Acquire, Integrate & Operate to Drive EBITDA

Management's Discussion and Analysis

For the three and six months ended December 31, 2022

Dye & Durham

DYE & DURHAM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 December 31, 2022.

This MD&A for the three and six months ended December 31, 2022 and 2021 should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and the accompanying notes for the three and six months ended December 31, 2022 and 2021 ("Financial Statements") as well as with the Company's audited annual consolidated financial statements and the related notes thereto for the year ended June 30, 2022. 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 our most recent Annual Information Form ("AIF"), can be found on SEDAR at www.sedar.com.

This MD&A is dated as of February 13, 2023 and was prepared with information available at that date.

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 AIF, 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 and Adjusted EBITDA Margin, 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 acquisition, restructuring, impairment and other charges such as acquisition, listing and reorganization related expenses integration expenses, the Company believes that Adjusted EBITDA and Adjusted EBITDA Margin 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 including change in fair value of Company's convertible debentures ("Convertible Debentures"), loss on settlement of loans and borrowings, realized loss on derivatives, gains or losses from re-financing transactions and provision for income taxes.*

*"**Adjusted EBITDA**" adjusts EBITDA for stock-based compensation expense, asset impairment charges, specific transaction-related expenses related to acquisition, listing and reorganization related expenses, integration and operational restructuring costs. Operational restructuring costs are incurred as a direct or indirect result of acquisition activities.*

*"**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 workflow software and information services, which clients use to manage their process, information and regulatory requirements.

The Company has operations in Canada, Australia, the United Kingdom ("U.K.") and Ireland and serves a large customer base of over 60,000 legal firms, financial service institutions, and government organizations.

Over the last many years, Dye & Durham has broadened its customer base through accretive acquisitions and has built a software platform that customers use to process transactions.

Dye & Durham is focusing on executing its strategy of building the Company to a billion dollar Adjusted EBITDA business ("Build to a Billion"). Dye & Durham plans to significantly expand the value proposition of its software platform as it unites other key parts of the software ecosystem around its customers, which should open adjacent markets and expand its addressable market. To continue to grow its business and to achieve this goal, the Company has identified the following key strategic priorities:

- Acquire businesses in its ecosystem;
- Focus on necessary technology products that are required to process transactions;
- Provide a single platform that drives efficiency and improvements for customers; and
- Increase adoption with larger customer base.

On March 22, 2021, the Company's shares were added to the S&P/TSX Composite Index. The S&P/TSX Composite Index is the primary gauge for Canadian-based, Toronto Stock Exchange listed companies. The S&P/TSX Composite Index serves the dual purpose of a benchmark and an investable index. The index is designed to offer the representation of a broad benchmark index while maintaining the liquidity characteristics of narrower indices.

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".

Consolidated Highlights

Financial highlights

- Revenue for the three months ended December 31, 2022 was $106.7 million, a decrease of $3.0 million or 3%, compared to the three months ended December 31, 2021. For the six months ended December 31, 2022 and 2021, revenue was $226.8 million and $222.3 million, respectively, an increase of $4.5 million or 2%.
- Net income was ($34.8) million and $(46.3) million for the three and six months ended December 31, 2022, respectively, a decrease of $30.8 million and $64.4 million, respectively, compared to the equivalent periods in the prior year. This is primarily due to an increase in finance costs on the Ares Credit Facility and an increase in amortization charge on intangible assets and, acquisition and restructuring costs and lower revenues, offset partially by favourable direct costs.
- Adjusted EBITDA for the three months ended December 31, 2022 was $57.6 million, a decrease of $5.0 million or 8% compared to the three months ended December 31, 2021. For the six months ended

December 31, 2022 and 2021, Adjusted EBITDA was $122.0 million and $125.0 million, respectively, a decrease of $3.0 million or 2%[1].

- Net cash provided by operating activities was $69.4 million for the six months ended December 31, 2022, an decrease of 4% compared to the equivalent period in the prior year. The decrease in net cash provided by operating activities is primarily due to lower net income adjusted for items not affecting cash.

Update on Cost Reduction Initiative

In November 2022 we disclosed that given the macro-economic challenging environment, we will be implementing a cost reduction initiative to reduce our current operational costs by at least 10% commencing in Q2 2023. By the end of Dec 2022, we had reduced approximately $17.8M in annual salaries since the start of the fiscal year 2023. This is reflected in the $5.0 million of total operating cost savings realized in Q2 2023 relative to Q1 2023. Given the timing of the headcount reductions in the quarter, we expect an additional $5M annual (or $1.3M per QTR) of additional salary savings. Based on the cost savings actions taken to date, we expect to exceed the overall target of 10% cost savings.

Other

- On July 8, 2021, the Company acquired all issued and outstanding shares of TM Group [UK] Limited [“TMG” or “TM Group”] 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 [“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 asserts that the only effective way to address the issues it has identified would be for the Company to sell the entirety of TMG to a third party. TMG was classified as assets and liabilities held for sale during the three months ended December 31, 2022.

- During the six months ended December 31, 2022, the Company purchased and cancelled 2.8 million shares for consideration of $46.2 million as part of a Normal Course Issuer Bid [“NCIB”]. The remaining 0.7 million shares were purchased and cancelled for consideration of $12.4 million by January 31, 2023.

- During the three months ended December 31, 2022, the Company purchased and cancelled 10.3 million shares for a total consideration of $150 million as part of a Substantial Issuer Bid [“SIB”].

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 present significant opportunities for our business, they also pose important challenges, some of which are discussed below and in the “Risk Factors” section of our AIF.

Ability to integrate acquired companies

The Company is of the view that the ability to realize synergies and integrate acquired companies with its existing technology platforms and management teams is critical for the future success of the Company. The Company has successfully acquired and integrated numerous companies over the years and must undertake such integration activities with each new company that it acquires. Our inability to effectively integrate companies we acquire in the future could have adverse effects on our business and results of operations.

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[1] Adjusted EBITDA is not a recognized measure 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.

Seasonality

A significant portion of the Company's revenue, derived from the real estate market, has experienced, and is expected to continue experiencing moderate seasonality due to seasonal patterns in the real estate market from fluctuations in real estate transaction activity. Typically, the Company's fourth quarter generates higher real estate revenue relative to other quarters.

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 in which the foreign operation is located. 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, Euro or Australian dollar.

Economic Activity

General economic conditions may affect our results of operations and financial condition. The Company is exposed to market conditions primarily in terms of revenue generation. The Company's revenue is driven by real estate transactions volumes, which have decreased in the current quarter with the rise of inflation and interest rates. Demand for our products also 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, without limitation, the outbreak of a contagious illness, such as the outbreak of COVID-19, acts of war, terrorism and catastrophes. 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 for the periods indicated below. This 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 December 31,		Six months ended December 31,	
	2022	2021	2022	2021
	$	$	$	$
Income for the period	**(34,818)**	(3,976)	**(46,317)**	18,122
Amortization and depreciation	**39,041**	26,914	**77,389**	57,874
Finance costs, net	**38,425**	22,311	**54,613**	9,712
Income tax expense (recovery)	**(8,705)**	(925)	**(11,096)**	6,725
EBITDA[1]	**33,943**	44,324	**74,589**	92,433
Stock-based compensation[2]	**8,044**	8,525	**13,362**	12,130
Acquisition, restructuring and other costs[3]	**15,589**	9,762	**34,072**	20,405
Adjusted EBITDA[1]	**57,576**	62,611	**122,023**	124,968

Notes:

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

(2) Stock-based compensation represents non-cash expenditures recognized in connection with stock options issued to employees and directors and cash settled share appreciation rights issued to directors.

(3) Acquisition, restructuring and other costs relates to professional fees and integration costs incurred in connection with acquisition, listing and reorganization related expenses.

Consolidated Results of Operations

(In thousands of Canadian dollars)	Three months ended December 31,		Six months ended December 31,	
	2022	2021	2022	2021
	$	$	$	$
Revenue	**106,651**	109,634	**226,818**	222,256
Expenses				
Direct costs	**(12,413)**	(13,501)	**(26,436)**	(29,141)
Technology and operations	**(22,156)**	(20,106)	**(46,987)**	(40,217)
General and administrative	**(8,444)**	(7,679)	**(20,213)**	(16,865)
Sales and marketing	**(6,062)**	(5,737)	**(11,159)**	(11,065)
Stock-based compensation	**(8,044)**	(8,525)	**(13,362)**	(12,130)
Income before the following	**49,532**	54,086	**108,661**	112,838
Finance costs, net	**(38,425)**	(22,311)	**(54,613)**	(9,712)
Amortization and depreciation	**(39,041)**	(26,914)	**(77,389)**	(57,874)
Acquisition, restructuring and other costs	**(15,589)**	(9,762)	**(34,072)**	(20,405)
Income before taxes	**(43,523)**	(4,901)	**(57,413)**	24,847
Income tax (expense) recovery	**8,705**	925	**11,096**	(6,725)
Net income for the period	**(34,818)**	(3,976)	**(46,317)**	18,122
Net earnings per common share	**(0.52)**	(0.06)	**(0.68)**	0.26
Net earnings per diluted share	**(0.52)**	(0.06)	**(0.68)**	0.20
Weighted average number of shares outstanding				
Basic	**67,022**	68,723	**68,091**	68,680
Diluted	**67,022**	68,723	**68,091**	75,728

Discussion of Operations

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

Revenue

Revenue for the three months ended December 31, 2022 was $106.7 million, a decrease of $3.0 million or 3%, compared to the three months ended December 31, 2021. The revenue decrease was primarily attributable to lower real estate market transactions during the three months period resulting from seasonality and unfavourable market conditions. For the six months ended December 31, 2022 and 2021, revenue was $226.8 million and $222.3 million, respectively, an increase of $4.5 million or 2%.

Our revenue % relating to the real estate transactions across all our regions has decreased for the three months period ending December 31, 2022 from 67% to 61% and remained consistent for the six months period ending December 31, 2022 vs 2021.

	Three months ended December 31,		Six months ended December 31,	
	2022	2021	2022	2021
	%	%	%	%
% Revenue Driven by Real Estate Transactions [1]	**61%**	67%	**65%**	67%
% Revenue Driven by Real Estate Transactions in Canada	**37%**	39%	**40%**	38%

(1) Excludes TMG

Expenses

For the three and six months ended December 31, 2022 and 2021, total expenses were:

(In thousands of Canadian dollars)	Three months ended December 31,		Six months ended December 31,	
	2022	2021	2022	2021
	$	$	$	$
Expenses				
Direct costs	**(12,413)**	(13,501)	**(26,436)**	(29,141)
Technology and operations	**(22,156)**	(20,106)	**(46,987)**	(40,217)
General and administrative	**(8,444)**	(7,679)	**(20,213)**	(16,865)
Sales and marketing	**(6,062)**	(5,737)	**(11,159)**	(11,065)
Stock-based compensation	**(8,044)**	(8,525)	**(13,362)**	(12,130)
Finance costs, net	**(38,425)**	(22,311)	**(54,613)**	(9,712)
Amortization and depreciation	**(39,041)**	(26,914)	**(77,389)**	(57,874)
Acquisition, restructuring and other costs	**(15,589)**	(9,762)	**(34,072)**	(20,405)
Total	**(150,174)**	(114,535)	**(284,231)**	(197,409)

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

- Direct costs decreased from $13.5 million to $12.4 million or 8% for the three months ended December 31, 2022 compared to the equivalent period in the prior year and by $2.7 million to $26.4 million or 9% for the six months ended December 31, 2022 compared to the equivalent period in the prior year. In both periods, this relates to lower charges from third party vendors from a favourable product mix of products sold.

- Technology and operations expenses increased from $20.1 million to $22.2 million or 10% for the three months ended December 31, 2022 compared to the equivalent period in the prior year and by $6.8 million to $47.0 million or 17% for the six months ended December 31, 2022. In both periods, the increase was primarily due to additional expenses from acquisitions completed in the previous twelve months, including amounts relating to managed services set-up costs, hosting and software license fees, and product support services, partially offset by synergies realized and a $1.1 credit adjustment in the three months ended December 31, 2022 .

- General and administrative expenses increased from $7.7 million to $8.4 million or 10% for the three months ended December 31, 2022 compared to the equivalent period in the prior year and by $3.3 million to $20.2 million or 20% for the six months ended December 31, 2022 compared to the equivalent period in the prior year. The increase was primarily attributable to the impact of acquisitions completed in the previous twelve months, higher professional fees, higher insurance and travel costs.

- Finance costs increased from $22.3 million to $38.4 million or 72% for the three months ended December 31, 2022 compared to the equivalent period in the prior year and by $44.9 million to $54.6 million or 462% for the six months ended December 31, 2022 compared to the equivalent period in the prior year. The increase is due to higher interest and accretion expense relating primarily to the Ares Credit Facility, and non-cash impacts from changes in the fair value of the convertible debenture and of contingent consideration which is partially off set by the revaluation gain on shares bought back under SIB and NCIB.

- Amortization and depreciation increased from $26.9 million to $39.0 million or 45% for the three months ended December 31, 2022 compared to the equivalent period in the prior year and by $19.5 million to $77.4 million or 34% for the six months ended December 31, 2022 compared to the equivalent period in the prior year. The increase was primarily due to the amortization of intangible assets and depreciation of right-of-use assets acquired from the acquisitions completed in the previous twelve months.

- Acquisition, restructuring and other costs increased from $9.8 million to $15.6 million or 60% for the three months ended December 31, 2022 compared to the equivalent period in the prior year and by $13.7 million to $34.1 million or 67% for the six months ended December 31, 2022 compared to the equivalent period in the prior year. In both periods, the increase is related to higher acquisition costs relating to prior acquisitions, due diligence activity and additional restructuring costs incurred. A large portion of these costs relate to the proposed acquisition of Link Administration Holdings Limited (“Link”), which did not close.

Net income (loss)

Net income decreased by $30.8 million for the three months ended December 31, 2022 compared to the three months ended December 31, 2021 and by $64.4 million for the six months ended December 31, 2022 compared to the six months ended December 31, 2021. The decrease in net income was primarily due to increase in finance costs, amortization and depreciation, and acquisition, restructuring and other costs, higher technology and operations, and general and administrative expenses.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA for the three months ended December 31, 2022 decreased from $62.6 million to $57.6 million or 8% compared to the equivalent period in the prior year and by $3.0 million to $122.0 million or 2% for the six months ended December 31, 2022 compared to the equivalent period in the prior year. The decrease in Adjusted EBITDA was primarily due to increases in technology and operation and general and administrative expenses and lower revenues for the three-month period ending December 31, 2022, partially offset by the higher revenues for the six-month period ending December 31, 2022. Adjusted EBITDA Margin for the three and six months ended December 31, 2022 was 54%, which is within the expected range of 50%-60%.

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.

Summary of Quarterly Results

The following table sets out select unaudited quarterly results for the past eight quarters, 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 than other quarters. 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)**	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Q3 2022**
	$	**$**	**$**	**$**
Revenue	106,651	120,167	129,672	122,880
Total expenses	141,469	131,666	132,927	129,906
Net income (loss)	(34,818)	(11,499)	(3,255)	(7,026)
EBITDA[1]	33,943	40,646	52,311	48,652
Adjusted EBITDA[1]	57,576	64,447	75,172	66,790
Adjusted EBITDA Margin[1] **(% of revenue)**	54%	54%	58%	54%
Net income (loss) per common share	(0.52)	(0.17)	(0.05)	(0.10)
Net income (loss) per diluted share	(0.52)	(0.21)	(0.05)	(0.45)
Basic Adjusted EBITDA per share[1]	0.86	0.93	1.09	0.97
% Revenue Driven by Real Estate Transactions [2] [3]	61%	68%	72%	68%
% Revenue Driven by Real Estate Transactions in Canada	37%	43%	49%	43%

Quarterly Results **(In thousands of Canadian dollars, except per share data)**	**Q2 2022**	**Q1 2022**	**Q4 2021**	**Q3 2021**
	$	**$**	**$**	**$**
Revenue	109,634	112,622	84,395	68,926
Total expenses	113,610	90,524	78,086	79,568
Net income (loss)	(3,976)	22,098	6,309	(10,642)
EBITDA[1]	44,324	48,109	36,680	29,599
Adjusted EBITDA[1]	62,611	62,357	49,143	37,604
Adjusted EBITDA Margin[1] **(% of revenue)**	57%	55%	58%	55%
Net income (loss) per common share	(0.06)	0.32	0.09	(0.16)
Net income (loss) per diluted share	(0.06)	0.18	0.09	(0.16)
Basic Adjusted EBITDA per share[1]	0.91	0.91	0.72	0.57
% Revenue Driven by Real Estate Transactions [2] [3]	67%	68%	69%	65%
% Revenue Driven by Real Estate Transactions in Canada	39%	38%	39%	34%

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".
(2) Excludes TM Group
(3) Represents % of revenue exposed to real estate transactions globally.

Revenue

Our total quarterly revenue increased sequentially for all periods presented, except for Q1 2023, Q2 2023 and Q2 2022. The decrease in Q1 and Q2 2023 revenue is primarily due to lower real estate market transactions during the period resulting from seasonality and unfavourable market conditions.

Expenses

Total expenses increased sequentially for each period presented to support the increase in revenue in all the periods presented, except for Q1 2023 and Q4 2021. The quarter-over-quarter variance in total expenses is primarily due to higher amortization expense from intangible assets acquired, the expenses incurred for acquisitions and restructuring costs, and additional finance costs in the periods of re-financing. In addition, there was a decrease in finance cost in Q4 2022, Q3 2022 and Q1 2022 due to the gain of $7.3 million, $38.4 million and $15.3 million, respectively, resulting from change in fair value of Convertible Debentures. Total expenses will continue to fluctuate based on the timing of acquisitions and financing-related activities. Total expenses increased in Q2 2023 as compared to Q1 2023 by $11.4 million mainly as a result in non-cash expenses relating to stock-based compensation, finance costs and amortization and depreciation.

Financial Condition

(In thousands of Canadian dollars)		**As at**
	December 31, 2022	**June 30, 2022**
	$	$
Cash and cash equivalents[(1)]	34,805	223,619
Total assets	2,083,121	2,250,442
Total liabilities	1,517,486	1,487,013

Note:

(1) Excludes TM Group's cash and cash equivalents of $9.5 million for the six months ended December 31, 2022.

Cash and cash equivalents decreased from June 30, 2022 to December 31, 2022 as a result of net cash used in financing activities of $210.0 million and net cash used in investing activities of $40.1 million, offset by cash provided from operating activities of $69.4 million. The financing activities relate primarily to share repurchases made under our SIB and NCIB program of $196.2 million as well as interest paid on the Ares Credit Facility, and the net cash used in investing activities is mainly attributable to acquisition consideration paid and additions to intangible assets on software development.

Total assets decreased from June 30, 2022 to December 31, 2022 primarily as a result of amortization of intangible assets and a decrease in cash and cash equivalents due to share purchases made under our SIB and NCIB programs.

Total liabilities increased from June 30, 2022 to December 31, 2022 primarily as a result of additional borrowing against the Revolving Facility and additional holdbacks owed relating to prior acquisitions. This is offset partially by a decrease in the fair value of the convertible debentures and lower deferred tax liabilities.

Liquidity and Capital Resources

The Company manages its capital structure based on the funds available in order to support the continuation 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.

Cash Flows

The primary source of cash flow is from operations and from financing activities for acquisitions. 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 December 31,		Six months ended December 31,	
	2022	2021	2022	2021
	$	$	$	$
Net cash provided by operating activities	**28,403**	39,413	**69,433**	72,290
Net cash provided (used) by financing activities	**(183,276)**	1,224,449	**(210,024)**	1,210,626
Net cash provided (used) in investing activities	**(32,341)**	(505,816)	**(40,098)**	(818,972)
Change in cash during the period	**(187,214)**	758,046	**(180,689)**	463,944
Cash and cash equivalents, beginning of period	**229,496**	135,039	**223,619**	429,335
Effect of foreign exchange on cash	**2,000**	123	**1,352**	(71)
Less cash grouped in asset for sale	**(9,477)**	-	**(9,477)**	-
Cash and cash equivalents, end of period	**34,805**	893,208	**34,805**	893,208

Cash flows provided by operating activities was $28.4 million for the three months ended December 31, 2022 compared to $39.4 million for the three months ended December 31, 2021. The decrease in cash flows from operating activities was primarily due to lower net income after adjusting for non-cash items of $12.6 million during the three months ended December 31, 2022 compared to three months ended December 31, 2021. Cash flows provided by operating activities was $69.4 million for the six months ended December 31, 2022 compared to $72.3 million for the six months ended December 31, 2021. The decrease in net cash provided by operating activities is primarily due to lower net income adjusted for items not affecting cash.

Net cash used in financing activities for the three and six months ended December 31, 2022 was $183.3 million and $210.0 million, respectively, primarily due to share repurchases made under our SIB and NCIB program of $196.2 million as well as interest paid on the Ares Credit Facility. In comparison, net cash provided in financing activities was $1,224.4 million and $1,210.6 million for the three and six months ended December 31, 2021, respectively, primarily due to $1,225.6 million of net proceeds from loans and borrowings net of repayments .

Net cash flows used in investing activities for the three and six months ended December 31, 2022 was $32.3 million and $40.1 million, respectively, mainly attributable to acquisition consideration paid and additions to intangible assets on software development. In comparison, net cash flows used in investing activities for the three and six months ended December 31, 2021 was $505.8 million and $819.0 million, respectively. The decrease in net cash outflows from investing activities for both periods is due to the significantly higher consideration paid for acquisitions completed in the three and six months ended December 31, 2021.

Capital Expenditures

Capital expenditures for the three and six months ended December 31, 2022 were $6.4 million and $12.6 million, respectively, compared to $7.7 million and $13.5 million for the comparative periods in the prior year. Capital expenditures primarily represent our continued investment to enhance and further develop our existing platforms and purchase of software.

Credit Facilities

Ares Credit Facility

On December 3, 2021, the Company settled the FY2021 Amended 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 million comprising of (i) a $1,520 million initial term loan facility (“Initial Term Loan”), (ii) a $200 million delayed draw term loan facility (“DDTL Facility”) and (iii) a $75 million 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 million from the Initial Term Loan and incurred financing fees of $52.4 million. The Ares Credit Facility bears an interest rate based on a grid system at the lower of (i) the 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, 2023 and December 3, 2026, respectively. As at December 31, 2022, nil amount was drawn under the DDTL Facility and $40,000 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 December 31, 2022, the Company was in compliance with its covenants.

The balance outstanding under the Ares Credit Facility as at December 31, 2022 is as follows:

	$
Balance, June 30, 2022	876,484
Add	
Funds drawn from revolving credit facilities	40,000
Interest and accretion expense	47,395
Less	
Interest paid	(43,018)
Balance, December 31, 2022	**920,861**
Current	**281**
Non-current	**920,580**

During January 2023, the Company has drawn $62,250 from its DDTL Facility.

Use of Proceeds

The Company's use of proceeds from the IPO and the offerings completed under the Base Shelf Prospectus has not changed from the disclosure set forth in the "Use of Proceeds" section in the respective documents to the date of this MD&A.

Off-Balance Sheet Arrangements

The Company has not entered into off-balance sheet financing arrangements. Except for short-term leases and leases of low-value assets not recognized as right of use assets under IFRS 16 – Leases, all of our liabilities and commitments are reflected in 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 the executive leadership team. The remuneration of key management personnel during the periods ended December 31, 2022 and 2021 was as follows:

	Three months ended December 31,		**Six months ended December 31,**	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Salaries and benefits	**1,283**	1,237	**2,605**	3,543
Stock-based compensation	**6,395**	6,868	**10,923**	8,871
	7,678	8,105	**13,528**	12,414

Financial Instruments and Other Instruments

In February 2021, the Company issued $345.0 million of Convertible Debentures bearing interest at a rate of 3.75% per annum payable semi-annually. The Convertible Debentures are convertible into Shares of the Company at a conversion price of $73.23 per Share. The Company determined that the Convertible Debentures did not meet the IFRS definition of equity due to the Company's ability to settle the Convertible Debentures in cash if the holders elect to exercise the conversion option in accordance with the terms of the Convertible Debentures. Changes in the fair value of Convertible Debentures is recognized through income in the period in which they occur except in cases where they result from changes in the Company's own credit risk, in which case the fair value changes are recorded in other comprehensive income. 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 December 31, 2022 was $262.2 million, using a market approach based on underlying share price of $16.41 per share, resulting in a gain on change in fair value of $9.5 million for the three months ended December 31, 2022.

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 revenue, 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:

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. The estimate of fair value of customer relationships includes the estimated revenue growth and attrition of acquired customer relationships. In determining the fair value of customer relationships, the Company estimates revenue growth including price adjustments based on a market participant model. 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 compares 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. 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 Stock-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. Volatility has been determined by calculating the degree of variation of trading prices over time of peers in the market. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair Value of Assets Held for Sale

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 fair value is assessed using a comparable multiples approach. The assessment examines the multiple of adjusted earnings-to-fair value of a group of peers and applies that multiple to the disposal group.

Dye & Durham

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 AIF 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.

Credit Risk

Credit risk is risk of financial loss to the Company if any counterparty to a financial asset fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company has assessed the credit risk on its cash and cash equivalents as low as its funds are held in highly rated Canadian and U.K., Irish and Australian financial institutions. Due to the Company's diversified customer base, there is no particular concentration of credit risk related to the Company's receivables. Trade and other receivables are monitored on an ongoing basis to ensure timely collection of amounts. There are no receivables from individual customers for 10% or more of revenues or receivables.

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 for the credit facility for which the interest rate is adjusted with future fluctuations in CDOR, eurocurrency rate or prime rate or BA rate. To manage this, the Company periodically enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at December 31, 2022, there is no outstanding interest rate swap agreements. Based on the amount owing as at December 31, 2022, a 1% change in the CDOR rate, with all other variables held constant, would change finance costs and income before taxes by $2.3 million on the loans.

Market Risk

The Company is exposed to market risk primarily in terms of revenue generation and convertible debentures. The Company's revenue is driven by transaction volumes, which have increased with the growth and strength of the Canadian economy. Convertible debentures are measured using mark to market method. The Company monitors the market conditions in an effort to capture fluctuations that may affect the ongoing revenue and valuation of convertible debentures. 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 loans and borrowings, the Convertible Debentures, trade and other payables, accrued liabilities, customer advances, lease liabilities and contingent consideration are exposed to liquidity risk.

Foreign Exchange Risk

Foreign exchange risk is the risk that the 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 (when revenue or expense is denominated in a foreign currency) 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 for the three months ended September 30, 2022.

As at December 31, 2022, the Company had a net financial liability position denominated in British pounds of $14.2 million [£8.7 million] [June 30, 2022 – net liability of $3.7 million [£2.4 million]]. As at December 31, 2022, the Company had a net financial liability position denominated in Australian dollars of $5.6 million [A$6.1 million] [June 30, 2022 – net liability of $4.8 million [A$5.4 million]. A 10% change in the exchange rates of significant currencies to which the Company has exposure as at December 31, 2022 would change income before taxes by $1.8 million [June 30, 2022 – $0.8 million].

Ability to Integrate Acquired Companies

The Company is of the view that the ability to realize synergies and integrate acquired companies with its existing technology platforms and management teams is critical for the future success of the Company. The Company has successfully acquired and integrated numerous companies over the years and must undertake such integration activities with each new company that it acquires. Our inability to effectively integrate companies we acquire in the future could have adverse effect on our business and the results of operations.

Revenue

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

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 financial statements.

Outstanding Share Information

The Company is currently authorized to issue an unlimited number of shares. As of the date of this MD&A, 55.5 million shares, 14.4 million stock options and 0.5 million share appreciation rights are issued and outstanding.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed or caused to be designed under their supervision, disclosure controls and procedures, which provide reasonable assurance that material information regarding the Company is accumulated and communicated to the Company's management, including its CEO and CFO, in a timely manner.

In addition, the CEO and CFO have designed or caused to be designed under their supervision internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The CEO and CFO have been advised that the control framework used to design the Company's ICFR uses the framework and criteria established in the Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The CEO and the CFO have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to its ICFR during the period ended December 31, 2022 that have materially affected or

are reasonably likely to materially affect the Company's ICFR. No such changes were identified through their evaluation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures and our ICFR are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

Limitation on Scope of Design

The scope of design of internal controls over financial reporting and disclosure controls and procedures excluded the controls, policies, and procedures of TM Group, which was acquired on July 8, 2021 and other acquisitions during the six months ended December 31, 2022.

The contribution of other acquisitions to our consolidated statements of operations for the three and six months ended December 31, 2022, excluding the amortization of intangible assets, was less than 1% of total revenues for both periods. Additionally, as at December 31, 2022, current assets and current liabilities of other acquisitions were below 1% of consolidated current assets and current liabilities, and non-current assets and non-current liabilities were below 1% of consolidated non-current assets and non-current liabilities, respectively.

TM Group's contribution to our consolidated statements of operations for the three and six months ended December 31, 2022, excluding the amortization of intangible assets, was less than 13% of total revenues for both periods. The entirety of TM Group's assets and liabilities are classified as a held for sale.

The amounts recognized for the assets acquired and liabilities assumed at the date of acquisition TM Group are described in note 6 of the Company's audited annual consolidated financial statements for the fiscal year ended June 30, 2022.