Acquire, Integrate & Operate to Drive EBITDA

Management’s Discussion and Analysis

For the three months ended September 30, 2020

Dye & Durham

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

As used in this management's discussion and analysis ("MD&A"), unless the context indicates or requires otherwise, all references to the "Company", "Dye & Durham", "we", "us" or "our" refer to Dye & Durham Limited together with our subsidiaries, on a consolidated basis as constituted on September 30, 2020.

This MD&A for the three months ended September 30, 2020 and 2019 should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and the accompanying notes for the three months ended September 30, 2020 and 2019 ("Financial Statements") as well as with Dye & Durham Corporation's audited annual consolidated financial statements and the related notes thereto for the year ended June 30, 2020. The financial information presented in this MD&A is derived from the Financial Statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in thousands of Canadian dollars and thousands of shares, except where otherwise indicated. Due to rounding, certain totals and subtotals may not foot and certain percentages may not reconcile.

Additional Information relating to Dye & Durham, including the Company's final long form prospectus dated July 13, 2020 (the "IPO Prospectus"), can be found on SEDAR at www.sedar.com.

This MD&A is dated as of November 10, 2020.

Caution Regarding Forward-Looking Information

This MD&A contains forward-looking statements that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "forecast", "target", "goal", "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict", or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, plans and objectives. Particularly, information regarding the Company's expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of management's experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect and there can be no assurance that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risks and Uncertainties" in this MD&A and "Risk Factors" in the IPO Prospectus, which factors should not be considered exhaustive and should be read together with the other cautionary statements in this MD&A.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

Although the Company bases these forward-looking statements on assumptions that it believes are reasonable when made, the Company cautions readers that forward-looking statements are not guarantees *of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this MD&A. In addition, even if the Company's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this MD&A, those results or developments may not be indicative of results or developments in subsequent periods.*

Given these risks and uncertainties, investors are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement that is made in this MD&A speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments, except as required by applicable securities laws. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

Cautionary Note Regarding Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this MD&A may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS financial measures, including "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "Basic Adjusted EBITDA per share" to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Specifically, the Company believes that Adjusted EBITDA, when viewed with the Company's results under IFRS and the accompanying reconciliations, provides useful information about the Company's business without regard to potential distortions. By eliminating potential differences in results of operations between periods caused by factors such as depreciation and amortization methods and restructuring, impairment and other charges, the Company believes that Adjusted EBITDA can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. The Company believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period.

*"**EBITDA**" means net income (loss) before amortization and depreciation expenses, finance and interest costs, and provision for income taxes.*

*"**Adjusted EBITDA**" adjusts EBITDA for stock-based compensation expense, asset impairment charges, loss on settlement of loans and borrowings, gains or losses from changes in fair value of derivative financial instruments and contingent consideration liabilities measured at fair value through profit or loss, specific transaction related expenses related to acquisitions, IPO and capital structure reorganization, operational restructuring costs, restructuring costs includes impact to the full year of cost synergies related to the reduction of employees in relation to acquisitions.*

*"**Adjusted EBITDA Margin**" means Adjusted EBITDA divided by revenue.*

*"**Basic Adjusted EBITDA per share**" means Adjusted EBITDA divided by basic weighted average number of shares outstanding.*

See "Select Information and Reconciliation of Non-IFRS Measures" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.

Business Overview

Dye & Durham is a leading provider of cloud-based software and technology solutions designed to improve efficiency and increase productivity for legal and business professionals. The Company provides critical information services and workflow, which clients use to manage their process, information and regulatory requirements.

Dye & Durham's products provide automated public record due diligence searches, associated document preparation, and electronic public record filings related to legal due diligence, corporate formation and maintenance, lien registration, litigation and real estate conveyancing.

With a commitment to innovation, the Company has operations in Canada and the United Kingdom ("U.K.") and serves a large customer base of over 25,000 legal firms, financial service institutions, and government organizations.

Dye & Durham's vision is to be the world's leading provider of public records registry data and the workflows this information powers. To continue to grow its business and to achieve this goal, the Company has identified the following key strategic priorities:

- Continue accretive acquisitions;
- Broaden customer base;
- Continue to innovate and extend its platforms; and
- Expand within existing customer base.

On July 17, 2020, the Company completed its initial public offering (the "IPO") and its shares began trading on the Toronto Stock Exchange under the symbol "DND".

Immediately prior to closing of the IPO, the Company entered into a share purchase agreement with the previous shareholders of Dye & Durham Corporation ("D&D Corp") pursuant to which the Company acquired all of the issued and outstanding shares of D&D Corp in consideration for the issuance of 24,330 common shares of the Company (the "Shares"). In addition, all existing stock options of D&D Corp were exchanged for stock options of the Company with the same terms and conditions. As the Company is a newly formed entity and the existing shareholders maintained common control over the Company and D&D Corp immediately prior to the closing of the IPO, this transaction has been accounted for as a reorganization using the continuity of interest method. Financial information for the pre-acquisition period, including the comparative period is presented based on historical financial information and accounting policies of D&D Corp.

Consolidated Highlights

- Adjusted EBITDA for the three months ended September 30, 2020 was $12,529, an increase of 41%, compared to the three months ended September 30, 2019.

- Revenue for the three months ended September 30, 2020 was $21,901, an increase of $4,972 or 29%, compared to the three months ended September 30, 2019.

- Net Income was ($14,992) for the three months ended September 30, 2020, a decrease from ($4,664) compared to the three months ended September 30, 2019, which is primarily due to (a) additional finance costs incurred due to the repayment of the FY2020 Credit Facility (as defined below), (b) the loss on settlement of loans and borrowings and settlement of derivatives incurred as a result of the FY2021 Credit Facility (as defined below), and (c) higher acquisition, restructuring and IPO listing related costs incurred in the three months ended September 30, 2020.

- On September 30, 2020, the Company closed a $50,014 bought deal private placement (the "Bought Deal"), pursuant to which it issued 2,382 Shares at a price of $21.00 per Share.

- On September 28, 2020, the Company announced that it had entered into a new credit agreement that provides for a $140.0 million revolving term loan facility with an additional uncommitted accordion of up to $25.0 million, for an aggregate total availability of up to $165.0 million (the "FY2021 Credit Facility"). The interest rate under the FY2021 Credit Facility is expected to be approximately 3.0% versus the FY2020 Credit Facility (the Company's prior term loan facility) which carried an interest rate of 8.5%, which is expected to significantly improve the Company's levered free cash flow.

- On September 23, 2020, the Company acquired R-Squared Bidco Limited and certain related assets (collectively, "PIE") for consideration of $54,452. PIE is a leading U.K. cloud-based real estate due diligence platform.

- On July 17, the Company closed the IPO, pursuant to which it raised total gross proceeds of $150,000 and issued 20,000 Shares at a price of $7.50 per Share.

- On November 9, 2020, the Board of Directors declared a quarterly dividend of $0.01875 per share to shareholders of record on December 7, 2020.

Factors Affecting the Company's Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges, some of which are discussed below and in the "Risk Factors" section of the IPO Prospectus.

Ability to integrate acquired companies

The Company has successfully acquired and integrated numerous companies over the last six years. The Company is of the view that the ability to realize synergies and integrate these companies with its existing technology platforms and management teams is critical for the future success of the Company.

Seasonality

A portion of the Company's revenue, derived from the real estate conveyancing product line, has experienced and is expected to continue to experience moderate seasonality due to seasonal patterns in the real estate market. This is due to real estate revenue fluctuating in line with real estate transaction activity. Typically, the Company's fourth quarter generates higher real estate revenue relative to other quarters, as the fourth quarter is typically when real estate activity peaks for the year.

Foreign currency

The Company's functional and presentation currency is Canadian dollars, the functional currency for our subsidiaries is the local currency of the country the foreign operation is located in. Our results of operations are converted into our functional currency using the average foreign exchange rates for each period presented. As a result, our results of operations may be adversely impacted by an increase in the value of the Canadian dollar relative to the Pound Sterling or Euro.

Economic Activity

General economic conditions may affect our results of operations and financial condition. Demand for our products depends in large part upon the level of capital and operating expenditures by many of our customers and their clients. Decreased capital and operational spending could have a material adverse effect on the demand for our products and our business, results of operations, cash flow and overall financial condition. Decreased capital and operational spending or disruptions in the financial markets could be caused by the outbreak of a contagious illness, such as the recent outbreak of COVID-19. Any of these conditions may reduce the ability of our customers, prospective customers and their clients to commit funds to purchase our products and services, or their ability to pay for our products and services after purchase.

Natural disasters

Natural disasters, such as earthquakes, hurricanes, tornadoes, floods, and other adverse weather and climate conditions; unforeseen public health crises such as the recent global outbreak of COVID-19, and other pandemics and epidemics; political crises, such as terrorist attacks, war, and other political instability; or other catastrophic events, could disrupt our operations, or the operations of our customers or their clients. To the extent any of these events occur, our business and results of operations could be adversely affected.

Select Information and Reconciliation of Non-IFRS Measures

The following table summarizes the Company's recent results of operations as of the dates and for the periods indicated below. The information should be read together with the Financial Statements. See also "Cautionary Note Regarding Non-IFRS Measures".

(In thousands of Canadian dollars)	Three months ended September 30,	
EBITDA	**2020**	**2019**
	$	**$**
Income for the period	**(14,992)**	(4,664)
Amortization and depreciation	**4,179**	3,681
Finance costs	**10,992**	5,432
Current and deferred tax recovery	**(4,494)**	(1,714)
EBITDA[1]	**(4,315)**	2,735
Stock-based compensation[2]	**268**	83
Loss on settlement of loans and borrowings[3]	**5,407**	1,944
Realized loss on derivatives[4]	**6,265**	2,123
Acquisition, restructuring and other costs[5]	**4,820**	1,751
Salaries synergies realized[6]	**84**	279
Adjusted EBITDA[1]	**12,529**	8,915

Notes:

(1) EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are not recognized measures under IFRS. See "Cautionary Note Regarding Non-IFRS Measures".

(2) "Share-based compensation" relates to employee stock options issued during the period.

(3) "Loss on settlement of loans and borrowings" represents loss recognized on extinguishment of debt on re-financings in September 2020 and July 2019.

(4) "Realized loss on derivatives" represents the realized loss on the Company's interest rate swaps related to the Company's re-financings in September 2020 and July 2019.

(5) "Acquisition and restructuring expenses" relates to costs incurred in connection with business combinations, IPO listing and reorganization of the Company's capital structure.

(6) "Salaries synergies realized" relates to the impact of the full period of cost synergies related to the reduction of employees in relation to the Acquisitions.

Consolidated Results of Operations

(In thousands of Canadian dollars)	Three months ended September 30, 2020	2019
	$	$
Revenues	**21,901**	16,929
Expenses		
Direct costs	**(2,408)**	(1,772)
Technology and operations	**(4,509)**	(4,514)
General and administrative	**(2,303)**	(1,472)
Sales and marketing	**(504)**	(618)
Income before the following	**12,177**	8,553
Finance costs and loss on refinancing of loans and borrowings	**(22,664)**	(9,499)
Amortization and depreciation	**(4,179)**	(3,681)
Acquisition, restructuring and other costs	**(4,820)**	(1,751)
Income before taxes	**(19,486)**	(6,378)
Current and deferred tax recovery	**4,494**	1,714
Net Income for the period	**(14,992)**	(4,664)
Net loss per common share		
Basic and diluted	**(0.38)**	(0.23)
Weighted average number of shares outstanding		
Basic and diluted	**39,730**	20,475

Discussion of Operations

Factors that have caused period over period variations in the results set out above include:

Revenue

Revenue for the three months ended September 30, 2020 was $21,901, an increase of $4,972 or 29%, compared to the three months ended September 30, 2019. The factors contributing to the 29% increase in revenue for the three months ended September 30, 2020 were: (a) an increase in transactions during the period in connection with the economic recovery following the relaxation of restrictions related to COVID-19, and (b) increased revenue related to recent acquisitions that closed in the previous twelve months.

Expenses

For the three months ended September 30, 2020 and 2019, total expenses were:

(In thousands of Canadian dollars)	**Three months ended September 30,**	
	2020	**2019**
	$	**$**
Expenses		
Direct costs	2,408	1,772
Technology and operations	4,509	4,514
General and administrative	2,303	1,472
Sales and marketing	504	618
Finance costs and loss on refinancing of loans and borrowings	22,664	9,499
Acquisition, restructuring and other costs	4,820	1,751
Amortization and depreciation	4,179	3,681
Total	41,387	23,307

The changes in expense accounts were primarily due to a combination of the following:

- Direct costs increased by $636 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The period-over-period increases in direct costs were closely related to the increase in revenue.

- Technology and operations expenses decreased by $5 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The decrease in the three-month period is primarily due expense reductions taken by the Company in response to the unknown effects of COVID-19 and synergies realized from acquisitions offset by additional expenses from acquisitions completed in the previous twelve months.

- General and administrative expenses increased by $831 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The increase was primarily due to the impact of acquisitions completed in the previous twelve months along with higher salaries and benefits resulting from an increase in personnel required to support the Company's growing operations.

- Sales and marketing expenses decreased by $114 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The decrease during the three-month period is due to the rationalization and consolidation of resources obtained through various acquisitions.

- Finance costs and loss on refinancing of loans and borrowings increased by $13,165 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The increase is primarily due to the re-financing completed in September 2020 as part of the Company's transition from a private company capitalization structure to that of a public Company.

- Acquisition, restructuring and other costs increased by $3,069 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The increase is mostly due to acquisition costs related to acquisitions that closed during the quarter and the large one-time costs incurred as a part of the IPO listing in July 2020.

- Amortization and depreciation increased by $498 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The increase is primarily due to the amortization of intangible assets from the acquisitions completed in fiscal 2020 along with the depreciation of right-of-use assets from additional property leases from acquisitions.

Net income

Net income decreased by $10,328 for the three months ended September 30, 2020 when compared to the three months ended September 30, 2019. The decrease in net income for the three-month period is primarily due to the large one-time costs incurred as a part of the IPO listing in July 2020, re-financing of debt and acquisitions completed during the three months ended September 2020.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA for the three months ended September 30, 2020 was $12,529, an increase of $3,614 or 41% compared to the three months ended September 30, 2019. The increase in Adjusted EBITDA was primarily due to increased revenue from transactions and acquisitions completed in fiscal 2020 along with synergies realized as a result of such acquisitions. Adjusted EBITDA Margin increased to 57% for the three months ended September 30, 2020 compared to 53% for the three months ended September 30, 2019.

Adjusted EBITDA and Adjusted EBITDA Margin are not recognized measures under IFRS. See "Cautionary Note Regarding Non-IFRS Measures" and "Select Information and Reconciliation of Non-IFRS Measures" for a reconciliation of Net Income to Adjusted EBITDA.

Selected Annual Information

(In thousands of Canadian dollars, except per share data)	Fiscal 2020 $	Fiscal 2019 $
Revenue	65,510	43,845
Net Income	(11,237)	710
EBITDA(1)	21,734	18,856
Adjusted EBITDA(1)	36,685	26,416
Adjusted EBITDA Margin(1) **(% of revenue)**	56%	60%
Basic and diluted EPS	(0.55)	0.03
Basic Adjusted EBITDA per share(1)	1.79	1.29
Total assets	166,961	161,666
Total liabilities	235,831	167,716

Note (1):

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Basic Adjusted EBITDA per share are not recognized measures under IFRS. See "Cautionary Note Regarding Non-IFRS Financial Measures".

Revenue

Revenue for the years ended June 30, 2020 and 2019 was $65,510 and $43,845, respectively. In each of the fiscal years, the significant increase in revenue was primarily attributable to: (a) revenue from acquisitions, and (b) the compounded effect of upsells from businesses acquired. In fiscal 2020, these increases were partly offset by (a) a decrease in transactions because of less economic activity resulting from the recent outbreak of COVID-19, and (b) the temporary closure of many courthouses in Canada which caused an impact on the Company's Litigation Solutions product line due to COVID-19.

Net Income

For the years ended June 30 2020 and 2019, net (loss) income was ($11,237) and 710, respectively. Net loss in fiscal 2020 was primarily due to (a) the large one-time costs incurred as a part of the initial public offering in July 2020, (b) additional finance costs from higher loans and borrowings incurred in refinancing of debt completed in July 2019, and (c) higher amortization and depreciation expense from intangibles recognized from acquisitions.

Total Assets

Total assets increased $5,295 from fiscal 2019 to fiscal 2020 primarily due to the acquisitions completed in fiscal 2020.

Total Liabilities

Total liabilities increased $68,115 from fiscal 2019 to fiscal 2020 primarily due to increase in loans and borrowings as a result of return of capital and dividends paid along with liabilities acquired from acquisitions.

Summary of Quarterly Results

The following table sets out select unaudited quarterly results for the past eight quarters. The results for each of the quarters were prepared in accordance with IFRS. The Company's real estate conveyancing business product line experiences moderate seasonality, primarily because land titles revenue fluctuates with real estate transaction activity in Canada. Typically, the Company's fourth quarter generates higher revenue during the fiscal year when real estate activity is traditionally highest. The Company's business law solutions product line does not experience seasonality. Quarterly fluctuations in the results set out in the table below are attributed to transaction expenses among other factors.

Quarterly Results

(In thousands of Canadian dollars, except per share data)	Q1 2021 $	Q4 2020 $	Q3 2020 $	Q2 2020 $
Revenue	21,901	14,197	17,220	17,164
Net Income	(14,992)	(3,763)	(1,270)	(1,540)
EBITDA(1)	(4,315)	5,764	6,883	6,352
Adjusted EBITDA(1)	12,529	8,795	10,255	8,720
Adjusted EBITDA Margin(1) **(% of revenue)**	57%	62%	60%	51%
Basic and diluted EPS	(0.38)	(0.18)	(0.06)	(0.08)
Basic Adjusted EBITDA per share(1)	0.32	0.43	0.50	0.43

Quarterly Results

(In thousands of Canadian dollars, except per share data)	Q1 2020 $	Q4 2019 $	Q3 2019 $	Q2 2019 $
Revenue	16,929	15,142	10,227	9,176
Net Income	(4,664)	1,730	(1,457)	(424)
EBITDA(1)	2,735	8,278	3,199	3,143
Adjusted EBITDA(1)	8,915	8,508	6,555	5,517
Adjusted EBITDA Margin(1) **(% of revenue)**	53%	56%	64%	60%
Basic and diluted EPS	(0.23)	0.08	(0.07)	(0.02)
Basic Adjusted EBITDA per share(1)	0.44	0.42	0.32	0.27

Notes:

(1) EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Basic Adjusted EBITDA per share are not recognized measures under IFRS. See “Cautionary Note Regarding Non-IFRS Measures”.

Revenue

Our total quarterly revenue increased sequentially for all periods presented, except for Q4 2020, primarily due to COVID-19. We cannot assure you that this pattern of sequential growth in revenue will continue.

Expenses

Total operating expenses generally increased sequentially for each period presented to support the increase in revenue. The quarter-over-quarter variance in total expenses is primarily due to the expenses incurred for acquisitions, restructuring and IPO listing costs which are expensed as incurred along with additional finance costs in the periods of re-financing. Total expenses will continue to fluctuate based on the timing of acquisitions and financing-related activities.

Financial Condition

(In thousands of Canadian dollars)

	As at	
	September 30, 2020	**June 30, 2020**
	$	**$**
Cash and cash equivalents	16,517	2,569
Total assets	271,931	166,961
Total liabilities	159,680	235,831

Cash and cash equivalents primarily increased from the year ended June 30, 2020 as a result of net proceeds received from the IPO and the Bought Deal which both closed during the three months ended September 30, 2020.

Total assets increased from the year ended June 30, 2020 primarily as a result of assets acquired from acquisitions closed during the three months ended September 30, 2020, offset by depreciation and amortization for the period.

Total liabilities for the three months ended September 30, 2020 decreased from the year ended June 30, 2020 primarily as a result of the paydown of debt from the IPO and Bought Deal proceeds, offset by liabilities acquired from acquisitions and holdbacks and contingent consideration on acquisitions.

Liquidity and Capital Resources

The Company manages its capital structure based on the funds available to it in order to support the continuation of and expansion of its operations and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company defines capital to include share capital, the stock option component of its shareholders' equity as well as its borrowings. The Company intends to rely on positive cash flows from operations and, if required, additional financings to achieve its growth strategies.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at September 30, 2020:

	Year 1	Year 2	Year 3	Year 4	Year 5 and over	Total
	$	$	$	$	$	$
Accounts payable and accrued liabilities	27,573	—	—	—	—	**27,573**
Holdbacks and contingent consideration on acquisitions	11,409	1,827	1,225	—	—	**14,461**
Customer advances	4,400	—	—	—	—	**4,400**
Lease liabilities	2,450	2,060	2,040	1,610	3,200	**11,360**
Loans and borrowings	2,667	88,412	—	—	—	**91,079**
Derivative financial liability	—	—	—	—	6,251	**6,251**
	48,499	**92,299**	**3,265**	**1,610**	**9,451**	**155,124**

Cash Flows

The primary source of cash flow is revenue collected from transactions completed for clients. The Company's approach to liquidity is to always have sufficient liquidity to meet its liabilities as they come due. This is achieved by continuously monitoring cash flows and reviewing actual operating expenditures and revenue to budget.

(In thousands of Canadian dollars)	**Three months ended September 30,**	
Cash Flows	**2020**	**2019**
	($)	**($)**
Net cash provided by operating activities	774	4,585
Net cash provided by financing activities	68,474	621
Net cash used in investing activities	(55,390)	(2,009)
Change in cash during the period	13,858	3,197
Cash and cash equivalents, beginning of period	2,569	3,506
Effect of foreign exchange on cash	90	(4)
Cash and cash equivalents, end of period	16,517	6,699

During the three months ended September 30, 2020, the Company had a net cash increase of $13,858 compared to an increase of $3,197 during the three months ended September 30, 2019. Cash flows from operating activities was $774 for the three months ended September 30, 2020 compared to $4,585 for the three months ended September 30, 2019. The decrease in cash flows from operating activities was primarily the result of decrease of $4,551 in cash flow from changes in working capital during the three months ended September 30, 2020 compared to September 30, 2019.

Net cash flow from financing activities for the three months ended September 30, 2020 was $68,474 in comparison to $621 for the three months ended September 30, 2019. The increase in cash inflows from financing activities of $67,853 was mainly due to the aggregate net cash proceeds from the IPO and the Bought Deal of $186,678, offset by net repayments for loans and borrowings of $107,464 and interest payments of $10,305 in the three months ended September 30, 2020 as compared to net proceeds from loans and borrowings of $52,694, offset by return of capital and dividends paid of $44,357 and interest paid and settlement of swap of $7,555.

Net cash flow used in investing activities for the three months ended September 30, 2020 was $55,390 compared to $2,009 for the three months ended September 30, 2019. The increase in cash outflows from investing activities of $53,381 was primary due to the consideration paid for acquisitions completed during the three months ended September 30, 2020.

Capital Expenditures

Dye & Durham's capital expenditures for the three months ended September 30, 2020 were $558 compared to $409 for the three months ended September 30, 2019.

Credit Facilities

FY2020 Credit Facility

On July 11, 2019, the Company settled its then-existing credit facility and replaced it with a new credit facility (the "FY2020 Credit Facility"). The aggregate amount committed under the FY2020 Credit Facility was $200,000 comprising of (a) a $10,000 revolving loan facility, and (b) a $190,000 term loan facility (the "Term Loan Commitment").

The Company received total gross cash proceeds of $190,000 under the Term Loan Commitment and incurred financing fees of $6,983. The Term Loan Commitment bore an interest rate of the lower of (a) Banker's Acceptance ("BA") rate + 6.5%, and (b) the prime rate of interest + 5.5% payable quarterly or monthly. Principal repayments of $1,665 were due on a quarterly basis on the Term Loan Commitment. The FY2020 Credit Facility had a maturity date of July 11, 2024. The Term Loan Commitment was classified as a financial liability at amortized cost and accounted for using the effective interest rate method.

The FY2020 Credit Facility was secured by a first ranking security over all present and after-acquired properties in the form of a general security agreement, deed of hypothec and assignment of insurance/other appropriate documents. The Term Loan Commitment contained a financial covenant based on a Total Net Leverage Ratio. Total Net Leverage Ratio is defined as the ratio of total net debt to Adjusted EBITDA.

The FY2020 Credit Facility was repaid in full on September 25, 2020. The unamortized portion of loan fees of $5,407 was recognized as loss on settlement of loans and borrowings.

FY2021 Credit Facility

On September 25, 2020, the Company settled the FY2020 Credit Facility and replaced it with the FY2021 Credit Facility. The aggregate amount committed under the FY2021 Credit Facility is $140,000. The FY2021 Credit Facility also includes an additional uncommitted accordion of up to $25,000, for an aggregate total availability of up to $165,000.

The Company received total gross cash proceeds of $131,684 under the FY2021 Credit Facility and incurred financing fees of $847. The FY2021 Credit Facility bears an interest rate based on a grid system at the lower of (a) BA rate, and (b) the prime rate of interest payable quarterly or monthly at the option of the Company. Interest payments are due on a monthly or quarterly basis on the FY2021 Credit Facility at the option of the Company. The FY2021 Credit Facility matures on September 25, 2022. The FY2021 Credit Facility is classified as a financial liability at amortized cost and is accounted for using the effective interest rate method. On September 30, 2020, the Company completed the Bought Deal and repaid $45,000 of the FY2021 Credit Facility from the cash proceeds received.

The FY2021 Credit Facility is secured by a first ranking security over all present and after-acquired properties in the form of a general security agreement. The FY2021 Credit Facility contains a financial covenant based on a Total Net Leverage Ratio. Total Net Leverage Ratio is defined as the ratio of total net debt to Adjusted EBITDA. The FY2021 Credit Facility also contains an interest coverage covenant defined as the ratio of Adjusted EBITDA to interest expense. As at September 30, 2020 the Company was in compliance with all of its covenants and the interest rate on the FY2021 Credit Facility was approximately 3.0%.

The balance outstanding under the FY2021 Credit Facility as at September 30, 2020 is as follows:

(In thousands of Canadian dollars)	$
Principal balance	**131,684**
Less	
Issuance costs	**(847)**
Principal payments	**(45,000)**
Interest expense	**92**
Balance, September 30, 2020	**85,929**
Current	**92**
Non-current	**85,837**

Use of Proceeds

The Company's use of proceeds from the IPO has not changed from the disclosure set forth in the "Use of Proceeds" section of the IPO Prospectus to the date of this MD&A. The Company's use of proceeds from the Bought Deal has not changed from the information provided in the Company's material change report dated September 30, 2020.

Off-Balance Sheet Arrangements

We have not entered into off-balance sheet financing arrangements. Except for operating leases not recognized as right of use assets under IFRS 16 - Leases, all of our liabilities and commitments are reflected as part of our statement of financial position. From time to time, we may be contingently liable with respect to litigation and claims that arise in the normal course of operations.

Related Party Transactions

The Company defines key management personnel as being the Company's Board of Directors, Chief Executive Officer and executive leadership team. The remuneration of key management personnel during the three months ended September 30, 2020 and 2019 was as follows:

(In thousands of Canadian dollars)	**2020** $	2019 $
Salaries and benefits	**852**	468
Stock options	**199**	61
	1,051	529

As of March 16, 2020, in response to the unknown impacts of the COVID-19 pandemic, the Company's Chief Executive Officer agreed to forego all remuneration until September 30, 2020.

Financial Instruments and Other Instruments

On September 25, 2020, in connection with the FY2021 Credit Facility, the Company exchanged its existing $150,000 fixed interest rate swap for a new $70,000 interest rate swap for a fixed payment of 2.95% per annum (the "Amended Interest Rate Swap"). The Amended Interest Rate Swap has a five-year term ending September 25, 2025. The Company has designated the Amended Interest Rate Swap as a cash flow hedge for the FY2021 Credit Facility and any subsequent changes in fair value will be recorded in other comprehensive income until settlement. The fair value of the derivative liability as at September 30, 2020 was $6,251.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The Company bases its estimates on historical experience as well as on various other assumptions that are believed to be reasonable under the circumstances at the time. Under different assumptions or conditions, the actual results would differ, potentially materially, from those previously estimated. Many of the conditions impacting these assumptions and estimates are beyond the Company's control. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and will be recorded with corresponding impact on net income.

Significant assumptions about the future and other sources of estimation uncertainty that management has made, relate to, but are not limited to the following:

COVID-19

The World Health Organization declared COVID-19 a global pandemic on March 11, 2020. The COVID-19 pandemic, which first surfaced in Wuhan, China, has negatively impacted the global economy and economic outlook, disrupted global supply chains, lowered equity market valuations, lowered interest rates, created significant volatility and disruption in financial markets, increased unemployment levels and increased credit and market risk. In addition, governments and regulatory bodies have implemented several measures, including temporary closures of a number of businesses and the institution of social distancing and sheltering in place requirements in many of the jurisdictions in which we operate. Governments, monetary authorities and regulators have also taken actions to support individuals, the economy, capital markets, and the financial system, including taking fiscal and monetary measures to support incomes, businesses, liquidity, and regulatory actions in respect of financial institutions. The extent to which the COVID-19 pandemic impacts our business, results of operations, liquidity ratios, as well as its impact on our customers, will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental and regulatory authorities, which could vary by country, and other third parties in response to the pandemic. The COVID-19 pandemic may also impact our ability to achieve, or the timing to achieve, certain previously announced targets, goals and objectives.

The full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the Canadian and U.K. economies is highly uncertain and difficult to predict at this time. By their very nature, the judgments and estimates we make for the purposes of preparing our financial statements relate to matters that are inherently uncertain. However, we have detailed policies and internal controls that are intended to ensure these judgments and estimates are well controlled, independently reviewed, and our policies are consistently applied from period to period. We believe that our estimates of the value of our assets and liabilities are appropriate as at September 30, 2020.

Business Combinations

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgement and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. In the event any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, the Company determines the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and the discount rate applied. Changes in these assumptions could result in a change to the net assets acquired as part of the business combination.

Goodwill and Indefinite-Lived Intangible Assets

The Company performs asset impairment assessments for indefinite-lived intangible assets and goodwill on an annual basis or on a more frequent basis when circumstances indicate impairment may have occurred.

Goodwill is allocated to a cash generating unit ("CGU") or group of CGUs for the purposes of impairment testing based on the level at which senior management monitors it, which is not larger than an operating segment. The testing for impairment of either an intangible asset or goodwill is to compare the recoverable amount of the asset, CGU or group of CGUs to the carrying amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the asset is assessed as part of the CGU or group of CGUs to which it belongs. The recoverable amount calculations use a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Changes in certain assumptions could result in an impairment loss being charged in future periods.

Impairment of Long-Lived Assets

Long-lived assets primarily include property and equipment and intangible assets. An impairment loss is recognized when the carrying value of the CGU, which is defined as the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups, exceeds the CGU's recoverable amount, which is determined using a discounted cash flow method. The Company tests the recoverability of its long-lived assets when events or circumstances indicate that the carrying values may not be recoverable. While the Company believes that no impairment is required, management must make certain estimates regarding the Company's cash flow projections that include assumptions about growth rates and other future events. Changes in certain assumptions could result in an impairment loss being charged in future period.

Income Taxes

The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Fair Value of Share-Based Compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield and forfeiture rates and making assumptions about them.

Fair Value of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible. Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Risks and Uncertainties

In addition to the risks identified in this section and elsewhere in this MD&A, a number of factors that could cause actual results to vary significantly from the results discussed herein are noted in the IPO Prospectus, a copy of which is available on SEDAR at www.sedar.com. The occurrence of any of such risks, or other risks not presently known to Dye & Durham or that Dye & Durham currently believes are immaterial, could materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial condition.

COVID-19

In December 2019, COVID-19 surfaced in Wuhan, China. Since the outbreak has spread to over 200 countries and territories and infections have been reported around the world. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak then characterized it as a pandemic on March 11, 2020. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. While these effects are expected to be temporary, their duration and the related business disruptions and financial impact cannot be reasonably estimated at this time. To date, the disruptions have impacted the Company's litigation and conveyancing services, given the closure of courts and government offices in particular. Although management believes that, at this time, these disruptions will not have a long-term impact on the Company's results from operations, Dye & Durham cannot estimate the duration and severity of this outbreak and its financial impact. As such, the extent to which COVID-19 may have a sustained impact on our results is uncertain and it is possible that our future results may continue to be negatively impacted.

Credit Risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk in the event of non-performance by clients, but does not anticipate any such non-performance which would be material. To the extent necessary, the Company takes steps to monitor the credit risk of clients.

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk under the FY 2021 Credit Facility. To manage this, the Company entered into the Amended Interest Rate Swap for a notional amount of $70,000, pursuant to which it has agreed to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. Based on the amount owing at September 30, 2020, a 1% change in the prime or LIBOR rate would not have a material impact on the Company's Financial Statements.

Market Risk

The Company is exposed to market risk primarily in terms of revenue generation. The Company's revenue is driven by transaction volumes which have increased with the growth and strength of the Canadian economy. The Company monitors the market conditions in an effort to capture fluctuations that may affect the ongoing revenue. That said, historically the Company's business model has proven to be resilient in market downturns.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's cash resources are managed based on financial forecasts and anticipated cash flows. Contractual maturities such as debt, trade and other payables, accrued liabilities and dividends payable are exposed to liquidity risk.

Foreign Exchange Risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries. If deemed necessary, the Company may from time to time enter into foreign currency derivative contracts to reduce its exposure to foreign currency risk. No foreign currency derivative contract has been entered into in fiscal year 2020 and for the three months ended September 30, 2020.

Ability to integrate acquired companies

The Company has successfully acquired and integrated numerous companies over the last six years. The Company is of the view that the ability to realize synergies and integrate these companies with its existing technology platforms and management teams is critical for the future success of the Company.

Revenue

Dye & Durham earns the majority of its revenue on a recurring transactional-fee basis, as clients perform automated public record due diligence searches, associated document preparation, or electronic public records filings through the Company's Platform. If transaction volumes decrease, the Company may be impacted, and revenue may therefore be adversely impacted.

Outstanding Share Information

The Company is currently authorized to issue an unlimited number of Shares. As of the date of this MD&A, 46,736 Shares and 1,283 stock options are issued and outstanding.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Controls and Procedures

In accordance with Item 5.3 of National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company has filed an interim certificate in the Form 52-109F2 - IPO/RTO relating to its interim financial statements and the accompanying notes and the MD&A for the period ended September 30, 2020 because it is the first interim period that has ended after the Company became a reporting issuer.

In particular, the certifying officers filing the certificate in the Form 52-109F2 – IPO/RTO required under NI 52-109 are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.