



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2025



## DYE & DURHAM LIMITED

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

As used in this management's discussion and analysis (this "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, 2025.

This MD&A for the three and six months ended December 31, 2025 ("Q2 FY2026") and 2024 ("Q2 FY2025"), 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, 2025 and 2024 (the "Financial Statements"). 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. 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 the System for Electronic Document Analysis and Retrieval ("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca).

This MD&A is dated as of February 16, 2026, 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, including with respect to the Company's financial outlook and business strategy. 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. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain 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. These forward-looking statements are 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 synergies, including with respect to 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) exchange rates will be approximately consistent with current levels, (x) the seasonal trends in real estate transaction volume will continue 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 will be met, and (xiv) the Company's expectations regarding its cost reduction plan being met. 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 MD&A, 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.

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. Such risks and uncertainties include, without limitation: that the Company will be unable to effectively execute against its key strategic growth priorities; the risk that 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; the risk 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 AIF. Many of these risks are beyond the Company’s control. 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 Company’s most recent 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 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 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.*

*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. 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. All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.*

### **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, namely, “Adjusted EBITDA” and “Segment Adjusted EBITDA”, 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 the aforementioned non-IFRS financial measure, when viewed with the Company’s results under IFRS and the accompanying reconciliations, provide 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 and reorganization related expenses, integration expenses and corporate cost allocations, the Company believes that the non-IFRS financial measures included herein 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.*

*Below are the Company’s definitions of the non-IFRS measures used herein:*



**“Adjusted EBITDA”** adjusts net loss by adding back financing costs, amortization, depreciation and impairment costs, income tax expense (recovery), stock-based compensation expense (recovery), loss (gain) on contingent receivables and assets held for sale, specific transaction-related expenses related to acquisition and reorganization related expenses, integration and operational restructuring costs and other non-recurring expenses. Operational restructuring costs are incurred as a direct or indirect result of acquisition activities.

**“Segment Adjusted EBITDA”** is Adjusted EBITDA as defined above and adds back corporate cost allocations. “Segment Adjusted EBITDA” is representative of “Segment income (loss)” noted in the Segment Information footnote of the financial statements. “Segment income (loss) after allocated costs” adjusts the “Segment income (loss)” by deducting the corporate costs allocations.

See “Consolidated Results of Operations” for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.

## Business Overview

Dye & Durham provides premier practice management solutions empowering legal professionals every day to effortlessly run their practice. The Company also seamlessly delivers vital data insights to legal professionals to support risk management decision making for corporate and property transactions and enables essential payments infrastructure trusted by government and financial institutions.

Dye & Durham is one of the world’s largest providers of cloud-based legal practice management software designed to make managing a law firm, organizing cases, and collaborating with clients easy. The Company also provides mission critical systems that help its clients manage risk through access to proprietary sources of non-discretionary data needed for transactions. Additionally, the Company operates an infrastructure-like financial technology business that serves financial institutions across Canada and Australia, providing critical technology and products which support essential front-end (i.e., customer-facing) and back-end functions, including payments, information services, property settlements, and core banking infrastructure.

The Company’s mission is to make its customers more efficient and productive, enabling them to achieve more growth with less effort. Today, the Company’s clients count on its software products as essential to successfully completing a wide variety of transactions in the markets in which they operate.

Dye & Durham’s business is structured into two core product lines:

- **Legal Software Business**, which is made up of:
  - **Legal Practice Management:** The Company’s market-leading practice management software lets legal professionals efficiently execute transactions with reliability, security, and ease. The Company’s software is purpose-built to connect parties in any transaction, and to empower lawyers and their teams to get more done in less time, driving productivity and enabling them to grow and manage their practice.
  - **Data Insights & Due Diligence:** The Company connects a global network of professionals with critical information through a mix of public records and proprietary data to create legal due diligence reports that enable users to make informed decisions with confidence. The Company enables the simplified and secure production and management of corporate records, offers real-time access to official public records in a single location, delivers land and property reports as part of conveyancing matters and gives legal professionals the tools they need to create and register new companies, ensuring efficiency and compliance for their clients.
- **Financial Technology Business:** The Company’s financial technology business provides infrastructure technology that facilitates bill and tax payments, enables digital mortgage processing, as well as an integrated information search and managed banking services. Its customers include many of the largest financial institutions in Canada and Australia. The Company’s technology offers best-in-class digital infrastructure to most major Canadian and Australian lenders, providing critical technology and products which support essential functions like payments, information services, property settlements and core banking infrastructure. The business has trusted, long-term relationships with approximately 100 leading financial institutions globally and represents an opportunity for Dye & Durham to generate more cash in the near term.

Dye & Durham believes that by providing leading-edge proprietary technology coupled with exceptional client service, it can make what are often time-consuming legal processes, mainly dealt with by support staff in law firms or administrative staff in large financial service institutions, easier to manage and more efficient. This frees up the Company’s customers’ capacity to focus on higher-value, higher-margin work, and the growth of their businesses.



The Company has approximately 1,100 employees, with operations in Canada, the United Kingdom, Ireland, Australia, and South Africa. The Company's strong and diversified base of blue-chip customers includes some of the world's best known law firms, financial service institutions, and government organizations, as well as sole-practitioner law firms and small businesses.

### Restatement of Prior Period Comparative Information

During the preparation of the audited consolidated financial statements for the fiscal year ended June 30, 2025, the Company identified certain errors that resulted in the following adjustments:

- (a) The misclassification of \$4.7 million and \$10.2 million for the three and six months ended December 31, 2024, respectively, in certain costs between revenue and direct costs due to the incorrect identification of the Company as a principal in certain arrangements rather than agent in accordance with IFRS 15, *Revenue from Contracts with Customers* Appendix B, *Principal versus Agent Considerations*. As a result, revenue was incorrectly recorded on a gross basis rather than a net basis.
- (b) The overstatement of \$1.4 million in certain accounts receivable, understatement of \$2.9 million in revenue and an understatement of \$1.5 million in customer advances due to the timing of revenue recognition where revenue was recorded in the incorrect period for the six months ended December 31, 2024 (revenue understated by \$0.4 million for the three months ended December 31, 2024). The adjustments primarily related to a change in business practice where certain customer minimum contract commitments were not enforced, extending the Company's obligation to provide service beyond the initial contract term.
- (c) The overstatement of \$1.4 and \$2.4 million for the three and six months ended December 31, 2024, respectively, in intangible assets related to certain costs that did not meet the capitalization criteria in connection with the development of software to be used internally or for providing services to customers.
- (d) The understatement of the prepayment option and the related change in fair value of \$nil and \$2.3 million for the three and six months ended December 31, 2024, respectively, as the Company did not appropriately record the prepayment option associated with the Senior Secured 2029 Notes (as defined herein) that was identified as a separable embedded derivative financial instrument.
- (e) Differences in the calculations of fair values of the Company's certain financial instruments. These related to a \$nil and a \$3.1 million difference for the three and six months ended December 31, 2024, respectively, in the risk-free rate that were used to estimate the credit spread on the Convertible Debentures (as defined herein) and a \$nil and a \$3.5 million difference for the three and six months ended December 31, 2024, respectively, on the cross-currency interest rate swaps.
- (f) The reclassification of \$10.1 million and \$5.1 million for the three and six months ended December 31, 2024, respectively, from finance costs to acquisition, restructuring and other costs as these costs are related to changes in fair value of contingent consideration and amendments to deferred consideration ("holdbacks") associated with the acquisitions.
- (g) For the three months ended December 31, 2024, the tax impact of the total adjustments of \$0.1 million resulted in a net decrease in the income tax recovery, and for the six months ended December 31, 2024, the tax impact of the total adjustments of \$1.5 million resulted in a net increase in the income tax recovery.
- (h) Certain other reclassifications including reclassifications to conform to the financial presentation adopted for the current fiscal period.

**Condensed Consolidated Interim Statements of Operations**

Condensed Consolidated Interim Statements of Operations	Three months ended December 31, 2024 As previously reported	Adjustments	Three months ended December 31, 2024 Restated
	\$	\$	\$
Revenue (a), (b), (h)	120,695	(4,949)	115,746
Direct costs (a), (h)	(14,321)	4,494	(9,827)
Technology and operations (c)	(25,105)	(1,355)	(26,460)
Finance costs, net (f), (h)	(65,874)	10,035	(55,839)
Acquisition, restructuring and other costs (f), (h)	(29,969)	(10,193)	(40,162)
<b>Loss before taxes</b>	(23,203)	(1,919)	(25,122)
Income tax recovery (g)	5,568	(110)	5,458
<b>Net loss for the period</b>	(17,635)	(2,029)	(19,664)
<b>Net loss per common share</b>			
Basic	(0.27)	(0.03)	(0.30)
Diluted	(0.27)	(0.03)	(0.30)

Condensed Consolidated Interim Statements of Operations	Six months ended December 31, 2024 As previously reported	Adjustments	Six months ended December 31, 2024 Restated
	\$	\$	\$
Revenue (a), (b), (h)	240,623	(8,486)	232,137
Direct costs (a), (h)	(29,194)	10,381	(18,813)
Technology and operations (c)	(48,981)	(2,375)	(51,356)
Finance costs, net (d), (e), (f), (h)	(86,609)	(3,813)	(90,422)
Acquisition, restructuring and other costs (f), (h)	(38,691)	(5,279)	(43,970)
<b>Loss before taxes</b>	(31,939)	(9,557)	(41,496)
Income tax recovery (g)	4,990	1,547	6,537
<b>Net loss for the period</b>	(26,949)	(8,010)	(34,959)
<b>Net loss per common share</b>			
Basic	(0.41)	(0.12)	(0.53)
Diluted	(0.41)	(0.12)	(0.53)



**Condensed Consolidated Interim Statements of Comprehensive Loss**

Condensed Consolidated Interim Statements of Comprehensive Loss	Three months ended December 31, 2024 As previously reported	Adjustments	Three months ended December 31, 2024 Restated
	\$	\$	\$
Net loss for the period	(17,635)	(2,029)	(19,664)
<b>Comprehensive loss</b>	<b>(29,800)</b>	<b>(2,029)</b>	<b>(31,829)</b>

Condensed Consolidated Interim Statements of Comprehensive Loss	Six months ended December 31, 2024 As previously reported	Adjustments	Six months ended December 31, 2024 Restated
	\$	\$	\$
Net loss for the period	(26,949)	(8,010)	(34,959)
Exchange differences on translation (e)	9,864	3,855	13,719
<b>Other comprehensive income</b>	<b>8,481</b>	<b>3,855</b>	<b>12,336</b>
<b>Comprehensive loss</b>	<b>(18,468)</b>	<b>(4,155)</b>	<b>(22,623)</b>

**Condensed Consolidated Interim Statements of Cash Flows**

Condensed Consolidated Interim Statements of Cash Flows	Six months ended December 31, 2024 As previously reported	Adjustments	Six months ended December 31, 2024 Restated
	\$	\$	\$
<b>Cash flow from operating activities</b>			
Net loss for the period	(26,949)	(8,010)	(34,959)
Fair value adjustment on contingent consideration (f)	—	9,160	9,160
Amendments to holdbacks (f)	—	(4,020)	(4,020)
Income tax expense (g)	(4,990)	(1,547)	(6,537)
Finance costs, net (d), (e), (f), (h)	86,609	3,813	90,422
Trade and other receivables (b), (h)	2,381	(169)	2,212
Customer advances (b), (h)	(944)	(2,652)	(3,596)
<b>Net cash provided by operating activities</b>	<b>64,641</b>	<b>(2,375)</b>	<b>62,266</b>
<b>Cash flows from investing activities</b>			
Additions to intangible assets (c)	(11,952)	2,375	(9,577)
<b>Net cash used in investing activities</b>	<b>(244,484)</b>	<b>7,476</b>	<b>(237,008)</b>

## Consolidated highlights

### Selected key metrics:

	Three months ended December 31,		Six months ended December 31,	
	2025 \$	2024 (Restated) \$	2025 \$	2024 (Restated) \$
Revenue	107,024	115,746	215,326	232,137
Net loss	(21,790)	(19,664)	(60,062)	(34,959)
Cash flow from operating	33,577	15,626	73,794	62,266
Adjusted EBITDA <sup>(1)</sup>	50,352	64,652	100,787	132,203

Certain comparative figures for the three and six months ended December 31, 2024 have been restated. See "Restatement of Prior Period Comparative Information".

- (1) Represents a non-IFRS measure. See "Cautionary Note Regarding Non-IFRS Measures" and "Consolidated Results of Operations – Adjusted EBITDA" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.
- Revenue for the three months ended December 31, 2025, was \$107.0 million, a decrease of \$8.7 million, or 8%, compared to the three months ended December 31, 2024. Revenue for the six months ended December 31, 2025 and 2024 was \$215.3 million and \$232.1 million, respectively, a decrease of \$16.8 million, or 7%. The decrease was primarily driven by a combination of market downturn and the impact of lower volumes and pricing from both the loss of customers and contract renewal terms affecting practice management and data insights platforms, partially offset by growth in Banking Technology and Affinity.
  - Net loss for the three months ended December 31, 2025 was \$21.8 million, compared to a net loss of \$19.7 million for the equivalent period in the prior year. Net loss for the six months ended December 31, 2025 was \$60.1 million, compared to a net loss of \$35.0 million for the equivalent period in the prior year. The greater loss was primarily driven by lower revenue, higher operating expenses, and the stock based compensation reversal in the prior periods partially offset by lower interest costs, lower amortization and lower acquisition, restructuring and other costs.
  - Net cash provided by operating activities for the three months ended December 31, 2025 was \$33.6 million, compared to \$15.6 million for the equivalent period in the prior year. The year over year improvement in cash flow from operations was driven by lower financing costs, lower taxes paid, and improvements in working capital.
  - Adjusted EBITDA<sup>(1)</sup> for the three months ended December 31, 2025 was \$50.4 million, a decrease of \$14.3 million, or 22%, compared to the three months ended December 31, 2024. For the six months ended December 31, 2025 and 2024, Adjusted EBITDA<sup>(1)</sup> was \$100.8 million and \$132.2 million, respectively, a decrease of \$31.4 million, or 24%. The decrease in Adjusted EBITDA<sup>(1)</sup> was driven by revenue impacts described above, strategic reinvestments necessary to stabilize the business, predominantly labour and IT infrastructure, and a lower capitalization rate as the Company temporarily shifted certain expenditures from capitalized projects to maintenance expense.

### Other highlights

- On October 7, 2025, the Company entered into a definitive agreement to sell its wholly-owned subsidiary, Credas Technologies Ltd. ("Credas"), to an established UK anti-money laundering software provider. The sale of Credas closed on January 6, 2026. Under the terms of the Credas sale agreement, the Company received gross proceeds of approximately \$146.3 million (GBP £77.8 million). As at December 31, 2025, Credas met all criteria of a disposal group classified as held for sale and as a result the assets and liabilities of Credas have been presented separately in the condensed consolidated interim statement of financial position. As at December 31, 2025, assets held for sale were \$6.6 million and liabilities directly associated with assets held for sale were \$2.3 million. The fair value exceeds

<sup>1</sup> Represents a non-IFRS measure. See "Cautionary Note Regarding Non-IFRS Measures" and "Consolidated Results of Operations – Adjusted EBITDA" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.



the carrying amount of Credas' net assets and as such, the assets held for sale were measured at the carrying amount as at December 31, 2025 with no impairment noted.

- On January 16, 2026, in accordance with the terms of the Senior Credit Agreement (as defined herein), the Company repaid \$30.0 million on its New Revolving Facility (as defined herein) from the net proceeds from the Credas sale, reducing utilization to below 35%. On January 26, 2026, the Company used US\$27.3 million of the proceeds to reduce the amount outstanding under the Term Loan B (as defined herein). With respect to the remaining net proceeds from the Credas sale, in accordance with its obligations under the debt instruments, the Company launched an Excess Proceeds Offer (as such term is defined in the Senior Notes Indenture (as defined herein)) on February 9, 2026. The Excess Proceeds Offer will expire on March 9, 2026.
- During the year ended June 30, 2025, the Company began reporting its financial results under a new segment structure that includes four operating and reportable segments. As a result, goodwill was tested for impairment for these four operating and reportable segments, which is at a lower level of testing compared to prior years and the lowest level within the restructured segment framework at which goodwill is monitored for internal management purposes.
- During the three and six months ended December 31, 2025, and in the subsequent period, there were a number of changes to the Company's board of directors (the "Board") and management team. The current Board consists of George Tsivin (CEO), Edward Smith (Chair), Alan R. Hibben, Hans T. Gieskes, Tracey E. Keates, Norman Findlay, Wendy Cheah and Allen Taylor.
- On December 29, 2025, the Company launched a sale process for both the Company as a whole and for its Canadian Financial Services Division. The Strategic Committee of the Board is overseeing the sale process.

### Credit Agreement Matters

During the three and six months ended December 31, 2025, the Company failed to file its audited consolidated financial statements for the fiscal year ended June 30, 2025 (the "Audited Consolidated Financial Statements") and subsequently the condensed consolidated interim financial statements for the three months ended September 30, 2025 (collectively, the "Required Financial Statements") on SEDAR+ or with the lenders on the timelines required under securities regulations in Canada and as required under the Senior Credit Agreement (as defined herein) and the Senior Notes Indenture, as applicable. The Company initially received a waiver from its lenders under the Senior Credit Agreement for a filing extension to file the Audited Consolidated Financial Statements to December 1, 2025, and then received a subsequent waiver from its lenders under the Senior Credit Agreement for a filing extension to file the Required Financial Statements to February 17, 2026 to avoid triggering an 'event of default'.

Since the Company did not file the Audited Consolidated Financial Statements by December 27, 2025, under the Senior Notes Indenture the interest rate on the Senior Secured 2029 Notes increased by 25 basis points from such date until the Company filed the Audited Consolidated Financial Statements.

Subsequent to the three and six months ended December 31, 2025, on January 31, 2026, the Company filed the Required Financial Statements. From that date, the interest rate on the Senior Secured 2029 Notes reverted to the regular contractual rate, and the Company was brought into good standing and compliance with all reporting covenants under the Company's debt instruments.

### Financial Reporting Delay Matters

The Company filed on SEDAR+: (i) the Required Financial Statements and related management's discussion and analyses on January 31, 2026, (ii) a revised Annual Information Form for the fiscal year ended June 30, 2025 on February 2, 2026, and (iii) a revised management's discussion and analysis for the fiscal year ended June 30, 2025 on February 4, 2026 (collectively the "Required Filings"). During the six months ended December 31, 2025, the Ontario Securities Commission (the "OSC") had issued a temporary management cease trade order in connection with the delayed filings and subsequently issued a failure-to-file cease trade order ("FFCTO") pursuant to National Policy 11-207 – *Failure to File Cease Trade Orders and Revocations in Multiple Jurisdictions*. The FFCTO prohibited the trading by any person of all securities of the Company in each jurisdiction in Canada, with certain exceptions in foreign markets, for so long as the FFCTO remained in effect. The FFCTO remained in effect until the Required Filings were filed. On February 6, 2026, the OSC revoked the FFCTO and trading in all of the Company's securities resumed on February 9, 2026 in all jurisdictions in Canada.

## 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 Annual Information Form.

### Ability to Integrate Acquired Companies

The Company believes 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 acquired numerous companies over the years and must undertake integration activities with the companies that it acquires to optimize the value of its acquisitions. Our inability to effectively integrate companies we acquire could have adverse effects on our business and results of operations. The Company has paused acquisition activity to focus on scaling and streamlining the existing business and completed acquisitions.

### Seasonality

A portion of the Company's revenue is exposed to the global real estate market which is expected to experience seasonal patterns in real estate transactional 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 presentation 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, Australian dollar, or South African Rand.

### Economic Activity

General economic conditions may affect our results of operations and financial condition, primarily as it impacts the real estate market as much of our business is driven by the volume of real estate transactions. The Company is exposed to market conditions primarily in terms of revenue generation. Fluctuations in real estate transaction volumes can have material impacts on revenue generation. 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 by our customers and their clients 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 by our customers and their clients or disruptions in the financial markets on which they rely for their business could also be impacted by the level of interest rates and general economic conditions. 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, 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.



## Consolidated Results of Operations

	Three months ended December 31,		Six months ended December 31,	
	2025	2024	2025	2024
	\$	(Restated)	\$	(Restated)
	\$	\$	\$	\$
<b>Revenue</b>	<b>107,024</b>	115,746	<b>215,326</b>	232,137
<b>Expenses</b>				
Direct costs	(8,607)	(9,827)	(18,453)	(18,813)
Technology and operations	(28,368)	(26,460)	(58,663)	(51,356)
General and administrative	(14,445)	(10,584)	(26,538)	(21,165)
Sales and marketing	(5,252)	(4,223)	(10,885)	(8,600)
Stock-based compensation (expense) recovery	(932)	47,642	(3,698)	42,451
Finance costs, net	(27,339)	(55,839)	(73,224)	(90,422)
Amortization, depreciation and impairment	(30,629)	(41,415)	(64,256)	(81,758)
Acquisition, restructuring and other costs	(15,930)	(40,162)	(22,660)	(43,970)
<b>Loss before income taxes</b>	<b>(24,478)</b>	(25,122)	<b>(63,051)</b>	(41,496)
Income tax recovery	2,688	5,458	2,989	6,537
<b>Net loss</b>	<b>(21,790)</b>	(19,664)	<b>(60,062)</b>	(34,959)
<b>Net income (loss) attributable to:</b>				
Non-controlling interests	4	705	(250)	479
Shareholders	(21,794)	(20,369)	(59,812)	(35,438)
<b>Net loss for the period</b>	<b>(21,790)</b>	(19,664)	<b>(60,062)</b>	(34,959)
<b>Net loss per common share</b>				
Basic	(0.32)	(0.30)	(0.89)	(0.53)
Diluted	(0.32)	(0.30)	(0.89)	(0.53)
<b>Weighted average number of shares</b>				
Basic	67,171	66,975	67,171	66,945
Diluted	67,171	66,975	67,171	66,945

## Adjusted EBITDA<sup>(5)</sup>

	Three months ended December 31		Six months ended December 31,	
	2025	2024	2025	2024
	\$	(Restated)	\$	(Restated)
	\$	\$	\$	\$
<b>Loss for the period</b>	<b>(21,790)</b>	(19,664)	<b>(60,062)</b>	(34,959)
Amortization, depreciation and impairment <sup>(1)</sup>	30,629	41,415	64,256	81,758
Finance costs, net <sup>(2)</sup>	27,339	55,839	73,224	90,422
Income tax recovery	(2,688)	(5,458)	(2,989)	(6,537)
Stock-based compensation expense (recovery) <sup>(3)</sup>	932	(47,642)	3,698	(42,451)
Acquisition, restructuring, and other costs <sup>(4)</sup>	15,930	40,162	22,660	43,970
<b>Adjusted EBITDA<sup>(5)</sup></b>	<b>50,352</b>	64,652	<b>100,787</b>	132,203

Certain comparative figures for the three and six months ended December 31, 2024 have been restated. See "Restatement of Prior Period Comparative Information".

- (1) Depreciation and amortization expense is primarily related to acquired and developed intangible assets, depreciation expense on property, equipment, and right-of-use assets

- (2) Finance costs are primarily related to interest expenses incurred on borrowings, changes in fair value of convertible debt and derivatives, lease obligations, net of interest income
- (3) 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.
- (4) Acquisition, restructuring, and other costs relates to professional fees and integration costs incurred in connection with acquisition, divestiture, reorganization related expenses and changes in fair value of contingent consideration. 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. Other costs primarily relate to non-recurring costs, including severance, and legal, advisory and other professional fees associated with the change in the Board and the delayed filing of the financial statements.
- (5) Represents a non-IFRS measure. See "Cautionary Note Regarding Non-IFRS Measures" and "Consolidated Results of Operations – Adjusted EBITDA" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.

## 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, 2025 was \$107.0 million, a decrease of \$8.7 million when compared to the three months ended December 31, 2024. Revenue for the six months ended December 31, 2025 and 2024 was \$215.3 million and \$232.1 million, respectively, a decrease of \$16.8 million or 7%. The decrease was primarily driven by a combination of market downturn and the impact of lower volumes and pricing from both the loss of customers and contract renewal terms affecting practice management and data insights platforms, partially offset by growth in Banking Technology and Affinity.

Of the Company's total revenues, Legal Software comprises \$80.4 million and \$161.5 million for the three and six months ended December 31, 2025, respectively. Banking Technology comprises \$26.6 million and \$53.8 million for the three and six months ended December 31, 2025, respectively.

	Three months ended December 31,		Six months ended December 31	
	2025	2024 (Restated)	2025	2024 (Restated)
	\$	\$	\$	\$
Legal Software	80,408	90,200	161,537	182,339
Banking Technology	26,616	25,546	53,789	49,798

*Certain comparative figures for the three and six months ended December 31, 2024 have been restated. See "Restatement of Prior Period Comparative Information".*

### Expenses

For the three months and six months ended December 31, 2025, total expenses before income taxes were:

	Three months ended December 31,		Six months ended December 31,	
	2025	2024 (Restated)	2025	2024 (Restated)
	\$	\$	\$	\$
<b>Expenses</b>				
Direct costs	(8,607)	(9,827)	(18,453)	(18,813)
Technology and operations	(28,368)	(26,460)	(58,663)	(51,356)
General and administrative	(14,445)	(10,584)	(26,538)	(21,165)
Sales and marketing	(5,252)	(4,223)	(10,885)	(8,600)
Stock-based compensation recovery (expense)	(932)	47,642	(3,698)	42,451
Finance costs, net	(27,339)	(55,839)	(73,224)	(90,422)
Amortization, depreciation and impairment	(30,629)	(41,415)	(64,256)	(81,758)
Acquisition, restructuring and other costs	(15,930)	(40,162)	(22,660)	(43,970)
<b>Total</b>	<b>(131,502)</b>	<b>(140,868)</b>	<b>(278,377)</b>	<b>(273,633)</b>

*Certain comparative figures for the three and six months ended December 31, 2024 have been restated. See "Restatement of Prior Period Comparative Information".*



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

- Technology and operations, general and administrative and sales and marketing expenses increased by \$6.8 million, or 16%, for the three months ended December 31, 2025 and increased by \$15.0 million, or 18% for the six months ended December 31, 2025, compared to the equivalent period in the prior year. The increase was primarily due to spend on initiatives aimed at stabilizing the business, including bolstering sales, customer service, and IT and Cyber Security departments to both mitigate loss of customers, as well as a lower capitalization rate as the Company shifted certain expenditures from capitalized projects to maintenance expense.
- Finance costs decreased by \$28.5 million, or 51%, for the three months ended December 31, 2025 and decreased by \$17.2 million, or 19%, for the six months ended December 31, 2025, compared to the equivalent period in the prior fiscal year. The primary drivers of the decrease in finance costs were lower unrealized foreign exchange loss on loans and borrowings, net of the fair value adjustments on derivatives.
- Stock-based compensation expense is higher this quarter due to the impact on amortization expense given the forfeiture of options resulting from the CEO separation agreement in the second quarter of Fiscal 2025.
- Amortization, depreciation, and impairment decreased by \$10.8 million, or 26%, for the three months ended December 31, 2025, and decreased by \$17.5 million, or 21%, for the six months ended December 31, 2025 compared to the equivalent period in the prior fiscal year. The decrease is primarily related to lower amortization on software intangibles due to timing, effects of foreign exchange and impairments recognized in the prior year.

### Segment Performance

The Company's CEO has been identified as the Chief Operating Decision Maker ("CODM"). The CODM is responsible for obtaining, reviewing, and making decisions and assessing the performance of the Company based on its operating segments.

During the final quarter of the fiscal year ended June 30, 2025, the Company began reporting its financial results under a new segment structure that includes four operating and reportable segments designed to better reflect the Company's new operating structure. Historically, information provided to the CODM comprised of a single segment. In connection with the segment reporting change, previously reported amounts have been recast to conform to current segment presentation.

The Company's CODM uses segment reporting for the four geographic regions, being Canada, UK and Ireland, Australia and South Africa. This reporting comprises revenue, less direct costs, technology and operating expenses, general and administrative expenses, and sales and marketing expenses. The CODM may also consider industry trends and other externally available financial information when evaluating the performance of the Company.

The following is a reconciliation of income (loss) before tax to the Segment Adjusted EBITDA.

<b>Segment Operating Results</b>	<b>Canada</b>	<b>UK &amp; Ireland</b>	<b>Australia</b>	<b>South Africa</b>	<b>Total</b>
	\$	\$	\$	\$	(Restated) \$
<b>Three months ended December 31, 2025</b>					
Revenue	57,589	25,787	17,487	6,161	107,024
<b>(Loss) income before taxes</b>	<b>(35,291)</b>	<b>(1,725)</b>	<b>7,566</b>	<b>4,972</b>	<b>(24,478)</b>
Finance costs, net	21,681	4,668	1,033	(43)	27,339
Stock-based compensation expense (recovery)	932	—	—	—	932
Amortization, depreciation and impairment	20,685	8,526	1,601	(183)	30,629
Acquisition, restructuring, and other costs	14,315	215	1,027	373	15,930
Corporate cost allocation	5,472	(2,944)	(2,172)	(356)	—
<b>Segment Adjusted EBITDA<sup>(1)</sup></b>	<b>27,794</b>	<b>8,740</b>	<b>9,055</b>	<b>4,763</b>	<b>50,352</b>
<b>Three months ended December 31, 2024</b>					
Revenue	65,737	26,831	16,650	6,528	115,746
<b>(Loss) income before taxes</b>	<b>(21,014)</b>	<b>(10,430)</b>	<b>2,285</b>	<b>4,037</b>	<b>(25,122)</b>
Finance costs, net	48,068	2,677	3,632	1,462	55,839
Stock-based compensation (recovery) expense	(47,654)	12	—	—	(47,642)
Amortization, depreciation and impairment	27,379	8,332	4,959	745	41,415
Acquisition, restructuring, and other costs	26,711	12,728	869	(146)	40,162
Corporate cost allocation	7,181	(3,714)	(2,552)	(915)	—
<b>Segment Adjusted EBITDA<sup>(1)</sup></b>	<b>40,671</b>	<b>9,605</b>	<b>9,193</b>	<b>5,183</b>	<b>64,652</b>
<b>Six months ended December 31, 2025</b>					
Revenue	119,817	53,120	35,153	7,236	215,326
<b>(Loss) income before taxes</b>	<b>(74,670)</b>	<b>(5,705)</b>	<b>13,903</b>	<b>3,421</b>	<b>(63,051)</b>
Finance costs, net	63,234	9,025	1,091	(126)	73,224
Stock-based compensation expense (recovery)	3,698	—	—	—	3,698
Amortization, depreciation and impairment	41,793	18,186	3,642	635	64,256
Acquisition, restructuring, and other costs	18,814	1,334	2,139	373	22,660
Corporate cost allocation	10,005	(5,253)	(4,223)	(529)	—
<b>Segment Adjusted EBITDA<sup>(1)</sup></b>	<b>62,874</b>	<b>17,587</b>	<b>16,552</b>	<b>3,774</b>	<b>100,787</b>
<b>Six months ended December 31, 2024</b>					
Revenue	133,843	56,449	34,502	7,343	232,137
<b>(Loss) income before taxes</b>	<b>(52,985)</b>	<b>(3,205)</b>	<b>10,041</b>	<b>4,653</b>	<b>(41,496)</b>
Finance costs, net	81,329	5,634	3,231	228	90,422
Stock-based compensation (recovery) expense	(42,466)	15	—	—	(42,451)
Amortization, depreciation and impairment	55,265	16,972	8,104	1,417	81,758
Acquisition, restructuring, and other costs	28,669	13,019	2,729	(447)	43,970
Corporate cost allocation	14,482	(8,576)	(4,793)	(1,113)	—
<b>Segment Adjusted EBITDA<sup>(1)</sup></b>	<b>84,294</b>	<b>23,859</b>	<b>19,312</b>	<b>4,738</b>	<b>132,203</b>

Certain comparative figures for the three and six months ended December 31, 2024 have been restated. See "Restatement of Prior Period Comparative Information".

- (1) Represents a non-IFRS measure. See "Cautionary Note Regarding Non-IFRS Measures" and "Consolidated Results of Operations – Adjusted EBITDA" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measures.



The method used for the allocation of corporate costs to segments is based on the level of consumption when determinable and measurable, otherwise the allocation is based on a proportion of a relevant driver, such as segment revenue.

## **Canada**

Canada's revenue decreased by \$8.1 million, or 12%, for the three months ended December 31, 2025 and decreased by \$14.0 million, or 10%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year. The decrease was primarily driven by a combination of market downturn and the impact of lower volumes and pricing from both the loss of customers and contract renewal terms affecting practice management and data insights platforms, partially offset by growth in Banking Technology.

Canada's Segment Adjusted EBITDA<sup>(2)</sup> decreased by \$12.9 million, or 32%, for the three months ended December 31, 2025 and decreased by \$21.4 million, or 25%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year. The decrease in Segment Adjusted EBITDA<sup>(2)</sup> was largely driven by the revenue impacts described above as well as strategic reinvestments necessary to stabilize the business, predominantly labour and IT infrastructure, and a lower capitalization rate as the Company temporarily shifted certain expenditures from capitalized projects to maintenance expense.

## **UK & Ireland**

UK & Ireland's revenue decreased by \$1.0 million, or 4%, for the three months ended December 31, 2025 and decreased by \$3.3 million, or 6%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year. The decrease was primarily driven by a combination of market downturn and the impact of lower volumes and pricing from both the loss of customers and contract renewal terms affecting search platforms.

UK & Ireland's Segment Adjusted EBITDA<sup>(2)</sup> decreased by \$0.9 million, or 9%, for the three months ended December 31, 2025 and decreased by \$6.3 million, or 26%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year. The decrease in Segment Adjusted EBITDA<sup>(3)</sup> was largely driven by revenue impacts described above as well as strategic reinvestments necessary to stabilize the business.

## **Australia**

Australia's revenue increased by \$0.8 million, or 5%, for the three months ended December 31, 2025 and increased by \$0.7 million, or 2%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year. The increase in revenue was primarily driven by the recently acquired Affinity platform, partially offset by declines in the search and mortgage services businesses.

Australia's Segment Adjusted EBITDA<sup>(2)</sup> decreased by \$0.1 million, or 2%, for the three months ended December 31, 2025 and decreased by \$2.8 million, or 14%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year. The decrease in Segment Adjusted EBITDA<sup>(3)</sup> was driven by increased labour costs associated with legislative wage increases, partially offset by the revenue impacts described above.

## **South Africa**

South Africa's revenue decreased by \$0.4 million, or 6%, for the three months ended December 31, 2025 and decreased by \$0.1 million, or 1%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year.

South Africa's Adjusted EBITDA<sup>(2)</sup> decreased by \$0.4 million, or 8%, for the three months ended December 31, 2025 and decreased by \$1.0 million, or 20%, for the six months ended December 31, 2025 compared to the equivalent period in the prior year.

---

<sup>2</sup> Represents a non-IFRS measure. See "Cautionary Note Regarding Non-IFRS Measures" and "Consolidated Results of Operations – Adjusted EBITDA" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measures.

## Summary of Quarterly Results

The following table sets out select unaudited quarterly results for the past eight quarters, prepared in accordance with IFRS. As noted above, prior quarterly periods have been restated to reflect: (i) reclassifications between revenue and direct costs, (ii) certain adjustments related to the timing of revenue recognition where revenue was recorded in the incorrect period, (iii) the overstatement of intangible assets related to certain technology and operations costs that did not meet capitalization criteria, (iv) the understatement of prepayment option and the related fair value adjustments associated with the Senior Secured 2029 Notes, (v) differences in the calculations of fair values of the Company's certain financial instruments, and (vi) certain other reclassifications including reclassifications to conform to the financial presentation adopted for the current fiscal period. See "Restatement of Prior Period Comparative Information" for a more detailed description of the adjustments.

The Company's real estate conveyancing and search business product lines experience moderate seasonality, with revenue typically peaking in spring/summer (Q1/Q4 of each fiscal year) and slowing in winter months (Q2/Q3 of each fiscal year). As a result, the Company's first and fourth quarters typically generate higher revenue than other quarters. The Company's business law solutions, due diligence and payment infrastructure product lines do not experience significant seasonality with the exception of reduced deal flow leading up to the holidays and resuming midway through Q3 of each fiscal year. Quarterly revenue and EBITDA fluctuations in the results set out in the table below can therefore attributed to seasonality with the exception of Q4 FY25 and Q1 FY26 EBITDA when the Company shifted certain expenditures from capitalized projects to maintenance expense, resulting in a reduction to EBITDA that is not related to seasonality.

Quarterly Results (In thousands of Canadian dollars, except per share data)	Q2 2026 \$	Q1 2026 \$	Q4 2025 \$	Q3 2025 (Restated) \$
Revenue	107,024	108,302	105,173	103,420
Net loss <sup>(1)</sup>	(21,790)	(38,272)	(29,552)	(23,449)
Adjusted EBITDA <sup>(2)</sup>	50,352	50,435	47,744	52,862
Net loss per common share	(0.32)	(0.57)	(0.44)	(0.35)
Net loss per diluted share	(0.32)	(0.57)	(0.44)	(0.35)

Quarterly Results (In thousands of Canadian dollars, except per share data)	Q2 2025 (Restated) \$	Q1 2025 (Restated) \$	Q4 2024 (Restated) \$	Q3 2024 (Restated) \$
Revenue	115,746	116,391	117,520	103,452
Net loss <sup>(1)</sup>	(19,664)	(15,295)	(97,425)	(27,118)
Adjusted EBITDA <sup>(2)</sup>	64,652	67,551	65,976	56,454
Net loss per common share	(0.30)	(0.23)	(1.63)	(0.43)
Net loss per diluted share	(0.30)	(0.23)	(1.63)	(0.43)

Certain comparative figures for 2024 and the first, second and third quarters of 2025 have been restated. See "Restatement of Prior Period Comparative Information".

- (1) Includes income tax expense (recovery).
- (2) Represents a non-IFRS measure. See "Cautionary Note Regarding Non-IFRS Measures" and "Consolidated Results of Operations – Adjusted EBITDA" for a reconciliation to the applicable IFRS measures.

### Revenue

#### Q2 FY2026 v. Q1 FY2026

Total revenue for the three months ended December 31, 2025 was largely flat, having decreased by \$1.3 million, or 1%, compared to the previous quarter. The decrease can largely be attributed to moderate seasonality and market factors described above.



## Expenses

### Q2 FY2026 v. Q1 FY2026

The three months ended December 31, 2025, when compared to the three months ended September 30, 2025, had lower total expenses resulting primarily from lower finance costs due to lower unrealized foreign exchange losses on loans and borrowings, net of the fair value adjustments on derivatives and lower amortization, depreciation and impairment expense. Technology and operations, general and administrative and sales and marketing expenses decreased by \$1.3 million or 3%, excluding provisions for expected credit losses, when compared to the three months ended September 30, 2025. This reduction reflects both the Company's commitment to drive operational efficiencies made at the end of Q1 FY26 and a progressive shift of certain expenditures from maintenance expense back to capitalized projects.

### All quarters

Generally, the impact of fair value adjustments on derivatives, the Convertible Debentures and foreign exchange gains and losses on loans and borrowings can have large impacts on total expenses in any given period. Excluding those adjustments, the quarter-over-quarter variance in total expenses for all periods generally relates to higher amortization expense from investments in intangible assets, changes in expenses incurred for acquisitions, restructuring and other non-recurring costs, and additional finance costs in the periods with higher interest rates.

## Liquidity and Capital Resources

The Company manages its capital structure based on the funds available to support the continuation and expansion of its operations and the cost of its capital structure and the deferred consideration associated with prior acquisitions. 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 to achieve its growth strategies. The Company expects that cash and cash equivalents, and future operating cash flows will enable the Company to fund its ongoing business requirements, including working capital and other contractual obligations.

## Contingencies and Commitments

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 the Financial Statements.

## 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 are reflected in the Financial Statements. From time to time, we may be contingently liable with respect to litigation and claims that arise in the normal course of operations.

## Cash Flows

The Company's primary source of cash flow is from operations and proceeds from any divestitures. 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.

As at December 31, 2025, total cash was \$37.8 million (as at June 30, 2025: \$43.1 million); a decrease of \$5.3 million since the beginning of the fiscal year. This was primarily due to contribution from cash provided by operations, and a quarter end draw on the revolver in advance of semi-annual debt payments made in the second quarter of Fiscal 2026, partially offset by payments on holdbacks and contingent consideration for completed acquisitions.

On October 7, 2025, the Company entered into a definitive agreement to sell its wholly-owned subsidiary, Credas, to an established UK anti-money laundering software provider. The sale closed on January 6, 2026 and under the terms of the agreement, the Company received gross proceeds of approximately \$146.3 million (£77.8 million). The Company intends to apply all net proceeds toward repayment of outstanding senior secured debt as part of its deleveraging priorities and strategic reset. On January 16, 2026, in accordance with the terms of the Senior Credit Agreement, the Company repaid \$30.0 million on its New Revolving Facility from the net proceeds from the sale, reducing utilization to below 35%. On January 26, 2026, the Company used US\$27.3 million of the proceeds to reduce the amount outstanding under the Term



Loan B. With respect to the remaining net proceeds, in accordance with its obligations under the debt instruments, the Company launched an Excess Proceeds Offer on February 9, 2026. The offer will expire on March 9, 2026.

The following table provides a summary of the Company's cash flows for the periods indicated below:

(in thousands of Canadian dollars)

	Three months ended December 31,		Six months ended December 31,	
	2025 \$	2024 (Restated) \$	2025 \$	2024 (Restated) \$
Net cash provided by operating activities	33,577	15,626	73,794	62,266
Net cash used in financing activities	(48,912)	(20,587)	(51,311)	(58,943)
Net cash used in investing activities	(5,759)	(22,064)	(25,917)	(237,008)
Change in cash during the period	(21,094)	(27,025)	(3,434)	(233,685)
Cash and cash equivalents, beginning of period	57,560	58,425	43,098	265,316
Effect of foreign exchange on cash	(203)	928	206	697
Less: cash included in assets held for sale	1,586	—	(2,021)	—
<b>Cash and cash equivalents end of period</b>	<b>37,849</b>	<b>32,328</b>	<b>37,849</b>	<b>32,328</b>

Certain comparative figures for the three and six months ended December 31, 2024 have been restated. See "Restatement of Prior Period Comparative Information".

Net cash provided by operating activities for the three and six months ended December 31, 2025 was \$33.6 million and \$73.8 million, respectively, compared to \$15.6 million and \$62.3 million for the equivalent periods in the prior fiscal year. The year over year improvement in cash flow from operations was driven by lower financing costs, lower taxes paid, and improvements in working capital.

Net cash used in financing activities for the three and six months ended December 31, 2025 was \$48.9 million and \$51.3 million, respectively, compared to \$20.6 million and \$58.9 million for the equivalent period in the prior fiscal year. The financing activities primarily related to interest payments made and payments for loans and borrowings, partially offset by cash inflows from net loans and borrowings. Net cash used in financing activities for the six months ended December 31 2024 was \$58.9 million, related to interest paid, payments on loans and borrowings offset by cash inflows from net loans and borrowings.

Net cash used in investing activities for the three and six months ended December 31, 2025 was \$5.8 million and \$25.9 million, respectively, compared to \$22.1 million and \$237.0 million for the equivalent periods in the prior fiscal year. Net cash used in investing activities for the six months ended December 31, 2025 related primarily to the payments of holdbacks and contingent consideration and capitalized software development. Net cash used in investing activities for the six months ended December 31, 2024 was \$237.0 million, which includes \$185.0 million invested as part of the FY2024 Credit Facility (as defined below) meant to settle the Original Convertible Debentures (as defined herein). The remainder of net cash used in investing activities for the six months ended December 31, 2024 related primarily to acquisition and holdback consideration paid and capitalized software development work.

### Capital Expenditures

Capital expenditures for the three and six months ended December 31, 2025, were \$6.4 million and \$9.0 million, respectively, compared to \$7.4 million and \$12.2 million for the equivalent periods in the prior fiscal year. Current period additions are comprised of intangible additions related to software and development of \$8.3 million. Capital expenditures primarily represent our continued investment to enhance and further develop our existing platforms and purchases of software. The Company continues to exercise disciplined resource allocation, with a focus on product enhancements. The Company expects to fund its ongoing capital commitments with cash flow from operations.

### Credit Facilities

#### FY2024 Credit Facility and Senior Secured 2029 Notes

The Company's senior secured notes due 2029 (the "Senior Secured 2029 Notes"), which are issued pursuant to a senior note indenture (the "Senior Notes Indenture") bear a fixed interest rate equal to 8.625%. The \$476.0 million (USD \$350.0 million) senior secured term loan B ("Term Loan B") bears a variable interest rate equal to (i) the Term Secured Overnight



Financing Rate (“Term SOFR”) Rate plus (ii) the Term SOFR adjustment plus (iii) Applicable percentage. The \$105.0 million revolving credit facility bears a fixed interest rate equal to 9.66% (“New Revolving Facility”, and together with Term Loan B, the “FY2024 Credit Facility”). The New Revolving Facility and Term Loan B are governed by a senior credit agreement (the “Senior Credit Agreement”).

The Senior Secured 2029 Notes, the New Revolving Facility and Term Loan B have a maturity date of April 15, 2029, April 11, 2029, and April 11, 2031, respectively. Principal repayments of \$1.2 million (USD \$0.9 million) are due on a quarterly basis on Term Loan B beginning from December 31, 2024. The Company has been making partial principal repayments towards the Term Loan B. To the extent the Senior Secured 2029 Notes have not been paid in full, extended, refinanced or replaced before its maturity, the Term Loan B and the New Revolving Facility will each have an accelerated maturity of 91 days prior to the maturity date of the Senior Secured 2029 Notes.

Subsequent to December 31, 2025, the Company repaid \$30.0 million of the New Revolving Facility in accordance with the terms of the Senior Credit Agreement, reducing the utilization to below 35%, and also repaid US\$27.3 million on the Term Loan B. With respect to the remaining net proceeds from the sale of Credas, in accordance with its obligations under the debt instruments, the Company launched an Excess Proceeds Offer on February 9, 2026, which will expire on March 9, 2026.

The FY2024 Credit Facility and the Senior Secured 2029 Notes are classified as financial liability at amortized cost and accounted for using the effective interest rate method.

The change in balance outstanding under the FY2024 Credit Facility and Senior Secured 2029 Notes as at December 31, 2025 is as follows:

	<b><u>FY2024 Credit Facility</u></b>			<b>Total</b>
	<b>Senior secured 2029 Notes</b>	<b>Term Loan B</b>	<b>New revolving Facility</b>	
	\$	\$	\$	\$
<b>Balance, June 30, 2025</b>	764,460	439,092	47,823	1,251,375
Add (less)				
Proceeds during the period	—	—	<b>31,500</b>	<b>31,500</b>
Payment during the period	—	<b>(2,425)</b>	<b>(17,500)</b>	<b>(19,925)</b>
Interest and accretion expense	<b>33,313</b>	<b>18,809</b>	<b>1,877</b>	<b>53,999</b>
Interest paid	<b>(31,628)</b>	<b>(17,735)</b>	<b>(1,924)</b>	<b>(51,287)</b>
Unamortized prepayment option	<b>(781)</b>	—	—	<b>(781)</b>
Effects of foreign exchange	<b>1,660</b>	<b>961</b>	—	<b>2,621</b>
<b>Balance, December 31, 2025</b>	<b>767,024</b>	<b>438,702</b>	<b>61,776</b>	<b>1,267,502</b>
Current	<b>13,179</b>	<b>4,778</b>	<b>276</b>	<b>18,233</b>
Non-current	<b>753,845</b>	<b>433,924</b>	<b>61,500</b>	<b>1,249,269</b>

The Senior Secured 2029 Notes contain optional prepayment features that allow the Company to prepay the Senior Secured 2029 Notes prior to maturity at a premium that is accounted for as embedded derivative financial instruments, recorded as a prepayment option in the Condensed Consolidated Interim Statements of Financial Position with the corresponding changes in fair value recorded in finance costs, net on the Condensed Consolidated Interim Statements of Operations.

The change in the embedded prepayment option is as follows:

	\$
<b>Balance, June 30, 2025</b>	<b>20,947</b>
Change in fair value through profit & loss	<b>(21,116)</b>
Effects of foreign exchange	<b>347</b>
<b>Balance, December 31, 2025</b>	<b>178</b>

## Financial Instruments and Other Instruments

In February 2021, the Company issued \$345 million aggregate principal amount of convertible senior unsecured debentures due March 1, 2026 (the “Original Convertible Debentures”), of which the Company retired \$160 million in aggregate principal amount under the Company’s Substantial Issuer Bid in January 2024. The Original Convertible Debentures have a principal of \$185.0 million and bear an interest rate of 3.75% payable semi-annually and are convertible into common shares of the Company at an exercise price of \$73.23 per share.

As at December 31, 2025, the Company has restricted investments comprised of \$17.8 million in cash and \$167.2 million of investments held in escrow that are required to be used for settlement of outstanding Original Convertible Debentures in accordance with the Senior Credit Agreement. The cash and investments are to be held to the earlier of (a) the repurchase by the Company of all the outstanding Original Convertible Debentures, or (b) the maturity date of the Original Convertible Debentures.

On November 6, 2023, the Company announced that it had closed a private placement (the “Private Placement”) of \$20.4 million aggregate principal amount of senior unsecured extendible convertible debentures due November 1, 2028 (the “New Convertible Debentures” and, together with the Original Convertible Debentures, the “Convertible Debentures”) and also issued \$140 million in principal amount of New Convertible Debentures as part of the Company’s Substantial Issuer Bid in January 2024 from which a New Convertible Debenture election was made for the Original Convertible Debentures. The New Convertible Debentures have a principal amount of \$160.4 million and bear an interest rate of 6.5% payable semi-annually and are convertible into common shares of the Company at an exercise price of \$40.00 per share.

The Company determined that the conversion option within Company’s 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, as a result, the Convertible Debentures were designated as fair value through profit or loss at initial recognition. 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 (loss). The fair value of the Convertible Debentures is classified as Level 3 in the fair value hierarchy.

## Related Party Transactions

The Company defines key management personnel for the period as being the Board, the CEO, and the executive leadership team. During the fiscal year ended June 30, 2025, the Company began reporting its financial results under a new segment structure that includes four operating and reportable segments. As a result of the addition of regional segment leaders with profitability responsibility and the hiring of additional executive roles, the number of individuals included in the Related Party Transactions disclosure below and in the Audited Consolidated Financial Statements and the Financial Statements expanded from six to eleven during the three and six months ended December 31, 2025. See Footnote 15 in the Financial Statements. The increase in the number of individuals included in the disclosure below is the driver of the year over year increase in salaries and benefits. There have been no other related party transactions other than the remuneration of key management personnel during the period which are as follows:

	Three months ended December 31,		Six months ended December 31,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries and benefits	5,146	3,718	7,203	5,420
CEO separation costs and other severance	1,068	10,800	1,068	10,800
Stock-based compensation (recovery)	2,861	(44,763)	3,361	(40,110)
	9,075	(30,245)	11,632	(23,890)

During his tenure as CEO of the Company, the former CEO was granted an aggregate of 9,188 options. Pursuant to a separation agreement dated November 25, 2024 (the “Separation Agreement”), the Company agreed to permit the 4,392 options that had vested as of the date of the Separation Agreement to remain exercisable in accordance with their terms until their applicable expiry dates. The 4,796 options that had not vested as of the Separation Agreement were immediately cancelled resulting in a stock-based compensation recovery of \$51.1 million during the three and six months ended December 31, 2024.



Subsequent to the three and six months ended December 31, 2025, pursuant to a written request from the former CEO, the Board accepted the forfeiture and cancellation of the remaining 4,392 options, effective January 23, 2026 with exercise prices of \$21.31 and \$39.38.

## Critical Accounting Policies and Estimates

Please see the Audited Consolidated Financial Statements for a discussion of the accounting policies and estimates that are critical to the understanding of the Company's business operations and the results of its operations.

### Critical Accounting Estimates

The preparation of the 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:

#### Revenue Recognition

At contract inception, the Company is required to assess the services promised in a contract with a customer and identify a service that is distinct or a series of distinct services that are substantially the same and have pattern of transfer to the customer. Judgment is required to assess which of the identified services represent separate performance obligations as well as how to allocate the transaction price among the separate performance obligations. Judgment is required when allocating the transaction price to individual performance obligations within a contract. In concluding whether components are separately identifiable, the management considers the transaction from the customer's perspective. Among other factors, the management assesses whether the service is sold separately by the Company in the normal course of business or whether the customer could purchase the service separately.

The determination by the Company as to whether it acts as a principal in a transaction and recognized revenue on the gross amount billed to a customer, or as an agent and reports the sales transactions on a net basis, required significant judgment. In making its judgment, the Company considers all facts and circumstances with respect to its contract with the customer and applies the guidance under IFRS 15 to each distinct performance obligation on whether it acts as a principal or agent in determining of the revenue should be recognized on a gross or net basis.

#### 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.

#### Long-lived Asset Valuations

The Company performs asset impairment assessments for goodwill, indefinite life intangible assets and intangible assets under development on an annual basis, or on a more frequent basis when circumstances indicate impairment may have occurred. Other long-lived assets and definite life intangibles are also tested for impairment when circumstances indicate

that there may be impairment. Management judgment is involved in determining if there are circumstances indicating that testing for impairment is required, and in identifying cash-generating units (“CGUs”) for the purpose of impairment testing.

The testing for impairment of goodwill compares the recoverable amount of the CGU or group of CGUs to the carrying amount. The recoverable amount is defined as the higher of: (i) value in use; or (ii) fair value less cost to sell. 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. The determination of the recoverable amount involves significant assumptions, including those with respect to future cash inflows and outflows, discount rates, terminal growth rates, royalty rates with respect to indefinite life intangible assets, and asset lives. These assumptions could affect the Company’s future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite life assets recognized in future periods.

### 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.

### Allowance for Doubtful Receivables

The Company has elected to apply the simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses (“ECLs”) for trade receivables and unbilled revenue. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The Company measures ECLs by considering the Company’s historical observed default rates and credit loss experience, adjusted with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customers’ actual default in the future.

### Fair Value of Share-Based Compensation

The Company measures the cost of equity-settled and cash-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 Financial Statements cannot be derived from active markets, the fair value is determined using various valuation techniques. 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, volatility and expectations of future cash flows. 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. Derivatives, Convertible Debentures and an embedded prepayment option are the major instruments which require significant assumptions and judgements.

### 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.sedarplus.ca](http://www.sedarplus.ca), which risks contained in the Company’s most recent AIF are incorporated by reference herein. 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. The following summary of risk factors relating to the Company does not prove to be exhaustive or to summarize all the risks that may be associated with the Company.



## 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, U.K., Irish and Australian financial institutions. Due to the Company's diversified customer base, there is no 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.

## Market Risk

### Pricing Risk

The Company is exposed to market risk primarily in terms of revenue generation and the Convertible Debentures. The Company's revenue is driven by transaction volumes, which have increased with the growth and strength of the Canadian economy. The Convertible Debentures are measured using an amortizing convertible bond calculator produced by FINCAD (acquired by Numerix LLC). This model is based on 'partial differential equations' solved using finite differences methods to value financial instruments by solving the differential equation that the financial instrument satisfies. The Company monitors the market conditions to capture fluctuations that may affect the ongoing revenue and valuation of the Convertible Debentures. That said, historically the Company's business model has proven to be resilient in market downturns.

### 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 on a portion of its debt (Term Loan B and the New Revolving Facility) for which the interest rate may be adjusted with future fluctuations in various reference rates, such as SOFR, CORRA, EURIBOR, the prime rate, etc. Based on the amount owing as of December 31, 2025, after giving effect to the Company's cross-currency swaps, a 1% change in the CORRA rate, with all other variables held constant, would change finance costs and income before taxes on an annualized basis by \$2.0 million on variable rate debt.

### 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. The Company has entered into swaps to fully hedge the foreign exchange risk on its US dollar denominated debt. As a result, the Company's exposure to fluctuations in US dollar exchange rates is not significant.

As at December 31, 2025, the Company had a net financial liability position denominated in British pounds of \$38.9 million (£21.1 million) (2024: \$37.9 million (£21.0 million)). As at December 31, 2025, the Company had a net financial liability denominated in Australian dollars of \$16.2 million (A\$17.7 million) (2024: \$42.2 million (A\$37.7 million)). As at December 31, 2025, the Company had a net financial asset position denominated in South African rand of \$6.0 million (ZAR\$72.8 million) (2024: net financial liability position of \$4.7 million (ZAR\$61.7 million)). A 10% change in the exchange rates of significant currencies to which the Company has exposure as at December 31, 2025 would change other comprehensive income before taxes by \$4.9 million (2024: \$7.1 million).

## Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Contractual maturities, such as loans and borrowings, the Convertible Debentures, interest rate swap settlements, trade and other payables, accrued liabilities, customer advances, lease liabilities and contingent consideration are exposed to liquidity risk.

The Senior Notes Indenture and the Senior Credit Agreement contain mandatory prepayments, restrictive covenants, and events of default which require the Company not to exceed a prescribed consolidated total net leverage ratio at any time when the amount borrowed under the revolving credit facility exceeds a specified threshold. The Company's inability to generate sufficient cash flow to satisfy its debt obligations on the required maturity dates, or to refinance its indebtedness



on commercially reasonable terms or at all, would materially and adversely affect the Company's business, results of operations, and financial condition.

### 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. Our inability to effectively integrate companies we acquire could have adverse effect on our business and the results of operations.

### Revenue

The Company 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 the Financial Statements.

## Risks and Uncertainties Related to Our Indebtedness and the Senior Secured 2029 Notes

The risks and uncertainties discussed below are in reference to the Senior Secured 2029 Notes and the FY2024 Credit Facility (collectively, the "Senior Secured Credit Facilities"), and the Convertible Debentures.

### Substantial Indebtedness

We have a substantial amount of indebtedness. Refer to the "Credit Facilities" and "Financial Instruments and Other Instruments" section of this MD&A for details on long-term debt as of December 31, 2025.

Subject to the limitations in the Senior Secured Credit Facilities and the indentures governing the Senior Secured 2029 Notes and the Convertible Debentures, we may also incur significant additional indebtedness in the future. Our substantial indebtedness may, among others, make it difficult for us to satisfy our financial obligations, increase our vulnerability to adverse economic conditions, and limit our ability to borrow additional funds.

Further, borrowings under the Senior Secured Credit Facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease.

### Cash to Service our Debt Obligations

Our ability to make payments of principal and interest on our debt and to refinance our indebtedness, including the Senior Secured Credit Facilities, will depend on our financial and operating performance and our ability to enter into additional debt and equity financings, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the Senior Secured Credit Facilities.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance all or a portion of our indebtedness, including the Senior Secured Credit Facilities. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The indentures that govern the Senior Secured 2029 Notes and the Convertible Debentures and the Senior Credit Agreement restrict our ability to dispose of assets, use the proceeds from any disposition of assets and to refinance our indebtedness.



## Debt Covenants

The indenture that governs the Senior Secured 2029 Notes and the indentures governing the Convertible Debentures, and the FY2024 Credit Facility, contain various covenants that limit our ability and/or our restricted subsidiaries' ability to, among other things, incur or assume liens or additional debt, pay dividends or repurchase capital stock, make loans and investments, and sell assets and capital stock.

In addition to the above, the indenture that governs the Senior Secured 2029 Notes, the indentures governing the Convertible Debentures, and the FY2024 Credit Facility contain certain events of default and additional covenants that limit our ability and/or our restricted subsidiaries' ability to, among other things, issue redeemable stock and preferred stock, make capital expenditures, and sell substantially all of our assets.

In particular, the FY2024 Credit Facility contains restrictive covenants which require us to maintain, based on a level of utilization of the New Revolving Facility, on a quarterly basis, a prescribed Consolidated First Lien Net Leverage Ratio (as defined in the Senior Credit Agreement). A breach of this covenant could result in a default under the FY2024 Credit Facility, the indentures governing the Convertible Debentures and/or the indenture that governs the Senior Secured 2029 Notes. Other events of default under the Senior Secured Credit Facilities include, among other things, non-payments of amounts due thereunder, breaches of specific covenants, breaches of representations and warranties, cross-defaults under other credit documents, the commencement of insolvency proceedings against us and/or our restricted subsidiaries and the occurrence of a change of control (as defined thereunder). Upon the occurrence of an uncured event of default under the Senior Secured Credit Facilities, the lenders could elect to declare all amounts outstanding under the Senior Secured Credit Facilities, as applicable, to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them to secure that indebtedness. We have pledged or will pledge a significant portion of our and our subsidiaries' assets as collateral under the Senior Secured Credit Facilities. Refer to "Payment Obligations on Indebtedness and Default" below.

## Ratings on Debt Securities

A rating agency's rating of our debt securities is not a recommendation to purchase, sell or hold any particular security. Such ratings are limited in scope and do not comment as to material risks relating to an investment in the Senior Secured 2029 Notes. There is no assurance that such credit ratings will remain in effect for any given period of time. Rating agencies also may lower, suspend or withdraw ratings on the Senior Secured 2029 Notes or our other debt in the future.

Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices or marketability of our indebtedness and make it more difficult or more expensive for us to obtain additional debt financing.

In early October 2025, Moody's and S&P lowered the Company's credit rating to B3 and B- negative watch, respectively.

## Payment Obligations on Indebtedness and Default

Any default under the agreements governing our indebtedness, including a default under the Senior Secured Credit Facilities, that is not cured (if possible) or waived by the required lenders thereunder, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the FY2024 Credit Facility and/or the Senior Secured 2029 Notes and substantially decrease the market value of such indebtedness. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in the Senior Secured Credit Facilities and the applicable indenture), we could be in default under the terms of the agreements governing such indebtedness, including the Senior Secured Credit Facilities and the applicable indenture. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Senior Secured Credit Facilities could elect to institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation.

## Collateral on Secured Indebtedness

No appraisal of the value of collateral has been made in connection with the Senior Secured Credit Facilities, and the fair market value of collateral is subject to fluctuations based on factors that include, among others, general economic conditions and similar factors. The amount to be received upon a sale of collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, portions of collateral may be illiquid or intangible and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, collateral may not be sold in a timely or orderly manner, and the proceeds from any sale or liquidation of this collateral may not be sufficient to pay our obligations under the FY2024 Credit Facility and/or the Senior Secured 2029 Notes (including after taking into

all of our other obligations secured thereby on a first-priority basis). Any claim for the difference between the amount, if any, realized by the lenders under the FY2024 Credit Facility and/or the holders of the Senior Secured 2029 Notes from the sale of collateral will rank equally in right of payment with all of our other unsecured unsubordinated indebtedness and other obligations, including trade payables. In addition, in the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the lenders under our Senior Secured Credit Facilities will share the proceeds of collateral ratably with the holders of the Senior Secured 2029 Notes, thereby diluting collateral coverage.

#### Dilution of Collateral Securing the New Senior Secured Notes

The collateral that secures the Senior Secured 2029 Notes also secures our obligations under the FY2024 Credit Facility. The collateral may also secure additional senior indebtedness, including additional note offerings, that we incur in the future, subject to restrictions on our ability to incur debts and liens under the FY2024 Credit Facility and the indenture that governs the Senior Secured 2029 Notes. Rights to the collateral would be diluted by any increase in the indebtedness secured by the collateral on a pari passu or priority basis.

#### Canadian Bankruptcy, Insolvency and Other Laws

Canadian bankruptcy, insolvency, winding-up, reorganization, and other restructuring or similar corporate arrangement legislation (“Canadian Insolvency Law”) may impair, delay, stay, compromise, or otherwise restrict the rights of the holders of the Senior Secured 2029 Notes, the trustee, or the notes collateral agent to enforce remedies under the Senior Secured 2029 Notes, the indenture that governs the Senior Secured 2029 Notes, the guarantees or in respect of the collateral if the benefit of the applicable Canadian Insolvency Law is sought with respect to us or the guarantors.

In Canada, insolvency proceedings are principally governed by the Bankruptcy and Insolvency Act (Canada) (the “BIA”) and the Companies’ Creditors Arrangement Act (Canada) (the “CCAA”). Under Canadian Insolvency Law, and in particular under the BIA and the CCAA, an insolvent debtor may obtain a stay of proceedings or other rights and remedies in favor of itself and its property against its creditors and others and prepare and file a restructuring proposal or a plan of compromise or arrangement, as applicable, to be voted on by the various classes of its affected creditors. Such a proposal, compromise or arrangement, if accepted by the requisite majorities of each affected class of creditors and if sanctioned by the relevant Canadian court and implemented, would be binding on all affected creditors, including those affected creditors that did not vote to accept the proposal, compromise or arrangement. In addition, the relevant Canadian court may, subject to certain conditions, create court-ordered charges on the assets of the debtor to secure, amongst other things, interim financing, professional fees, amounts owing to critical suppliers, and post-filing director and officer liabilities. Such court-ordered charges may rank in priority to the debtor’s existing indebtedness, including the secured debt evidenced by the Senior Secured 2029 Notes. In certain conditions, Canadian Insolvency Law permits the debtor (or its court appointed receiver) to retain possession and administration of its property (including property that constitutes collateral), subject to court oversight, even though it may be in default under the applicable debt instrument or security document during the period that the stay of proceedings remains in place and the ability of its creditors to enforce their rights upon such default may be impaired, delayed, stayed, compromised or otherwise restricted. In addition, it may be possible to restructure or recapitalize certain debt obligations under applicable corporate statutes without commencing formal insolvency proceedings.

In this regard, if we were to become subject to a proceeding under applicable Canadian Insolvency Law, the approval threshold requirements provided in the indenture that governs the Senior Secured 2029 Notes for modification of certain rights of the holders of Senior Secured 2029 Notes may be disregarded and the applicable statute or the court will establish the approval threshold. The powers of the court under Canadian Insolvency Law, and in particular under the CCAA, have been interpreted and exercised broadly and remedially so as to preserve the enterprise value of a debtor and protect such debtor and its assets from actions taken by creditors and other parties. Accordingly, we cannot predict whether payments under the Senior Secured 2029 Notes or the guarantees thereof would be made during any proceedings under Canadian Insolvency Law, whether (and to what extent) or when the notes collateral agent could exercise its rights under the indenture that governs the Senior Secured 2029 Notes, the Senior Secured 2029 Notes, the guarantees or the security documents or in respect of the collateral during any such proceedings, or whether (and to what extent) holders of the Senior Secured 2029 Notes would be compensated for any delays in payment of principal, interest and costs, including the fees and disbursements of the notes collateral agent or the loss of value of the collateral. If we were to become subject to any proceedings under Canadian Insolvency Law, we may cease making payments on the Senior Secured 2029 Notes and the notes collateral agent may not be able to exercise its rights under the relevant security documents or the indenture that governs the Senior Secured 2029 Notes, respectively, following commencement of or during such proceedings, without leave of the court.

In the context of a proceeding under the BIA or the CCAA, the relevant Canadian court may review asset transfers and transactions undertaken by a debtor within specified time periods prior to the initiation of the proceeding to determine if the debtor was engaged in any transfers at undervalue or preferences. Transfers at undervalue and preferences may be declared void (or not set up against the trustee in bankruptcy or monitor) if certain conditions are satisfied. Trustees in



bankruptcy or monitors, as applicable, creditors and other qualified stakeholders may also seek to void, set aside, or otherwise challenge transactions under provincial, territorial and federal legislation.

We have property located outside of Canada and certain of the subsidiaries that guarantee the Senior Secured 2029 Notes and provide collateral are organized in Australia and England and Wales. Canadian courts, acting pursuant to Canadian Insolvency Law, can be vested with jurisdiction over a debtor's property wherever it is located, including property situated in other countries. Courts outside of Canada, however, may not recognize the relevant Canadian court's jurisdiction or those non-Canadian jurisdictions may have laws that are materially different from, or in conflict with, Canadian Insolvency Law. This could make administering a Canadian proceeding conducted under Canadian Insolvency Law difficult. Further, if certain criteria are met, it is possible that a bankruptcy, insolvency, or similar proceeding could be initiated in Australia, England and Wales, or any other non-Canadian jurisdiction where permitted by law, such as the United States. If proceedings are initiated outside of Canada, both the BIA and the CCAA allow a representative authorized in a foreign proceeding in respect of a debtor to seek recognition in Canada of the foreign insolvency proceeding. Accordingly, if we were to be subject to an insolvency proceeding outside of Canada and subsequently sought recognition of such proceeding in Canada, a Canadian court may recognize the foreign proceeding as a "foreign non-main proceeding." The relevant Canadian court may—but is not required to—grant a stay of proceedings in Canada in the case of a foreign non-main proceeding. Certain other relief may also be impacted if a foreign proceeding is determined to be a "foreign non-main proceeding" rather than a "foreign main proceeding."

### **Outstanding Share Information**

The Company is currently authorized to issue an unlimited number of common shares. As of the date of this MD&A, approximately 67.2 million common shares, 8.9 million equity awards (including stock options, restricted share units and deferred share units) and 0.2 million share appreciation rights are issued and outstanding. As detailed above, subsequent to the three and six months ended December 31, 2025, pursuant to a written request from the former CEO, the Board accepted the forfeiture and cancellation of the remaining 4,392 options held by the former CEO, effective January 23, 2026 with exercise prices of \$21.31 and \$39.38. Adjusted for the forfeiture, the remaining outstanding equity awards are now approximately 4.5 million.

### **Disclosure Controls and Procedures and Internal Controls Over Financial Reporting**

The CEO and 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, the effectiveness of the Company's internal controls as at December 31, 2025. The CEO and CFO have concluded that there were no material weaknesses in the Company's internal controls as at December 31, 2025.

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.

### **Further Information**

Additional information relating to the Company is available on the Company's website at [www.dyedurham.com](http://www.dyedurham.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).