

Financial Statements

Dye & Durham Limited

As at and for the five day period ended June 30, 2020

Independent auditor's report

To the Shareholders
Dye & Durham Limited

Opinion

We have audited the financial statements of **Dye & Durham Limited** [the "Company"], which comprise the statement of financial position as at June 30, 2020, and the statement of income and comprehensive income, statement of changes in shareholders' deficiency and statement of cash flows for the five days then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020 and its financial performance and its cash flows for the five days then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. Other information consists of Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The partner in charge of the audit resulting in this independent auditor's report is Martin Lundie.

Toronto, Canada
September 21, 2020

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



Dye & Durham Limited

Statement of financial position

As at June 30, 2020

[expressed in Canadian dollars]

	<u>\$</u>
Assets	
Cash	<u>—</u>
	<u>—</u>
Liabilities	
Accrued liabilities	<u>2,000</u>
Shareholders' equity	
Common shares	—
Retained earnings	<u>(2,000)</u>
Total liabilities and shareholders' deficiency	<u>—</u>

The accompanying notes are an integral part of these financial statements

On behalf of the Board:

"Signed"
Director – Matthew Proud

Dye & Durham Limited

Statement of operations and comprehensive income

Five day period ended June 30, 2020

[expressed in Canadian dollars]

	<u>\$</u>
Revenues	—
Expenses	—
Professional Fees	2,000
Income taxes	<u>—</u>
Net income and comprehensive income	<u>(2,000)</u>

The accompanying notes are an integral part of these financial statements

Dye & Durham Limited

Statement of changes in shareholders' deficiency
[expressed in thousands of Canadian dollars]

	Common shares	Common shares	Retained earnings	Total
	#	\$	\$	\$
Balance, beginning of period	—	—	—	—
Net income and comprehensive income	—	—	(2,000)	(2,000)
Issuance of common share	—	—	—	—
Balance, end of period	—	—	(2,000)	(2,000)

The accompanying notes are an integral part of these financial statements

Dye & Durham Limited

Statement of cash flows
Five day period ended June 30, 2020
[expressed in Canadian dollars]

	<u>\$</u>
Operating activities	
Net loss for the period	(2,000)
Changes in non-cash working capital balances	
Accounts payable and accrued liabilities	2,000
	<u> </u>
Cash from operating activities	<u> </u>
	<u> </u>
Cash from investing activities	<u> </u>
	<u> </u>
Financing activities	
Issuance of common share	<u> </u>
Cash provided by financing activities	<u> </u>
	<u> </u>
Net change in cash during the period	<u> </u>
Cash, beginning of period	<u> </u>
Cash, end of period	<u> </u>

The accompanying notes are an integral part of these financial statements

Dye & Durham Limited

Notes to the financial statements

[expressed in Canadian dollars]

As at and for the five day period ended June 30, 2020

1. General information

Dye & Durham Limited [the “Company” or “DND”] was incorporated by articles of incorporation under the Ontario *Business Corporation Act* on June 26, 2020. The Company is authorized to issue an unlimited number of common shares. The common shares are voting and entitled to dividends if, as and when declared by the board of directors. The Company’s registered and head office is located at 199 Bay Street, Suite 4610, Toronto, Ontario, Canada.

2. Basis of presentation and significant accounting policy

These financial statements have been prepared in accordance with International Financial Reporting Standards [“IFRS”] as issued by the International Accounting Standards Board [“IASB”].

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on September 18, 2020.

Functional currency and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

3. Subsequent events

On July 17, 2020, DND acquired a 100% ownership interest in Dye & Durham Corporation as part of a pre-closing reorganization [“Reorganization”] before DND’s initial public offering [“IPO”]. DND completed its IPO, raising an aggregate of \$172.5 million. The IPO was comprised of a distribution, including the over-allotment, of 20 million common shares from treasury in addition to the sale of 3 million common shares by certain shareholders at \$7.50 per share. The IPO resulted in \$150 million in gross proceeds to the Company.