

2020 SUMMARY

“DCM has continued to rise to the quickly changing needs of our clients, innovating to improve their communications, operations, and marketing workflows, while tightening our own processes and increasing efficiency. Our ongoing focus on digital innovation is helping us provide deeper insights into how to optimize our clients’ businesses and help them connect more meaningfully with customers. I am proud to be part of this dedicated team, and look forward to an exciting client-focused future.”

RICHARD KELLAM
PRESIDENT & CHIEF EXECUTIVE OFFICER

WE'RE INVESTING IN
TECHNOLOGY
TO HELP CLIENTS GAIN
BUSINESS-WIDE OPTIMIZATION
AND CONNECTIVITY.

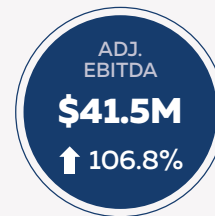
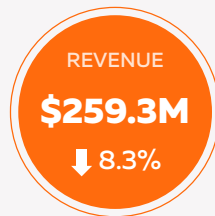


WE'RE DRIVING
INNOVATION
TO ENSURE CLIENTS CAN
ADAPT AND THRIVE IN THIS
DYNAMIC ENVIRONMENT.



WE'RE EVOLVING OUR
MARKETING
SOLUTIONS TO DELIVER DEEPER
INSIGHTS THAT RESULT IN MORE
TARGETED INVESTMENT.

2020 BY THE NUMBERS



2020 HIGHLIGHTS



IMPROVED PROFITABILITY

- Gross margin of 28.1%, up from 24.5% in 2019, despite COVID impact on revenues
- SG&A \$8.2M lower vs. prior year
- Net income of \$11.5M and EPS of \$0.26 (basic and diluted) vs. net loss in 2019



BILL AS RELEASED → INVOICE ON ENTRY

- +\$12M of cash generated from converting key clients from BAR to IOE billing
- Further \$5M conversion expected in 2021



CANNABIS GROWTH

- Digital direct-to-print variable labels and related products made up 5% of revenue
- DCM successfully captured over 75% of Canadian market with +35% gross margins
- U.S. expansion and Canadian demand driving growth in sector for 2021



CASH FLOW FROM OPERATIONS

- Cash flow from operations of \$47.6M compared to \$(0.8)M, driven by:
- Net income of \$11.5M vs. net loss of \$(14.0)M in 2019
 - \$15.9M of cash generated from working capital improvements vs. \$(7.1)M use of cash in 2019
 - \$10.7M of grant income from Canada Emergency Wage Subsidy program to offset COVID impact on business

LOOKING AHEAD TO 2021

- Leadership – Introduction of Richard Kellam to lead DCM’s corporate strategy
- Driving digital innovation by leveraging our proprietary platform for marketing workflow management and direct-to-print applications
- Providing additional value-added solutions to our enterprise clients: top 250 clients = +80% of our total revenues; +90% retention levels
- Accelerating organizational and operational effectiveness initiatives—continued gross margin and SG&A improvements

**“DCM” ON TORONTO STOCK EXCHANGE
VISIT US AT DCM ON LINKEDIN**