

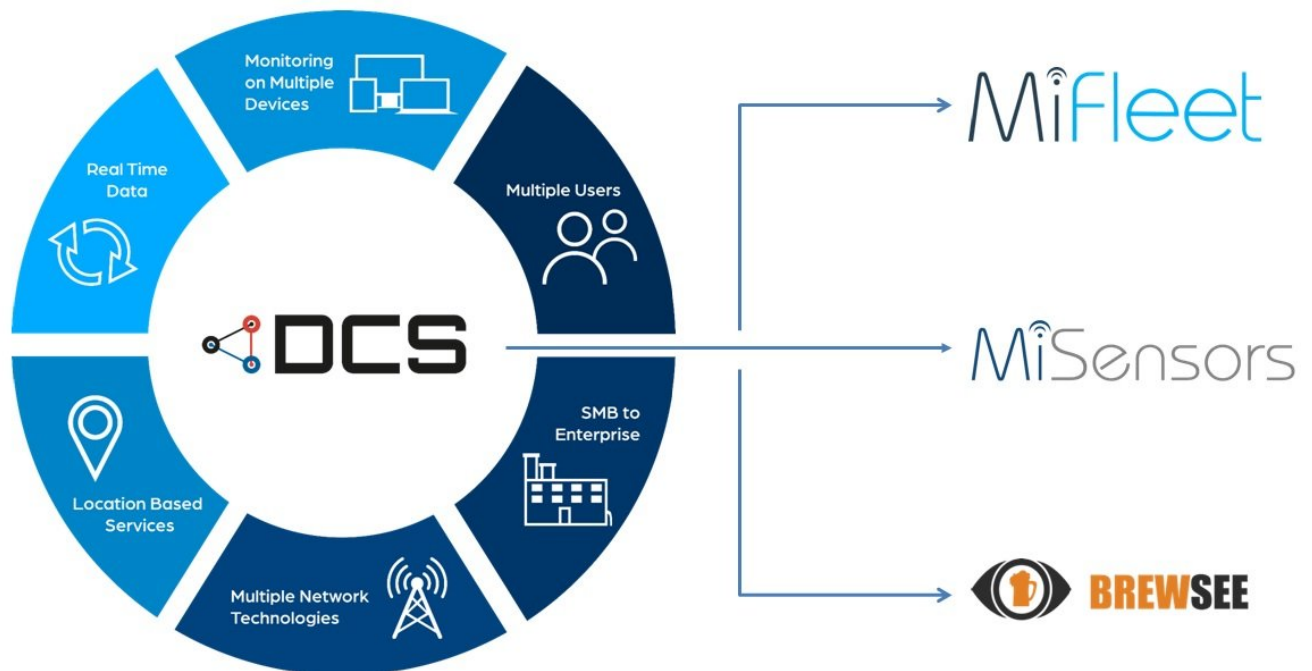
A newly listed IoT that can “connect anything, anywhere” is aptly called Direct Communication Solutions

It is now widely recognized that this decade will see a massive boom in the Internet of Things (IoT), worldwide spending on IoT is forecast to grow to [US\\$1.1 trillion](#) by 2023. By 2025 it is forecast that there will be [21.5 billion](#) connected devices worldwide. A huge opportunity exists in the area of design and sale of smart software platform solutions (web based or phone Apps) that can help the customer view the data and respond as needed (often automatically and remotely).

And there is a company that offers to do just that and it is trading at a compelling valuation. The Company just listed on the OTCQB this month and the CSE earlier this year. That Company is [Direct Communication Solutions Inc.](#) (CSE: DCSI | OTCQB: DCSX) (“DCS”).

DCS offers clients end-to-end IoT solutions that are enabled by the latest technologies using a simple all in one cloud based platform. DCS’s platform combines IoT, 4G, cloud, Software-as-a-Service (SaaS), data analytics, Artificial Intelligence (AI) and sensor based monitoring.

DCS Advantage



DCS uses advanced software applications and databases that can analyze as well as manage the data that IoT hardware has collected. This provides businesses the opportunity to receive real-time data in order to make better decisions about their business.

DCS offers three simple to use platforms depending upon the client's needs:

- MiFleet is a GPS Fleet monitoring and tracking software. It offers multiple applications and cellular technology offerings. Some examples include tracking, logistics, proof of delivery, and fuel consumption.
- MiSensors is a set-and-forget event based remote monitoring system. Sensors connect to a gateway, then to a network, then to a platform/mobile app. On the platform/mobile app you can see up to date information instantly. Applications are numerous and some example include monitoring and/or automation of factories, power plants, pipelines, network operations centers, transport services, airports, and even spacecraft.
- Brewsee is a beer life cycle monitor and control system.

It includes smart handling of temperature, CO2 pressure, inventory management, critical timing and prevent after hours pours or staff giveaways/waste and/or theft. The system can also combine digital signage integration and security system integration.

Brewsee is an all in one IoT management system for the hospitality industry



SOLUTIONS

Beer Life Cycle Monitor & Control System

Smart handling of Temperature, CO2 Pressure, Inventory Management, critical timing and prevent after hours pours or staff giveaways.

A comprehensive inventory tracking system helping clients to reduce waste, theft and non-automated interfaces – promoting better production.

Key Features of BrewSee®

- To be able to track key metrics of keg from distribution facility to restaurant and/or bar.
- Illuminate industry into asset IoT management.
- Higher profits for business and more employee accountability



Point of Sale (POS) Integration



Digital Signage Integration



Security System Integration

Direct Communications Systems has significant advantages over their competition. Their new, proprietary MiSensors product, fully deployed, and based on a recent use case of a similar platform can be delivered up to a 70% discount to the cost of competing solutions with a fraction of the time and effort. One MiSensor can do the job of 6 competing sensors. This saves clients time, effort and money. These benefits are making IOT platforms easier and cheaper to build and customers are starting to notice. Revenues have exceeded expectations since the company started building their own sensors and moved to a recurring revenue model.

While MiSensor's is likely the most important initiative at

DCS this year there is still so much more to tell. DCS garners sales through major Telcos like US Cellular, Sprint, and T Mobile. Telcos are incentivized to sell DCS services because a successful IOT platform helps sell more airtime. Furthermore, sales teams from Telcos get commissions to refer DCS products. Thus, marketing expenses are not a huge line item for the Company. When a Telco refers a client, that client is offered a one stop solution for their IOT needs. If you have ever tried to link your software to someone else's hardware you will understand how hard this can be. Many customers complain there is no customized solution within the industry until they get to DCS. It is this END to END solution, linking software to hardware with customized platforms that is winning new business for DCS. Or as CEO of DCS Chris Bursey says: *"Making life easier for our clients is our primary mission"*.

DCS started out as a hardware reseller. When margins compressed in that industry, Chris Bursey made the decision to pursue a higher margin recurring revenue model. Today, close to 15% of the company's revenue achieves a 70% EBITDA margin, and that number is expected to grow as clients everywhere begin to figure out they can save money, time and effort by switching to an, END to END service offering with customized solutions. As Chris Bursey was heard quoting recently: *"There is endless opportunity in this industry for a team that can make the difficult job of connecting hardware and software easier, quicker and cheaper. We think DCS is in a prime position to execute on that promise. We can connect anything, anywhere."*

About Direct Communication Solutions Inc.

DCS provides business solutions with intelligence, creativity, logical and innovation strategies that improve business efficiencies, productivity, reliability and profitability.



EST. 2008



2000+ Unique Solutions



900K+ Devices



400+ Partners

[Source](#)

Why the undervalued valuation?

DCSX trades at a US \$9m market cap, despite its US\$16m in 2019 revenue. That is close to 0.5X 2019 revenue. Most IOT company's trade at least 2x revenue. MCloud Technologies (TSX: MCLD) (MCLDF) is similar in sales and size of customer base and trades with a US\$55m market cap. This under valuation of DCSX is an opportunity for investors. DCS's public issuance happened at C\$2.00 or US\$1.40. From their US \$1.40 IPO price, the shares have dropped to US\$0.25 during the COVID-19 period and have since rebounded to US\$0 .62. Improved volume suggests that the stock has rebounded from its lows and is now being accumulated. If DCSX were to trade at 2x revenue, like its peers, it would be a \$34m market cap versus the \$9m it trades at today.

Closing remarks

In summary, DCS offers cloud platform, data analytics, software as a service, remote sensor monitoring, and other related activities. The Company believes that they have a competitive advantage with their MiSensor able to do the job of 6 competing sensors. Valuation appears very compelling with a market cap of only 0.5X revenue.

As we rapidly move into the era of the IoT the demand for

platforms that can simply help the customer with their business needs using smart end-to-end systems is going to be enormous. Software as a service companies usually trade on high multiples, which makes it all the better for investors who can get in early on DCS having only listed in early 2020.