

DATA Group Ltd.

Annual General Meeting

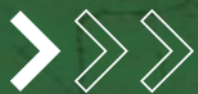
June 4, 2015

DATA

Agenda

- Annual Report to Shareholders
- Election of Directors
- Appointment of Auditors
- Adjournment
- Update from Michael G. Sifton, President & CEO
- Q&A





Report to Shareholders

Michael G. Sifton

President & CEO



Forward-looking information

This presentation contains forward-looking statements. When used in this presentation the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions, as they relate to DATA Group or any affiliate of DATA Group, are intended to identify forward-looking statements. In particular, this presentation contains forward-looking statements with respect to, among others things, business objectives, expected growth, results of operations, performance, business projects, opportunities and financial results.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect DATA Group’s current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties including without limitation, changes in market competition, governmental or regulatory developments, changes in tax legislation, general economic conditions and other factors set out in DATA Group’s public disclosure documents. Many factors could cause DATA Group or any of its business segments’ actual results, performance or achievements to vary from those described in this presentation, including without limitation those listed above as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Factors which could cause results or events to differ from current expectations are: capital resources and liquidity risk, market risk, raw material price risk, operational risk, product mix, volume declines, environmental risk, regulatory risk and labour relations. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this presentation as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in this presentation herein should not be unduly relied upon. These statements speak only as of the date of this presentation. DATA Group does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this presentation are expressly qualified as cautionary statements.

Financial outlook information contained in this presentation about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management’s assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this presentation should not be used for the purposes other than for which it is disclosed herein. Additional information relating to DATA Group can be found on its website at www.datagroup.ca. The continuous disclosure materials of DATA Group, including its annual MD&A and Consolidated Financial Statements, Annual Information Form, Information Circular, and Proxy Statement, material change reports and press releases, are also available through DATA Group’s website or directly through the SEDAR system at www.sedar.com.

This document includes certain non-GAAP measures as supplementary information. When used in this document, EBITDA means earnings before interest and finance costs, taxes, depreciation and amortization. Adjusted EBITDA for the year ended December 31, 2014 means EBITDA adjusted for restructuring charges and gains on the cancellation of convertible debentures. Adjusted EBITDA for the year ended December 31, 2013 means EBITDA adjusted for restructuring charges and goodwill impairment charges. Adjusted EBITDA for the year ended December 31, 2012, means EBITDA adjusted for corporate conversion costs, a gain on the settlement of a pension plan and a goodwill impairment charge. DATA Group believes that, in addition to net income (loss), EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the performance of DATA Group and its predecessors. Adjusted EBITDA for the three month periods ended March 31, 2015 and 2014 means EBITDA adjusted for restructuring charges. EBITDA and Adjusted EBITDA are not earnings measures recognized by International Financial Reporting Standards (IFRS) and do not have any standardized meanings prescribed by IFRS. Therefore, EBITDA and Adjusted EBITDA are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that neither EBITDA nor Adjusted EBITDA should be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of DATA Group’s performance. For reconciliations of net income (loss) to Adjusted EBITDA, refer to DATA Group’s management’s discussion and analysis for the year ended December 31, 2014 and the three months end March 31, 2015.

Outline

1 Financial Highlights

2 Observations

3 Action Plan





Financial Highlights



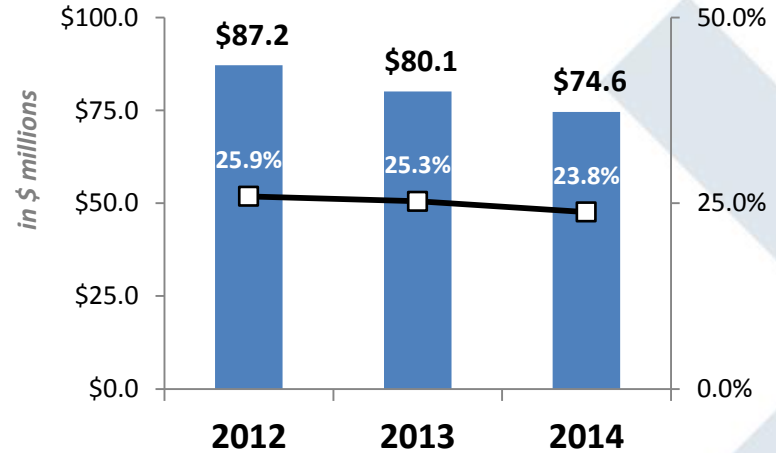
Fiscal 2014 Financial Highlights

Revenue



- Revenue decline stabilizing

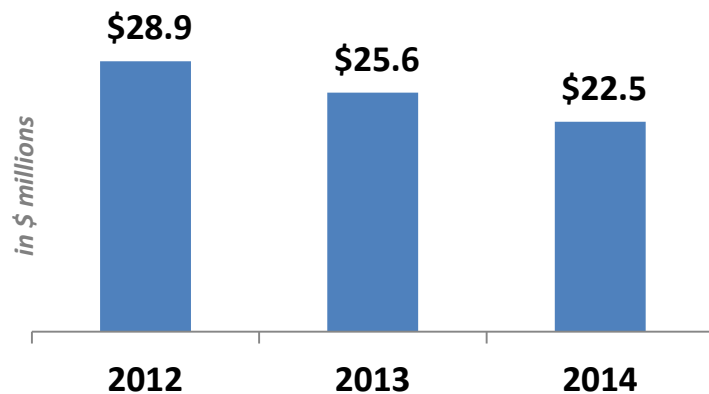
Gross Profit and Gross Margin %



- Price concession pressures

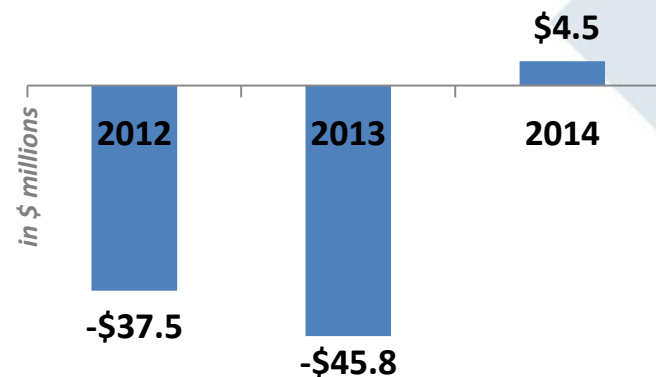
Fiscal 2014 Financial Highlights

Adjusted EBITDA



- Reflects revenue and margin declines

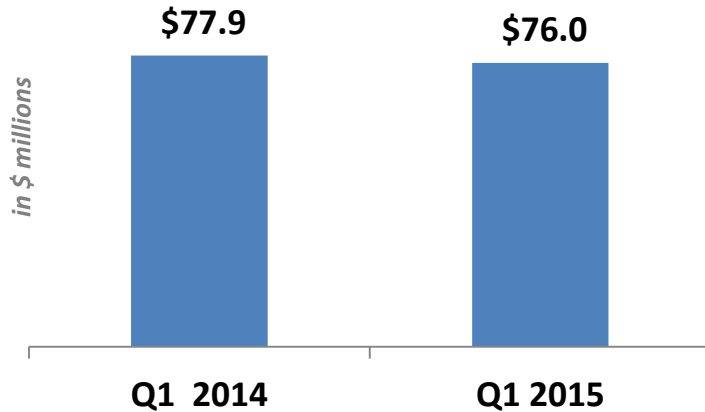
Net Income



- Goodwill impairment charges of \$44.0mm in both 2012 and 2013
- Restructuring charges of \$7.0mm in 2013 and \$2.8mm in 2014

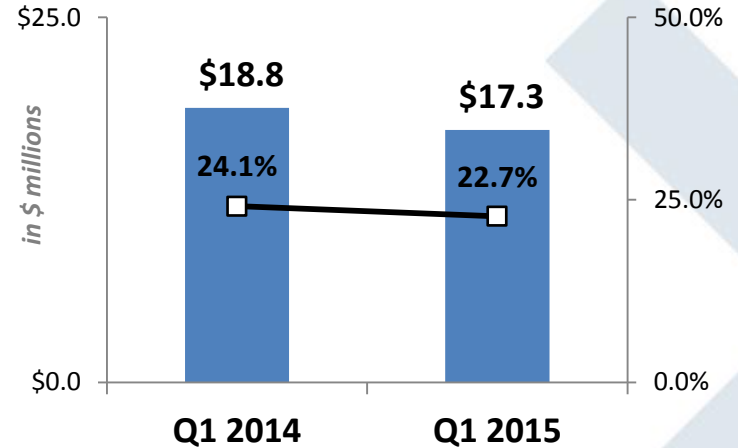
Q1 2015 Financial Highlights

Revenue



- Reduction in printing orders and aggressive pricing competition

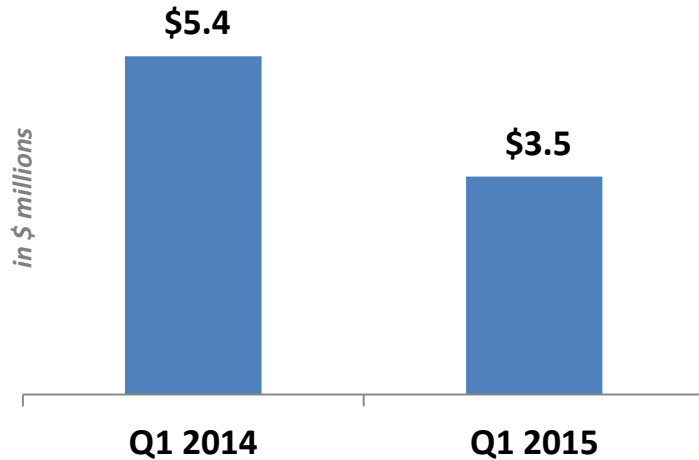
Gross Profit — Gross Margin %



- Revenue, competitive pressures, and product mix, offset by cost reductions

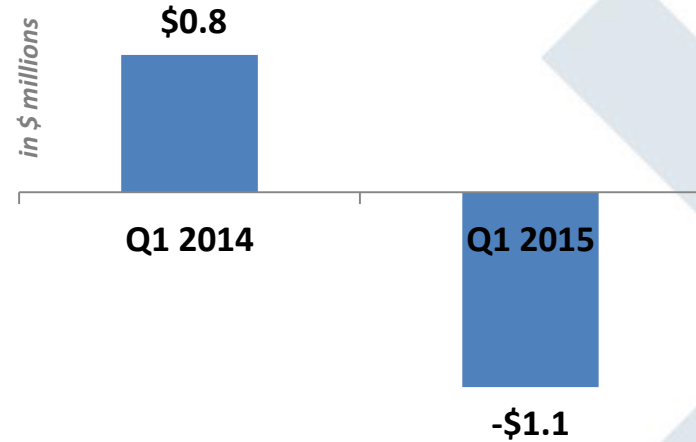
Q1 2015 Financial Highlights

Adjusted EBITDA



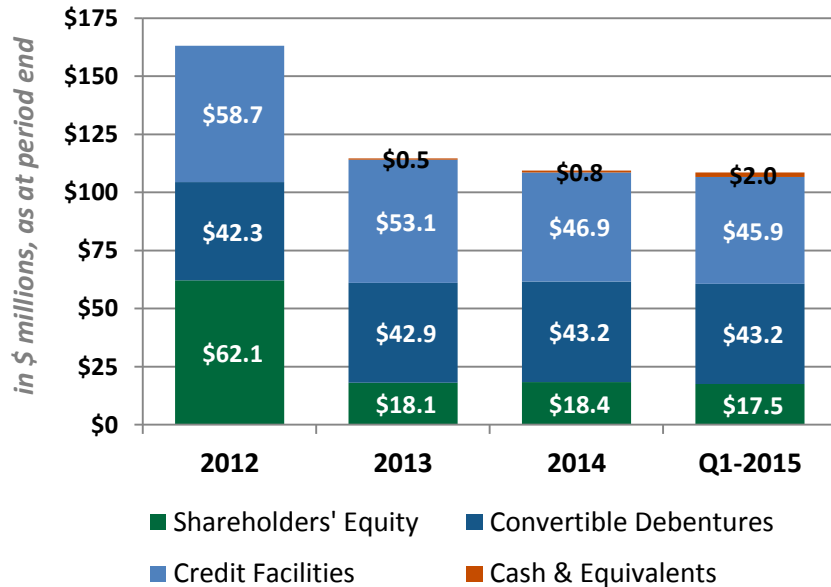
- Lower revenues, investment in new products & services

Net Income



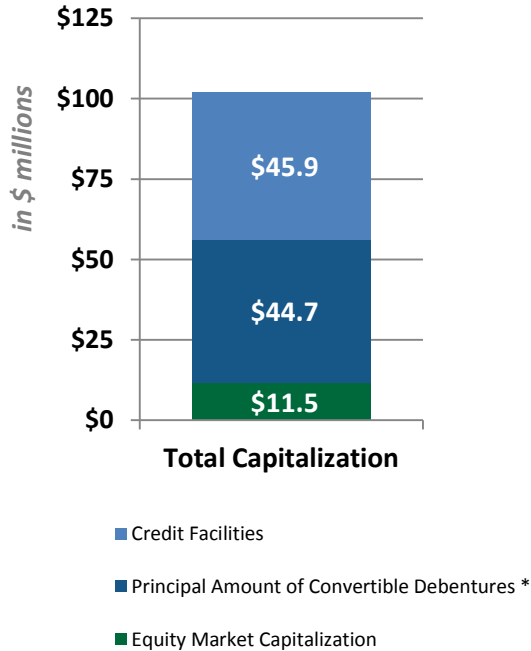
- Lower revenue, gross profit
- Restructuring charges of \$2.1mm in 2015 vs. \$0.9mm in 2014

Summary Balance Sheet Information



- Book value of Shareholders' Equity negatively impacted by Goodwill and Intangibles charges between 2012 and 2013 (and previously between 2011 and 2012)
- Net book value of total debt of \$89.1mm at March 31, comprised of Credit Facilities and Convertible Debentures

Highly Levered Balance Sheet



- \$90.6mm of total debt vs. \$11.5mm market cap
- Bank debt/ LTM EBITDA: 2.25x at March 31, 2015
 - Maximum covenant of 2.5x, reduces to 2.25x at June 30, 2015
- Total debt / LTM EBITDA: 4.34x
- Annual interest charges and required principal payments represent significant use of cash flow
- Focus on debt repayment limits capital availability for other initiatives

* Principal amount at maturity date, June 30, 2017

Capital Required for...

- Reduce perceived business risk for our customers
- Capital investment for new business initiatives
- Additional restructuring expenses
- Accelerate “Pivot” from legacy print business:
 - Build expertise, reputation, scale and profitability in core areas:
 - Data analytics
 - Marketing services
 - Content management
 - Prospective acquisition targets and partnership opportunities

Summary of Financial Performance

- Traditional printing industry remains flat to declining, and highly competitive
- Revenue decline seems to be flattening
- Challenging pricing environment
- Focus on expense reductions
- Restrictive balance sheet





Observations



Observations – First 45 Days

- ▲ Strong reputation for **execution** across Canada
- ▲ Large, **diverse customer base** – SMB to enterprise
- ▲ Talented employee base, **eager to evolve and grow**
- ▲ Board of Directors – **engaged, talented, independent, and diverse**

- ▼ **Unclear marketplace strategy** and client value proposition
- ▼ Continued focus required to **“right-size” our Operations**
- ▼ **Sales** structure, approach, and talent needs to **evolve with customer needs**
- ▼ Balance Sheet challenges





Action Plan



1. The New Executive Team – Reduced, Focused, Nationalized



Michael Sifton

President & CEO
(joined ~45 days ago)



James Lorimer*

Interim CFO
(joined ~30 days ago)



Jeff Gladwish

VP, Marketing
(joined ~6 months ago)



Patrick Aussant

Interim CIO



Steve Wittal

SVP, Sales
(expanded role ~30 days ago)



Alan Roberts

SVP, Operations
(expanded role ~11 months ago)



Judy Holcomb-Williams

VP, Human Resources
(joined ~18 months ago)

*Paul O'Shea, current CFO, will retire on June 19, 2015

2. New Marketplace Strategy & Value Proposition

Customer Perception

Print Company, With “Add-Ons”



End-To-End **Communications** Company

Confusing, Tactical Messaging
(20+ disparate product messages)



Focused, **Strategic** Messaging
(1 cohesive story across product lines)



2. New Marketplace Strategy & Value Proposition

Refreshed DATA Vision & Brand Purpose:

To Transform How Businesses Communicate

3. Transform The Sales Team

- Upgrade Sales Talent – Align with Growth Areas
- Nationalize the Sales Team by Joining East & West
- Align Sales Compensation with Company Objectives
- Adopt Vertical Specialization Structure
(from geographic generalists)



4. Accelerate “Right-Sizing”

Recent Highlights

- **Vancouver** – production and warehouse facilities relocated to Alberta
- **Calgary** – three locations into one (30% reduction in footprint)
- **Winnipeg** – production relocated to Regina
- **London** – relocated to Mississauga
- Overall headcount reduced 18% to 1,567 full-time employees in the past 3 years (through March 31, 2015)
- Manufacturing and warehousing footprint reduced 20% in same period

4. Accelerate “Right-Sizing”

Additional 2015 Activities

- Strategic plant consolidations
- Create centres of excellence
- Effect efficiency and waste improvements
- De-layer the organization
- Evolve Operations group to support marketplace strategy



5. Improve Balance Sheet

- Evaluate potential strategic capital structure improvements:
 - Re-financing or redeeming convertible debentures
 - Re-financing current credit facilities
 - Equity issuances
- Continue to use operating cash flow to pay down debt
- Better manage inventory to improve working capital



Summary

5-Point Action Plan

1. New Executive Team - Reduced, Focused, Nationalized
2. New Marketplace Strategy & Value Proposition
3. Transform The Sales Team
4. Accelerate “Right-Sizing”
5. Improve Balance Sheet



FOCUSED
OPTIMIZED
AGILE



To Transform How Businesses Communicate



Q&A

