

Direct Communication Solutions Announces Year-End Financials for 2023 and Operational Highlights

San Diego, California--(Newsfile Corp. - April 23, 2024) - **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 report its year-end financial results for 2023 and highlight significant achievements and strategic initiatives.

Highlights for the fiscal year 2023 include:

Operational Efficiency and Cost Savings

Direct Communication Solutions implemented cost-cutting measures to reduce employee overhead in 2023 and will continue the company's strategic restructuring efforts, aimed at focusing on high-margin, recurring Software as a Service (SaaS) and services revenue streams in 2024. The streamlined operational efficiencies and cost savings will position the company for enhanced productivity and sustainable long-term growth.

Milestone Achievement in Recurring Revenue Growth

In 2023 DCS grew its recurring revenue subscriber base to over 50,000. This milestone includes a diverse range of customers in both software and connectivity segments, contributing to the company's robust and sustainable revenue streams.

Enhanced Profitability and Margin Expansion

With a steadfast focus on recurring SaaS and solutions revenues, DCS has significantly increased its overall gross margins. The company anticipates that its margins for Q1 2024 will continue to grow as we execute on our strategic plan. This strategic emphasis on high-margin SaaS and services offerings has not only enhanced profitability but also strengthened the company's financial position for future growth and expansion.

Expansion and Diversification of SaaS Sales Channel

Expanded and diversified our SaaS sales channel by onboarding 7 new resellers, bringing our reseller channel to 19, and added 36 new direct SaaS customers. Our focus on SaaS recurring revenues in the second half of 2023 generated almost 15,000 new SaaS subscriptions from over 600 different accounts that rely on our SaaS and services solutions to run their businesses effectively and efficiently. The SaaS and services recurring revenue growth in 2023 will allow us to continue to execute our strategy of focusing on high-margin, long-term recurring revenues in 2024 and beyond.

Video Telematics Provides High-Margin Growth

Video telematics provided a significant contribution to our overall SaaS and services recurring revenue in 2023 and will continue to grow and add to our diverse and expanding customer base. We announced long-term agreements with ALSCO and Streamline Transportation for our video telematics solution offering and will continue to focus on this exciting vertical for continued future growth.

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

For the year ended December 31, 2023, gross margin were 34.0% (28.2% for 2022), representing USD

\$4.4 million estimated gross profit (USD \$6.3 million for 2022 YTD). The 2023 EBITDA Loss was USD - \$2.6 million compared to a USD\$0.50 million 2022 EBITDA loss.

Bursey commented on the company's year-end financial results, stating, "We are pleased to announce our strong performance for the fiscal year 2023, marked by significant achievements and strategic milestones. Our focus on operational efficiency, recurring revenue growth, and strategic partnerships has yielded positive results, positioning Direct Communication Solutions for continued success." He continued, "The operational cost reductions and strategic focus on our SaaS and services offerings represent a key milestone in our growth strategy, allowing us to offer enhanced IoT solutions to our customers. We look forward to building on this momentum in 2024 as we continue to innovate and deliver value to our stakeholders."

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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