:
 - Sales of \$341.0M (IFRS)
 - EBITDA of \$71.6M

Please refer to forward looking statements at the end of the presentation





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Performance

Financial

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Financials

On the day Ciscom shares started to publicly trade, Ciscom was self-sufficient:

- Sizable Revenues
- Positive Cash Flows from Operation 2023 & YTD 2024
- Positive Operating Profit (EBITDA) 2023 & YTD 2024

- 2023 Acquisition & Organic Gross Profit Growth: 200.5%
- 2023 Organic Gross Profit Growth: 18.1%
- YTD Q2 2024 Organic Gross Profit Growth: 19.5%
- Continued Growth Momentum

Financials

	31 Dec 2023	YTD 30 Jun 2024
<u>Historically the first 6 months = 40% of revenue</u>	(12 months) (Audited)	(6 months) (Not audited)
Growing Revenue Base	\$35.2M	\$17.3M
Gross Profit	\$6.9M	\$3.2M
Gross Profit Growth	200.5%	19.5%
Cash-Based EBITDA	\$1.34M	\$0.78M
<i>Cash-Based EBITDA increase</i>	<i>\$1.71M</i>	<i>\$0.83M</i>
Cash-Based Net Income	\$0.94M	\$0.63M
<i>Cash-Based Net Income increase</i>	<i>\$1.44M</i>	<i>\$0.84M</i>

- Positive Operating Cash Flows
- Self-funding/sufficient



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Market Cap

Economy

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Economic Environment

Early 2022 - Capital markets turn cold:

- Interest rates increased (several times)
- COVID “market fever” ends. Money is repurposed to reduce risks to:
 - Fixed income (Bonds)
 - Large cap issuers
- Market liquidity dries up for smaller cap issuers – inability to raise equity/financing

Early 2024 - Liquidity starts to flow back in the market

- Markets reach new highs
- Funds start flowing back to smaller cap issuers

Q3 2024 - Market pauses & begins to correct downward

- Reduction of interest rates
- Employment numbers weaker than expected
- AI and Tech companies see greatest downward adjustment

Economic Environment (continued)

Negative Impacts on Ciscom:

- Equity harder to find on attractive terms
- Banks/Lenders generally tightening credit criteria
- Increased interest rates
- Outcome: Delays to acquisitions' road map

Positive Impacts on Ciscom:

- Achieved continuous growth and positive EBITDA
- Increased cash flows
- Increased both top and bottom line
- Paid down debts
- Continued efficient management of the balance sheet
- Initiated IR campaign – active in all relevant social media platforms
- Outcome: Ciscom now very well positioned and perceived by market players

Economic Environment (continued)

5 big reasons to invest in Smaller Cap Issuers (SCI) now:

- The movement or rotation of investment to SCI is just getting started
- Interest rates are coming down – significantly increasing net profit and cash flows
- SCI have better earnings growth potential
- SCI are undervalued in the market – averaging 23% lower multiples vs larger cap issuers
- Money is flowing back to SCI – more liquidity favors growth

Issued & Outstanding Shares

➤ Total shares issued:	53,563,833	100.0%
➤ Free trading shares:	35,404,699	66.1%
➤ Escrowed/restricted shares:	18,159,134	33.9%
➤ Total shares traded to date: (since June 30, 2023)	13.3M	47.6k/day
➤ Stock Options (avg strike price of \$0.27, last maturity June 2029)		3.743M
➤ Warrants (strike price of \$1.00, last maturity February 2026)		0.483M
➤ Performance Warrants (strike price of \$0.25, last maturity May 2025)		0.500M

Building Shareholder Value

Factors influencing market capitalization (valuation):

➤ Fundamentals:

- | | | | |
|-------------------------|---|-------------------------|---|
| ➤ Growing Revenue | ✓ | ➤ Growing profits | ✓ |
| ➤ High Client Retention | ✓ | ➤ Growing cash flows | ✓ |
| ➤ Employee Engagement | ✓ | ➤ Investing in tomorrow | ✓ |
| ➤ Low Staff Turnover | ✓ | ➤ Industry leadership | ✓ |

➤ External Factors:

- Mixed economic environment
- New IR/promotional campaign ✓
- Positive public image of Ciscom and its Management ✓
- Prolonged period of artificial negative pressure on stock ✗

Building Shareholder Value (continued)

Factors influencing the market capitalization (valuation):

➤ Market Sentiments:

- General Perception ✓
- Board Experience ✓
- Management Expertise ✓
- Financial Performance ✓
- Growing Cash Flows ✓
- Right time, right place ✓
- Business model ✓

Ciscom is:

- Forward Looking
- Building from Strength
- Entering a New Market Cycle
- Acquiring Businesses
- Delivering on its Mandate
- Positioned for Value Creation



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Questions

Discussion

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All dollar figures are in Canadian currency unless otherwise stated.



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