

Direct Communication Solutions Announces Interim Financial Statements for Q3 2023

San Diego, California--(Newsfile Corp. - November 16, 2023) - **Direct Communication Solutions, Inc. (OTCQX: DCSX) (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 nine months ended September 30, 2023, and the corresponding Management Discussion & Analysis on SEDAR+.

Direct Communication Solutions Inc. had revenues for the nine months ended September 30, 2023, of \$11.2 million (U.S.), compared with \$18.2 million (U.S.) in 2022 (a decrease of 39 percent over the same period as last year).

Significant Highlights - for the nine months ended September 30, 2023:

- Entered into strategic agreement with CATrak Technologies, Inc. to offer its Catalytic Converter Theft Prevention Solution.
- Successful collaboration between Epson and the Company's MiFleet solution in the fight against cargo theft.
- 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.
- Partnered with Teltonika to provide IoT Solutions in North America.

Gross margin for the period ended was 32 percent for 2023 (29.3 percent for 2022), representing \$3.59 million (U.S.) gross profit (\$5.3 million (U.S.) for the period ended 2022). EBITDA (earnings before interest, taxes, depreciation and amortization) was negative \$1,79 million (U.S.) compared with \$634,931 (U.S.) 2022 EBITDA.

Chris Bursey, CEO of Direct Communication Solutions, highlighted the company's commitment to navigating the evolving landscape and fostering long-term sustainability.

In Q3 2023, Direct Communication Solutions reported notable progress in its Software as a Service (SaaS) segment. The company's Fleet Management Subscribers reached 22,202, reflecting an impressive growth rate of 22.33% in active subscribers. Additionally, Wireless Data/Connectivity Subscribers increased to 31,424, marking a growth rate of 6.56%. The cumulative Total Billable SaaS Subscribers at the end of Q3 2023 reached an impressive 53,626, showcasing a comprehensive growth of 28.88% over the same period.

While the Q3 financials underscore positive momentum in SaaS subscriptions, DCS remains focused on adapting to market dynamics and refining its strategies for sustained growth. The company continues to leverage its expertise in fleet management and wireless connectivity to meet the evolving needs of its customer base.

In a strategic move that aligns with its commitment to meticulous planning, DCS announces the decision to defer its stock exchange listing update to the coming year. This proactive measure ensures optimal conditions for a successful listing, demonstrating the company's dedication to strategic foresight and positioning itself for future opportunities.

Direct Communication Solutions Founder and CEO Chris Bursey highlighted the positive market sentiment, sharing insights after the company's active participation in the 2023 Verizon Channel Partner Advisory Council. He expressed, "Our recent involvement reinforced our belief in the strength of collaboration within the industry. The event, bringing together key partners from diverse segments,

underscored the influential role of partnerships. Productive meetings highlighted the resilience of these collaborations, emphasizing shared goals and strategies."

Bursey continued, "As we navigated through these sessions, the vitality of collaborations became evident, not only strengthening individual businesses but propelling the entire market forward. Direct Communication Solutions remains committed to delivering world-class solutions in this ever-evolving landscape. The positive energy witnessed at the Verizon Channel Partner Advisory Council fuels our confidence in the market's future, reinforcing our optimism and determination to contribute significantly to its continued growth."

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. 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 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



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