DCM

Q3 2022 Report to Shareholders

DATA Communications Management Corp.

DCM-TSX | DCMDF-OTCQX

November 9, 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

Momentum

Bigger Business

Revenue

+11.4%

vs. Q3 2021

$63.4M

vs. $56.9M Q3 2021

+$6.5M vs. prior year

Gross Profit

+15.8%

vs. Q3 2021

$19.9M

vs. $17.2M Q3 2021

31.4%

of Revenue

+$2.7M vs. prior year

New Business Wins Year to Date

+$30M

~100% of new business "tech-enabled"

Financial services

Healthcare

Regulated industries

Retail

Manufacturing

Hospitality services

Lottery

Better Business

EBITDA

+25.7%

vs. Q3 2021

$8.0M

vs. $6.4M Q3 2021

Third quarter in a row with no restructuring / one-time add-backs

Net Income

+176%

vs. Q3 2021

$2.8M

vs. $1.0M Q3 2021

Year to date Net Income of $10.3M vs. $3.4M in 2021

ESG Highlights

16 ESG Committee members
from across DCM, with support from many others

Energy-efficient lighting installation underway for DCM's **5 largest facilities** across Canada

468,734
trees reforested globally via PrintReleaf partnership

Estimated greenhouse gas emissions reduction
= **1,510 metric tons**

2 years of DCM Pride

Monthly DEI communications covering **10** key topics

52 clients onboarded to PrintReleaf program

133 policies, plans & procedures

2-year engagement with Habitat for Humanity® Canada

3 HFH build days planned for 2022

NEW investor relations microsite
launched to support open and consistent communication

James Lorimer

Chief Financial Officer

Year to Date 2022 Financial Results

Year to date through September 30, in millions

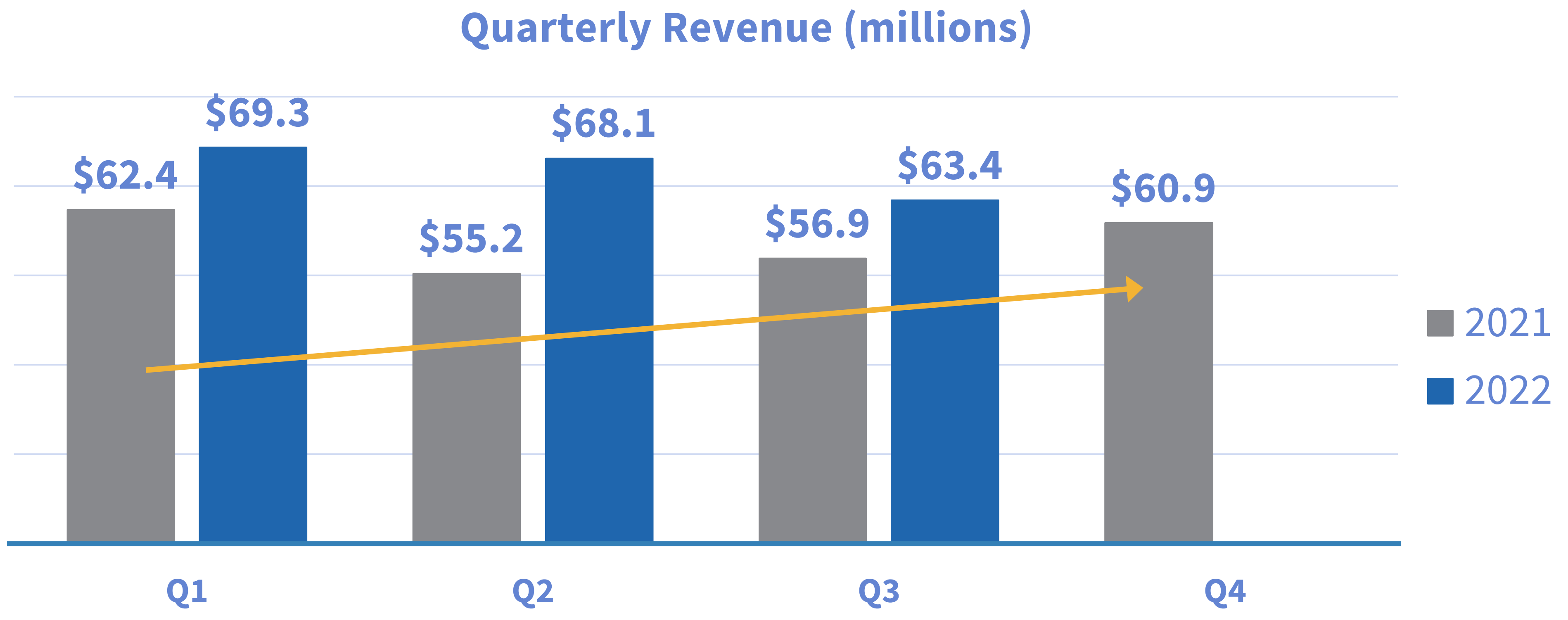
Selected financial information	YTD 2022	YTD 2021	+/-
Revenues	$200.8	$174.5	+$26.3
Gross profit	$60.7	$51.8	+$8.8
Gross profit % of revenues	*30.2%*	*29.7%*	*+50 bps*
SG&A*	$42.3	$40.5	+$1.8
Restructuring expenses	$0.0	$7.4	-$7.4
EBITDA	**$26.9**	**$20.1**	**+$6.8**
As percent of revenue	**13.4%**	**11.5%**	**+190 bps**
Adjusted EBITDA**	**$26.9**	**$26.0**	**+$0.9**
As percent of revenue	**13.4%**	**14.9%**	**-150 bps**

EBITDA in first three quarters of 2021 included $4.5M of CEWS/CERS

* SG&A in Sept 2021 YTD 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 Q3 2022

First three quarters revenue +15.1% vs. 2021

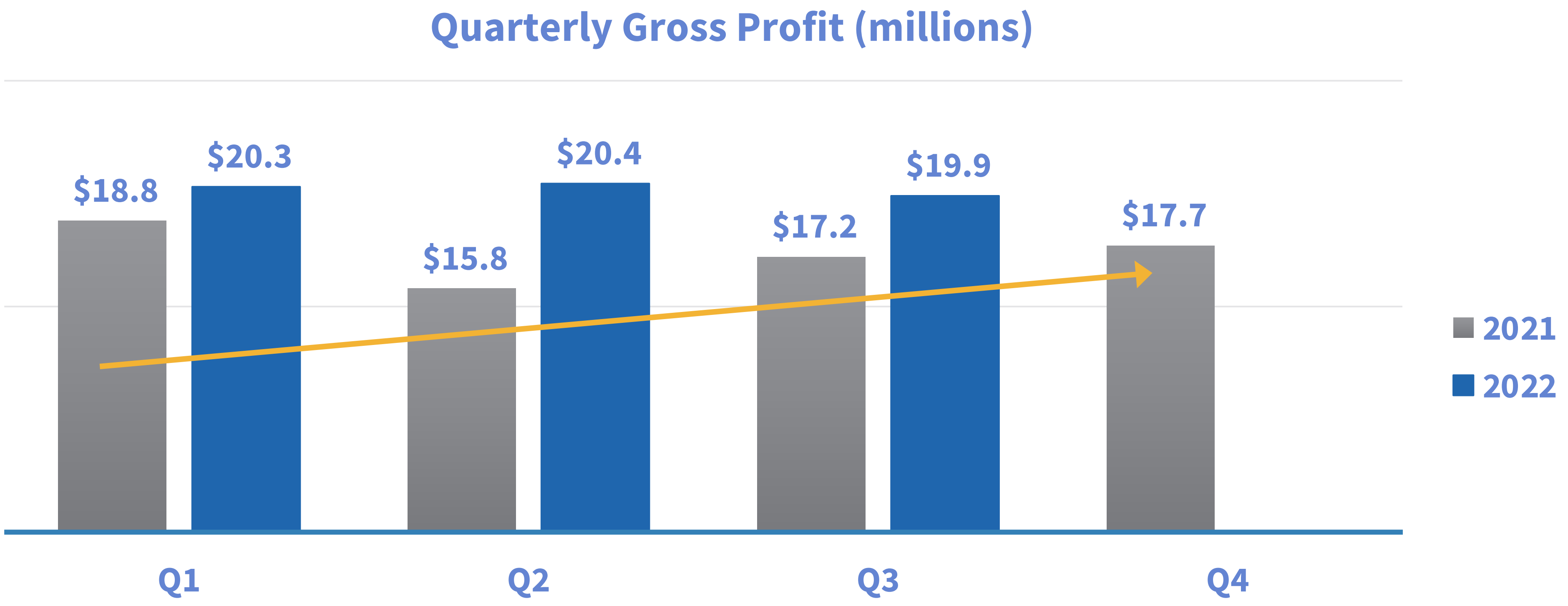


$261.6M of TTM Revenue through Q3 2022 (vs. $235.0M in fiscal 2021)

* TTM = Trailing twelve months through September 30, 2022

Continued Gross Profit Momentum in Q3 2022

First three quarters gross profit +17.1% vs. 2021



$78.4M of TTM gross profit through Q3 2022 (vs. $66.8M TTM in 2021)

* TTM = Trailing twelve months through September 30, 2022

Positive Trends in SG&A & Productivity

	YTD 2021		YTD 2022
SG&A as % of Revenue	23.2%	-1.1% points	21.1%
SG&A Expenses	$40.5M	+$1.8M or +4.3%	$42.3M

Revenue per Employee* (thousands)

Driving value: +15.1% higher revenues, lead to higher commissions; modest wage inflation

* Revenue per Employee is a non-GAAP measure. Calculated as to: Revenue for the fiscal year, or trailing twelve-month (TTM) period ended September 30, 2022, divided by total headcount at the end of such period.

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Restructuring Expenses

$0

YTD Q3 2022

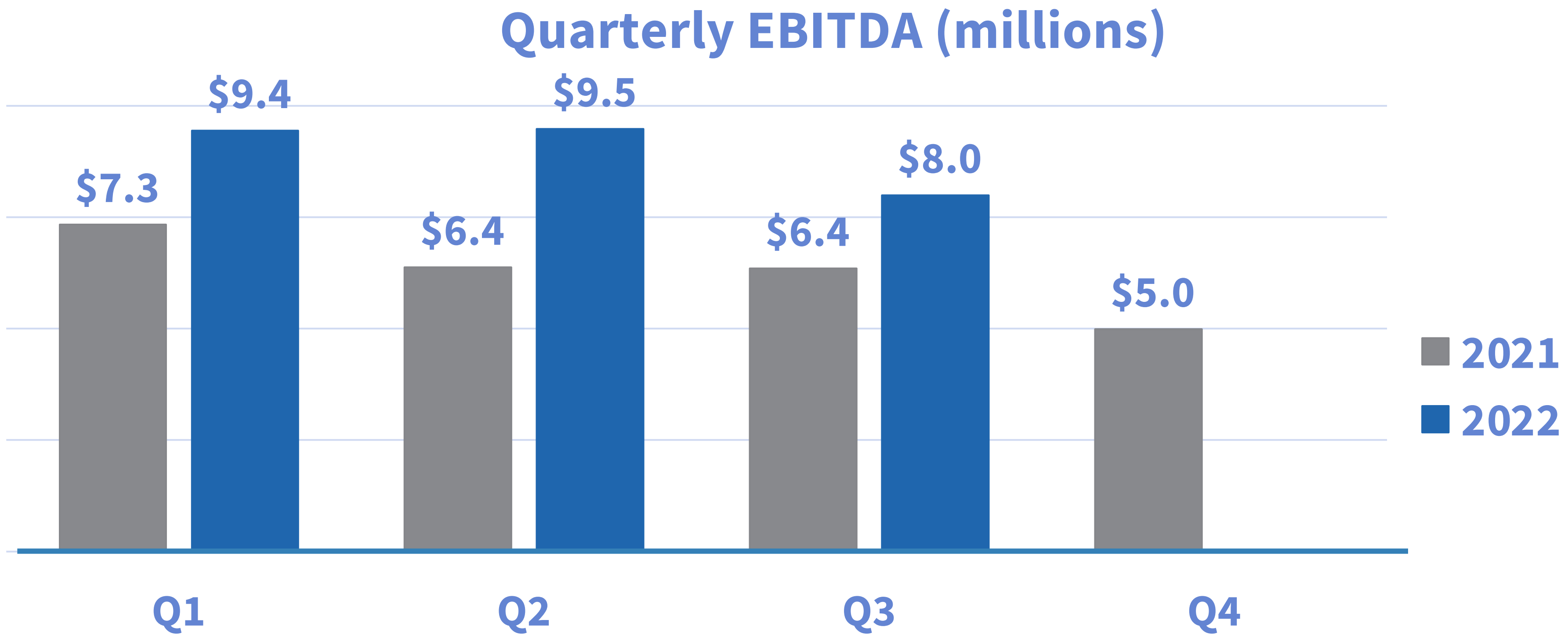
$7.4M

YTD Q3 2021

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

“Clean” EBITDA Momentum in Q3 2022

First three quarters EBITDA +34.2% vs. 2021

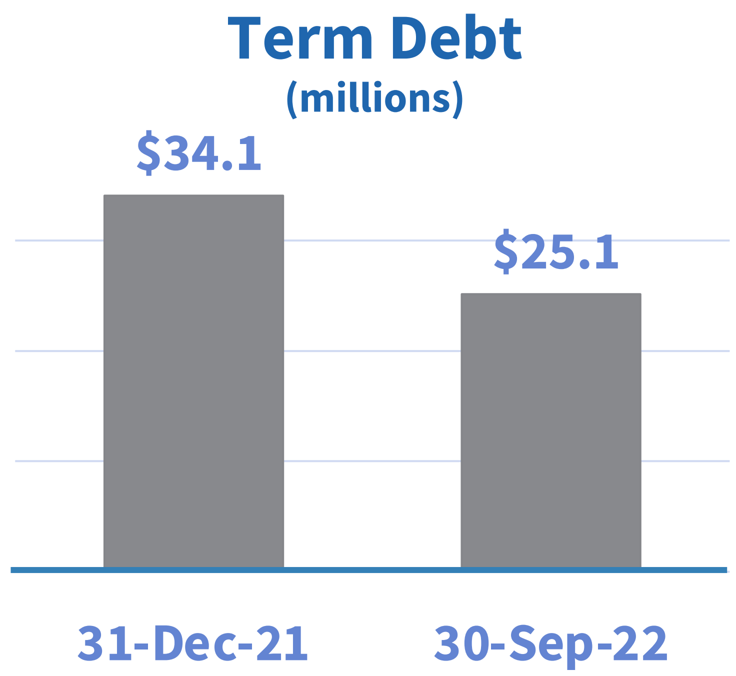


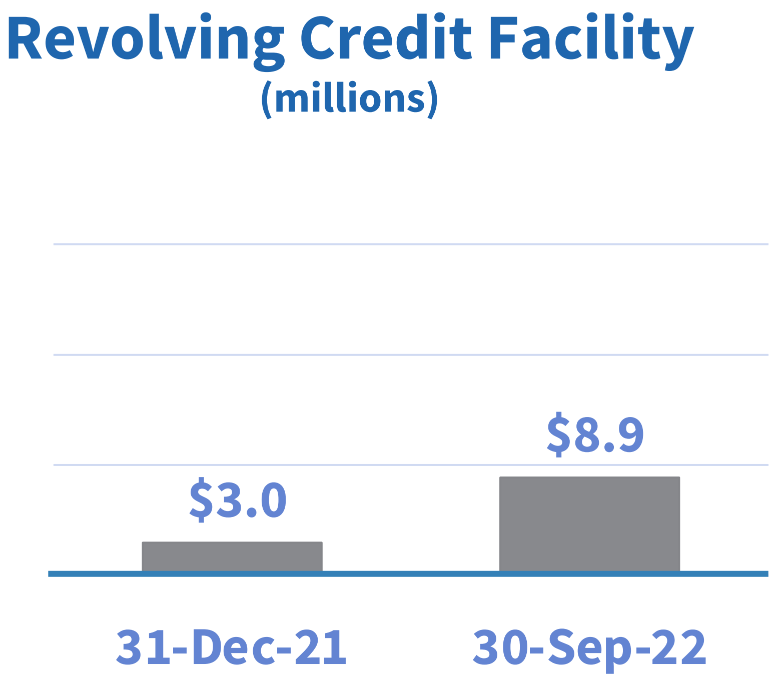
$31.9M of TTM EBITDA through Q3 2022 (vs. $26.7M TTM in 2021)

* TTM = Trailing twelve months through September 30, 2022

Continuing to Pay Down Fixed Term Debt

$8.9M of Term Debt repaid in first three quarters of 2022





-26.2% YTD reduction in fixed term, higher cost debt

"The biggest challenge we currently face in our business is access to raw materials. This has resulted in longer lead times and increased inventory, having an impact on our working capital line of credit. However, Year to Date +15.1% revenue growth, +34.2% increase in EBITDA and +201.0% increase in net income, is evidence that this has been a good investment." - RCK

Strong Momentum in 2022 Continues

	Revenue	Gross Profit	Net Income	EBITDA
Q3 2022 vs. 2021	+11.4%	+15.8%	+176%	+25.7%
YTD 2022 vs. 2021	+15.1%	+17.1%	+201%	+34.2%
TTM 2022 vs. 2021 at Sept. 30	+11.3%	+17.3%	+24.1%	+19.6%

Momentum

Thank you

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SURPRISINGLY SIMPLE

Contact Information

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Non-IFRS Measures

EBITDA and Adjusted EBITDA Reconciliation

For the periods ended September 30, 2022 and 2021 *(in thousands of Canadian dollars, unaudited)*		**July 1 to September 30, 2022**		July 1 to September 30, 2021		**January 1 to September 30, 2022**		January 1 to September 30, 2021
				(Restated)				*(Restated)*
Net income for the period [1]	**$**	**2,816**	$	1,021	**$**	**10,286**	$	3,417
Interest expense, net		**1,233**		1,587		**3,831**		4,715
Amortization of transaction costs		**84**		117		**257**		438
Current income tax expense		**1,143**		383		**3,803**		2,055
Deferred income tax expense (recovery) [1]		**(236)**		(121)		**204**		(784)
Depreciation of property, plant and equipment		**760**		820		**2,321**		2,402
Amortization of intangible assets [1]		**402**		445		**1,213**		1,308
Depreciation of the ROU Asset		**1,786**		2,101		**4,999**		6,508
EBITDA	**$**	**7,988**	$	6,353	**$**	**26,914**	$	20,059
Restructuring expenses		**—**		3,084		**—**		7,409
Other income		**—**		—		**—**		(1,452)
Adjusted EBITDA	**$**	**7,988**	$	9,437	**$**	**26,914**	$	26,016

(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. Prior periods have been retrospectively restated to derecognize previously capitalized costs in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to note 3 of the condensed interim consolidated financial statements for the period ended September 30, 2022 for further details on the impact of the amended accounting standard.

Adjusted Net Income Reconciliation

For the periods ended September 30, 2022 and 2021 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*	**July 1 to September 30, 2022**	July 1 to September 30, 2021	**January 1 to September 30, 2022**	January 1 to September 30, 2021
		(Restated)		*(Restated)*
Net income for the period (1)	**2,816**	1,021	**10,286**	3,417
Restructuring expenses	—	3,084	—	7,409
Other income	—	—	—	(1,452)
Tax effect of the above adjustments	—	(760)	—	(1,495)
Adjusted net income	**2,816**	3,345	**10,286**	7,879
Adjusted net income per share, basic	**0.06**	0.08	**0.23**	0.18
Adjusted net income per share, diluted	**0.06**	0.07	**0.22**	0.17
Weighted average number of common shares outstanding, basic	**44,062,831**	44,056,907	**44,062,831**	43,970,128
Weighted average number of common shares outstanding, diluted	**46,501,606**	46,477,944	**46,516,249**	46,025,059
Number of common shares outstanding, basic	**44,062,831**	44,062,831	**44,062,831**	44,062,831
Number of common shares outstanding, diluted	**46,501,606**	46,483,868	**46,516,249**	46,117,762

(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. Prior periods have been retrospectively restated to derecognize previously capitalized costs in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Refer to note 3 of the condensed interim consolidated financial statements for the period ended September 30, 2022 for further details on the impact of the amended accounting standard.