



Dye & Durham Reports First Quarter Fiscal 2024 Financial Results

- *One of the Company's best quarters on record in terms of revenue, taking into consideration the TM Group divestiture*
- *ARR more than doubled to \$117 million^{1,2} since Q1 FY23 and represents 27% of total revenue*
- *Announces business performance improvement plan to significantly improve free cash flow performance and reduce leverage ratio to less than four times total net debt to adjusted EBITDA*

Toronto, Ontario – October 30, 2023 – Dye & Durham Limited (“**Dye & Durham**” or the “**Company**”) (TSX: DND), one of the world’s largest providers of cloud-based legal practice management software, today announced its financial results for the three months ended September 30, 2023.

“This was our second-best quarter on record in terms of revenue – backing out TM Group – underscoring the strength and resilience of our business and its consistent ability to generate ample free cash flow to finance our operations, meet our debt obligations and fuel future growth. With more than 27% of our revenue representing ARR, we feel that we are extremely well positioned to continue to build Dye & Durham into a global legal technology leader,” said Dye & Durham CEO Matthew Proud. “During the quarter, we drove significant progress against our strategic priorities, anchored in our focus on growing organic revenue through increased sales in each of our markets. We are prioritizing the reduction of our leverage ratio as quickly as possible to less than four times total net debt to adjusted EBITDA, as evidenced by \$45 million in debt reduction during the quarter. At the same time, this quarter we closed small deals in the legal practice management space that we locked into in fiscal 2023.”

Annual recurring revenue (“ARR”) growth

The Company continues to grow its ARR. ARR was \$117 million of total revenue^{1,2} which was 27% of total revenue as of September 30, 2023. This is more than double the 13% at the same point in the prior year.

First Quarter Fiscal 2024 Highlights

- Revenue of \$120.1 million, unchanged from the same period in the prior year. The comparative period revenue included an additional \$9.3 million of revenue from TM Group, which was divested on August 3, 2023. Excluding the impact of TMG divestiture, revenue has grown by 8.1%.
- Net income of \$(13.5) million, a decrease of \$2.0 million from the same period in the prior year, primarily due to higher financing costs partially offset by total adjusted operating expenses³ as well as lower stock-based compensation and acquisition and restructuring costs.
- Adjusted EBITDA³ of \$68.7 million, an increase of \$4.3 million, or 7%, from the same period in the prior year.
- Total debt was \$45.0 million lower as of September 30, 2023, compared with June 30, 2023, mainly as a result of debt repayments made during the quarter.

Business Performance Improvement Plan

To enable Dye & Durham to deliver on its growth and leverage ratio reduction objectives, the Company has targeted an improvement plan of greater than \$70 million in free cash flow performance on an annualized basis, compared to the first quarter of fiscal 2024 to be fully realized by the end of Q3 fiscal 2024. The Company has already actioned \$40 million annualized in Q2 fiscal 2024, with the full benefit of this to be realized in Q3 fiscal 2024. The Company is implementing a series of measures to achieve this goal, including a reduction in capital expenditures, product price optimization, and further reducing acquisition, restructuring and other costs, as well as lowering its current operating costs³.

Quarterly Dividend

On October 30, 2023, the Board of Directors declared a quarterly dividend of \$0.01875 per share to shareholders of record on November 8, 2023, payable on or about November 15, 2023.

Conference Call Notification

The Company will hold a conference call to discuss its business later today, Monday, October 30, 2023, at 5:00 p.m. ET hosted by senior management. A question-and-answer session will follow the corporate update.

DATE: Monday, October 30, 2023

TIME: 5:00 p.m. ET

RAPIDCONNECT: To instantly join the conference call by phone, please use the following URL to easily register and be connected into the conference call automatically: <https://emportal.ink/40hibVO>

TRADITIONAL DIAL-IN NUMBER: (416) 764-8659 or (888) 664-6392

REFERENCE NUMBER: 70290380

TAPED REPLAY: (416) 764-8677 or (888) 390-0541

REPLAY CODE: 290380#

This call is being webcast and can be accessed by going to: <https://app.webinar.net/vW2jw3Mx8zk>

- As of September 30, 2023.
- Excluding TM Group revenues.
- Represents a non-IFRS measure. 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. For the relevant definition, see the “Non-IFRS Financial Measures” section of this press release. Management believes non-IFRS measures, including EBITDA, and Adjusted EBITDA, provide supplementary information to IFRS measures used in assessing the performance of the business by providing further understanding of the Company’s results of operations from management’s perspective. Please see “Cautionary Note Regarding Non-IFRS Measures”, and “Select Information and Reconciliation of Non-IFRS Measures in the Company’s most recent Management’s Discussion and Analysis, which is available on the Company’s profile on SEDAR+ at www.sedarplus.ca, for further details on certain non-IFRS measures, including the relevant reconciliations of Adjusted EBITDA to its most directly comparable IFRS measure, which information is incorporated by reference herein.

About Dye & Durham

Dye & Durham Limited provides premier practice management solutions empowering legal professionals every day, delivers vital data insights to support critical corporate transactions and enables the essential payments infrastructure trusted by government and financial institutions. The company has operations in Canada, the United Kingdom, Ireland, Australia and South Africa.

Additional information can be found at www.dyedurham.com.

Non-IFRS Measures

This press release 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 and to discuss Dye & Durham's financial outlook. The Company's definitions of non-IFRS measures 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. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of Dye & Durham's financial information reported under IFRS. The Company uses non-IFRS measures, including "EBITDA", and "Adjusted EBITDA", (each as defined below), 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. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period. The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issues.

Please see "Cautionary Note Regarding Non-IFRS Measures" and "Select Information and Reconciliation of Non-IFRS Measures" in the Company's most recent Management's Discussion and Analysis, which is available on the Company's profile on SEDAR+ at www.sedarplus.ca, for further details on certain non-IFRS measures, including relevant reconciliations of each non-IFRS measure to its most directly comparable IFRS measure, which information is incorporated by reference herein.

EBITDA

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

Adjusted EBITDA

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

Forward-looking Statements

This press release may contain forward-looking information and forward-looking statements within the meaning of applicable securities laws, which reflects the Company's current expectations regarding future events, including with respect to the Company's financial outlook and business strategy, including its debt reduction strategy. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding future events and operating performance.

Specifically, statements regarding Dye & Durham's NCIB, expectations of future results, performance, prospects, the markets in which we operate, or about any future intention with regard to its business, acquisition strategies and debt reduction strategy are forward-looking information. The foregoing demonstrates Dye & Durham's objectives, which are not forecasts or estimates of its financial position, but are based on the implementation of its strategic goals, growth prospectus, and growth initiatives. The forward-looking information is based on management's opinions, estimates and assumptions, including, but not limited to: (i) Dye & Durham's results of operations will continue as expected, (ii) the Company will continue to effectively execute against its key strategic growth priorities, (iii) the Company will continue to retain and grow its existing customer base and market share, (iv) the Company will be able to take advantage of future prospects and opportunities, and realize on synergies, including with respect of acquisitions, (v) there will be no changes in legislative or regulatory matters that negatively impact the Company's business, (vi) current tax laws will remain in effect and will not be materially changed, (vii) economic conditions will remain relatively stable throughout the period, (viii) the industries Dye & Durham operates in will continue to grow consistent with past experience, (ix) the seasonal trends in real estate transaction volume will continue as expected, (x) the Company's expectations its debt reduction strategy will be met and (xi) those assumptions described under the heading "Caution Regarding Forward-Looking Information" in the Company's Management's Discussion and Analysis for the first quarter ended September 30, 2023. While these opinions, estimates and assumptions are considered by Dye & Durham to be appropriate and reasonable in the circumstances as of the date of this press release, they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, levels of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information.

The forward looking information is subject to significant risks including, without limitation: that the Company will be unable to effectively execute against its key strategic growth priorities, including in respect of acquisitions; the Company will be unable to continue to retain and grow its existing customer base and market share; risks related to the Company's business and financial position; that Dye & Durham may not be able to accurately predict its rate of growth and profitability; risks related to economic and political uncertainty; income tax related risks; and those risk factors discussed in greater detail under the "Risk Factors" section of the Company's most recent annual information form and under the heading "Risks and Uncertainties" in the Company's most recent Management's Discussion and Analysis, which are available under Dye & Durham's profile on SEDAR+ at www.sedarplus.ca. Many of these risks are beyond the Company's control.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to the Company or that the Company presently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Although the Company bases these forward-looking statements on assumptions that it believes are reasonable when made, the Company cautions investors 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 press release. 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 press release, those results of developments may not be indicative of results or developments in subsequent periods.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this press release represents Dye & Durham's expectations as of the date specified herein, and are subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information or to publicly announce the results of any revisions to any of those statements, whether as a result of new information, future events or otherwise, except as required under 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.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements.

For Further Information:

Media Relations:

Morgan McLellan
VP, Global Communications
morgan.mclellan@dyedurham.com
647-802-4825

Investor Relations:

Ross Marshall
ross.marshall@loderockadvisors.com
416-526-1563