

# **Dye & Durham Limited**

**Condensed consolidated interim financial statements**

**[Expressed in thousands of Canadian dollars]**

**Unaudited**

**For the three and nine months ended March 31,**

**2023 and 2022**

Dye & Durham Limited

**Condensed Consolidated Interim Statements of  
Financial Position [unaudited]**

[Expressed in thousands of Canadian dollars]

	Note	March 31, 2023 \$	June 30, 2022 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		28,311	223,619
Trade and other receivables		73,078	70,365
Prepaid expenses and other assets		11,789	12,080
		<b>113,178</b>	<b>306,064</b>
Assets held for sale	5	178,281	—
		<b>291,459</b>	<b>306,064</b>
<b>Non-current</b>			
Other assets		2,689	4,565
Property and equipment, net		5,084	3,005
Right-of-use assets, net		13,255	9,668
Intangible assets, net	7	911,053	956,939
Deferred tax assets		11,672	—
Goodwill	8	936,234	970,201
		<b>2,171,446</b>	<b>2,250,442</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		90,245	117,970
Liability directly associated with the asset-based acquisition	6, 20	33,747	—
Customer advances		10,415	14,151
Holdbacks and contingent consideration on acquisitions, current		8,681	6,166
Lease liabilities, current		4,646	3,363
Loans and borrowings, current	9	1,172	19,564
		<b>148,906</b>	<b>161,214</b>
Liabilities directly associated with assets held for sale	5	33,173	—
		<b>182,079</b>	<b>161,214</b>
<b>Non-current</b>			
Holdbacks and contingent consideration on acquisitions		32,974	2,770
Lease liabilities		10,090	7,118
Loans and borrowings	9	990,850	861,244
Other liabilities		3,005	3,018
Deferred tax liabilities		156,581	175,649
Convertible debentures	10	265,650	276,000
		<b>1,641,229</b>	<b>1,487,013</b>
Contingencies	16	—	—
<b>Shareholders' equity</b>			
Capital stock	11	691,465	866,296
Contributed surplus		66,417	46,684
Accumulated other comprehensive income		13,163	(32,683)
Reserves of a disposal group held for sale	5	(4,897)	—
Deficit		(235,931)	(116,873)
Non-controlling interests		—	5
		<b>530,217</b>	<b>763,429</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,171,446</b>	<b>2,250,442</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

On behalf of the Board:

"Signed"  
Director - Ronnie Wahi

"Signed"  
Director - Mario Di Pietro

**Dye & Durham Limited**

**Condensed Consolidated Interim  
Statements of Operations [unaudited]**

[Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts]

	Note	Three months ended March 31,		Nine months ended March 31,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Revenue</b>	19	<b>104,094</b>	122,880	<b>330,912</b>	345,136
<b>Expenses</b>					
Direct costs		(11,128)	(14,170)	(37,564)	(43,311)
Technology and operations	13	(21,757)	(22,612)	(68,744)	(62,829)
General and administrative	13	(10,586)	(13,567)	(30,799)	(30,432)
Sales and marketing	13	(4,562)	(5,741)	(15,721)	(16,806)
Stock-based compensation		(7,305)	(5,416)	(20,667)	(17,546)
<b>Income before the following</b>		<b>48,756</b>	61,374	<b>157,417</b>	174,212
Finance costs	12	(40,279)	(18,259)	(94,892)	(27,971)
Amortization, depreciation and impairment	7	(37,088)	(36,204)	(114,477)	(94,078)
Acquisition, restructuring and other costs	14	(15,826)	(12,722)	(49,898)	(33,127)
<b>Income before taxes</b>		<b>(44,437)</b>	(5,811)	<b>(101,850)</b>	19,036
Income tax recovery (expense)		9,290	(1,215)	20,386	(7,940)
<b>Net income (loss)</b>		<b>(35,147)</b>	(7,026)	<b>(81,464)</b>	11,096
<b>Attributable to:</b>					
Non-controlling interests		—	49	—	126
Shareholders		(35,147)	(7,075)	(81,464)	10,970
		<b>(35,147)</b>	<b>(7,026)</b>	<b>(81,464)</b>	<b>11,096</b>
<b>Net earnings per common share</b>	17				
Basic		(0.63)	(0.10)	(1.27)	0.16
Diluted		(0.63)	(0.45)	(1.27)	(0.25)
<b>Weighted average number of shares outstanding</b>	17				
Basic		55,731	69,145	64,015	68,832
Diluted		55,731	73,856	64,015	73,543

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Dye & Durham Limited

**Condensed Consolidated Interim Statements of  
Comprehensive Income [unaudited]**

[Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts]

	Three months ended March 31,		Nine months ended March 31,	
	2023	2022	2023	2022
Note	\$	\$	\$	\$
<b>Net income/(loss)</b>	<b>(35,147)</b>	(7,026)	<b>(81,464)</b>	11,096
<b>Other comprehensive income</b>				
Items that may be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	3,724	(12,223)	30,222	(13,681)
Realized gain on derivatives designated as cash flow hedge	—	—	—	(1,557)
Net change in fair value of derivatives designated as cash flow hedge, net of income taxes of \$nil	—	—	—	746
	<b>3,724</b>	(12,223)	<b>30,222</b>	(14,492)
Items that will not be reclassified to profit or loss in subsequent periods				
Net change in fair value of convertible debentures attributable to change in own credit risk, net of income taxes of [three months: (\$375) (2022: (\$1,231)) and nine months: (\$3,867) (2022: (\$597))]	10	1,040	3,496	10,727
	<b>1,040</b>	3,496	<b>10,727</b>	1,656
<b>Other comprehensive income</b>	<b>4,764</b>	(8,727)	<b>40,949</b>	(12,836)
<b>Comprehensive income</b>	<b>(30,383)</b>	<b>(15,753)</b>	<b>(40,515)</b>	<b>(1,740)</b>
<b>Attributable to:</b>				
Non-controlling interests	—	49	—	126
Shareholders	<b>(30,383)</b>	(15,802)	<b>(40,515)</b>	(1,866)
	<b>(30,383)</b>	<b>(15,753)</b>	<b>(40,515)</b>	<b>(1,740)</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Dye & Durham Limited

**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity [unaudited]**

[Expressed in thousands of Canadian dollars and thousands of shares]

	Note	Number of common shares	Capital stock	Contributed surplus	Accumulated other comprehensive income	Reserves of a disposal group held for sale	Deficit	Non-controlling interests	Total
		#	\$	\$	\$	\$	\$	\$	\$
<b>Balance, June 30, 2021</b>		<b>68,511</b>	<b>845,742</b>	<b>26,213</b>	<b>(729)</b>	<b>—</b>	<b>(120,309)</b>	<b>—</b>	<b>750,917</b>
Issuance of common shares, net of issuance costs	11	127	4,958	—	—	—	—	—	4,958
Dividends paid	11	—	—	—	—	—	(3,872)	—	(3,872)
Stock options exercised	11	405	10,566	(2,374)	—	—	—	—	8,192
Stock-based compensation	11	—	—	16,973	—	—	—	—	16,973
Stock options reclassified as liability		—	—	(622)	—	—	—	—	(622)
Acquisition of a subsidiary		106	5,028	—	—	—	—	2,952	7,980
Comprehensive income for the period		—	—	—	(12,836)	—	10,970	126	(1,740)
<b>Balance, March 31, 2022</b>		<b>69,149</b>	<b>866,294</b>	<b>40,190</b>	<b>(13,565)</b>	<b>—</b>	<b>(113,211)</b>	<b>3,078</b>	<b>782,786</b>
<b>Balance, June 30, 2022</b>		<b>69,149</b>	<b>866,296</b>	<b>46,684</b>	<b>(32,683)</b>	<b>—</b>	<b>(116,873)</b>	<b>5</b>	<b>763,429</b>
Dividends declared	11	—	—	—	—	—	(1,042)	—	(1,042)
Dividends paid	11	—	—	—	—	—	(2,286)	—	(2,286)
Stock options exercised	11	244	1,039	(154)	—	—	—	—	885
Stock-based compensation	11	—	—	19,887	—	—	—	—	19,887
Transaction with non-controlling interests		—	—	—	—	—	(90)	(5)	(95)
Shares bought back	11	(13,803)	(175,870)	—	—	—	(34,176)	—	(210,046)
Assets and liabilities held for sale	5	—	—	—	4,897	(4,897)	—	—	—
Comprehensive income for the period		—	—	—	40,949	—	(81,464)	—	(40,515)
<b>Balance, March 31, 2023</b>		<b>55,590</b>	<b>691,465</b>	<b>66,417</b>	<b>13,163</b>	<b>(4,897)</b>	<b>(235,931)</b>	<b>—</b>	<b>530,217</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**Dye & Durham Limited**

**Condensed Consolidated Interim Statements of Cash Flows**  
[Expressed in thousands of Canadian dollars] [unaudited]

Nine months ended March 31,

		2023	2022
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Net income (loss) for the period		(81,464)	11,096
Items not affecting cash			
Amortization, depreciation and impairment	7	114,477	94,078
Stock-based compensation expense		20,667	17,546
Income tax expense (recovery)		(20,386)	7,940
Finance costs	12	94,892	27,971
Taxes paid		(25,042)	(15,342)
Changes in non-cash working capital balances			
Trade and other receivables		(10,402)	(2,803)
Prepaid expenses and other assets		(1,131)	(1,683)
Accounts payable and accrued liabilities		8,973	(11,001)
Customer advances		(2,971)	(1,319)
<b>Net cash provided by operating activities</b>		<b>97,613</b>	<b>126,483</b>
<b>Cash flows from financing activities</b>			
Net proceeds from loans and borrowings	9	143,000	1,467,606
Proceeds from exercise of stock options	11	1,039	8,192
Net proceeds from issuance of shares	11	—	4,943
Payments for loans and borrowings	9	(35,000)	(856,957)
Settlement of derivative liability		—	(3,076)
Interest paid		(83,518)	(42,733)
Dividend paid		(3,584)	(3,872)
Shares bought back under NCIB and SIB	11	(208,595)	—
Payments for lease obligations		(3,343)	(4,162)
<b>Net cash provided by (used in) financing activities</b>		<b>(190,001)</b>	<b>569,941</b>
<b>Cash flows from investing activities</b>			
Acquisition consideration paid, net of cash acquired	6	(59,953)	(871,571)
Holdbacks and contingent consideration paid		(8,034)	(14,943)
Additions to intangible assets	7	(19,413)	(19,259)
Purchases of property and equipment		(4,046)	(1,167)
Lease payments received		—	245
<b>Net cash used in investing activities</b>		<b>(91,446)</b>	<b>(906,695)</b>
Change in cash and cash equivalents		(183,834)	(210,271)
Cash and cash equivalents, beginning of period		223,619	429,335
Effect of foreign exchange on cash and cash equivalents		(1,497)	(679)
Less cash grouped in asset for sale		(9,977)	—
<b>Cash and cash equivalents, end of period</b>		<b>28,311</b>	<b>218,385</b>

*The accompanying notes are an integral part of these condensed consolidated interim financial statements*

## Dye & Durham Limited

### Notes to condensed consolidated interim financial statements

[Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts]

March 31, 2023 and 2022

Unaudited

#### 1. Description of the business

Dye & Durham Limited [the “Company”] is a provider of cloud-based software and technology solutions designed to boost efficiency and increase productivity for legal and business professionals in Canada, Australia, Ireland and the United Kingdom [“U.K.”]. The Company provides critical information services and workflow, which clients require to manage their process, information and regulatory requirements. The Company was incorporated by articles of incorporation under the *Business Corporations Act* (Ontario) on June 26, 2020. The Company is registered and its head office is located at 25 York Street, Suite 1100, Toronto, Ontario, Canada.

On July 17, 2020, the Company completed an initial public offering [the “IPO”] and its shares began trading on the Toronto Stock Exchange under the symbol “DND”.

#### 2. Basis of preparation

These condensed consolidated interim financial statements [“financial statements”] were prepared in accordance with International Financial Reporting Standards [“IFRS”], as issued by the International Accounting Standards Board [“IASB”] applicable to the preparation of interim financial statements, including International Accounting Standard [“IAS”] 34 – *Interim Financial Reporting*. Accordingly, certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended June 30, 2022.

These condensed consolidated interim financial statements include the accounts of the Company and the following material subsidiaries as at March 31, 2023 and June 30, 2022:

Subsidiary	Country of incorporation	Ownership percentage March 31, 2023	Ownership percentage June 30, 2022
Dye & Durham Corporation	Canada	100%	100%
Dye & Durham (UK) Limited	United Kingdom	100%	100%
Dye & Durham (UK) Holdings Limited	United Kingdom	100%	100%
Dye & Durham Australia Pty Limited	Australia	100%	100%
GlobalX Information Pty Ltd.	Australia	100%	100%
TM Group (UK) Limited	United Kingdom	100%	100%
Dye & Durham Mercury Ltd.	Canada	100%	100%

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 10, 2023.

#### 3. Significant accounting judgments and estimates

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and reported amounts of revenue and expenses during the period. These estimates and assumptions are based on historical experience, expectations of the future, and other relevant factors and are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates. In preparing these

## Dye & Durham Limited

### Notes to condensed consolidated interim financial statements

[Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts]

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condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of uncertainty are the same as those applied and described in the Company's audited annual consolidated financial statements as at and for the fiscal year ended June 30, 2022. Any additional significant judgements and estimates since then are noted below.

#### Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Pursuant to an enforcement order from the Competition and Markets Authority ["CMA"], TM Group ["TMG"] was classified as held for sale on December 1, 2022 for the following reasons:

- TMG is available for immediate sale;
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification;
- A program to locate an active buyer has begun; and
- The Company is required to sell TMG as per an enforcement order from the CMA.

Please refer to note 5 for additional information and details.

#### 4. Changes in accounting policies

##### New accounting pronouncements or policies adopted

The Company adopted the following new standards and amendments to standards, effective July 1, 2022. These changes did not have a material impact on these condensed consolidated interim financial statements as at and for the three and nine months ended March 31, 2023:

- *Onerous Contracts – Cost of Fulfilling a Contract [Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets]*
- *Reference to Conceptual Framework [Amendments to IFRS 3 – Business Combinations]*



## Dye & Durham Limited

### Notes to condensed consolidated interim financial statements

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- *Fees in the '10 per cent' test for derecognition of financial liabilities [Amendments to IFRS 9 – Financial Instruments]*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)*

#### Standards, amendments and interpretations issued as at March 31, 2023 but not yet effective

The following new and amended standards and interpretations will become effective in a future year. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and are not expected to have a significant impact on these condensed consolidated interim financial statements:

- *Definition of Accounting Estimates [Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors]*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction [Amendments to IAS 12 – Income Taxes]*

The Company is in the process of assessing any potential impacts of the following:

- *Classification of Liabilities as Current or Non-current [Amendments to IAS 1 – Presentation of Financial Statements]*

#### 5. Assets and liabilities held for sale

On July 8, 2021, the Company acquired all issued and outstanding shares of TM Group (UK) Limited ["TMG"] for total cash consideration of \$155.4 million. On August 27, 2021, the Company received an initial enforcement order from the Competition and Markets Authority [the "CMA"] in respect of the Company's acquisition of TMG. On August 3, 2022, the CMA released its final report and concluded that the Company's acquisition of TMG, which closed in July 2021, would lessen competition in the U.K. property search services market. The CMA concluded that the only effective way to address the issues it has identified would be for the Company to divest the entirety of TMG to a third party.

The Company is currently engaged with several bidders via an auction process and is also exploring the possibility of a spin-out of TMG through admission to AIM, a market operated by the London Stock Exchange plc. On March 29, 2023, the CMA decided to deny consent to the AIM admission process as a method of disposing of the entirety of TMG. On April 21, 2023, the Company applied to the Competition Appeal Tribunal for a review of the CMA Decision regarding the AIM admission process. As a result of the ongoing appeal, the CMA has agreed to extend the divestiture period until a specified period following the date on which the application for review has been finally determined by the Competition Appeal Tribunal, which date is currently unknown.

TMG was classified as a disposal group held for sale on December 1, 2022. The major classes of assets and liabilities of TMG classified as held for sale as at March 31 are as follows:

## Dye & Durham Limited

### Notes to condensed consolidated interim financial statements

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Unaudited

	\$
<b>Assets</b>	
Cash and cash equivalents	9,977
Receivables and prepaid expenses	9,305
Property and equipment, net	863
Right-of-use assets, net	441
Intangible assets, net	68,409
Goodwill	89,286
<b>Assets held for sale</b>	<b>178,281</b>
<b>Liabilities</b>	
Payables and customer advances	(17,121)
Lease liabilities	(264)
Deferred tax liabilities	(15,788)
<b>Liabilities directly associated with assets held for sale</b>	<b>(33,173)</b>
<b>Net assets directly associated with disposal group</b>	<b>145,108</b>
<i>Amounts included in accumulated OCI:</i>	
Cumulative translation adjustments	\$4,897
<b>Reserve of disposal group classified as held for sale:</b>	<b>\$4,897</b>

#### **Recognition of impairment losses and reversals**

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. TMG's fair value was assessed using a comparable multiples approach and is categorized as Level 2 within the fair value hierarchy. The assessment examines the multiple of adjusted earnings-to-fair value of a group of peers and applies that multiple to TMG. The fair value of TMG exceeds its carrying value, and as such, no impairment losses or write-downs have been recognized following the classification of TMG as assets held for sale.

## 6. Acquisitions

Acquisitions that are determined to be business combinations have been recorded under the purchase method of accounting and results have been included in the consolidated statements of operations and comprehensive income from their respective acquisition dates.

Accordingly, the allocation of the purchase price to assets and liabilities is based on the fair value, with the excess of the purchase price over the fair value of the assets acquired being allocated to goodwill.

During the nine-month period ended March 31, 2023, the Company completed acquisitions by acquiring share-based acquisitions with an aggregated consideration of \$59,953 and asset-based acquisitions for total consideration of \$71,433. These acquisitions were all accounted for as business combinations.

For the acquisitions made, Management assessed the information obtained and assumptions to be used in estimating the fair value of the intangible assets and deferred taxes. For the acquisitions completed during the period ended March 31, 2023, the allocation of the fair value to the identifiable assets acquired and liabilities assumed as at the date of acquisition were as follows:

## Dye & Durham Limited

### Notes to condensed consolidated interim financial statements

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	Share-based business combination	Assets-based business combination	Total
	\$	\$	\$
Cash consideration	59,953	33,747	93,700
Deferred consideration	—	2,513	2,513
Contingent consideration	—	35,173	35,173
<b>Total purchase price</b>	<b>59,953</b>	<b>71,433</b>	<b>131,386</b>
Current assets	2,032	561	2,593
Equipment	75	—	75
Software technologies and licenses	5,393	—	5,393
Brands and trademarks	1,032	—	1,032
Customer lists	20,052	70,872	90,924
Liabilities assumed	(1,076)	—	(1,076)
Deferred tax liability	(6,340)	—	(6,340)
<b>Net assets identified</b>	<b>21,168</b>	<b>71,433</b>	<b>92,601</b>
<b>Goodwill</b>	<b>38,785</b>	<b>—</b>	<b>38,785</b>

The purchase price allocation is considered to be preliminary and subsequent adjustments during the measurement period will occur as the Company completes its estimation of the fair values of assets acquired and liabilities assumed, including the valuation of intangible assets.

## Dye & Durham Limited

### Notes to condensed consolidated interim financial statements

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Unaudited

#### 7. Intangible assets

Intangible assets comprise the following:

	Software technologies	Brand and trademarks	Licenses	Customer lists	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
<b>Balance, June 30, 2021</b>	116,121	36,415	22,072	465,639	640,247
Additions/transfers	22,637	—	—	—	22,637
Acquired through acquisitions	148,753	14,808	—	354,124	517,685
Adjustments upon finalization of purchase price allocations related to prior year acquisitions	(1,775)	(157)	—	68	(1,864)
Disposals	(10,801)	(409)	(63)	—	(11,273)
Effects of foreign exchange	(6,957)	(1,770)	—	(15,413)	(24,140)
<b>Balance, June 30, 2022</b>	<b>267,978</b>	<b>48,887</b>	<b>22,009</b>	<b>804,418</b>	<b>1,143,292</b>
Additions	19,413	—	—	—	19,413
Acquired through acquisitions	5,422	1,033	—	91,059	97,514
Adjustments upon finalization of purchase price allocations related to prior year acquisitions	30	105	—	1,664	1,799
Assets held for sale	(22,612)	(6,821)	—	(58,307)	(87,740)
Effects of foreign exchange	3,830	1,207	—	9,038	14,075
<b>Balance, March 31, 2023</b>	<b>274,061</b>	<b>44,411</b>	<b>22,009</b>	<b>847,872</b>	<b>1,188,353</b>
<b>Accumulated amortization</b>					
<b>Balance June 30, 2021</b>	23,863	2,896	6,879	42,303	75,941
Amortization	43,358	7,539	2,284	72,466	125,647
Disposal	(10,801)	(409)	(63)	—	(11,273)
Effects of foreign exchange	(1,013)	(364)	—	(2,585)	(3,962)
<b>Balance June 30, 2022</b>	<b>55,407</b>	<b>9,662</b>	<b>9,100</b>	<b>112,184</b>	<b>186,353</b>
Amortization	43,048	5,414	1,674	57,840	107,976
Impairment loss	909	—	—	—	909
Assets held for sale	(5,492)	(1,933)	—	(13,767)	(21,192)
Effects of foreign exchange	846	261	—	2,147	3,254
<b>Balance, March 31, 2023</b>	<b>94,718</b>	<b>13,404</b>	<b>10,774</b>	<b>158,404</b>	<b>277,300</b>
<b>Carrying value</b>					
<b>Balance, June 30, 2022</b>	212,571	39,225	12,909	692,234	956,939
<b>Balance, March 31, 2023</b>	<b>179,343</b>	<b>31,007</b>	<b>11,235</b>	<b>689,468</b>	<b>911,053</b>

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#### 8. Goodwill

Goodwill consists of the following:

	\$
<b>Balance, June 30, 2021</b>	494,303
Additions	500,815
Adjustments upon finalization of purchase price allocations related to prior year acquisitions	2,559
Effects of foreign exchange	(27,476)
<b>Balance, June 30, 2022</b>	<b>970,201</b>
Additions due to new acquisitions	39,730
Adjustments upon finalization of purchase price allocations related to prior year acquisitions	(1,574)
Assets held for sale	(86,562)
Effects of foreign exchange	14,439
<b>Balance, March 31, 2023</b>	<b>936,234</b>

#### 9. Loans and borrowings

Loans and borrowings comprise the following:

	March 31, 2023 \$	June 30, 2022 \$
<b>Current</b>		
Term credit facility [a]	94	15,240
Convertible debentures accrued interest [note 10]	1,078	4,324
	<b>1,172</b>	<b>19,564</b>
<b>Non-current</b>		
Term credit facility [a]	882,850	861,244
Revolving Facility [a]	40,000	—
Delayed draw term loan facility [a]	68,000	—
<b>Total</b>	<b>992,022</b>	<b>880,808</b>

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#### [a] Ares Credit Facility

On December 3, 2021, the Company settled the FY2021 Credit Facility and replaced it with a new credit facility ["Ares Credit Facility"]. The aggregate amount committed under the Ares Credit Facility is \$1,795,000 comprising [i] a \$1,520,000 initial term loan facility ["Initial Term Loan"], [ii] a \$200,000 delayed draw term loan facility ["DDTL Facility"] and [iii] a \$75,000 revolving credit facility ["Revolving Facility"].

On closing of the Ares Credit Facility in December 2021, the Company received total gross cash proceeds of \$1,520,000 from the Initial Term Loan and incurred financing fees of \$52,394. The Ares Credit Facility bears an interest rate based on a grid system at the lower of [i] Canadian Dollar Offered Rate ["CDOR"] + 5.75%; [ii] Eurocurrency rate + 5.75%, [iii] Canadian prime rate + 4.75% and [iv] base rate + 4.75% of interest payable quarterly or monthly at the option of the Company. On February 16, 2022, the Company made a partial repayment of \$615,000 on the Initial Term Loan. As a result, the Company recorded a loss on settlement of loan from its proportionate unamortized portion of issuance costs of \$18,320.

The Initial Term Loan, DDTL Facility and the Revolving Facility have a maturity date of December 3, 2027, December 3, 2027 and December 3, 2026, respectively. As at March 31, 2023, \$70,250 was drawn under the DDTL Facility, incurring financing fees of \$2,250, and \$40,000 was drawn under the Revolving Facility. The Ares Credit Facility is classified as a financial liability at amortized cost and is accounted for using the effective interest rate method.

The Ares Credit Facility is secured by a first-ranking security over all present and after-acquired properties in the form of a general security agreement. As at March 31, 2023, the Company was in compliance with its covenants.

The balance outstanding under the Ares Credit Facility as at March 31, 2023 is as follows:

	\$
<b>Balance, June 30, 2022</b>	<u>876,484</u>
Add	
Funds drawn from revolving credit facilities	40,000
Funds drawn from delayed draw term loan facilities	68,000
Interest and accretion expense	77,040
Less	
Interest paid	<u>(70,580)</u>
<b>Balance, March 31, 2023</b>	<u><b>990,944</b></u>
Current	<b>94</b>
Non-current	<u><b>990,850</b></u>

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#### 10. Convertible debentures

In February 2021, the Company issued 345,000 convertible senior unsecured debentures ["Convertible Debentures"] for total cash proceeds of \$345,000 with a maturity date of March 1, 2026. The Convertible Debentures bear an interest rate of 3.75% payable semi-annually and are convertible into common shares of the Company at an exercise price of \$73.23 per share.

The Company determined that the Convertible Debentures do not qualify as a compound instrument and therefore there is no equity component to the instrument. This is due to the fact that the Company has the right to settle the Convertible Debentures in cash if the holders elect to exercise their conversion option. Accordingly, the Convertible Debentures are classified and accounted for entirely as a financial liability, which the Company has elected to measure at fair value through profit or loss ["FVTPL"]. The fair value of the Convertible Debentures is classified as Level 2 in the fair value hierarchy. The fair value of the Convertible Debentures as at March 31, 2023 was \$265,650 using a market approach based on underlying share price of \$17.98 per share, resulting in a gain (loss) on change in fair value of (\$3,450) and \$10,350 for the three and nine-month periods ended March 31, 2023 [2022 – \$43,125 and \$51,588], respectively.

The change in the Company's own credit risk resulted in a gain on the change in fair value of Convertible Debentures of \$1,415 and \$14,594 for the three and nine-month periods ended March 31, 2023 [2022 – \$4,727 and \$2,253], respectively, which was recognized in other comprehensive income. The change in fair value of Convertible Debentures excluding the impact of change in the Company's own credit risk resulted in recognition of a gain (loss) on change in fair value of Convertible Debentures of (\$4,865) and (\$4,244) through finance costs [note 12] for the three and nine-month periods ended March 31, 2023 [2022 – \$38,398 and 49,335], respectively.

#### 11. Capital stock

Capital stock comprises the following:

##### [a] Authorized

The authorized share capital of the Company consists of unlimited common shares.

##### [b] Issued and outstanding

	Common shares	
	#	\$
<b>Balance, June 30, 2021</b>	68,511	845,742
Acquisition consideration [i]	106	5,028
Issuance of common shares, net of issuance costs [ii]	127	4,958
Stock options exercised [iii]	405	10,568
<b>Balance, June 30, 2022</b>	69,149	866,296
Stock options exercised [iv]	244	1,039
Common shares cancelled under NCIB [v]	(3,458)	(49,654)
Common shares cancelled under SIB [vi]	(10,345)	(126,216)
<b>Balance, March 31, 2023</b>	<b>55,590</b>	<b>691,465</b>

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- [i] On July 1, 2021, the Company issued 106 common shares with a total fair value of \$5,028 as consideration for the acquisition of GlobalX Information Pty Ltd.
- [ii] On December 3, 2021, the Company completed a private placement offering and issued 127 common shares for total gross consideration of \$5,000. Total share issuance costs were \$42 [net of income tax recovery of \$15], resulting in net cash proceeds of \$4,958.
- [iii] During the year ended June 30, 2022, 405 stock options were exercised for cash proceeds of \$8,194 and the related grant date fair value of the options of \$2,374 was reclassified from contributed surplus to share capital.
- [iv] During the nine months ended March 31, 2023, 244 stock option were exercised for cash proceeds of \$1,039.
- [v] During the nine months ended March 31, 2023, the Company purchased and cancelled 3,458 shares for a total consideration of \$58,630 as part of a Normal Course Issuer Bid ["NCIB"]. The Company recorded a revaluation gain of \$1,416 through finance costs by favorably settling its liability under the NCIB at a lower average share price. The surplus paid over the carrying value of the share issuance was charged to deficit.
- [vi] During the nine months ended March 31, 2023, the Company purchased and cancelled 10,345 shares for a total consideration of \$150,000 as part of a Substantial Issuer Bid ["SIB"]. The surplus paid over the carrying value of the share issuance was charged to deficit.

#### [c] Dividends

The Company paid \$2,286 of dividends to shareholders during the nine months ended March 31, 2023 [2022 – \$3,872] based on a quarterly dividend of \$0.01875 per share.

## 12. Finance costs

The Company's finance costs for the three and nine-month periods ended March 31 are as follows:

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Interest and accretion costs	33,230	38,312	87,417	59,573
Change in fair value of convertible debentures [note 10]	4,865	(38,398)	4,244	(49,335)
Change in fair value of contingent consideration	892	25	4,647	(4,916)
Revaluation loss (gain) on shares bought back	1,292	—	(1,416)	—
Change in fair value of derivatives	—	—	—	(346)
Realized gain on derivatives	—	—	—	(1,861)
Loss on settlement of loans and borrowings	—	18,320	—	24,856
	<b>40,279</b>	<b>18,259</b>	<b>94,892</b>	<b>27,971</b>



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#### 13. Employee compensation

Total employee compensation comprising salaries and benefits for the three and nine months ended March 31, 2023 was \$27,337 and \$83,189, respectively [2022 – \$31,507 and \$83,217].

Employee compensation costs are included in the following expenses:

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Technology and operations	15,283	16,031	47,293	47,178
General and administrative	6,171	9,158	16,581	18,218
Sales and marketing	3,325	4,357	10,671	12,632
Other costs <sup>1</sup>	2,558	1,961	8,644	5,189
	<b>27,337</b>	<b>31,507</b>	<b>83,189</b>	<b>83,217</b>

<sup>1</sup> This includes acquisition and restructuring costs. Refer to note 14 for details.

#### 14. Acquisition, restructuring and other costs

Acquisition, restructuring and other costs comprise the following:

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Acquisition, divestiture, listing and reorganization related expenses	13,268	10,761	41,254	30,014
Restructuring	2,558	1,961	8,644	3,113
	<b>15,826</b>	<b>12,722</b>	<b>49,898</b>	<b>33,127</b>

Acquisition, divestiture, listing and reorganization related expenses consist mainly of professional fees and include integration costs. Restructuring expenses mainly represent employee exit costs as a result of synergies created due to business combinations and organizational changes.

#### 15. Related party transactions

The Company defines key management personnel as being the Board of Directors, the Chief Executive Officer ["CEO"] and the executive leadership team. The remuneration of key management personnel during the three and nine-month periods ended March 31, 2023 was as follows:

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	Three months ended		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries and benefits	1,651	1,075	4,323	4,618
Stock-based compensation	6,030	3,712	16,953	12,583
	<b>7,681</b>	<b>4,787</b>	<b>21,276</b>	<b>17,201</b>

As at March 31, 2023, \$180 [June 30, 2022 – \$126] was included in accounts payable and accrued liabilities for consulting fees, bonuses, directors' fees and reimbursement of expenses. The amounts due are unsecured, bear no interest and are payable on demand.

#### 16. Contingencies

In the ordinary course of business, from time to time, the Company is involved in various claims related to operations, rights, commercial, employment or other claims. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to these claims to be material to these condensed consolidated interim financial statements.

#### 17. Earnings per share

The following table reflects the income (loss) and share data used in the basic and diluted earnings per share ["EPS"] calculations:

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net income (loss) attributable to the shareholders of the Company [basic]	(35,147)	(7,075)	(81,464)	10,970
Interest expense on convertible debentures, net of tax	-	2,382	-	7,179
Change in fair value of convertible debentures, net of tax	-	(28,227)	-	(36,266)
<b>Net income (loss) attributable to the shareholders of the Company [diluted]</b>	<b>(35,147)</b>	<b>(32,920)</b>	<b>(81,464)</b>	<b>(18,117)</b>
Weighted average number of shares for basic EPS	55,731	69,145	64,015	68,832
Effects of dilution from:				
Convertible debentures	-	4,711	-	4,711
<b>Weighted average number of shares adjusted for the effect of dilution</b>	<b>55,731</b>	<b>73,856</b>	<b>64,015</b>	<b>73,543</b>
Basic EPS	(0.63)	(0.10)	(1.27)	0.16
Diluted EPS	(0.63)	(0.45)	(1.27)	(0.25)

For the three and nine-month periods ended March 31, 2023, 16,768 and 13,259 options, respectively, were excluded from the calculation of diluted EPS, given the Company was in a net loss position during those periods and their effect would be anti-dilutive. For the three and nine months ended March 31, 2022, 6,669 and 7,269 options, respectively, were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

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#### 18. Fair value measurement

The fair values of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, customer advances and holdbacks approximate their carrying values due to the immediate or short-term maturity of these financial instruments. The fair value of loans and borrowings approximates their carrying value due to the variable interest rates on these instruments. The Company measures its convertible debentures and contingent consideration on acquisitions at fair value.

All assets and liabilities for which fair value is measured or disclosed in these condensed consolidated interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted [unadjusted] market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

Contingent consideration on acquisitions is classified as a Level 3 financial instrument. Convertible debentures are classified as Level 2 financial instruments. During the three and nine-month periods ended March 31, 2023 and 2022, there were no transfers of amounts between levels.

A change in interest or discount rate by 1% would have nominal impact on the fair value of contingent consideration.

#### 19. Segment information

The Company's CEO has been identified as the chief operating decision maker ["CODM"]. The CODM reviews financial information, makes decisions and assesses the performance of the Company as a single operating segment.

The Company has three geographic segments, being Canada, U.K. and Ireland, and Australia. The following tables present details on revenues derived and details on property and equipment and intangible assets domiciled in the following geographical locations.

Revenue for the three and nine months ended March 31, 2023 and 2022:

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Canada	57,261	71,507	188,207	185,243
U.K and Ireland	30,022	33,745	91,541	103,307
Australia	16,811	17,628	51,164	56,586
	<b>104,094</b>	<b>122,880</b>	<b>330,912</b>	<b>345,136</b>

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Property and equipment and intangible assets as at March 31, 2023 and June 30, 2022:

	Canada	U.K and Ireland	Australia	Total
	\$	\$	\$	\$
<b>June 30, 2022</b>				
Property and equipment	1,320	1,014	671	3,005
Intangible assets	716,680	168,241	72,018	956,939
<b>March 31, 2023</b>				
Property and equipment	2,400	1,498	2,049	5,947
Intangible assets	662,956	245,603	69,042	977,601

## 20. Subsequent events

### Dividend declaration

A dividend for the three months ending March 31, 2023, in the amount of \$0.01875 per common share, to be paid on or about May 24, 2023, to holders of common shares of record as of the close of business on May 17, 2023, be and the same is hereby declared payable.

### Loans and borrowings

On April 24, 2023, \$35,000 was drawn under the DDTL for asset-based acquisitions, to settle the liability directly associated with the asset-based acquisition of \$33,747.

### Substantial Issuer Bid

The Company has announced that the board of directors has approved the commencement of a substantial issuer bid [the "Offer"] under which the Company will offer to repurchase for cancellation up to \$15,000 of its outstanding common shares.

The Offer is expected to proceed by way of a modified Dutch auction, which will allow shareholders who choose to participate in the Offer to select the price, within a price range to tender their common shares. Upon expiry of the Offer, the Company will determine the lowest purchase price within the range that will allow the Company to purchase the maximum number of shares properly tendered to the Offer, having an aggregate purchase price not exceeding \$15,000.

The Offer will not be conditional upon any minimum number of common shares being tendered. The Offer will, however, be subject to other conditions and the Company will reserve the right, subject to applicable laws, to withdraw or amend the Offer, if, at any time prior to the payment of deposited common shares, certain events occur.