For Immediate Release

DATA COMMUNICATIONS MANAGEMENT CORP. ANNOUNCES FOURTH QUARTER AND YEAR END FINANCIAL RESULTS FOR 2017

HIGHLIGHTS

FISCAL YEAR 2017

- Revenues increased 4.0% year over year to $289.5 million compared with $278.4 million in the prior year
- Net loss of $6.2 million compared with a Net loss of $32.1 million in the prior year
- Adjusted net income of $2.5 million, compared to $2.9 million in the prior year (See Table 3 and “Non-IFRS Measures” below)
- Adjusted EBITDA of $16.1 million, compared to $14.4 million in the prior year (See Table 2 and “Non-IFRS Measures” below)

FOURTH QUARTER 2017

- Revenues increased 11.6% year over year to $76.1 million compared with $68.2 million in the prior year
- Net loss of $2.5 million compared with a Net loss of $33.1 million in the prior comparative period
- Adjusted net income of $1.5 million compared to break-even in the prior period (See Table 3 and “Non-IFRS Measures” below)
- Adjusted EBITDA of $5.6 million, compared to $2.2 million in the prior year (See Table 2 and “Non-IFRS Measures” below)

RECENT EVENTS

- Completed the consolidation of three facilities - Multiple Pakfold, Granby warehouse and BOLDER Graphics
- Reconfirms financial outlook for fiscal 2018 provided in February, 2018
- CEO leadership transition with Gregory J. Cochrane to assume CEO role from Michael G. Sifton

Brampton, Ontario – March 7, 2018 – DATA Communications Management Corp. (TSX: DCM) (“DCM” or the "Company"), a leading provider of business communication solutions to companies across North America, announced its consolidated financial results for the fourth quarter and the year ended December 31, 2017.

“DCM completed 2017 with a strong fourth quarter,” said Michael G. Sifton, Chief Executive Officer of DCM. ”This performance was led by improving sales in our core business, renewed margin discipline, the contributions of our three acquisitions and a number of operational efficiencies we completed during the year to further optimize our business. We believe that DCM is positioned well for fiscal 2018 and beyond,” he added.

The Company announced that Gregory J. Cochrane, President of DCM, will succeed Mr. Sifton as Chief Executive Officer. Mr. Cochrane will be appointed President & Chief Executive Officer of DCM and will be nominated to join its board of directors at the Company's annual meeting of shareholders to be held in June 2018. Mr. Sifton will continue as a director at such time. Mr. Cochrane previously joined DCM as a director in June 2016, then resigned from that role to become President of the Company in November 2016.

"I have thoroughly enjoyed working with and learning from Greg since he joined us," said Mr. Sifton. "During this time, Greg has made many important and transformative moves to propel DCM forward. His leadership, energy and keen "customer first" focus is what DCM needs as it continues to move from its strong historical role of being an operations-focused communications provider to becoming more of a marketing communications-focused provider and thought leader," he added.

"Since joining DCM in April 2015, Mike has led a significant transformation and re-energization of the Company," said Mr. Cochrane. "His calm and focused leadership has been critical in the Company's transition to an agile, focused, optimized and unified organization - DCM would be in a very different position today without his leadership. We are privileged to have his guidance continue as a trusted member of the board of directors," he added.

Mr. Cochrane will join Mr. Sifton and James E. Lorimer, Chief Financial Officer, on DCM's upcoming fourth quarter 2017 earnings conference call scheduled to take place at 11:00 a.m. Eastern time on Thursday March 8, 2018. Individuals wishing to dial in to the conference call may use: **Toll-Free: (844) 868-9648 or Local: (647) 788-4955,** followed by entering **Conference ID#**:**6690813**. The operator will ask for participants' registration information.

A replay of the call will be available from 2:00 p.m. Eastern time March 8, 2018 until midnight Eastern time March 15, 2018 by calling: **Toll-free: (800) 585-8367 or Local: (416) 621-4642**, followed by **Conference ID#: 6690813**.

Post-integration of acquisitions completed

As previously reported, DCM completed the acquisition of Eclipse Colour and Imaging Corp. ("Eclipse") and Thistle Printing Limited ("Thistle") in the first quarter of 2017 and completed the acquisition of BGI Holdings Inc. and 1416395 Alberta Limited, collectively "BOLDER Graphics", on November 10, 2017, (the "BOLDER Closing Date"). DCM reported revenues and net income (loss) for the year ended December 31, 2017 from Eclipse of $21.8 million and $2.1 million, from Thistle of $15.1 million and $0.8 million, and BOLDER Graphics of $1.0 million and $(0.1) million, all since their respective dates of acquisition.

During the first quarter of 2018, DCM relocated BOLDER Graphics' staff and operations into DCM's 165,000 square foot Calgary, Alberta facility, which produces a wide array of sheet-fed lithography, digital and wide format print services, variable print-on-demand solutions and provides warehousing, fulfillment and distribution services. The combination of these two operations are expected to provide immediate annualized cost savings synergies of approximately $0.8 million. This acquisition strengthens DCM's large and wide format printing capabilities in western Canada and complements its significantly expanded large and wide format capabilities obtained through the acquisition of Eclipse in eastern Canada earlier this year.

BOLDER Graphics was acquired for a total purchase price of approximately $3.4 million, before giving effect to post-closing adjustments for changes in working capital and bank indebtedness, based on the final statement of financial position as of the BOLDER Closing Date. The purchase price was satisfied as follows on the BOLDER Closing Date: $1.6 million in cash, $0.8 million through the issuance of 704,424 Common Shares, and $1.1 million in the form of subordinated, unsecured, 6.0% interest bearing vendor take-back promissory notes, which are payable in twenty equal monthly blended payments of principal and interest commencing on February 28, 2018 and ending on September 30, 2019, and the assumption of approximately $0.9 million in outstanding long-term indebtedness. The post-closing adjustments to the purchase of $88 thousand have been finalized and were paid in February 2018 to the vendor.

On the BOLDER Closing Date, DCM also advanced $1.3 million to settle BOLDER Graphics' bank indebtedness and amounts payable to the former owners of the company.

Total cash advanced on the BOLDER Graphics acquisition was $2.9 million. This was used to finance the up-front cash component of the acquisition and settle the above noted debt. $2.0 million was financed with the proceeds from the IAM V Credit Facility (as described below) and $0.9 million was financed with a draw under DCM's revolving credit facility.

New term loan facility

On November 3, 2017, and in connection with the BOLDER Graphics acquisition, DCM established a $5.0 million secured, non-revolving senior credit facility (the "IAM V Credit Facility") with Integrated Private Debt Fund V LP, a loan managed by Integrated Asset Management Corp. The IAM V Credit Facility was drawn by way of a single advance, bears interest at a fixed rate of 6.95% per annum, calculated and payable monthly, and shall be repaid in 66 equal monthly payments of $91 thousand beginning on December 15, 2017 and through to May 15, 2023. The IAM V Credit Facility is subject to the same covenant conditions as the existing IAM term loan facilities and will be reported on a consolidated basis. In addition to using the IAM V Credit Facility to fund the up-front cash component of the BOLDER Graphics acquisition, this facility was also used to repay the remaining outstanding balance of DCM's bank term facility of $2.6 million.

Operational initiatives

On January 25, 2018, DCM announced the integration of the Company's Multiple Pakfold operations into its Brampton, Ontario facility and the relocation of its Granby, Québec warehousing operations into its Drummondville, Québec facility were completed as planned with little business disruption. These facility moves, together with the labour force reductions that DCM announced in October 2017 across the Company's indirect labour, selling, general and administrative functions, and ongoing efforts to drive efficiencies throughout the Company, are expected to result in annualized total savings of approximately $5.0 million. DCM expects to realize the full quarter effect of many of these improvements commencing in the first quarter of 2018.

RESULTS OF OPERATIONS

All financial information in this press release is presented in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

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

For the periods ended December 31, 2017 and 2016 *(in thousands of Canadian dollars, except share and per share amounts, unaudited)*	**Oct. 1 to Dec. 31, 2017** **$**	**Oct. 1 to Dec. 31, 2016** **$**	**Jan. 1 to Dec. 31, 2017** **$**	**Jan. 1 to Dec. 31, 2016** **$**
Revenues	76,125	68,191	289,529	278,363
Cost of revenues	57,771	54,950	220,138	215,295
Gross profit	18,354	13,241	69,391	63,068
Selling, general and administrative expenses	15,263	13,394	61,371	55,934
Restructuring expenses	4,453	1,721	9,457	4,200
Acquisition costs	381	68	1,368	68
(Loss) before finance costs and income taxes	(1,743)	(33,008)	(2,805)	(28,200)
Finance costs (income)				
Interest expense	1,149	839	4,415	3,414
Interest income	(6)	—	(6)	(8)
Amortization of transaction costs	324	111	701	578
	1,467	950	5,110	3,984
(Loss) before income taxes	(3,210)	(33,958)	(7,915)	(32,184)
Income tax (recovery) expense				
Current	221	194	725	1,572
Deferred	(972)	(1,037)	(2,435)	(1,649)
	(751)	(843)	(1,710)	(77)
Net loss for the year	(2,459)	(33,115)	(6,205)	(32,107)
Basic (loss) earnings per share	(0.12)	(2.77)	(0.38)	(2.89)
Diluted (loss) earnings per share	(0.12)	(2.77)	(0.38)	(2.89)
Weighted average number of common shares outstanding, basic	19,732,888	11,975,053	16,330,837	11,125,518
Weighted average number of common shares outstanding, diluted	19,732,888	11,975,053	16,330,837	11,125,518

As at December 31, 2017 and December 31, 2016 *(in thousands of Canadian dollars, unaudited)*	**As at Dec. 31, 2017** **$**	**As at Dec. 31, 2016** **$**
Current assets	82,804	68,620
Current liabilities	68,648	58,473
Total assets	131,859	90,910
Total non-current liabilities	68,610	42,372
Shareholders' deficit	(5,399)	(9,935)

Table 2 The following table provides reconciliations of net (loss) income to EBITDA and of net (loss) income to Adjusted EBITDA for the periods noted. See "Non-IFRS Measures".

EBITDA and Adjusted EBITDA Reconciliation

For the periods ended December 31, 2017 and 2016	**Oct. 1 to Dec. 31, 2017**	**Oct. 1 to Dec. 31, 2016**	**Jan. 1 to Dec. 31, 2017**	**Jan. 1 to Dec. 31, 2016**
(in thousands of Canadian dollars, unaudited)	**$**	**$**	**$**	**$**
Net loss for the year	(2,459)	(33,115)	(6,205)	(32,107)
Interest expense	1,149	839	4,415	3,414
Interest income	(6)	—	(6)	(8)
Amortization of transaction costs	324	111	701	578
Current income tax expense	221	194	725	1,572
Deferred income tax recovery	(972)	(1,037)	(2,435)	(1,649)
Depreciation of property, plant and equipment	1,116	815	4,143	4,052
Amortization of intangible assets	1,004	560	3,509	2,092
EBITDA	377	(31,633)	4,847	(22,056)
Restructuring expenses	4,453	1,721	9,457	4,200
One-time business reorganization costs	432	995	432	1,103
Acquisition costs	381	68	1,368	68
Adjusted EBITDA	5,643	2,217	16,104	14,381

Table 3 The following table provides reconciliations of net (loss) income to Adjusted net (loss) income and a presentation of Adjusted net (loss) income per share for the periods noted. See "Non-IFRS Measures".

Adjusted Net (Loss) Income Reconciliation

For the periods ended December 31, 2017 and 2016	**Oct. 1 to Dec. 31, 2017**	**Oct. 1 to Dec. 31, 2016**	**Jan. 1 to Dec. 31, 2017**	**Jan. 1 to Dec. 31, 2016**
(in thousands of Canadian dollars, except share and per share amounts, unaudited)	**$**	**$**	**$**	**$**
Net loss for the year	(2,459)	(33,115)	(6,205)	(32,107)
Restructuring expenses	4,453	1,721	9,457	4,200
One-time business reorganization costs	432	995	432	1,103
Acquisition costs	381	68	1,368	68
Tax effect of the above adjustments	(1,274)	(710)	(2,580)	(1,386)
Adjusted net (loss) income	1,533	25	2,472	2,944
Adjusted net (loss) income per share, basic	0.08	—	0.15	0.26
Adjusted net (loss) income per share, diluted	0.08	—	0.15	0.26
Weighted average number of common shares outstanding, basic	19,732,888	11,975,053	16,330,837	11,125,518
Weighted average number of common shares outstanding, diluted	19,732,888	11,975,053	16,445,831	11,125,518
Number of common shares outstanding, basic	20,039,159	11,975,053	20,039,159	11,975,053
Number of common shares outstanding, diluted	20,154,153	12,545,015	20,154,153	12,545,015

Revenues

For the quarter ended December 31, 2017, DCM recorded revenues of $76.1 million, an increase of 11.6% or $7.9 million compared with the same period in 2016. The increase in revenues for the quarter ended December 31, 2017 was primarily due to the inclusion of the financial results for Eclipse, Thistle and BOLDER and new customer wins. The increase in revenue was partially offset by lower revenues in DCM's core business due to (i) lower volumes and pricing pressures from certain customers that reduced their overall spend, particularly in the financial services sector, and (ii) non-recurring work and the timing of orders related to forms for certain government agencies and labels for a major retailer, respectively.

For the year ended December 31, 2017, DCM recorded revenues of $289.5 million, an increase of 4.0% or $11.2 million compared with the same period in 2016. The increase in revenues for the year ended December 31, 2017 was primarily due to the additions of revenues from the acquisitions of Eclipse, Thistle and BOLDER Graphics and new customer wins in DCM's core business. This increase in revenue was partially offset by lower volumes and pricing pressures from certain customers that reduced their overall spend, particularly in the financial services sector, and was also due to non-recurring work and timing of orders related to the forms and labels business, from which DCM benefited last year, resulting in the overall increase in revenues compared to 2016.

Cost of Revenues and Gross Profit

For the quarter ended December 31, 2017, cost of revenues increased to $57.8 million from $55.0 million for the same period in 2016, proportionate to the increase in year over year revenue for the same period. Gross profit for the quarter ended December 31, 2017 was $18.4 million, which represented an increase of $5.1 million or 38.6% from $13.2 million for the same period in 2016. Gross profit as a percentage of revenues increased to 24.1% for the quarter ended December 31, 2017 compared to 19.4% for the same period in 2016. The increase in gross profit as a percentage of revenues for the quarter ended December 31, 2017 was due to higher gross margins attributed to Eclipse, Thistle and BOLDER Graphics and cost reductions realized from prior cost savings initiatives implemented early on in the year.

For the year ended December 31, 2017, cost of revenues increased to $220.1 million from $215.3 million for the same period in 2016. Gross profit for the year ended December 31, 2017 was $69.4 million, which represented an increase of $6.3 million or 10.0% from $63.1 million for the same period in 2016. Gross profit as a percentage of revenues increased marginally to 24.0% for the year ended December 31, 2017 compared to 22.7% for the same period in 2016. The increase in gross profit as a percentage of revenues for the year ended December 31, 2017 was due to higher gross margins attributed to Eclipse, Thistle and BOLDER Graphics, cost reductions realized from prior cost savings initiatives implemented in 2016 and additional process improvement savings implemented in January 2017. The increase in gross profit as a percentage of revenues was partially offset by changes in product mix, and compressed margins on recently negotiated large contracts with certain existing customers.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the quarter ended December 31, 2017 increased $1.9 million or 14.0% to $15.3 million compared to $13.4 million in the same period in 2016. As a percentage of revenues, these costs were 20.0% of revenues for the quarter ended December 31, 2017 compared to 19.6% of revenues for the same period in 2016. The increase in SG&A expenses for the quarter ended December 31, 2017 was primarily attributable to the acquisitions of Eclipse, Thistle and BOLDER Graphics.

SG&A expenses for the year ended December 31, 2017 increased $5.4 million or 9.7% to $61.4 million compared to $55.9 million for the same period of 2016. As a percentage of revenues, these costs were 21.2% and 20.1% of revenues for the years ended

December 31, 2017 and 2016, respectively. The increase in SG&A expenses for the year ended December 31, 2017 was primarily attributable to the acquisitions of Eclipse, Thistle and BOLDER Graphics, and was partially offset by cost savings initiatives implemented in 2017.

Restructuring Expenses

For the quarter ended December 31, 2017, DCM incurred restructuring expenses of $4.5 million compared to $1.7 million in the same period in 2016. During the quarter ended December 31, 2017, $1.7 million of restructuring costs were related to facility closure costs, costs to move equipment and inventory from the closed facilities, and headcount reductions across all areas of DCM's operations including sales, general and administrative functions. DCM also incurred lease exit charges associated with the closures of its facilities in Mississauga, Ontario, and in Granby, Québec of $0.3 million and $2.4 million, respectively. For the quarter ended December 31, 2016, DCM incurred restructuring expenses of $1.7 million primarily to related headcount reductions associated with the closure of its large Edmonton, Alberta manufacturing facility, in addition to headcount reductions across other functions of the business.

For the year ended December 31, 2017, DCM incurred total restructuring expenses of $9.5 million compared to $4.2 million in the same period in 2016. During 2017, $6.8 million of restructuring costs were related to headcount reductions in DCM's indirect labour force, in order to streamline the order-to-production process, in addition to headcount reductions in the sales, general and administrative functions, facility closure costs, and costs to move equipment and inventory from the closed facilities. These restructuring costs were offset by a recovery of $0.3 million related to a sub-lease of a closed facility in Richmond Hill, Ontario and DCM also incurred lease exit charges associated with the closures of its facilities in Regina, Saskatchewan, in Mississauga, Ontario, and in Granby, Québec of $0.3 million, $0.3 million and $2.4 million, respectively during 2017. For the year ended December 31, 2016, DCM incurred restructuring expenses related to headcount reductions of $4.2 million.

Impairment of Goodwill

During the fourth quarter of 2017, DCM performed its annual review of impairment of goodwill by comparing the fair value of each cash generating unit ("CGU") to the CGUs carrying value. As a result of this review, DCM concluded that the fair value of its CGUs were greater than their carrying values and no goodwill impairment charges were required.

During the fourth quarter of 2016, DCM performed its annual review of impairment of goodwill and recorded a non-cash impairment for $31.1 million. This non-cash impairment charge had no impact on DCM's cash flow or compliance with debt covenants.

Adjusted EBITDA

For the quarter ended December 31, 2017, Adjusted EBITDA was $5.6 million, or 7.4% of revenues, after adjusting EBITDA for the $4.5 million in restructuring charges and adding back $0.4 million related to business acquisition costs and $0.4 million of one-time business reorganization costs. Adjusted EBITDA for the three months ended December 31, 2017 increased $3.4 million or 154.5% from the same period in the prior year which was 3.3% of revenues in 2016. The increase in Adjusted EBITDA for the three months ended December 31, 2017 was due to higher gross profit as a result of the additional revenues at higher gross margins contributed by the acquisitions of Eclipse, Thistle and BOLDER Graphics. This was partially offset by higher SG&A expenses.

For the year ended December 31, 2017, Adjusted EBITDA was $16.1 million, or 5.6% of revenues, after adjusting EBITDA for the $9.5 million in restructuring charges, $1.4 million related to business acquisition costs and $0.4 million of one-time business reorganization costs. Adjusted EBITDA for the year ended December 31, 2017 increased $1.7 million or 12.0% from the same period in the prior year which was 5.2% of revenues in 2016. The increase in Adjusted EBITDA for 2017 was attributable to higher gross profit as a result of higher revenues from the acquisitions of Eclipse, Thistle and BOLDER Graphics, which was partially offset by higher SG&A expenses.

Interest Expense

Interest expense, including interest on debt outstanding under DCM's credit facilities, on outstanding 6.00% Convertible Unsecured Subordinated Debentures (the "6.00% Convertible Debentures"), on certain unfavourable lease obligations related to closed facilities, and on DCM's employee benefit plans and including interest accretion expense related to certain debt obligations recorded at fair value, was $1.1 million for the three months ended December 31, 2017 compared to $0.8 million for the same period in 2016, and was $4.4 million for the year ended December 31, 2017 compared to $3.4 million for the same period in 2016. Interest expense for the year ended December 31, 2017 was higher than the same periods in the prior year primarily due to the increase in the debt outstanding under DCM's credit facilities in order to fund a portion of the upfront cash components of the purchase prices, settle certain debt assumed and pay for related acquisition costs associated with the Eclipse, Thistle and BOLDER Graphics acquisitions and was favourably impacted by the repayment of DCM's 6.00% Convertible Debentures in June 2017.

Income Taxes

DCM reported a loss before income taxes of $3.2 million and a net income tax recovery of $0.8 million for the quarter ended December 31, 2017 compared to a loss before income taxes of $34.0 million and a net income tax recovery of $0.8 million for the quarter ended December 31, 2016. DCM reported a loss before income taxes of $7.9 million and a net income tax recovery of $1.7 million for the year ended December 31, 2017 compared to a loss before income taxes of $32.2 million and a net income tax recovery of $0.1 million for the year ended December 31, 2016. The current income tax expense was due to the taxes payable on DCM's estimated taxable income for the quarters ended and for the years ended December 31, 2017 and 2016, respectively. In addition, the current tax expense for the year ended December 31, 2016 included a recovery of taxes paid in a prior period offset by a reclassification from deferred taxes related to an adjustment of a tax filing in a prior year. The deferred income tax recoveries primarily related to changes in estimates of future reversals of temporary differences and new temporary differences that arose during the quarters ended and the years ended December 31, 2017 and 2016, respectively. The deferred income tax recovery for the year ended December 31, 2016 included a reclassification to current income taxes related to an adjustment of a tax filing in a prior year.

Net Loss

Net loss for the quarter ended December 31, 2017 was $2.5 million compared to net loss of $33.1 million for the same period in 2016. The increase in comparable profitability for the quarter ended December 31, 2017 was primarily due to higher gross profit contributed by the additional revenue at higher gross margins from the acquisitions of Eclipse, Thistle and BOLDER Graphics. This was partially offset by higher SG&A expenses and interest expense, a larger restructuring charge incurred during the quarter ended December 31, 2017. The net loss for the quarter ended December 31, 2016 included a non-cash impairment of goodwill totaling $31.1 million which did not recur in 2017.

Net loss for the year ended December 31, 2017 was $6.2 million compared to a net loss $32.1 million for the same period in 2016. The increase in comparable profitability for the year ended December 31, 2017 was primarily due to higher gross profit contributed by the additional revenue at higher gross margins from the acquisitions of Eclipse, Thistle and BOLDER Graphics. This increase was partially offset by higher SG&A expenses and interest expense, a larger restructuring charge and business acquisition costs during the year ended December 31, 2017. During the year ended December 31, 2016, the net loss included a non-cash impairment of goodwill totaling $31.1 million which did not recur in 2017.

Adjusted Net Income

Adjusted net income for the quarter ended December 31, 2017 was $1.5 million compared to Adjusted net income of $25.0 thousand for the same period in 2016. Adjusted net income for the year ended December 31, 2017 was $2.5 million compared to Adjusted net income of $2.9 million for the same period in 2016. The decrease in comparable profitability the year ended December 31, 2017 , despite higher revenues and gross margin, was primarily due to higher SG&A expenses and, to a lesser extent, higher interest expense in 2017, respectively.

CASH FLOW FROM OPERATIONS

During the three months ended December 31, 2017, cash flows generated by operating activities were $2.4 million compared to cash flows generated by operating activities of $5.9 million during the same period in 2016. $4.6 million of current year cash flows resulted from operations, after adjusting for non-cash items, compared with $0.6 million in 2016. Current period cash flows from operations were positively impacted by the acquisitions of Eclipse, Thistle and BOLDER Graphics, however, this was offset by a $1.9 million increase in SG&A expenses over the prior year comparative period, in addition to lower revenues from DCM's core business. Changes in working capital during the three months ended December 31, 2017 used $0.1 million in cash compared with $7.7 million of cash generated in the prior year primarily due to increases in accounts receivables, which was partially offset by increases in accounts payable related to the timing of payments to suppliers for purchases and deferred revenue, respectively. In addition, $1.9 million was used to make payments primarily related to severances and lease termination costs, compared with $2.0 million of payments in 2016. Contributions made to the Company's pension plans were $0.1 million, which was substantially unchanged from the prior year.

During the year ended December 31, 2017, cash flows generated by operating activities were $3.9 million compared to cash flows generated by operating activities of $10.1 million during the same period in 2016. $13.0 million of current year cash flows resulted from operations, after adjusting for non-cash items, compared with $12.1 million in 2016. Current period cash flows from operations were positively impacted by the acquisitions of Eclipse, Thistle and BOLDER Graphics, however this was offset by a $5.4 million increase in SG&A expense over the prior year comparative period, in addition to lower revenues from DCM's core business. Changes in working capital during the year ended December 31, 2017 used $0.5 million compared with $7.6 million of cash generated in the prior year primarily due to increases in accounts receivable which was partially offset by increases in accounts payable due to the timing of payments to suppliers for purchases and deferred revenues, respectively. In addition, $7.0 million of cash was used to make payments primarily related to severances and lease termination costs, compared with $7.4 million of payments in 2016. Contributions made to the Company's pension plans were $1.4 million, which decreased from $1.9 million in the prior year.

INVESTING ACTIVITIES

During the three months ended December 31, 2017, $3.1 million in cash flows were used for investing activities compared with $1.6 million during the same period in 2016. In 2017, $0.9 million of cash was used to invest in certain leasehold improvements as a result of the Multiple Pakfold and Granby facility moves. In 2017, $1.2 million of was used primarily related to investments in DCM's ERP project. In 2017, $1.6 million of cash was used to acquire the businesses of BOLDER Graphics.

During the year ended December 31, 2017, $11.9 million in cash flows were used for investing activities compared with $2.9 million during the same period in 2016. In 2017, $2.4 million of cash was used to invest in label equipment with digital capabilities, digital press equipment, the relocation of certain sales offices, certain leasehold improvements as a result of the Multiple Pakfold and Granby facility moves and additional office equipment. In 2017, $3.4 million of cash was used related primarily related to investments in DCM's ERP project. In 2017, $6.8 million of cash was used to acquire the businesses of Eclipse, Thistle and BOLDER Graphics.

FINANCING ACTIVITIES

During the three months ended December 31, 2017, cash flow used for financing activities was $0.4 million compared to cash flow used for financing activities of $1.9 million during the same period in 2016. Cash from advances under its revolving credit facility and the new IAM V Credit Facility totaling $6.2 million were used to repay $5.3 million in outstanding principal amounts under its senior term loan facilities and to settle other loans payable in connection with the acquisitions of Thistle and BOLDER Graphics of $0.5 million. DCM also paid a total of $0.4 million related to the promissory note issued in connection with the acquisition of Thistle. Lastly, DCM also incurred $0.3 million of transaction costs related to the amendments to its senior credit facilities and costs to establish additional credit facility during the three months ended December 31, 2017.

During the year ended December 31, 2017, cash flow generated by financing activities was $3.7 million compared to cash flow used for financing activities of $6.5 million during the same period in 2016. DCM used net cash received from the issuance of common shares and warrants of $8.1 million and cash from advances under its various credit facilities, totaling $27.4 million to repay a total of $2.4 million to settle the outstanding balance on certain equipment leases that were assumed upon the acquisition of Eclipse, $14.7 million in outstanding principal amounts under its senior term loan facilities, to settle certain debt assumed upon the acquisition of Eclipse, Thistle and BOLDER Graphics, and to repay the 6.00% Convertible Debentures with an outstanding principal amount totaling $11.2 million on June 30, 2017. DCM also paid a total of $1.4 million related to the promissory note issued in connection with the acquisition of Thistle and other loans payable in connection with the acquisitions of Thistle and BOLDER Graphics of $1.1 million. Lastly, DCM also incurred $0.9 million of transaction costs related to the amendments to its senior credit facilities and costs to establish DCM's additional credit facility during the year ended December 31, 2017.

OUTLOOK

2017 was a pivotal year in DCM’s pursuit to transform the business and create greater value for its shareholders. This was initiated with changes in the company’s senior leadership team with the introduction of Gregory J. Cochrane as President late in 2016. With his leadership, DCM established a new and refreshed growth strategy which included refining the company’s pricing model, realigning its sales force to specialize in vertical markets, highlighting the online and offline capabilities DCM has to offer to its customers, and the successful completion of three business acquisitions (Eclipse, Thistle and BOLDER Graphics) during the year, which have each expanded the package of solutions DCM furnishes to its long-standing and newly acquired customers. In the fall of 2017, DCM achieved a milestone win with the addition of a leading North American financial institution to its roster of customers.

On the operational side of the business, DCM made further progress restructuring to achieve greater operational efficiencies and cost savings through improved processes, further plant consolidations and additional headcount reductions.

From a financing perspective, DCM was able to further deleverage its balance sheet by raising additional equity (approximately $8.1 million) to partially facilitate the payout of the 6.0% convertible debentures ($11.5 million of principal and interest) which matured in June of 2017. In addition to this, a total of approximately $12.5 million in debt commitments were repaid during the year. DCM expects to pay down approximately $13.0 million of its fixed payment debt in 2018, including required principal payments on its senior debt, subordinated debt and promissory note payments related to its acquisitions. Management is committed to deleveraging its capital structure with a long-term target net debt to Adjusted EBITDA range of between 1 and 2 times.

Lastly, DCM has been working hard to revitalize its internal operating systems with the development of a new ERP system which is expected to go-live in the latter part of 2018. It is expected that the ERP system will further improve DCM's processes and bring additional cost savings.

DCM finished 2017 with a strong fourth quarter as it began to realize the benefits of the initiatives effected during 2017. Management is confident that DCM will continue to experience the benefits of these initiatives in the forth-coming year. The Company is confirming its previously announced guidance for 2018:

Revenues

DCM anticipates total revenues of between $295.0 million and $310.0 million, representing growth of approximately 2% to 7% compared to revenues of approximately $289.5 million in fiscal 2017.

Adjusted EBITDA

Adjusted EBITDA for fiscal 2018 is estimated to be between $22.0 million and $25.0 million compared to Adjusted EBITDA in fiscal 2017 of approximately $16.1 million.

Capital Expenditures

For fiscal 2018, DCM expects to spend approximately $2.5 million on capital expenditures, in line with approximately $2.4 million recorded in fiscal 2017. In addition to capital expenditures, DCM incurred approximately $3.4 million in intangible asset purchases in 2017, substantially all of which related to the company's ERP project investment. DCM expects to incur approximately $1.5 million in intangible asset purchases in 2018 and most of those capitalizable costs relating to the project will be incurred through the first half of 2018.

As part of establishing the above guidance, DCM made the following assumptions:

- New customer wins and sales initiatives focused on capturing greater wallet share from DCM's existing customer base, including increasingly capitalizing on its technology-enabled value-added services provided to customers, will offset continued expected declines in Company's core business communications market;
- DCM will benefit from the full-year results of the acquisitions of Eclipse, Thistle and BOLDER Graphics and continue to experience growth rates in each of those businesses consistent with the past year;
- The three acquisitions DCM completed in 2017 will continue to generate incremental cross-selling opportunities and cost synergies across the entire business of the Company;
- DCM will be able to translate its sales pipeline into new customer acquisitions;
- Improved year over year margins will be achieved through the strategic initiatives implemented in the fourth quarter of fiscal 2017, including from the consolidation of facilities, headcount reductions and continuing efforts by management to drive improved profitability and also from the relocation of BOLDER Graphics into DCM's Calgary facility which was completed in February 2018;
- The Company continues to explore additional strategic acquisition opportunities, and, while there can be no certainty that any such opportunities will be completed, such acquisitions could impact the outlook provided;
- Economic conditions in North America will not deteriorate; and

- The above guidance is based on the accounting policies applied in the consolidated financial statements of DCM for 2017 and IFRS in effect for the year ending December 31, 2017.

DCM cautions that the assumptions used to prepare the guidance provided above, although currently reasonable, may prove to be incorrect or inaccurate. Accordingly, actual results may differ materially from expectations as set forth above. The guidance provided above should be read in conjunction with, as is qualified by, the section Forward-looking Statements contained in this press release.

About DATA Communications Management Corp.

DCM is a leading provider of business communication solutions, bringing value and collaboration to marketing and operation teams in companies across North America. We help marketers and agencies unify and execute communications campaigns across multiple channels, and we help operations teams streamline and automate document and communications management processes. Our core capabilities include direct marketing, commercial print services, labels and asset tracking, event tickets and gift cards, logistics and fulfilment, content and workflow management, data management and analytics, and regulatory communications. We serve clients in key vertical markets such as financial services, retail, healthcare, lottery and gaming, not-for-profit, and energy. We are strategically located across Canada to support clients on a national basis, and serve the U.S. market through our facilities in Chicago, Illinois.

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.

-- 30 --

For further information, contact:

Mr. Michael G. Sifton
Chief Executive Officer
DATA Communications Management Corp.
Tel: (905) 791-3151

Mr. James E. Lorimer
Chief Financial Officer
DATA Communications Management Corp.
Tel: (905) 791-3151
ir@datacm.com

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 include: the limited growth in the traditional printing industry and the potential for further declines in sales of DCM's printed business documents relative to historical sales levels for those products; the risk that changes in the mix of products and services sold by DCM will adversely affect DCM's financial results; the risk that DCM may not be successful in reducing the size of its legacy print business, realizing the benefits expected from restructuring and business reorganization initiatives, reducing costs, reducing and repaying its long-term debt, and growing its digital and marketing communications businesses; the risk that DCM may not be successful in managing its organic growth; DCM's ability to invest in, develop and successfully market new digital and other products and services; competition from competitors supplying similar products and services, some of whom have greater economic resources than DCM and are well-established suppliers; DCM's ability to grow its sales or even maintain historical levels of its sales of printed business documents; the impact of economic conditions on DCM's businesses; risks associated with acquisitions by DCM; the failure to realize the expected benefits from acquisitions and risks associated with the integration of acquired businesses; increases in the costs of paper and other raw materials used by DCM; and DCM's ability to maintain relationships with its customers. Additional factors are discussed elsewhere in this press release and under the headings "Risk Factors" 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 net income (loss) means net income (loss) adjusted for the impact of certain non-cash items and certain items of note on an after-tax basis. Adjusted EBITDA means EBITDA adjusted for restructuring expenses, one-time business reorganization costs, goodwill impairment charges, gain on redemption of convertible debentures, and acquisition costs. Adjusted net income (loss) means net income (loss) adjusted for restructuring expenses, one-time business reorganization costs, goodwill impairment charges, gain on redemption of convertible debentures, 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 (basic and diluted) outstanding during the period. 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 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 and a reconciliation of net income (loss) to Adjusted EBITDA, see Table 2 above. For a reconciliation of net income (loss) to Adjusted net income (loss) and a presentation of Adjusted net income (loss) per share, see Table 3 above.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars, unaudited)	**December 31, 2017** **$**	**December 31, 2016** **$**
Assets		
Current assets		
Cash and cash equivalents	—	1,544
Trade receivables	41,193	29,157
Inventories	36,519	33,252
Prepaid expenses and other current assets	5,092	4,667
	82,804	68,620
Non-current assets		
Deferred income tax assets	6,108	3,839
Restricted cash	515	425
Property, plant and equipment	18,831	12,483
Pension assets	760	1,589
Intangible assets	14,473	3,954
Goodwill	8,368	—
	131,859	90,910
Liabilities		
Current liabilities		
Bank overdraft	2,868	—
Trade payables and accrued liabilities	34,306	27,304
Current portion of credit facilities	8,725	5,886
Convertible debentures	—	11,082
Current portion of promissory notes	4,374	—
Provisions	3,950	3,305
Income taxes payable	3,188	2,231
Deferred revenue	11,237	8,665
	68,648	58,473
Non-current liabilities		
Provisions	2,702	675
Credit facilities	47,207	29,156
Promissory notes	2,829	—
Deferred income tax liabilities	1,295	—
Other non-current liabilities	3,413	1,691
Pension obligations	8,133	8,340
Other post-employment benefit plans	3,031	2,510
	137,258	100,845
Equity		
Shareholders' deficit		
Shares	248,996	237,432
Warrants	287	—
Conversion options	—	128
Contributed surplus	1,368	1,164
Accumulated other comprehensive income	183	258
Deficit	(256,233)	(248,917)
	(5,399)	(9,935)
	131,859	90,910

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of Canadian dollars, except per share amounts, unaudited)	**For the three months ended December 31, 2017**	**For the three months ended December 31, 2016**
	$	**$**
Revenues	76,125	68,191
Cost of revenues	57,771	54,950
Gross profit	18,354	13,241
Expenses		
Selling, commissions and expenses	8,018	7,521
General and administration expenses	7,245	5,873
Restructuring expenses	4,453	1,721
Impairment of goodwill	—	31,066
Acquisition costs	381	68
	20,097	46,249
Loss before finance costs and income taxes	(1,743)	(33,008)
Finance costs (income)		
Interest expense	1,149	839
Interest income	(6)	—
Amortization of transaction costs	324	111
	1,467	950
Loss before income taxes	(3,210)	(33,958)
Income tax (recovery) expense		
Current	221	194
Deferred	(972)	(1,037)
	(751)	(843)
Net loss for the period	(2,459)	(33,115)
Basic loss per share	(0.12)	(2.77)
Diluted loss per share	(0.12)	(2.77)

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of Canadian dollars, except per share amounts, unaudited)	**For the year ended December 31, 2017**	**For the year ended December 31, 2016**
	$	**$**
Revenues	289,529	278,363
Cost of revenues	220,138	215,295
Gross profit	69,391	63,068
Expenses		
Selling, commissions and expenses	33,992	31,376
General and administration expenses	27,379	24,558
Restructuring expenses	9,457	4,200
Impairment of goodwill	—	31,066
Acquisition costs	1,368	68
	72,196	91,268
Loss before finance costs and income taxes	(2,805)	(28,200)
Finance costs (income)		
Interest expense	4,415	3,414
Interest income	(6)	(8)
Amortization of transaction costs	701	578
	5,110	3,984
Loss before income taxes	(7,915)	(32,184)
Income tax (recovery) expense		
Current	725	1,572
Deferred	(2,435)	(1,649)
	(1,710)	(77)
Net loss for the year	(6,205)	(32,107)
Basic loss per share	(0.38)	(2.89)
Diluted loss per share	(0.38)	(2.89)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of Canadian dollars, unaudited)	**For the three months ended December 31, 2017**	**For the three months ended December 31, 2016**
	$	**$**
Net loss for the period	(2,459)	(33,115)
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net loss		
Foreign currency translation	88	43
	88	43
Items that will not be reclassified to net loss		
Re-measurements of post-employment benefit obligations	(1,627)	2,482
Taxes related to post-employment adjustment above	424	(648)
	(1,203)	1,834
Other comprehensive (loss) income for the period, net of tax	(1,115)	1,877
Comprehensive loss for the period	(3,574)	(31,238)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of Canadian dollars, unaudited)	**For the year ended December 31, 2017** **$**	**For the year ended December 31, 2016** **$**
Net loss for the year	(6,205)	(32,107)
Other comprehensive loss:		
Items that may be reclassified subsequently to net loss		
Foreign currency translation	(75)	(48)
	(75)	(48)
Items that will not be reclassified to net loss		
Re-measurements of post-employment benefit obligations	(1,501)	(309)
Taxes related to post-employment adjustment above	390	81
	(1,111)	(228)
Other comprehensive loss for the year, net of tax	(1,186)	(276)
Comprehensive loss for the year	(7,391)	(32,383)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(in thousands of Canadian dollars, unaudited)	**Shares**	**Warrants**	**Conversion options**	**Contributed surplus**	**Accumulated other comprehensive income**	**Deficit**	**Total equity (deficit)**
	$	**$**	**$**		**$**	**$**	**$**
Balance as at December 31, 2015	234,782	—	128	385	306	(216,582)	19,019
Net loss for the year	—	—	—	—	—	(32,107)	(32,107)
Other comprehensive loss for the year	—	—	—	—	(48)	(228)	(276)
Total comprehensive loss for the year	—	—	—	—	(48)	(32,335)	(32,383)
Issuance of common shares	2,650	—	—	—	—	—	2,650
Share-based compensation expense	—	—	—	779	—	—	779
Balance as at December 31, 2016	234,782	—	128	385	258	(248,917)	(13,364)
Balance as at December 31, 2016	237,432	—	128	1,164	258	(248,917)	(9,935)
Net loss for the year	—	—	—	—	—	(6,205)	(6,205)
Other comprehensive income (loss) for the year	—	—	—	—	(75)	(1,111)	(1,186)
Total comprehensive loss for the year	—	—	—	—	(75)	(7,316)	(7,391)
Cancellation of convertible debentures	—	—	(128)	128	—	—	—
Issuance of common shares and warrants, net	11,564	287	—	(15)	—	—	11,836
Share-based compensation expense	—	—	—	91	—	—	91
Balance as at December 31, 2017	248,996	287	—	1,368	183	(256,233)	(5,399)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars, unaudited)	**For the three months ended December 31, 2017** **$**	**For the three months ended December 31, 2016** **$**
Cash provided by (used in)		
Operating activities		
Net loss for the period	(2,459)	(33,115)
Adjustments to net loss		
Depreciation of property, plant and equipment	1,116	815
Amortization of intangible assets	1,004	560
Share-based compensation expense	66	61
Pension expense	121	147
Loss on disposal of property, plant and equipment	156	120
Impairment of goodwill	—	31,066
Provisions	4,453	1,721
Amortization of transaction costs	324	111
Accretion of convertible debentures and non-current liabilities	178	21
Other non-current liabilities	43	75
Other post-employment benefit plans, net	372	(96)
Income taxes recovery	(751)	(843)
	4,623	643
Changes in working capital	(58)	7,696
Contributions made to pension plans	(144)	(479)
Provisions paid	(1,910)	(1,960)
Income taxes paid	(99)	(12)
	2,412	5,888
Investing activities		
Purchase of property, plant and equipment	(920)	(1,371)
Purchase of intangible assets	(1,165)	(281)
Proceeds on disposal of property, plant and equipment	616	33
Cash consideration for acquisition of businesses	(1,608)	—
	(3,077)	(1,619)
Financing activities		
Decrease in restricted cash	(90)	—
Issuance of common shares and warrants, net	(12)	—
Proceeds from credit facilities	6,159	—
Repayment of credit facilities	(5,278)	(1,869)
Repayment of loans and other liabilities	(491)	(56)
Repayment of promissory notes	(411)	—
Finance and transaction costs	(303)	—
Finance lease payments	(14)	—
	(440)	(1,925)
Increase decrease in (bank overdraft) during the period	(1,105)	2,344
Bank overdraft – beginning of period	(1,843)	(829)
Effects of foreign exchange on cash balances	80	29
(Bank overdraft) cash and cash equivalents – end of period	(2,868)	1,544

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars, unaudited)	**For the year ended December 31, 2017**	**For the year ended December 31, 2016**
	$	**$**
Cash provided by (used in)		
Operating activities		
Net loss for the year	(6,205)	(32,107)
Adjustments to net loss		
Depreciation of property, plant and equipment	4,143	4,052
Amortization of intangible assets	3,509	2,092
Share-based compensation expense	91	779
Pension expense	526	589
Loss on disposal of property, plant and equipment	312	358
Impairment of goodwill	—	31,066
Write-off of intangible assets	57	—
Provisions	9,457	4,200
Amortization of transaction costs	701	578
Accretion of convertible debentures and non-current liabilities	692	85
Other non-current liabilities	1,043	469
Other post-employment benefit plans, net	531	94
Tax credits recognized	(125)	(124)
Income taxes recovery	(1,710)	(77)
	13,022	12,054
Changes in working capital	(537)	7,619
Contributions made to pension plans	(1,415)	(1,878)
Provisions paid	(6,995)	(7,426)
Income taxes paid	(168)	(223)
	3,907	10,146
Investing activities		
Purchase of property, plant and equipment	(2,398)	(2,653)
Purchase of intangible assets	(3,375)	(432)
Proceeds on disposal of property, plant and equipment	638	167
Cash consideration for acquisition of businesses	(6,796)	—
	(11,931)	(2,918)
Financing activities		
Increase in restricted cash	(90)	(425)
Issuance of common shares and warrants, net	8,125	2,650
Proceeds from credit facilities	27,393	49,532
Repayment of credit facilities	(14,709)	(56,737)
Repayment of convertible debentures	(11,175)	—
Repayment of loans and other liabilities	(1,091)	(191)
Repayment of promissory notes	(1,421)	—
Finance and transaction costs	(925)	(1,341)
Finance lease payments	(2,430)	(18)
	3,677	(6,530)
(Decrease) increase in cash and cash equivalents during the year	(4,347)	698
Cash and cash equivalents – beginning of year	1,544	871
Effects of foreign exchange on cash balances	(65)	(25)
(Bank overdraft) cash and cash equivalents – end of year	(2,868)	1,544