



Dye & Durham Reports First Quarter Fiscal 2024 Financial Results

- Revenue up 17% to \$110 million, taking into consideration the TM Group divestiture
- Annual Contracted Revenue of \$203 million¹, or 49% of total revenue as of December 31, 2023
- ARR was \$112 million, or 27% of total revenue^{1,2} nearly doubling from the prior year

TORONTO, Feb. 13, 2024 /CNW/ – 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 and six months ended December 31, 2023.

“We continued to build momentum this quarter, with double-digit revenue growth supported by our strong and growing base of Annual Contracted Revenue,” said Dye & Durham CEO, Matthew Proud. “We have made significant progress on our business performance plan and further enhanced our capital structure. As a result of our exciting new product launches, the success of our refreshed go-to-market strategy and our disciplined approach to managing cost, we are strongly positioned to grow organic revenue while continuing to reduce our leverage ratio to less than four times total net debt to Adjusted EBITDA.”

Contracted Revenue

The Company has two sources of contracted revenue:

- Annual Recurring Revenue (ARR) which includes revenues from subscriptions and revenue from minimum spend contracts. ARR was \$112 million of total revenue^{1,2} which was 27% of total revenue as of December 31, 2023. This is nearly doubling the 16% at the same point in the prior year.
- Other Contracted Revenue includes revenue from contracted overages and other service agreements. As of December 31, 2023, this amounted to \$93 million.

In total, the Company’s Annual Contracted Revenue was \$203 million¹, or 49% of total revenue as of December 31, 2023.

Second Quarter Fiscal 2024 Highlights

- Revenue of \$110.2 million, up 17% from the same period in the prior year taking into consideration the divestiture of TM Group (“TMG”) on August 3, 2023. The comparative

period revenue in fiscal 2023 included an additional \$12.5 million of revenue from TMG. Revenue grew 3%, including the impact of TMG in the comparative period.

- Net loss for the current quarter was \$34.8 million, remaining relatively stable compared to the equivalent period in the prior year.
- Adjusted EBITDA³ of \$60.0 million, an increase of \$2.4 million, or 4%, from the same period in the prior year, despite the loss of contributed Adjusted EBITDA from the TM Group in the prior year.

Quarterly Dividend

On February 13, 2024, the Board of Directors declared a quarterly dividend of \$0.01875 per share to shareholders of record on February 21, 2024, payable on or about February 28, 2024.

Conference Call Notification

The Company will hold a conference call to discuss its business later today, Tuesday, February 13, 2024, at 8:00 a.m. ET hosted by senior management. A question-and-answer session will follow the corporate update.

DATE: Tuesday, February 13, 2024

TIME: 8:00 a.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://empportal.ink/3tUWLSF>

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

REFERENCE NUMBER: 57043673

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

REPLAY CODE: 043673#

This call is being webcast and can be accessed by going to: <https://app.webinar.net/J9qlmkZWXP>

1. As of December 31, 2023 on a run rate basis.
2. Excluding TMG revenues.
3. 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 including change in fair value of Company's 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

Adjusted EBITDA adjusts EBITDA for stock-based compensation expense, loss on disposal of assets held for sale, 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.

Operational restructuring costs include the full period impact of cost synergies related to the reduction of employees for 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 and business performance plan. 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 expectations of future results, performance, prospects, the markets in which we operate, or about any future intention with regard to its business, acquisition strategies, debt reduction strategy and business performance plan 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, * 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 second quarter ended December 31, 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.

SOURCE Dye & Durham Limited

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