



Q2 2025 REPORT TO SHAREHOLDERS.


**DATA COMMUNICATIONS
MANAGEMENT CORP.**

DCM – TSX | DCMDF – OTCQX

August 7, 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.**

Q2 2025 HIGHLIGHTS AND RESULTS

NEW BUSINESS DEVELOPMENT

2025 PRIORITIES

QUESTIONS AND ANSWERS



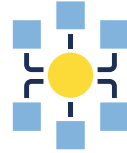
Q2 2025 HIGHLIGHTS AND RESULTS

Q2 2025 HIGHLIGHTS.



Q2 2025 RESULTS

- ✓ Adjusted EBITDA beat consensus, with EBITDA margin of 14.6% vs. 13.4% in Q2 2024 (\$16.6M vs. \$16.9M).
- ✓ Revenue below expectations on stronger than expected macro headwinds.
- ✓ Gross margin of 26.8% vs. 27.3% in Q2 2024 despite revenue headwinds.



MARKET UNCERTAINTY REMAINS

- ✓ Economic and tariff uncertainty is negatively impacting business confidence.
- ✓ Direct and indirect impact from Canada Post labour disruptions.
- ✓ Managing overhead to mitigate impacts of lower client spending.



NEW BUSINESS DEVELOPMENT & OUTLOOK

- ✓ Sales pipeline continues to grow, has reached highest level seen in years.
- ✓ We expect to more fully realize these opportunities as market conditions improve.
- ✓ No material client losses.

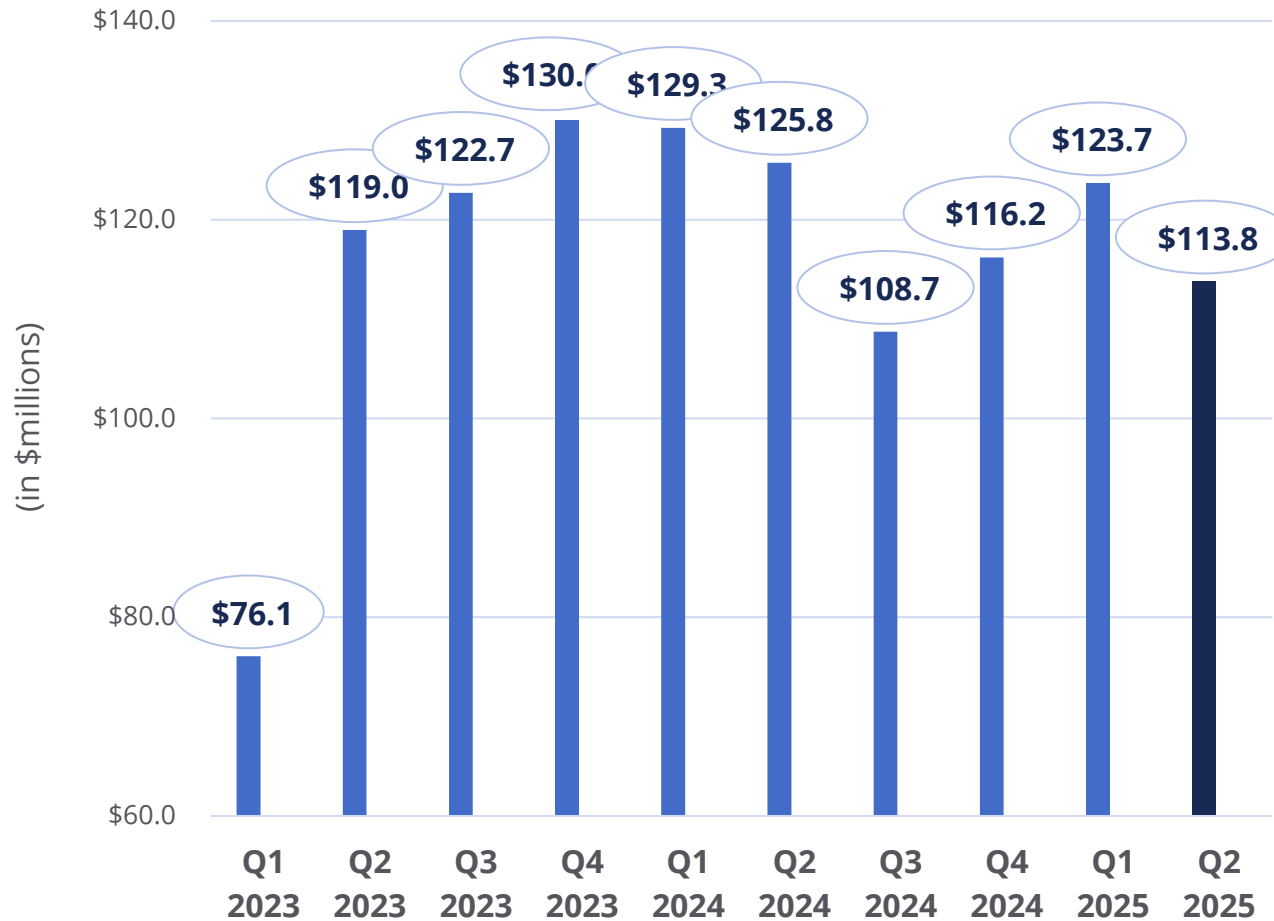


M&A COMING INTO FOCUS

- ✓ Industry dynamics are opening more opportunities, with increased activity.
- ✓ Very robust M&A pipeline.
- ✓ Well capitalized to transact.

Delivered solid operating performance amid challenging market conditions

Q2 2025 REVENUES.



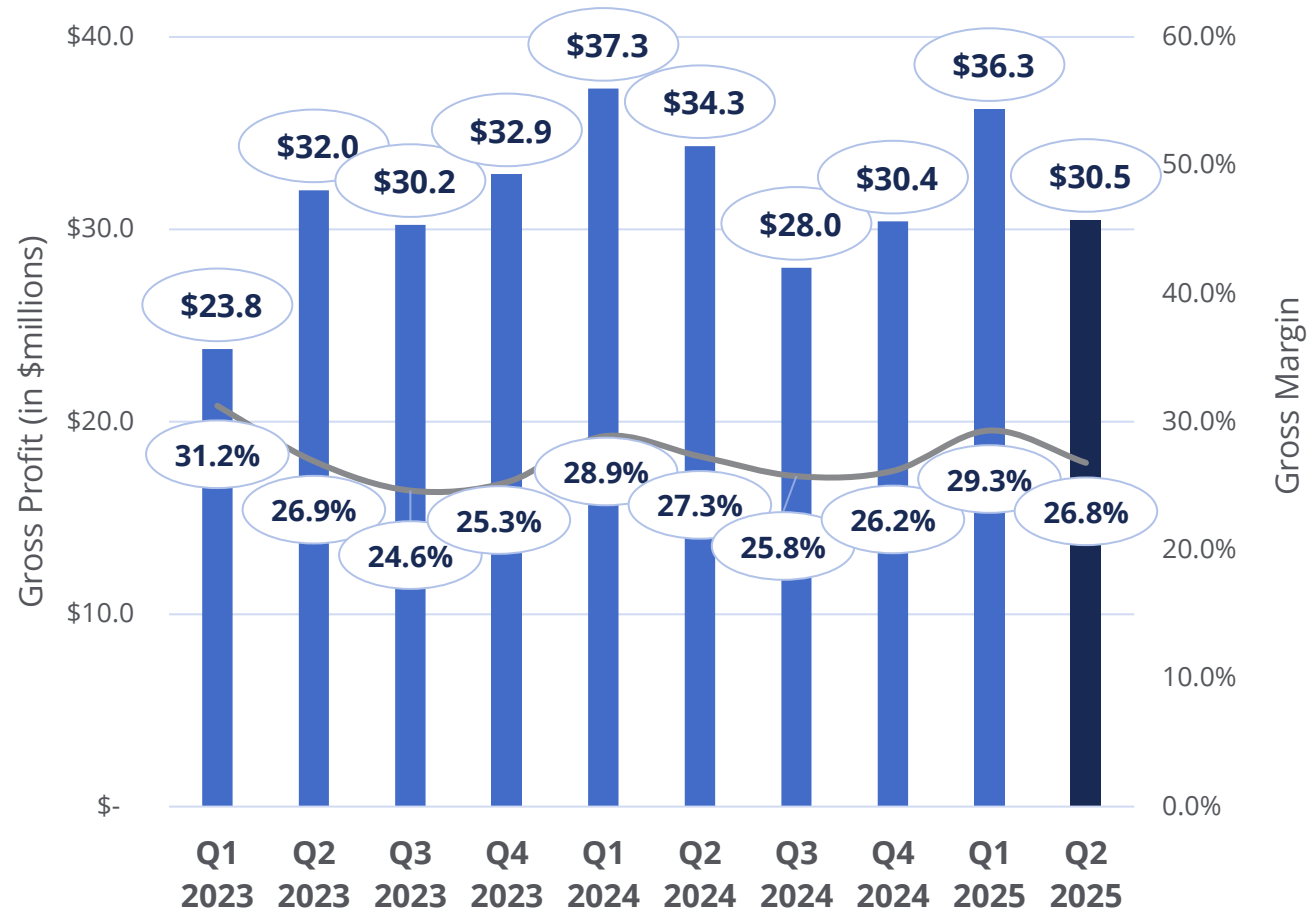
Q2 2025 Revenue
-\$12.0M
vs. Q2 2024



-9.5%
vs. Q2 2024

Q2 revenues impacted by client budget reductions + delayed orders + inventory drawdowns due to market uncertainty, macro economy, and Canada Post labour issues

Q2 2025 GROSS PROFIT.



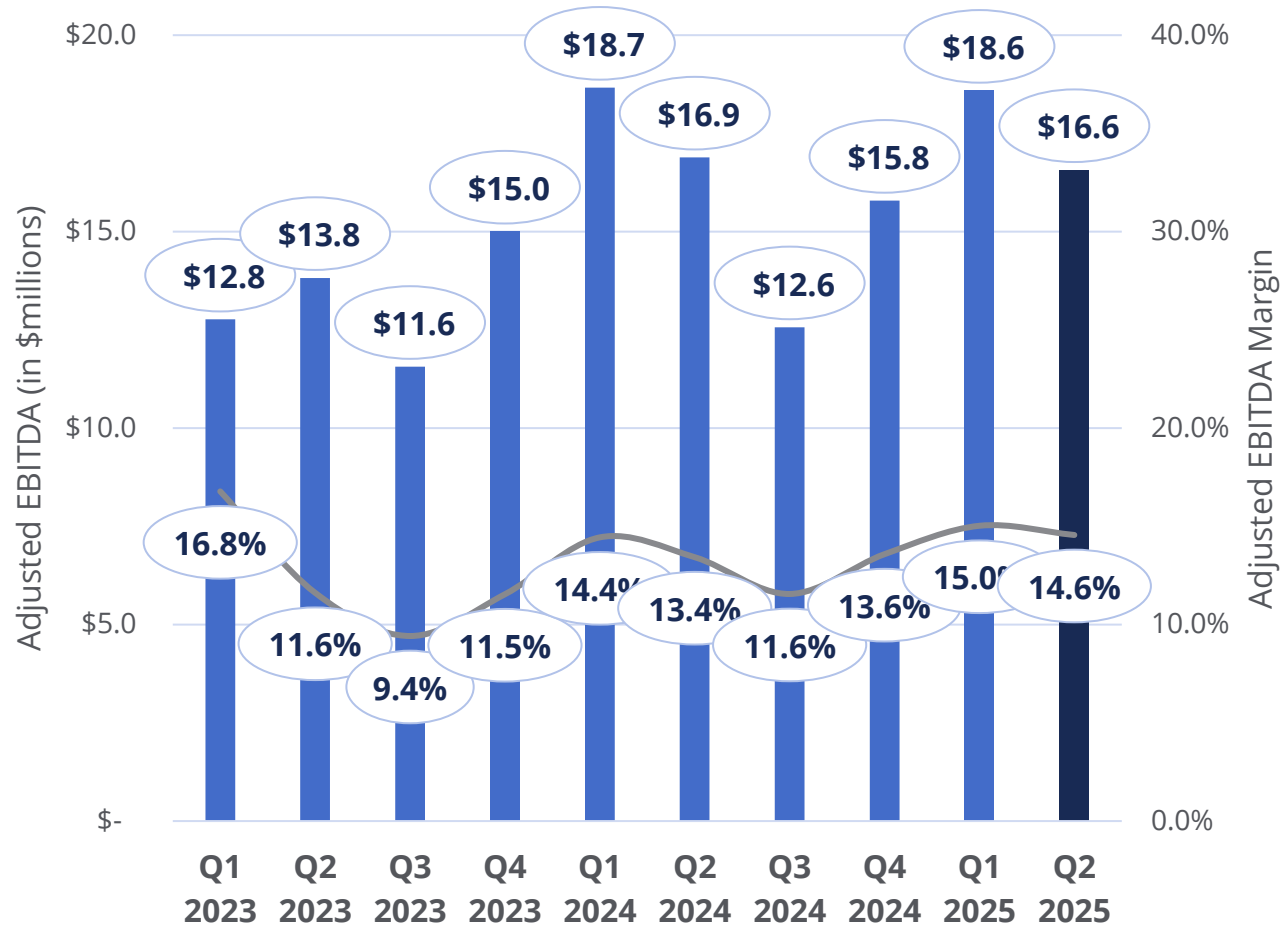
Q2 2025 Gross Profit
-\$3.8M and -11.1%
vs. Q2 2024



Gross Margin
-50bps
vs. Q2 2024

Gross profit margin in-line with seasonal trends, down modestly year-over-year despite lower revenue

Q2 2025 ADJUSTED EBITDA.



Q2 2025 Adjusted EBITDA \$16.6M
-\$0.3M
vs. Q2 2024



Adjusted EBITDA Margin 14.6%
+120bps
vs. Q2 2024

Adjusted EBITDA essentially flat year-over-year with overhead controls

REVENUE BY **REPORTING SEGMENT**.



Product sales

\$99.5M

-9.1% vs. Q2 2024

Logistics¹

\$6.9M

-22.7% vs. Q2 2024

Tech. services

\$5.5M

+16% vs. Q2 2024

Tech. hardware

\$1.8M

-22.7% vs. Q2 2024

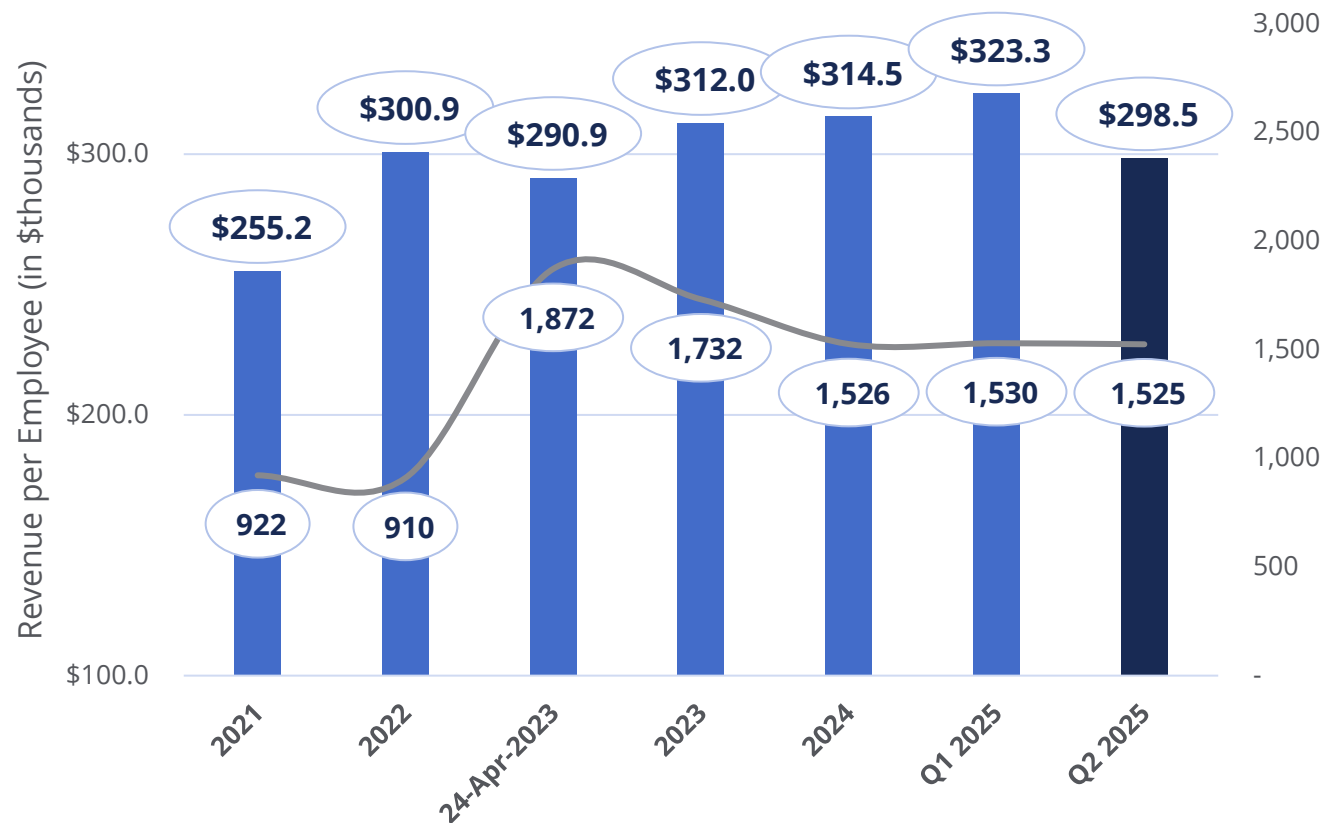
Client budget reductions, delayed orders, inventory drawdowns impacted Product sales & Logistics.

Tech services growth from CCM project revenues. Tech. hardware benefited from non-repeating program in 2024.

1. Represents the combined total of freight services and warehousing and other services.

PRODUCTIVITY REMAINS STRONG.

Revenue per Employee¹
vs. Active # of Employees



Revenue per employee of
\$298.5k

+2.6% vs. MCC acquisition

-5.1% vs. 2024

Operational & organizational
efficiencies

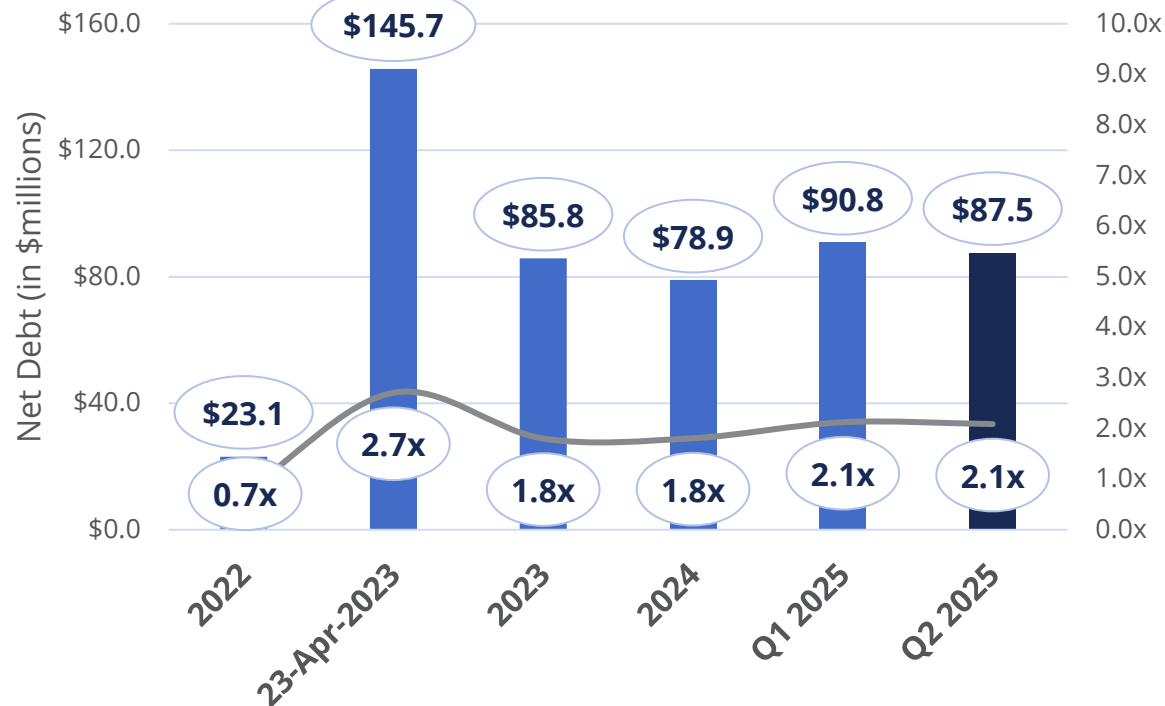
**1,525 employees at Q2 2025,
down from peak of 1,872**

-347 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 most recent interim MD&A filed on SEDAR+. Pro forma revenue as of 24-Apr-2023 and 2023 as if MCC owned for respective trailing twelve-month periods. Note: Historical total employee data commencing 24-Apr-2023 revised May 2025 to reflect updated reconciliation from a third-party vendor.
2. Q2 2025 revenue is annualized for comparison purposes.

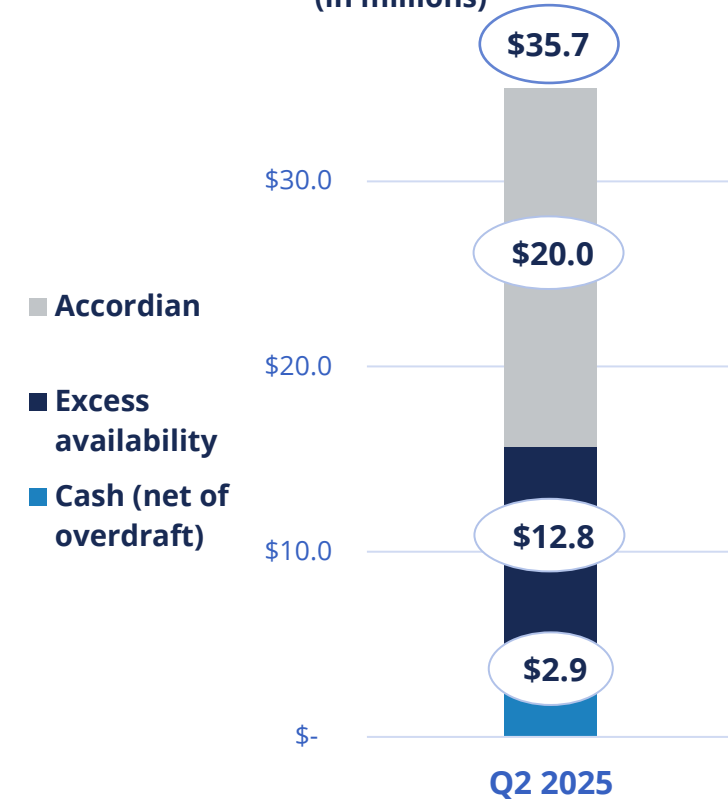
SOLID BALANCE SHEET TO WEATHER MACRO UNCERTAINTY

Net Debt and Net Debt to pro forma Adjusted EBITDA¹



Leverage ratio remained stable, with Net Debt down in Q2 2025 and 40% lower since MCC acquisition

Total Credit Availability
(in millions)



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



NEW BUSINESS DEVELOPMENT

ALL IN ON GROWTH

NEW BUSINESS DEVELOPMENT FOCUS: RETENTION + WALLET SHARE + NEW LOGOS

Active Opportunities

2025 Wins

Commercial Dashboard

PIPELINE PRIMED TO DELIVER WITH MARKET IMPROVEMENT

- ✓ Deepest new business pipeline we have seen
 - ✓ Active opportunities
 - ✓ Proposals
 - ✓ Number and value of wins
- ✓ 27% of opportunities from new logos
- ✓ Accelerating win rate in RFPs vs. 2024
- ✓ **NO** material client losses
- ✓ Continuing momentum in tech & AI-enabled solutions

DCMFLEX™

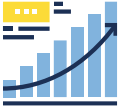
ASMBL™

ZOVY



2025 PRIORITIES

2025 PRIORITIES



Maintain focus on profitable, organic growth



Deliver a return on new capital investments



Continue to drive gross margin improvement through operating efficiencies



Demonstrate agility and adaptability to navigate uncertain environment

Leveraging our larger scale, incremental capacity, expanded product mix and the skills and capabilities of our team to drive profitable, organic growth.



RETURNING CAPITAL **TO SHARE- HOLDERS.**



Special dividend
\$0.20 cash
PER SHARE¹

Quarterly dividend
\$0.025 cash
PER SHARE

Dividend yield
6.5%²

1. Paid on March 25, 2025, to shareholders of record on March 12, 2025
2. Implied dividend yield as at August 6, 2025 close.

WELL POSITIONED **IN CURRENT ENVIRONMENT.**



- ✓ Strong operating performance in current environment
- ✓ Solid cash flow generation
- ✓ New business development initiatives best in years
- ✓ Track record of execution
- ✓ Positioned to pursue opportunistic M&A
- ✓ Experienced senior leadership team
- ✓ Well capitalized with \$36 million in available capital



QUESTIONS AND ANSWERS



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Q2 2025 SUMMARY P&L'S

Q2 2025

SUMMARY FINANCIAL RESULTS

Selected financial information	Q2 2025	Q2 2024	Better/(Worse)
Revenue	\$113.8	\$125.8	(\$12.0)
Gross profit	\$30.5	\$34.3	(\$3.8)
Gross Margin (%)	26.8%	27.3%	-50 bps
SG&A (incl R&D expenses)	\$21.1	\$23.9	+\$2.8
Restructuring expenses	\$0.1	\$1.1	+\$1.0
Acquisition & Integration Costs	\$0.0	\$0.2	+\$0.2
NFV (gains)/losses on financial liabilities	\$0.2	(\$1.4)	+\$1.6
Net (loss) income for the period	\$3.7	\$4.1	(\$0.4)
Adjusted Net (loss) income ¹	\$3.9	\$4.0	(\$0.1)
As percent of revenue	3.4%	3.2%	+0.2%
Adjusted EBITDA¹	\$16.6	\$16.9	(\$0.3)
As percent of revenue	14.6%	13.4%	+120 bps

QUARTER 2
ENDED
JUNE 30
IN MILLIONS

1. 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”.

For the periods ended June 30, 2025 and 2024						
(in thousands of Canadian dollars, unaudited)						
	April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2024	
Net income for the period	\$	3,714	\$	4,064	\$	8,828
Interest expense, net		5,120		5,366		10,268
Debt modification gain		(867)		—		(867)
Amortization of transaction costs		131		140		271
Current income tax expense		1,445		16		3,516
Deferred income tax (recovery) expense		(359)		947		(1,270)
Depreciation of property, plant, and equipment		1,792		1,783		3,514
Amortization of intangible assets		326		306		709
Depreciation of right-of-use-assets		5,029		4,329		9,831
EBITDA	\$	16,331	\$	16,951	\$	34,800
Acquisition and integration costs		—		243		—
Restructuring expenses		58		1,101		58
Net fair value losses (gains) on financial liabilities at fair value through profit or loss		179		(1,407)		298
Adjusted EBITDA	\$	16,568	\$	16,888	\$	35,156



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.

For the periods ended June 30, 2025 and 2024 <i>(in thousands of Canadian dollars, except share and per share amounts, unaudited)</i>	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Net income for the period	\$ 3,714	\$ 4,064	\$ 8,828	\$ 5,539
Restructuring expenses	58	1,101	58	2,186
Acquisition and integration costs	—	243	—	526
Net fair value losses on financial liabilities at fair value through profit or loss	179	(1,407)	298	1,807
Tax effect of the above adjustments	(60)	16	(90)	(1,138)
Adjusted net income	\$ 3,891	\$ 4,017	\$ 9,094	\$ 8,920
Adjusted net income per share, basic	0.07	0.07	0.16	0.16
Adjusted net income per share, diluted	0.07	0.07	0.16	0.15
Weighted average number of common shares outstanding, basic	55,317,543	55,245,796	55,313,271	55,134,340
Weighted average number of common shares outstanding, diluted	57,156,673	57,835,179	57,198,419	57,746,066
Number of common shares outstanding, basic	55,317,543	55,308,952	55,313,271	55,308,952
Number of common shares outstanding, diluted	57,156,673	57,898,335	57,198,419	57,920,678





THANK YOU