For Immediate Release

DATA COMMUNICATIONS MANAGEMENT CORP. ANNOUNCES FIRST QUARTER 2023 FINANCIAL RESULTS

Brampton, Ontario – May 10, 2023 – DATA Communications Management Corp. (TSX: DCM; OTCQX: DCMDF) ("DCM" or the "Company"), a provider of marketing and business communication solutions to companies across North America, is pleased to report continued momentum in the first quarter of 2023 with revenue up +9.8%, and gross profit up +16.3%, compared to the first quarter of 2022, respectively. Revenue growth has been driven by a combination of expansion revenue with existing clients, and new business wins. Gross margin growth exceeded revenue growth, reflecting the Company's commitment to operational excellence and driving higher levels of net income.

FIRST QUARTER 2023 HIGHLIGHTS - BUILDING A BIGGER BUSINESS

- Revenue for the first quarter of 2023 was up +9.8%, or +$6.8 million, vs. Q1 year ago (YA), for total revenues of $76.1 million;
- Gross profit accelerated +16.3%, or +$3.3 million for a total of $23.6 million;
- Gross profit as a percentage of revenues grew +1.8 percentage points to 31.1%, vs. 29.3% YA;
- The 63.4% increase in our share price during the quarter resulted in a $4.5 million non-cash mark-to-market expense related to long-term incentive compensation accruals; normalizing for this adjustment, and accounting for acquisition related costs, Adjusted EBITDA[1] was $12.3 million or 16.2% of revenue vs. $9.4 million and 13.6% of revenues YA;
- No restructuring expenses or any other "adjustments" or one-time costs, other than $6.1 million in costs related to the acquisition of Moore Canada Corporation ("MCC") which is now a wholly-owned subsidiary of DCM;
- Total debt lower by -17.4%, or -$4.7 million, vs. year end 2022 to $22.6 million.

FIRST QUARTER 2023 OPERATIONAL HIGHLIGHTS – BUILDING A BETTER BUSINESS

- On April 24, 2023, DCM closed the acquisition of MCC for a total cash purchase price of $130.8 million, subject to final working capital and other customary post-closing adjustments. With the completion of the acquisition, MCC is a wholly-owned subsidiary of DCM. The acquisition was funded through a revolving, floating rate credit facility from

[1] **Note**: EBITDA, Adjusted EBITDA, Adjusted EBITDA as a percentage of revenues, Adjusted net income (loss) and Adjusted net income (loss) as a percentage of revenues are not earnings measures recognized by International Financial Reporting Standards (IFRS), do not have any standardized meanings prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. EBITDA, Adjusted EBITDA, Adjusted EBITDA as a percentage of revenues, Adjusted net income (loss) and Adjusted net income (loss) as a percentage of revenues should not be construed as alternatives to net income (loss) determined in accordance with IFRS as an indicator of DCM's performance. For a description of the composition of EBITDA, Adjusted EBITDA, Adjusted EBITDA as a percentage of revenues, Adjusted net income (loss) and Adjusted net income (loss) as a percentage of revenues, why we believe such measures are useful to investors and how we use those measures in our business, together with a quantitative reconciliation of net income (loss) to EBITDA, Adjusted EBITDA and Adjusted net income (loss), respectively, see the information under the heading "Non-IFRS Measures" and the information set forth on Table 2 and Table 3.

a Canadian chartered bank, which includes up to $90 million of revolving credit capacity; a $30 million floating rate term loan facility from the bank; and a new $50 million fixed rate credit facility from Fiera Private Debt. Commencing in the second quarter of 2023, DCM will begin to report the financial results of MCC in its consolidated financial reporting.

- Rael Fisher, formerly President of MCC, is leading our post-merger integration process as Chief Integration Officer.

MANAGEMENT COMMENTARY

"As we continue our journey building a better and bigger business, I'm pleased to report a first quarter highlighted by the continued strong performance of the DCM business and the substantial progress we made completing the acquisition of the MCC," said Richard Kellam, CEO and President of DCM.

"In connection with the closing of the MCC acquisition, we announced our updated five-year strategic financial objectives. We are now targeting organic annual revenue growth at a compounded annual growth of 5% per year and Adjusted EBITDA as a percentage of revenue of more than 14% over the next five years. As a combined company, we are also focused on driving greater efficiency across the business, including our organization, operations, and procurement. We expect to realize total annualized post-merger synergies in the range of $25 - $30 million over the next 18 to 24 months."

"We are very pleased to have Rael Fisher leading our post-merger integration process. We are off to a very fast start under Rael's leadership with the support of Boston Consulting Group. Our teams are actively working together serving current customers, pursuing new opportunities to accelerate our growth agenda, and continuing our positive momentum building both a better and bigger business. We look forward to reporting on our consolidated results and progress in future quarters."

FIRST QUARTER 2023 EARNINGS CALL

The Company will host a conference call and webcast on Thursday, May 11, 2023, at 9.00 a.m. Eastern time. Mr. Kellam, and James Lorimer, CFO, will present the first quarter 2023 results followed by a live Q&A period.

Instructions on how to access both the webcast and telephone call are available below. For those unable to join live, a replay of the webcast will be available on the DCM Investor Relations page.

DCM will be using Microsoft Teams to broadcast our earnings call, which will be accessible via the options below:

Click here to join the meeting

Meeting ID: 228 920 117 001
Passcode: ex4x9Y

Or call in (audio only)
+1 647-749-9154,,820674274# Canada, Toronto
Phone Conference ID: 820 674 274#

The Company's full results will be posted on its Investor Relations page and on www.sedar.com. A video message from Mr. Kellam will also be posted on the Company's website.

TABLE 1 The following table sets out selected historical consolidated financial information for the periods noted.

For the periods ended March 31, 2023 and 2022 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*		**January 1 to March 31, 2023**		January 1 to March 31, 2022
Revenues	**$**	**76,077**	$	69,257
Gross profit		**23,635**		20,324
Gross profit, as a percentage of revenues		**31.1 %**		29.3 %
Selling, general and administrative expenses		**18,754**		13,644
As a percentage of revenues		**24.7 %**		19.7 %
Adjusted EBITDA		**7,748**		9,448
As a percentage of revenues		**10.2 %**		13.6 %
Net (loss) income for the period		**(2,431)**		3,713
Adjusted net income		**2,140**		3,713
As a percentage of revenues		**2.8 %**		5.4 %
Basic earnings per share	**$**	**(0.06)**	$	0.08
Diluted earnings per share	**$**	**(0.06)**	$	0.08
Weighted average number of common shares outstanding, basic		**44,062,831**		44,062,831
Weighted average number of common shares outstanding, diluted		**44,062,831**		46,748,077

TABLE 2 The following table provides reconciliations of net (loss) income to EBITDA and of net income to Adjusted EBITDA for the periods noted.

EBITDA and Adjusted EBITDA reconciliation

For the periods ended March 31, 2023 and 2022 *(in thousands of Canadian dollars, unaudited)*		**January 1 to March 31, 2023**		January 1 to March 31, 2022
Net (loss) income for the period [1]	**$**	**(2,431)**	$	3,713
Interest expense, net		**1,083**		1,255
Amortization of transaction costs		**72**		87
Current income tax expense		**1,647**		1,138
Deferred income tax (recovery) expense		**(1,608)**		487
Depreciation of property, plant and equipment		**691**		780
Amortization of intangible assets		**463**		408
Depreciation of the ROU Asset		**1,713**		1,580
EBITDA	**$**	**1,630**	$	9,448
Acquisition and integration costs		**6,118**		—
Adjusted EBITDA [1]	**$**	**7,748**	$	9,448

[1] Net loss (income) for the period includes an amount of non-cash mark-to-market expense of $4.5 million in the three months ended March 31, 2023, related to a non-cash increase in mark-to-market expense for outstanding long-term incentive compensation RSUs and DSUs. Normalizing for this charge, Adjusted EBITDA was $12.3 million, or 16.2% of revenues, for the three months ended March 31, 2023.

TABLE 3 The following table provides reconciliations of net (loss) income to Adjusted net income and a presentation of Adjusted net income per share for the periods noted.

Adjusted net income reconciliation

For the periods ended March 31, 2023 and 2022 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*		**January 1 to March 31, 2023**		January 1 to March 31, 2022
Net (loss) income for the period	**$**	**(2,431)**	$	3,713
Acquisition and integration costs		**6,118**		—
Tax effect of the above adjustments	**$**	**(1,547)**		—
Adjusted net income	**$**	**2,140**	$	3,713
Adjusted net income per share, basic		**0.05**		0.08
Adjusted net income per share, diluted		**0.04**		0.08
Weighted average number of common shares outstanding, basic		**44,062,831**		44,062,831
Weighted average number of common shares outstanding, diluted		**47,650,204**		46,748,077

About DATA Communications Management Corp.

DCM is a marketing and business communications partner that helps companies simplify the complex ways they communicate and operate, so they can accomplish more with fewer steps and less effort. For over 60 years, DCM has been serving major brands in vertical markets including financial services, retail, healthcare, energy, other regulated industries, and the public sector. We integrate seamlessly into our clients' businesses thanks to our deep understanding of their needs, transformative tech-enabled solutions, and end-to-end service offering. Whether we're running technology platforms, sending marketing messages, or managing print workflows, our goal is to make everything surprisingly simple.

Additional information relating to DATA Communications Management Corp. is available on www.datacm.com, and in the disclosure documents filed by DATA Communications Management Corp. on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

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FORWARD-LOOKING STATEMENTS

Certain statements in this press release 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 press release, 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 press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Many factors could cause the actual results, performance, objectives or achievements of DCM to be materially different from any future results, performance, objectives or achievements that may be expressed or implied by such forward-looking statements. The principal factors, assumptions and risks that DCM made or took into account in the preparation of these forward-looking statements, and which could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements, include: our operating results are sensitive to economic conditions, which can have a significant impact on us, and uncertain economic conditions may have a material adverse effect on our business, results of operations and financial condition; our ability to successfully integrate the DCM and MCC businesses and realize anticipated benefits from the combination of those businesses, including revenue and profitability growth from an enhanced offering of products and services, larger customer base and cost reductions from synergies; there is limited growth in the traditional printing business, which may impact our ability to grow our sales or even maintain historical levels of sales of printed business and marketing communications materials; competition from competitors supplying similar products and services, some of whom have greater economic resources than us and are well established suppliers; increases in the cost of, and supply constraints related to, paper, ink and other raw material inputs used by DCM, as well as increases in freight costs, may adversely impact the availability of raw materials and our production, revenues and profitability; our ability to meet our revenue and profitability targets; our ability to comply with our financial covenants under our credit facilities or to obtain financial covenant waivers from our lenders if necessary; our ability to complete the proposed sales and leasebacks of certain properties and substantially reduce our bank term loan and total indebtedness; we may not be successful in obtaining capital to fund our business plans on satisfactory terms (or at all), including, without, limitation, with respect to investments in digital innovation (such as the development and successful marketing and sale of new digital capabilities), and capital expenditures; all of our outstanding indebtedness under our bank credit facility is subject to floating interest rates, and therefore is subject to fluctuations in interest rates, an increase of which would increase our borrowing costs. Additional factors are discussed elsewhere in this press release and under the headings "Liquidity and capital resources" and “Risks and Uncertainties” in DCM’s management’s discussion and analysis and in DCM’s other publicly available disclosure documents, as filed by DCM on SEDAR (www.sedar.com). 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 press release 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

This press release includes certain non-IFRS measures as supplementary information. Except as otherwise noted, when used in this press release, EBITDA means earnings before interest and finance costs, taxes, depreciation and amortization and Adjusted EBITDA means EBITDA adjusted for restructuring expenses, and acquisition costs. Adjusted net income (loss) means net income (loss) adjusted for restructuring expenses, acquisition costs, and the tax effects of those items. Adjusted net income (loss) per share (basic and diluted) is calculated by dividing Adjusted net income (loss) for the period by the weighted average number of common shares of DCM (basic and diluted) outstanding during the period. Adjusted EBITDA as a percentage of revenues means Adjusted EBITDA divided by revenues and Adjusted net income (loss) as a percentage of revenues means adjusted net income (loss) divided by revenues, in each case for the same period. In addition to net income (loss), DCM uses non-IFRS measures and ratios, including Adjusted net income (loss), Adjusted net income (loss) per share, Adjusted net income (loss) as a percentage of revenues, EBITDA, Adjusted EBITDA and Adjusted EBITDA as a percentage of revenues to provide investors with supplemental measures of DCM’s operating performance and thus highlight trends in its core 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 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. Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA are not earnings measures recognized by IFRS and do not have any standardized meanings prescribed by IFRS. Therefore, Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA 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 net income (loss) to EBITDA, a reconciliation of net income (loss) to Adjusted EBITDA, reconciliation of net income (loss) to Adjusted net income (loss) and a presentation of Adjusted net income (loss) per share, see Table 2 and Table 3 above.

Condensed interim consolidated statements of financial position

(in thousands of Canadian dollars, unaudited)

	March 31, 2023 $	December 31, 2022 $
Assets		
Current assets		
Cash and cash equivalents	$ **2,994**	$ 4,208
Trade receivables	**54,381**	54,630
Inventories	**18,760**	20,220
Prepaid expenses and other current assets	**3,578**	2,984
Income taxes receivable	**15**	15
	79,728	82,057
Non-current assets		
Other non-current assets	**449**	466
Deferred income tax assets	**6,362**	4,830
Property, plant and equipment	**6,646**	6,779
Right-of-use assets	**33,141**	33,505
Pension assets	**2,793**	2,364
Intangible assets	**2,058**	2,507
Goodwill	**16,973**	16,973
	$ **148,150**	$ 149,481
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	$ **50,795**	$ 44,133
Current portion of credit facilities	**10,228**	11,667
Current portion of lease liabilities	**6,538**	6,791
Provisions	**—**	1,316
Income taxes payable	**1,665**	1,630
Deferred revenue	**4,386**	3,942
	73,612	69,479
Non-current liabilities		
Credit facilities	**12,064**	15,380
Lease liabilities	**32,832**	33,011
Pension obligations	**6,101**	6,069
Other post-employment benefit plans	**2,720**	2,695
	$ **127,329**	$ 126,634
Equity		
Shareholders’ equity		
Shares	$ **256,478**	$ 256,478
Shares to be issued	**332**	—
Warrants	**798**	869
Contributed surplus	**3,051**	3,131
Translation Reserve	**208**	207
Deficit	**(240,046)**	(237,838)
	$ **20,821**	$ 22,847
	$ **148,150**	$ 149,481

Condensed interim consolidated statements of operations

(in thousands of Canadian dollars, except per share amounts, unaudited)	**For the three months ended March 31, 2023**	For the three months ended March 31, 2022
	$	$
Revenues	**$ 76,077**	$ 69,257
Cost of revenues	**52,442**	48,933
Gross profit	**23,635**	20,324
Expenses		
Selling, commissions and expenses	**8,562**	7,048
General and administration expenses	**10,192**	6,596
Acquisition costs	**6,118**	—
	24,872	13,644
(Loss) income before finance costs and income taxes	**(1,237)**	6,680
Finance costs		
Interest expense on long term debt and pensions, net	**543**	691
Interest expense on lease liabilities	**540**	564
Amortization of transaction costs	**72**	87
	1,155	1,342
(Loss) Income before income taxes	**(2,392)**	5,338
Income tax expense		
Current	**1,647**	1,138
Deferred	**(1,608)**	487
	39	1,625
Net (loss) income for the period	**$ (2,431)**	$ 3,713
Other comprehensive income:		
Items that may be reclassified subsequently to net income		
Foreign currency translation	**1**	(13)
	1	(13)
Items that will not be reclassified to net income		
Re-measurements of pension and other post-employment benefit obligations	**299**	479
Taxes related to pension and other post-employment benefit adjustment above	**(76)**	(118)
	223	361
Other comprehensive income for the period, net of tax	**$ 224**	$ 348
Comprehensive (loss) income for the period	**$ (2,207)**	$ 4,061
Basic (loss) earnings per share	**$ (0.06)**	$ 0.08
Diluted (loss) earnings per share	**$ (0.06)**	$ 0.08

Condensed interim consolidated statements of cash flows

(in thousands of Canadian dollars, unaudited)	**For the three months ended March 31, 2023**	For the three months ended March 31, 2022
	$	$
Cash provided by (used in)		
Operating activities		
Net (loss) income for the period	**$ (2,431)**	$ 3,713
Items not affecting cash		
Depreciation of property, plant and equipment	**691**	780
Amortization of intangible assets	**463**	408
Depreciation of right-of-use-assets	**1,713**	1,580
Interest expense on lease liabilities	**540**	564
Share-based compensation expense	**85**	56
Pension expense	**119**	109
Loss on disposal of property, plant and equipment	**—**	11
Amortization of transaction costs	**72**	87
Accretion of non-current liabilities and accretion of debt modification losses	**(78)**	(33)
Other post-employment benefit plans expense	**68**	68
Income tax expense	**39**	1,625
Changes in working capital	**8,238**	(1,885)
Contributions made to pension plans	**(215)**	(240)
Contributions made to other post-employment benefit plans	**(43)**	(43)
Provisions paid	**(1,316)**	(2,094)
Income taxes (paid) refunded	**(1,612)**	16
	6,333	4,722
Investing activities		
Purchase of property, plant and equipment	**(558)**	(213)
Purchase of intangible assets	**(14)**	—
Proceeds on disposal of property, plant and equipment	**—**	31
	(572)	(182)
Financing activities		
Decrease in restricted cash	**—**	515
Proceeds from credit facilities	**—**	101
Exercise of warrants	**96**	—
Repayment of credit facilities	**(4,749)**	(2,943)
Lease payments	**(2,324)**	(2,129)
	(6,977)	(4,456)
Change in cash and cash equivalents during the period	**(1,216)**	84
Cash and cash equivalents – beginning of period	**$ 4,208**	$ 901
Effects of foreign exchange on cash balances	**2**	—
Cash and cash equivalents – end of period	**$ 2,994**	$ 985