Ciscom Corp. Announces Private Placement Financing of up to $800,000 and Lead Subscriptions by Management

written by Raj Shah | November 12, 2024

November 12, 2024 (Source) – Ciscom Corp. (CSE: CISC) (OTCQB: CISCF) ("**Ciscom**" or "the **Company**"), a company dedicated to investing in, acquiring, and managing businesses within the Information and Communication Technology ("**ICT**") sector, is pleased to announce that it intends to complete a non-brokered private placement financing of up to 10,000,000 units (each, a "**Unit**") at a price of $0.08 per Unit, for total gross proceeds to the Company of up to $800,000 (the "**Offering**"), pursuant to which members of the Company's management have committed to purchasing 5,375,000 Units in aggregate for aggregate gross proceeds to the Company of $430,000 (the "**Management Subscriptions**").

Michel Pepin, President and CEO of Ciscom, stated, "*While Ciscom generates positive cash-flows from operations, as we focus on our M&A mandate, we are looking to raise additional capital to fund M&A activities. The financing is open to all current shareholders and to anyone else who qualifies to participate. Management's and board members' participation in the private placement is a clear statement about their commitment to the growth and potential of the Company. We are looking forward to positive developments in the coming weeks*."

A subscription by Mr. Paul Gaynor, Chair of the Board of Directors of the Company, for 3,375,000 Units, a subscription by Mr. David Mathews, President of a subsidiary of the Company, for

937,500 Units, a subscription by Michel Pepin, President and Chief Executive Officer of the Company, for 937,500 Units, and a subscription by Angel Valov, a Director of the Company, for 125,000 Units, comprise the Management Subscriptions. The Management Subscriptions constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 *–Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the placement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related parties, exceeded 25% of the Company's market capitalization (as determined under MI 61-101).

Each Unit shall consist of one common share in the capital of the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant shall entitle the holder to acquire one Share at a price of $0.15 per Share for a period of 2 years from the issuance date of the Offering.

The net proceeds raised from the sale of the Units will be used to fund the Company's merger and acquisition activity and to repay up to $500,000 of the Company's outstanding convertible debenture. Save for the convertible debenture, none of the proceeds of the financing shall be payable to non-arm's length parties.

The Company is conducting the Offering pursuant to, among other prospectus exemptions, the "existing security holder" exemption under OSC Rule 45-501 – *Ontario Prospectus and Registration Exemptions* and analogous provisions in all Provinces and Territories of Canada except Newfoundland and Labrador (the

"**Existing Security Holder Exemption**"), as well as the "accredited investor" exemption under National Instrument 45-106 – *Prospectus and Registration Exemptions*.

Pursuant to the Existing Security Holder Exemption, the Offering is available to all shareholders of the Company who were shareholders as at November 8, 2024 (the "**Record Date**") and continue to be shareholders of the Company through closing of the Offering (each, an "**Existing Shareholder**"), regardless of whether they otherwise qualify as "accredited investors". Any person who becomes a shareholder of the Company after the Record Date is not permitted to participate in the Offering using the Existing Security Holder Exemption, however other exemptions may still be available to them. Shareholders who became shareholders after the Record Date should consult their professional advisors when completing their subscription form to ensure that they use the correct exemption.

There are conditions and restrictions when relying upon the Existing Security Holder Exemption, namely, the subscriber must: a) be a shareholder of the Company on the Record Date (and remain a shareholder through closing of the Offering), b) be purchasing the Units as a principal, i.e. for their own account and not for any other party, and c) may not purchase more than $15,000 value of securities from the Company in any twelve-month period. There is one exception to the Existing Security Holder Exemption's $15,000 subscription limit: if an Existing Shareholder wishes to purchase more than $15,000 of securities from the Company, it may do so provided it has first received 'suitability advice' from a registered investment dealer. In this case, the Existing Shareholder will be asked to confirm the registered investment dealer's identity and employer.

The Company intends to distribute a minimum of 31,250 Units for minimum aggregate gross proceeds of $2,500, and a maximum of

4,625,000 Units for maximum aggregate gross proceeds of $370,000, pursuant to the Existing Security Holder Exemption under the Offering. If the Offering is over-subscribed, it is possible that a shareholder's subscription may not be accepted by the Company even though it is received. Additionally, in the event of an imbalance of large subscriptions compared to smaller subscriptions pursuant to the Existing Security Holder Exemption, the management of the Company reserves the right to reduce, in its sole discretion, large subscriptions in favour of smaller shareholder subscriptions. There is a minimum subscription amount of $2,500.

Completion of the Offering is subject to applicable regulatory approvals. All securities issued pursuant to the Offering will be subject to a four-month and one day hold period in accordance with applicable securities laws. The Offering is expected to close on or about December 12, 2024.

The Offering will be exempt from prospectus and registration requirements of applicable securities laws. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities of the Company in the United States, nor shall there be any sale of such securities in any State in which such offer, solicitation or sale would be unlawful.

Any existing shareholders interested in participating in the Offering should contact Michel Pepin (see contact information below) or legal counsel to the Company, Peterson McVicar LLP, attention: Zachary Wallace (E: zwallace@petelaw.com T: 647-725-9725).

About Ciscom Corp.
Ciscom actively invests in, acquires, and manages market leading companies within the Information and Communication Technology ("ICT") sector with a specialty in AdTech/MarTech, targeting SMEs with proven profitability. This approach allows entrepreneurs to monetize their equity and continue contributing, enhancing shareholder value through acquisitions. As a leader in omni-media, particularly in data-driven marketing, Ciscom, through its subsidiaries, optimizes advertising spend across platforms, ensuring high ROI and customer engagement. Strategic ICT acquisitions bolster service offerings and shareholder value, marking Ciscom as an emergent force in the data driven and technology market. Ciscom became an issuer in June 2023 on the CSE and October 2023 on the OTCQB. Ciscom has two subsidiaries, namely Market Focus Direct and Prospect Media Group. For more information, visit CiscomCorp.com.

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Cautionary Statement

This news release contains certain statements that constitute forward-looking statements as they relate to Ciscom and its management. Forward-looking statements are not historical facts but represent management's current expectation of future events and can be identified by words such as "believe", "expects", "will", "intends", "plans", "projects", "anticipates", "estimates", "should", "continues" and similar expressions. Although management believes that the expectations represented

in such forward-looking statements are reasonable, there can be no assurance that they will prove to be correct or will come to pass. Forward-looking statements include statements and information regarding any anticipated investing in or acquisition of additional companies in the ICT sector, the anticipated development or trend of the capital markets and the size of corporate entities such markets may favour, any expected opportunities which may become available to Ciscom and the ability or choice of Ciscom to avail itself thereof, any expected competitive advantage which Ciscom may have, any expected increase of or change in shareholder value, any expected continuance of Ciscom's relations with its banking and other business partners and any expected maintenance of the quality thereof, the quality and continuance of Ciscom's financial management and governance standards, the standard of, and any effect of additional acquisitions on, Ciscom and its subsidiaries' service offerings, expectations of operational excellence, expectations of optimized advertising spend, high returns on investments for customers and high levels of customer engagement, future expectations of growth and profits, any ranking of Ciscom relative to comparable companies and competitors, the closing of the Offering at all, for the targeted gross aggregate proceeds of $800,000, or on the target date of December 12, 2024, the conduct of the Offering pursuant to any particular prospectus exemption or exemptions, any reduction in subscription amounts of subscribers under the Offering, any expected issuance of the Units or the Shares and Warrants which comprise them, the Company's expected use of proceeds from the Offering, commitments by members of management to purchase Units pursuant to the Offering, receipt by the Company of any applicable regulatory approval, the future plans for the Company, and other forward-looking information.

By their nature, forward-looking statements include assumptions

and are subject to inherent risks and uncertainties that could cause actual future results, conditions, actions, or events to differ materially from those in the forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general commercial risks inherent to operating non-manufacturing businesses; failure to obtain any applicable regulatory approval for the Offering; failure to close the Offering for target gross proceeds of $800,000, on the target date of December 12, 2024, or at all; failure to receive a minimum of $2,500 in subscription pursuant to the Existing Security Holder Exemption under the Offering; any change in the Company's business or in market conditions which could cause the Company to alter its planned use of proceeds from the Offering; any failure by a member of management to complete their subscription commitment as described herein; the capital requirements of the Company and ability to maintain adequate capital resources to carry out its business activities; the ability to identify ICT target acquisitions and complete such transactions on an economic basis or at all, and successfully integrate those businesses; the ability to convert the potential of pursued business opportunities into tangible benefits for the Company or its shareholders; risks of a material adverse change to the Company's assets or revenue; stock market, interest rate and debt market volatility; changing capital market valuations; the ability of the Company to continue as a going concern; dependence on key personnel; the Company's early stage of development; potential losses on investments; unstable and potentially negative economic conditions; fluctuations in interest rates; competition for investments within the ICT sector; maintenance of client relationships; maintenance of the Company's listing on the Canadian Securities Exchange; risks related to potential dilution in the event of future financings; no previous public market for the shares; volatility of the

market price for the Company's securities; audit risk; litigation risk and risk of future legal proceedings; jurisdictional and regulatory risk; lack of operating cash flow; volatility; additional funding requirements; adverse general economic conditions; competition; conflicts of interest; income tax matters; availability and terms of financing; rising costs related to inflation; and effects of market interest on price of securities and potential dilution; and those factors detailed in the Company's prospectus dated June 5, 2023 and other public documents filed under Ciscom's profile at www.sedarplus.ca. Ciscom has also assumed that no significant events occur outside of Ciscom's normal course of business.

Ciscom cautions that the foregoing list of factors is not exhaustive. In addition, although Ciscom has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended. When relying on Ciscom's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Ciscom has assumed that the factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this press release represents the expectations of Ciscom as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Ciscom does not undertake to update this information at any particular time except as required in

accordance with applicable laws.

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