



Dye & Durham Reports Third Quarter Fiscal 2024 Financial Results

- Revenue up 16% to ~\$107 million year-over-year, taking into consideration the TM Group divestiture
- Adjusted EBITDA of ~\$60 million
- \$185 million Substantial Issuer Bid to repurchase all remaining 3.75% convertible senior unsecured debentures due March 1, 2026

TORONTO, May 14, 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 nine months ended March 31, 2024.

“Our business continued its strong performance this quarter with a focus on predictable revenue streams, evident in the steady growth of our annual recurring revenue, now standing at 30% of revenue,” said Dye & Durham CEO, Matthew Proud. “The roll-out of our Global Unity Platform in the UK is progressing smoothly, reinforcing our commitment to providing a comprehensive solution for our customers. We successfully closed on US\$905 million of refinancing transactions, which enhanced our financial flexibility and strengthened the balance sheet, demonstrating our ongoing commitment to prudent financial management. As we reach the midpoint of our current period, we are seeing positive signals in market activity in what is historically our strongest quarter. The initiatives we’ve taken position Dye & Durham well to capitalize on emerging opportunities, while continuing to grow the business and create value for all shareholders.”

Third Quarter Fiscal 2024 Highlights

- Revenue was up 3% including the impact of TM Group (“**TMG**”) compared to the equivalent period in the prior year.
- \$125.5 million of Annual Recurring Revenue¹, or 30% of total revenue², representing an 85% increase year over year.
- Organic revenue growth rate of 4.1% year over year for the quarter ended March 31, 2024⁴.
- Net loss for the third quarter was \$39.7 million, an increase of \$4.6 million or 13% compared to the equivalent period in the prior year.

- Adjusted EBITDA³ was \$59.8 million, an increase of \$3.7 million or 7%, from the equivalent period in the prior year, despite the loss of contributed Adjusted EBITDA³ from TMG in the prior year.
- Net debt reduction of \$102 million as at March 31, 2024, as compared to June 30, 2023.
- The Company continues to work towards reducing its net debt to adjusted EBITDA to below four times.

Substantial Issuer Bid

On May 14, 2024, the Board of Directors also approved the commencement of a substantial issuer bid (the “**Offer**”) under which the Company will offer to repurchase for cancellation up to \$185 million in aggregate principal amount of its issued and outstanding 3.75% convertible senior unsecured debentures due March 1, 2026 (“**Debentures**”), being all of the currently outstanding Debentures.

The Offer would pay down up to \$185 million of overall debt consistent with the Company’s strategy to reduce total debt over time. Dye & Durham is making the Offer at a purchase price of \$900 per \$1,000 of Debenture face value representing a maximum aggregate purchase price of \$166.5 million. The Company expects to announce the terms of the Offer and commence the Offer on May 17, 2024.

The Offer will not be conditional upon any minimum number of Debentures 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 Debentures, certain events occur.

If debenture holders representing at least 90% of the outstanding principal amount of the Debentures tender their Debentures to and accept the Offer, the Company may exercise its rights pursuant to Article 12 of the trust indenture governing the Debentures dated February 23, 2021 between the Company and Computershare Trust Company of Canada (the “**Trust Indenture**”) to acquire Debentures held by the Dissenting Debentureholders (as such term is defined in the Trust Indenture) for the same consideration per Debenture payable or paid, as the case may be, under the Offer.

The formal offer to purchase and issuer bid circular, letter of transmittal and notice of guaranteed delivery (collectively, the “**Offer Documents**”) containing the terms and conditions of the Offer and instructions for tendering Debentures will be filed with the applicable securities regulators and mailed to registered debentureholders. The Offer Documents will be available under the Company’s SEDAR+ profile at www.sedarplus.ca.

Neither the Company nor its board of directors makes any recommendation to debentureholders as to whether to tender or refrain from tendering any or all of their Debentures to the Offer. This press release is neither an offer to purchase nor a solicitation of an offer to sell any Debentures. The solicitation and the offer to purchase Debentures by the Company is being made only pursuant to the Offer Documents. Debentureholders of the

Company are urged to read the Offer Documents carefully and to consult with their own financial, tax and legal advisors prior to making any decision with respect to the Offer.

Quarterly Dividend

On May 14, 2024, the Board of Directors declared a quarterly dividend of \$0.01875 per share to shareholders of record on May 21, 2024, payable on or about May 28, 2024.

Conference Call Notification

The Company will hold a conference call to discuss its business later today, Tuesday, May 14, 2024, at 5:00 p.m. ET hosted by senior management. A question-and-answer session will follow the corporate update.

DATE: Tuesday, May 14, 2024

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/3xWFgmF>

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

REFERENCE NUMBER: 84458967

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

REPLAY CODE: 458967#

This call is being webcast and can be accessed by going to: <https://app.webinar.net/j1nwyYLERZO>

1. As of March 31, 2024.
2. Excluding TM Group revenues and other non-billing adjustments
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, Adjusted EBITDA, and Organic Revenue, 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. Please see the “Non-IFRS Financial Measures” section of this press release for a reconciliation of Organic Revenue to Revenue.

4. **Organic Revenue Growth Rate**

Organic Revenue Growth Rate is calculated by the total revenue in the current quarter period (excluding the pre-acquisition quarterly revenue of those acquisitions executed in the last twelve months period from March 31, 2024 and discontinued businesses) divided by the total revenue in the prior quarter period (excluding discontinued businesses). Below is a reconciliation of Organic Revenue to Revenue.

5.

	Q3 FY2024	Q3 FY2023
Revenue	107.3	104.1
TM Group Pre-Divestiture	-	(13.0)
Pre-Acquisition Reporting Results	(13.2)	
Discontinued Businesses	-	(0.8)
Organic Revenue	94.1	90.3
Organic Revenue Growth Rate	4.1 %	

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", "Adjusted EBITDA", and "Organic Revenue" (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 the 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 acquisitions, 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 timing and completion of the Offer, the intentions of the Company's directors and officers and debentureholders with respect to tendering to the Offer, and the Company's financial outlook and business strategy, including its debt reduction strategy and products and services. 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 the Offer and 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 continuing as expected, (ii) the Company continuing to effectively execute against its key strategic growth priorities, (iii) the Company continuing to retain and grow its existing customer base and market share, (iv) the Company being able to take advantage of future prospects and opportunities, and realize on synergies, including with respect of acquisitions, (v) there being no changes in legislative or regulatory matters that negatively impact the Company’s business, (vi) current tax laws remaining in effect and not being materially changed, (vii) economic conditions remaining relatively stable throughout the period, (viii) the industries Dye & Durham operates in continuing to grow consistent with past experience, (ix) the seasonal trends in real estate transaction volume continuing as expected, * the Company’s expectations regarding its debt reduction strategy being 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 third quarter ended March 31, 2024. 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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