



**CISCOM**

CORP

# CORPORATE PRESENTATION

## ACQUIRING AND MANAGING COMPANIES IN THE ICT SECTOR

**AUGUST 2024**

**CSE: CISC, OTCQB: CISCF**

# DISCLAIMER

## CORPORATE PRESENTATION



This corporate presentation (the “Presentation”) has been prepared by Ciscocom Corp. (“Ciscocom” or the “Company”) management and is based on public information and the Company’s confidential information. This Presentation is for information purposes only and is being made available solely to enable prospective stakeholders to evaluate the Company’s business model. This Presentation does not constitute an offer to buy/sell to any person. Any unauthorized use of this Presentation is strictly prohibited. Distribution or copying of this Presentation, in whole or in part in any medium, to any person other than the recipient is prohibited without the prior written consent of the Company.

The information contained in the Presentation, made to you verbally and any other information provided to you (in writing or otherwise) in connection with Ciscocom and its business (the “Presentation Materials”) is subject to updates, completion, revision, verification and amendment without notice which may result in material changes. The Presentation Materials are not intended to provide financial, tax, legal or accounting advice and do not purport to contain all the information that a prospective vendor may require. Each stakeholder should perform and rely on its own investigation and analysis of the Company and the terms of any offering of the Securities, including the merits and risks involved, and are advised to seek their own professional advice on the legal, financial and taxation consequences of selling their business to the Company.



**CISCO CORP.**

**Wealth Transition**

**Entrepreneurs' Exits**

CSE: CISC, OTCQB: CISCF



# Ciscom creates opportunities for SME entrepreneurs

## Private companies are in need of succession plans

In Canada alone, there are over 300,000 Boomer owned businesses, employing under 20 people, representing 7% to 8% of GDP.\*

These businesses do not have defined succession plans.

This creates a great opportunity for Ciscom Shareholders.

\*Source: Statistics Canada

# The Market

## Canadian ICT Sector

Ciscom's potential acquisition targets are businesses in the Information and Communications (ICT) which has over 30,000 operating companies in Canada.

### **\$70B** in Annual Sales Revenue

Total Software & Computer Services sector revenue in 2018.

### **\$10B** in Sales Revenue

Target revenues from the estimated 3,500 transitioning companies.

*Source: Canadian ICT Market Report*

## The Coming Intergenerational Wealth Transfer

Demographics show that there will be a massive wealth transfer in the next couple of decades as SME 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.
- Targeting SMEs with proven profitability.
- This approach allows entrepreneurs to monetize their equity and continue contributing, enhancing shareholder value through acquisitions.
- 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 on the CSE in June 2023 and on the OTCQB October 2023.
- Ciscom has two operating subsidiaries:
  - Prospect Media Group (PMG)
  - Market Focus Direct (MFD)

# ICT Industry Focus

## ➤ Ciscom's areas of focus:

- Big Data Analytics
- Artificial Intelligence (AI) Driven SaaS Platforms
- Digital/Online marketing & Communications
- Social media integration
- Content management & delivery
- Application Programming Interface (API)
- Process automation & Work-flow
- Business automation

# Ciscom's Advantage

- Ciscom becoming a significant market force through:
  - Capitalizing on Entrepreneurs' exits
  - Providing attractive wealth transfer/succession
  - Buying at private company multiples
  - Harnessing talent, smarts and agility of independent entrepreneurs
  - Exponentially enhancing individual contributions to cohesive and powerful team collaborations
  - Uniting forces to create a technology powerhouse with delivery proficiency and big data expertise
  - Empowering Investee Businesses



# Growth Capital Requirement

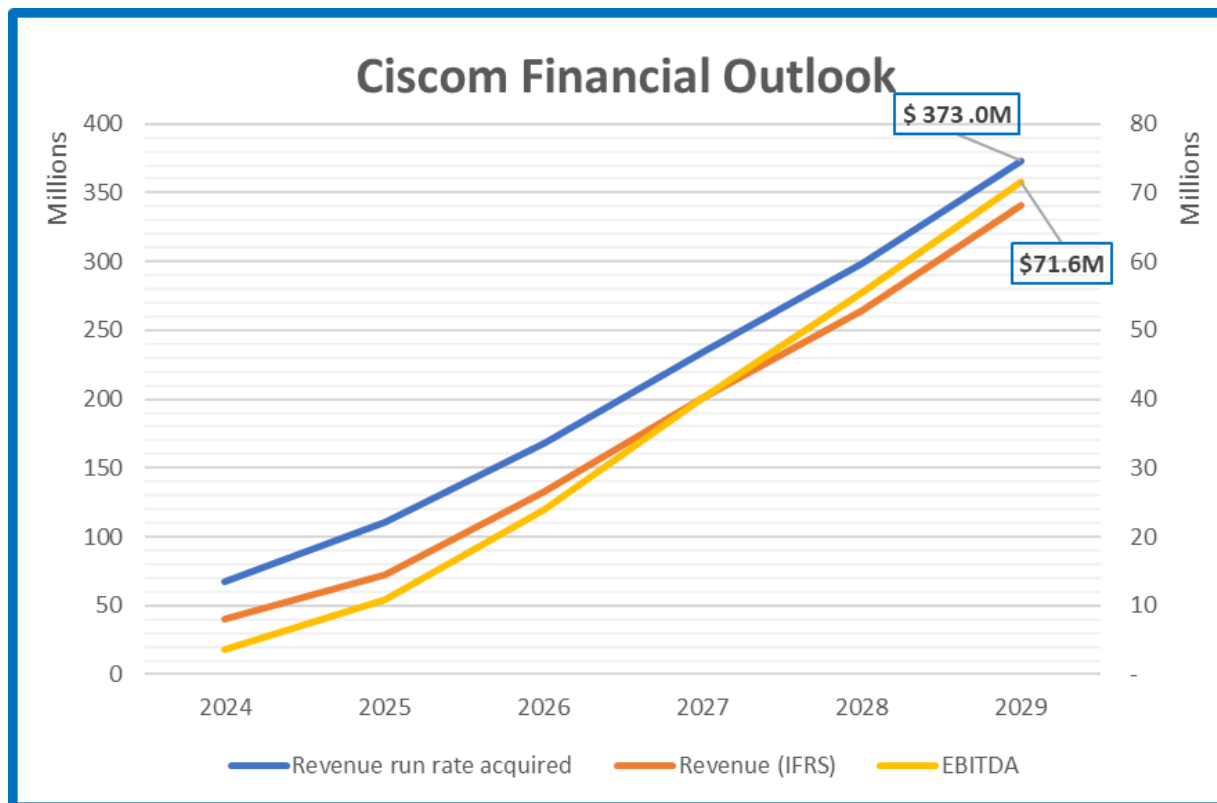
## ➤ Self-Funded:

- Operations are cash flow positive (audited 2023 FS)
- Positive cash EBITDA and Net Income

## ➤ Growth Capital:

- Acquisitions
- Acceleration of Strategic Plan
- Seeking Private Placement
  - Accordion facility
  - Follow-up capital is of definitive interest

# 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

- Averaging 3 acquisitions per year starting in 2025
- Targets averaging ~\$17.5M in revenue
- Margin improvement through consolidation and cost synergies
- 2029:
  - Sales of \$341.0M (IFRS)
  - EBITDA of \$71.6M



**CISCO CORP.**

**Methodology**

**Success Formula**

CSE: CISC, OTCQB: CISCF



# The Workings

- Ciscom buys SMEs (small and medium size enterprises)
  - Pays attractive, yet lower multiples in relation to being private, size and silo operations
- Purchase price is cash plus shares, inclusive of earn-out
  - Tailored to each transaction
  - Keeps acquisition price lower
  - Provides the entrepreneur/seller with a second upside (share appreciation)
- Acquisitions remain a stand-alone entity – preserving successful cultures is essential
- Ciscom is a long-term investor
- Identify cost efficiencies and synergies
- Orderly transition plan for the selling entrepreneur (if desired)

# Performance Accelerators

- The Entrepreneur/Founder continues to manage with Ciscom's support framework:
- Governance matrix and delegation of authority
  - Business Plan; Banking and borrowing; Real estate, legal, audit, insurance
  - Budget & Capex; Senior staffing; M&A
- Management deep/diversified collective of talent
  - Sales, business development and marketing
  - Operations; Human Resources; Finance and Tax; Banking
  - Strategic advisory and implementation
- Procurement pooling and cost synergies/savings
  - Real estate; Legal (all levels); IT services; HR services; Finance/Tax
  - Procurement; Insurance; COGs
  - Operations
  - New business development and Cross-selling opportunities

# Leverages & Synergies

- Accelerate growth by providing Ciscom products and services from each operation, including:
  - Sales staffing and new business development
  - Cross-selling clients on the different products & services offerings
  - Geographic expansion opportunities
- Minimizing costs through shared services and CoE (Centres of Excellence)
  - Finance & Accounting
  - Human Resources
  - IT Support & Infrastructure
  - Procurement

# Ciscom Successes

- Closed 2 acquisitions to date (wholly-owned):
  - Market Focus Direct (MFD) on August 31, 2021
  - Prospect Media Group (PMG) on Sept 30, 2022
- Significant leverage and synergies implemented – front and back end
- Cash flow transactions (LBO)
- Low on-going capital expenditures
- Experienced management with established track records



*“With our complementary businesses, CISCOM is set to take on a leadership role in the Ad/MarTech sector. As an entrepreneur, I’ve now got the best of both worlds!”*  
*Dave Mathews, Founder, President of PMG*



*“I sold my business, but I’m also buying into something bigger with a great upside”*  
*Paul Gaynor, Founder of MFD*

# For Entrepreneurs Divesting

- Provide an attractive exit to entrepreneurs/owners
- Pay a solid market multiple of EBITDA (fair valuation/purchase price)
- Considerations are cash and shares of a public company
- Entrepreneurs' decision to stay or to retire after a defined transition period
- Business remains whole and continues to operate as is – no change in staff, no moves, no rebranding
- Senior/top managers can participate through share options in Cisco





**CISCO CORP.**

**Performance**

**Financial**

CSE: CISC, OTCQB: CISCF



# Financials

	31Dec2023 (12 months) (Audited)	YTD 30Jun2024 (6 months) (Not audited)
Sound revenue base	\$35.2M	\$17.3M
Gross Profit	\$6.9M	\$3.2M
Gross Profit growth	200.5%	19.5%
Cash Adjusted EBITDA	\$1.3M	\$0.8M
Cash Adjusted Net Income (Loss)	\$0.4M	\$0.6M
➤ Positive Operating Cash Flows		
➤ Self-funding/sufficient		

# F2023 Sales & Gross Profit

## Consolidated IFRS

	For the 12-month period ended December 31		Year-over-year	
	2023	2022	Variance	
	\$	\$	\$	%
Sales	35,160,166	14,766,407	20,393,758	138.1%
Cost of Sales	28,254,303	12,468,249	15,786,054	126.6%
Gross Profit	6,905,863	2,298,159	4,607,704	200.5%
Gross Margin	19.6%	15.6%	4.1%	26.2%

## Combined Pro-forma (PMG & MFD)

	For the 12-month period ended December 31		Year-over-year	
	2023	2022	Variance	
	\$	\$	\$	%
Sales	35,160,166	33,835,559	1,324,606	3.9%
Cost of Sales	28,254,303	27,981,682	272,621	1.0%
Gross Profit	6,905,863	5,853,877	1,051,985	18.0%
Gross Margin	19.6%	17.3%	2.3%	13.5%

### ➤ Acquisition and organic growth

- New clients
- Cross-selling products & services

### ➤ Increased Gross Profit

- Added volumes
- Leveraging

### ➤ Improved Margin

- Procurement synergies
- Exited unprofitable accounts

Gross Profit up 200.5% for F2023 to prior year

# F2023 Results – Cash Basis

Non-IFRS Information and Measures			
Adjusted EBITDA (Operating Loss) - Cash Basis			
For the 12 months ended December 31			
	2023	2022	Increase (Decrease)
	\$	\$	\$
EBITDA	386,017	(698,291)	1,084,308
Non-Cash Items in Operating Expenses	957,016	327,961	629,055
<b>Adjusted EBITDA (Operating Loss) - Cash Basis</b>	<b>1,343,033</b>	<b>(370,330)</b>	<b>1,713,363</b>

➤ Positive Cash-Flows from Operations

➤ Significant level of Non-Recurring Expenses

Non-IFRS Information and Measures			
Non-Recurring Cash Expenses included in Results			
For the 12 months ended December 31			
	2023	2022	Increase (Decrease)
	\$	\$	\$
Professional fess	207,596	597,058	(389,462)
Re-organization costs	237,000	-	237,000
<b>Total Non-Recurring Cash Expenses in Results</b>	<b>444,596</b>	<b>597,058</b>	<b>(152,462)</b>

# Q2 YTD F2024 Sales & Gross Profit

June 30 YTD 2024, 2023 & 2022 Sales and Gross Profit							
	2024	2023	2022PF	YoY Increase to Actual		Increase 2024 to 2022PF	
	\$	\$	\$	\$	%	\$	%
Sales	17,273,048	14,188,668	14,186,152	3,084,380	21.7%	3,086,896	21.8%
Gross Profit	3,170,469	2,653,772	2,595,466	516,696	19.5%	575,003	22.2%
Gross Margin	18.4%	18.7%	18.3%	16.8%	-1.9%	18.6%	0.3%

**2022PF: Pro-forma results assuming PMG was acquired on 1 January 2022**

Sales 21.7% for \$3.1M F2024 to prior year

Gross Profit up 19.5% for F2024 to prior year

- **Organic growth**
  - New clients
  - Cross-selling products & services
- **Increased Gross Profit**
  - Added volumes
  - Leveraging

# Q2 YTD F2024 Results – Cash Basis

Non-IFRS Information and Measures			
Adjusted Net Income (Net Loss) - Cash Basis			
For the 6 months ended June 30			
	2024	2023	Increase (Decrease)
	\$	\$	\$
<b>Net Loss</b>	(186,338)	(1,065,362)	(879,024)
<b>Non-Cash Items</b>			
Share-based compensation	119,534	134,888	(15,354)
Finance charges (non-cash)	108,845	121,429	(12,584)
Amortization & Depreciation	781,702	789,122	(7,420)
Deferred income taxes	(197,506)	(197,506)	-
<b>Adjusted Net Income (Net Loss) - Cash Basis</b>	<b>626,236</b>	<b>(217,429)</b>	<b>843,665</b>

- Positive Cash-Flows from Operations
- Significant level of Non-Recurring Expenses, now Regularized

Non-IFRS Information and Measures			
Adjusted EBITDA (Operating Loss) - Cash Basis			
For the 6 months ended June 30			
	2024	2023	Increase (Decrease)
	\$	\$	\$
<b>EBITDA</b>	662,000	(185,384)	847,384
<b>Non-Cash Items in Operating Expenses</b>	119,534	134,888	(15,354)
<b>Adjusted EBITDA (Operating Loss) - Cash Basis</b>	<b>781,534</b>	<b>(50,496)</b>	<b>832,030</b>

# Issued & Outstanding Shares

➤ Total shares issued:	53,563,833	100.0%
➤ Free trading shares:	35,554,700	66.4%
➤ Escrowed/restricted shares:	18,009,133	33.6%
➤ Total shares traded to date: (since June 30, 2023)	12.9M	48.2k/day
➤ Stock Options (avg strike price of \$0.27.2, last maturity June 2029)		3.918M
➤ 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

# Forward Looking Statements

Certain statements in this disclosure may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

When used in this presentation, such statements use such words as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, and other similar terminology. These statements reflect the Corporation’s current expectations regarding future events and operating performance and speak only as of the date of this presentation.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Risk of not being able to find target acquisitions on an economically viable or at all. Lack of debt and/or equity financing to support closing on acquisitions. Reliance on key personnel. Rising interest rates.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below. For example, disclosures may contain forward-looking statements pertaining to the following subject matter: capital expenditure programs; supply and demand for the Corporation’s products and services and industry activity levels; target company acquisitions; go public transaction; income tax considerations; and, treatments under governmental regulatory regimes. Financial reporting and disclosure may contain non-IFRS financial measures and ratios, such as Notice to Reader (NTR) financial statements, organic growth, revenue growth from acquisitions, comparable growth, EBITA, EBITDA, adjusted EBITDA, adjusted EPS, free cash flow and net debt, which are not recognized measures of financial performance or liquidity under IFRS.

No securities commission or other similar regulatory authority has passed on the merits of the securities described herein. Nor has any securities commission or similar regulatory authority reviewed this presentation and any representation to the contrary is an offense.

All dollar figures are in Canadian currency unless otherwise stated.





# CONTACT Us



**Michel Pepin, CPA, CA**

PRESIDENT & CFO

20 Bay Street, Suite #1110

Toronto, ON M5J 2N8

Cell: 416 569-3857

Office: 416 366-9727

Email: [mpepin@ciscomcorp.com](mailto:mpepin@ciscomcorp.com)

CSE: CISC, OTCQB: CISCF

