

CBLT Investee Ciscom Has Filed Its Preliminary Prospectus

written by Raj Shah | May 9, 2022

May 9, 2022 ([Source](#)) – CBLT Inc. (TSXV: CBLT) (“CBLT”) is very pleased to report that its investee Ciscom Corp. (“Ciscom”) has received a receipt from the Ontario Securities Commission for its preliminary prospectus (the “Prospectus”). The Prospectus can be found at Ciscom’s Sedar page: [Ciscom Corp. Profile \(sedar.com\)](#).

“We have been working with Ciscom for roughly 18 months, helping the team get ready for this event,” said CBLT CEO, Peter M. Clausi. “Next up will be assisting with listing on the Canadian Securities Exchange, governance and capital markets.”

CBLT owns 4,215,116 common shares of Ciscom, or roughly 10.5% of Ciscom’s outstanding shares. As described in CBLT’s press release of November 10, 2021, CBLT has declared a dividend of some of those shares back to its shareholder base, the timing of the payment of such dividend to be at the discretion of CBLT’s board.

A summary of Ciscom can be taken directly from page 12 of the Prospectus:

The Company’s principal business is investing in and acquiring companies operating in the Information, Communications and Technology sector and playing an active role in the management of these companies to mitigate risk and maximize growth. The Company defines itself as an enabling business accelerator. Through ownership of Common Shares, the general public has an opportunity to participate in the financial growth of the investments and acquisitions made by the Ciscom in these

companies.

Ciscom targets companies in the following areas: 1. The ICT sector; and 2. Organizations using technology as a way to process data, incorporate external databases, documents and information to deliver the products and services (big data applications).

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.

The business of the Company includes the management of its investments and acquisitions to improve long- term performance. The Company invests and acquires small to medium size enterprises/businesses ("SME") with growth potential and is paying moderate acquisition prices, based on proven profitability track records, which lowers risks and shortens the return on capital period.

In addition to providing returns to its investors, Ciscom provides an exit strategy to entrepreneurs. Currently there is significant inter-generational wealth transfers which create an increased influx of offers to sell, while there are limited opportunities being offered to the SME market participants. The Company addresses this gap in the market.

The Company charges subsidiaries a management fee for its services. The Company second investment is expected to close in calendar Q2 2022 and it is further expected to initiate third and fourth investments and acquisitions in the summer and fall of 2022.

Ciscom has already made one acquisition, resulting in its wholly-owned subsidiary Market Focus Direct Inc., and as

referenced above has signed a share purchase agreement to acquire another (Prospect Media Group Ltd. and its parent company) in Q2 2022. The Combined Pro Forma Statement of Financial Position and Combined Pro Forma Statement of Profit & Loss as at December 31, 2021 are found at Schedules J and K respectively of the Prospectus. Those schedules are attached to this press release.

Of particular note is the combined revenue line in Schedule K, which shows \$27,865,234 as of December 31, 2021. Schedule J shows combined net equity at the same date of \$4,966,813.

CBLT will continue to report on Ciscom's developments and will declare the payment of the dividend to CBLT's shareholders as soon as reasonably possible.

CBLT also announces it has granted 100,000 options to a consultant of the Company, with such options vesting immediately and having a 5 year term, at a strike price of \$.05 per option.

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This news release contains certain statements that constitute forward-looking statements as they relate to CBLT 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.

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. If and when forward-looking statements are set out in this new release, CBLT will also set out the material risk factors or assumptions used to develop the forward-looking statements. Except as expressly required by applicable securities laws, CBLT assumes no obligation to update or revise any forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to; SARS-CoV-2; reliance on key personnel; the performance of the Ciscom Corp. leadership team; shareholder and regulatory approvals; First Nations and other local communities; jurisdictional risk; risks of future legal proceedings; income tax matters; availability and terms of financing; distribution of securities; commodities pricing; environmental issues; forest fires and other natural phenomena; rising costs related to inflation; effect of market interest on price of securities; failing to identify an economically viable mineral deposit; and, potential dilution.

CBLT’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of illness caused by COVID-19. It is not possible to accurately predict the impact COVID-19 will have on operations and the ability of others to

meet their obligations, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect operations and the ability to finance its operations.

Schedule J

**Combined Pro Forma Statement of Financial Position with Ciscom Corp. and 1883713 Ontario Inc.
as at December 31, 2021**

Combined Pro Forma Statement of Financial Position
As at 31 December 2021

	Ciscom Consolidated	188Ont/PMG	Combined
	December 31, 2021	December 31, 2021	December 31, 2021
	Unaudited	Unaudited	Unaudited
ASSETS			
Cash	1,006,133	2,233,707	3,239,840
Receivables	623,445	4,539,075	5,162,520
Harmonized sales tax receivable	64,016	34,293	98,309
Prepays	74,024	334,886	408,910
Total current assets	1,767,618	7,141,961	8,909,579
Fixed Assets	5,124	43,667	48,791
Right of use assets	7,918	10,935	18,853
Cash surrender value of insurance policy	0	21,000	21,000
Intangibles	2,841,833	204,000	3,045,833
Goodwill	0	572,190	572,190
Total assets	4,622,493	7,993,753	12,616,246
LIABILITIES AND SHAREHOLDERS' EQUITY			
Payables and accruals	864,209	4,333,172	5,197,381
Deferred revenue	0	221,870	221,870
Lease liability	8,360	11,190	19,550
Income taxes payable	0	259,963	259,963
Deferred tax liabilities	0	54,060	54,060
Deferred grant - current portion	1,997	0	1,997
Loan payable - current portion	242,455	0	242,455
Total current liabilities	1,117,021	4,880,255	5,997,276
Deferred tax liabilities	753,667	3,429	757,096
Lease liabilities non-current portion	0	1,508	1,508
Deferred grant - non-current portion	4,176	0	4,176
Convertible debenture from related party	131,800	0	131,800
Loan payable - non-current portion	757,577	0	757,577
Total liabilities	2,764,241	4,885,192	7,649,433
Common shares	4,038,012	53	4,038,065
Options reserve	32,008	0	32,008
Surplus	23,343	619,908	643,251
Retained Earnings (Deficit)	-2,235,111	2,488,600	253,489
Total shareholders' equity	1,858,252	3,108,561	4,966,813
Total liabilities and equity	4,622,493	7,993,753	12,616,246

Schedule J

To view an enhanced version of Schedule J, please visit:

https://orders.newsfilecorp.com/files/4750/123165_cbltschedulej.jpg

Schedule K

Combined Pro Forma Statement of Profit & Loss with Ciscom Corp. and 1883713 Ontario Inc. as at December 31, 2021

Combined Pro Forma Statement of Profit & Loss and Comprehensive Income (Loss) As at 31 December 2021

	Ciscom Consolidated (1+2)	188Ont/PMG (3)	Combined
	December 31, 2021	December 31, 2021	December 31, 2021
	Audited	Audited	
Sales	1,132,076	26,733,158	27,865,234
Cost of sales	941,425	21,376,655	22,318,079
Gross Profit	190,651	5,356,503	5,547,155
Expenses			
Compensation	188,476	2,711,620	2,900,096
Professional Fees	322,046	78,161	400,207
Subscriptions, permits and licences	0	283,067	283,067
General and administrative	166,049	280,678	446,727
Total operating expenses	676,571	3,353,526	4,030,097
Operating Profit (Loss)	-485,920	2,002,977	1,517,058
Interest	15,032	13,362	28,394
Amortization	176,170	245,696	421,866
Fair value exchange in contingent consideration liability	-275,000	0	-275,000
Impairment of goodwill	1,653,243	0	1,653,243
Income before income taxes	-2,055,365	1,743,919	-311,445
Current income tax	0	475,783	475,783
Deferred income tax	-44,333	-56,920	-101,253
Net income	-2,011,032	1,325,056	-685,975

Note 1: For Ciscom Corp., for the 12-month period ended December 31, 2021.

Note 2: Includes Market Focus Direct operations since the acquisition closing on August 31, 2021 (4 months).

Note 3: For 188Ont and Prospect Media Group, for the 12-month period ended December 31, 2021.

Schedule K

To view an enhanced version of Schedule K, please visit:

https://orders.newsfilecorp.com/files/4750/123165_cbltschedulek.jpg