Letter to shareholders

Dear Fellow Shareholders,

We are pleased to provide an update on our performance in 2025 and our priorities for 2026.

While challenging market conditions and revenue headwinds persisted throughout 2025, our focus remained squarely on controlling what we can control - protecting margins, strengthening cash flow, and maintaining balance sheet discipline.

That focus is evident in our full-year 2025 results. Although revenue declined, adjusted EBITDA decreased by a smaller margin, reflecting disciplined management of SG&A expenses. Free cash flow increased meaningfully compared to 2024, driven in part by lower capital expenditures. We also reduced debt while initiating capital returns to shareholders, underscoring our confidence in DCM's growth potential and its ability to generate strong free cash flow going forward.

While still early in the year, we are seeing some initial signs of stabilization in overall business conditions along with the expected resolution of the labour dispute at Canada Post. We expect improved demand from certain accounts that delayed or scaled back orders, as well as from others that drew down inventory in 2025. We also anticipate a stronger revenue contribution in 2026 from new logos secured in 2025 as we onboard these new clients. Our new business development activity remains solid, and we are well positioned to benefit as conditions improve.

We have taken actions on several fronts over the last two years to move the business forward in 2026. The restructuring initiatives we completed in 2024 streamlined our operational footprint and workforce. In addition, our cash related restructuring expenses were largely completed in 2025, reducing the impact on our expected 2026 cash flow. We have also made progress diversifying our supply chain to offset potential, tariff-related raw material risk. Industry dynamics continue to create a robust M&A environment, and we will remain disciplined yet opportunistic in 2026.

We continue to closely monitor developments in the external environment including the potential for cross-border tariff actions and continued trade policy volatility and we remain prepared to respond as needed. With a strong balance sheet and disciplined cost management, we are well positioned to navigate continued uncertainty.

Turning to our financial performance for the full year:

- Revenues of $450.4 million in 2025 were down 6.2% vs. 2024.
- Adjusted EBITDA of $60.4 million represented 13.4% of revenues for the full year compared to $63.9 million and 13.3% of revenues in 2024.
- SG&A expenses decreased to $79.8 million vs. $87.6 million in 2024.
- Free cash flow was $13.4 million, up 144.7% vs. $5.5 million in 2024.
- Total Net Debt at year-end was $77.1 million, down 2.2% vs. 2024.
- DCM returned $17.6 million of capital to shareholders in 2025, including $16.6 million in total dividends paid and $1.0 million of common shares repurchased.

For 2026, the following are our key priorities:

- Maintain a high revenue retention rate and execute on new business development.
- Improve gross margin through business mix, operational efficiencies and digital acceleration.
- Generate strong cash flow for continued capital returns and debt repayment.
- Leverage the current market environment to be opportunistic on M&A.

I look forward to reporting on our first quarter results in May 2026 and thank the entire DCM team for their commitment and contributions in 2025.

Yours truly,

(Signed) "Richard Kellam"

Richard C. Kellam

President & CEO

DATA Communications Management Corp.

March 2026

Management's discussion and analysis of financial condition and results of operations

The following management's discussion and analysis ("MD&A") is intended to assist readers in understanding the business environment, strategies, performance and risk factors of DATA Communications Management Corp. (TSX: DCM; OTCQX: DCMDF) and its subsidiaries (referred to herein as "DCM", "we", or the "Company") for the years ended December 31, 2025, 2024 and 2023. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes of DCM for the years ended December 31, 2025, 2024 and 2023. Additional information about the Company, including its most recently filed audited consolidated financial statements, Annual Information Form and Management Information Circular, may also be obtained on SEDAR+ (www.sedarplus.ca). Unless otherwise indicated, all amounts are expressed in Canadian dollars.

The Company's Board of Directors ("Board"), on the recommendation of its Audit Committee, approved the contents of this MD&A on March 11, 2026. This MD&A reflects information as of March 11, 2026.

Basis of presentation

DCM prepares its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The accounting policies applied in these consolidated financial statements are based on IFRS Accounting Standards effective for the year ending December 31, 2025, as issued and outstanding as of March 11, 2026 the date the Board approved these financial statements.

Forward-looking statements

Certain statements in this MD&A 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 MD&A, 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 MD&A.

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 MD&A 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 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 out 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 2026 and in the future; while we have received consents from our lenders for the declaration and payment of the special dividend in 2025 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 MD&A under the headings “Liquidity and capital resources” and “Risks and Uncertainties” and in DCM’s Annual Information Form and 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 MD&A 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 MD&A 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 NON-IFRS ACCOUNTING STANDARDS, FINANCIAL MEASURES AND RATIOS

We use **adjusted financial measures** because we believe they are useful for providing investors with supplemental measures of DCM’s operating performance and highlight trends in our business that may not otherwise be apparent when relying solely on IFRS Accounting Standards financial measures. DCM also believes that securities analysts, investors, rating agencies and other interested parties frequently use such information in the evaluation of issuers. Further, DCM’s management uses such adjusted information to facilitate operating performance comparisons from period to period, prepare annual operating budgets, assess its ability to meet future debt service, capital expenditure and working capital requirements and to evaluate potential acquisitions and the subsequent performance of completed acquisitions.

EBITDA means earnings before interest and finance costs, taxes, depreciation and amortization. The most comparable IFRS Accounting Standards measure for EBITDA is net income (loss). For a reconciliation of net income (loss) to EBITDA, see Table 5 below.

Adjusted EBITDA represents EBITDA, adjusted for acquisition and integration costs, restructuring expenses, the net fair value (gains) losses on financial liabilities at fair value through profit or loss for restricted share units ("RSUs") and deferred shared units ("DSUs") and other adjustments for other specific items that may be significant but are not reflective of our underlying operations. Specific items are subjective; however, we use our judgement and informed decision-making when identifying items to be excluded in calculating our Adjusted EBITDA. We use Adjusted EBITDA as a measure of pre-tax operating cash flow. The most comparable IFRS Accounting Standards measure of Adjusted EBITDA is net income (loss). For a reconciliation of net income (loss) to Adjusted EBITDA, see Table 5 below.

Adjusted net income (loss) represents net income (loss) before acquisition and integration costs, restructuring expenses, the net fair value (gains) losses on financial liabilities at fair value through profit or loss for RSUs and DSUs and other adjustments for other specific items that may be significant but are not reflective of our underlying operations, all on an after-tax basis. Specific items are subjective; however, we use our judgement and informed decision-making when identifying items to be excluded in calculating our Adjusted net income (loss). We use Adjusted net income (loss) as a measure of overall profitability. The most comparable IFRS Accounting Standards measure of Adjusted net income (loss) is net income (loss). For a reconciliation of net income (loss) to Adjusted net income (loss), see Table 6 below.

Adjusted net income (loss) per share (EPS) (basic and diluted) is a non-IFRS Accounting Standards ratio calculated by dividing Adjusted net income (loss) (defined above) for a given period by the weighted average number of common shares of DCM (basic and diluted) outstanding, respectively, during the period.

Margin is calculated as a percentage of revenues, which is itself an IFRS Accounting Standards financial measure, and we monitor margins in comparison to our internal targets. Margin is a non-IFRS Accounting Standards ratio when applied to both IFRS and non-IFRS Accounting Standards financial measures.

Free cash flow is a non-IFRS Accounting Standards financial measure we use to monitor the availability of discretionary cash as part of our capital management. It is defined as total cash generated from operating activities, less net capital expenditures (comprised of purchase of property, plant and equipment (including transfers from non-current assets), less proceeds on disposal of property, plant and equipment, other than proceeds on sale and leaseback of properties), less principal portion of lease payments. A reconciliation of free cash flow to its most comparable IFRS Accounting Standards measure, total cash generated from operating activities, is included in "Additional Reconciliations of Non-IFRS Accounting Standards Financial Measures" in Table 1 below.

SUPPLEMENTARY FINANCIAL MEASURES

Compound Annual Growth Rate (CAGR) is a supplementary financial measure when applied to IFRS Accounting Standards financial measures.

Lease Payments is a non-IFRS Accounting Standards financial measure used as part of our assessment of total expenses related to leases we've entered into for our facilities, machinery and office equipment. It is defined as Principal portion of lease payments plus Interest expense on lease liabilities, for a particular period.

Margin (defined above) is a supplementary financial measure when applied to IFRS Accounting Standards measures.

Net Debt to Adjusted EBITDA (net of Lease Payments) is a non-IFRS Accounting Standards ratio used as part of our assessment of our capital structure. Net debt is defined as (1) the total balance of our credit facilities less cash and equivalents at a given period (net of bank overdraft), divided by (2) Adjusted EBITDA less Lease Payments, for the most recent four quarters then ended. Net Debt to Adjusted EBITDA (net of Lease Payments) is quantified in "Additional Reconciliations of Non-IFRS Accounting Standards Financial Measures" in Table 2.

Working capital is a supplementary non-IFRS Accounting Standards financial measure that we use as a measure for assessing our overall liquidity. It is calculated by subtracting current liabilities from current assets.

ADDITIONAL RECONCILIATIONS OF NON-IFRS ACCOUNTING STANDARDS FINANCIAL MEASURES

TABLE 1 The following table sets out free cash flow for the periods noted.

Free Cash Flow reconciliation

(in thousands of Canadian dollars, unaudited)		**For the year ended December 31, 2025**		For the year ended December 31, 2024
Total cash generated from operating activities		**25,056**		24,740
Less: Purchase of property, plant and equipment		**(4,228)**		(12,307)
(Net of): Proceeds on disposal of property, plant and equipment		**—**		845
Less: Principal portion of lease payments		**(7,455)**		(7,812)
Free cash flow	**$**	**13,373**	$	5,466

TABLE 2 The following table sets out Net Debt to Adjusted EBITDA (net of Lease Payments) for the periods noted.

Net Debt to Adjusted EBITDA (net of Lease Payments)

(in thousands of Canadian dollars, except net Debt to Adjusted EBITDA, unaudited)		**For the year ended December 31, 2025**		For the year ended December 31, 2024
Total credit facilities		**79,068**		**84,745**
Less: Cash and equivalents (net of bank overdraft)		**(1,941)**		**(5,893)**
Net Debt	**$**	**77,127**	$	78,852
Adjusted EBITDA		**60,352**		63,908
Less: Lease Payments		**(20,595)**		(20,345)
Adjusted EBITDA (net of Lease Payments)	**$**	**39,757**	$	43,563
Net Debt to Adjusted EBITDA (net of Lease Payments)		**1.94x**		1.81x

Business of DCM

Overview

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.

DCM's manufacturing operations are characterized by a high degree of complexity, as our products and services are customized to meet the unique requirements of each customer. The end products are derived through integrated production processes spanning multiple product categories and revenue streams. These processes typically involve various stages of work in a plant or across multiple plants, culminating in the delivery of a finished product. As a result of the complex nature of this production landscape, conventional metrics such as selling prices and the volume or quantity of products or services are challenging to discern and are not relevant other than in the aggregate in management’s view.

Customer agreements and contract terms typically include provisions consistent with industry practice, which allow DCM to pass along increases in the cost of paper and other raw materials used to manufacture products subject to various notice periods and reference indices.

DCM’s revenue is subject to the mailing patterns and purchasing patterns of its customers. Typically, higher revenues and profit are generated in the first quarter relative to the other three quarters, however this can vary from time to time due to changes in customers’ purchasing decisions throughout the year. As a result, DCM’s revenue and financial performance for any single quarter may not be indicative of revenue and financial performance, which may be expected for the full year.

DCM has approximately 1,450 employees in Canada and the United States and generated revenues of $450.4 million in 2025.

Recent Developments

Normal Course Issuer Bid

On June 10, 2025, the Company announced that the Toronto Stock Exchange approved its notice to initiate a Normal Course Issuer Bid (“NCIB”) to repurchase up to 4,220,210 common shares, representing approximately 10% of the public float, over the 12-month period ending June 11, 2026. During the year ended December 31, 2025, the Company repurchased and cancelled 562,500 common shares for total consideration of $1.0 million, including transaction costs of $70 thousand. The total amount of $1.0 million was recorded directly in equity.

The Company also entered into an Automatic Share Purchase Plan (“ASPP”) with its broker to permit repurchases during self-imposed blackout periods. The ASPP may be terminated, modified, or suspended at the Company’s discretion.

Revenue Recognition Policy

DCM recognizes revenue when control of the products or services it provides to its customers has been transferred. The following is a description of the principal activities from which DCM generates its revenue, along with the corresponding revenue recognition accounting policies.

Product Sales

DCM manufactures customized products based on specifications pre-approved by its customers. At its customers' request, DCM will also purchase product from third-party vendors and resell that to its customers (including Technology-Enabled Hardware Solutions - see below). For products that DCM purchases and resells to its customers, DCM is typically a principal in these arrangements as it is responsible for making key decisions over the purchasing of product and has the economic risks and rewards that are customary with control. Accordingly, third-party product revenue is typically presented on a gross basis in revenue with the corresponding product purchase cost and associated costs recognized in costs of revenue. DCM recognizes revenue when control over the product transfers to the customer, which is effectively transferred upon the completion of production or when a resale product is purchased from a third-party vendor and inducted into DCM's warehouses or shipped directly to customers from third-party vendors due to the custom nature of the product, as it does not have an alternative use to DCM, such that DCM is entitled to payment once the quantity of product pursuant to an individual purchase order is produced or purchased from a third-party vendor and inducted into its warehouses. Given the manufactured products are customized or purchased specifically at the customer’s request, product returns are insignificant.

In some instances, DCM's customers obtain the product directly from DCM following the completion of production or directly from third-party vendors. In other instances, DCM’s contracts involve the provision of warehousing and shipment services, in addition to manufacturing or purchasing of third-party products. Based on DCM's contractual arrangements with its customers related to product, certain of DCM's contracts with customers include the provision of warehousing, freight and financing services, in addition to manufacturing or purchase from third-parties of customized products based on specifications pre-approved by its customers. For bundled pricing arrangements, DCM allocates the transaction price to each performance obligation based on their relative stand-alone selling prices. Management applies judgment and assumptions in determining the stand-alone selling prices in allocating revenue between the various performance obligations based on non-bundled pricing arrangements and comparable market data, where applicable. DCM stores customized or purchased product at the request of the customer; the product is identifiable as the customer’s product; the product is ready for transfer to the customer upon the customer’s request; and DCM cannot re-direct the product nor use the product to fulfill another customer’s product order under the contract. DCM recognizes product revenues when control has transferred over the product upon product manufacture by DCM or upon receipt of third-party product into DCM's warehouses. Based on the contractual terms with its customers, DCM either issues an invoice when product that is manufactured by DCM or purchased from third-party vendors is inducted into DCM's warehouse, or alternatively, the invoice is issued for some customers when the product is dispatched from its warehouses. In instances where DCM issues an invoice on dispatch of product from its warehouses, rather than at the date of transfer of control, DCM is still entitled to payment for the purchased or manufactured product. Accordingly, revenue is recognized for the product manufactured by DCM or purchased from third parties and a corresponding balance for “unbilled receivables” are recognized within trade receivables in the consolidated statement of financial position. Unbilled receivables are transferred to accounts receivables when the invoices are issued to the customers. Deferred revenue represents amounts that have been invoiced to the customer but not yet recognized as revenue, including advance payments and billings in excess of revenue. Deferred revenue is recognized as revenue when DCM completes the production of product or upon receipt of third-party product in its warehouses or when Warehousing Services and Freight Services are provided (see below).

Warehousing and Other Services

DCM provides custodial services to store customer product in its warehouse over a specified agreed upon period of time. For non-bundled pricing arrangements, warehousing revenues are recognized over the period that Warehousing Services are provided to the customer. For bundled pricing arrangements, DCM allocates a portion of the initial transaction price for Warehousing Services and recognizes revenue on a straight-line basis over the agreed period of the warehousing as it best represents the pattern of performance. Amounts are typically invoiced as Warehousing Services are performed in accordance with agreed upon contractual terms at periodic intervals. When DCM receives advance payments or issues billings in excess of revenue, these are recognized as deferred revenue in the consolidated statement of financial position. Deferred revenue is recognized as revenue when or as DCM provides custodial services over the agreed upon warehouse term. Other ancillary services include fees related to financing and administrative charges. Financing charges are associated with customers where DCM stores customer product in the warehouse over a period of time and invoices the customer when the product is dispatched from DCM's warehouse. Financing income is recognized as DCM provides custodial services to its customers over the agreed upon warehouse term. Administrative charges cover the costs of centralized support functions and are recognized upon invoicing.

Freight Services

DCM has identified Freight Services as a distinct performance obligation for the shipment of product for certain contracts where it has an obligation to arrange shipment services where control of the product has been transferred to the customer prior to shipment. DCM contracts with third parties to deliver product. DCM is typically a principal for such shipment services as it is responsible for making key decisions over the shipment arrangements and has the economic risks and rewards associated with such control as a principal DCM recognizes shipment revenues when the performance of the shipping service has occurred as products are shipped.

Technology-Enabled Hardware Solutions

DCM procures certain products and services from third-party providers to ensure that our clients' complete business and marketing communications needs are met while providing comprehensive vendor management strategies. Technology-Enabled Hardware Solutions include scanners, printers, tablets, and other technology applications, often with barcoding and RFID functionality, and digital signage applications. Such products typically complement our Product Sales, and Other Services, and are sold to clients as part of an integrated offering. Technology-Enabled Hardware Solutions represent a distinct performance obligation (from our Product Sales and Warehousing and Other Services), and revenue is recognized when the product is shipped from the vendor or inducted into DCM's warehouse.

Technology-Enabled Subscription Services and Fees

Technology-Enabled Subscription Services and Fees include the provision of marketing technology workflow applications including revenues generated by the digital asset management ("DAM") solutions such as our contentcloud.ai product (previously called ASMBL), our Zavy social media analytics solution, other software subscription fees, managed technology services, program management services, professional services fees, content management fees, and implementation and development fees. Typically, these services and fees are contracted on either a project basis in the case of professional services, implementation, and development services fees or for periods of one to five-year terms, often with one to two-year renewal options in the case of software subscription fees and managed technology services. Revenue is measured based on the consideration DCM expects to be entitled to in exchange for providing services as they are delivered, or ratably over the term of the contract, and represent a distinct performance obligation. When DCM receives advance payments or issues billings in excess of revenue, these are recognized as deferred revenue in the consolidated statement of financial position. Deferred revenue is recognized as revenue when or as DCM provides the services over the contract term.

Cost of Revenues and Other Expenses

DCM's cost of revenues primarily consists of raw materials, manufacturing salaries and health benefits, occupancy costs, depreciation of owned equipment, and depreciation of the right-of-use asset ("ROU Asset") for property leases and equipment leases. DCM's raw material costs consist primarily of paper, carbon and ink. Manufacturing salaries and benefits costs primarily consist of employee salaries and health benefits at DCM's printing and warehousing facilities. Occupancy costs consist primarily of depreciation of the ROU Asset for property leases, and costs related to utilities, insurance and building maintenance. DCM's other expenses primarily consist of selling, depreciation and amortization, and general and administration expenses. Selling expenses consist primarily of employee salaries, health benefits and commissions, and include related costs for travel, corporate communications, trade shows, and marketing programs. Depreciation and amortization represent the allocation to income of the cost of property, plant and equipment, the ROU Asset, and intangible assets over their estimated useful lives. General and administration expenses consist primarily of employee salaries, health benefits, and other personnel related expenses for executive, financial and administrative personnel, as well as the depreciation of the ROU Asset for property leases, telecommunications, pension plan expenses and professional service fees.

Selected Consolidated Financial Information

The following tables set out a summary of consolidated financial information and supplemental information for the periods indicated. The summary annual financial information for each of fiscal 2025, fiscal 2024 and fiscal 2023 has been derived from DCM's audited consolidated financial statements, prepared in accordance with IFRS Accounting Standards. The unaudited financial information presented has been prepared on a basis consistent with our audited consolidated financial statements. In the opinion of management, such unaudited financial data reflects all adjustments, consisting of normal and non-recurring adjustments, necessary for a fair presentation of the results for those periods.

The principal factors that caused period to period variations in the financial information set forth in Table 3 below are as follows:

- Lower levels of revenues and gross profit during 2025 were partially offset by a year-over-year decline in selling, general and administration expenses, reflecting continued cost control measures and operating efficiency initiatives;
- The inclusion of the Moore Canada Corporation ("MCC") acquisition into DCM's consolidated financial results commencing in April 2023;
- No acquisition and integration costs in 2025, compared to $8.8 million in 2024 and $10.9 million in 2023 related primarily to the acquisition of MCC;
- $0.9 million in restructuring costs in 2025, compared to $4.4 million in 2024 and $20.3 million in 2023, primarily relating to headcount reductions and other operating efficiency initiatives following the acquisition of MCC;
- Net fair value gains in 2025 and 2024 attributable to relative decreases, and in 2023 increases, in DCM's common share trading prices;
- Lower levels of interest expense in 2025 related to the reduction in prime interest rate on floating-rate debt; offset by an increase in interest expense on lease liabilities resulting from new capital equipment lease agreements entered in the first quarter of 2025; and
- Improved levels of net income and earnings per share attributable to the above.

There have been no material changes in accounting principles in our financial reporting over the three most recently completed financial years.

TABLE 3 The following table sets out selected historical consolidated financial information for the periods noted.

For the years ended December 31, 2025, 2024 and 2023 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*	**January 1 to December 31, 2025**	January 1 to December 31, 2024	January 1 to December 31, 2023
Revenues	**$ 450,358**	$ 479,956	$ 447,725
Cost of revenues	**333,674**	349,889	328,814
Gross profit	**116,684**	130,067	118,911
Selling, general and administration expenses	**79,759**	87,579	83,440
Research and development expenses	**4,593**	4,829	3,804
Restructuring expenses	**935**	4,378	20,308
Acquisition and integration costs	**—**	8,773	10,903
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	**(18)**	(279)	7,122
Other gains	**—**	(2,500)	—
	85,269	102,780	125,577
Income before finance costs and income taxes	**31,415**	27,287	(6,666)
Finance costs			
Interest expense, net	**20,281**	21,483	15,321
Debt modification gain	**(762)**	—	
Amortization of transaction costs	**493**	560	457
	20,012	22,043	15,778
Income before income taxes	**11,403**	5,244	(22,444)
Income tax expense			
Current	**5,133**	2,338	1,209
Deferred	**(2,982)**	(664)	(7,799)
	2,151	1,674	(6,590)
Net income for the year	**$ 9,252**	$ 3,570	$ (15,854)
Basic earnings (loss) per share	**$ 0.17**	$ 0.06	$ (0.31)
Diluted earnings (loss) per share	**$ 0.16**	$ 0.06	$ (0.31)
Weighted average number of common shares outstanding, basic	**55,220,741**	55,222,122	50,832,543
Weighted average number of common shares outstanding, diluted	**56,775,082**	57,731,674	50,832,543

As at December 31, 2025, 2024 and 2023 *(in thousands of Canadian dollars, unaudited)*	**As at December 31, 2025**	As at December 31, 2024	As at December 31, 2023
Current assets	**$ 122,102**	$ 143,482	$ 181,051
Current liabilities	**$ 74,174**	$ 100,685	$ 116,531
Total assets	**$ 357,935**	$ 392,303	$ 418,754
Total non-current liabilities	**$ 246,345**	$ 251,658	$ 273,459
Shareholders’ equity	**$ 37,416**	$ 39,960	$ 28,764

TABLE 4 The following table sets out selected historical consolidated financial information for the periods noted. See the "Non-IFRS Accounting Standards Measures" section above for more details and Tables 5 and 6 below for reconciliations of net income to Adjusted EBITDA and net income to Adjusted net income.

For the years ended December 31, 2025, 2024 and 2023 *(in thousands of Canadian dollars, except percentage amounts, unaudited)*	**January 1 to December 31, 2025**	January 1 to December 31, 2024	January 1 to December 31, 2023
Revenues	**$ 450,358**	$ 479,956	$ 447,725
Gross profit	**$ 116,684**	$ 130,067	$ 118,911
As a percentage of revenues	**25.9 %**	27.1 %	26.6 %
Selling, general and administration and research and development expenses	**$ 84,352**	$ 92,408	$ 87,244
As a percentage of revenues	**18.7 %**	19.3 %	19.5 %
Adjusted EBITDA (see Table 5)	**$ 60,352**	$ 63,908	$ 53,390
As a percentage of revenues	**13.4 %**	13.3 %	11.9 %
Net income (loss) for the year	**$ 9,252**	$ 3,570	$ (15,854)
Adjusted net income (see Table 6)	**$ 9,936**	$ 11,325	$ 12,827
As a percentage of revenues	**2.2 %**	2.4 %	2.9 %

TABLE 5 The following table provides reconciliations of net income to EBITDA and of net income to Adjusted EBITDA for the periods noted. See “Non-IFRS Accounting Standards Measures” section above for more details.

EBITDA and Adjusted EBITDA reconciliation

For the years ended December 31, 2025, 2024 and 2023 *(in thousands of Canadian dollars, unaudited)*	**January 1 to December 31, 2025**	January 1 to December 31, 2024	January 1 to December 31, 2023
Net income (loss) for the year	**$ 9,252**	$ 3,570	$ (15,854)
Interest expense, net	**20,281**	21,483	15,321
Debt modification gain	**(762)**	—	—
Amortization of transaction costs	**493**	560	457
Current income tax expense	**5,133**	2,338	1,209
Deferred income tax (recovery) expense	**(2,982)**	(664)	(7,799)
Depreciation of property, plant and equipment	**6,909**	6,200	6,165
Amortization of intangible assets	**1,342**	2,011	2,881
Depreciation of the ROU Asset	**19,769**	18,038	12,677
EBITDA	**$ 59,435**	$ 53,536	$ 15,057
Acquisition and integration costs	**—**	8,773	10,903
Restructuring expenses	**935**	4,378	20,308
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	**(18)**	(279)	7,122
Other gains	—	(2,500)	—
Adjusted EBITDA	**$ 60,352**	$ 63,908	$ 53,390

TABLE 6 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 above for more details.

Adjusted net income reconciliation

For the years ended December 31, 2025, 2024 and 2023 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*		**January 1 to December 31, 2025**		January 1 to December 31, 2024		January 1 to December 31, 2023
Net income (loss) for the year	**$**	**9,252**	$	3,570	$	(15,854)
Acquisition and integration costs		—		8,773		10,903
Restructuring expenses		**935**		4,378		20,308
Net fair value (gains) losses on financial liabilities at fair value through profit or loss		**(18)**		(279)		7,122
Other Income		**—**		(2,500)		—
Tax effect of the above adjustments		**(233)**		(2,617)		(9,652)
Adjusted net income for the year	**$**	**9,936**	$	11,325	$	12,827
Adjusted net income per share, basic	**$**	**0.18**	$	0.21	$	0.25
Adjusted net income per share, diluted	**$**	**0.18**	$	0.20	$	0.25
Weighted average number of common shares outstanding, basic		**55,220,741**		55,222,122		50,832,543
Weighted average number of common shares outstanding, diluted		**56,775,082**		57,731,674		50,832,543
Number of common shares outstanding, basic		**55,060,612**		55,308,951		55,022,883
Number of common shares outstanding, diluted		**56,614,953**		57,818,503		50,832,542

RESULTS OF OPERATIONS

REVENUES

For the year ended December 31, 2025, DCM recorded revenues of $450.4 million, a decrease of $29.6 million or 6.2% compared with the same period in 2024. The decline was primarily driven by reduced order activity from several large enterprise clients, ongoing uncertainty related to the Canada Post labour situation, and continued uncertainty surrounding potential cross-border tariffs, which negatively affected overall business confidence.

DCM revenue is comprised of five revenue streams: Product Sales, Warehousing and Other Services, Freight Services, Technology-Enabled Hardware Solutions, and Technology-Enabled Subscription Services and Fees.

TABLE 7 The following table sets out DCM's revenue by revenue stream for the periods noted.

(in thousands of Canadian dollars, except share and per share amounts, unaudited)		**January 1 to December 31, 2025**		January 1 to December 31, 2024	Revenue Percentage Change
Product Sales	**$**	**394,215**	$	418,259	(5.7)%
Technology-Enabled Subscription Services and Fees		**20,880**		20,029	4.2 %
Freight Services		**13,320**		13,994	(4.8)%
Warehousing and Other Services		**14,377**		18,828	(23.6)%
Technology-Enabled Hardware Solutions		**7,566**		8,846	(14.5)%
	$	**450,358**		$479,956	(6.2)%

For fiscal 2025, Product Sales declined 5.7% year over year, primarily driven by reduced order activity from several large enterprise clients, ongoing service challenges at Canada Post, and continued uncertainty surrounding potential cross-border tariffs, which negatively affected overall business confidence. Technology-Enabled Subscription Services and Fees increased 4.2% year over year, this increase was driven by specific client projects for professional services rendered in 2025, and was partially offset by a reduction in hourly billings following the implementation of proprietary applications that streamlined customer setup and onboarding. Freight Services and Warehousing and Other Services decreased by 4.8% and 23.6%, respectively, year over year, which was mainly attributable to lower product sales in the case of Freight Services, as well as the timing of shipments and billings. Warehousing and Other Services declined by a higher percentage than Freight Services given lower levels of finished goods being warehoused by certain large enterprise clients. Technology-Enabled Hardware Solutions decreased by 14.5% year over year, primarily due to the timing of customer projects.

COST OF REVENUES AND GROSS PROFIT

For the year ended December 31, 2025, DCM recorded cost of revenues of $333.7 million, a decrease of $16.2 million or 4.6% from $349.9 million for the same period in 2024. Gross profit for the year ended December 31, 2025 was $116.7 million, a decrease of $13.4 million or 10.3% from $130.1 million for the same period in 2024. Gross profit as a percentage of revenues decreased to 25.9% for the year ended December 31, 2025, compared to 27.1% for the same period in 2024.

The decrease in cost of revenues for the year ended December 31, 2025 from the prior year, was primarily driven by lower revenues in 2025. Wages and benefits in 2025 were positively impacted by the closure of the Company's Trenton, Ontario and Fergus, Ontario plants completed in 2024, reduced direct and indirect staffing levels generally following restructuring initiatives completed in 2024, and production shift optimization initiatives and were partially offset by increases in average wages and benefits. Cost of direct supplies and inks declined due to lower production volumes, and were partially offset by higher ERP license fees following MCC system migration to DCM's ERP platform, and the reclassification of repair and maintenance expenses at two former MCC plants. Paper costs also declined with lower volumes but increased as a percentage of sales due to several large paper-intensive projects at certain of the Company's manufacturing plants. Other miscellaneous manufacturing expenses improved year over year, reflecting the impact of cost reclassifications and continued efficiency gains from prior-year restructuring and plant consolidation initiatives.

Gross profit as a percentage of revenues for the year ended December 31, 2025 decreased compared to the same period in 2024. The decline was primarily driven by lower revenues combined with the impact of fixed overhead costs and higher raw material prices, resulting in lower absorption of fixed overhead costs, and as a result, lower gross profit margins.

SELLING, GENERAL AND ADMINISTRATION EXPENSES

Selling, general and administration ("SG&A") expenses for the year ended December 31, 2025 were $79.8 million, or 17.7% of total revenues, a decrease of $7.8 million or 8.9%, from $87.6 million, or 18.2% of total revenues, for the same period in 2024.

The decline in SG&A expenses for the year ended December 31, 2025 from the prior year was primarily driven by the absence of one-time costs incurred in the prior year related to the integration of MCC that were not eligible for add-backs, and a reduction in variable incentive compensation, selling expenses including commissions, and consulting, audit and legal fees. SG&A expenses also benefited from headcount reductions, leading to lower salaries and wages due to the restructuring initiatives implemented in the prior year. Additionally, overhead reduction plans were implemented to align with the decline in overall revenues.

RESEARCH AND DEVELOPMENT EXPENSES ("R&D Expenses")

R&D expenses for the year ended December 31, 2025 were $4.6 million compared to $4.8 million for the same period in 2024. R&D expenses primarily related to costs incurred for contentcloud.ai (previously ASMBL), our digital asset management platform, and salaries and benefit related to preprinting software development and remained generally consistent with the prior period.

ACQUISITION AND INTEGRATION COSTS

DCM did not incur any acquisition costs and integration costs in fiscal 2025. In comparison, DCM incurred $8.8 million for one-time, non-recurring costs related to the MCC acquisition, the Zavy acquisition, and integration costs related to the planned consolidation of three DCM plants, which was completed in 2024.

RESTRUCTURING EXPENSES

DCM incurred restructuring expenses of $0.9 million for the year ended December 31, 2025 compared to $4.4 million for the same period in 2024. The lower restructuring expenses related to more modest headcount reductions following the significant changes completed in 2023 and 2024 post MCC-acquisition and optimizing our operational footprint given lower revenue levels in 2025.

NET FAIR VALUE (GAINS) LOSSES ON FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS ("NET FVTPL")

DCM recorded non-cash accruals related to mark-to-market adjustments and normal vesting expenses for outstanding long-term incentive compensation in the form of RSUs and DSUs. The trading price of our common shares decreased by 21.5% for the year ended December 31, 2025, from $2.09 on January 1, 2025 to $1.64 as of December 31, 2025. As a result, DCM incurred a recovery on the mark-to-market adjustments for RSUs and DSUs for the year ended December 31, 2025, compared to a recovery of $0.3 million for the same period in 2024. The recovery for the year ended December 31, 2025 was offset by additional RSUs and DSUs issued in connection with dividends declared and paid in 2025, resulting in a net recovery of $18 thousand.

EBITDA AND ADJUSTED EBITDA

For the year ended December 31, 2025, EBITDA was $59.4 million or 13.2% of revenues compared to $53.5 million or 11.2% of revenues in the same period in 2024. For the year ended December 31, 2025, Adjusted EBITDA was $60.4 million or 13.4% of revenues after adjusting EBITDA for $0.9 million of restructuring costs and $0.018 million of net recovery FVTPL, compared to $63.9 million or 13.3% of revenues after adjusting EBITDA for acquisition costs and integration costs of $8.8 million, restructuring costs of $4.4 million and $0.3 million of net recovery FVTPL for the same period in 2024.

The increase in EBITDA and Adjusted EBITDA as a percentage of revenue for the year ended December 31, 2025 compared to the prior year in 2024, was primarily driven by lower SG&A expenses resulting from lower variable incentive compensation in 2025 and restructuring initiatives implemented in the prior year and absence of one-time integration related costs. While gross profit margins declined, a focus on controlling SG&A expenses helped mitigate the impact of lower revenues, resulting in higher EBITDA margins.

FINANCE COSTS

Finance costs include interest on debt outstanding under DCM's credit facilities, Interest on pension obligations, amortization of debt transaction costs, debt modification gain, amortization of asset retirement obligations, and interest expense on lease liabilities under IFRS 16.

For the year ended December 31, 2025, DCM incurred $20.0 million of finance costs compared to $22.0 million for the same period in 2024. The decline in finance cost was primarily due to lower interest expense on debt and pension obligations with lower prime interest rates on floating-rate debt, and a one-time debt modification gain of $0.8 million was recorded in the second quarter of 2025 in connection with the extension of DCM's credit facility.

INCOME TAXES

DCM reported income before income taxes of $11.4 million and a net income tax expense of $2.2 million for the year ended December 31, 2025 compared to income before income taxes of $5.2 million and net income tax expense of $1.7 million for the same period in 2024.

The deferred income tax expense was adjusted for any changes in estimates of future reversals of temporary differences.

NET INCOME

Net income for the year ended December 31, 2025 was $9.3 million compared to a net income of $3.6 million for the same period in 2024.

The increase in net income was primarily driven by the significant reduction in one-time restructuring, and acquisition and integration costs to $0.9 million in fiscal 2025 compared to $13.2 million in fiscal 2024. The decline in SG&A

expenses noted prior also contributed to the improvement in net income. These positive factors were partially offset by a decrease in gross profit.

ADJUSTED NET INCOME

Adjusted net income for the year ended December 31, 2025 was $9.9 million compared to $11.3 million for the same period in 2024. For a reconciliation of net income to Adjusted net income for the periods noted, see Table 6 above.

The decrease in Adjusted net income was primarily driven by the reduction in one-time restructuring, and acquisition and integration costs noted above, which were partially offset in fiscal 2024 by other income of $2.5 million and the positive tax effect on the adjustments of $2.6 million.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

DCM's strategic allocation of funds has been guided by a comprehensive approach encompassing various financial priorities. The primary focus areas for fund utilization have encompassed working capital needs, capital investments, business acquisitions, organic growth initiatives, payment of regular quarterly dividends and the repayment of outstanding indebtedness. DCM has funded these liquidity requirements primarily with cash generated from operating activities, funds drawn from its unused committed credit facilities, long-term debt and sales of its common shares. Additionally, the Company has supplemented its financial resources through the net proceeds derived from asset sales.

In assessing its ongoing liquidity requirements, DCM conducts a comprehensive analysis, considering its current cash position, anticipated cash inflows from operational activities, projected availability of funds from unused credit facilities, cash from investing activities such as sales of real estate acquired with the acquisition of MCC and of redundant assets, its dividend policy, access to the capital markets and expected reductions resulting from restructuring activities, as well as its ongoing cash needs for its existing operations, including capital investment plans.

DCM's working capital requirements consist primarily of the costs associated with manufacturing and delivering its products and services. These include expenditures related to wages, facility operations, payments to suppliers for raw materials, debt repayments, and other operational necessities. DCM's working capital requirements are primarily affected by the level of operating activities, including the length of the Company's operating cycles, printed products inventory turnover, and collection of accounts receivable.

DCM anticipates that a combination of cash reserves, future operational cash flows, and access to committed credit facilities will enable the Company to meet its projected operating requirements for the next 12 months. This includes generating adequate levels of working capital, funding expenditures related to its growth strategy, expenses related to ongoing restructuring initiatives (particularly related to severance payments), investments in productivity improvement initiatives, contributions to its pension plans, payment of income tax liabilities, financing of planned capital expenditures, fulfilling debt repayment obligations, and distributions related to its newly instituted dividend program.

To the extent required, the Company also believes it has access to credit and equity markets to fund additional capital needs.

DCM believes the following factors could adversely impact cash flows from operations, sources of liquidity and operational capabilities in the future: diminished demand for the Company's products and services, including, in particular, decreased demand for traditional business forms and print-related products; risk of cross-border tariffs on our supply chain and potential lower demand of our sales into the United States; labour disruption, or threats thereof, at certain of our clients; pricing pressures from both existing and new customers; competition; rising manufacturing, distribution and other operating costs, including increases in the costs of freight, paper, ink, and other raw material inputs used by DCM in the conduct of its business, including as a result of continued inflationary pressures, tariffs, and higher wages; other supply chain disruptions unrelated to tariffs; seasonal variations in customer spending; higher wage costs; and future additional restructuring expenses should they be required.

CREDIT AGREEMENTS

BANK FACILITIES

DCM has established a revolving credit facility (the "Bank Credit Facility") pursuant to a third amended and restated credit agreement (the "Bank Credit Agreement") with a Canadian chartered bank (the "Bank"). Under the terms of the amended Bank Credit Agreement, the maximum principal amount available under the Bank Credit Facility is $90.0 million. The Bank Credit Facility also includes an "accordion" feature, which can provide up to an additional $20 million of capacity under the revolving facility. The Bank Credit Facility matures on May 30, 2028. DCM entered into the fourth amendment to its Bank Credit Agreement, extending the Bank Credit Facility maturity date to May 30, 2028 from May 31, 2026 on May 30, 2025. As a result of the amendment, a debt discount gain was recorded of $0.8 million in the consolidated statements of operations. This facility is available to DCM in the form of a Loan Facility (Revolving Facility and/or Term Facility), a Hedging Facility, a Leasing Facility and a MasterCard Facility.

The Revolving Facility is available to be drawn by way of either Prime Rate loans, Base Rate loans, Canadian Overnight Repo Rate Average (CORRA) loans, Secured Overnight Financing Rate (SOFR) loans, and/or Letters of Credit.

Prime rate loans charge interest based on the Canadian prime rate plus a margin whereby the prime rate is the greater of the Bank's published reference rate on Canadian Dollar denominated commercial loans and the adjusted Term CORRA for a period of one month plus 100 basis points per annum. Currently, advances under the Bank Credit Facility may not, at any time, exceed the lesser of $90.0 million and a fixed percentage of DCM's aggregate accounts receivable and inventory (less certain amounts). Advances under the Bank Credit Facility of $1.3 million as at December 31, 2025 are currently subject to floating interest rates based upon the Canadian prime rate plus an applicable margin of 1.00% for a total interest rate of 5.70% as at December 31, 2025.

Base Rate loans is interest charged on US dollar denominated loans at the greater of the Bank's published reference rate on the US dollar denominated commercial loans and the Federal Reserve rate plus applicable margin. SOFR loans is the secured overnight financing rate published by the Federal Reserve Bank of New York on the next succeeding Business Day. DCM has a discretion of availing CORRA loan advances under the Loan Facility for 1, 2 and 3 month terms ("CORRA loan").

As at December 31, 2025, DCM had $35.0 million advances under CORRA loans, but no advances under SOFR and Base Rate loans. As at December 31, 2025, four advances were made under the CORRA loan for an amount of $8.0 million ("CORRA Loan I"), $4.0 million ("CORRA Loan II), $11.0 million ("CORRA Loan IV"), and $12.0 million ("CORRA Loan V"). The applicable CORRA loan interest rate on these terms is calculated as the adjusted Term CORRA rate plus an applicable margin for total interest rate of 5.32%, 5.30%, 5.33% and 5.32%, respectively.

In April 2024, DCM signed an Interim Funding Agreement (“IFA”) with the Bank using the available Leasing Facility (Bank Leasing Facility) to finance certain equipment purchases. According to the terms of the credit agreement, the maximum principal amount available under the IFA is $8.2 million, with the facility expiring on February 28, 2025 (amended from the original expiration date of October 10, 2024 and amended expiration of January 2, 2025). The interest fee on the IFA is charged based on one-month forward looking term rate based on the CORRA published on such determination date, plus a margin of 3.75%. During 2025, the IFA was fully repaid to fund the $8.4 million in installment payments for equipment. These payments are recorded as other non-current assets on the consolidated statement of financial position, prior to being transferred to right-of-use assets as the equipment was sold to, and leased back from the Bank upon completion of installation. As at December 31, 2025, the balance was nil (December 31, 2024 - $5,426 included in other non-current assets) as all leases were formalized and transferred to right-of-use assets.

During the third and fourth quarters of 2024, DCM completed two sale and leaseback transactions for various equipment with the Bank under the Bank Leasing Facility for total proceeds of $2.9 million. In conjunction with these transactions, DCM entered into two Amendments to the Interim Funding Agreement ("Amended IFA") to reduce the maximum principal amount available under the IFA from $8.2 million to $6.6 million to reflect the first completed sale and leaseback transaction, and from $6.6 million to $5.3 million to reflect the second completed sale and leaseback transaction.

During the first quarter of 2025, DCM entered into the third and fourth, and final, sale and leaseback transactions with the Bank under the Bank Leasing Facility for total proceeds of $5.6 million.

In January 2024, DCM completed a sale and leaseback for its Trenton, Ontario manufacturing facility for net proceeds of $8.5 million (after deducting rent deposits paid), which were applied towards paying down the Bank Credit Facility.

As at December 31, 2025, DCM had access to $14.0 million of available credit under the New Bank Credit Facility and had cash and cash equivalents, of $1.9 million as shown on the consolidated statement of financial position as at December 31, 2025. The bank overdraft balance of $0.9 million as at December 31, 2024 represents outstanding cheques net of deposits which when cashed would increase the borrowing under the Bank Credit Facility.

OTHER LEASING FACILITIES

During the fourth quarter of 2024, DCM entered into a Progress Funding Term ("PFT") with a leasing company to finance additional equipment purchases. According to the terms of the Master Lease Agreement, the maximum principal amount available under the PFT is $3.0 million, with the facility expiring upon lease commencement. During the fourth quarter of 2024 and the first quarter of 2025, a total of $1.1 million was drawn against the $3,000 facility to fund the equipment payments made in advance by DCM. These payments were previously recorded as other non-current assets and were transferred to right-of-use assets in the consolidated statement of financial position as at December 31, 2025, upon commencement of the sale and leaseback arrangement.

FPD FACILITIES

DCM has two amortizing term loan facilities (the “FPD VI Credit Facilities”) with Fiera Private Debt VI L.P. (“FPD VI”), which is a fund managed by Fiera Private Debt Fund GP Inc. (“FPD”) pursuant to an amended and restated credit agreement dated as of April 24, 2023 (the “FPD Credit Agreement”). On October 22, 2024 a second amended and restated credit agreement was entered into to align certain financial covenants on the term loans with those on the Bank revolving facility. The amended covenants are reflected in the table below. On July 17, 2025, a third amended and restated credit agreement was entered into to update certain definitions and incorporate qualitative changes, with no impact to the financial terms of the FPD Facilities.

COVENANT REQUIREMENTS

Each of the Bank Credit Agreement and the FPD Credit Agreement contains customary representations and warranties, certain financial covenant requirements (see below), as well as certain restrictive covenants which limit the discretion of the Board and management with respect to certain business matters, including the declaration or payment of dividends on the common shares of DCM without the consent of the Bank and FPD VI, as applicable.

Borrowings subject to financial covenants	Financial Covenant	Frequency Tested	Ratios to be compliant	Ratios at December 31, 2025
Term loans	Total Funded Debt to Adjusted EBITDA	Quarterly	From December 31, 2024 to December 30, 2025 < 3.50 : 1.00 From December 31, 2025 to loan maturity < 2.75 : 1:00	1.98 : 1.00
	Fixed charge coverage ratio	Quarterly	From December 31, 2024 to loan maturity > 1.10 : 1.00	1.70 : 1.00
	Working capital ratio	Quarterly	At all times > 1.10 : 1.00	1.97 : 1.00
Revolving facility	Fixed charge coverage ratio	Monthly	At all times > 1.10 : 1.00	1.70 : 1.00
	Capital expenditures	Annually	Less than 120% of annual budgeted capital expenditures	75 %

For purposes of the Bank Credit Agreement and the FPD Credit Agreement, “EBITDA” means net income or net loss for the relevant period, calculated on a consolidated basis, plus amounts deducted, or minus amounts added, in calculating net income or net loss in respect of: (a) the aggregate expense incurred for interest on debt and other costs of obtaining credit; (b) income taxes, whether or not deferred; (c) depreciation and amortization; non-cash expenses resulting from employee or management compensation, including the grant of stock options or restricted options to employees; any gain or loss attributable to the sale, conversion or other disposition of property out of the ordinary course of business; interest or dividend income; foreign exchange gain or loss; gains resulting from the write up of property and losses resulting from the write-down of property (except allowances for doubtful accounts receivable and non-cash reserves for obsolete inventory); any gain or loss on the repurchase or redemption of any securities (including in connection with the early retirement or defeasance of any debt); goodwill and other intangible asset write-downs; lease payments to convert on a pre-IFRS 16 basis; and any other extraordinary, nonrecurring or unusual items such as restructuring costs (as agreed to by the lender) provided the amounts added back pursuant to clause (c) above in respect of cash expenses (other than acquisition, integration and restructuring costs related to the April 2023 MCC acquisition) are capped at 15% of unadjusted EBITDA. The pro forma financial results from any acquisitions completed by DCM during a given year are included on a trailing twelve month basis effective as of the closing date of the acquisitions for the purposes of DCM’s covenant calculations.

As of December 31, 2025, DCM was in compliance with all its financial covenants.

The continued ability to comply with financial covenants under the Company’s credit facilities for at least the next twelve months is contingent on management’s ability to meet budgeted revenue, profitability and working capital targets. The estimate of future cash flows in the Company’s 2026 budget and forecasts through to March 31, 2027 include a number of key assumptions to support the financial covenant calculations, specifically related to forecast revenues and gross margins (which in turn impact EBITDA). Management are satisfied that the Company’s forecasts and projections, taking account of reasonably possible changes in results and other uncertainties, will not result in any breach of the financial covenants on its credit facilities within the next fifteen months.

A failure by DCM to comply with its obligations under the Bank Credit Agreement or the FPD Credit Agreement, together with certain other events, including a change of control of DCM and a change in DCM's Chief Executive Officer ("CEO"), President or Chief Financial Officer ("CFO") (unless a replacement officer acceptable to FPD, acting reasonably, is appointed within 60 days of the effective date of such officer's resignation), could result in an event of default which, if not cured or waived, would result in the interest rate on borrowings increasing by 2% while in default and could result in the indebtedness outstanding becoming immediately due and payable under each of those agreements if called by the lenders.

INTER-CREDITOR AGREEMENT

DCM's obligations under the Bank Credit Facility, and the FPD VI Credit Facilities are secured by conventional security charging all the property and assets of DCM and its subsidiaries. DCM has entered into an inter-creditor agreement between the Bank and FPD VI which, among other things, establishes the rights and priorities of the respective liens of the Bank and FPD VI on the present and after-acquired property of DCM and its subsidiaries.

The movement in credit facilities during the years ended December 31, 2025 and 2024 are as follows:

(in thousands of Canadian dollars, except share and per share amounts, unaudited)		**December 31, 2025**		December 31, 2024
Balance - Beginning of year, net of transaction costs and debt premiums and discounts	**$**	**83,690**	$	100,251
Changes from financing cash flows				
Proceeds from credit facilities	**$**	**69,733**		50,962
Repayment of credit facilities		**(75,409)**		(68,083)
Transaction costs		**(419)**		—
Total change from financing cash flows		**(6,095)**		(17,121)
Non-cash movements				
Amortization of transaction costs		**493**		560
Debt modification gain		**(762)**		—
Balance - End of year, net of transaction costs and debt premiums and discounts	**$**	**77,326**	$	83,690

The scheduled principal repayments on the long-term debt are as follows:

2025		—
2026		11,856
2027		7,144
2028 (1)		60,068
	$	**79,068**

(1) Includes the December 31, 2025 balance of $36.3 million floating rate debt of the Bank Credit Facility, maturing on May 30, 2028

CASH FLOW FROM OPERATIONS

During the year ended December 31, 2025, cash flows generated by operating activities were $25.1 million compared to cash flows generated by operating activities of $24.7 million during the same period in 2024. The current period cash flow from operations, before adjusting for changes in working capital, generated a total of $30.7 million compared with $21.0 million during the same period in 2024. The increase in the current period cash flow from operations was primarily related to higher levels of net income, lower provisions paid, and lower income taxes paid, offset by higher uses of working capital.

Changes in working capital during the year ended December 31, 2025 used $5.7 million in cash compared to $3.7 million of cash generated in the prior year. During the year ended December 31, 2025, DCM had a cash outflow of $16.1 million resulting from a decrease in trade and accrued liabilities compared to an outflow of $15.5 million for the same period in 2024. This was partially offset by a cash inflow resulting from a decrease in trade receivables of $7.7 million compared to a cash inflow of $14.6 million for the same period in 2024, and a cash inflow of $4.6 million resulting in a decrease in inventory compared to an inflow of $5.0 million for the same period in 2024. These movements were primarily due to better accounts receivable collections and better inventory management, resulting in lower accounts receivable and inventory levels as of December 31, 2025.

INVESTING ACTIVITIES

For the year ended December 31, 2025, $2.2 million cash inflow was generated for investing activities compared with cash outflow $10.1 million used during the same period in 2024. The higher cash outflows in 2024 were specifically due to the $9.4 million of deposits paid for leased equipment, investments of $12.3 million in property, plant and equipment, netted by the $11.5 million of proceeds on sale and lease back transactions of equipment ($8.5 million from the sale and leaseback of the Trenton property and $3.0 million from the sale and leaseback of new equipment purchases).

FINANCING ACTIVITIES

For the year ended December 31, 2025, the cash flow used by financing activities was $32.0 million compared with $25.6 million used during the same period in 2024. In total, DCM borrowed $69.7 million under its Credit Facilities, and repaid $75.4 million of outstanding debt, of which $60.0 million related to repayments on the Bank Credit Facility and $8.7 million related to repayments on the FPD facilities, resulting in a decrease in the net change in Credit facilities in 2025. During the same period in 2024, DCM borrowed $51.0 million under its Credit Facilities and repaid $68.1 million of outstanding debt.

The decrease in the net change in the Credit facilities was offset by $16.6 million in dividends declared and paid during 2025. The slight reduction in lease principal payments from $7.8 million in 2024 to $7.5 million in 2025 was primarily due to a lease modification.

Additionally, $1.0 million, including transaction costs, was paid in connection with the Company's normal course issuer bid, which commenced in the second and third quarters of 2025. Furthermore, transaction costs of $0.4 million were also incurred for the extension of the Credit Facility in 2025.

OUTSTANDING SHARE DATA

At March 11, 2026, and December 31, 2025, there were 54,962,612 and 55,060,612 common shares of DCM outstanding, respectively. At December 31, 2024, there were 55,308,951 common shares of the Company outstanding.

At March 11, 2026 and December 31, 2025, there were options outstanding to purchase up to 3,168,600 common shares of the Company. At December 31, 2024, there were options outstanding to purchase up to 4,223,800 common shares of the Company.

No warrants were outstanding at March 11, 2026 and December 31, 2025. At December 31, 2024, there were warrants outstanding to purchase up to 261,216 common shares of the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

DCM’s financial instruments consist of cash, trade receivables, bank overdraft, trade payables and accrued liabilities, credit facilities, and lease liabilities. All of DCM's financial instruments are non-derivative in nature and DCM does not enter into financial instruments for trading or speculative purposes.

FAIR VALUE

DCM's non-derivative financial instruments are comprised of cash, trade receivables, bank overdraft, trade payables and accrued liabilities, credit facilities, and lease liabilities. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Non-derivative financial instruments at fair value through the profit and loss include restricted share units and director share units, which are recorded as a liability at fair value on the grant date and are subsequently adjusted for changes in the price of DCM's common shares through the consolidated statements of operations.

The fair value for other non-derivative financial instruments such as cash, trade receivables, bank overdraft, trade payables and accrued liabilities approximates their carrying value because of the short-term maturity of these instruments. Credit facilities are initially recognized at the discounted present value of the amounts required to be paid to derive their fair value and are then measured at amortized costs using the effective interest method. The fair values are not materially different from their carrying amounts since the interest payable on these borrowings is close to market rates.

CREDIT RISK

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subjected DCM to credit risk consisted of cash and trade receivables.

DCM grants credit to customers in the normal course of business. DCM typically does not require collateral or other security from customers; however, credit evaluations are performed prior to the initial granting of credit terms when warranted and periodically thereafter. Normal credit terms for amounts due from customers call for payment within 0 to 60 days.

DCM has trade receivables from clients engaged in various industries, including financial institutions, insurance, healthcare, lottery and gaming, retailing, not-for-profit, energy and governmental agencies that are not concentrated in any specific geographic area. DCM does not believe that any single industry or geographic region represents significant credit risk. DCM's large client base mitigates credit risk concentration with respect to trade receivables.

To measure the estimated credit losses ("ECL"), trade receivables, including unbilled receivables, have been grouped based on similar credit risk characteristics, past due status and other relevant factors. The expected default rates are calculated based on management's estimate as well as historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on economic factors affecting the ability of the customers to settle the trade receivable.

On that basis, the loss allowance as at December 31, 2025 was determined using default rates under the provision matrix for an amount of $1.3 million (2024 – $1.5 million), of which $0.8 million (2024 – $0.8 million) relates to unbilled receivables.

The following default rates are used to calculate the ECLs on billed receivables as at December 31, 2025 and December 31, 2024, respectively:

December 31, 2025 (in thousands of Canadian dollars, except percentage amounts)	**Total**	**Current period**	**Over 30 days**	***Over 60 days***	**Over 90 days**
Default rates		0.17%	0.28%	0.47%	21.51%
Billed receivables balance	**$61,555**	$38,630	$17,233	$3,865	$1,827
Billed receivables ECL	**$524**	$65	$48	$18	$393

December 31, 2024 (in thousands of Canadian dollars, except percentage amounts)	**Total**	**Current period**	**Over 30 days**	***Over 60 days***	**Over 90 days**
Default rates		0.14%	0.20%	0.32%	14.30%
Billed receivables balance	$67,911	$38,644	$16,910	$8,344	$4,013
Billed receivables ECL	$689	$54	$34	$27	$574

The following default rates are used to calculate the ECLs on unbilled receivables as at December 31, 2025 and December 31, 2024, respectively:

December 31, 2025 (in thousands of Canadian dollars, except percentage amounts)	**Total**	**Less than 30 days**	**Over 30 days**	**Over 60 days**	**Over 90 days**
Unbilled receivables		0.50%	0.83%	0.68%	4.86%
Unbilled receivables balance	**$35,494**	15,517	3,720	2,795	13,462
Unbilled receivables ECL	**$781**	$77	$31	$19	$654

December 31, 2024 (in thousands of Canadian dollars, except percentage amounts)	**Total**	**Current period**	**Over 30 days**	**Over 60 days**	**Over 90 days**
Default rates		0.46%	0.66%	1.06%	4.66%
Unbilled receivables balance	$36,991	13,805	6,250	3,493	13,443
Unbilled receivables ECL	$768	$64	$41	$37	$626

At the end of each reporting period, management reassesses the default rates. Default rates are applied to the billed and unbilled receivable balances to calculate the credit default reserve. Management assesses the adequacy of this reserve quarterly, taking into account historical experience, current collection trends, the age of receivables and, when warranted and available, the financial condition of specific counterparties. When collection efforts have been reasonably exhausted, specific balances are written off. As at December 31, 2025 the Company has $1.8 million (3%) of its billed receivables that are over 90 days old (2024 - $4.0 million or 6%). The decrease in billed receivables is primarily due to improved collection efforts throughout the year.

Judgment by management is required to determine both (a) the revenue and billed receivables to be recognized, where price concessions may need to be given to encourage customers to settle older amounts promptly as a result of billing issues under IFRS 15 (as revenue can only be recognized to the extent that it is highly probable that a significant reversal in the amount of revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved), and (b) ECL provisions required under IFRS 9 to reflect impairments of its trade receivables as a result of customers inability to settle the billed receivables.

LIQUIDITY RISK

In assessing DCM's liquidity requirements, DCM takes into account its level of cash, together with currently projected cash to be provided by operating activities, cash available from its unused credit facilities, cash from investing activities such as sales of redundant assets, access to the capital markets and anticipated reductions in operating costs projected to result from existing restructuring activities, as well as its ongoing cash needs for its existing operations.

Liquidity risk is the risk that DCM may encounter difficulties in meeting obligations associated with financial liabilities as they become due. In assessing DCM's liquidity requirements, DCM believes that the currently projected cash flow from operations, cash available from its unused credit facilities, cash from investing activities such as sales of redundant assets, access to the capital markets and anticipated reductions in operating costs projected to result from existing restructuring activities, as well as its ongoing cash needs for its existing operations will be sufficient to fund its currently projected operating requirements, including expenditures related to its growth strategy, payments associated with provisions as a result of on-going productivity improvement initiatives, payment of income tax liabilities, contributions to its pension plans, maintenance or investment in new capital expenditures, and interest and scheduled repayments of borrowings under its credit facilities. DCM continues to assess liquidity using contractual undiscounted cash flow analyses, expected timing of financial liabilities, and updated disclosure expectations under IFRS for 2025, particularly with respect to presenting liquidity risk exposures and maturity analysis. These assessments incorporate management's judgment regarding the availability of external funding sources and the impact of market conditions on refinancing risk and future borrowing capacity. See "Contractual obligations" section below, which contains additional information on the contractual undiscounted cash flows of DCM's significant financial liabilities and the future commitments of the Company.

The continued ability to comply with financial covenants on the Company's credit facilities for at least the next twelve months is contingent on management's ability to meet budgeted revenue, profitability and working capital targets. The estimate of future cash flows in the Company's 2026 budget include a number of key assumptions to support the financial covenant projections, specifically related to forecast revenues and gross margins (which in turn impact earnings before interest, income taxes, depreciation and amortization (EBITDA)). Management has assessed these forecasts, including reasonably possible changes in results and macroeconomic uncertainties, and is satisfied that the Company's projections to March 31, 2027, taking account of reasonably possible changes in results and other uncertainties, will not result in any breach of the financial covenants on its credit facilities within the next year. As a result, the Company has concluded that it will have adequate access to liquidity to satisfy its obligations within the next fifteen months.

There can be no assurances that DCM will be successful in meeting its financial covenants for at least the next twelve months or that future waivers will be provided by the lenders if the covenants are not met.

MARKET RISK

INTEREST RATE RISK

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the financial instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities. DCM's interest rate risk arises from credit facilities issuances at floating interest rates.

At December 31, 2025, $36.3 million of DCM's indebtedness outstanding was subject to floating interest rates; a 1% increase/decrease in interest rates would have resulted in an increase/decrease in the loss by $0.4 million for the year ended December 31, 2025 (2024 – $0.3 million), respectively. At December 31, 2025, $42.8 million was subject to a fixed interest rate.

CURRENCY RISK

Currency risk is the risk that the fair value of future cash flows arising from a financial instrument will fluctuate because of changes in foreign currency exchange rates. In the normal course of business, DCM does not have significant foreign exchange transactions, and accordingly, the amounts and currency risk are not expected to have an adverse material impact on the operations of DCM. Management considers the currency risk to be low and does not hedge its currency risk; therefore, sensitivity analysis is not presented.

CONTRACTUAL OBLIGATIONS

DCM believes it will have sufficient resources from its operating cash flow, existing cash resources and borrowing under available credit facilities to meet its projected contractual obligations as they become due. Contractual obligations have been defined as contractual commitments in existence but not paid for as at December 31, 2025.

Short-term commitments such as month-to-month office leases, which are easily cancelled, are excluded from this definition.

DCM believes that its existing cash resources and projected cash flows from operations will be sufficient to fund its currently projected operating requirements and that it will continue to remain compliant with its covenants and other obligations under its credit facilities.

TABLE 8 The following table sets out DCM's significant contractual obligations and commitments as of December 31, 2025.

(in thousands of Canadian dollars, unaudited)		**Total**		**Less than a year**		**1 to 3 years**		**4 to 5 years**		**5 years and greater**
Pension funding contributions [(1)]	**$**	**18,115**		**1,228**		**6,682**		**2,192**		**8,013**
Lease liabilities	**$**	**280,759**		**24,016**		**71,737**		**18,220**		**166,786**
Termination (Severance) Obligations	**$**	**2,565**		**2,350**		**215**		**—**		**—**
Long-term debt [(2)]	**$**	**79,068**		**11,856**		**7,144**		**60,068**		**—**
Total	**$**	**380,507**	**$**	**39,450**	**$**	**85,778**	**$**	**80,480**	**$**	**174,799**

(1) DCM is required under applicable pension legislation to make monthly, annual and/or one-time cash contributions to its defined benefit pension plans to fund current or future funding deficiencies which may emerge in the defined benefit provision of those plans. See "Liquidity and capital resources – Pension funding obligations" above. The table above includes amounts payable under DCM's SERP plans. DCM's obligations under the SERPs consist of benefits payable as a single life annuity with a five to fifteen year guarantee. The duration of these payments is dependent on the length of each participant's life and, in certain cases, that of their designated beneficiary, and their age in any given year.

(2) Credit facilities as at December 31, 2025 subject to floating interest rates consisting of the Bank Credit Facility, expiring on May 30, 2028. As at December 31, 2025, the outstanding balances on the Bank Credit Facility totaled $1.3 million and bore interest at a floating rate of 5.70%; CORRA loan I totaled $8.0 million and bore interest of 5.32%; CORRA Loan II totaled $4.0 million and bore interest of 5.30%; CORRA Loan IV totaled $11.0 million and bore interest of 5.33%; and CORRA Loan V totaled $12.0 million and bore interest of 5.32%. The amounts at December 31, 2025 include estimated interest totaling $1.9 million for 2026; $1.9 million for 2027; and $0.8 million for 2028. Credit facilities at December 31, 2025 subject to fixed interest rates consisting of the FPD VI Credit Facility, expiring on December 17, 2026 and the FPD VI New Credit Facility expiring on April 21, 2028. As at December 31, 2025, the outstanding balances totaled $42.8 million, of which $4.7 million bore interest at a fixed rate of 5.95% and $38.1 million bore interest at a fixed rate of 8.08% per annum. The amounts at December 31, 2025 include estimated interest totaling $3.1 million for 2026, $3.1 million for 2026, $2.3 million for 2027 and $0.9 million for 2028.

The principal factors that caused DCM's significant contractual obligations and commitments to decline at December 31, 2025 compared to 2024 are as follows:

- Long-term debt decreased considerably, mainly due to the repayment of fixed term debt repayments.
- Termination obligations declined following payments of severance provisions due to restructuring initiatives related to post-merger integration initiatives following the MCC acquisition in 2023.
- A reduction in pension funding obligations due to a reduction in the estimated funding requirements for the solvency deficiency of the Moore Canada Corporation Pension Plan.

- Contractual obligations from lease liabilities increased due to certain facility lease extensions signed during the year, as well as equipment leases entered into during the year related to accelerated investment in new state-of-the-art capital equipment.
- Although lease obligations grew, the overall reduction in long-term debt and severance obligations resulted in a modest net decrease in total contractual obligations for 2025.

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2025, there were regular inter-company activities between DCM and its subsidiaries during the normal course of business. These transactions and balances are eliminated in DCM's consolidated financial statements. Related parties are defined as individuals who can influence the direction or management of DCM or any of its subsidiaries and therefore, the directors and officers of DCM's subsidiaries are considered related parties.

On March 15, 2018, DCM entered into a loan agreement with a key member of management, of $0.1 million to finance the purchase of common shares of the Company. Initially set to expire on March 15, 2023, the loan term was subsequently extended by an additional three years. Interest accrues at a floating interest rate based upon the Canadian prime rate plus an applicable margin of 1.00% for a total interest rate of 5.95% as at December 31, 2025 on the unpaid balance of the loan. The loan is unsecured and repayable upon maturity. At December 31, 2025, the balance owing on the loan was $0.1 million.

COMPENSATION OF KEY MANAGEMENT

Key management personnel are deemed to be Directors on DCM's Board, the CEO, the CFO and other members of the senior executive team.

TABLE 9 The following table sets out DCM's compensation awarded to key management personnel, excluding compensation awarded to Directors as of December 31, 2025.

(in thousands of Canadian dollars, unaudited)		**For the year ended December 31, 2025**		For the year ended December 31, 2024
Salaries and other short-term employee benefits	**$**	**2,036**	$	2,858
Post-employment benefits		**45**		13
Share-based compensation expense		**285**		821
Total	**$**	**2,366**	$	3,692

For the year ended December 31, 2025, DCM recorded share-based compensation awards expense of $0.3 million, a decrease of $0.5 million or 65% compared with the same period in 2024. For the year ended December 31, 2025, DCM granted 466,355 RSUs to key management personnel (excluding compensation awarded to Directors) compared to 172,073 RSUs granted in 2024. Additionally, there were no options granted to key management personnel (excluding compensation awarded to Directors) to purchase common shares of the Company this year and last year.

Operating results for the fourth quarter of 2025, 2024 and 2023

TABLE 10 The following table sets out selected consolidated quarterly financial information for the periods noted.

(in thousands of Canadian dollars, except share and per share amounts, unaudited)	**October 1 to December 31, 2025**	October 1 to December 31, 2024	October 1 to December 31, 2023
Revenues	**$ 107,518**	$ 116,225	$ 129,964
Cost of revenues	**82,233**	85,812	97,204
Gross profit	**25,285**	30,413	32,760
Selling, general and administration expenses	**18,210**	19,657	24,030
Research and development expenses	**1,152**	1,075	1,270
Restructuring expenses	**622**	1,032	10,570
Acquisition and integration costs	**—**	6,170	704
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	**1,205**	(2,194)	(956)
Other gains	**—**	(2,500)	—
	21,189	23,240	35,618
Income (loss) before finance costs and income taxes	**4,096**	7,173	(2,858)
Finance costs			
Interest expense, net	**4,982**	5,291	5,667
Debt modification loss	**105**	—	—
Amortization of transaction costs	**111**	140	137
	5,198	5,431	5,804
(Loss) income before income taxes	**(1,102)**	1,742	(8,662)
Income tax expense (recovery)			
Current	**426**	333	367
Deferred	**(894)**	710	(2,671)
	(468)	1,043	(2,304)
Net (loss) income for the period	**$ (634)**	$ 699	$ (6,358)
Basic (loss) earnings per share	**(0.01)**	0.01	(0.12)
Diluted (loss) earnings per share	**(0.01)**	0.01	(0.12)
Weighted average number of common shares outstanding, basic	**55,037,637**	55,308,952	55,022,883
Weighted average number of common shares outstanding, diluted	**56,429,403**	57,481,819	55,022,883

TABLE 11 The following table provides reconciliations of net income to EBITDA and of net income to Adjusted EBITDA for the periods noted. See “Non-IFRS Accounting Standards Measures” section above for more details.

EBITDA and Adjusted EBITDA reconciliation

(in thousands of Canadian dollars, unaudited)	**October 1 to December 31, 2025**	October 1 to December 31, 2024	October 1 to December 31, 2023
Net income (loss) for the period	**$ (634)**	$ 699	$ (6,358)
Interest expense, net	**4,982**	5,291	5,667
Amortization of transaction costs	**111**	140	137
Current income tax expense	**426**	333	367
Deferred income tax expense (recovery)	**(894)**	710	(2,671)
Depreciation of property, plant and equipment	**1,730**	1,062	2,058
Amortization of intangible assets	**305**	495	829
Depreciation of the ROU Asset	**4,937**	4,550	4,665
EBITDA	**$ 10,963**	$ 13,280	$ 4,694
Acquisition and integration costs	**—**	6,170	704
Restructuring expenses	**622**	1,032	10,570
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	**1,205**	(2,194)	(956)
Other gains	**—**	(2,500)	—
Adjusted EBITDA	**$ 12,790**	$ 15,788	$ 15,012

TABLE 12 The following table provides reconciliations of net income (loss) to Adjusted net income (loss). See "Non-IFRS Accounting Standards Measures" section above for more details.

Adjusted net income (loss) reconciliation

(in thousands of Canadian dollars, unaudited)	**October 1 to December 31, 2025**	October 1 to December 31, 2024	October 1 to December 31, 2023
Net income (loss) for the period	**$ (634)**	$ 699	$ (6,358)
Acquisition and integration costs	**—**	6,170	704
Restructuring expenses	**622**	1,032	10,570
Net fair value (gains) losses on financial liabilities at fair value through profit or loss	**1,205**	(2,194)	(956)
Other gains	**—**	(2,500)	—
Tax effect of the above adjustments	**(464)**	(633)	(2,598)
Adjusted net income (loss)	**$ 729**	$ 2,574	$ 1,362
Adjusted net income per share, basic	**$ 0.01**	$ 0.05	$ 0.02
Adjusted net income per share, diluted	**$ 0.01**	$ 0.04	$ 0.02
Weighted average number of common shares outstanding, basic	**55,037,637**	55,308,952	55,022,883
Weighted average number of common shares outstanding, diluted	**56,429,403**	57,481,819	55,022,883

REVENUES

For the quarter ended December 31, 2025, DCM recorded revenues of $107.5 million, a decrease of $8.7 million or 7.5% compared with the same period in 2024. The decrease in revenues was primarily driven by reduced order activity from several large enterprise clients, ongoing uncertainty related to the Canada Post labour situation, and continued uncertainty surrounding potential cross-border tariffs, which negatively affected overall business confidence.

COST OF REVENUES AND GROSS PROFIT

For the quarter ended December 31, 2025, DCM recorded cost of revenues of $82.2 million, a decrease of $3.6 million or 4.2% from $85.8 million for the same period in 2024. Gross profit for the quarter ended December 31, 2025 was $25.3 million, a decrease of $5.1 million or 16.9% from $30.4 million for the same period in 2024. Gross profit as a percentage of revenues for the quarter ended December 31, 2025 was 23.5%, a decrease from the prior period of 26.2%.

The decrease in cost of revenues for the quarter ended December 31, 2025 compared to the same period of 2024 was primarily related to the lower revenues in those periods. Wages and benefits were positively impacted by the closure of the Company's Trenton, Ontario and Fergus, Ontario plants completed in 2024, reduced direct and indirect staffing levels generally following restructuring initiatives completed in 2024, and production shift optimization initiatives and were partially offset by increase in average wages and benefits. Cost of direct supplies and inks declined due to lower production volumes, paper costs also declined with lower volumes but increased as a percentage of sales due to several large paper-intensive projects at certain of the Company's manufacturing plants. Other miscellaneous manufacturing expenses improved, reflecting cost reclassifications and continued efficiency gains from prior-year restructuring and plant consolidation initiatives.

Gross profit as a percentage of revenues for the quarter ended December 31, 2025 decreased compared to the same period in 2024. The decline was primarily driven by lower revenues combined with the impact of fixed overhead costs and higher raw material prices, resulting in lower absorption of fixed overhead costs, and as a result, lower gross profit margins.

SELLING, GENERAL AND ADMINISTRATION EXPENSES

SG&A expenses for the quarter ended December 31, 2025 were $18.2 million or 16.9% of total revenues, decrease of $1.4 million or 7.4%, from $19.7 million, or 16.9% of total revenues, in the same period in 2024. The decrease in SG&A expenses and SG&A for the quarter ended December 31, 2025 was primarily driven by a reduction in consulting, audit and legal fees.

RESEARCH AND DEVELOPMENT EXPENSES

R&D expenses for the quarter ended December 31, 2025 were $1.2 million compared to $1.1 million, a decrease of $0.1 million or 7.2% of total revenues, in the same period in 2024. The change in R&D expenses was mainly due to higher expenses related to contentcloud.ai and remained generally consistent with the prior period.

ACQUISITION COSTS AND INTEGRATION COSTS

DCM did not incur any acquisition and integration costs for the quarter ended December 31, 2025. In comparison, DCM incurred $6.2 million for the quarter ended December 31, 2024, related to one-time, non-recurring acquisition costs and integration costs associated primarily with the MCC acquisition, and to a lesser extent, the Zavy acquisition, which was completed in 2024.

RESTRUCTURING EXPENSES

For the quarter ended December 31, 2025, DCM incurred restructuring expenses of $0.6 million compared to $1.0 million in the same period in 2024. The slight increase in restructuring expenses related to headcount reductions in select areas as part of DCM's efforts to refine and finalize the integration. These actions represent the tail end of our broader restructuring plan aimed at aligning our organizational structure and optimizing our operational footprint following the MCC acquisition.

NET FAIR VALUE (GAINS) LOSSES ON FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

The trading price of our common shares increased by 20.6% for the quarter ended December 31, 2025, from $1.36 on October 1, 2025 to $1.64 as of December 31, 2025. As a result, we recognized a loss of $1.2 million for the quarter ended December 31, 2025, compared to a gain of $2.2 million for the same period in 2024, where the share price decreased by 29.2% for the quarter ended December 31, 2024, from $2.70 on October 1, 2024 to $2.09 as of December 31, 2024. DCM recorded these non-cash accruals for mark-to-market adjustments and the normal vesting expense for outstanding long-term incentive compensation in the form of RSUs and DSUs.

EBITDA AND ADJUSTED EBITDA

For the quarter ended December 31, 2025, EBITDA was $11.0 million or 10.2% of revenues compared to $13.3 million or 11.4% of revenues in the same period in 2024. For the quarter ended December 31, 2025, Adjusted EBITDA was $12.8 million or 11.9% of revenues after adjusting EBITDA for $0.6 million in restructuring costs, and $1.2 million loss in net FVTPL compared to $15.8 million or 13.6% of revenues after adjusting EBITDA for $6.2 million in acquisition and integration costs, $1.0 million in restructuring costs, $2.5 million in other gains and $2.2 million gain in net FVTPL.

The decrease in EBITDA and Adjusted EBITDA for the quarter ended December 31, 2025 compared to the period in 2023 was primarily driven by decreased in overall revenues and gross profit, partially offset by lower SG&A.

FINANCE COSTS

Finance costs include interest on debt outstanding under DCM's credit facilities, interest on pension obligations, amortization of debt transaction costs, debt modification gain, amortization of asset retirement obligations, and interest expense on lease liabilities under IFRS 16. For the quarter ended December 31, 2025, finance costs were $5.2 million compared to $5.4 million for the same period in 2024. Interest expense for the quarter ended December 31, 2025 decreased compared to the same period in 2024, primarily due to a lower prime interest rate on floating-rate debt.

INCOME TAXES

DCM reported a loss before income taxes of $1.1 million and a net income tax recovery of $0.5 million for the quarter ended December 31, 2025 compared to income before income taxes of $1.7 million and a net income tax expense of $1.0 million for the quarter ended December 31, 2024.

NET INCOME (LOSS)

The net loss for the quarter ended December 31, 2025 was $0.6 million compared to net income of $0.7 million for the quarter ended December 31, 2024. The decrease in net income for the quarter ended December 31, 2025 was primarily driven by lower revenues and gross profit, partially offset by lower SG&A.

ADJUSTED NET INCOME (LOSS)

Adjusted net income for the quarter ended December 31, 2025 was $0.7 million compared to Adjusted net income of $2.6 million for the same period in 2024. The decrease in Adjusted net income was primarily driven by lower revenues and gross profit, partially offset by lower SG&A.

Summary of eight quarter results

TABLE 13 The following table summarizes quarterly financial information for the past eight quarters.

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

	2025			
	Q4	Q3	Q2	Q1
Revenues	$ 107,518	$ 105,371	$ 113,794	$ 123,675
Net income (loss) attributable to shareholders	(634)	1.058	3,714	5,114
Basic earnings (loss) per share	(0.01)	0.02	0.07	0.09
Diluted earnings (loss) per share	(0.01)	0.02	0.06	0.09

	2024			
	Q4	Q3	Q2	Q1
Revenues	$ 116,225	$ 108,726	$ 125,751	$ 129,254
Net income (loss) attributable to shareholders	699	(2,668)	4,064	1,475
Basic earnings (loss) per share	0.01	(0.05)	0.07	0.03
Diluted earnings (loss) per share	0.01	(0.05)	0.07	0.02

The variations in DCM's quarterly revenues and net income (loss) over the eight quarters ended December 31, 2025 can be attributed to several principal factors: softer order activity and reduced workflow due to macro concerns on the economy, labour issues at Canada Post and U.S. potential tariff actions; increases in the costs of freight, paper, ink, and other raw material inputs used by DCM in the conduct of its business; seasonal variations and timing differences in customer spending related to marketing campaigns and business communications; refinement of DCM's pricing discipline; net FVTPL for RSUs and DSUs; acquisition and integration costs related to the acquisition of MCC; and restructuring expenses related to DCM's ongoing productivity improvement and cost reduction initiatives.

DCM's net loss for the fourth quarter of 2025 included lower revenue and lower gross profit as a percentage of revenues, and fair value losses on financial liabilities at fair value through profit or loss for RSUs and DSUs of approximately $1.2 million. This was partially offset by lower SG&A costs resulting from ongoing cost-optimization initiatives. However, DCM's net income for the fourth quarter of 2024 included improved gross profit as a percentage of revenue, driven by the synergies from MCC and DCM integration and DCM's continued focus on higher-margin business. This was offset by one-time costs, including $1.0 million in restructuring expenses, $6.2 million in acquisition and integration costs, and $2.2 million in net FVTPL for RSUs and DSUs.

DCM's net income for the third quarter of 2025 included $0.3 million in restructuring expenses, no acquisition and integration costs, lower SG&A, and a $1.5 million increase in net FVTPL for RSUs and DSUs. These benefits were offset by softer revenues and lower gross profit, resulting in lower net income. DCM's net income for the third quarter of 2024 included $1.2 million in restructuring expenses, $2.1 million in acquisition and integration costs, and $0.1 million decrease in net FVTPL for RSUs and DSUs.

DCM's net income for the second quarter of 2025 included $0.1 million in restructuring expenses, no acquisition and integration costs, lower SG&A, and a $0.2 million decrease in net FVTPL for RSUs and DSUs. These benefits were offset by softer revenues and lower gross profit, resulting in lower net income. DCM’s net income for the second quarter of 2024 included $1.1 million in restructuring expenses, $0.2 million in acquisition and integration costs, and $1.4 million in net FVTPL for RSUs and DSUs.

DCM’s net income for the first quarter of 2025 included no restructuring, acquisition or integration costs, lower SG&A expenses, and a $0.1 million decrease in net FVTPL for RSUs and DSUs, resulting in higher net income. DCM’s net income for the first quarter of 2024 included $1.1 million in restructuring expenses, $0.3 million in acquisition and integration costs, and $3.2 million in net FVTPL for RSUs and DSUs.

ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are outlined in notes 2 and 3 of the Notes to the consolidated financial statements of DCM for the year ended December 31, 2025.

NEW AND AMENDED STANDARDS ADOPTED

AMENDMENTS TO IAS 21: LACK OF EXCHANGEABILITY

In August 2023, the IASB amended IAS 21 to address challenges in determining exchangeability between currencies and establishing the spot exchange rate in cases where exchangeability is lacking. Previously, IAS 21 provided guidance for situations of temporary lack of exchangeability but did not address scenarios of non-temporary lack of exchangeability. The amendments were adopted January 1, 2025 and did not have any significant impact on the consolidated financial statements

FUTURE ACCOUNTING STANDARDS NOT YET ADOPTED

NEW STANDARD: IFRS 18: PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024 the IASB issued a new standard, IFRS 18 "Presentation and Disclosure in Financial Statements". This standard will replace IAS 1 and (i) provides a defined structure for the statement of profit or loss and will require items in the statement to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations, (ii) requires enhanced disclosures within the notes to the financial statements for certain non-GAAP profit or loss performance measures (management defined performance measures, “MPM”) that are reported outside an entity’s financial statements including a reconciliation between the MPM and the most similar specified subtotal in IFRS Accounting Standards, and (iii) provides clarification on aggregation and disaggregation in the primary financial statements and note disclosures. The new standard will apply to reporting periods beginning on or after January 1, 2027 and will apply to comparative information. Management is currently evaluating the impact of this future policy on the consolidated financial statements.

AMENDMENTS TO IFRS 9 and IFRS 7: CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

In May 2024, the IASB amended IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”. The amendments (i) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (ii) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (iii) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and (iv) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The amendments are effective for reporting periods beginning on or after January 1, 2026. DCM is currently evaluating the impact on the consolidated financial statements.

There are no other IFRS Accounting Standard or International Financial Reporting Interpretations Committee (‘IFRIC’) interpretations that are not yet effective that would be expected to have a significant impact on DCM.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that are not readily apparent from other sources about the carrying amounts of assets and liabilities, and reporting income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ materially from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized during the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment annually at the end of each fiscal year or more frequently if events or changes in circumstances indicate there may be impairment. The determination of the impairment of goodwill is impacted by the determination of the CGUs, estimates of the recoverable value of those CGUs, assumptions of future cash flows, and achieving forecasted business results.

Following the integration of businesses acquired in prior periods, including MCC and Zavy, these businesses have been integrated into one consolidated operation and senior management team under the leadership of the Chief Executive Officer ("CEO") as the Company operates as an integrated marketing communications and business solutions provider to its customers. Consequently, management has determined that DCM represents a single goodwill CGU, being the Company as a whole, reflecting the manner in which the operating results are being reviewed by the chief operating decision maker ("CODM") to make decisions about resources to be allocated and to assess the Company's performance as an integrated marketing and business solutions provider to its customers. This is the level at which goodwill is monitored for internal management purposes.

The recoverable amount of this CGU was determined based on its estimated fair value less the cost of disposal using a discounted cash flow model. Management applied considerable judgment in estimating the recoverable amounts of the Company, which included the use of significant assumptions relating to revenue growth rates, gross margins and the discount rate. While the recoverable amount from the discounted cash flow model is sensitive to key assumptions used for forecast revenues, gross margins and the discount rate, management is satisfied that the Company's forecasts and assumptions, taking account of reasonably possible changes in results and other uncertainties, will not change the result of DCM's impairment analysis.

MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

DISCLOSURE CONTROLS AND PROCEDURES

DCM maintains a set of disclosure controls and procedures (as defined in National Instrument 52-109) ("DC&P") designed to provide reasonable assurance that information required to be disclosed in its public filings or otherwise under securities legislation is recorded, processed, summarized and reported on a timely basis and that such controls and procedures are designed to ensure that information required to be so disclosed is accumulated and communicated to its management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. With the supervision and participation of DCM's senior management team, the Chief Executive Officer ("CEO") of DCM and the Chief Financial Officer ("CFO") of DCM are responsible for designing disclosure controls and procedures of DCM to provide reasonable assurance that (i) material information relating to DCM was made known to management, and (ii) information required to be disclosed by DCM in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

National Instrument 52-109 requires the CEO and CFO to certify they are responsible for establishing and maintaining internal control over financial reporting ("ICFR") for the Company and that ICFR has been designed and is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standard. The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting. DCM's internal control over financial reporting is a process designed by, or under the supervision of, the CEO and CFO, or persons performing similar functions, and effected by DCM's Board of Directors, management and other personnel. DCM's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS Accounting Standards and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of DCM’s annual or interim financial statements will not be prevented or detected on a timely basis.

Based on management’s assessment, DCM’s CEO and CFO have certified that, based on their knowledge, the Company’s internal controls over financial reporting are effective and the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the year ended December 31, 2025.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As at December 31, 2025, there were no changes in the Company’s internal control over financial reporting that occurred during the twelve months ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, DCM’s internal control over financial reporting. The CEO and CFO have assessed that MCC was successfully integrated into DCM's control environment.

OUTLOOK

Despite challenging market conditions that produced revenue headwinds throughout 2025, we generated strong free cash flow and continued to pay down debt. While still early in the year, we are seeing some initial signs of stabilization in overall business conditions along with the expected resolution of the labour dispute at Canada Post. We expect improved demand from certain accounts that delayed or scaled back orders, as well as from others that drew down inventory in 2025. We also anticipate a stronger revenue contribution in 2026 from new logos secured in 2025 as we onboard these new clients.

We continue to closely monitor developments in the external environment including the potential for cross-border tariff actions and continued trade policy volatility and we remain prepared to respond as needed. We believe we are well positioned financially to manage through the current market uncertainty with our strong cash flow and disciplined focus on maintaining margins and managing overhead costs. At the same time, we have the flexibility to pursue M&A opportunities to strengthen our product and service offerings and the value we can deliver to clients.

Longer term, we believe we are well-positioned to leverage our larger scale, expanded product mix and the skills and capabilities of our team to deliver on our commitment to driving profitable growth and sustain our recently introduced quarterly dividend program.

RISKS AND UNCERTAINTIES

An investment in DCM’s securities involves risks. In addition to the other information contained in this report, investors should carefully consider the risks described in DCM’s most recent Annual Information Form ("AIF") and other continuous disclosure filings made by DCM with Canadian securities regulatory authorities before investing in the securities of DCM. The risks described in this report, the Annual Information Form and those other filings are not the only ones facing DCM. Additional risks not currently known to DCM or that DCM currently believes are immaterial may also impair the business, results of operations, financial condition and liquidity of DCM.