For Immediate Release

DATA COMMUNICATIONS MANAGEMENT CORP. ANNOUNCES SECOND-QUARTER 2024 FINANCIAL RESULTS

SECOND QUARTER 2024 HIGHLIGHTS

- Revenues of $125.8 million were up +5.7%, or +$6.8 million vs. Q2 2023
- Gross profit of $34.3 million increased +7.2% or $2.3 million
- Gross profit as a percentage of revenues improved to 27.3%, vs. 26.9% in Q2 2023, marking continued progress towards returning gross profit margins to +30%
- Adjusted EBITDA[1] increased +22.2% vs. the prior year to $16.9 million
- Adjusted EBITDA represented 13.4% of revenues, compared to 11.6% for Q2 2023, consistent with objective to improve Adjusted EBITDA margins to more than 14%
- Net income was $4.1 million compared to a net loss of $2.9 million last year; Adjusted net income was $4.0 million vs. $3.8 million last year
- Net debt at the end of Q2 2024 was $75.1 million, down -48.3% or -$70.2 million since the closing of the MCC acquisition. The Company ended the quarter with a net debt to trailing 12 months Adjusted EBITDA (net of lease payments) ratio of 1.7x. DCM's commitment to paying down debt remains a key priority

Brampton, Ontario – August 7, 2024 – DATA Communications Management Corp. (TSX: DCM; OTCQX: DCMDF) ("DCM" or the "Company"), a leading provider of marketing and business communication solutions to companies across North America, today reported its second quarter 2024 financial results.

MANAGEMENT COMMENTARY

"I am pleased to report on the continued progress of our business in the second quarter of 2024 during which we marked the one-year anniversary of completing our acquisition of Moore Canada Corporation ("MCC")," said Richard Kellam, President & CEO of DCM.

"During the quarter, we continued to be guided by our commitment to delivering on our key post-acquisition integration priorities including consolidating our plant network, integrating legacy MCC systems, completing our restructuring actions and focusing on profitable growth. Through these actions, we remain on track to realize annualized post-acquisition synergies of $30-35 million which we expect to substantially achieve prior to the end of this fiscal year."

[1] Adjusted EBITDA, Adjusted EBITDA as a percentage of revenues, Adjusted net income (loss) and Adjusted net income (loss) as a percentage of revenues are non-IFRS Accounting Standards measures. For a description of the composition of these and other non-IFRS Accounting Standards measures used in this press release, and a reconciliation to their most comparable IFRS Accounting Standards measure, where applicable, see the information under the heading "Non-IFRS Accounting Standards Measures", the information set forth on Table 2 and Table 3 herein, and our most recent Management Discussion & Analysis filed on www.sedarplus.ca.

“Our Commercial team is making progress on several fronts on our path to building a strong platform for profitable growth. The team is leveraging our expanded suite of product and service offerings, led by our tech-enabled solutions, with a focus on continuing to improve our product mix, increasing our wallet share with existing clients, strengthening our presence in key industry verticals, and winning new logos. The team is also delivering on our commitment to drive margin improvement through strategic revenue management initiatives we are implementing across the business."

"Our other post-acquisition priorities remain on track for completion by the end of 2024 including the plant consolidation we initiated last year to increase our operating efficiency by reducing our network from 14 to 10 main production facilities. During June we completed the consolidation of our Thistle and Bond facilities, and we are on track to close our plants in Trenton, Ontario and Fergus, Ontario by year end. During the second quarter, we accelerated production and equipment moves from Trenton and Fergus to our Brampton, Ontario and Drummondville, Quebec factories, respectively while investing in new state-of-the-art equipment to further enhance our production capabilities and position us to drive additional operating efficiencies. These investments are consistent with our commitment to provide high quality solutions for our clients and to invest in markets with strong potential for growth. ”

SECOND QUARTER 2024 EARNINGS CALL

The Company will host a conference call and webcast on Thursday, August 8, 2024, at 9:00 a.m. Eastern time. Mr. Kellam, and James Lorimer, CFO, will present the second quarter of 2024 results followed by a live Q&A.

Instructions on how to access both the webcast and call are available below.

DCM will be using Microsoft Teams to broadcast our earnings call, which will be accessible via the options below:

Register for the webcast prior to the start of the event: Microsoft Virtual Events Powered by Teams
Please complete the phone field in the form (prior to the start of the event) if you wish to dial in.

The Company’s full results will be posted on its Investor Relations page and on www.sedarplus.ca. A video message from Mr. Kellam will also be posted on the Company’s website.

TABLE 1 The following table sets out selected historical consolidated financial information for the periods noted.

For the periods ended June 30, 2024 and 2023 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*	**April 1 to June 30, 2024**	April 1 to June 30, 2023	**January 1 to June 30, 2024**	January 1 to June 30, 2023
Revenues	**$ 125,751**	$ 118,963	**$ 255,005**	$ 195,040
Gross profit	**34,334**	32,037	**71,645**	55,810
Gross profit, as a percentage of revenues	**27.3 %**	26.9 %	**28.1 %**	28.6 %
Selling, general and administrative expenses	**23,864**	23,004	**49,246**	36,879
As a percentage of revenues	**19.0 %**	19.3 %	**19.3 %**	18.9 %
Adjusted EBITDA	**16,888**	13,823	**35,553**	26,588
As a percentage of revenues	**13.4 %**	11.6 %	**13.9 %**	13.6 %
Net income (loss) for the period	**4,064**	(2,879)	**5,539**	(5,311)
Adjusted net income	**4,017**	3,778	**8,920**	9,667
As a percentage of revenues	**3.2 %**	3.2 %	**3.5 %**	5.0 %
Basic (loss) earnings per share	**$ 0.07**	$ (0.06)	**$ 0.10**	$ (0.11)
Diluted (loss) earnings per share	**$ 0.07**	$ (0.06)	**$ 0.10**	$ (0.11)
Weighted average number of common shares outstanding, basic	**55,245,796**	49,055,088	**55,134,340**	46,572,750
Weighted average number of common shares outstanding, diluted	**57,835,179**	49,055,088	**57,746,066**	46,572,750

TABLE 2 The following table provides reconciliations of net (loss) income to EBITDA and of net (loss) income to Adjusted EBITDA for the periods noted.

EBITDA and Adjusted EBITDA reconciliation

For the periods ended June 30, 2024 and 2023 *(in thousands of Canadian dollars, unaudited)*		**April 1 to June 30, 2024**		April 1 to June 30, 2023		**January 1 to June 30, 2024**		January 1 to June 30, 2023
Net income (loss) for the period	**$**	**4,064**	$	(2,879)	**$**	**5,539**	$	(5,311)
Interest expense, net		**5,366**		3,499		**10,919**		4,582
Amortization of transaction costs and debt extinguishment gain, net		**140**		107		**280**		179
Current income tax expense		**16**		690		**1,358**		2,337
Deferred income tax (recovery) expense		**947**		(1,293)		**(216)**		(2,901)
Depreciation of property, plant and equipment		**1,783**		1,365		**3,306**		2,056
Amortization of intangible assets		**306**		701		**1,034**		1,164
Depreciation of the ROU Asset		**4,329**		2,724		**8,814**		4,437
EBITDA	**$**	**16,951**	$	4,914	**$**	**31,034**	$	6,543
Acquisition and integration costs		**243**		3,837		**526**		9,955
Restructuring expenses		**1,101**		2,729		**2,186**		2,729
Net fair value (gains) losses on financial liabilities at fair value through profit or loss		**(1,407)**		2,343		**1,807**		7,361
Adjusted EBITDA		**16,888**		13,823		**35,553**		26,588

TABLE 3 The following table provides reconciliations of net (loss) income to Adjusted net income and a presentation of Adjusted net income per share for the periods noted.

Adjusted net income reconciliation

For the periods ended June 30, 2024 and 2023 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*		**April 1 to June 30, 2024**		April 1 to June 30, 2023		**January 1 to June 30, 2024**		January 1 to June 30, 2023
Net income (loss) for the period	**$**	**4,064**	$	(2,879)	**$**	**5,539**	$	(5,311)
Restructuring expenses		**1,101**		2,729		**2,186**		2,729
Acquisition and integration costs		**243**		3,837		**526**		9,955
Net fair value (gains) losses on financial liabilities at fair value through profit or loss		**(1,407)**		2,343		**1,807**		7,361
Tax effect of the above adjustments		**16**		(2,252)		**(1,138)**		(5,067)
Adjusted net income	**$**	**4,017**	$	3,778	**$**	**8,920**	$	9,667
Adjusted net income per share, basic	**$**	**0.07**	$	0.08	**$**	**0.16**	$	0.21
Adjusted net income per share, diluted	**$**	**0.07**	$	0.08	**$**	**0.15**	$	0.21
Weighted average number of common shares outstanding, basic		**55,245,796**		49,055,088		**55,134,340**		46,572,750
Weighted average number of common shares outstanding, diluted		**57,835,179**		49,055,088		**57,746,066**		46,572,750

About DATA Communications Management Corp.

DCM is a marketing and business communications partner that helps companies simplify the complex ways they communicate and operate, so they can accomplish more with fewer steps and less effort. For 65 years, DCM has been serving major brands in vertical markets, including financial services, retail, healthcare, energy, other regulated industries, and the public sector. We integrate seamlessly into our clients' businesses through our deep understanding of their needs, our technology-enabled solutions, and our end-to-end service offering. Whether we are running technology platforms, sending marketing messages, or managing print workflows, our goal is to make everything we provide to our clients surprisingly simple.

Additional information relating to DATA Communications Management Corp. is available on www.datacm.com, and in the disclosure documents filed by DATA Communications Management Corp. on SEDAR+ at www.sedarplus.ca.

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FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of DCM, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. When used in this press release, words such as "may", "would", "could", "will", "expect", "anticipate", "estimate", "believe", "intend", "plan", and other similar expressions are intended to identify forward-looking statements. These statements reflect DCM's current views regarding future events and operating performance, are based on information currently available to DCM, and speak only as of the date of this press release.

These forward-looking statements involve a number of risks, uncertainties, and assumptions. They should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Many factors could cause the actual results, performance, objectives or achievements of DCM to be materially different from any future results, performance, objectives or achievements that may be expressed or implied by such forward-looking statements. We caution readers of this press release not to place undue reliance on our forward-looking statements since a number of factors could cause actual future results, conditions, actions, or events to differ materially from the targets, expectations, estimates or intentions expressed in these forward-looking statements.

The principal factors, assumptions and risks that DCM made or took into account in the preparation of these forward-looking statements and which could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements are described in further detail in our Management Discussion and Analysis for the three and six months ended June 30, 2024, and include but are not limited to the following:

- Our ability to successfully integrate the DCM and MCC businesses and realize anticipated synergies from the combination of those businesses, including revenue and profitability growth from an enhanced offering of products and services, larger customer base and cost reductions;
- The expected annualized synergies that the Company expects to derive from the MCC acquisition have been estimated by the Company based on its experience integrating previously acquired businesses, other facilities and completing previous restructuring initiatives, and includes estimated benefits expected to be derived from the acquisition, including those related to facility sales and consolidations, operational improvements, eliminating redundant positions, and purchasing synergies;
- Our expected total annualized synergies estimates are principally based upon the following material factors and assumptions: (a) given the significant overlap in the nature of the two businesses, DCM will be able to eliminate duplication of overhead expenses across the combined DCM and MCC businesses in its SG&A functions; (b) given significant overlap in the nature of DCM's and MCC's production processes and available combined excess capacity, DCM will be able to consolidate manufacturing plants; (c) further operational and SG&A costs savings will be achievable once the above-noted initiatives are completed; (d) the combined business will achieve more favourable purchasing terms by virtue of the fact it is approximately twice the size of each of DCM and MCC pre-acquisition, and therefore able to command lower pricing from vendors based on larger volumes, and its expected ability to better harmonize purchasing strategies to leverage more favourable purchasing terms than each company had individually for similar goods or services; and (e) the combined business will be able to generate certain revenue synergies from cross-selling each other's broader, combined, suite of capabilities; and
- Such expected annualized cost savings have not been prepared in accordance with IFRS Accounting Standards, nor has a reconciliation to IFRS Accounting Standards been provided, and the Company evaluates its financial performance on the basis of these non-IFRS Accounting Standards measures. Therefore, the Company does not consider their most comparable IFRS Accounting Standards measures when evaluating prospective acquisitions.

Additional factors are discussed elsewhere in this press release and under the headings "Liquidity and capital resources" and "Risks and Uncertainties" in DCM's Management Discussion and Analysis and in DCM's other publicly available disclosure documents, as filed by DCM on SEDAR+ (www.sedarplus.ca). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, DCM does not intend and does not assume any obligation to update these forward-looking statements.

NON-IFRS ACCOUNTING STANDARDS MEASURES

NON-IFRS ACCOUNTING STANDARDS AND OTHER FINANCIAL MEASURES

This press release includes certain non-IFRS Accounting Standards measures, ratios and other financial measures as supplementary information. This supplementary information does not represent earnings measures recognized by IFRS Accounting Standards and does not have any standardized meanings prescribed by IFRS Accounting Standards. Therefore, these non-IFRS Accounting Standards measures, ratios and other financial measures are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that this supplementary information should not be construed as alternatives to net income (loss) determined in accordance with IFRS Accounting Standards as an indicator of DCM's performance. Definitions of such supplementary information, together with a reconciliation of net income (loss) to such supplementary financial measures, can be found in Table 5 and Table 6 of our Management Discussion and Analysis for the three and six months ended June 30, 2024 and filed on SEDAR+ at www.sedarplus.ca.

Condensed interim consolidated statements of financial position

(in thousands of Canadian dollars, unaudited)

	June 30, 2024	December 31, 2023
	$	$
Assets		
Current assets		
Cash and cash equivalents	**$ 12,929**	$ 17,652
Trade receivables	**97,731**	117,956
Inventories	**25,771**	28,840
Prepaid expenses and other current assets	**5,567**	5,313
Income taxes receivable	**2,881**	2,640
Assets held for sale	**—**	8,650
	144,879	181,051
Non-current assets		
Other non-current assets	**9,252**	2,900
Deferred income tax assets	**7,769**	9,801
Property, plant and equipment	**33,461**	30,358
Right-of-use assets	**159,774**	159,801
Pension assets	**3,117**	1,962
Intangible assets	**9,582**	10,616
Goodwill	**22,265**	22,265
	$ 390,099	$ 418,754
Liabilities		
Current liabilities		
Bank overdraft	**—**	1,564
Trade payables and accrued liabilities	**$ 57,576**	$ 75,766
Current portion of credit facilities	**10,899**	6,333
Current portion of lease liabilities	**12,765**	10,322
Provisions	**12,237**	16,325
Deferred revenue	**3,795**	6,221
	97,272	116,531
Non-current liabilities		
Provisions	**752**	1,004
Credit facilities	**76,091**	93,918
Lease liabilities	**147,941**	144,993
Pension obligations	**19,112**	26,386
Other post-employment benefit plans	**3,789**	3,606
Asset retirement obligation	**3,617**	3,552
	$ 348,574	$ 389,990
Equity		
Shareholders' equity		
Shares	**$ 284,592**	$ 283,738
Warrants	**219**	219
Contributed surplus	**2,939**	3,135
Translation Reserve	**221**	177
Deficit	**(246,446)**	(258,505)
	$ 41,525	$ 28,764
	$ 390,099	$ 418,754

Condensed interim consolidated statements of operations

(in thousands of Canadian dollars, except per share amounts, unaudited)	**For the three months ended June 30, 2024**	For the three months ended June 30, 2023	**For the six months ended June 30, 2024**	For the six months ended June 30, 2023
	$	$	**$**	**$**
Revenues	**$ 125,751**	$ 118,963	**255,005**	195,040
Cost of revenues	**91,417**	86,926	**183,360**	139,230
Gross profit	**34,334**	32,037	**71,645**	55,810
Expenses				
Selling, commissions and expenses	**10,178**	9,850	**21,042**	18,171
General and administration expenses	**13,686**	13,154	**28,204**	18,708
Restructuring expenses	**1,101**	2,729	**2,186**	2,729
Acquisition and integration costs	**243**	3,837	**526**	9,955
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	**(1,407)**	2,343	**1,807**	7,361
	23,801	31,913	**53,765**	56,924
Income before finance and other costs, and income taxes	**10,533**	124	**17,880**	(1,114)
Finance costs				
Interest expense on long term debt and pensions, net	**2,307**	2,480	**4,805**	3,023
Interest expense on lease liabilities	**3,059**	1,019	**6,114**	1,559
Amortization of transaction costs net of debt extinguishment gain	**140**	107	**280**	179
	5,506	3,606	**11,199**	4,761
Income (loss) before income taxes	**5,027**	(3,482)	**6,681**	(5,875)
Income tax expense				
Current	**16**	690	**1,358**	2,337
Deferred	**947**	(1,293)	**(216)**	(2,901)
	963	(603)	**1,142**	(564)
Net Income (loss) for the period	**$ 4,064**	$ (2,879)	**5,539**	(5,311)

Condensed interim consolidated statements of cash flows

(in thousands of Canadian dollars, unaudited)	**For the six months ended June 30, 2024**	For the six months ended June 30, 2023
	$	**$**
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	**$ 5,539**	$ (5,311)
Items not affecting cash		
Depreciation of property, plant and equipment	**3,306**	2,056
Amortization of intangible assets	**1,034**	1,164
Depreciation of right-of-use-assets	**8,814**	4,437
Share-based compensation expense	**321**	269
Net fair value losses on financial liabilities at fair value through profit or loss	**1,807**	7,361
Pension expense	**943**	430
(Gain) loss on sale and leaseback	**(11)**	—
Loss on disposal of property, plant and equipment	**149**	—
Provisions	**2,186**	2,729
Amortization of transaction costs, accretion of debt premium/ discount, net of debt extinguishment gain	**280**	179
Accretion of asset retirement obligation	**65**	6
Other post-employment benefit plans expense	**298**	208
Income tax expense (recovery)	**1,142**	(564)
Right-of-use assets impairment	**97**	—
Changes in working capital	**764**	5,802
Contributions made to pension plans	**(604)**	(528)
Contributions made to other post-employment benefit plans	**(115)**	(90)
Provisions paid	**(6,526)**	(1,785)
Income taxes paid	**(1,599)**	(3,305)
	17,890	**13,058**
Investing activities		
Net cash consideration for acquisition of MCC	**—**	(126,031)
Proceeds on sale and leaseback transaction	**8,661**	24,091
Purchase of property, plant and equipment	**(6,989)**	(1,298)
Purchase of intangible assets	**—**	(14)
Purchase of non-current assets	**(6,499)**	—
Proceeds on disposal of property, plant and equipment	**431**	58
	(4,396)	(103,194)
Financing activities		
Issuance of common shares and broker warrants, net	**—**	24,221
Exercise of warrants	**—**	489
Exercise of options	**337**	751
Proceeds from credit facilities	**30,185**	147,640
Repayment of credit facilities	**(43,726)**	(60,367)
Decrease in bank overdrafts	**(1,564)**	—
Transaction costs	**—**	(1,802)
Principal portion of lease payments	**(3,500)**	(4,009)
	(18,268)	106,923
Change in cash and cash equivalents during the period	**(4,774)**	16,787
Cash and cash equivalents – beginning of period	**$ 17,652**	$ 4,208
Effects of foreign exchange on cash balances	**51**	(22)
Cash and cash equivalents – end of period	**$ 12,929**	$ 20,973