



Dye & Durham Reports Second Quarter Fiscal 2025 Financial Results

- Revenue up 10% to \$121 million in Q2 FY2025 in line with guidance
- Annual Recurring Revenue (“ARR”)^{1,2} up 36% as compared to prior period, representing 34% of total revenue

Toronto, Ontario – February 13, 2025 – 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 and six months ended December 31, 2024.

“As I have stepped into my role, it is evident that we have a capable and experienced team, focused on our continuing mission to provide our customers with productivity boosting software solutions and due diligence search services” said Hans Gieskes, Chair and Interim CEO of Dye & Durham. “Our focus is shifting away from acquisitions to organic growth through market-leading product innovation and improved customer support. As we continue our initial business review and work toward securing a permanent CEO, we remain laser focused on investing in our product suite and enhancing our market position. I am confident that we have a solid foundation from which to drive sustainable growth, improve customer satisfaction, and enhance our financial performance, positioning the Company to create long-term shareholder value.”

“The business remains on a strong trajectory, supported by robust market dynamics, as reflected in our 6% Organic Revenue Growth Rate¹ and continued growth in ARR¹,” said Frank Di Liso, CFO of Dye & Durham. “With new leadership and the 2024 shareholder meeting behind us, we have moved beyond the specific impacts of the shareholder engagement and related costs incurred in the latest quarter. While these, along with higher interest payments, affected our Leveraged Free Cash Flow¹ during the period, we are confident that our team will focus on accelerating organic growth.”

Second Quarter Fiscal 2025 Highlights

(Comparison periods in each case are to the three months ended December 31, 2023)

- Revenue was up 10% to \$120.7 million
- Organic Revenue Growth Rate¹ of 6.3%
- Annual Recurring Revenue^{1, 2} was up 36% to \$152.4 million, representing 34% of total revenue
- Adjusted EBITDA¹ of \$66.5 million, up \$6.5 million or 11%
- Net loss of \$17.6 million, compared to a net loss of \$34.8 million

Quarterly Dividend

On February 13, 2025, the Board of Directors approved a dividend for the three months ending December 31, 2024, in the amount of \$0.01875 per common share, to be paid on or about February 27, 2025, to holders of common shares of record as of the close of business on February 20, 2025.

Conference Call Notification

The Company will hold a conference call to discuss its business later today, Thursday, February 13, 2025, at 5:00 p.m. ET hosted by senior management. A question-and-answer session will follow the corporate update.

DATE: Thursday, February 13, 2025

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/4jvqaHI>

TRADITIONAL DIAL-IN NUMBER: (416) 945-7677 or (888) 699-1199

TAPED REPLAY: (646) 517-4150 or (888) 660-6345

REPLAY CODE: 07927#

This call is being webcast and can be accessed by going to: <https://app.webinar.net/7arV3OJ6dln>.

- 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, Leveraged Free Cash Flow, Organic Revenue Growth Rate, and Annual Recurring 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. Please see the “Non-IFRS Financial Measures” section of this press release for the applicable reconciliation of Organic Revenue Growth Rate, Adjusted EBITDA, and Leveraged Free Cash Flow to their most directly comparable IFRS measures.
- As of December 31, 2024.

About Dye & Durham

Dye & Durham Limited provides premier practice management solutions empowering legal professionals every day, delivers vital data insights to support critical corporate and property 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”, “Leveraged Free Cash Flow”, “Organic Revenue Growth Rate”, and “Annual Recurring 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, gains and losses 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 contingent receivables and 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. Below is a reconciliation for Adjusted EBITDA to Net Loss.

| Adjusted EBITDA Reconciliation | Q2 FY2025 | Q2 FY2024 |
|--|------------------|------------------|
| Loss for the Period | \$(17.6) | \$(34.8) |
| Amortization, Depreciation and Impairment | 41.5 | 41.5 |
| Finance Costs | 65.9 | 49.1 |
| Income Tax Recovery | (5.6) | (8.1) |
| EBITDA | \$84.2 | \$47.6 |
| Loss on Assets Held for Sale | — | — |
| Stock-Based Compensation (see note (a) below) | (47.6) | 6.8 |
| Acquisition, restructuring and other costs (see note (b) below) | 29.9 | 5.5 |
| Salaries Synergies (see note (c) below) | — | — |
| Adjusted EBITDA | \$66.5 | \$60.0 |

Notes:

- Stock-based compensation represents expenditures recognized in connection with stock options issued to employees and directors and cash settled share appreciation rights issued to directors and other related costs.
- Acquisition, restructuring, and other costs relates to professional fees and integration costs incurred in connection with acquisition, divesture, listing and reorganization related expenses. Restructuring expenses mainly represent employee exit costs as a result of synergies created due to business combinations and organizational changes and are expected to be paid within the fiscal year.
- Salaries synergies relates to the impact of the full period of cost synergies related to the actual or planned reduction of employees in relation to acquisitions.

Leveraged Free Cash Flow

"Leveraged Free Cash Flow" means net cash provided by operating activities less additions to intangible assets and property (including capitalized software) less net interest paid and payments under lease arrangements. Below is a reconciliation of Leveraged Free Cash Flow to Net Cash Provided by Operating Activities.

| Leveraged Free Cash Flow Reconciliation | Q2 FY2025 | Q2 FY2024 |
|--|------------------|------------------|
| Net Cash Provided by Operating Activities | \$17.0 | \$44.6 |
| Additions to Intangible Assets | (7.9) | (8.7) |

| | | |
|---|-----------------|--------------|
| Purchases of Property and Equipment | (0.9) | (0.9) |
| Net Interest Paid | (45.7) | (31.2) |
| Payments for Lease Obligations | (1.7) | (1.2) |
| Leveraged Free Cash Flow¹ | \$(39.2) | \$2.6 |

Organic Revenue Growth Rate

“Organic Revenue Growth Rate” means total revenue in the current quarter or year-to-date period (excluding the pre-acquisition quarterly or year-to-date revenue of those acquisitions executed in the last twelve month period and discontinued businesses) (“**Organic Revenue**”) divided by the total revenue in the prior quarter or year-to-date period (excluding TM Group, pre-acquisition quarterly or year-to-date revenue and discontinued businesses).

Below is a reconciliation of Organic Revenue to Revenue.

| | |
|--|------------------|
| Organic Revenue Reconciliation | Q2 FY2025 |
| Revenue | \$120.7 |
| Pre-Acquisition Reporting Results | |
| (Pre-acquisition quarterly revenue of those acquisitions executed in the last twelve months period and discontinued businesses) | 3.6 |
| Organic Revenue | 117.1 |
| Q2 FY2024 Revenue | 110.2 |
| Organic Revenue Growth Rate | 6.3% |

Annual Recurring Revenue

“Annual Recurring Revenue” or “ARR” means revenue under contract that is expected to recur over a fixed term. ARR percentage is determined by taking the total recurring revenue divided by total consolidated revenue for the period (adjusted for in-quarter acquisition and other timing impacts, as well as certain revenue accrual adjustments).

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. 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, business strategy, growth strategies, plans and objectives, 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) exchange rates will be approximately consistent with current levels, (x) the seasonal trends in real estate transaction volume continuing as expected, (xi) the Company's expectations for increases to the average rate per user on its platforms, contractual revenues, and incremental earnings from its latest asset-based acquisition will be met, (xii) the Company will be able to effectively upsell and cross-sell between practice management and data insights & due diligence customers, (xiii) the Company's expectations regarding its debt reduction strategy being met, (xiv) the Company's expectations regarding its cost reduction plan being met, and (xv) those assumptions described under the heading "Caution Regarding Forward-Looking Information" in the Company's Management's Discussion and Analysis for the period ended December 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.

For Further Information:

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