



For Immediate Release

DATA COMMUNICATIONS MANAGEMENT CORP. REPORTS Q1 2025 FINANCIAL RESULTS

FIRST QUARTER 2025 SUMMARY FINANCIAL RESULTS

- Net income was \$5.1 million in the quarter vs. \$1.5 million in Q1 2024
- Adjusted net income¹ was \$5.2 million compared to \$4.9 million in Q1 2024
- Revenues were \$123.7 million in the first quarter vs. \$129.3 million in Q1 2024
- Gross profit as a percentage of revenues was 29.3% compared to 28.9% in Q1 2024
- Adjusted EBITDA¹ represented 15.0% of revenue vs. 14.4% in Q1 2024
- Adjusted EBITDA was \$18.6 million vs. \$18.7 million in Q1 2024
- No restructuring or one-time charges incurred in the quarter
- Special dividend of \$0.20 per common share paid in Q1 2025
- Regular quarterly dividend of \$0.025 per common share commenced in April 2025

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

MANAGEMENT COMMENTARY

"We delivered first quarter results in line with our expectations, highlighted by adjusted EBITDA of 15.0% of revenues, and gross profit of 29.3% of revenues, marking continued progress towards our objective of returning to pre-acquisition levels of margin performance," said Richard Kellam, President & CEO of DCM. "Revenues in the quarter were down 4.3% year over year but grew 6.4% sequentially compared to Q4 2024. First quarter revenues were primarily impacted by the order activity of a few large enterprise clients. We are encouraged about the success of our business development activities across our base of more than 400 enterprise clients which we expect to contribute to revenue in the second half of 2025 along with a return to modest year over year growth."

"Much of our attention in the first quarter focused on preparing for the expected introduction of cross-border tariffs and the impact on our supply chain, raw material pricing and client orders. We have developed contingency plans including identifying alternative sources of supply for several raw materials. We continue to closely monitor the uncertain economic and geopolitical environment while navigating challenging conditions in our end markets including a potential Canada Post strike," added Kellam.

DCM continues to be guided by four strategic priorities for 2025:

- Drive profitable organic growth
- Deliver a return on our new capital investments focused on enhancing our efficiency
- Continue to drive gross margin improvement through top line revenue growth and operating efficiencies
- Demonstrate agility and adaptability to effectively navigate an uncertain environment.

OTHER BUSINESS HIGHLIGHTS

Sustainability Reporting

In May 2025, DCM published its second annual corporate Sustainability Report, for the 2024 calendar year. Highlights of the Company's 2024 report include:

- a reduction in our Scope 1 and Scope 2 greenhouse gas emissions by 33.3% from 2020 to 2024
- the planting of two million trees since 2021 through our partnership with PrintReleaf
- advanced our long-term relationship with the Sustainable Green Printing Partnership
- formally signaled DCM's support for the UN Global Compact sustainability initiative.

DCM's 2024 Sustainability Report is available on the Company's website.

Dividend Declaration

On May 12, 2025, DCM's board of directors declared a second quarterly dividend of \$0.025 per common share, payable on June 30, 2025, to shareholders of record at the close of business on June 16, 2025. This dividend is designated as an "eligible" dividend for the purpose of the Income Tax Act (Canada) and any similar provincial legislation.

Q1 2025 EARNINGS CALL DETAILS

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

Mr. Kellam and James Lorimer, CFO, will present the first quarter 2025 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 three-months ended March 31, 2025, December 31, 2024 and March 31, 2024				
<i>(in thousands of Canadian dollars, except share and per share amounts, unaudited)</i>	March 31, 2025	December 31, 2024	March 31, 2024	
Revenues	\$ 123,675	\$ 116,225	\$ 129,254	
Gross profit	36,260	30,413	37,311	
Gross profit, as a percentage of revenues	29.3 %	26.2 %	28.9 %	
Selling, general and administrative and research and development expenses	23,459	20,732	24,135	
As a percentage of revenues	19.0 %	17.8 %	18.7 %	
Adjusted EBITDA	18,588	15,788	18,665	
As a percentage of revenues	15.0 %	13.6 %	14.4 %	
Net income for the period	5,114	699	1,475	
Adjusted net income	5,203	2,574	4,903	
As a percentage of revenues	4.2 %	2.2 %	3.8 %	
Basic earnings per share	\$ 0.09	\$ 0.01	\$ 0.03	
Diluted earnings per share	\$ 0.09	\$ 0.01	\$ 0.02	
Adjusted net income per share, basic	\$ 0.09	\$ 0.05	\$ 0.09	
Adjusted net income per share, diluted	\$ 0.09	\$ 0.04	\$ 0.08	
Weighted average number of common shares outstanding, basic	55,308,951	55,308,951	55,022,883	
Weighted average number of common shares outstanding, diluted	57,337,772	57,481,819	59,051,883	

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 March 31, 2025 and 2024

<i>(in thousands of Canadian dollars, unaudited)</i>	January 1 to March 31, 2025	January 1 to March 31, 2024
Net income for the period	\$ 5,114	\$ 1,475
Interest expense, net	5,148	5,553
Amortization of transaction costs	140	140
Current income tax expense	2,071	1,342
Deferred income tax recovery	(911)	(1,163)
Depreciation of property, plant and equipment	1,722	1,523
Amortization of intangible assets	383	728
Depreciation of the ROU Asset	4,802	4,485
EBITDA	\$ 18,469	\$ 14,083
Acquisition and integration costs	—	283
Restructuring expenses	—	1,085
Net fair value losses on financial liabilities at fair value through profit or loss	119	3,214
Adjusted EBITDA	\$ 18,588	\$ 18,665

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

<i>(in thousands of Canadian dollars, except share and per share amounts, unaudited)</i>	January 1 to March 31, 2025	January 1 to March 31, 2024
Net income for the period	\$ 5,114	\$ 1,475
Acquisition and integration costs	—	283
Restructuring expenses	—	1,085
Net fair value losses on financial liabilities at fair value through profit or loss	119	3,214
Tax effect of the above adjustments	(30)	(1,154)
Adjusted net income	\$ 5,203	\$ 4,903

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, increases in the cost of our input costs, 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.

Condensed interim consolidated statements of financial position

(in thousands of Canadian dollars, unaudited)

	March 31, 2025	December 31, 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	\$ 7,284	\$ 6,773
Trade receivables	108,453	103,445
Inventories	25,241	23,843
Prepaid expenses and other current assets	6,448	5,989
Income taxes receivable	2,761	3,432
	<u>150,187</u>	<u>143,482</u>
Non-current assets		
Other non-current assets	2,538	9,104
Deferred income tax assets	9,200	8,224
Property, plant, and equipment	34,591	34,812
Right-of-use assets	167,769	162,510
Pension assets	3,520	3,142
Intangible assets	7,905	8,282
Goodwill	22,747	22,747
	<u>\$ 398,457</u>	<u>\$ 392,303</u>
Liabilities		
Current liabilities		
Bank overdraft	\$ —	\$ 880
Trade payables and accrued liabilities	57,019	59,890
Dividend payable	1,383	—
Current portion of credit facilities	8,714	15,175
Current portion of lease liabilities	12,120	10,525
Provisions	4,624	8,016
Deferred revenue	3,988	6,199
	<u>87,848</u>	<u>100,685</u>
Non-current liabilities		
Provisions	669	1,279
Credit facilities	88,471	68,515
Lease liabilities	165,092	158,603
Deferred income tax liabilities	27	60
Pension obligations	19,134	18,354
Other post-employment benefit plans	1,344	1,409
Asset retirement obligation	3,466	3,438
	<u>\$ 366,051</u>	<u>\$ 352,343</u>
Equity		
Shareholders' equity		
Shares	\$ 284,592	\$ 284,592
Warrants	219	219
Contributed surplus	3,148	3,078
Translation Reserve	302	307
Deficit	(255,855)	(248,236)
	<u>\$ 32,406</u>	<u>\$ 39,960</u>
	<u>\$ 398,457</u>	<u>\$ 392,303</u>

Condensed interim consolidated statements of operations

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

For the three months
ended March 31, 2025

For the three months
ended March 31, 2024

	\$	\$
Revenues	\$ 123,675	\$ 129,254
Cost of revenues	87,415	91,943
Gross profit	36,260	37,311
Expenses		
Selling, commissions and expenses	10,960	10,864
General and administration expenses	12,499	13,271
Research and development expenses	1,120	1,247
Restructuring expenses	—	1,085
Acquisition and integration costs	—	283
Net fair value losses on financial liabilities at fair value through profit or loss	119	3,214
	24,698	29,964
Income before finance costs and income taxes	11,562	7,347
Finance costs		
Interest expense on long term debt and pensions, net	1,871	2,498
Interest expense on lease liabilities	3,277	3,055
Amortization of transaction costs	140	140
	5,288	5,693
Income before income taxes	6,274	1,654
Income tax expense		
Current	2,071	1,342
Deferred	(911)	(1,163)
	1,160	179
Net income for the period	\$ 5,114	\$ 1,475
Other comprehensive income:		
Items that may be reclassified subsequently to net income		
Foreign currency translation	(5)	30
	(5)	30
Items that will not be reclassified to net income		
Re-measurements of pension and other post-employment benefit obligations	(385)	7,013
Taxes related to pension and other post-employment benefit adjustment above	98	(1,842)
	(287)	5,171
Other comprehensive (loss) income for the period, net of tax	\$ (292)	\$ 5,201
Comprehensive income for the period	\$ 4,822	\$ 6,676
Basic earnings per share	0.09	0.03
Diluted earnings per share	0.09	0.02

Condensed interim consolidated statements of cash flows

(in thousands of Canadian dollars, unaudited)

For the three months
ended March 31, 2025

For the three months
ended March 31, 2024

	\$	\$
Cash provided by		
Operating activities		
Net income for the period	\$ 5,114	\$ 1,475
Items not affecting cash		
Depreciation of property, plant, and equipment	1,722	1,523
Amortization of intangible assets	383	728
Depreciation of right-of-use-assets	4,802	4,485
Share-based compensation expense	70	211
Net fair value losses on financial liabilities at fair value through profit or loss	119	3,214
Pension expense	372	472
Gain on disposal of property, plant, and equipment	—	(22)
Gain on disposal of sale and leaseback	—	(11)
Provisions	—	1,085
Amortization of transaction costs	140	140
Accretion of asset retirement obligations	28	31
Other post-employment benefit plans expense	43	149
Income tax expense	1,160	179
Changes in non cash working capital	(12,263)	(6,560)
Contributions made to pension plans	(355)	(319)
Contributions made to other post-employment benefit plans	(108)	(51)
Provisions paid	(4,002)	(4,105)
Income taxes (paid) received	(1,400)	50
Total cash (used in) generated from operating activities	(4,175)	2,674
Investing activities		
Proceeds on sale and leaseback transaction	6,694	8,661
Purchase of property, plant, and equipment	(1,489)	(2,766)
Purchase of non-current assets	(143)	—
Proceeds on disposal of property, plant, and equipment	—	535
Total cash provided by investing activities	5,062	6,430
Financing activities		
Proceeds from credit facilities	32,232	21,000
Repayment of credit facilities	(18,873)	(24,893)
Decrease in bank overdrafts	(880)	(1,365)
Transaction costs	(4)	—
Dividends paid	(11,063)	—
Principal portion of lease payments	(1,775)	(1,675)
Total cash (used in) financing activities	(363)	(6,933)
Change in cash and cash equivalents during the period	524	2,171
Cash and cash equivalents – beginning of period	6,773	17,652
Effects of foreign exchange on cash balances	(13)	19
Cash and cash equivalents – end of period	\$ 7,284	\$ 19,842