



Q1 2022 Report to Shareholders

DATA Communications Management Corp.

DCM-TSX | DCMDF-OTCQX

May 11, 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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Non-IFRS Measures

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.

Better and Bigger Business

Five-year Financial Objectives

From print first to digital first

Targets:

5%+

Revenue CAGR

35-40%

Gross Margins

18-20%

SG&A

18-22%

Adjusted EBITDA

Momentum

Bigger Business

Revenue

+11.1%

vs. Q1 2021

\$69.3M

vs. \$62.4M Q1 2021

Best growth rate in 17 quarters!

Gross Profit

+8.1%

vs. Q1 2021

\$20.3M

vs. \$18.8M Q1 2021

Highest gross profit since Q1 2020

Net Income

+111%

vs. Q1 2021

\$3.7M

vs. \$1.8 M Q1 2021

First quarter in the last 8 with \$0 government subsidies

EBITDA

+28.9%

vs. Q1 2021

\$9.4M

vs. \$7.3M Q1 2021

Best “clean/non-adjusted” results in +10 Years

New Business Wins

+\$12M

100% of new business
“tech-enabled”
in Q1 2022



**Financial
services**



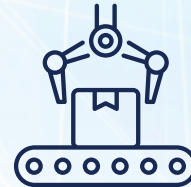
Healthcare



**Regulated
industries**



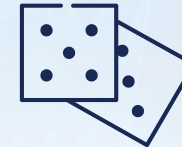
Retail



Manufacturing



**Hospitality
services**



Lottery

Digital-First Acceleration

32% revenue



DCM**FLEX**^{TM/MD}

\$10M pipeline opportunities

**Digital-First
Acceleration**



Better Business

SG&A

-8.5%

vs. Q1 2021

-\$1.3M

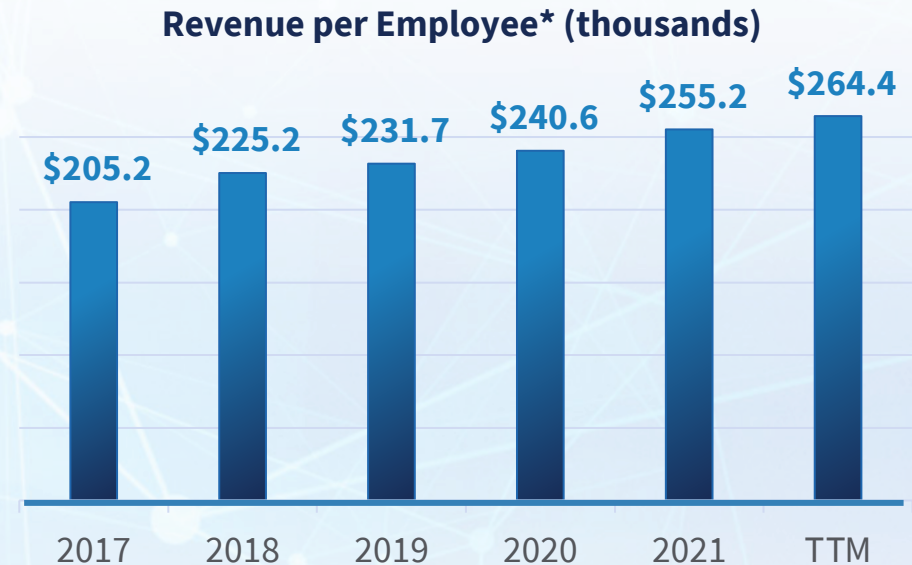
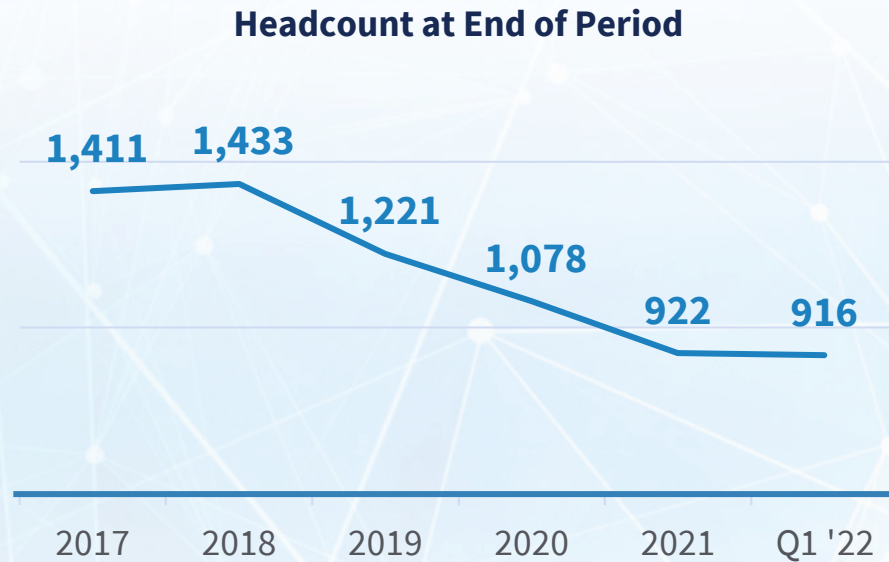
vs. Q1 2021

19.7%

of Revenue

Continued cost control focus

Employee Productivity



Productivity per employee continues to improve

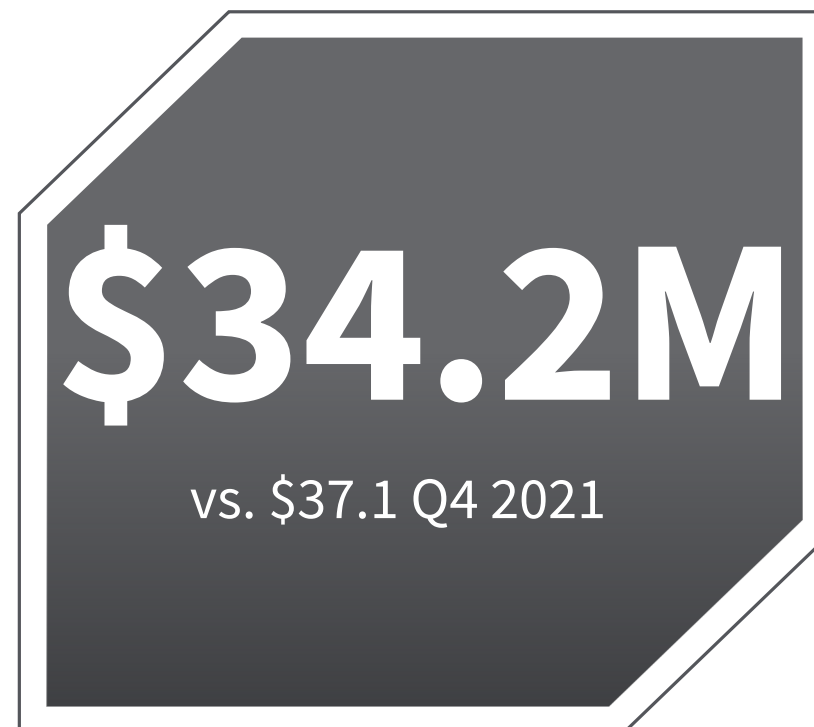
* Revenue per Employee is a non-GAAP measure. Calculated as to: Revenue for the fiscal year, divided by total associated headcount at the end of such fiscal year (or the trailing twelve-month period at March 31, 2022).

Restructuring Expenses



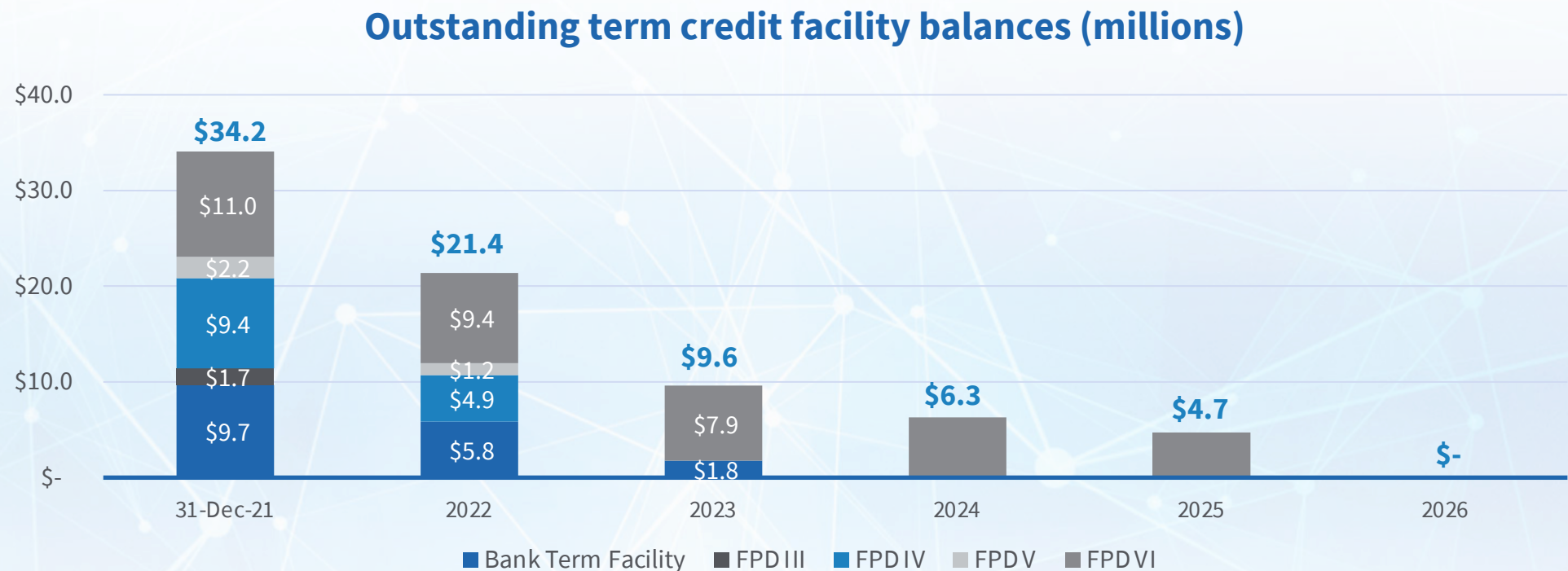
Right-sizing is complete and \$0 restructuring forecast in 2022

Debt



Continued focus on debt repayment

Current Term Debt Maturity Profile



On track to zero debt by 2026

Environmental, Social & Governance



17,232,433

LB OF PAPER



207,334

STANDARD TREES REFORESTED

Clear ESG strategy with sustainability at its core

Productivity Improvements

\$14M
in annualized savings

Mississauga



Brampton

Edmonton



Calgary

Wellington/
Etobicoke



Adelaide

Old Digital



New Digital

Multi Layer/
Fewer Spans



Fewer Layers/
Larger Spans

Fully optimized footprint for future



James Lorimer
Chief Financial Officer

First Quarter 2022 Financial Results

Quarter ended March 31, in millions

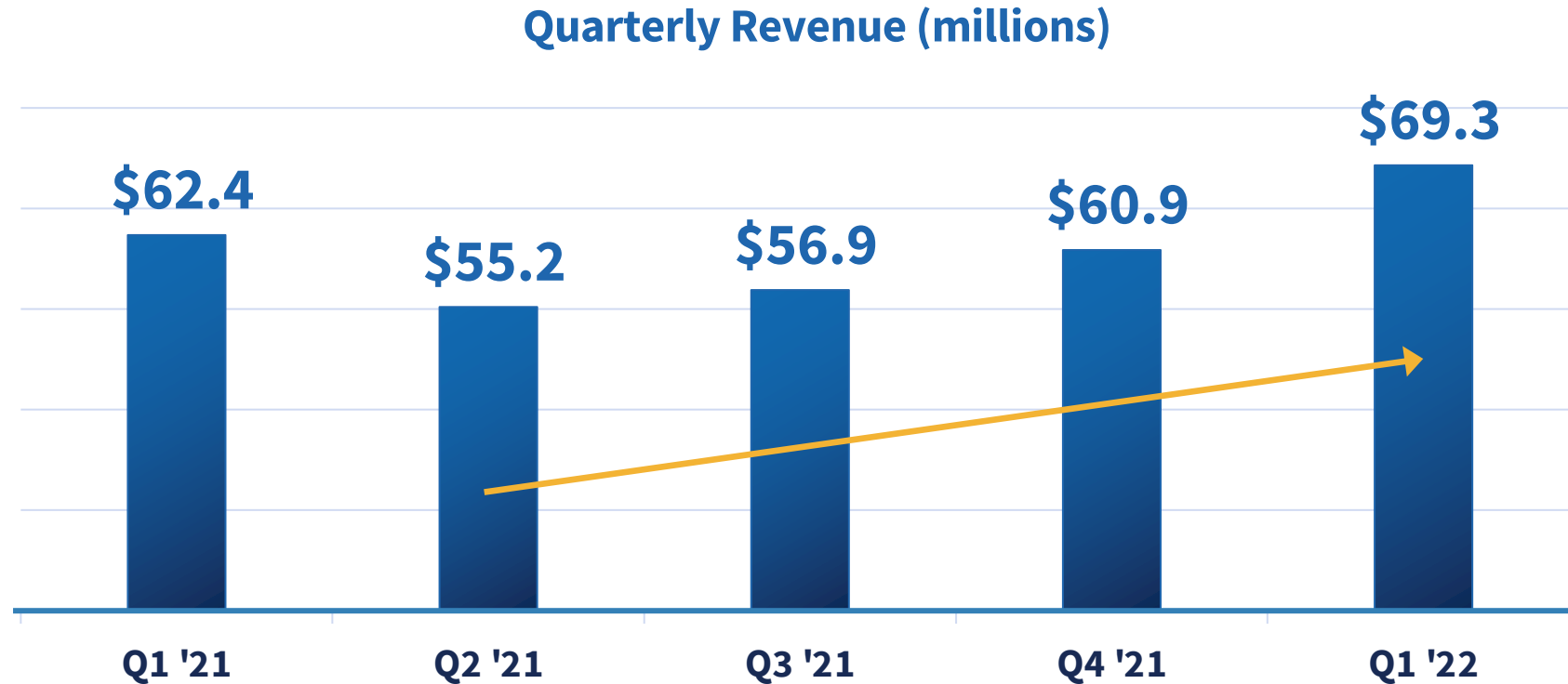
Selected financial information	Q1 2022	Q1 2021	Better/(Worse)
Revenues	\$69.3	\$62.4	+\$6.9
Gross profit	\$20.3	\$18.8	+\$1.5
<i>Gross profit % of revenues</i>	29.3%	30.1%	-80 bps
SG&A*	\$13.6	\$14.9	+\$1.3
Restructuring expenses	\$0.0	\$3.4	+\$3.4
EBITDA	\$9.4	\$7.3	+\$2.1
As percent of revenue	13.6%	11.8%	+180 bps
Adjusted EBITDA	\$9.4	\$9.2	+\$0.2
As percent of revenue	11.9%	14.9%	-300 bps

EBITDA in Q1 2021 included \$1.9M of CEWS/CERS

* SG&A in Q1 2021 restated to reflect adoption of IAS 38, relating to amortization of ERP expenses.

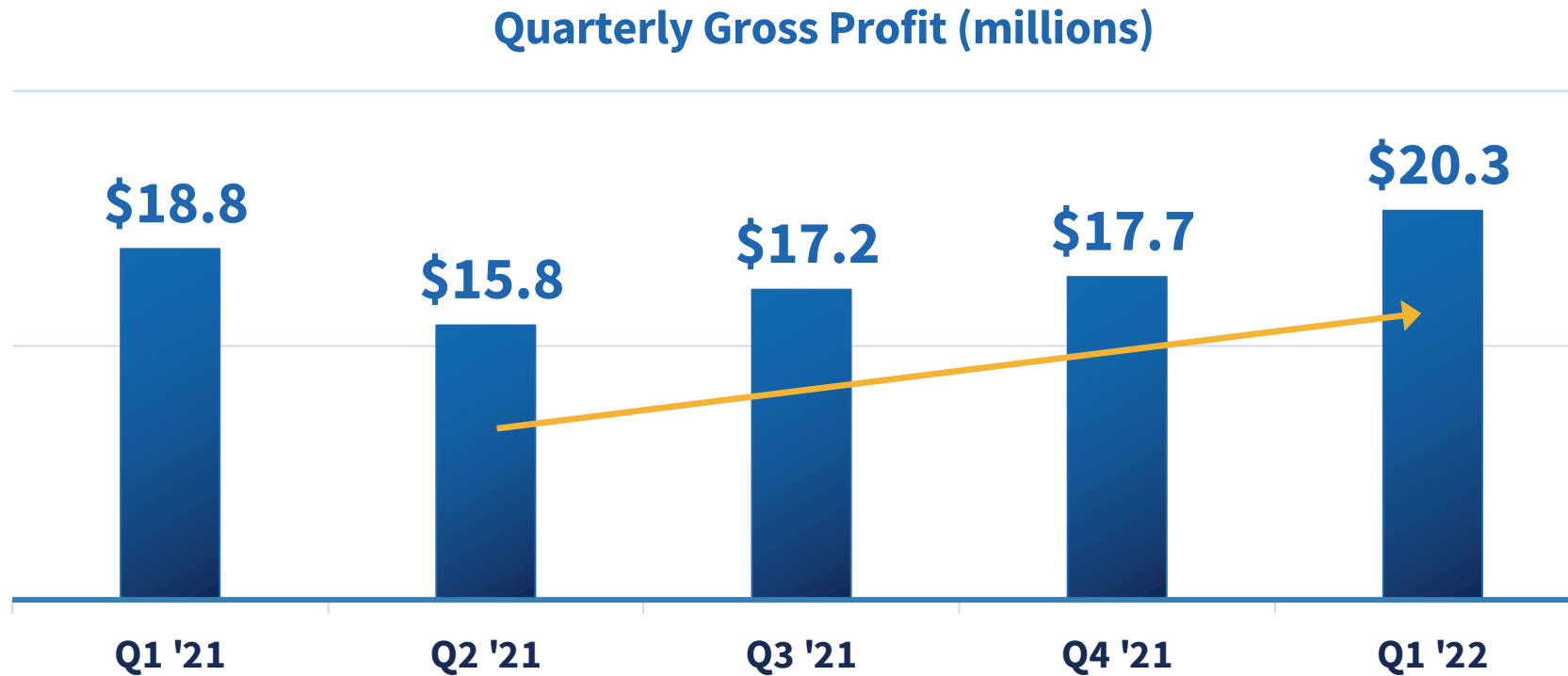
** Adjusted EBITDA is a non-GAAP measure. For a reconciliation of Adjusted EBITDA to net income see Appendix A.

Continued Revenue Momentum in Q1 2022



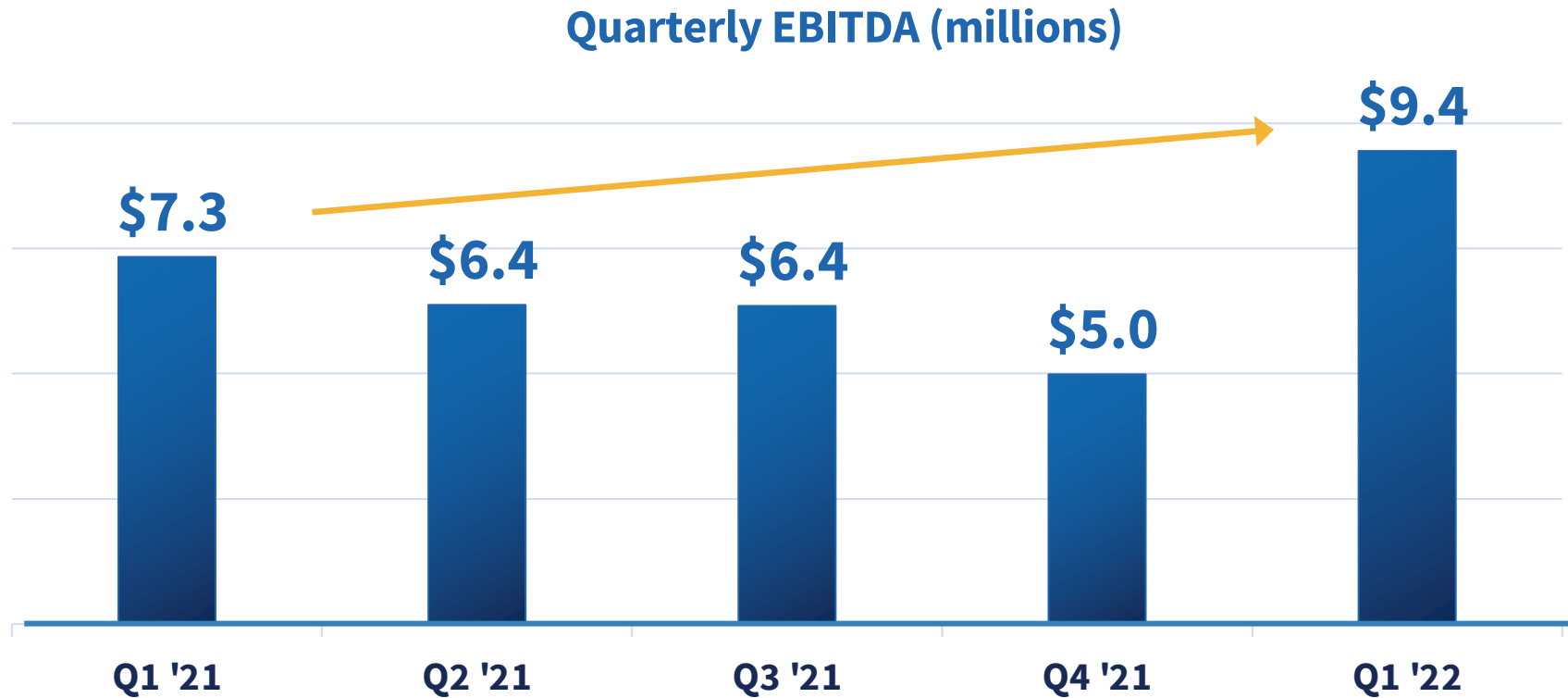
Q1 2022 +11% y/y represents best comparative quarter since 2018

Continued Gross Profit Momentum in Q1 2022



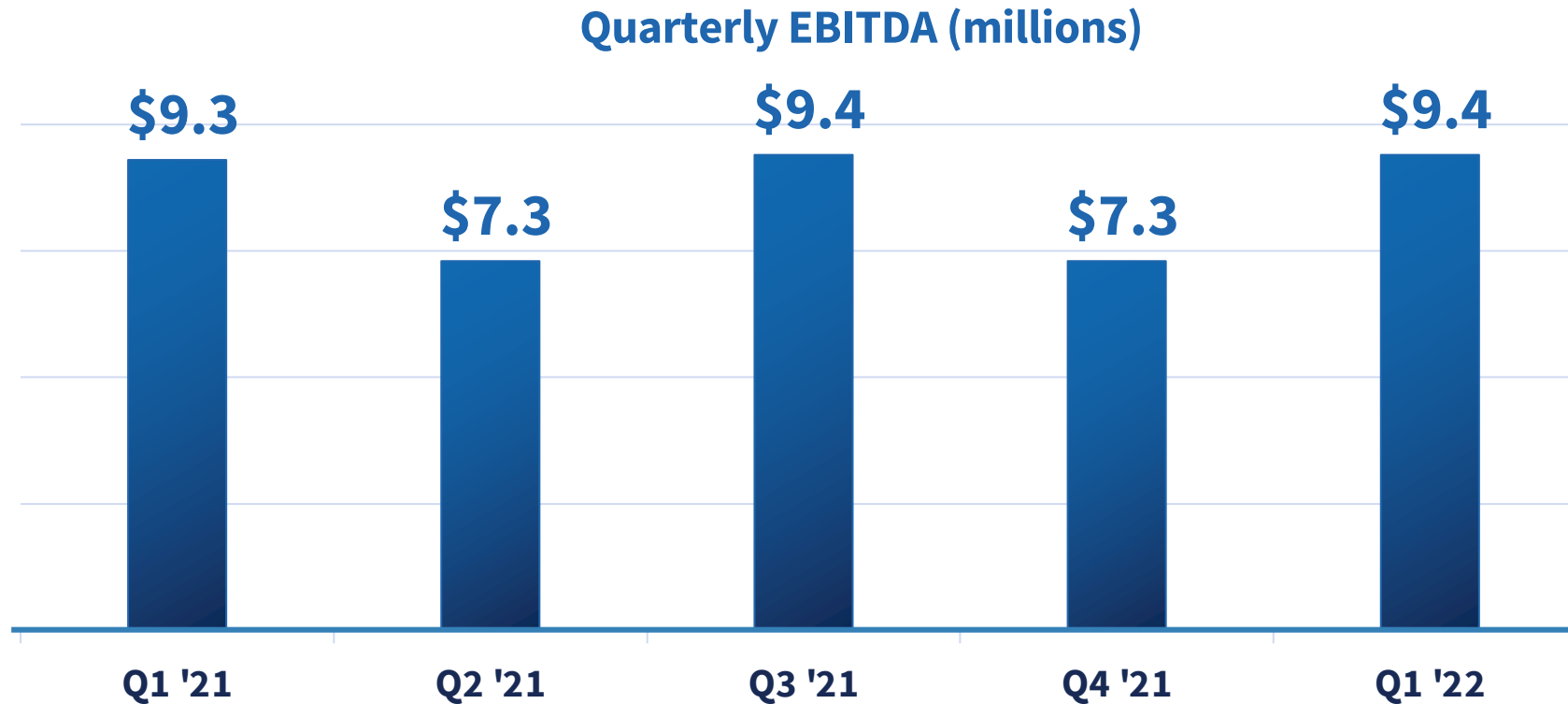
Q1 2022 gross profit +8% vs. Q1 2021

Committed to “Clean” EBITDA Growth



Q1 2022 EBITDA up ~30% vs. Q1 2021

Strong EBITDA in 2021 and on a Trailing Basis



\$33.3M of Adjusted EBITDA in 2021 ~ \$33.4M on TTM basis

Momentum

Digital Start-up With:



Clients

- 250 enterprise clients
- +2,000 SME clients
- Penetration across 8 key verticals
- +60 commercial sales reps

Capabilities

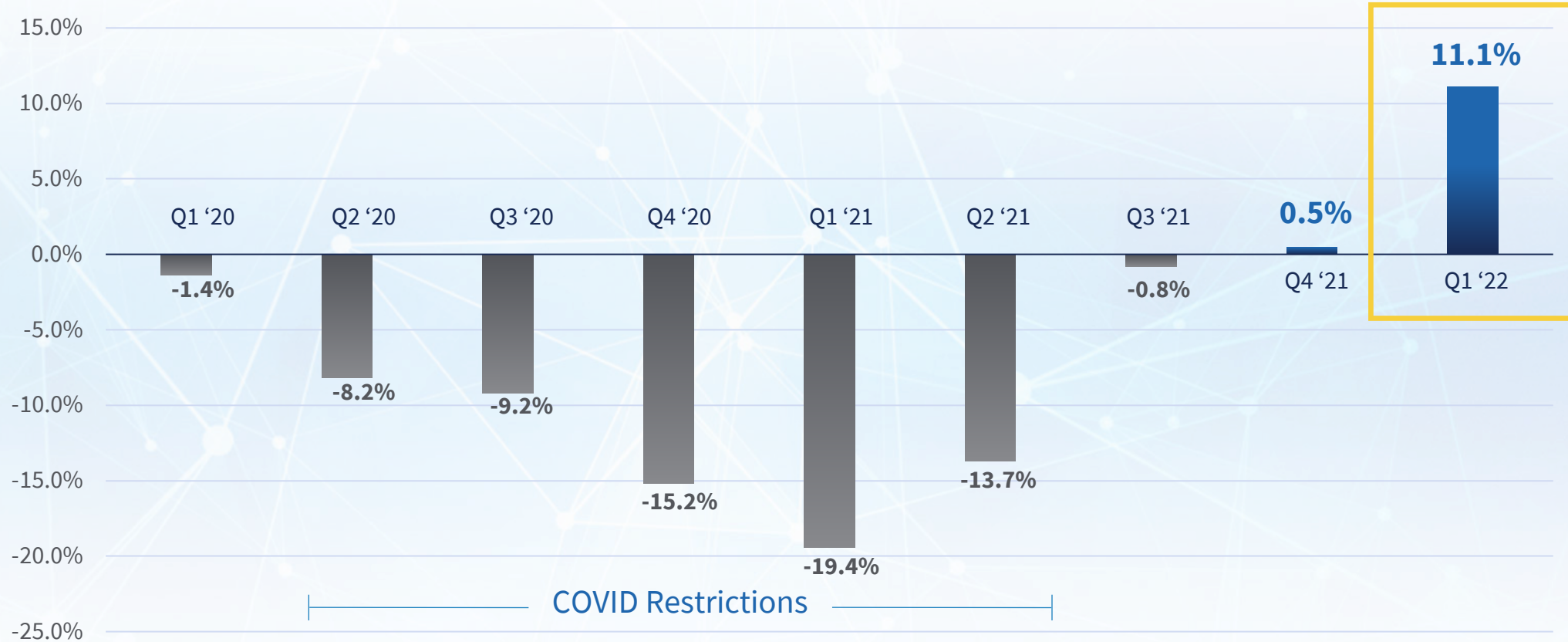
- +40 years managing digital assets
- Advanced tech-enabled workflow
- API architecture
- Significant install base of FLEX-enabled applications

Cash flow

- \$235.3M revenue base in 2021
- \$26.5M of cash flow from operations in 2021, high cash flow conversion rate
- Strong and improving balance sheet

Momentum Builds Momentum

Revenue vs. Prior Year



Better and Bigger Business

Thank you

Contact Information

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

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