

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Uniserve Communications Corp.
Suite 209-333 Terminal Avenue
Vancouver, British Columbia V6A 4C1

2. Date of Material Change

January 24, 2025

3. News Release

The news release announcing the material change was disseminated on January 27, 2025, through Canada Stockwatch and various other approved public media. The news release was also filed on SEDAR+.

4. Summary of Material Change

Uniserve Communications Corp. entered into an Asset Purchase Agreement with Cyclone Systems Inc. ("Cyclone") to acquire Cyclone's business and substantially all of Cyclone's assets, subject to approval from the TSX Venture Exchange.

5.1 Full Description of Material Change

See attached news release.

5.2 Disclosure for Restructuring Transactions

N/A

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

No information has been intentionally omitted from this material change report.

8. Executive Officer

Andrej Prpic, CFO
604-395-3950

9. Date of Report

January 27, 2025

PRESS RELEASE

Uniserve Communications Corporation TSX.V: USS

www.uniserve.com | Corporate Relations: 604-395-3961

Uniserve to Expand Capabilities with Strategic Asset Purchase of Cyclone Systems Inc.

Vancouver, BC: January 27, 2025 – Uniserve Communications Corporation (the “Company” or “Uniserve”) (TSXV: USS), a leading provider of IT solutions and services for both business and residential customers across Canada, is pleased to announce that it has entered into an Asset Purchase Agreement (the “APA”), dated as of January 24, 2025, with Cyclone Systems Inc. (“Cyclone”) to acquire Cyclone’s business and substantially all of Cyclone’s assets, subject to approval from the TSX Venture Exchange (the “TSXV”).

Cyclone is a full service Managed IT Services Provider with clients across multiple provinces. Their client base and services match very well with Uniserve’s existing service offerings. It is expected that this transaction will add approximately \$2,500,000 in top line revenues and \$800,000 in earnings before amortization, interest and taxes to Uniserve’s business each year. This transaction represents a significant step forward in Uniserve’s growth strategy, enhancing its service offerings and expanding its market reach.

The purchase price under the APA is \$2,350,000, with \$1,350,000 payable in cash on closing, and \$1,000,000 through the issuance of a convertible note (the “Note”) with a three year term, bearing annual interest at 6%, payable monthly. The Note will be secured against all of the Cyclone assets being acquired by Uniserve under the transaction.

In each of the 3 years following closing of the transaction, Uniserve may elect to pay up to 50% of the then outstanding principal sum under the Note, and upon Uniserve so electing Cyclone may choose to instead convert 50% of the proposed prepayment amount into common shares of the Company (each, a “Share”). On the first and second anniversaries of closing, 10% of the then outstanding principal sum (less any amounts prepaid by Uniserve for such year) will be payable by Uniserve in cash, provided that Cyclone may elect to instead receive an anniversary payment in Shares.

Any Shares issued under the Note will be issued at the following price, depending on the year in which the Shares are issued:

- Year 1: Convertible at \$0.35 per Share
- Year 2: Convertible at \$0.45 per Share
- Year 3: Convertible at \$0.55 per Share

At any time after six months from closing, Cyclone may elect to convert all or any portion of the outstanding principal sum value into Shares. In addition, the Note will contain an acceleration clause wherein, at any time during the term of the Note, the 10-day volume-weighted average price of the Company’s Shares on the TSXV is equal to or greater than 150% of the applicable conversion price as noted above, the Company may elect to either convert up to 50% of the Note value then outstanding into Shares at the then applicable conversion price or pay Cyclone in cash up to 50% of the Note value then outstanding.



Cyclone, its principal and its shareholders are arm's length to the Company. No finder's fees will be paid by the Company in connection with the transaction, and the transaction will not result in a change of control of the Company.

Pursuant to the terms of the APA, Cyclone will enter into a 6 month consulting agreement to provide management services to the Company, and each of Cyclone, Cyclone's principal and the principal's spouse will enter into non-competition agreements applying across Canada for 30 months from closing.

The transaction is anticipated to close within the next 15 days, as soon as practicable following receipt of TSXV approval. The Company will provide an update respecting the transaction in due course.

"We are excited to announce the transaction to acquire Cyclone Systems, a transformative move that will fundamentally enhance Uniserve's capabilities and accelerate our growth trajectory," said Kwin Grauer, Uniserve's Chairman of the Board and acting Interim CEO. "This strategic acquisition will not only broaden the range of advanced IT solutions we can offer but will also strengthen our recurring revenue model, positioning us for long-term success. We're eager to integrate Cyclone's expertise into our operations, delivering even greater value to our customers and further solidifying Uniserve as a leader in the IT services space."

In addition, the Company wishes to announce that it will borrow \$1,000,000 (the "Loan"), evidenced by a promissory note (the "Promissory Note"), from an affiliate (the "Lender") of Mr. Michael Scholz, an insider of the Company by virtue of holding over 10% of the issued and outstanding Shares. The Loan will be repayable by Uniserve on demand and will bear interest at 8% per annum commencing on the date of advance, with interest payable monthly. In connection with the Loan, the Company will grant the Lender 1,000,000 Share purchase warrants (each, a "Loan Warrant"), each exercisable for one Share at an exercise price of \$0.30 for one year from the date of issuance. The Loan will be used towards the purchase price for the transaction contemplated by the APA with Cyclone, and will be repaid from cash flows generated by Uniserve's ongoing operations.

The closing of the Loan is subject to execution and delivery of the Promissory Note and receipt of the approval of the TSXV. The Loan Warrants and any Shares issued on exercise thereof will be subject to a four month hold period from the date of issuance of such securities. There is no material fact or material change about the Company that has not been generally disclosed.

As Mr. Scholz is an insider of the Company, the Loan is a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The Loan will be exempt from the formal valuation requirement and the minority shareholder approval requirement under MI 61-101 because the aggregate fair market value of the Loan transaction does not exceed 25% of Uniserve's market capitalization.

About Uniserve

Uniserve Communications is a premier provider of smart technology solutions and reliable IT services for home and business customers. With offices in Vancouver, Calgary, and Waterloo, Uniserve offers a wide range of services across three key verticals: Residential, Small Business, and Enterprise.

For residential customers, Uniserve provides telecommunications and high-speed internet services. Small business customers benefit from tailored technology bundles designed for startups, professionals, creative industries, and retail outlets. For larger enterprise clients, Uniserve offers comprehensive, cutting-edge managed IT services focused on security, disaster recovery, business continuity, cloud hosting, and 24/7 Canadian-based technical support. The Company operates its own T2 data center in Vancouver, B.C., with additional disaster recovery and failover capabilities in Calgary.



This news release was prepared on behalf of the Board of Directors, which accepts full responsibility for its contents.

Learn more at www.uniserve.com or at www.sedar.com.

Kwin Grauer

Chairman of the Board

Interim CEO

For more information please call 604-395-3961 or email corporate.relations@uniserveteam.com.

Neither TSX Venture Exchange nor its Regulations Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Management has prepared this release and no regulatory authority has approved or disapproved the information contained herein. The statements contained in this news release that are not historical facts are forward looking statements. Such statements are based on management's estimates, assumptions and projections using available information. Uniserve cautions that actual financial results could differ materially from the current expectations due to a number of factors.