

The background of the slide is a grayscale photograph of a person's hands interacting with a tablet. One hand is pointing at the screen, while the other is holding a pen over a document. In the background, a laptop is open, displaying a dashboard with charts and graphs. A coffee cup is also visible on the desk. The overall scene suggests a professional business meeting or data analysis session.

# **FISCAL 2024 REPORT TO SHAREHOLDERS.**

**DATA COMMUNICATIONS  
MANAGEMENT CORP.**

**DCM – TSX | DC MDF – OTCQX**

March 13, 2025

# FORWARD-LOOKING STATEMENTS INFORMATION DISCLOSURE

## FORWARD-LOOKING STATEMENTS

Certain statements in this presentation 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 presentation, 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 presentation.

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## NON-IFRS STANDARDS MEASURES

This presentation includes certain non-IFRS measures as supplementary information. In addition to net income (loss), DCM uses non-IFRS measures including Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA, Adjusted EBITDA and Net Debt (collectively, “Non-IFRS Measures”) to provide investors with supplemental measures of DCM’s operating performance and to highlight trends in its business that may not otherwise be apparent when relying solely on IFRS financial measures. DCM also believes that securities analysts, investors, rating agencies and other interested parties frequently use similar Non-IFRS Measures in the evaluation of issuers. DCM’s management also uses Non-IFRS Measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements. These Non-IFRS Measures are not recognized by IFRS and do not have any standardized meanings prescribed by IFRS. Therefore, DCM’s Non-IFRS Measures are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that Non-IFRS Measures should not be construed as alternatives to net income (loss) determined in accordance with IFRS as an indicator of DCM’s performance. For a reconciliation of DCM’s Non-IFRS Measures to net income (loss), see DCM’s most recent Annual and Interim Management’s Discussion & Analysis filed on SEDAR+.





# TODAY'S **AGENDA.**

SPECIAL AND RECURRING  
DIVIDEND

2024 KEY ACHIEVEMENTS

FISCAL 2024 FINANCIAL  
RESULTS

PLATFORM FOR  
PROFITABLE GROWTH

QUESTIONS AND  
ANSWERS



# RETURNING CAPITAL TO SHARE- HOLDERS.



**Special dividend**  
**\$0.20 cash**  
PER SHARE<sup>1</sup>

**Quarterly dividend**  
**\$0.025 cash**  
PER SHARE<sup>2</sup>

**Dividend yield**  
**4.5%<sup>3</sup>**

1. Payable on March 25, 2025, to shareholders of record on March 12, 2025
2. Payable on April 4, 2025, to shareholders of record on March 21, 2025
3. Implied dividend yield calculated as at March 10, 2025



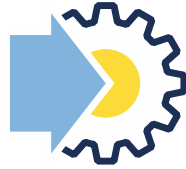
# FISCAL 2024 KEY ACHIEVEMENTS

# FISCAL 2024 **KEY ACHIEVEMENTS**



## FISCAL 2024 RESULTS

- ✓ Record levels of revenue, gross profit, and Adjusted EBITDA
- ✓ Positive outlook provides opportunity to return capital to shareholders through Special Dividend, and Regular Dividend



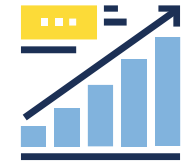
## COMPLETED MCC INTEGRATION

- ✓ Plant consolidation
- ✓ Tech-enabled services migration (FLEX, MKTG FLO, DOCUHUB, TAXHUB)
- ✓ Technology infrastructure migration (ERP/MRP; IT security; cloud-based)
- ✓ Restructuring / integration charges finished



## PROFITABILITY IMPROVEMENT

- ✓ Reduced fixed overhead costs
- ✓ Exited lower margin business
- ✓ Strategic revenue management
- ✓ Reduced outsourcing to third parties



## CAPITAL INVESTMENT

- ✓ New state-of-the-art equipment with high ROI
- ✓ New product / market development
- ✓ Facility improvements
- ✓ Introduced **two** AI-enabled SaaS offerings (ASMBL / Zavy)



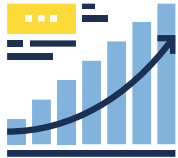


# FISCAL 2024 FINANCIAL RESULTS

# 2024 REVENUES.



**2024 Revenues**  
**+\$32.3M and**  
**+7.2% vs. 2023**

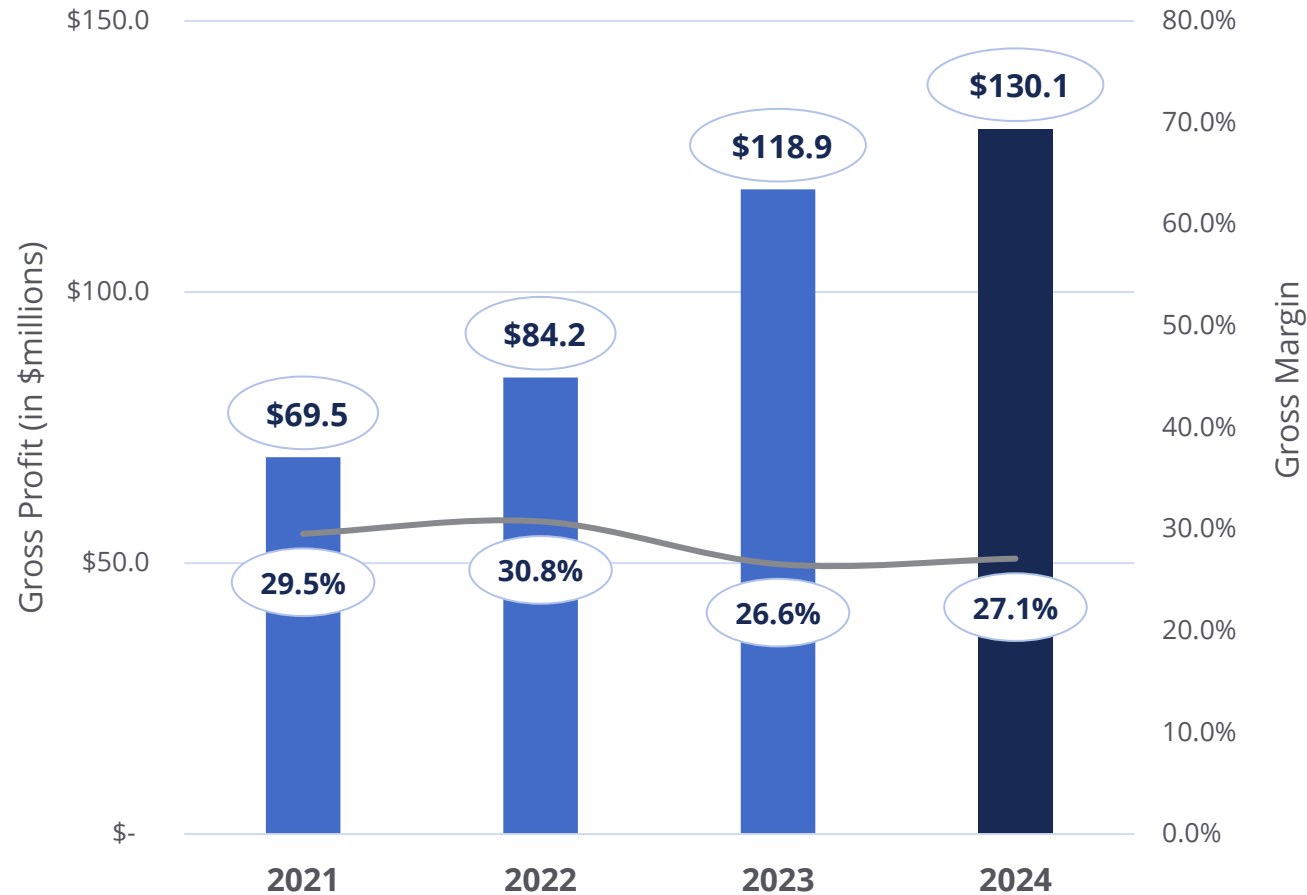


**3-YR CAGR**  
**26.8%**





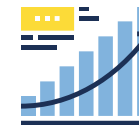
# 2024 GROSS PROFIT.



**2024 Gross Profit**  
**+\$11.2M and +9.4%**  
vs. 2023



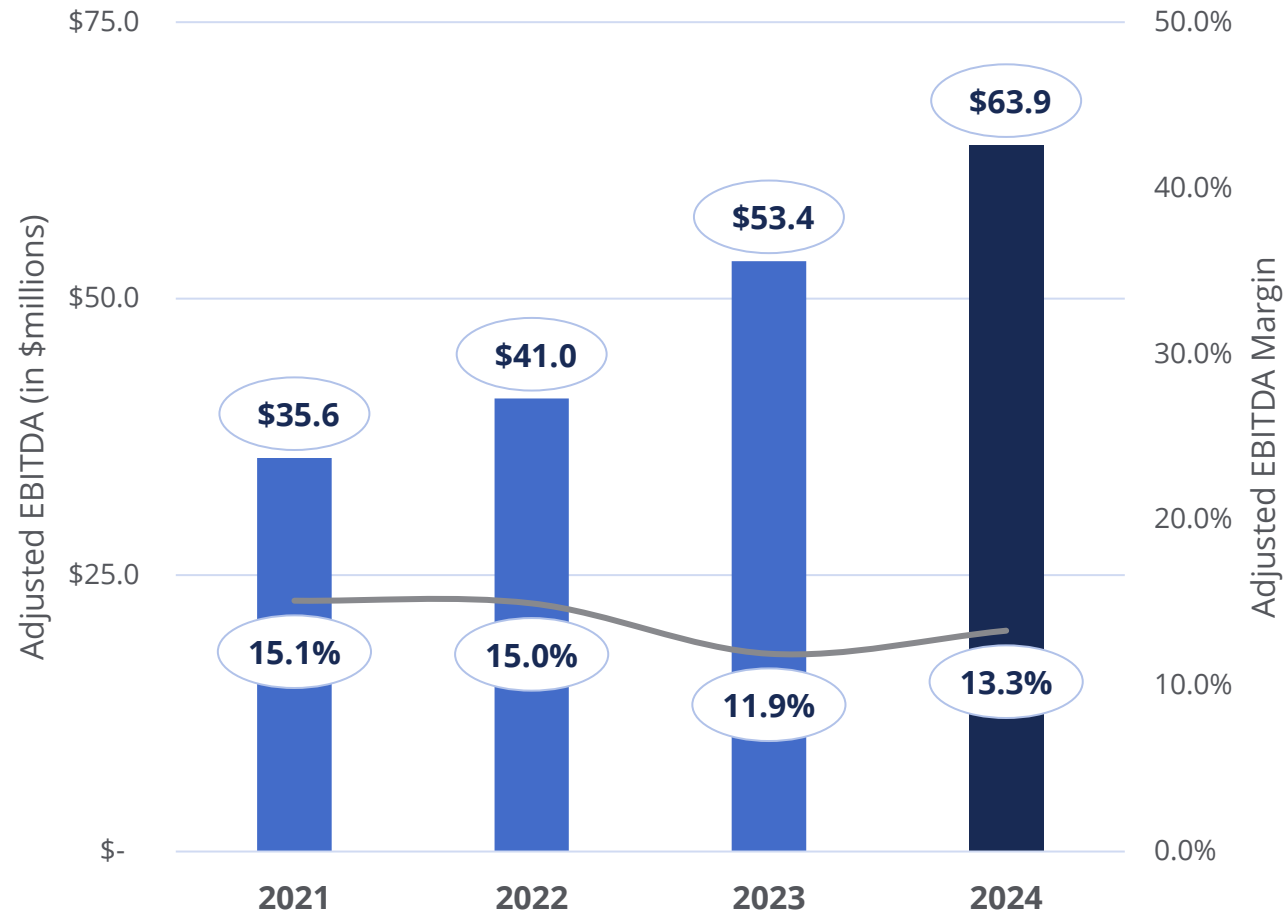
**2024 Gross Margin**  
**+50BPS**  
vs. 2023



**3-YR CAGR**  
**23.2%**

Gross profit margin trending back towards pre-acquisition levels of +30%

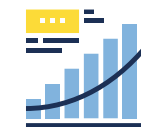
# 2024 ADJUSTED EBITDA.



**2024 Adjusted EBITDA**  
**+\$10.5M and +19.7%**  
vs. 2023



**Adjusted EBITDA Margin**  
**+140BPS**  
vs. 2023



**3-YR CAGR**  
**21.5%**

Adjusted EBITDA margin trending back towards pre-acquisition levels of 14% to 15%

# REVENUE BY REPORTING SEGMENT.

Product Sales

**\$418.5M**

+5.6% vs. 2023

Technology Services

**\$20.0M**

+36.1% vs. 2023

Tech-enabled Hardware

**\$8.8M**

+3.9% vs. 2023

Warehousing

**\$15.9M**

+31.0% vs. 2023

Freight

**\$14.0M**

+5.6% vs. 2023

Marketing & Other

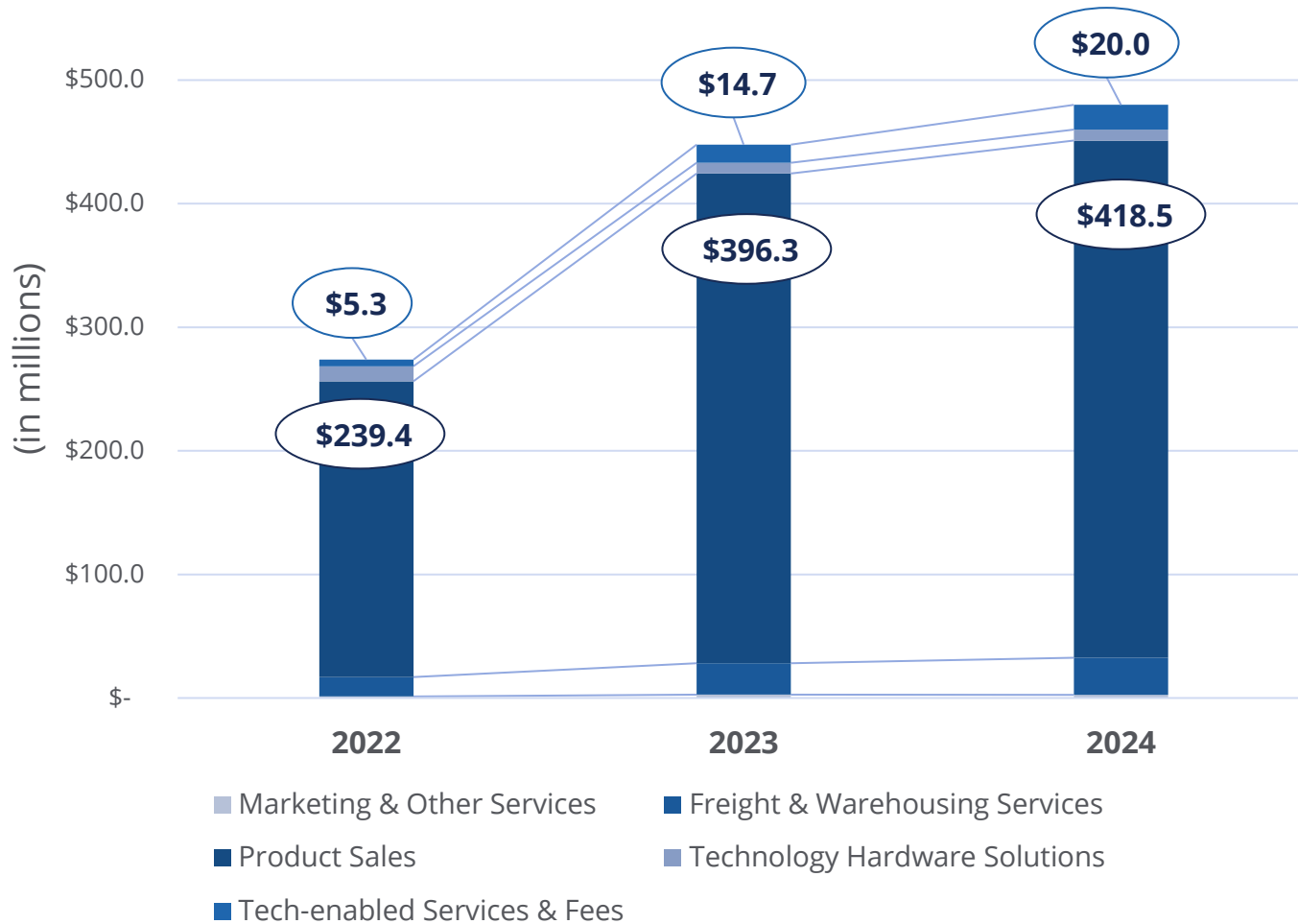
**\$2.7M**

-3.6% vs. 2023



**Strong year over year growth in Technology Services and Warehousing**

# REVENUE BY REPORTING SEGMENT.



Tech-enabled Services & Fees

**Higher margin tech-services revenue of \$20M, +\$14.7M or 277% vs. 2022 (pre-MCC)**

**4.2% of total revenue vs. 1.9% in 2022**

Product Sales

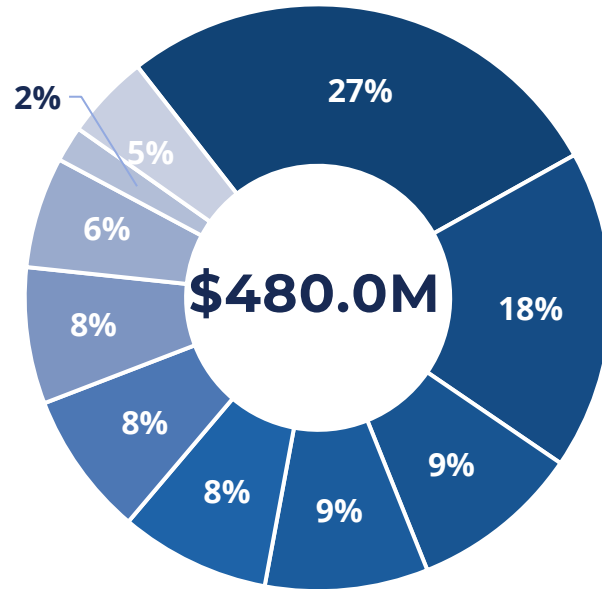
**\$418.5M, up from \$239.4M in 2022 +\$179.1M or +74.8% vs. 2022**

**Strong tech-enabled services growth driven by professional services fees**

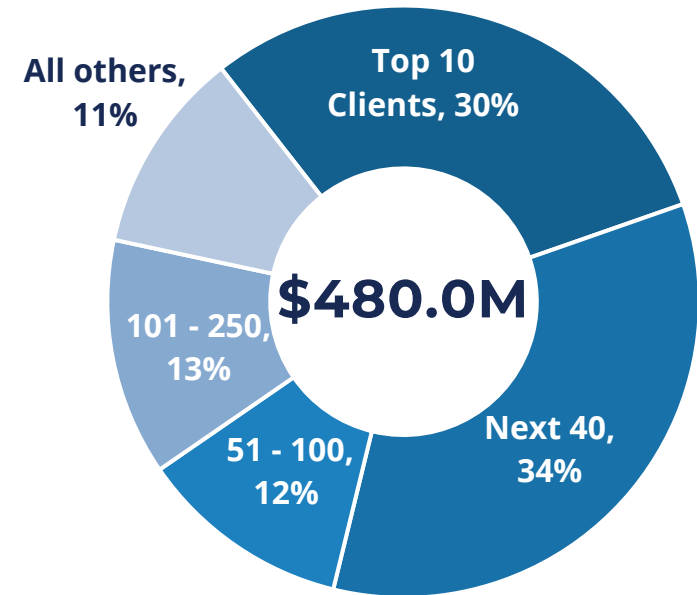
# DIVERSE, BLUE-CHIP CLIENTS.

Revenues by End Market  
2024

- Financial
- Retail
- Manufacturing
- Services
- Transportation
- Healthcare
- Lottery
- Government
- Energy
- Other



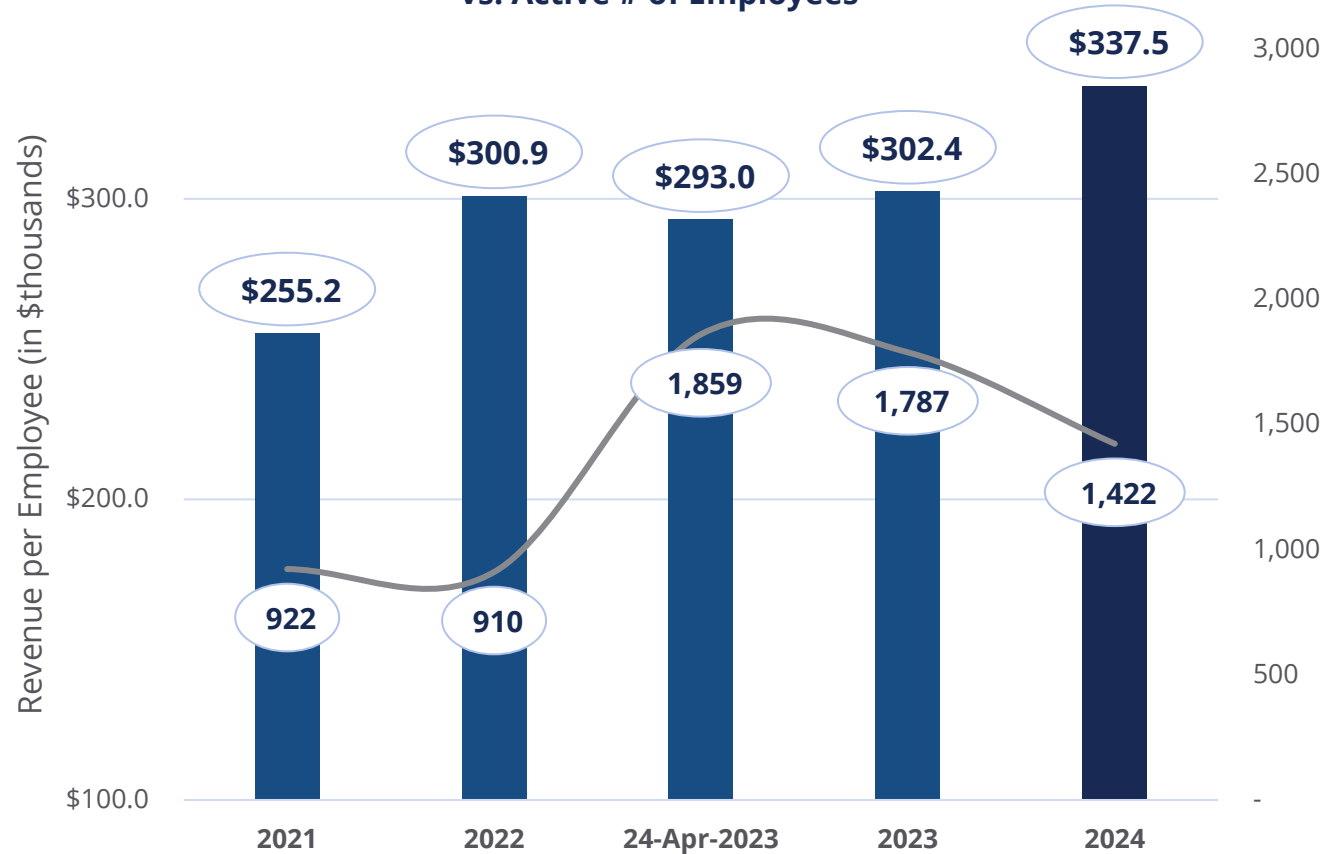
Revenues by Client  
2024



**Diversified across a broad variety of vertical markets; strong enterprise client base; largest client <5% of revenues; Top 250 clients = 89% of total revenues**

# DRIVING RECORD PRODUCTIVITY.

**Revenue per Employee<sup>1</sup>**  
vs. Active # of Employees



Revenue per employee grew to \$337.5k

**+11.6% vs. 2023**

**+15.2% vs. MCC acquisition**

Operational & organizational efficiencies

**1,422 associates at 2024, down from peak of 1,859**

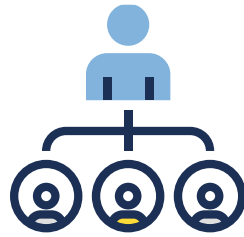
**-437 vs. MCC acquisition**

1. Revenue per employee is a supplementary, non-IFRS measure. For a definition of revenue per employee, see "Supplementary Financial Measures" in our annual and most recent interim MD&A filed on SEDAR+. Pro forma revenue as of 24-Apr-2023 and 2023.

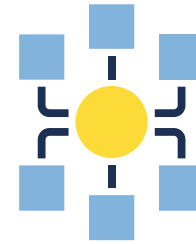
# SYNERGIES\*



OPERATIONAL



ORGANIZATIONAL



PROCUREMENT



REVENUE

**Achieved target of \$30M-\$35M in annualized synergies exiting 2024**

\* "Annualized synergies" have not been prepared in accordance with IFRS Accounting Standards, nor has a reconciliation to IFRS Accounting Standards been provided. For a description of how we evaluate synergies, why we see these as a useful metrics for investors, and related risks, see "Forward-looking statements" and "Supplementary Financial Measures" in our most recent annual and interim MD&A filed on SEDAR+.



# PLATFORM FOR PROFITABLE GROWTH



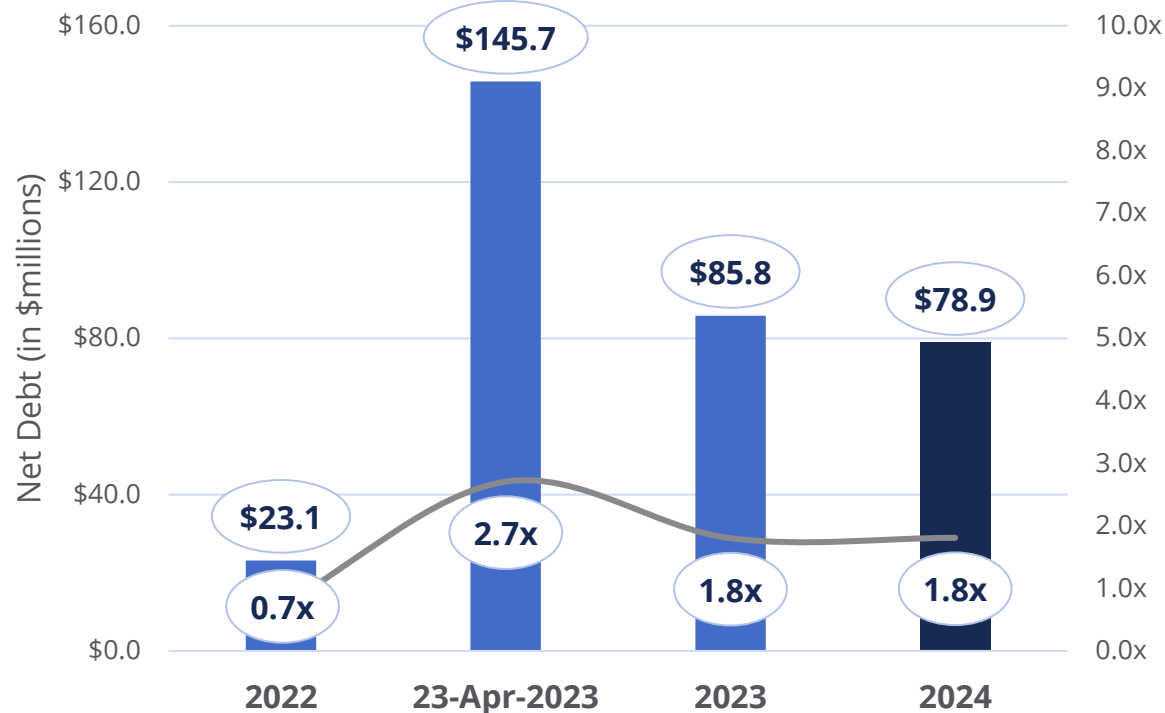
# SOLID BASE **FOR PROFITABLE GROWTH.**

- ✓ Integration initiatives fully completed
- ✓ Large market opportunity within existing product portfolio
- ✓ Unique platform of martech / AI-enabled digital capabilities
- ✓ Target new markets provide upsized growth opportunities
- ✓ Well-capitalized, positioned to deliver shareholder returns & execute M&A
- ✓ Track record of execution
- ✓ Growth obsessed senior leadership team



# STRONG BALANCE SHEET TO PURSUE GROWTH OBJECTIVES.

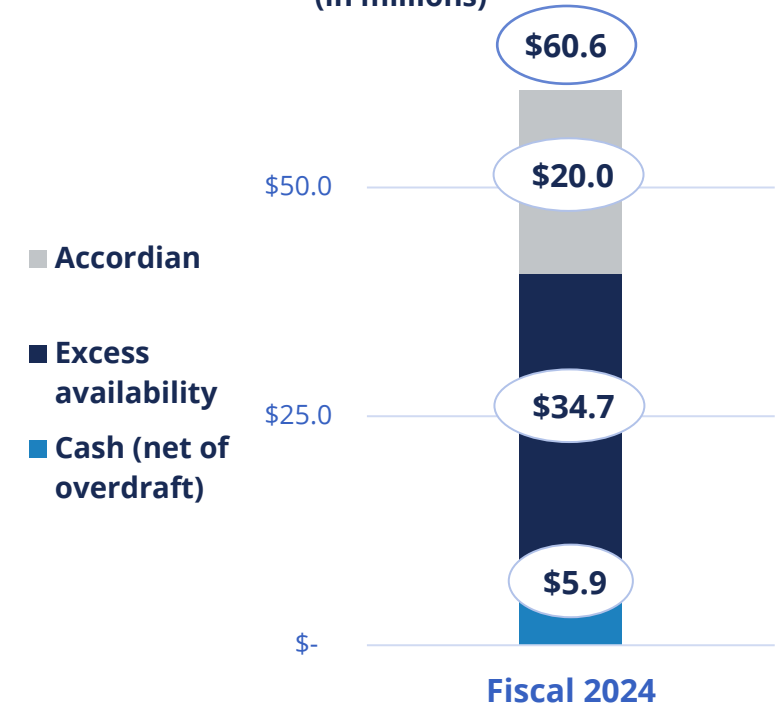
**Net Debt and Net Debt to pro forma Adjusted EBITDA<sup>1</sup>**



**Net Debt ~45% lower and Net Debt to pro forma Adjusted EBITDA ~0.9x lower since MCC acquisition**

**Total Credit Availability**

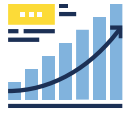
(in millions)



**DCM has significant excess credit availability to fund growth initiatives and return of capital**

1. Pro forma Adjusted EBITDA for 23-Apr-2023 and 2023 assumes pro forma contribution from MCC for the trailing twelve and four months, respectively.

# 2025 PRIORITIES



Drive profitable organic growth by leveraging our expanded suite of tech-enabled offerings, strengthening our presence in key industry verticals and securing new business wins.



Deliver a return on new capital investments focused on enhancing our production capabilities and positioning us to drive operating efficiencies.



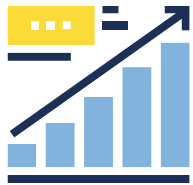
Continue to drive gross margin improvement through top line revenue growth, operating efficiencies, and strategic revenue management initiatives.



Demonstrate agility and adaptability to effectively navigate an uncertain economic and geopolitical environment.

**In 2025, we plan on leveraging our larger scale, incremental capacity, expanded product mix and the skills and capabilities of our team to drive profitable growth.**

# LONG TERM FINANCIAL OBJECTIVES.



REVENUES

**+5% CAGR**



GROSS PROFIT  
% OF REVENUES

**Return to +30%**



ADJUSTED EBITDA<sup>1</sup>  
% OF REVENUES

**In excess of +14%  
on annual basis**

**We are reiterating our long-term objectives for growth and profitability**



# QUESTIONS AND ANSWERS



# CONTACT INFORMATION

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# Q4 & FULL YEAR 2024 SUMMARY P&L'S

# FOURTH QUARTER 2024

## SUMMARY FINANCIAL RESULTS

Selected financial information	Q4 2024	Q4 2023	Better/(Worse)
Revenue	\$116.2	\$130.0	(\$13.7)
Gross profit	\$30.4	\$32.8	(\$2.3)
<b>Gross margin (%)</b>	<b>26.2%</b>	<b>25.2%</b>	<b>+100 bps</b>
SG&A (incl. R&D expenses)	\$20.7	\$25.3	+\$4.6
Restructuring expenses	\$1.0	\$10.6	+\$9.5
Acquisition & Integration Costs	\$6.2	\$0.7	(\$5.5)
NFV (gains)/losses on financial liabilities*	(\$2.2)	(\$1.0)	+\$1.2
<b>Net (loss) income for the period</b>	<b>\$0.7</b>	<b>(\$6.4)</b>	<b>+\$7.1</b>
Adjusted Net (loss) income**	\$2.6	\$1.4	+\$1.2
As percent of revenue	2.2%	1.0%	+1.2%
<b>Adjusted EBITDA***</b>	<b>\$15.8</b>	<b>\$15.0</b>	<b>+\$0.8</b>
<b>As percent of revenue</b>	<b>13.6%</b>	<b>11.6%</b>	<b>+200 bps</b>

FOURTH  
QUARTER  
ENDED  
DECEMBER 31  
IN MILLIONS

- \* Mark-to Market accounting adjustment (\$0.61 share price decrease since September 30, 2024 driving -\$2.4M reduction) & vesting of RSU's / DSU's.
- \*\* For a reconciliation of Adjusted EBITDA and Adjusted Net (loss) income to net (loss) income to their most comparable IFRS Accounting Standards measure, net income, see "Non-IFRS Measures."





# FISCAL 2024

## SUMMARY FINANCIAL RESULTS

Selected financial information	2024	2023	Better/(Worse)
Revenue	\$480.0	\$447.7	+\$32.2
Gross profit	\$130.1	\$118.9	+\$11.2
<b>Gross margin (%)</b>	<b>27.1%</b>	<b>26.6%</b>	<b>+50 bps</b>
SG&A (incl. R&D expenses)	\$92.4	\$87.2	(\$5.2)
Restructuring expenses	\$4.4	\$20.3	+\$15.9
Acquisition & Integration Costs	\$8.8	\$10.9	+\$2.1
NFV (gains)/losses on financial liabilities	(\$0.3)	\$7.1	+\$7.4
<b>Net (loss) income for the period</b>	<b>\$3.6</b>	<b>(\$15.8)</b>	<b>+\$19.4</b>
Adjusted Net (loss) income*	\$11.3	\$12.8	(\$1.5)
As percent of revenue	2.4%	2.9%	(0.5%)
<b>Adjusted EBITDA***</b>	<b>\$63.9</b>	<b>\$53.4</b>	<b>+\$10.5</b>
<b>As percent of revenue</b>	<b>13.3%</b>	<b>11.9%</b>	<b>+140 bps</b>

FISCAL YEAR  
ENDED  
DECEMBER 31  
IN MILLIONS

- \* For a reconciliation of Adjusted EBITDA and Adjusted Net (loss) income to net (loss) income to their most comparable IFRS Accounting Standards measure, net income, see "Non-IFRS Measures."





# NON-IFRS ACCOUNTING STANDARDS MEASURES

# EBITDA AND ADJUSTED EBITDA RECONCILIATION

The following table provides reconciliations of net (loss) income to EBITDA and of net (loss) income to Adjusted EBITDA for the periods noted, following adoption of “net fair value (gains) losses on financial liabilities at fair value through profit or loss”.

## EBITDA and Adjusted EBITDA reconciliation

<b>For the years ended December 31, 2024, 2023 and 2022</b> <i>(in thousands of Canadian dollars, unaudited)</i>	<b>January 1 to December 31, 2024</b>	<b>January 1 to December 31, 2023</b>	<b>January 1 to December 31, 2022</b>
Net income (loss) for the year	\$ 3,570	\$ (15,854)	\$ 13,966
Interest expense, net	21,483	15,321	4,965
Amortization of transaction costs	560	457	344
Current income tax expense	2,338	1,209	5,456
Deferred income tax (recovery) expense	(664)	(7,799)	473
Depreciation of property, plant and equipment	6,200	6,165	2,965
Amortization of intangible assets	2,011	2,881	1,606
Depreciation of the ROU Asset	18,038	12,677	6,609
<b>EBITDA</b>	<b>\$ 53,536</b>	<b>\$ 15,057</b>	<b>\$ 36,384</b>
Acquisition and integration costs	8,773	10,903	1,870
Restructuring expenses	4,378	20,308	—
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	(279)	7,122	2,711
Other gains	(2,500)	—	—
<b>Adjusted EBITDA</b>	<b>\$ 63,908</b>	<b>\$ 53,390</b>	<b>\$ 40,965</b>



# ADJUSTED NET INCOME RECONCILIATION

The following table provides reconciliations of net income to Adjusted net income and a presentation of Adjusted net income per share for the periods noted. See “Non-IFRS Accounting Standards measures” section in our most recent interim and annual filings on SEDAR+ for more information.

## Adjusted net income reconciliation

For the years ended December 31, 2024, 2023 and 2022

(in thousands of Canadian dollars, except share and per share amounts, unaudited)

	January 1 to December 31, 2024	January 1 to December 31, 2023	January 1 to December 31, 2022
<b>Net income (loss) for the year</b>	<b>\$ 3,570</b>	<b>\$ (15,854)</b>	<b>\$ 13,966</b>
Acquisition and integration costs	8,773	10,903	1,870
Restructuring expenses	4,378	20,308	—
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	(279)	7,122	2,711
Other gains	(2,500)	—	—
Tax effect of the above adjustments	(2,617)	(9,652)	(1,159)
<b>Adjusted net income for the year</b>	<b>\$ 11,325</b>	<b>\$ 12,827</b>	<b>\$ 17,388</b>
<b>Adjusted net income per share, basic</b>	<b>\$ 0.21</b>	<b>\$ 0.25</b>	<b>\$ 0.39</b>
<b>Adjusted net income per share, diluted</b>	<b>\$ 0.20</b>	<b>\$ 0.25</b>	<b>\$ 0.37</b>
<b>Weighted average number of common shares outstanding, basic</b>	<b>55,222,123</b>	<b>50,832,543</b>	<b>44,062,831</b>
<b>Weighted average number of common shares outstanding, diluted</b>	<b>57,731,675</b>	<b>50,832,543</b>	<b>46,572,066</b>
<b>Number of common shares outstanding, basic</b>	<b>55,308,952</b>	<b>55,022,883</b>	<b>44,062,831</b>
<b>Number of common shares outstanding, diluted</b>	<b>57,818,504</b>	<b>50,832,542</b>	<b>46,572,066</b>





THANK YOU