



For Immediate Release

DATA COMMUNICATIONS MANAGEMENT CORP. REPORTS 2024 FINANCIAL RESULTS

FULL YEAR 2024 HIGHLIGHTS COMPARED TO 2023

- Revenues of \$480.0 million in 2024 were up 7.2%, or \$32.2 million vs. \$447.7 million in 2023
- Gross profit of \$130.1 million increased by 9.4% or \$11.2 million vs. \$118.9 million
- Gross profit as a percentage of revenues of 27.1%, up 50 basis points compared to 26.6%
- Adjusted EBITDA¹ of \$63.9 million, up 19.7% or \$10.5 million vs. \$53.4 million
- Adjusted EBITDA as a percentage of revenues of 13.3%, vs. 11.9%
- Achieved targeted \$30 - \$35 million in annualized synergies exiting 2024

Brampton, Ontario – March 12, 2025 – DATA Communications Management Corp. (TSX: DCM; OTCQX: DCMDLF) ("DCM" or the "Company"), a leading Canadian provider of print and digital solutions that help simplify complex marketing communications and workflow, today reported fourth quarter and fiscal year 2024 financial results.

MANAGEMENT COMMENTARY

"2024 was a pivotal year for DCM highlighted by the successful completion of the complex integration of the Moore Canada Corporation ("MCC") acquisition which we accomplished on budget and nearly a full year ahead of our original schedule," said Richard Kellam, President & CEO of DCM. "We are now well-positioned to leverage our larger scale, incremental capacity, expanded product mix and the skills and capabilities of our team to drive profitable growth, return to pre-acquisition levels of +30% gross profit margins, and deliver strong free cash flow¹ going forward."

"With the actions we took during 2024 to complete the integration of the MCC business into DCM, we were pleased to be able to recently announce a special dividend to shareholders and the commencement of a regular quarterly dividend program reflecting our confidence in DCM's growth potential and our commitment to enhancing shareholder returns," Kellam added.

"While we are pleased with our start to 2025, we continue to carefully monitor economic conditions and the geopolitical environment for developments that could impact our results. These include the recent introduction of cross-border tariffs, raw material cost increases and any softening of demand in our end markets. We are actively pursuing opportunities to mitigate against these risks, including initiatives to diversify our supply chain."

FOURTH QUARTER 2024 RESULTS COMPARED TO 2023

- Revenues of \$116.2 million were down 10.6%, or \$13.7 million vs. \$130.0 million
- Gross profit of \$30.4 million, decreased 7.2%, or \$2.3 million vs. \$32.8 million
- Gross profit as a percentage of revenue of 26.2%, up 100 basis points compared to 25.2%
- Adjusted EBITDA was \$15.8 million, up 5.2%, or \$0.8 million vs. \$15.0 million
- Adjusted EBITDA represented 13.6% of revenues compared to 11.6%
- Total Net Debt¹ at quarter end of \$78.9 million, down 8.1%, or \$6.9 million vs. \$85.8 million

OTHER BUSINESS HIGHLIGHTS

Special Dividend and Recurring Dividend Program

On February 20, 2025, DCM announced that its board of directors had declared an initial special cash dividend of \$0.20 per share, payable on March 25, 2025 to shareholders of record on March 12, 2025. The Company also announced that its board had approved the commencement of a recurring, quarterly dividend program, with an initial quarterly dividend of \$0.025 per common share to be paid on April 4, 2025, to shareholders of record as of March 21, 2025. The dividend program is made possible by the Company's significantly improved financial leverage subsequent to completing the acquisition of MCC and higher levels of free cash flow expected to be generated in 2025 and in the future.

Operational Initiatives Completed in 2024

DCM's Fergus, Ontario facility ceased production activities in October 2024 and its Trenton, Ontario facility ceased production in November 2024, and their operations have been successfully consolidated into the Company's Drummondville, Quebec and Brampton, Ontario facilities, respectively. These plant closures follow the previous closure of the Company's Edmonton, Alberta facility in November 2023 and the consolidation of the Company's two Toronto, Ontario commercial print facilities into its Bond Avenue facility in June 2024. The Company's lease obligations at its Fergus and Trenton facilities ended December 31, 2024, and January 15, 2025, respectively, completing the Company's planned facility consolidations following the MCC acquisition.

The Company also completed the migration of clients from MCC legacy applications, including customer-facing technology applications, to the Company's DCM FLEX platform, and internal billing and invoicing systems to its ERP platform.

Organizational Initiatives

Operational and other organizational initiatives have resulted in a net reduction in total headcount of 435 associates, from approximately 1,860 at the time of closing the MCC acquisition to approximately 1,425 at the end of 2024. This reduction is net of several new hires across the organization as the Company strategically added talent to the team. The Company has now completed substantially all its planned organizational changes following the MCC acquisition.

Capital Investments

The Company completed its planned accelerated investment in new state-of-the-art capital equipment in 2024 in support of its growth objectives. In aggregate, the Company invested more than \$21 million in new capital equipment and now expects that capital expenditures in 2025 and going forward will return to more normalized levels.

This new capital equipment and its enhanced capabilities are already providing opportunities in new markets and applications targeted for growth, including paperboard packaging, prime and shrink wrap labels, high-volume personalized direct mail, and customer communications management applications, a new business for DCM as a result of the MCC acquisition.

AI-enabled Technology Investment

The Company also expanded its suite of marketing technology solutions, including the launch of its AI-enabled digital asset management SaaS offering, ASMBL in the summer of 2024, and the acquisition in November 2024 of its AI-enabled social media analytics SaaS offering, Zavy. These applications provide opportunities to provide additional value-added services to our existing client base, and to target new clients outside our typical client profile both in North America and globally with innovative marketing-technology applications.

2025 PRIORITIES

DCM has established the following strategic priorities for 2025.

1. 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.
2. Deliver a return on new capital investments focused on enhancing our production capabilities and positioning us to drive operating efficiencies.
3. Continue to drive gross margin improvement through top line revenue growth, operating efficiencies, and strategic revenue management initiatives.
4. Demonstrate agility and adaptability to effectively navigate an uncertain economic and geopolitical environment.

LONG TERM OBJECTIVES

The Company reaffirms its long-term growth 5-year objective of +5% revenue CAGR, gross profit as a percentage of revenues in excess of 30% and Adjusted EBITDA margin in excess of 14% on an annual basis. The Company also maintains its long-term net debt to adjusted EBITDA objective of less than 1.0x.

Q4 AND FISCAL 2024 EARNINGS CALL DETAILS

The Company will host a conference call and webcast on Thursday, March 13, 2025 at 9:00 a.m. EST.

Mr. Kellam and James Lorimer, CFO, will present the fourth quarter and fiscal 2024 results followed by a live Q&A.

Register for the webcast prior to the start of the event: [Microsoft Virtual Events Powered by Teams](#)

All attendees must register for the webinar prior to the call. Please complete the phone field in the form at the above link (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 SEDAR+. A video message from Mr. Kellam will also be posted on the Company's website.

Footnotes:

¹ Adjusted EBITDA, Adjusted EBITDA as a percentage of revenues, Adjusted net income (loss), Adjusted net income (loss) as percentage of revenues, Net Debt to Adjusted EBITDA and Free cash flow 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 SEDAR+.

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

For the periods ended December 31, 2024 and 2023	October 1 to December 31, 2024	October 1 to December 31, 2023	January 1 to December 31, 2024	January 1 to December 31, 2023
<i>(in thousands of Canadian dollars, except share and per share amounts, unaudited)</i>				
Revenues	\$ 116,225	\$ 129,964	\$ 479,956	\$ 447,725
Gross profit	30,413	32,760	130,067	118,911
Gross profit, as a percentage of revenues	26.2 %	25.2 %	27.1 %	26.6 %
Selling, general and administrative and research and development expenses	20,732	25,300	92,408	87,244
As a percentage of revenues	17.8 %	19.5 %	19.3 %	19.5 %
Adjusted EBITDA	15,788	15,012	63,908	53,390
As a percentage of revenues	13.6 %	11.6 %	13.3 %	11.9 %
Net income (loss) for the period	699	(6,358)	3,570	(15,854)
Adjusted net income	2,574	1,362	11,325	12,827
As a percentage of revenues	2.2 %	1.0 %	2.4 %	2.9 %
Basic earnings (loss) per share	\$ 0.01	\$ (0.12)	\$ 0.06	\$ (0.31)
Diluted earnings (loss) per share	\$ 0.01	\$ (0.12)	\$ 0.06	\$ (0.31)
Adjusted net income per share, basic	\$ 0.05	\$ 0.02	\$ 0.21	\$ 0.25
Adjusted net income per share, diluted	\$ 0.04	\$ 0.02	\$ 0.20	\$ 0.25
Weighted average number of common shares outstanding, basic	55,308,952	55,022,883	55,222,122	50,832,543
Weighted average number of common shares outstanding, diluted	57,481,819	55,022,883	57,731,674	50,832,543

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

EBITDA and Adjusted EBITDA reconciliation

For the periods ended December 31, 2024 and 2023	October 1 to December 31, 2024	October 1 to December 31, 2023	January 1 to December 31, 2024	January 1 to December 31, 2023
<i>(in thousands of Canadian dollars, unaudited)</i>				
Net income (loss) for the period	\$ 699	\$ (6,358)	\$ 3,570	\$ (15,854)
Interest expense, net	5,291	5,667	21,483	15,321
Amortization of transaction costs	140	137	560	457
Current income tax expense	333	367	2,338	1,209
Deferred income tax expense (recovery)	710	(2,671)	(664)	(7,799)
Depreciation of property, plant and equipment	1,062	2,058	6,200	6,165
Amortization of intangible assets	495	829	2,011	2,881
Depreciation of the ROU Asset	4,550	4,665	18,038	12,677
EBITDA	\$ 13,280	\$ 4,694	\$ 53,536	\$ 15,057
Acquisition and integration costs	6,170	704	8,773	10,903
Restructuring expenses	1,032	10,570	4,378	20,308
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	(2,194)	(956)	(279)	7,122
Other gains	(2,500)	—	(2,500)	—
Adjusted EBITDA	\$ 15,788	\$ 15,012	\$ 63,908	\$ 53,390

TABLE 3 The following table provides reconciliations of net income (loss) 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 December 31, 2024 and 2023	October 1 to December 31, 2024	October 1 to December 31, 2023	January 1 to December 31, 2024	January 1 to December 31, 2023
<i>(in thousands of Canadian dollars, except share and per share amounts, unaudited)</i>				
Net income (loss) for the period	\$ 699	\$ (6,358)	\$ 3,570	\$ (15,854)
Acquisition and integration costs	6,170	704	8,773	10,903
Restructuring expenses	1,032	10,570	4,378	20,308
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	(2,194)	(956)	(279)	7,122
Other gains	(2,500)	—	(2,500)	—
Tax effect of the above adjustments	(633)	(2,598)	(2,617)	(9,652)
Adjusted net income	\$ 2,574	\$ 1,362	\$ 11,325	\$ 12,827
Adjusted net income per share, basic	\$ 0.05	\$ 0.02	\$ 0.21	\$ 0.25
Adjusted net income per share, diluted	\$ 0.04	\$ 0.02	\$ 0.20	\$ 0.25
Weighted average number of common shares outstanding, basic	55,308,952	55,022,883	55,222,122	50,832,543
Weighted average number of common shares outstanding, diluted	57,481,819	55,022,883	57,731,674	50,832,543

About DATA Communications Management Corp.

DCM is a leading Canadian tech-enabled provider of print and digital solutions that help simplify complex marketing communications and operations workflow. DCM serves over 2,500 clients including 70 of the 100 largest Canadian corporations and leading government agencies. Our core strength lies in delivering individualized services to our clients that simplify their communications, including customized printing, highly personalized marketing communications, campaign management, digital signage, and digital asset management. From omnichannel marketing campaigns to large-scale print and digital workflows, our goal is to make complex tasks surprisingly simple, allowing our clients to focus on what they do best.

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 most recent annual and interim Management Discussion and Analysis filed on SEDAR+, and include but are not limited to the following: industry conditions are influenced by numerous factors over which the Company has no control, including: declines in print consumption; labour disruptions at suppliers and customers, including Canada Post; the impact of tariffs and responses thereto (including by governments, trade partners and customers), which may include, without limitation, retaliatory tariffs, export taxes, restrictions on exports to the U.S. or other

measures, and the effect of governmental regulations and policies in general; our ability to achieve and meet our revenue, profitability, free cash flow and debt reduction targets for 2025 and in the future; while we have received consents from our lenders for the declaration and payment of the special dividend and regular recurring dividend, including the exclusion of the special dividend from our fixed charge coverage ratios, our financial leverage may increase, and there is no guarantee that we will pay such dividends in the future; and, our ability to comply with our financial and other covenants under our credit facilities, which may preclude us from paying future dividends if our outlook and future financial liquidity changes.

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+.

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 our most recent annual and interim Management Discussion and Analysis and filed on SEDAR+ at www.sedarplus.ca.

Consolidated statements of financial position

(in thousands of Canadian dollars, unaudited)

	December 31, 2024	December 31, 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	\$ 6,773	\$ 17,652
Trade receivables	103,445	117,956
Inventories	23,843	28,840
Prepaid expenses and other current assets	5,989	5,313
Income taxes receivable	3,432	2,640
Assets held for sale	—	8,650
	<u>143,482</u>	<u>181,051</u>
Non-current assets		
Other non-current assets	9,104	2,900
Deferred income tax assets	8,224	9,801
Property, plant and equipment	34,812	30,358
Right-of-use assets	162,510	159,801
Pension assets	3,142	1,962
Intangible assets	8,282	10,616
Goodwill	22,747	22,265
	<u>\$ 392,303</u>	<u>\$ 418,754</u>
Liabilities		
Current liabilities		
Bank overdraft	880	1,564
Trade payables and accrued liabilities	\$ 59,890	\$ 75,766
Current portion of credit facilities	15,175	6,333
Current portion of lease liabilities	10,525	10,322
Provisions	8,016	16,325
Deferred revenue	6,199	6,221
	<u>100,685</u>	<u>116,531</u>
Non-current liabilities		
Provisions	1,279	1,004
Credit facilities	68,515	93,918
Lease liabilities	158,603	144,993
Deferred income tax liabilities	60	—
Pension obligations	18,354	26,386
Other post-employment benefit plans	1,409	3,606
Asset retirement obligation	3,438	3,552
	<u>\$ 352,343</u>	<u>\$ 389,990</u>
Equity		
Shareholders' equity		
Shares	\$ 284,592	\$ 283,738
Warrants	219	219
Contributed surplus	3,078	3,135
Translation Reserve	307	177
Deficit	(248,236)	(258,505)
	<u>\$ 39,960</u>	<u>\$ 28,764</u>
	<u>\$ 392,303</u>	<u>\$ 418,754</u>

Consolidated statements of operations

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

	For the three months ended December 31, 2024	For the three months ended December 31, 2023
	\$	\$
Revenues	\$ 116,225	\$ 129,964
Cost of revenues	85,812	97,204
Gross profit	30,413	32,760
Expenses		
Selling, commissions and expenses	9,140	11,014
General and administration expenses	10,517	13,016
Research and development expenses	1,075	1,270
Restructuring expenses	1,032	10,570
Acquisition and integration costs	6,170	704
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	(2,194)	(956)
Other gains	(2,500)	—
	23,240	35,618
Income (loss) before finance costs and income taxes	7,173	(2,858)
Finance costs		
Interest expense on long term debt and pensions, net	2,037	2,742
Interest expense on lease liabilities	3,254	2,925
Amortization of transaction costs	140	137
	5,431	5,804
Income (loss) before income taxes	1,742	(8,662)
Income tax expense (recovery)		
Current	333	367
Deferred	710	(2,671)
	1,043	(2,304)
Net Income (loss) for the period	\$ 699	\$ (6,358)

Consolidated statements of operations

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

For the year ended
December 31, 2024

For the year ended
December 31, 2023

	\$	\$
Revenues	\$ 479,956	\$ 447,725
Cost of revenues	349,889	328,814
Gross profit	130,067	118,911
Expenses		
Selling, commissions and expenses	40,112	39,195
General and administration expenses	47,467	44,245
Research and development expenses	4,829	3,804
Restructuring expenses	4,378	20,308
Acquisition and integration costs	8,773	10,903
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	(279)	7,122
Other gains	(2,500)	—
	102,780	125,577
Income (loss) before finance costs and income taxes	27,287	(6,666)
Finance costs		
Interest expense on long term debt and pensions, net	8,950	8,315
Interest expense on lease liabilities	12,533	7,006
Amortization of transaction costs net of debt extinguishment gain	560	457
	22,043	15,778
Income (loss) before income taxes	5,244	(22,444)
Income tax expense (recovery)		
Current	2,338	1,209
Deferred	(664)	(7,799)
	1,674	(6,590)
Net income (loss) for the period	\$ 3,570	\$ (15,854)
Other comprehensive income:		
Items that may be reclassified subsequently to net income		
Foreign currency translation	130	(30)
	130	(30)
Items that will not be reclassified to net income		
Re-measurements of pension and other post-employment benefit obligations	8,983	(6,525)
Taxes related to pension and other post-employment benefit adjustment above	(2,284)	1,712
	6,699	(4,813)
Other comprehensive income (loss) for the period, net of tax	\$ 6,829	\$ (4,843)
Comprehensive income (loss) for the period	\$ 10,399	\$ (20,697)
Basic earnings (loss) per share	\$ 0.06	\$ (0.31)
Diluted earnings (loss) per share	\$ 0.06	\$ (0.31)

Consolidated statements of cash flows

(in thousands of Canadian dollars, unaudited)

For the year ended
December 31, 2024

For the year ended
December 31, 2023

	\$	\$
Cash provided by (used in)		
Operating activities		
Net income (loss) for the year	\$ 3,570	\$ (15,854)
Items not affecting cash		
Depreciation of property, plant and equipment	6,200	6,165
Amortization of intangible assets	2,011	2,881
Depreciation of right-of-use-assets	18,038	12,677
Share-based compensation expense	460	675
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	(279)	7,122
Pension expense	1,040	1,245
(Gain) loss on disposal of property, plant and equipment	911	487
Loss on disposal of sale and leaseback	(11)	—
Provisions	4,378	20,308
Amortization of transaction costs, net of debt extinguishment gain	560	457
Accretion of asset retirement obligation, net of reversals	(114)	24
Other post-employment benefit plans expense	(1,904)	515
Right-of-use assets impairment	445	464
Intangible assets impairment	1,072	—
Income tax expense (recovery)	1,674	(6,590)
Changes in non cash working capital	3,721	5,863
Employee incentive bonus accruals	(108)	—
Contributions made to pension plans	(1,281)	(1,124)
Contributions made to other post-employment benefit plans	(281)	(471)
Provisions paid	(12,002)	(4,975)
Income taxes paid	(3,360)	(4,072)
Total cash generated from operating activities	24,740	25,797
Investing activities		
Acquisition of Zavy, net of cash acquired	(363)	—
Acquisition of MCC, net of cash acquired	—	(130,953)
Purchase of property, plant and equipment	(12,307)	(4,222)
Proceeds on sale and leaseback transactions	11,536	29,533
Purchase of intangible assets	(360)	(127)
Proceeds on disposal of property, plant and equipment	845	1,282
Purchase of non-current assets	(9,426)	—
Total cash used in investing activities	(10,075)	(104,487)
Financing activities		
Issuance of common shares and warrants, net	—	24,221
Proceeds from credit facilities	50,962	162,140
Repayment of credit facilities	(68,083)	(87,592)
Repayment of Zavy loans	(314)	—
Proceeds from exercise of warrants	—	489
Increase in bank overdrafts	(684)	282
Proceeds from exercise of options	337	751
Transaction costs	—	(1,801)

Principal portion of lease payments		(7,812)		(6,315)
Total cash (used in) provided by financing activities		(25,594)		92,175
Change in cash and cash equivalents during the year		(10,929)		13,485
Cash and cash equivalents – beginning of year	\$	17,652	\$	4,208
Effects of foreign exchange on cash balances		50		(41)
Cash and cash equivalents – end of year	\$	6,773	\$	17,652