Q1 2023 Report to Shareholders

DATA Communications Management Corp.

DCM-TSX | DCMDF-OTCQX

May 11, 2023

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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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.

Today's Objectives

- Q1 2023 Results – DCM Bigger + Better
- Bigger + Better Together
- Questions and Answers

Q1 2023 Results

Bigger Business

Q1 Revenue

BIGGER BUSINESS

+9.8%

vs. Q1 2022

$76.1M

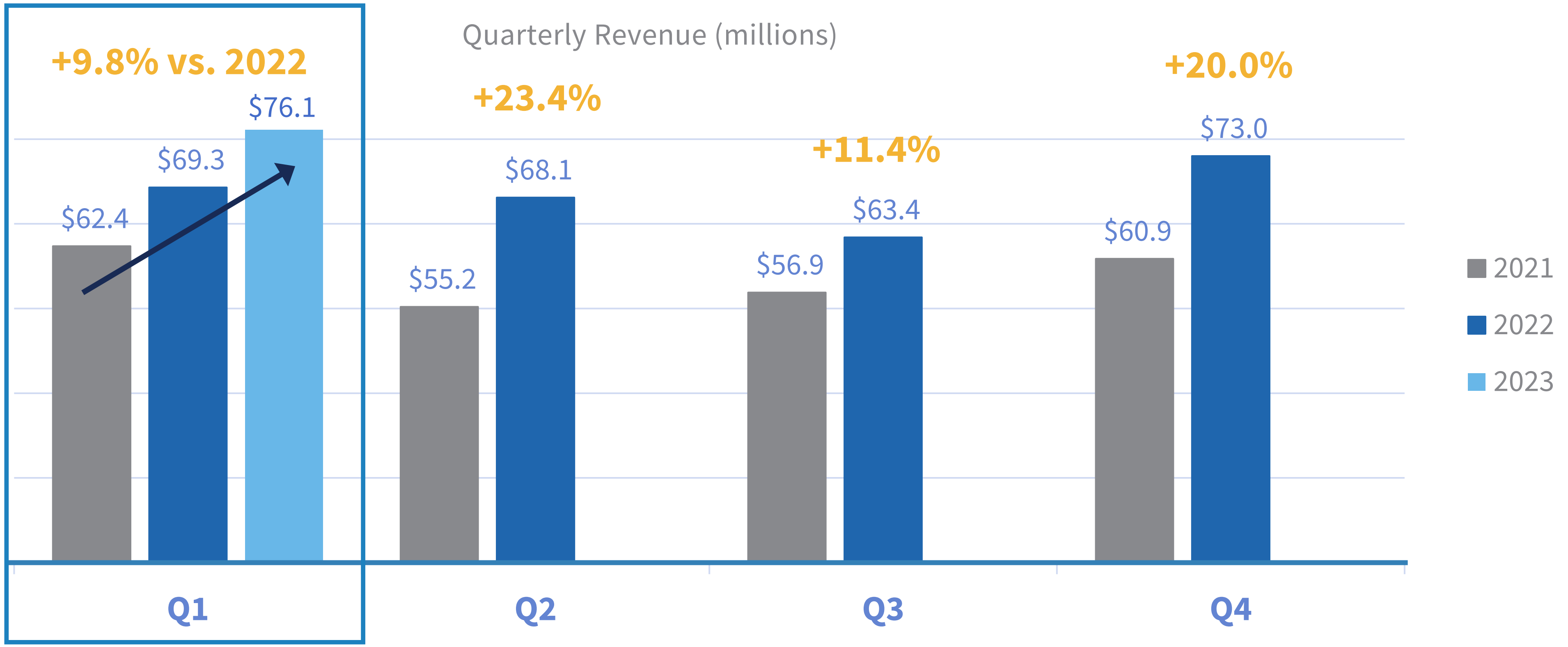
vs. $69.3M Q1 2022

+$6.8M vs. prior year

Revenue Momentum Continued in Q1 2023

Strong Year over Year Quarterly Growth

DCM BIGGER BUSINESS



Q1 2023 = Sixth consecutive quarter of year/year growth

Q1 Gross Profit

+16.3%

vs. Q1 2022

$23.6M

vs. $20.3M Q1 2022

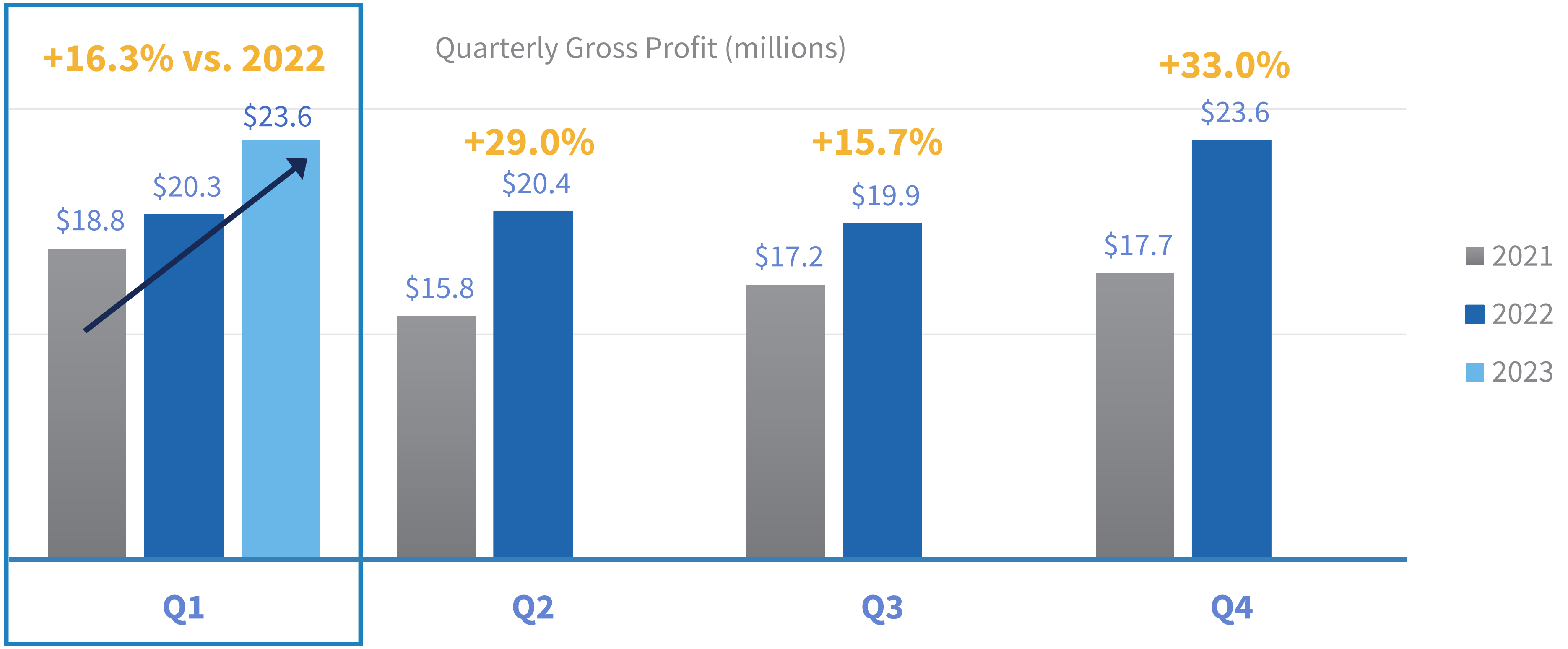
31.1%

of Revenue

+$3.3M vs. prior year

Gross Profit Momentum Continued in Q1 2023

Continued Year over Year Gross Profit



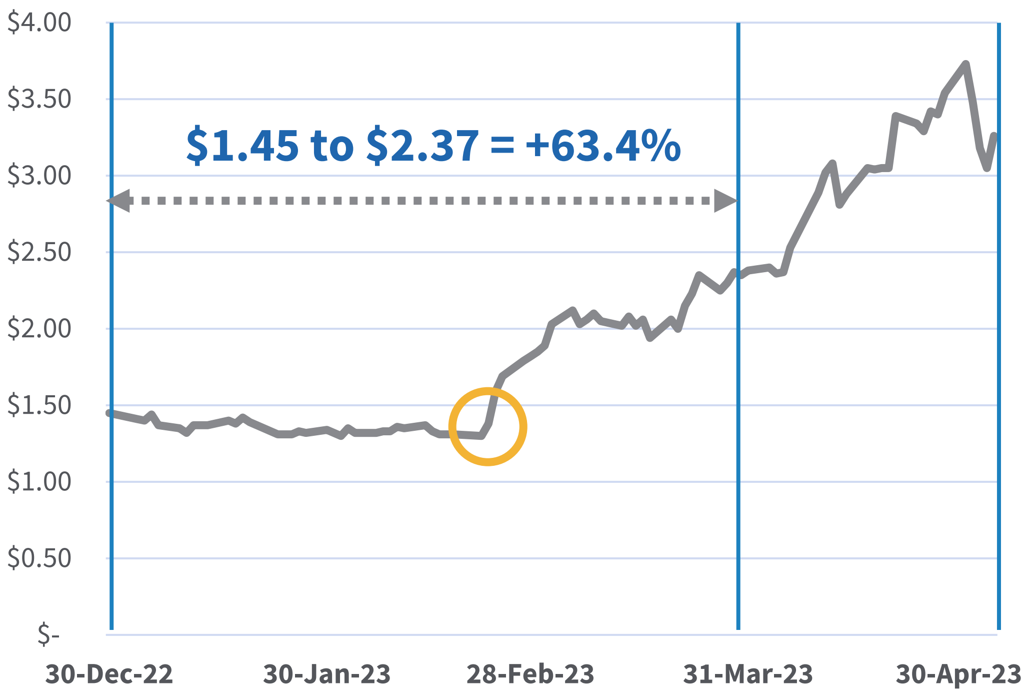
+$3.3M vs. Q1 2022, +$4.8M vs. 2021

Significant Share Price Appreciation in Q1 2023

Led by MCC acquisition announcement on February 22, 2023

BIGGER BUSINESS

DCM-TSX Share Price Performance



+$4.5M

Mark-to-Market Fair Value Adj. re: RSUs/DSUs

Non-Cash accruals related to Long Term Incentive Compensation

Q1 Adjusted EBITDA

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+30.1%
vs. Q1 2022

$12.3M
before MTM adjustments vs. $9.4M Q1 2022

16.2%
of Revenue vs. 13.6% Q1 2022

Including impact of MTM accrual, Adjusted EBITDA $7.8M, 10.2% of Revenue

Adjusted EBITDA Momentum Continued in Q1

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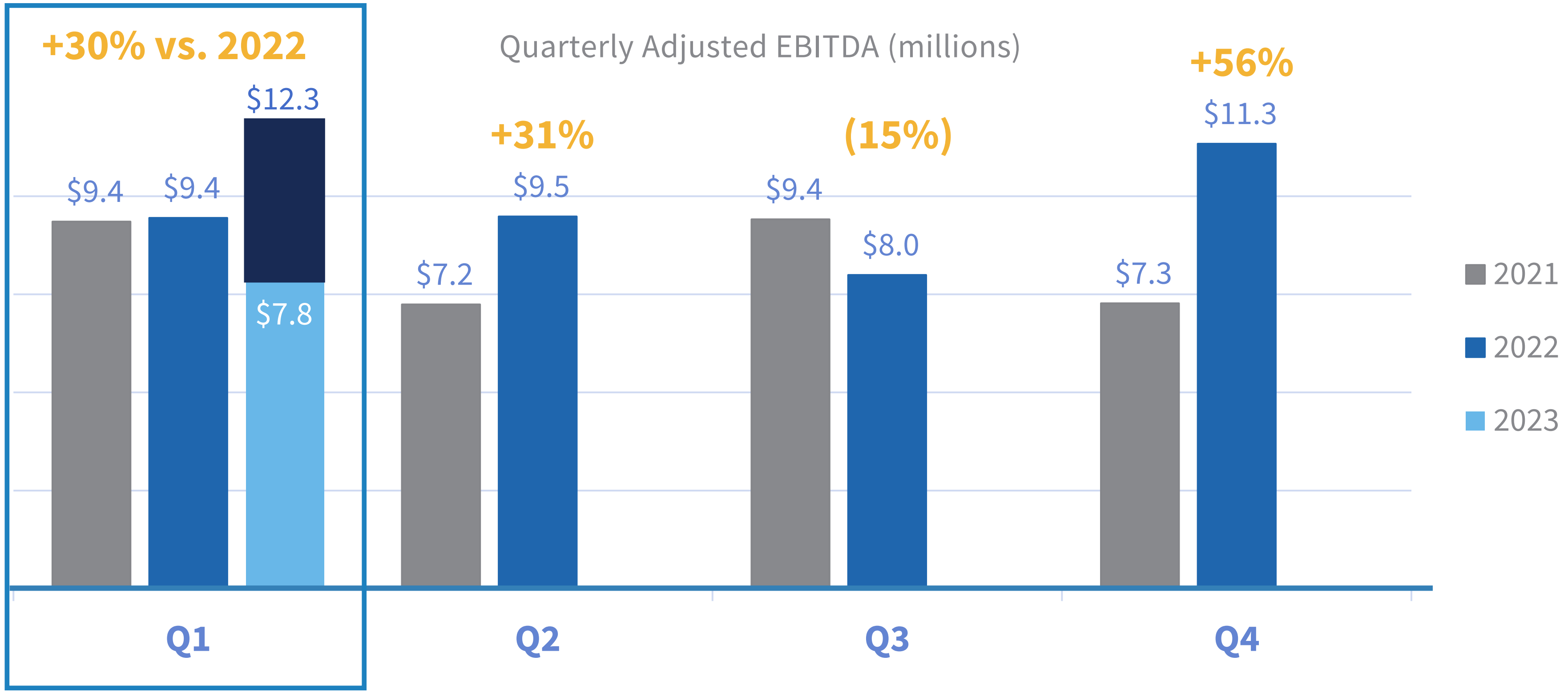
Strong performance normalizing for acquisition-related impacts



Normalizing for $6.1M of acquisition-related costs and $4.5M of M2M

First Quarter 2023 Financial Results

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Quarter ended March 31, in millions

Selected financial information	Q1 2023	Q1 2022	Better/(Worse)
Revenue	$76.1	$69.3	+$6.8
Gross profit	$23.6	$20.3	+$3.3
Gross margin (%)	***31.1%***	***29.3%***	***+180 bps***
SG&A *	$18.7	$13.6	($5.1)
SG&A excl. Mark-to-Market share price adj.	*$14.4*	*$13.6*	*($0.7)*
Restructuring expenses	-	-	-
Acquisition & Integration Costs	$6.1	-	($6.1)
Net (loss) income for the period	**($3.0)**	**$3.7**	**($6.7)**
Adjusted EBITDA**	**$7.8**	**$9.4**	**($1.7)**
As percent of revenue	**10.2%**	**13.6%**	**(340 bps)**
Adjusted EBITDA excl MTM RSU/DSU adj.	***$12.3***	***$9.4***	***+$2.9***
As percent of revenue	***16.2%***	***13.6%***	***+250 bps***

* $0.92 share price increase since Dec. 31, 2022 driving $4.5M Mark-to-Market accounting accrual for RSUs and DSUs

** For a reconciliation of Adjusted EBITDA see MD&A for the period ended March 31, 2023 as filed on SEDAR.

Better Business

Q1 SG&A

BETTER BUSINESS

+5.2%

vs. Q1 2022

$14.4M

before MTM adjustments vs. $13.6M Q1 2022

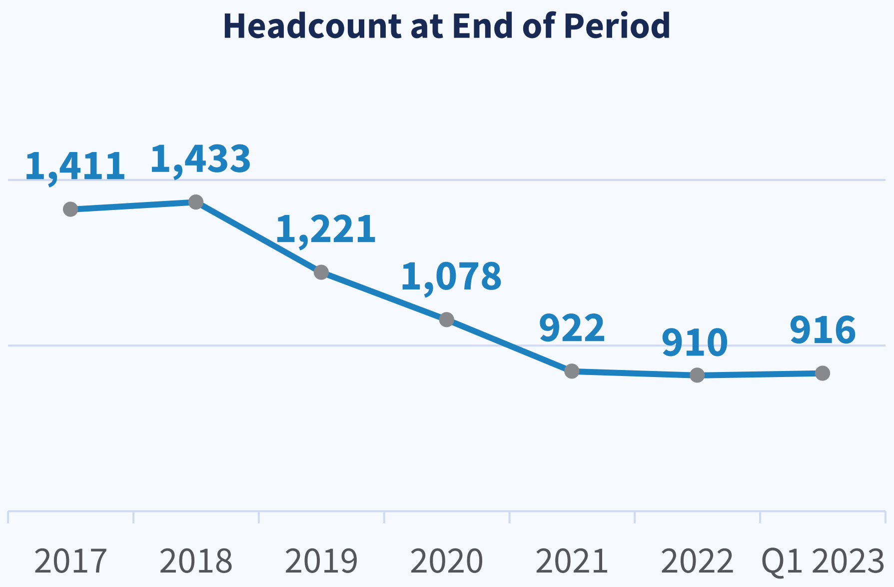
18.7%

of Revenue vs. 19.7% Q1 2022

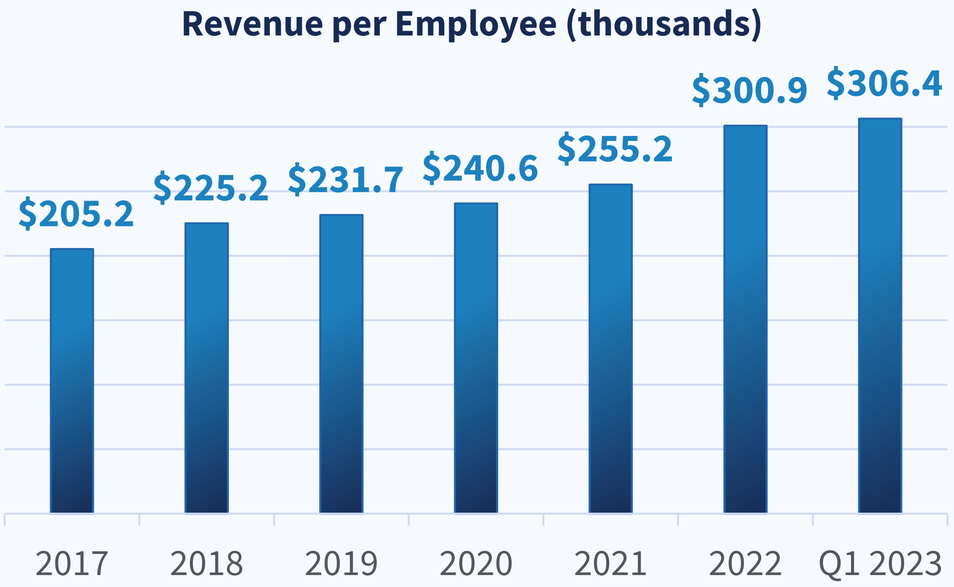
Including $4.5M impact of MTM accrual, SG&A was $18.7M, 24.6% of Revenue

Headcount Reduction & Productivity Improvements

DCM BETTER BUSINESS



+0.6% vs. 2022
-35.1% vs. 2017



+1.8% vs. 2022
+49.3% vs. 2017

ESG

DCM BETTER BUSINESS

ESG

DCM BETTER BUSINESS

Solution Portfolio

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DCM DIGITAL

MKTGFLO
Marketing campaign omnichannel workflow

ASMBL
Digital asset management

DCMFLEX
Workflow management and order fulfillment

OptiChanl
Campaign collateral allocation and distribution

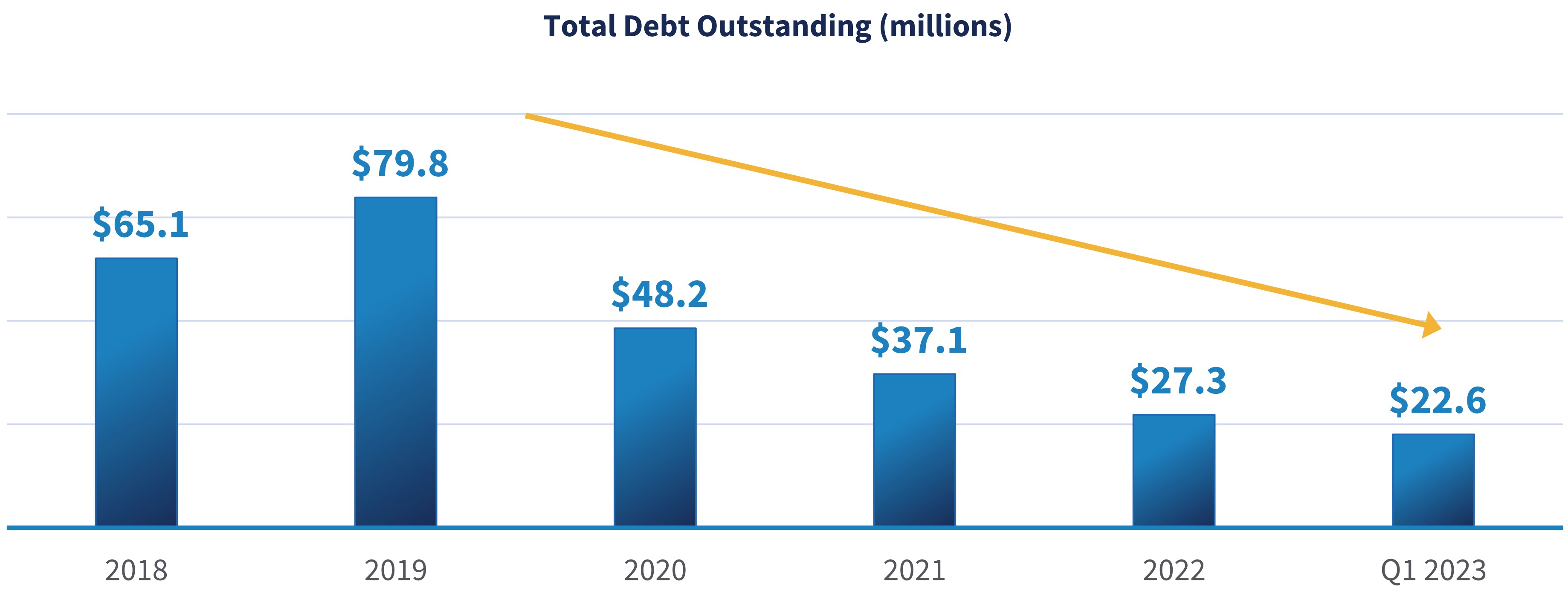
PRSNL
Personalized video

Q1 2023

+27% Growth

$1.5M Revenue

Debt Reduction



-17.4% vs. 2022
-71.7% vs. 2019

Moore Canada Corporation

Q1 Revenue

+10%

vs. Q1 2022

Consolidated Reporting begins Q2 2023

effective April 24, 2023 for MCC

Solid momentum to begin 2023

Unaudited numbers reflecting US GAAP; not converted to IFRS.

The New DCM: Better & Bigger

How are we better together?

- Expanded Product Offerings
- Superior Service
- Execution Capabilities
- Speed to Market
- Client Leadership
- Our People
- Innovation
- Scale to Invest

DCM™ The New DCM: Better & Bigger

Acquisition of Moore Canada Corporation

The Canadian operations of R.R. Donnelley & Sons Company

Key Metrics

- $130.8M purchase price (subject to post-closing working capital adjustments)
  - ~$100.8M for the business
  - ~$30M for three owned facilities
- Combined pro forma revenues +C$520M (unaudited) in 2022
- Expected synergies in the range of $25M - $30M annualized run-rate over next 18-24 months

Closing Details

- Transaction fully funded and closed on April 24, 2023
- Sale/leaseback of Oshawa property ($23M est. net proceeds) to close in Q2, 2023 proceeds will be applied to reduce bridge facility

Financing Sources

- BMO Bank of Montreal: up to $90M expanded revolver, new $30M term loan facility
- Fiera Private Debt: new $50M term debt from FPD VI
- Expected net leverage of ~3.25x, deleveraging to ~2.65x assuming intended sale/leaseback of all three owned sites (2022 pro forma estimates; pre-synergies)

Updated Five-Year Strategic Financial Objectives

"From Print first to Digital first"

+5%
Organic Revenue CAGR

+14%
Adjusted EBITDA

<1.0x
Debt / EBITDA

+60%
Martech Growth, +80% Gross Margin

Q&A

Thank you

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Non-IFRS Measures

EBITDA and Adjusted EBITDA Reconciliation

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]		**(2,977)**		3,713
Interest expense, net		**1,083**		1,255
Amortization of transaction costs		**72**		87
Current income tax expense		**2,193**		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.

EBITDA and Adjusted EBITDA Reconciliation

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	**(2,977)**	$	3,713
Acquisition and integration costs	**6,118**		—
Tax effect of the above adjustments	**(1,547)**		—
Adjusted net income	**1,594**		3,713
Adjusted net income per share, basic	**0.04**		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	**44,062,831**		46,748,077
Number of common shares outstanding, basic	**44,062,831**		44,062,831
Number of common shares outstanding, diluted	**44,062,831**		46,748,077

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