



## Direct Communication Solutions Announces Interim Financial Statements for Q2 2023

San Diego, California – Aug 16<sup>th</sup>, 2023 - Direct Communication Solutions, Inc. (OTCQX: DCSXD) (CSE: DCSI) (FSE: 7QU0) ("DCS" or the "Company"), a leading provider of information technology solutions for the Internet of Things (IoT) market, is pleased to announce it has posted its Interim Financial Statements for the three and six months ended June 30, 2023, and the corresponding Management Discussion & Analysis on SEDAR+.

### Significant Highlights

The following highlights and developments are for the six months ended June 30, 2023:

- Successful collaboration between Epson and the Company's MiFleet solution in the prevention of cargo theft, which is estimated to be \$200M a year in the United States.
- Signed a five-year agreement with AlSCO Uniforms, the world's largest uniform provider, to offer its AI Video Telematics Solution powered by VisionTrack.
- Partnered with VisionTrack to provide AI-Powered Video Telematics and IoT Solutions to the North American Market.
- Entered into a strategic collaboration with Teltonika Telematics to become their Master Partner in the USA and Canada.
- Executing our strategy of transitioning to a Software-as-a-Service (SaaS) enabler in the IoT market to focusing on IoT solution that generates recurring revenue.
- Continuously working on NYSE up listing.

CEO of Direct Communication Solutions, Chris Bursey, reports strong Q2 revenues and growth, highlighted by the subsequent information:

Direct Communication Solutions Inc. had second-quarter 2023 revenues of \$ 4.6 million (U.S.) versus \$ 5.8 million (U.S.) in Q2 2022, representing a decrease of 21 percent year over year. The six-month revenues ended June 2023, were reported at \$ 7.8 million (U.S.) versus \$ 13.6 million (U.S.) in 2022, representing a decrease of 43 percent.

Q2 2023 gross profit was \$ 1.6 million (U.S.) versus \$ 1.8 million (U.S.) in Q2 2022, representing an 18-percent decrease. The six-month gross profit ended June 2023, was reported at \$ 2.6 million (U.S.) versus \$ 4.2 million (U.S.) in 2022, representing a decrease of 39 percent. The six-month net loss ended June 2023, was reported at \$2.4 million (U.S.) versus a net income of \$700,000 (U.S.) in 2022. Q2 2023 adjusted EBITDA was (\$602k) (U.S.) versus \$361k in Q2 2022, representing a 266-percent decrease. The six-month

adjusted EBITDA was (\$1.3 million) (U.S.) versus \$ 1 million (U.S.) in 2022, representing a decrease of 230 percent.

“In Q2 2023, the Direct Communication team continued to focus and execute our strategy of providing IoT solutions that generate recurring revenue with higher margins. We are executing this transition, which we believe will bring maximum value to our shareholders. Management has secured some key wins, with several large customers, demonstrating our ability to execute.” Chris Bursey also commented, “We have added a significant number of new SaaS subscribers in Q2 2023 that we can build on for the future.”

The conversion rate is \$1 (U.S.) to \$1.32 (Canadian).

We seek Safe Harbor

### **About Direct Communication Services Inc.**

DCSI is a technology solutions integrator focusing on connecting the Internet of Things. We provide real solutions that solve real problems. Our software applications and scalable cloud services collect and assess business-critical data from all types of assets. DCSI is headquartered in San Diego, California and is publicly traded on the OTCQX ("DCSX"), Canadian Securities Exchange ("DCSI") and Frankfurt Stock Exchange ("7QU0"). For more information, visit [www.dcsbusiness.com](http://www.dcsbusiness.com). DCSI and the DCSI logo are among the trademarks of DCSI in the United States. Any other trademarks or trade names mentioned are the property of their respective owners.

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### **Forward-Looking Statements**

This release contains forward-looking statements reflecting management's current views of future events and operations. These statements are based on current expectations and assumptions, subject to risks and uncertainties that could cause results to differ materially. DCS believes that these potential risks and uncertainties include, without limitation: the ongoing COVID-19 pandemic, the Company's dependence on third-party manufacturers, suppliers, technologies, and infrastructure; risks related to intellectual property; industry risks, including competition, online security, government regulation, and global economic conditions; and the Company's financial position and need for additional funding. Statements in this release should be evaluated in light of these factors. These risk factors and other important factors that could affect our business and financial results are discussed in our Management's Discussion and Analysis, periodic reports, and other public filings available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and posted with the OTC Disclosure and News Service. DCS undertakes no duty to update or revise any forward-looking statements.

*Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.*