

FORM 51-102F3
Material Change Report

Item 1: Name and Address of Company

DATA Communications Management Corp. (“**DATA**” or the “**Company**”)
9195 Torbram Road,
Brampton, Ontario
L6S 6H2

Item 2: Date of Material Change

November 10, 2017

Item 3: News Release

A news release announcing the material change was issued and disseminated on November 10, 2017. Such news release has been filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Change

On November 10, 2017, the Company announced that it had completed the previously announced acquisition (the “**Acquisition**”) of all of the outstanding shares of BGI Holdings Inc. and 1416395 Alberta Ltd. (collectively, the “**Subject Corporations**”) (operating as BOLDER Graphics) for a total purchase price of approximately \$5.1 million (subject to certain post-closing adjustments, including working capital (the “**Purchase Price**”)

In connection with the Acquisition, the Company established a \$5 million senior term credit facility (the “**IPD V Term Credit Facility**”) pursuant to a credit agreement (the “**Credit Agreement**”) entered into by the Company and Integrated Private Debt Fund V LP (“**IPD V**”). The Company used approximately \$2 million of the IPD V Term Credit Facility to fund the up-front cash component of the Purchase Price and repay shareholder loans of the Subject Corporations; \$2.6 million of the IPD V Term Credit Facility was used to repay in full the outstanding balance of the term loan sub-facility of the Company’s senior revolving credit facility with a Canadian chartered bank, and the balance will be used for general working capital purposes.

Item 5: Full Description of Material Change

The IPD V Term Credit Facility matures on November 10, 2023 and has a maximum available principal amount of \$5 million. Indebtedness outstanding under the IPD V Term Credit Facility bears interest at a fixed rate equal to 6.95% per annum. Under the terms of the IPD V Term Credit Facility, DATA is required to make mandatory blended equal monthly repayments of principal and interest such that, on maturity, the principal and applicable interest will have been fully repaid. Amounts that are repaid cannot be reborrowed. DATA may, upon prior

written notice to IPD V, prepay the IPD V Term Credit Facility in whole, but not in part, at any time provided that DATA pays IPD V a prepayment premium equal to the difference between (i) the present value of the principal and interest payments that would have been made had the prepayment not been made, discounted at the rate determined by IPD based on the yield on Government of Canada debt obligations having terms approximately equal to the term from the date of prepayment to the original maturity date of the IPD V Term Credit Facility; and (ii) the face value of the principal amount being prepaid at the date of prepayment. Under the terms of the IPD V Term Credit Facility, DATA must ensure that the aggregate of the principal amount outstanding under the IPD V Term Credit Facility, the other credit facilities established by Integrated Private Debt Fund III LP, Integrated Private Debt Fund IV LP or other lenders managed by Integrated Private Debt Fund LP Inc. and the Bank Credit Facility, respectively, does not exceed \$75 million.

The Credit Agreement contains customary representations and warranties, as well as restrictive covenants which limit the discretion of the Board and management with respect to certain business matters, including the declaration or payment of dividends on the common shares of the Company without consent of IPD V.

The covenants under the IPD V Term Credit Facility remain substantially unchanged from the terms existing under the term credit facility dated as of March 10, 2016 (“**IPD IV Term Credit Facility**”) with Integrated Private Debt Fund IV LP. Under the terms of the IPD V Credit Facility, DATA must maintain (i) a ratio of Senior Funded Debt to EBITDA for its four most recently completed fiscal quarters of not greater than the following levels: from October 1, 2017 to December 31, 2017 – 3.50 to 1; from January 1, 2018 to March 31, 2018 – 3.25 to 1; and on and after April 1, 2018 – 3.00 to 1; (ii) a debt service coverage ratio of not less than 1.50 to 1; and (iii) a working capital current ratio of not less than 1.1 to 1.

A failure by the Company to comply with its obligations under the Credit Agreement, together with certain other events, including a change of control of the Company and a change in the Company’s chief executive officer, president or chief financial officer (unless a replacement officer satisfactory to IPD V, acting reasonably, is appointed within 60 days of such change) could result in an event of default which, if not cured or waived, could permit acceleration of the indebtedness outstanding under the IPD V Term Credit Facility.

The IPD V Term Credit Facility is secured by conventional security charging all the property and assets of DATA and its affiliates.

In connection with the establishment of the IPD V Term Facility, IPD V became a party to the Company’s existing amended and restated inter-creditor agreement with the Company’s existing lenders and the holders of the vendor take-back notes issued pursuant to acquisitions completed by the Company in February 2017. The terms of that agreement establish the relative priorities of the respective liens of those lenders on the Company’s present and after-acquired

property and certain other rights, priorities and interests of those lenders, including with respect to the enforcement of the respective security held by them for payment of the Company's respective obligations under its senior credit facilities and those vendor take-back notes.

FORWARD-LOOKING STATEMENTS

Certain statements in this material change report 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 DATA, 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 material change report, 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 DATA's current views regarding future events and operating performance, are based on information currently available to DATA, and speak only as of the date of this material change report. 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 DATA 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 DATA made or took into account in the preparation of these forward-looking statements include risks related to disruption of management time from ongoing business operations and other risks associated with the integration of the BOLDER Graphics business into DATA's operations; the failure to realize the expected benefits from the acquisition of BOLDER Graphics, the limited growth in the traditional printing industry and the potential for further declines in sales of DATA'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 DATA will adversely affect DATA's financial results; the risk that DATA 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 communications business; the risk that DATA may not be successful in managing its organic growth; DATA'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 DATA and are well-established suppliers; DATA's ability to grow its sales or even maintain historical levels of its sales of printed business documents; the impact of economic conditions on DATA's businesses; risks associated with acquisitions by DATA; increases in the costs of paper and other raw materials used by DATA; and DATA's ability to maintain relationships with its customers; and additional factors discussed in DATA's other publicly available disclosure documents, as filed by DATA 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 material change report as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, DATA does not intend and does not assume any obligation to update these forward-looking statements.

Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

James Lorimer
Chief Financial Officer
DATA Communications Management Corp.
9195 Torbram Road, Brampton, ON L6S 6H2
905.494.4101

Item 9: Date of Report

November 20, 2017