



DCS Announces Strategic Licensing and Reseller Agreement with System Loco to Enhance IoT Solutions Portfolio

San Diego, CA – January 30, 2024 – Direct Communication Solutions, Inc. (OTCQX: DCSX) (CSE: DCSI) (FSE: 7QU) (“DCS” or the “Company”) a leading provider of information technology and managed solutions for the Internet of Things (IoT) market, is excited to announce it has entered into a strategic licensing and reseller agreement (the “Agreement”) with System Loco Ltd. This collaboration will further expand System Loco’s advanced IoT supply chain visibility and intelligence technology solutions to the North American market.

In the realm of supply chain management, visibility through automation is crucial. According to estimates by GlobalNewswire, the global supply chain market is projected to reach \$45.2 billion, with a Compound Annual Growth Rate (CAGR) of 11%-12% by 2027. Notably, 57% of companies view effective supply chain management as a competitive advantage that propels business development, as reported by GEODIS.

The consequences of inadequate supply chain visibility are substantial. Pharmaceutical companies lose between \$95 million and \$138 million annually due to this issue. Similarly, food and beverage companies report average losses ranging from \$71 million to \$179 million per year. The top five challenges faced by the industry, identified by Cloudleaf and Sapio Research, include product damage or spoilage, temperature excursions, unexpected delays, lost or misplaced inventory, and compliance issues.

A staggering one-third of globally produced food, amounting to over \$35 billion annually, is lost or wasted. Ineffectual cold chain processes and management contribute significantly to these losses, according to Cargodata.com

Chris Bursey CEO of DCS, emphasized the need for addressing inefficiencies and losses in the global supply chain, stating “With the massive amount of inefficiency and losses throughout the global supply chain, partnering with System Loco was an easy decision.” Bursey highlighted System Loco’s solutions, which provide real-time actionable intelligence on assets and cargo in movement, whether on the ground or in the air.

According to Souroush Honary, CEO of System Loco, this partnership with DCS positions System Loco to leverage DCS’s extensive carrier network, solution providers, and Small to Medium-sized Business (SMB) to Enterprise customers across North America. “**Souroush Honary**” stated, “Our suite of intelligent solutions solves complex problems across multiple verticals within the supply



chain ecosystem, and DCS possesses the experience and knowledge to further expand our global market share in North America”.

About DCS

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

About System Loco

System Loco Ltd is a technology spin-out of HW Communications, a UK based research and development group founded in 1990 that worked primarily with government agencies and universities. System Loco designs intelligent devices, location-based services, and secure communications into one system that provides real-time, intelligent actionable data for supply chain management solutions. For more information, visit www.systemloco.com

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Forward-Looking Statements

This release contains forward-looking statements, which reflect management’s current views of future events and operations. These statements are based on current expectations and assumptions that are subject to risks and uncertainties that could cause actual results to differ

materially. We believe that these potential risks and uncertainties include, without limitation: the ongoing COVID-19 pandemic, the Company's dependence on third-party manufacturers, suppliers, technologies and infrastructure; risks related to intellectual property; industry risks including competition, online security, government regulation and global economic conditions; and the Company's financial position and need for additional funding. Statements in this release should be evaluated in light of these factors. These risk factors and other important factors that could affect our business and financial results are discussed in our Management's Discussion and Analysis, periodic reports and other public filings which are available on SEDAR at www.sedar.com and posted with the OTC Disclosure and News Service. DCS undertakes no duty to update or revise any forward-looking statements.

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