Condensed interim consolidated statements of financial position

(in thousands of Canadian dollars, unaudited)	**June 30, 2024**	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 12,929**	$ 17,652
Trade receivables (note 4)	**97,731**	117,956
Inventories	**25,771**	28,840
Prepaid expenses and other current assets	**5,567**	5,313
Income taxes receivable	**2,881**	2,640
Assets held for sale (note 12)	**—**	8,650
	144,879	181,051
NON-CURRENT ASSETS		
Other non-current assets	**9,252**	2,900
Deferred income tax assets	**7,769**	9,801
Property, plant and equipment	**33,461**	30,358
Right-of-use assets (note 5)	**159,774**	159,801
Pension assets	**3,117**	1,962
Intangible assets	**9,582**	10,616
Goodwill	**22,265**	22,265
	$ 390,099	$ 418,754
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	**$ —**	$ 1,564
Trade payables and accrued liabilities	**57,576**	75,766
Current portion of credit facilities (note 8)	**10,899**	6,333
Current portion of lease liabilities (note 7)	**12,765**	10,322
Provisions (note 6)	**12,237**	16,325
Deferred revenue	**3,795**	6,221
	97,272	116,531
NON-CURRENT LIABILITIES		
Provisions (note 6)	**752**	1,004
Credit facilities (note 8)	**76,091**	93,918
Lease liabilities (note 7)	**147,941**	144,993
Pension obligations	**19,112**	26,386
Other post-employment benefit plans	**3,789**	3,606
Asset retirement obligation	**3,617**	3,552
	$ 348,574	$ 389,990
EQUITY		
SHAREHOLDERS' EQUITY		
Shares (note 9)	**$ 284,592**	$ 283,738
Warrants (note 9)	**219**	219
Contributed surplus	**2,939**	3,135
Translation Reserve	**221**	177
Deficit	**(246,446)**	(258,505)
	$ 41,525	$ 28,764
	$ 390,099	$ 418,754

Commitments and contingencies (note 13)

Approved by Board of Directors

(Signed) "J.R. Kingsley Ward" Director

(Signed) "Richard Kellam" Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of operations

(in thousands of Canadian dollars, except per share amounts, unaudited)	**For the three months ended June 30, 2024**	For the three months ended June 30, 2023
REVENUES (note 14)	**$ 125,751**	$ 118,963
COST OF REVENUES	**91,417**	86,926
GROSS PROFIT	**34,334**	32,037
EXPENSES		
Selling, commissions and expenses	**10,178**	9,850
General and administration expenses	**13,686**	13,154
Restructuring expenses (note 6)	**1,101**	2,729
Acquisition and integration costs	**243**	3,837
Net fair value (gains) losses on financial liabilities at fair value through profit or loss (note 9)	**(1,407)**	2,343
	23,801	31,913
INCOME BEFORE FINANCE AND OTHER COSTS, AND INCOME TAXES	**10,533**	124
FINANCE COSTS AND OTHER COSTS		
Interest expense on long term debt and pensions, net	**2,307**	2,480
Interest expense on lease liabilities	**3,059**	1,019
Amortization of transaction costs net of debt extinguishment gain	**140**	107
	5,506	3,606
INCOME (LOSS) BEFORE INCOME TAXES	**5,027**	(3,482)
INCOME TAX EXPENSE (RECOVERY)		
Current	**16**	690
Deferred	**947**	(1,293)
	963	(603)
NET INCOME (LOSS) FOR THE PERIOD	**$ 4,064**	$ (2,879)
BASIC EARNINGS (LOSS) PER SHARE (note 10)	**$ 0.07**	$ (0.06)
DILUTED EARNINGS (LOSS) PER SHARE (note 10)	**$ 0.07**	$ (0.06)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of operations

(in thousands of Canadian dollars, except per share amounts, unaudited)		**For the six months ended June 30, 2024**		For the six months ended June 30, 2023
REVENUES (note 14)	**$**	**255,005**	$	195,040
COST OF REVENUES		**183,360**		139,230
GROSS PROFIT		**71,645**		55,810
EXPENSES				
Selling, commissions and expenses		**21,042**		18,171
General and administration expenses		**28,204**		18,708
Restructuring expenses (note 6)		**2,186**		2,729
Acquisition and integration costs		**526**		9,955
Net fair value losses on financial liabilities at fair value through profit or loss (note 9)		**1,807**		7,361
		53,765		56,924
INCOME (LOSS) BEFORE FINANCE AND OTHER COSTS AND INCOME TAXES		**17,880**		(1,114)
FINANCE AND OTHER COSTS				
Interest expense on long term debt and pensions, net		**4,805**		3,023
Interest expense on lease liabilities (note 7)		**6,114**		1,559
Amortization of transaction costs net of debt extinguishment gain (note 8)		**280**		179
		11,199		4,761
INCOME (LOSS) BEFORE INCOME TAXES		**6,681**		(5,875)
INCOME TAX EXPENSE (RECOVERY)				
Current		**1,358**		2,337
Deferred		**(216)**		(2,901)
		1,142		(564)
NET INCOME (LOSS) FOR THE PERIOD	**$**	**5,539**	$	(5,311)
BASIC EARNINGS (LOSS) PER SHARE (note 10)	**$**	**0.10**	$	(0.11)
DILUTED EARNINGS (LOSS) PER SHARE (note 10)	**$**	**0.10**	$	(0.11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of comprehensive income (loss)

(in thousands of Canadian dollars, unaudited)		**For the three months ended June 30, 2024**		For the three months ended June 30, 2023
NET INCOME (LOSS) FOR THE PERIOD	**$**	**4,064**	$	(2,879)
OTHER COMPREHENSIVE INCOME (LOSS):				
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME (LOSS)				
Foreign currency translation		**14**		(2)
		14		(2)
ITEMS THAT WILL NOT BE RECLASSIFIED TO NET INCOME (LOSS)				
Re-measurements of pension and other post-employment benefit obligations (note 3)		**1,755**		1,138
Taxes related to pension and other post-employment benefit adjustment above		**(406)**		(299)
		1,349		839
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**$**	**1,363**	$	837
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$**	**5,427**	$	(2,042)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of comprehensive income (loss)

(in thousands of Canadian dollars, unaudited)	**For the six months ended June 30, 2024**	For the six months ended June 30, 2023
NET INCOME (LOSS) FOR THE PERIOD	**$ 5,539**	$ (5,311)
OTHER COMPREHENSIVE INCOME (LOSS):		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME (LOSS)		
Foreign currency translation	**44**	(1)
	44	(1)
ITEMS THAT WILL NOT BE RECLASSIFIED TO NET INCOME (LOSS)		
Re-measurements of pension and other post-employment benefit obligations (note 3)	**8,768**	1,437
Taxes related to pension and other post-employment benefit adjustment above	**(2,248)**	(375)
	6,520	1,062
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**$ 6,564**	$ 1,061
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$ 12,103**	$ (4,250)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of changes in shareholders' equity

(in thousands of Canadian dollars, unaudited)	Shares	Warrants	Contributed surplus	Translation reserve	Deficit	Total equity
Balance as at December 31, 2022	$ 256,478	$ 869	$ 3,131	$ 207	$ (237,838)	$ 22,847
Net loss for the period	—	—	—	—	(5,311)	(5,311)
Other comprehensive income for the period	—	—	—	(1)	1,062	1,061
Total comprehensive loss for the period	—	—	—	(1)	(4,249)	(4,250)
Issuance of common shares (note 9)	24,480	219	—	—	—	24,699
Exercise of warrants (note 9)	1,358	(869)		—	—	489
Exercise of options (note 9)	1,422	—	(671)	—	—	751
Share-based compensation expense (note 9)	—	—	269	—	—	269
BALANCE AS AT JUNE 30, 2023	$ 283,738	$ 219	$ 2,729	$ 206	$ (242,087)	$ 44,805

BALANCE AS AT DECEMBER 31, 2023	**$ 283,738**	**$ 219**	**$ 3,135**	**$ 177**	**$ (258,505)**	**$ 28,764**
Net income for the period	**—**	**—**	**—**	**—**	**5,539**	**5,539**
Other comprehensive income for the period	**—**	**—**	**—**	**44**	**6,520**	**6,564**
Total comprehensive income for the period	**—**	**—**	**—**	**44**	**12,059**	**12,103**
Exercise of options (note 9)	**854**	**—**	**(517)**	**—**	**—**	**337**
Share-based compensation expense (note 9)	**—**	**—**	**321**	**—**	**—**	**321**
BALANCE AS AT JUNE 30, 2024	**$ 284,592**	**$ 219**	**$ 2,939**	**$ 221**	**$ (246,446)**	**$ 41,525**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of cash flows

(in thousands of Canadian dollars, unaudited)	**For the six months ended June 30, 2024**	For the six months ended June 30, 2023
		(Revised - Note 16)
CASH PROVIDED BY		
OPERATING ACTIVITIES		
Net income (loss) for the period	**$ 5,539**	$ (5,311)
Items not affecting cash		
Depreciation of property, plant and equipment	**3,306**	2,056
Amortization of intangible assets	**1,034**	1,164
Depreciation of right-of-use-assets (note 5)	**8,814**	4,437
Share-based compensation expense	**321**	269
Net fair value losses on financial liabilities at fair value through profit or loss	**1,807**	7,361
Pension expense	**943**	430
(Gain) loss on sale and leaseback	**(11)**	—
Loss on disposal of property, plant and equipment	**149**	—
Provisions (note 6)	**2,186**	2,729
Amortization of transaction costs, accretion of debt premium/ discount, net of debt extinguishment gain (note 8)	**280**	179
Accretion of asset retirement obligations	**65**	6
Other post-employment benefit plan expense	**298**	208
Income tax expense (recovery)	**1,142**	(564)
Right-of-use assets impairment (note 5)	**97**	—
Changes in working capital (note 11)	**764**	5,802
Contributions made to pension plans	**(604)**	(528)
Contributions made to other post-employment benefit plans	**(115)**	(90)
Provisions paid (note 6)	**(6,526)**	(1,785)
Income taxes paid	**(1,599)**	(3,305)
Total cash generated from operating activities	**17,890**	13,058
INVESTING ACTIVITIES		
Net cash consideration for acquisition of MCC	**—**	(126,031)
Proceeds on sale and leaseback transaction (note 5)	**8,661**	24,091
Purchase of property, plant and equipment	**(6,989)**	(1,298)
Purchase of intangible assets	**—**	(14)
Purchase of non-current assets	**(6,499)**	—
Proceeds on disposal of property, plant and equipment	**431**	58
Total cash used in investing activities	**(4,396)**	(103,194)
FINANCING ACTIVITIES		
Issuance of common shares and broker warrants, net (note 9)	**—**	24,221
Exercise of warrants (note 9)	**—**	489
Exercise of options (note 9)	**337**	751
Proceeds from credit facilities (note 8)	**30,185**	147,640
Repayment of credit facilities (note 8)	**(43,726)**	(60,367)
Decrease in bank overdrafts	**(1,564)**	—
Transaction costs (note 8)	**—**	(1,802)
Principal portion of lease payments (note 7)	**(3,500)**	(4,009)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Total cash provided by (used in) financing activities		**(18,268)**		106,923
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		**(4,774)**		16,787
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**$**	**17,652**	$	4,208
EFFECTS OF FOREIGN EXCHANGE ON CASH BALANCES		**51**		(22)
CASH AND CASH EQUIVALENTS – END OF PERIOD	**$**	**12,929**	$	20,973

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1 General information and basis of preparation

DATA Communications Management Corp. (“DCM” or the “Company”) is a marketing and business communications partner that helps companies simplify the complex ways they communicate and operate, so they can accomplish more with fewer steps and less effort. For 65 years, DCM has been serving major brands in vertical markets including financial services, retail, healthcare, energy, other regulated industries, and the public sector.

DCM’s revenue is subject to mailing patterns of certain 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 by 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.

These financial statements have been prepared using International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standard") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The common shares of DCM are listed on the Toronto Stock Exchange ("TSX") under the symbol "DCM" and trade on OTCQX under the symbol "DCMDF". The address of the registered office of DCM is 9195 Torbram Road, Brampton, Ontario. These condensed interim consolidated financial statements were approved by the Board of Directors ("Board") of DCM, on August 7, 2024.

2 Material accounting policies

DCM prepares its condensed interim consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) ("IFRS Accounting Standards"). These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial reports under International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in DCM’s consolidated financial statements for the year ended December 31, 2023, except for certain new accounting pronouncements which have been adopted by DCM on January 1, 2024 and disclosed in note 3. Where applicable, DCM has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect.

The accounting policies applied in these condensed interim consolidated financial statements are based on IFRS Accounting Standards effective for the year ending December 31, 2024, as issued and outstanding as of August 7, 2024, the date the Board of Directors ("Board") approved these condensed interim consolidated financial statements.

The condensed interim consolidated financial statements should be read in conjunction with DCM’s consolidated annual financial statements for the year ended December 31, 2023 which have been prepared in accordance with IFRS Accounting Standards.

3 Change in accounting policies, significant accounting estimates, assumptions and judgements

a) New and amended standards adopted

AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT, AND NON-CURRENT LIABILITIES WITH COVENANTS

In January 2020 the IASB issued an amendment to ‘Classification of Liabilities as Current or Non-current (2020 Amendments). This standard was amended to promote consistency in applying the requirements by helping companies determine whether debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. In October 2022 the IASB issued a further amendment ‘Non-current Liabilities with Covenants' (2022 amendments) which also deferred the effective date of the 2020 amendments). The 2022 amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The amendments were adopted effective January 1, 2024 and did not have an impact on the condensed interim consolidated financial statements (see note 8 for details of the financial covenants that DCM is required to comply with over the next twelve months).

AMENDMENTS TO IFRS 16 LEASES: LEASE LIABILITY IN A SALE AND LEASEBACK

In September 2022 the IASB has issued narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 explaining how a seller-lessee accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or a rate are impacted. The amendments were adopted January 1, 2024. and did not have any significant impact on the condensed interim consolidated financial statements.

AMENDMENTS TO IAS 7 STATEMENT OF CASH FLOWS AND IFRS 7 FINANCIAL INSTRUMENTS: SUPPLIER FINANCING AGREEMENTS

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, addressing the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements. The disclosure requirements in the amendments enhance the previous requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The amendments were adopted January 1, 2024. and did not have any significant impact on the condensed interim consolidated financial statements.

b) Future accounting standards not yet 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 are effective for reporting periods beginning on or after January 1, 2025. DCM is currently evaluating the impact on the condensed interim consolidated financial statements.

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.

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

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 condensed interim 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.

c) Change in accounting estimates

DEFINED BENEFIT OBLIGATIONS DISCOUNT RATE

DCM increased the discount rate that was used to calculate its defined benefit obligations as at June 30, 2024 to 5% (March 31, 2024 - 4.9% and December 31, 2023 - 4.6%) to reflect current Canadian economic conditions and long-term interest rates. During the three and six months ended June 30, 2024, DCM recorded re-measurements of pension obligations gains of $1,755 and $8,768 in the condensed interim consolidated statements of comprehensive income (loss) primarily as a result of an increase in the discount rate.

4 Trade receivables

		June 30, 2024		December 31, 2023
Trade receivables	**$**	**99,602**	$	119,676
Provision for expected credit losses		**(1,871)**		(1,720)
	$	**97,731**	$	117,956

As at June 30, 2024, trade receivables include unbilled receivables of $33,295 (2023 – $32,490), net of an expected credit loss allowance of $1,074 (2023 – $1,197).

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

5 Right-of-use asset

The following tables present changes in the right-of-use ("ROU") assets for the six months ended June 30, 2024:

		Property		Office Equipment		Production Equipment		Total
Balance - Beginning of period	$	**153,465**	$	**2,288**	$	**4,048**	$	**159,801**
Impairment		**(81)**		**—**		**(16)**		**(97)**
Additions for the period		**1,484**		**1,067**		**7,635**		**10,186**
Modifications for the period		**(753)**		**—**		**(586)**		**(1,339)**
Depreciation for the period		**(7,090)**		**(485)**		**(1,239)**		**(8,814)**
Effect of movement in exchange rates		**30**		**—**		**7**		**37**
Closing net book value	**$**	**147,055**	**$**	**2,870**	**$**	**9,849**	**$**	**159,774**
As at June 30, 2024								
Cost	$	**178,992**	$	**7,608**	$	**27,102**	$	**213,702**
Accumulated depreciation		**(31,937)**		**(4,738)**		**(17,253)**		**(53,928)**
Net book value	$	**147,055**	$	**2,870**	$	**9,849**	$	**159,774**

During the three and six months ended June 30, 2024, DCM modified certain leases by entering into renewal and/or amending agreements to extend lease terms and/or increase/reduce the lease payments. On January 11, 2024, DCM completed a sale and leaseback of its Trenton, Ontario manufacturing facility. Gross proceeds realized on the sale were $9 million, and, after deducting closing commissions, rent deposit, and other expenses, net proceeds were $8.5 million. This transaction includes a one year leaseback arrangement with extension options for up to an additional six months to allow the Company sufficient time to complete the planned closure of the facility.

On June 28, 2024, DCM, delivered a Termination of Lease Agreement (the “Lease Termination”) to the landlord, effective December 31, 2024 (the “Effective Date”), related to the leased facility in Edmonton, Alberta. The Lease Termination requires DCM to pay an aggregate of $0.3 million in consideration of terminating the lease, payable on the cease-use date of December 31, 2024. During the six months ended June 30, 2024, DCM reduced the assumed duration of this leased facility to six months from the notice date. Including the lease modification, the Company recorded a total impairment of ROU assets of $0.1 million within the acquisition and integration costs on the Company’s condensed interim consolidated statements of operations during the six months ended June 30, 2024.

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

6 Provisions

	Termination provisions	Plant Closure	Total
Balance – December 31, 2023	**$ 16,809**	**$ 520**	**$ 17,329**
Additional charge during the period	**1,778**	**408**	**2,186**
Utilized during the period	**(5,598)**	**(928)**	**(6,526)**
Balance - June 30, 2024	**$ 12,989**	**$ —**	**$ 12,989**
Less: Current portion of provisions	**(12,237)**	**—**	**(12,237)**
Balance - Long-term portion of provisions	**$ 752**	**$ —**	**$ 752**

	Termination provisions	Plant Closure	Total
Balance – December 31, 2022	$ 1,316	$ —	$ 1,316
Acquisition of MCC	680	—	680
Additional charge during the period	2,729	—	2,729
Utilized during the period	(1,785)	—	(1,785)
Balance - June 30, 2023	$ 2,940	$ —	$ 2,940
Less: Current portion of provisions	(2,940)	—	(2,940)
Balance - Long-term portion of provisions	$ —	$ —	$ —

TERMINATION PROVISIONS

During the three and six months ended June 30, 2024, DCM continued its planned initiatives to align its organizational structure and optimize its operational footprint.

During the three and six months ended June 30, 2024, these initiatives resulted in $1,101 and $2,186 of restructuring expenses due to headcount reduction across DCM's operations. During the six months ended June 30, 2024, cash payments of $5,598 (2023 - $1,785) were made to former employees for severances and other restructuring costs. The remaining severance and restructuring accruals are expected to be paid in 2024, 2025 and 2026.

7 Lease liabilities

DCM currently leases manufacturing, warehouse and office space, office equipment and production equipment. A lease liability has been recognized equal to the present value of remaining lease payments discounted at the interest rate implicit in the lease, or if that rate cannot be readily determined, DCM's weighted average incremental borrowing rate.

	Property	Office Equipment	Production Equipment	Total
Balance - Beginning of period	**148,669**	**2,575**	**4,071**	**155,315**
Additions during the period	**1,484**	**1,067**	**7,635**	**10,186**
Modifications during the period	**(753)**	**—**	**(586)**	**(1,339)**
Payments during the period	**(7,382)**	**(590)**	**(1,642)**	**(9,614)**
Interest charge for the period	**5,864**	**66**	**184**	**6,114**
Effect of movement in exchange rates	**68**	**(5)**	**(19)**	**44**
As at June 30, 2024	**$ 147,950**	**$ 3,113**	**$ 9,643**	**$ 160,706**

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

The contractual undiscounted cash flows of DCM's lease liabilities are as follows:

	Contractual Cash Flows	Extension Options	Total as at June 30, 2024
Not later than one year	$ 17,210	$ 730	$ 17,940
Later than one and not later than five years	64,292	9,443	73,735
Later than five years	79,100	110,592	189,692
Total undiscounted lease liabilities	$ 160,602	$ 120,765	$ 281,367
Discounted using the incremental borrowing rates			(120,661)
Lease liabilities			$ 160,706
Current			$ 12,765
Non-current			$ 147,941

All extension options that are reasonably certain to be exercised have been included in the measurement of the lease obligation. The Company reassesses the likelihood of extension option to be exercised when there was a significant event or change in circumstances. During the six months ended June 30, 2024, extension options that are not reflected in the measurement of the lease liability total $7,834 (December 31, 2023 - $7,834).

8 Credit facilities

	June 30, 2024	December 31, 2023
Term loans		
- 5.95% term debt, maturing December 17, 2026 (FPD VI Credit facility)	7,071	7,857
- 8.08% term debt, maturing April 21, 2028 (FPD VI New Credit facility)	48,810	50,000
Revolving facility		
- floating rate debt, maturing April 24,2026 (Bank Credit Facility)	30,259	44,009
Leasing facility		
- Interim Funding, maturing October 10, 2024 (Bank Leasing Facility)	2,185	—
Credit facilities	$ 88,325	$ 101,866
Unamortized transaction costs	(1,335)	(1,615)
	$ 86,990	$ 100,251
Less: Current portion of Credit facilities	(10,899)	(6,333)
Credit facilities	$ 76,091	$ 93,918

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 $90,000. The Bank Credit Facility also includes an “accordion” feature, which can provide up to an additional $20,000 of capacity under the revolving facility. The Bank Credit Facility matures on April 24, 2026. 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 Loan 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 $90,000 and a fixed percentage of DCM’s aggregate accounts receivable and inventory (less certain amounts). Advances under the Bank Credit Facility 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 7.95% as of June 30, 2024.

Base Rate loans is the rate of interest on US dollar denominated loans 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. The applicable CORRA loan interest rate on these terms is calculated as adjusted Term CORRA plus an applicable margin. As at June 30, 2024, DCM doesn’t have any advances under CORRA, SOFR and Base Rate loans.

In April 2024, DCM signed an Interim Funding Agreement (“IFA”) with the Bank using the available Leasing Facility (Bank Leasing Facility) to finance the equipment purchases. According to the terms of the credit agreement, the maximum principal amount available under the IFA is $8,150, with the facility expiring on October 10, 2024. 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 the period, $2,185 was drawn to partially fund $6,499 in installment payments for equipment. These payments are recorded as other non-current assets on the condensed interim consolidated statement of financial position as at June 30, 2024 as the equipment is intended to be leased to the Bank upon completion of installation.

In January 2024, DCM completed a sale and leaseback for its Trenton, Ontario manufacturing facility for net proceeds of $8,500 (after deducting rent deposits paid), which were applied towards paying down the Bank Credit Facility.

As at June 30, 2024, DCM had access to $21,378 of available credit under the Bank Credit Facility and had cash and cash equivalents of $12,929 as shown on the condensed interim consolidated statement of financial position as at June 30, 2024.

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”).

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.

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

Borrowings subject to financial covenants	Financial Covenant	Frequency Tested	Ratios to be compliant	Ratios at June 30, 204
Term loans	Total Funded Debt to Adjusted EBITDA	Quarterly	From June 30, 2024 to December 30, 2025 < 3.50 : 1.00 From December 31, 2025 to loan maturity < 2.75 : 1:00	2.29 : 1.00
	Fixed charge coverage ratio	Quarterly	From June 30, 2024 to loan maturity > 1.25 : 1.00	1.81 : 1.00
	Working capital ratio	Quarterly	At all times > 1.10 : 1.00	1.71 : 1.00
Revolving facility	Fixed charge coverage ratio	Monthly	At all times > 1.10 : 1.00	1.81 : 1.00

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 June 30, 2024, DCM was in compliance with all of 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 2024 budget and forecasts through to September 30, 2025 include a number of key assumptions to support the financial covenant calculations, specifically related to forecast revenues and gross margins (which in turn impact earnings before interest, income taxes, depreciation and amortization (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, President or Chief Financial Officer (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.

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

INTER-CREDITOR AGREEMENT

DCM's obligations under the Bank Credit Facility, and the FPD VI Credit Facilities are secured by conventional security charging all of 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 six months ended June 30, 2024 and for the year ended December 31, 2023 are as follows:

		June 30, 2024		December 31, 2023
Balance – Beginning of period / year, net of transaction costs and debt premiums and discounts	**$**	**100,251**	$	27,047
Changes from financing cash flows				
Proceeds from credit facilities		**30,185**		162,140
Repayment of credit facilities		**(43,726)**		(87,592)
Finance costs		**—**		(1,801)
Balance after the changes in financing cash flows		**86,710**		99,794
Non-cash movements				
Amortization of transaction costs and debt modification gain, net		**280**		457
Balance – End of period / year, net of transaction costs	**$**	**86,990**	$	100,251

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

	June 30, 2024
2024	***6,542**
2025	**8,714**
2026	**42,117**
2027	**7,143**
2028	**23,809**
	$88,325

* Includes the $2,185 interim funding received to date under the leasing facility which is expected to be converted into a lease liability on execution of the lease agreement later this year

9 Shares and warrants

SHARES

DCM is authorized to issue an unlimited number of common shares. The common shares have a stated capital of one dollar. Each common share is entitled to one vote at any meeting of shareholders. Each holder of the common shares will be entitled to receive dividends if, as and when declared by the Board. In the event of the liquidation, dissolution, winding up of DCM or other distribution of assets of DCM among its shareholders for the purpose of winding up its affairs, the holders of the common shares will be entitled to receive assets of DCM upon such a distribution. Such distribution will be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.

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

The following summarizes the change in number of issued and outstanding common shares during the periods below:

	Number of Common shares		Amount
Balance – December 31, 2023	**55,022,883**	**$**	**283,738**
Exercise of options – April 12, 2024	**218,000**	**$**	**654**
Exercise of options – May 16, 2024	**68,069**	**$**	**200**
Balance – June 30, 2024	**55,308,952**	**$**	**284,592**

	Number of Common shares		Amount
Balance – December 31, 2022	44,062,831	$	256,478
Exercise of warrants - April 3, 2023	138,157	$	167
Exercise of warrants - April 21, 2023	1,510,000	$	1,191
Exercise of options - May 23, 2023	60,374	$	128
Exercise of options - May 23, 2023	544,321	$	1,294
Shares issued - May 25, 2023	8,707,200	$	24,480
Balance – June 30, 2023	55,022,883	$	283,738

WARRANTS

A summary of warrant activities for the six months ended June 30, 2024, and the six months ended June 30, 2023 is as follows:

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Number of Warrants		**Weighted average Exercise Price**	Number of Warrants		Weighted average Exercise Price
Warrants outstanding – beginning of period	**261,216**	**$**	**3.16**	1,648,157	$	0.30
Granted	—		—	261,216		3.16
Exercised	—		—	(1,648,157)		0.30
Warrants outstanding – end of period	**261,216**	**$**	**3.16**	261,216	$	3.16

The outstanding warrants had an exercise price range as follows:

	June 30, 2024	June 30, 2023
	Number of Warrants	Number of Warrants
$3.16	**261,216**	261,216
Warrants outstanding	**261,216**	261,216

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

During the six months ended June 30, 2024, nil (June 30,2023 - 1,648,157) warrants were exercised for total proceeds of nil (six months ended June 30, 2023 - $489).

SHARE-BASED COMPENSATION

DCM has adopted a Long-Term Incentive Plan ("LTIP") to: recruit and retain highly qualified directors, officers, employees and consultants (the "Participants"); provide Participants with an incentive for productivity and an opportunity to share in the growth and the value of DCM; and, align the interests of Participants with those of the shareholders of DCM. Awards to Participants are primarily based on the financial results of DCM and services provided. The aggregate maximum number of common shares available for issuance from DCM's treasury under the LTIP is 5,530,895 common shares or 10% of the issued and outstanding common shares of DCM.

DCM's share-based compensation plan consists of five types of awards: restricted share unit ("RSUs"), options, deferred share unit ("DSUs"), restricted shares or stock appreciation right ("SARs") awards. No SARs have been granted to date.

(a) Restricted share unit ("RSU")

Under the RSU portion of the LTIP, selected employees are granted RSUs where each RSU represents the right to receive a distribution from DCM in an amount equal to the fair value of one DCM common share. RSUs granted are performance and non-performance based. The performance component is based on Company specific financial targets approved by the Board and the non-performance component is based on continued employment. RSUs generally vest over three years, require continued employment with DCM for the duration of the vesting period and settle in cash upon final vesting.

A liability for RSUs is measured at fair value on the grant date and is subsequently adjusted for changes in fair value. The liability is recognized on a graded vesting basis over the vesting period, with a corresponding charge to compensation expense as a component of costs of revenues, selling, commissions and expenses, and general and administration expenses. The RSUs payable are included in trade payables and accrued liabilities. Compensation expenses for RSUs incorporate an estimate for expected forfeiture rates based on which the fair value is adjusted.

	June 30, 2024	June 30, 2023
	Number of RSUs	Number of RSUs
Balance - beginning of period	**2,210,616**	3,154,305
Units granted	**227,872**	339,793
Units forfeited	**(12,848)**	(94,924)
Units paid out	**(1,026,344)**	(1,188,558)
Balance - end of period	**1,399,296**	2,210,616

During the six months ended June 30, 2024, the Chief Executive Officer ("CEO") of DCM was granted 22,900 RSUs (six months ended June 30, 2023 – 143,506 RSUs) and 204,972 RSUs (six months ended June 30, 2023 – 196,287 RSUs) were awarded to other members of DCM's management.

Of the total outstanding RSUs at June 30, 2024, nil (December 31, 2023 – nil) have vested and are payable. The carrying amount of the liability relating to the RSUs at June 30, 2024 was $2,763 (December 31, 2023 – $4,814).

During the three and six months ended June 30, 2024, compensation expense of $234 and $1,260 (three and six months ended June 30, 2023 – $838 and $3,464) was recognized in the condensed interim consolidated statement of operations related to vesting of RSUs granted, and fair value adjustments. RSUs and DSUs are categorized as level 2 inputs in the fair value hierarchy given their valuations include inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly. There were no transfers between levels 1, 2 or 3 during the period.

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

(b) Options ("Options")

A summary of Options activities for the six months ended June 30, 2024, and the the six months ended June 30, 2023 is as follows:

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Number of Options		**Weighted average Exercise Price**	Number of Options		Weighted average Exercise Price
Options outstanding - beginning of period	**4,529,000**	**$**	**1.18**	4,700,886	$	0.97
Granted	**—**		**—**	750,000		3.42
Exercised	**(305,200)**		**1.29**	(671,886)		1.38
Options outstanding - end of period	**4,223,800**	**$**	**1.17**	4,779,000	$	1.31
Exercisable	**3,182,133**	**$**	**0.82**	2,987,333	$	0.89

The outstanding Options had an exercise price range as follows:

	June 30, 2024	June 30, 2023
	Number of Options	Number of Options
$0.69	**2,500,000**	2,500,000
$0.85	**125,000**	—
$1.29	**348,800**	654,000
$1.30	**750,000**	750,000
$1.38	**—**	125,000
$3.42	**500,000**	750,000
Options outstanding	**4,223,800**	4,779,000

During the six months ended June 30, 2023, 305,200 options were exercised in exchange for 286,069 common shares (as a result of the net settlement of certain options) for total proceeds of $337.

During the three and six months ended June 30, 2024, compensation expense of $110 and $321 (three and six months ended June 30, 2023 – $184 and $269) was recognized in the condensed interim consolidated statement of operations related to the vesting of options granted.

(c) Deferred share unit ("DSU")
Each director is required to receive at least half of his or her annual retainer in DSUs and has the option to elect to receive all or any other part of his or her other compensation in DSUs.

Each DSU represents the right to receive a distribution from DCM in an amount equal to the fair value of one DCM common share on the date of the termination of service of the respective director. The number of DSUs payable to each director is determined by multiplying the total Director Fees payable by the percent elected to be paid in DSUs and dividing the product by the Fair Value of one DCM common share on the grant date. A liability for DSUs is measured at fair value on the grant date and is subsequently adjusted for changes in fair value. The DSUs payable is included in trade payables and accrued liabilities.

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

During the six months ended June 30, 2024, 94,376 (six months ended June 30, 2023 - 97,459) DSUs were granted. The carrying amount of the liability relating to the 2,723,780 DSUs outstanding at June 30, 2024 was $7,436 (December 31, 2023 – $6,889 and 2,629,404 DSUs outstanding).

During the three and six months ended June 30, 2024, ($1,173) and $547 (three and six months ended June 30, 2023 – $1,506 and $3,897) was recognized in the net fair value (gains) losses on financial liabilities at fair value through profit or loss in the condensed interim consolidated statement of operations related to DSUs granted, and fair value adjustments.

10 Earnings (Loss) per share

		For the three months ended June 30, 2024		For the three months ended June 30, 2023
BASIC EARNINGS (LOSS) PER SHARE				
Net income (loss) for the period attributable to common shareholders	**$**	**4,064**	$	(2,879)
Weighted average shares		**55,245,796**		49,055,088
Basic earnings (loss) per share	**$**	**0.07**	$	(0.06)
DILUTED EARNINGS (LOSS) PER SHARE				
Net income (loss) for the period attributable to common shareholders	**$**	**4,064**	$	(2,879)
Weighted average shares		**55,245,796**		49,055,088
Adjustments for calculation of diluted earnings per share:				
Options		**2,589,383**		—
Weighted average number of shares in calculating diluted earnings per share		**57,835,179**		49,055,088
Diluted earnings (loss) per share	**$**	**0.07**	$	(0.06)

		For the six months ended June 30, 2024		For the six months ended June 30, 2023
BASIC EARNINGS (LOSS) PER SHARE				
Net income (loss) for the period attributable to common shareholders	**$**	**5,539**	$	(5,311)
Weighted average shares		**55,134,340**		46,572,750
Basic earnings (loss) per share	**$**	**0.10**	$	(0.11)
DILUTED PER SHARE				
Net for the period attributable to common shareholders	**$**	**5,539**	$	(5,311)
Weighted average shares		**55,134,340**		46,572,750
Adjustments for calculation of diluted earnings per share:				
Options		**2,611,726**		—
Weighted average number of shares in calculating diluted earnings per share		**57,746,066**		46,572,750
Diluted per share	**$**	**0.10**	$	(0.11)

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

For the three and six months ended June 30, 2024, options to purchase up to 500,000 common shares and warrants to purchase up to 261,216 common shares were excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive.

For the three and six months ended June 30, 2023, options to purchase up to 4,779,000 common shares and warrants to purchase up to 261,216 common shares were excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive.

11 Changes in working capital

	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
Trade receivables	**$**	**20,225**	$	9,659
Inventories		**3,069**		4,715
Prepaid expenses and other current and non-current assets		**(107)**		(1,094)
Trade and accrued liabilities (note 16)		**(19,997)**		(7,593)
Deferred revenue		**(2,426)**		115
	$	**764**	$	5,802

12 Assets Held for sale

	For the six months ended June 30, 2024	
Balance - December 31, 2023	**$**	**8,650**
Disposal		**(8,650)**
Balance - June 30, 2024	**$**	**—**

In January 2024, DCM completed a sale and leaseback of its Trenton, Ontario manufacturing facility (see note 5).

13 Commitments and Contingencies

DCM and its subsidiaries are subject to various claims, potential claims and lawsuits. While the outcome of these matters is not determinable, DCM's management does not believe that the ultimate resolution of such matters will have a material adverse impact on DCM's financial position.

Directors and officers are indemnified by the Company for various items including, but not limited to, costs to settle lawsuits or actions due to their association with the Company, subject to certain restrictions. DCM has purchased directors' and officers' liability insurance to mitigate the costs of any potential future lawsuits or actions. The term of the indemnification covers the period during which the indemnified party served as a director or officer of the Company.

In the normal course of business, DCM has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, leasing contracts and license agreements. These indemnification arrangements may sometimes require such third parties to compensate counterparties for losses as a result of breaches in representations, covenants and warranties provided by the Company or as a result of litigation or other third party claims or statutory sanctions that may be suffered by the counterparties as a consequence of the relevant transaction. In some instances, the terms of these indemnities are not explicitly defined. No accruals have been required to be made as at June 30, 2024 with respect to these agreements.

Executive employment agreements allow for additional payments of approximately $5,062 if the individuals are terminated without cause, or in the event of a change in control.

14 Segmented information

The CEO of DCM is the chief operating decision maker ("CODM").

DCM has a single operating segment, being the Company as a whole, reflecting the manner in which the operating results are being reviewed by the CODM to make decisions about resources to be allocated and to assess the Company's performance.

Revenue on a disaggregated basis based on the nature of the major products and services DCM provides to its customers is set out below:

(in thousands of Canadian dollars, unaudited)		**For the three months ended June 30, 2024**		For the three months ended June 30, 2023
Product sales	**$**	**109,522**	$	108,157
Technology-enabled hardware solutions		**2,536**		1,917
Warehousing services		**4,400**		2,545
Freight services		**3,924**		3,438
Marketing and other services		**945**		811
Technology-enabled subscription services and fees	**$**	**4,424**	$	2,095
	$	**125,751**	$	118,963

(in thousands of Canadian dollars, unaudited)		**For the six months ended June 30, 2024**		For the six months ended June 30, 2023
Product sales	**$**	**222,637**	$	174,869
Technology-enabled hardware solutions		**4,182**		5,298
Warehousing services		**7,030**		4,546
Freight services		**7,551**		5,450
Marketing and other services		**1,501**		1,326
Technology-enabled subscription services and fees	**$**	**12,104**	$	3,551
	$	**255,005**	$	195,040

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

15 Related party transactions

COMPENSATION OF KEY MANAGEMENT

Key management personnel are deemed to be Directors on DCM's Board, the CEO and President, the Chief Financial Officer and other members of the senior executive team. Compensation awarded to key management personnel, excluding compensation awarded to Directors which are described below, included:

		For the six months ended June 30, 2024		For the six months ended June 30, 2023
Salaries and other short-term employee benefits	**$**	**1,896**	$	1,991
Post-employment benefits		**18**		10
Share-based compensation expense		**1,291**		2,468
Total	**$**	**3,205**	$	4,469

During the six months ended June 30, 2024, key management personnel (excluding compensation awarded to Directors) were granted 227,872 RSUs (2023 – 252,260 RSUs), and nil RSUs (2023 – nil RSUs) were forfeited. During the six months ended June 30, 2024, there were no grant of options to purchase Common Shares to key management personnel (excluding compensation awarded to Directors). During the six months ended June 30, 2024, DCM’s general and administration expenses include a charge of $283 (2023 – $182) for these past share-based compensation awards related to options.

During the six months ended June 30, 2024, DCM’s general and administration expenses include a net expense of $547 (2023 – expense of $3,897) for the duties performed by DCM’s Board, of which $207 (2023 – expense of $3,592) relates to DSU fair value expense (note 9).

16 Comparative figures

To align with the presentation adopted in the current period the comparative figures in the cash flow statement have been revised to (1) reclassify the $1,559 interest portion of lease payments from financing activities to operating activities to be consistent with the presentation of interest payments on the credit facilities and (2) present the $7,361 net fair value losses on financial liabilities at fair value through profit and loss separately from the other changes in trade and accrued liabilities within changes in working capital (note 11).