Fiscal 2021 Report to Shareholders

DATA Communications Management Corp.

DCM-TSX
DCMDF-OTCBB

March 25, 2022

Forward-looking Statements Information Disclosure

Forward-looking Statements

Certain statements in this presentation 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 presentation, 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 presentation.

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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 presentation 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 Measures – See Appendix A

This presentation includes certain non-IFRS measures as supplementary information. In addition to net income (loss), DCM uses non-IFRS measures including Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA (collectively, “Non-IFRS Measures”) to provide investors with supplemental measures of DCM’s operating performance and to highlight trends in its business that may not otherwise be apparent when relying solely on IFRS financial measures. DCM also believes that securities analysts, investors, rating agencies and other interested parties frequently use similar Non-IFRS Measures in the evaluation of issuers. DCM’s management also uses Non-IFRS Measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements. These Non-IFRS Measures are not recognized by IFRS and do not have any standardized meanings prescribed by IFRS. Therefore, DCM’s Non-IFRS Measures are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that Non-IFRS Measures should not be construed as alternatives to net income (loss) determined in accordance with IFRS as an indicator of DCM’s performance. For a reconciliation of DCM’s Non-IFRS Measures to net income (loss), see DCM’s most recent Management's Discussion & Analysis filed on www.sedar.com.

Introduction

Focus Since March 8, 2021

Strategy

Building both a better and bigger business

Strategic Direction

From print first to digital first

Complex conventional print solutions

DCM
SURPRISINGLY SIMPLE

Tech-enabled marketing workflow

DCMFLEX

- Marketing solutions
- Business process outsourcing
- Print on demand

Digital asset management tech-enabled service

ASMBL

Five-year Financial Objectives

From print first to digital first

Targets:

5%+	35-40%	18-20%	18-22%
Revenue CAGR	Gross margins	SG&A	Adjusted EBITDA

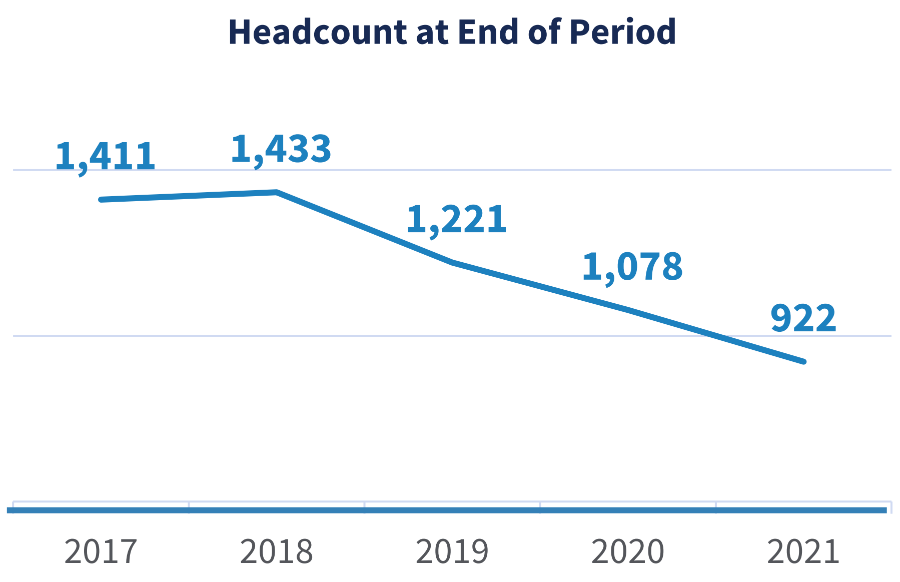
Better and Bigger Business

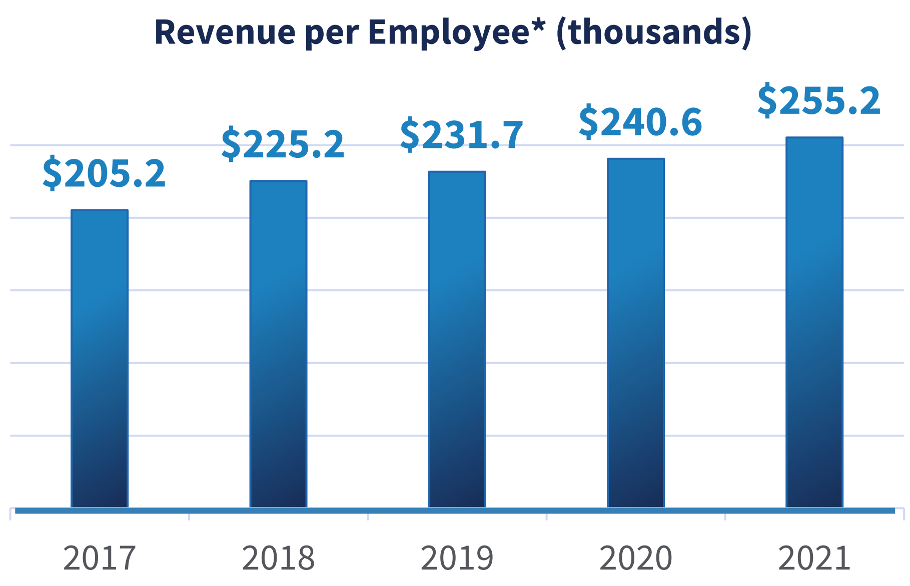
Better and Bigger Business

Better Business

1. **Headcount Reduction and Productivity Improvements**

1. Headcount Reduction & Productivity Improvements





-14.5% vs. prior year
-34.7% vs. 2017

+6.1% vs. prior year
+24.4% vs. 2017

* Revenue per Employee is a non-GAAP measure. Calculated as to: Revenue for the fiscal year, divided by total associated headcount at the end of such fiscal year.

Better Business

1. Headcount Reduction and Productivity Improvements
2. **Leadership Team Optimization**

2. Leadership Team Optimization

Richard Kellam appointed President & CEO, March 8, 2021

- Eliminated 2 complete levels of leadership
- Eliminated 6 senior leadership positions
- Broadened span of responsibilities across the enterprise
- Accelerated decision-making

Better Business

1. Headcount Reduction and Productivity Improvements
2. Leadership Team Optimization
3. **Factory Consolidation & Operational Efficiencies**

3. Factory Consolidation and Operational Efficiencies

Brampton consolidation

+$1.8M

Overhead savings

Calgary consolidation

+$.75M

Overhead savings

Digital inkjet capabilities

+$1M

OPEX savings

Better Business

1. Headcount Reduction and Productivity Improvements
2. Leadership Team Optimization
3. Factory Consolidation & Operational Efficiencies
4. **Office Consolidation & Overhead Reductions**

4. Office Consolidation and Overhead Reductions

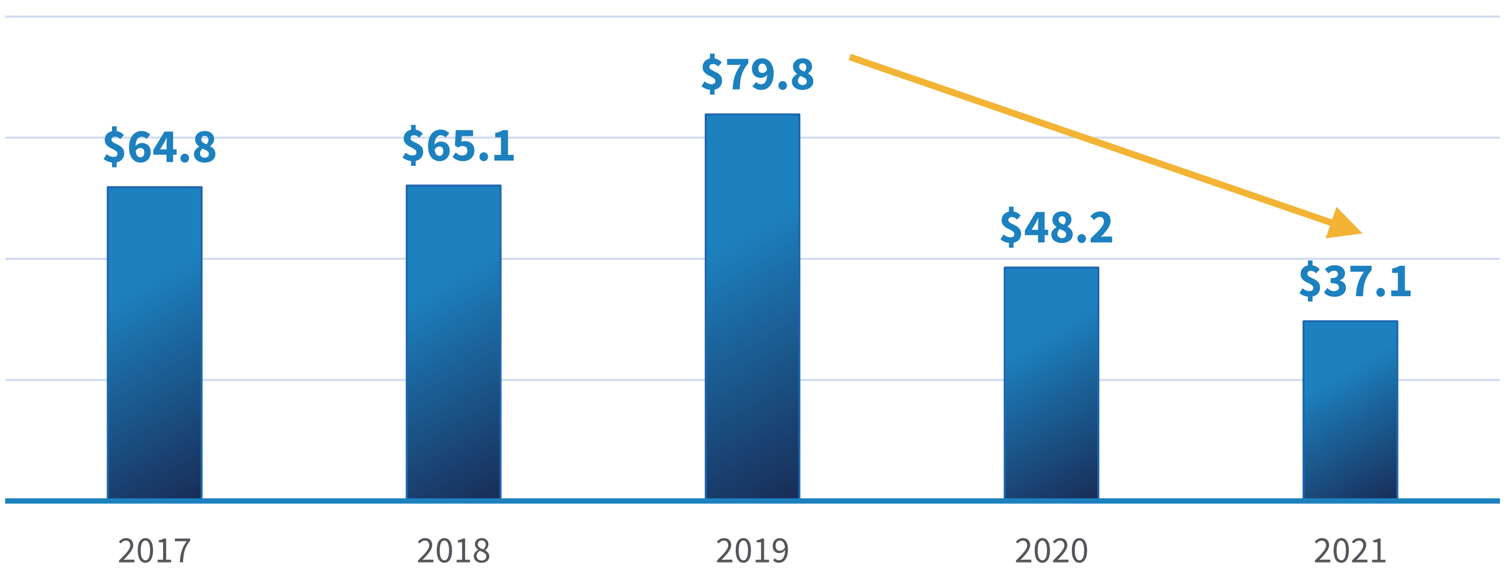
Hybrid work model	Leadership optimization	Other headcount savings
+$0.8M	**+$3.9M**	**+$6.7M**
Overhead savings	Overhead savings	Overhead savings

Better Business

1. Headcount Reduction and Productivity Improvements
2. Leadership Team Optimization
3. Factory Consolidation & Operational Efficiencies
4. Office Consolidation & Overhead Reductions
5. **Debt Reduction & Refinancing**

5. Debt Reduction

Total Debt Outstanding (millions)



-23.0% vs. 2020

-53.5% vs. 2019

Lowest debt since before our IPO in 2004

5. Debt Refinancing

50% cost reduction

on ~60% of debt

=

Expected

$1.5M

Annual interest savings

$10M Bank Term Facility closed November 8, 2021

$11M FPD VI Term Facility closed December 17, 2021

Summary of Savings Initiatives

Significant long-term benefits from 2021 operational initiatives

Post-COVID rationalization		
In year headcount reduction (FTEs)		156
Year over year reduction		*14.5%*
	Restructuring Charges	**Annualized Savings (millions)**
Mississauga / Brampton consolidation	$0.8	$1.8
Edmonton / Calgary consolidation	$0.0	$0.8
Office consolidation	$0.3	$0.8
Senior leadership optimization	$4.2	$3.9
Other headcount reduction	$4.4	$6.7
Total annualized savings	**$9.7**	**$14.0**

Better Business

1. Headcount Reduction and Productivity Improvements
2. Leadership Team Optimization
3. Factory Consolidation & Operational Efficiencies
4. Office Consolidation & Overhead Reductions
5. Debt Reduction & Refinancing
6. **Other Key Initiatives**

6. Other key initiatives

Associate engagement	• Gallup Q12 • Competency & skills development
Client engagement	• Voice of the customer survey • 5-year strategic plan to best serve future client needs
Environmental, social, governance	• ESG strategy developed • PrintReleaf, FSC, DE&I initiatives aligned with clients
BI tool analytics	• Providing real-time data/insights – D365 + Power BI • Core vertical teams focused on product/client profitability growth and revenue management
Digital acceleration	• Converting conventional print workflows to DCMFlex • ASMBL DAM product development roadmap

Better Business

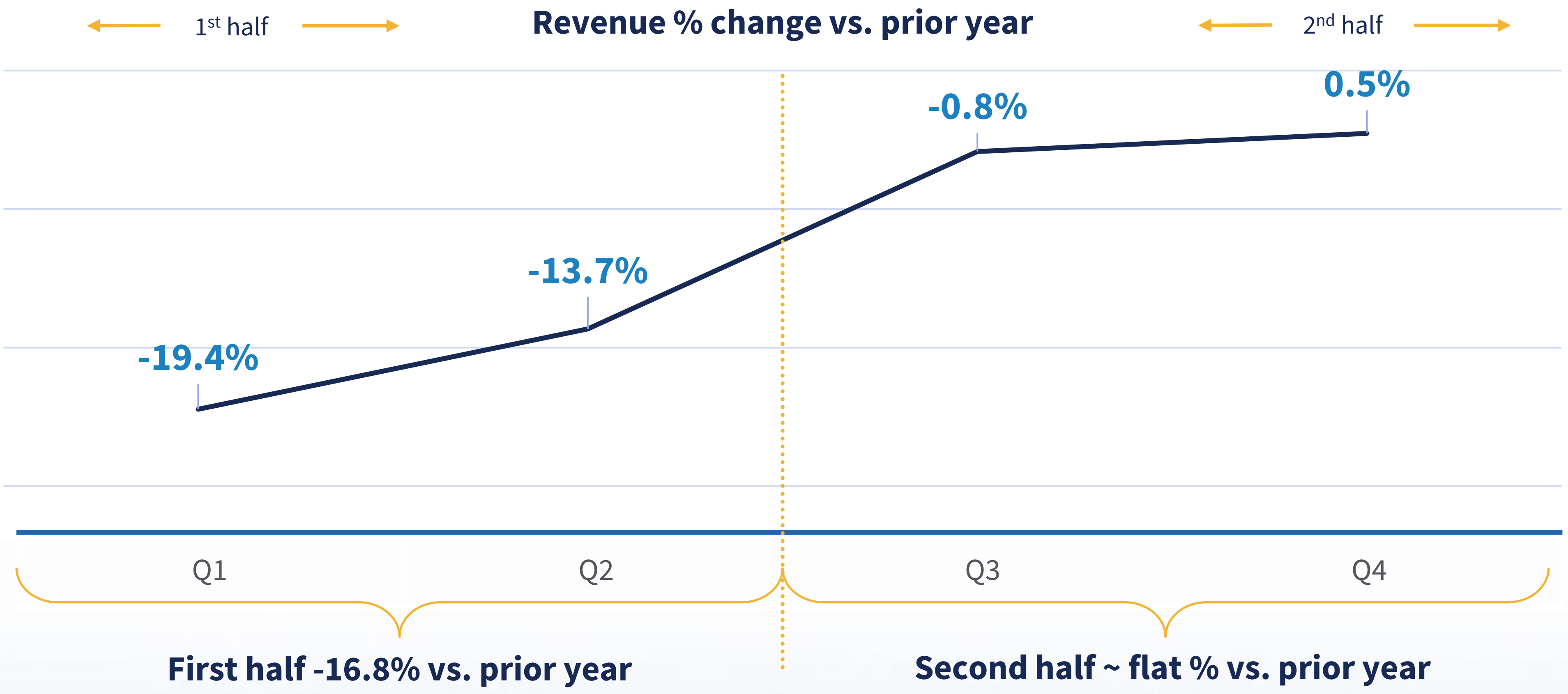
1. Headcount Reduction and Productivity Improvements
2. Leadership Team Optimization
3. Factory Consolidation & Operational Efficiencies
4. Office Consolidation & Overhead Reductions
5. Debt Reduction & Refinancing
6. Other Key Initiatives

Better and Bigger Business

Bigger Business

1. **Stabilized Revenue in Second Half of 2021**

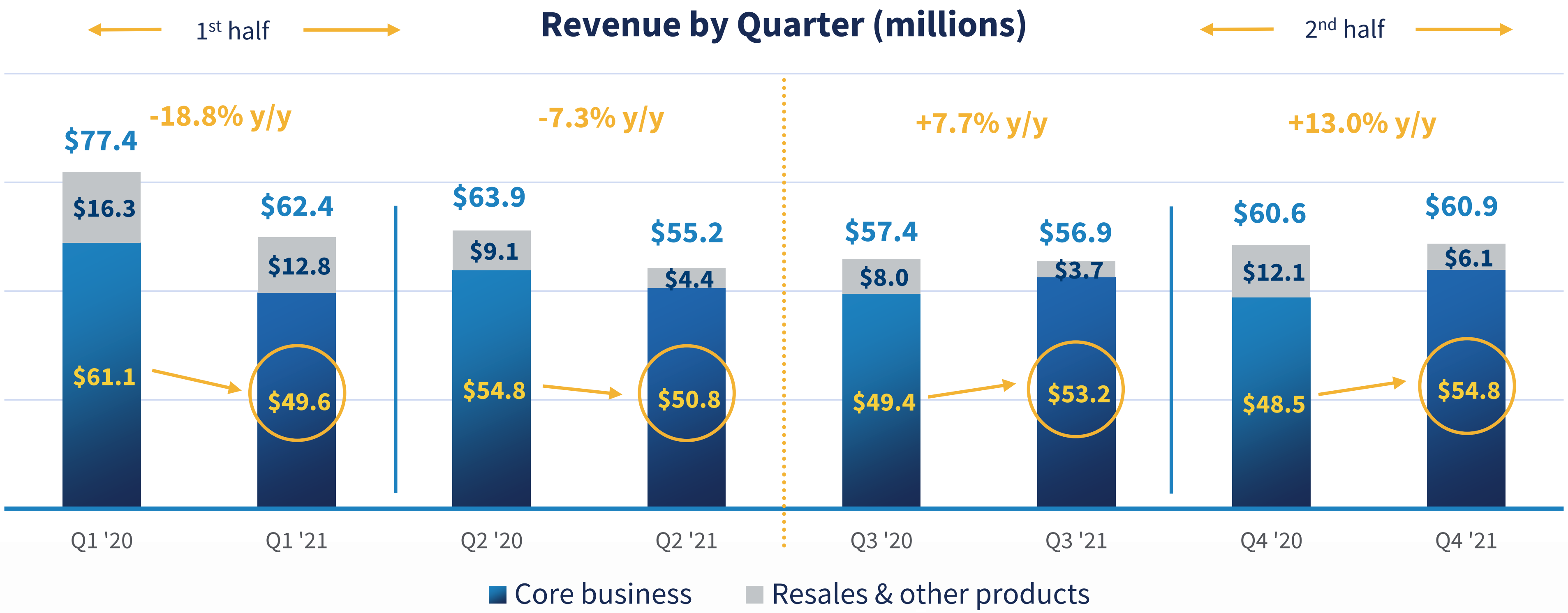
1. Stabilized Revenue in Second Half of 2021 vs. 2020



Bigger Business

1. Stabilized Revenue in Second Half of 2021
2. **Core Business Strength**

2. Core Business Strength in Second Half of 2021



Core business revenue +10.3% in 2H2021 vs. 2H2020

Core business includes: production, warehousing, freight, marketing, other services fees.

Bigger Business

1. Stabilized Revenue in Second Half of 2021
2. Core Business Strength
3. **New Business Wins**

3. New Business Wins

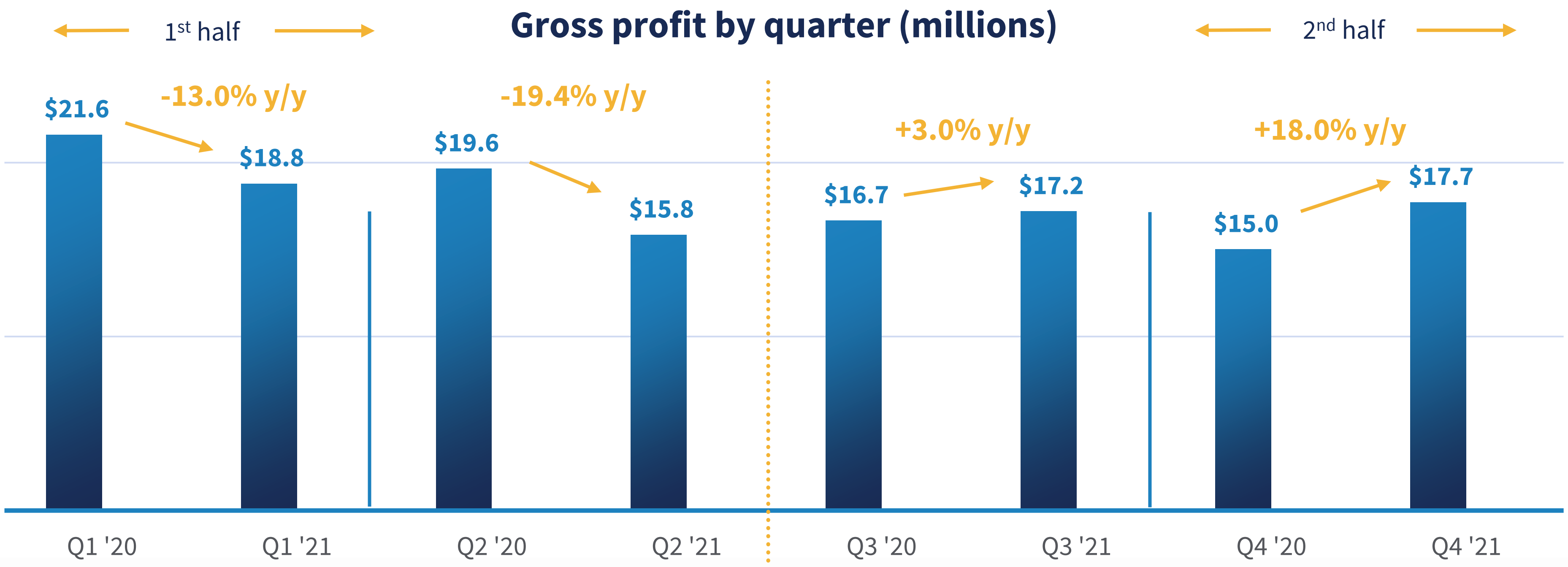
New logos across a wide variety of vertical markets

- Financial services
- Healthcare
- Regulated industries
- Retail
- Manufacturing
- Hospitality services
- Lottery

Bigger Business

1. Stabilized Revenue in Second Half of 2021
2. Core Business Strength
3. New Business Wins
4. **Gross Profit Delivering on Growth**

4. Gross Profit Delivering on Growth



Gross profit +10.2% in 2H 2021 vs. 2H 2020

Bigger Business

1. Stabilized Revenue in Second Half of 2021
2. Core Business Strength
3. New Business Wins
4. Gross Profit Delivering on Growth
5. **Digital Acceleration**

5. Digital Acceleration

Digital first

- Leveraging 40+ years of workflow management and DAM expertise
- Converting conventional print workflows to DCMFlex, vertical markets and product solutions prioritized
- Digital acceleration training for commercial team
- Pipeline of +$10M of tech-services / SAAS revenue, across +50 clients

Bigger Business

1. Stabilized Revenue in Second Half of 2021
2. Core Business Strength
3. New Business Wins
4. Gross Profit Delivering on Growth
5. Digital Acceleration

2021 Financial Results

2021 Financial Results

Fiscal year ended December 31, in millions

Selected financial information	2021	2020	Better/(Worse)
Revenue	$235.3	$259.3	($24.0)
Gross profit	$69.5	$72.9	($3.4)
Gross margin (%)	***29.5%***	***28.1%***	***+140 bps***
SG&A*	$56.0	$56.5	+$0.5
Restructuring expenses	$9.7	$2.8	($6.9)
Adjusted income from operations**	**$13.6**	**$16.5**	**($2.9)**
Adjusted net income***	**$7.7**	**$15.8**	**($8.1)**

* SG&A restated to reflect adoption of IAS 38, relating to amortization of ERP expenses.
** Adjusted income from operations is a non-GAAP measure. Calculated as to: Income before finance costs, other income and income taxes, plus restructuring expenses.
*** Adjusted net income is a non-GAAP measure. For a reconciliation to net income see Appendix A.

2021 Financial Results

Fiscal year ended December 31, in millions

Selected financial information	2021	2020	Better/(Worse)
Revenue	$235.3	$259.3	($24.0)
Adjusted EBITDA*	$33.3	$41.5	($8.2)
Less: Income from CEWS/CERS	$4.6	$10.7	($6.1)
CEWS adjusted EBITDA**	**$28.7**	**$30.8**	**($2.1)**
As percent of revenue	*12.2%*	*11.9%*	
Cash from operations***	**$26.5**	**$47.6**	**($20.9)**
Free cash flow conversion*****	**88.0%**	**98.2%**	**-1020bps**

* Adjusted EBITDA is a non-GAAP measure. For a reconciliation of Adjusted EBITDA to net income see Appendix A.
** CEWS adjusted EBITDA is a non-GAAP measure. Calculated as to: Adjusted EBITDA less grant income from CEWS/CERS for the respective period.
*** Cash provided by operating activities (CFO) after changes in working capital, contributions to pension plans, provisions and income taxes paid.
*** Free cash flow conversion ratio is a non-GAAP measure. Calculated as to: CFO less capital expenditures and intangibles investment, as % of CFO.

2021 Financial Results

Story of “two halves”

Selected financial information	First half	Second half	Fiscal 2021
Revenue	$117.6	$117.8	$235.3
Gross profit	$34.6	$34.9	$69.5
Gross margin (%)	***29.5%***	***29.6%***	***29.5%***
SG&A*	$26.7	$29.2	$56.0
Restructuring expenses	$4.3	$5.4	$9.7
Adjusted EBITDA**	**$16.6**	**$16.7**	**$33.3**

* SG&A restated to reflect adoption of IAS 38, relating to amortization of ERP expenses.
** Adjusted EBITDA is a non-GAAP measure. For a reconciliation to net income see Appendix A.

2021 Financial Results

Story of “two halves”

Selected financial information	First half	Second half	Fiscal 2021
Revenue	$117.6	$117.8	$235.3
Adjusted EBITDA*	$16.6	$16.7	$33.3
Less: Income from CEWS/CERS	$4.3	$0.3	$4.6
CEWS Adjusted EBITDA**	**$12.3**	**$16.4**	**$28.7**
As percent of revenue	*10.4%*	***14.0%***	*12.2%*

“CEWS adj. EBITDA” +32.5% higher in 2H

* Adjusted EBITDA is a non-GAAP measure. For a reconciliation of Adjusted EBITDA to net income see Appendix A.
** CEWS Adjusted EBITDA is a non-GAAP measure. Calculated as to Adjusted EBITDA less grant income from CEWS/CERS.

Fourth Quarter 2021 Financial Results

Quarter ended December 31, in millions

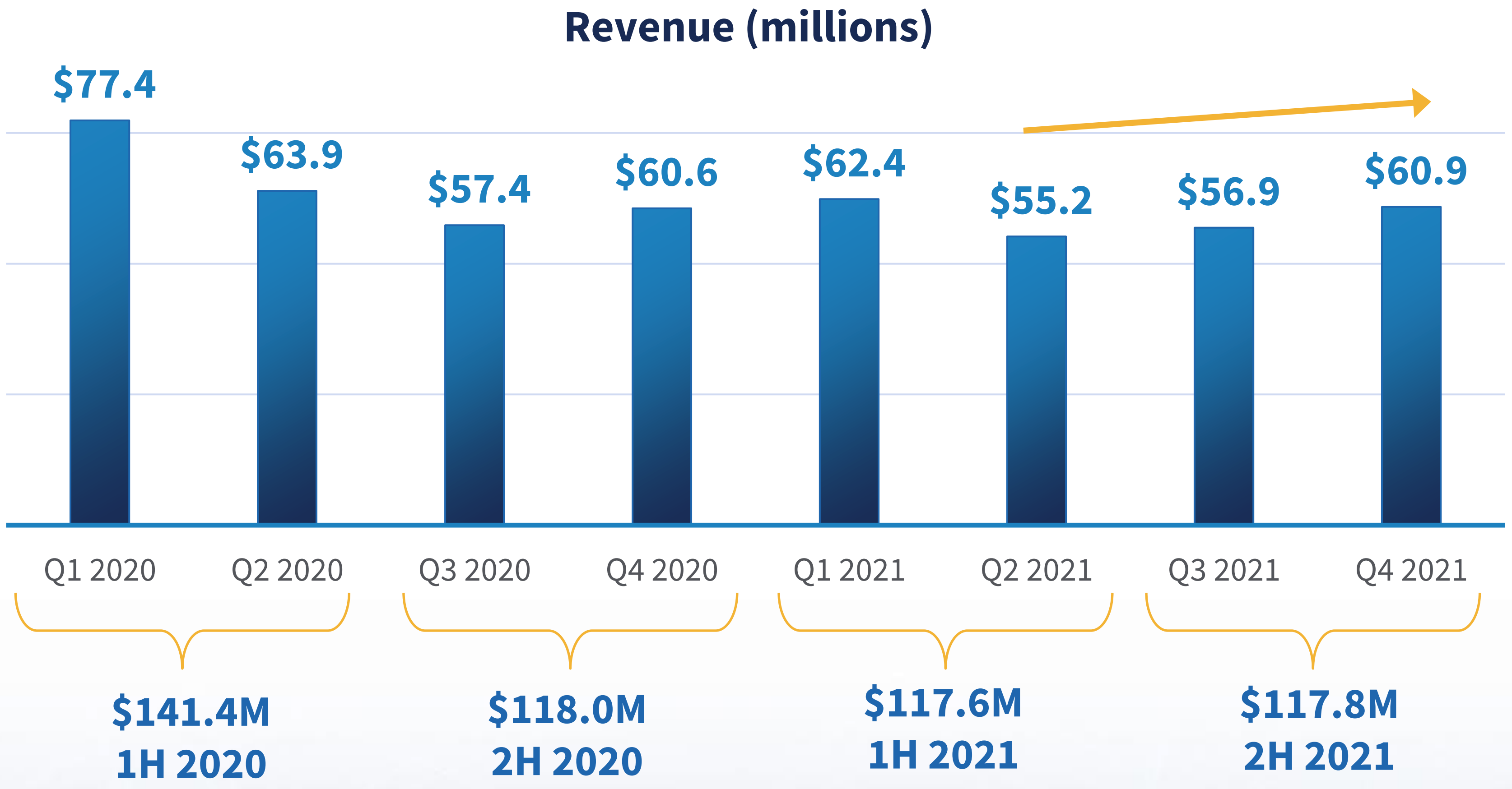
Selected financial information	Q4 2021	Q4 2020	Better/(Worse)
Revenue	$60.9	$60.6	+$0.3
Gross profit	$17.7	$15.0	+$2.7
Gross margin (%)	*29.1%*	*24.8%*	*+430 bps*
SG&A*	$15.4	$12.4	($3.0)
Restructuring expenses	$2.3	$0.7	($1.6)
Adjusted EBITDA**	**$7.3**	**$7.4**	**($0.1)**
CEWS Adjusted EBITDA***	**$7.2**	**$5.6**	**+$2.3**
As percent of revenue	**11.9%**	**9.2%**	**+270 bps**

"CEWS adj. EBITDA" +29.0% higher in Q4 21/20

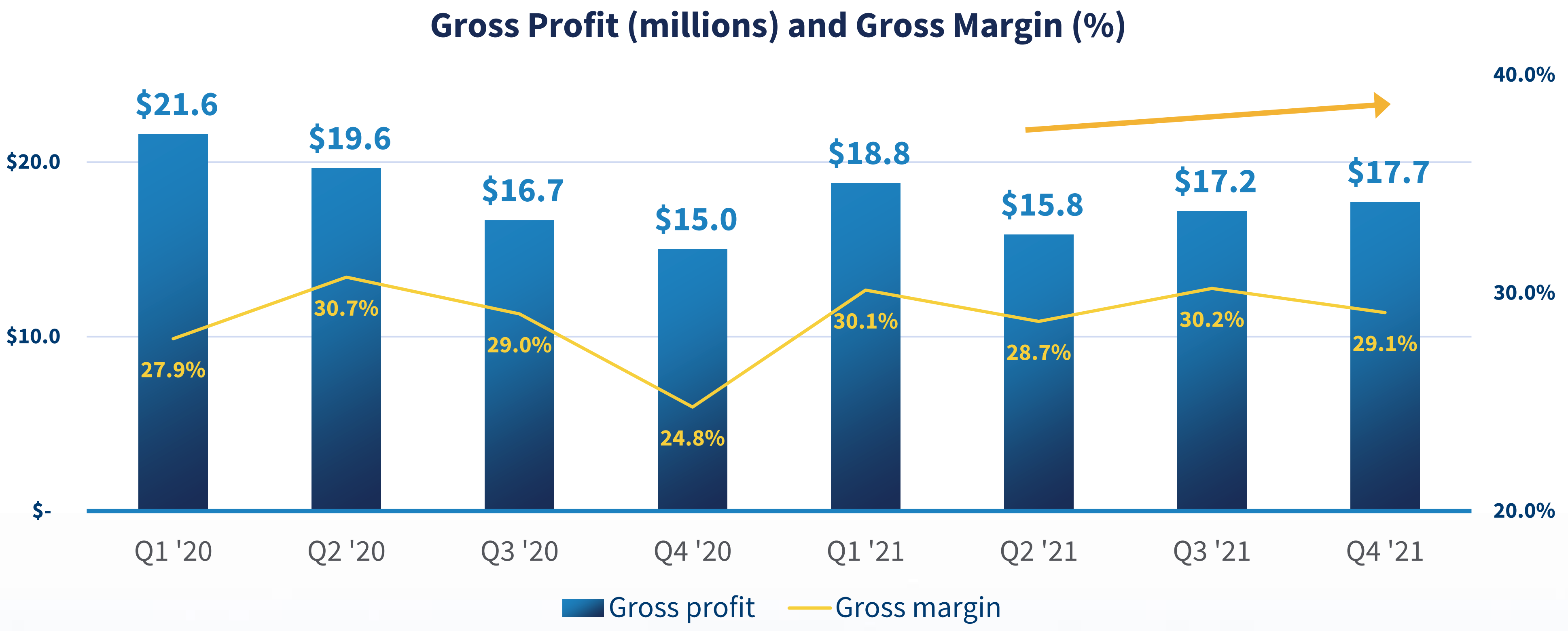
* SG&A restated to reflect adoption of IAS 38, relating to amortization of ERP expenses.
** Adjusted EBITDA is a non-GAAP measure. For a reconciliation of Adjusted EBITDA to net income see Appendix A.
*** CEWS adjusted EBITDA is a non-GAAP measure. Calculated as to: Adjusted EBITDA less grant income from CEWS/CERS.

Positioned for Top-line Growth

Positive sequential trends entering seasonally strongest Q1

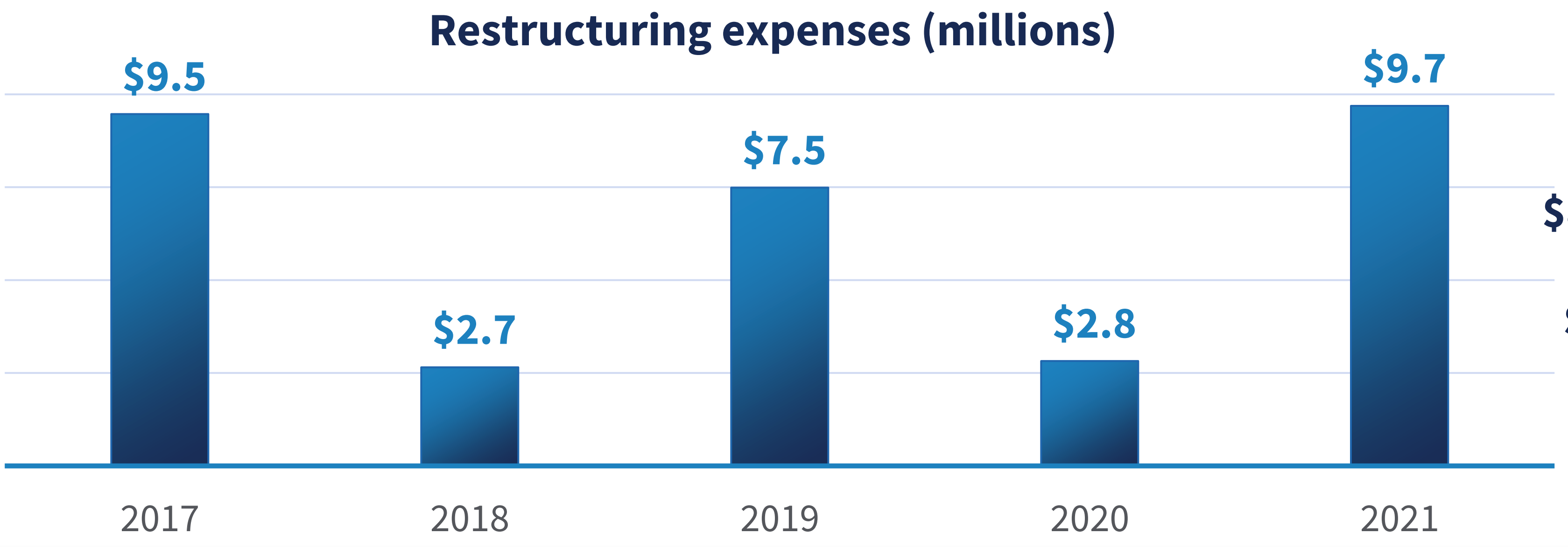


Positive Trends in Gross Profit & Gross Margin



Organizational Effectiveness Initiatives

Restructuring expenses have optimized the business for the future

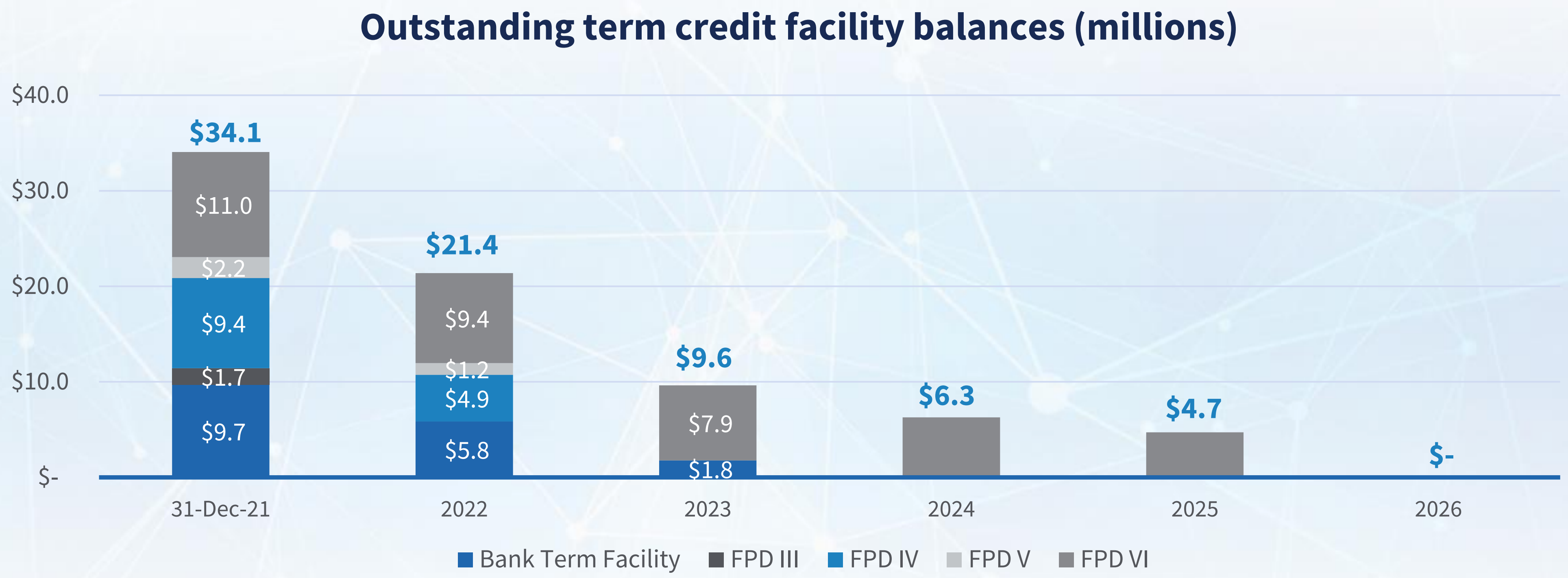


$8.6M headcount
+
$1.1M facilities
in 2021

Negligible restructuring expenses planned in 2022

Negligible restructuring expenses planned in 2022

Current Term Debt Maturity Profile



Excludes revolving term facility balance, used for working capital needs

Summary

Summary

Strong exit to 2021

Fast start to 2022

- Clear strategy: Digital first
- Building a better and bigger business
- Core business is strong
- Digital business well positioned for growth

Contact Information

For more information please visit www.datacm.com or reach out to:

Investor, media and corporate development inquiries

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Appendix A

Non-IFRS Measures Reconciliation: Fiscal 2021, 2020 and 2019

EBITDA and Adjusted EBITDA reconciliation

For the years ended December 31, 2021, 2020 and 2019 (in thousands of Canadian dollars, unaudited)		January 1 to December 31, 2021		January 1 to December 31, 2020		January 1 to December 31, 2019
				(Restated)		(Restated)
Net income for the year [1]	$	1,565	$	13,299	$	(15,795)
Interest expense, net		5,839		6,076		8,916
Debt modification losses and prepayment fees		473		703		3,858
Amortization of transaction costs		941		553		465
Current income tax expense (recovery)		2,238		(491)		(105)
Deferred income tax (recovery) expense [1]		(1,159)		4,208		(5,071)
Depreciation of property, plant and equipment		3,133		3,541		3,959
Amortization of intangible assets [1]		3,589		1,876		2,546
Depreciation of the ROU Asset		8,428		8,399		8,940
EBITDA	$	25,047	$	38,164	$	7,713
Restructuring expenses		9,691		2,821		7,489
One-time business reorganization costs [2]		—		491		1,020
Other income		(1,452)		—		—
Adjusted EBITDA	$	33,286	$	41,476	$	16,222

(1) *SG&A and deferred income tax expense include the impact of the IFRS Interpretations Committee's agenda decision regarding configuration or customization costs in a cloud computing arrangement. Refer to note 3 of the consolidated financial statements for the year ended December 31, 2021 for further details on the impact of the amended accounting standard.*

(2) *One-time business reorganization costs include non-recurring headcount reduction expenses for employees that did not qualify as restructuring costs.*

Adjusted net income reconciliation

For the years ended December 31, 2021, 2020 and 2019 (in thousands of Canadian dollars, except share and per share amounts, unaudited)		January 1 to December 31, 2021		January 1 to December 31, 2020		January 1 to December 31, 2019
				(Restated)		(Restated)
Net income for the year [1]	$	1,565	$	13,299	$	(15,795)
Restructuring expenses		9,691		2,821		7,489
One-time business reorganization costs [2]		—		491		1,020
Other income		(1,452)		—		—
Tax effect of the above adjustments		(2,120)		(845)		(1,943)
Adjusted net income for the year	$	7,684	$	15,766	$	(9,229)
Adjusted net income per share, basic	$	0.17	$	0.37	$	(0.43)
Adjusted net income per share, diluted	$	0.17	$	0.36	$	(0.43)
Weighted average number of common shares outstanding, basic		43,993,494		43,146,866		21,582,483
Weighted average number of common shares outstanding, diluted		46,136,507		43,316,630		21,582,483
Number of common shares outstanding, basic		44,062,831		43,867,030		43,047,030
Number of common shares outstanding, diluted		46,205,844		44,036,795		43,047,030

(1) *SG&A and deferred income tax expense include the impact of the IFRS Interpretations Committee's agenda decision regarding configuration or customization costs in a cloud computing arrangement. Refer to note 3 of the consolidated financial statements for the year ended December 31, 2021 for further details on the impact of the amended accounting standard.*

(2) *One-time business reorganization costs include non-recurring headcount reduction expenses for employees that did not qualify as restructuring costs.*

Appendix A

Non-IFRS Measures Reconciliation: Q4 2021 and Q4 2020

EBITDA and Adjusted EBITDA reconciliation

(in thousands of Canadian dollars, unaudited)		**October 1 to December 31, 2021**	October 1 to December 31, 2020
			(Restated)
Net (loss) income for the period [1]	$	**(1,857)**	$ 3,374
Interest expense, net		**1,124**	260
Debt modification losses and prepayment fees		**473**	78
Amortization of transaction costs		**503**	146
Current income tax expense (recovery)		**183**	(754)
Deferred income tax (recovery) expense [1]		**(371)**	561
Depreciation of property, plant and equipment		**731**	762
Amortization of intangible assets [1]		**2,282**	522
Depreciation of the ROU Asset		**1,920**	1,674
EBITDA	$	**4,988**	$ 6,623
Restructuring expenses		**2,282**	748
One-time business reorganization costs [2]		**—**	16
Adjusted EBITDA	$	**7,270**	$ 7,387

(1) SG&A and deferred income tax expense include the impact of the IFRS Interpretations Committee's agenda decision regarding configuration or customization costs in a cloud computing arrangement. Refer to note 3 of the consolidated financial statements for the year ended December 31, 2021 for further details on the impact of the amended accounting standard.

(2) One-time business reorganization costs include non-recurring headcount reduction expenses for employees that did not qualify as restructuring costs.

Adjusted net (loss) income reconciliation

(in thousands of Canadian dollars, unaudited)		**October 1 to December 31, 2021**	October 1 to December 31, 2020
			(Restated)
Net (loss) income for the period [1]	$	**(1,857)**	$ 3,374
Restructuring expenses		**2,282**	748
One-time business reorganization costs [1]		**—**	16
Tax effect of above adjustments		**(625)**	(192)
Adjusted net (loss) income	$	**(200)**	$ 3,946

(1) SG&A and deferred income tax expense include the impact of the IFRS Interpretations Committee's agenda decision regarding configuration or customization costs in a cloud computing arrangement. Refer to note 3 of the consolidated financial statements for the year ended December 31, 2021 for further details on the impact of the amended accounting standard.

(2) One-time business reorganization costs include non-recurring headcount reduction expenses for employees that did not qualify as restructuring costs.

Competitive Advantage

Digital Start-up

- DAM Market:
  - $5.2 billion global market, 39% in North America
  - 21.2% CAGR
  - Only 1/10 companies currently using a DAM solution

Clients

- 250 enterprise clients
- +2,000 SME clients
- Penetration across 8 key verticals
- +50 commercial sales reps

Capabilities

- +40 years managing digital assets
- Advanced tech-enabled workflow
- API architecture
- Significant install base of FLEX-enabled applications

Cash flow

- $235.3M revenue base
- $26.5M of cash flow from operations
- Strong and improving balance sheet