

Dye & Durham Limited

Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars)

For the three and six months ended December 31, 2025 and 2024

NOTICE TO READER

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim condensed consolidated financial statements ("Condensed Consolidated Interim Financial Statements"), they must be accompanied by a notice indicating as such.

The Company's independent auditor has not performed a review of these Condensed Consolidated Interim Financial Statements for the three and six months ended December 31, 2025 and 2024 in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Dye & Durham Limited

Condensed Consolidated Interim Statements of Financial Positions (Unaudited)

(Expressed in thousands of Canadian dollars)

As at:

	Note	December 31, 2025 \$	June 30, 2025 \$
Assets			
Current assets:			
Cash and cash equivalents		37,849	43,098
Trade and other receivables	7	73,106	88,077
Prepaid expenses and other assets		14,870	11,865
Restricted investments	10(c)	185,000	185,000
		310,825	328,040
Assets held for sale	6	6,577	—
		317,402	328,040
Non-current assets:			
Prepayment option	9(b)	178	20,947
Property and equipment, net		7,310	8,111
Right-of-use assets, net		12,772	13,872
Intangible assets, net	8	624,325	676,599
Goodwill		1,100,935	1,100,171
Other assets		2,697	3,776
		2,065,619	2,151,516
Liabilities and equity			
Current liabilities:			
Accounts payable and accrued liabilities		73,722	78,833
Customer advances		20,432	24,888
Holdbacks and contingent considerations, current	5	28,302	36,218
Lease liabilities, current		5,734	5,153
Loans and borrowings, current	9	18,233	18,285
Derivative liabilities, current		3,678	—
Convertible debentures	10(a)	316,639	335,433
		466,740	498,810
Liabilities directly associated with assets held for sale	6	2,254	—
		468,994	498,810
Non-current liabilities:			
Holdbacks and contingent considerations	5	10,069	20,637
Lease liabilities		10,618	12,452
Loans and borrowings	9	1,249,341	1,233,158
Derivative liabilities		10,129	29,268
Deferred tax liabilities		92,139	99,641
Other liabilities		2,423	2,226
		1,843,713	1,896,192
Equity			
Capital stock		824,165	824,113
Contributed surplus		53,863	50,116
Accumulated other comprehensive income (loss)		16,559	(6,286)
Deficit		(672,949)	(613,137)
Non-controlling interests		268	518
		221,906	255,324
		2,065,619	2,151,516
Contingencies and commitments	18		
Other subsequent events	19		

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

On behalf of the Board:

"Signed"

Director – Tracey E. Keates

"Signed"

Director – Edward Smith

Condensed Consolidated Interim Statements of Operations (Unaudited)

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts)

	Note	Three months ended December 31,		Six months ended December 31,	
		2025 \$	2024 ¹ (Restated) \$	2025 \$	2024 ¹ (Restated) \$
Revenue		107,024	115,746	215,326	232,137
Expenses					
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	11	(27,339)	(55,839)	(73,224)	(90,422)
Amortization, depreciation and impairment	8	(30,629)	(41,415)	(64,256)	(81,758)
Acquisition, restructuring and other costs	13	(15,930)	(40,162)	(22,660)	(43,970)
Loss before income taxes		(24,478)	(25,122)	(63,051)	(41,496)
Income tax recovery		2,688	5,458	2,989	6,537
Net loss		(21,790)	(19,664)	(60,062)	(34,959)
Net income (loss) attributable to:					
Non-controlling interests		4	705	(250)	479
Shareholders		(21,794)	(20,369)	(59,812)	(35,438)
Net loss for the period		(21,790)	(19,664)	(60,062)	(34,959)
Net loss per common share	14				
Basic		(0.32)	(0.30)	(0.89)	(0.53)
Diluted		(0.32)	(0.30)	(0.89)	(0.53)
Weighted average number of shares outstanding	14				
Basic		67,171	66,975	67,171	66,945
Diluted		67,171	66,975	67,171	66,945

¹ Refer to Note 2

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Comprehensive Loss (Unaudited)

(Expressed in thousands of Canadian dollars)

	Three months ended December 31,		Six months ended December 31,	
	2025	2024 ¹ (Restated)	2025	2024 ¹ (Restated)
Note	\$	\$	\$	\$
Net loss	(21,790)	(19,664)	(60,062)	(34,959)
Other comprehensive income (loss)				
Items that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	(4,688)	(13,514)	4,060	13,719
Item that will not be reclassified to profit or loss in subsequent periods:				
Net change in fair value of convertible debentures attributable to change in own credit risk, net of income taxes of \$nil (2024 – \$nil)	19,576	1,349	18,785	(1,383)
Other comprehensive income (loss)	14,888	(12,165)	22,845	12,336
Comprehensive loss	(6,902)	(31,829)	(37,217)	(22,623)
Comprehensive income (loss) attributable to:				
Non-controlling interests	4	705	(250)	479
Shareholders	(6,906)	(32,534)	(36,967)	(23,102)
	(6,902)	(31,829)	(37,217)	(22,623)

¹ Refer to Note 2

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Dye & Durham Limited

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited)

(Expressed in thousands of Canadian dollars and thousands of shares)

	Number of common shares	Capital stock	Contributed surplus	Accumulated other comprehensive income (loss) ¹	Deficit ¹	Non- controlling interests	Total
Note	#	\$	\$	\$	\$	\$	\$
Balance, June 30, 2024 (Restated)	66,913	819,533	96,057	(20,227)	(520,059)	432	375,736
Prior period adjustments	—	—	—	—	116	—	116
Dividends declared	—	—	—	—	(1,259)	—	(1,259)
Dividends paid	—	—	—	—	(1,255)	—	(1,255)
Stock options exercised	245	4,504	(2,577)	—	—	—	1,927
Stock-based compensation	—	—	(44,492)	—	—	—	(44,492)
Comprehensive income (loss) for the period	—	—	—	12,336	(35,438)	479	(22,623)
Balance, December 31, 2024¹ (Restated)	67,158	824,037	48,988	(7,891)	(557,895)	911	308,150
Balance, June 30, 2025	67,164	824,113	50,116	(6,286)	(613,137)	518	255,324
Stock options exercised	7	52	(14)	—	—	—	38
Stock-based compensation	—	—	3,761	—	—	—	3,761
Comprehensive income (loss) for the period	—	—	—	22,845	(59,812)	(250)	(37,217)
Balance, December 31, 2025	67,171	824,165	53,863	16,559	(672,949)	268	221,906

¹ Refer to Note 2

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)

(Expressed in thousands of Canadian dollars)

		Six months ended December 31,	
		2025	2024 ¹
		\$	(Restated) \$
Note			
Cash flows from operating activities			
	Net loss for the period	(60,062)	(34,959)
	Items not affecting cash		
	Amortization, depreciation and impairment	64,256	81,758
	Stock-based compensation expense (recovery)	3,698	(42,451)
	Fair value adjustment on contingent consideration	131	9,160
	Amendments to holdbacks	—	(4,020)
	Income tax recovery	(2,989)	(6,537)
	Finance costs, net	73,224	90,422
	Taxes paid	(6,505)	(11,408)
	Changes in non-cash working capital balances		
	Trade and other receivables	14,085	2,212
	Prepaid expenses and other assets	1,343	(4,060)
	Accounts payable and accrued liabilities	(9,474)	(14,255)
	Customer advances	(3,913)	(3,596)
	Net cash provided by operating activities	73,794	62,266
Cash flows from financing activities			
	Net proceeds from loans and borrowings	31,500	33,628
	Proceeds from exercise of stock options	38	2,469
	Payments for loans and borrowings	(19,925)	(26,404)
	Interest paid	(59,970)	(62,683)
	Dividends paid	—	(2,510)
	Payments for lease obligations	(2,954)	(3,443)
	Net cash used in financing activities	(51,311)	(58,943)
Cash flows from investing activities			
	Acquisitions, net of cash acquired	—	(17,686)
	Settlement of holdbacks and contingent consideration	(21,099)	(27,252)
	Restricted investments	—	(185,000)
	Interest received	4,222	5,101
	Additions to intangible assets	(8,333)	(9,577)
	Purchases of property and equipment	(707)	(2,594)
	Net cash used in investing activities	(25,917)	(237,008)
	Change in cash and cash equivalents and restricted cash	(3,434)	(233,685)
	Cash and cash equivalents and restricted cash, beginning of period	43,098	265,316
	Effect of foreign exchange on cash and cash equivalents	206	697
	Less: cash included in assets held for sale	(2,021)	—
	Cash and cash equivalents, end of period	37,849	32,328

¹ Refer to Note 2

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

1. Description of the business

Dye & Durham Limited (the "Company") is a provider of cloud-based software and technology solutions designed to boost efficiency and increase productivity for legal and business professionals in Canada, Australia, South Africa, Ireland and the United Kingdom ("UK"). The Company provides critical information services and workflow, which clients use to manage their process, information and regulatory requirements.

The Company's common shares are listed on the Toronto Stock Exchange under the symbol "DND".

The Company was incorporated on June 26, 2020. The Company's registered head office is 25 York Street, Suite 1100, Toronto, Ontario, Canada.

2. Basis of preparation

These Condensed Consolidated Interim Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Accordingly, certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The policies set out below have been consistently applied to all periods presented unless otherwise noted.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended June 30, 2025 and 2024 ("Audited Consolidated Financial Statements").

The Company presents certain transactions in Great British Pound (GBP), Australia Dollars (AUD), United States Dollars (USD) or South African Rand (ZAR) in these Condensed Consolidated Interim Financial Statements.

These Condensed Consolidated Interim Financial Statements were approved and authorized for issuance by the Board of Directors on February 16, 2026.

Restatement of prior period comparative information

During the preparation of the fiscal year ended June 30, 2025, Audited Consolidated Financial Statements, 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.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

- (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 (Note 9(b)).
- (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 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.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

Condensed Consolidated Interim Statements of Operations

Condensed Consolidated Interim Statements of Operations	Three months ended December 31, 2024	Adjustments	Three months ended December 31, 2024
	As previously reported		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)
Loss before taxes	(23,203)	(1,919)	(25,122)
Income tax recovery (g)	5,568	(110)	5,458
Net loss for the period	(17,635)	(2,029)	(19,664)
Net loss per common share			
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	Adjustments	Six months ended December 31, 2024
	As previously reported		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)
Loss before taxes	(31,939)	(9,557)	(41,496)
Income tax recovery (g)	4,990	1,547	6,537
Net loss for the period	(26,949)	(8,010)	(34,959)
Net loss per common share			
Basic	(0.41)	(0.12)	(0.53)
Diluted	(0.41)	(0.12)	(0.53)

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

Condensed Consolidated Interim Statements of Comprehensive Loss

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

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

Condensed Consolidated Interim Statements of Cash Flows

Condensed Consolidated Interim Statements of Cash Flows	Six months ended December 31, 2024	Adjustments	Six months ended December 31, 2024
	As previously reported		Restated
	\$	\$	\$
Cash flow from operating activities			
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)
Net cash provided by operating activities	64,641	(2,375)	62,266
Cash flows from investing activities			
Additions to intangible assets (c)	(11,952)	2,375	(9,577)
Net cash used in investing activities	(244,484)	7,476	(237,008)

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

3. Material accounting policy information

The preparation of these Condensed Consolidated Interim 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 a corresponding impact on net income.

Significant accounting judgments and estimates are consistent with those disclosed in Note 4 of the Audited Consolidated Financial Statements.

4. Changes in accounting policies

New accounting pronouncements or policies adopted

The Company adopted the following new standards and amendments to standards, effective July 1, 2025. These changes did not have a material impact on these Condensed Consolidated Interim Financial Statements.

- *Lack of Exchangeability (Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"))*

On August 15, 2023, the IASB issued amendments to IAS 21 that clarify how an entity assesses whether a currency is exchangeable and, when exchangeability is lacking, how to determine the spot exchange rate and the related disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The Company adopted the amendments on July 1, 2025. The adoption did not have a material impact on the Company's Condensed Consolidated Interim Financial Statements, and comparative information has not been restated in accordance with the transition provisions.

Standards, amendments and interpretations issued as at July 1, 2025 but not yet effective

The following new and amended standards and interpretations will become effective in future fiscal years. The Company intends to adopt these, if applicable, when they become effective and does not expect them to have a significant impact on these Condensed Consolidated Interim Financial Statements.

- *Amendments to IFRS 9, Financial Instruments ("IFRS 9") and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments ("IFRS 7")*

In May 2024, the IASB issued narrow-scope amendments to IFRS 9 and IFRS 7 that clarify the assessment of contractual cash flow characteristics (including contingent features), provide guidance for non-recourse and contractually linked instruments, and introduce an accounting policy choice for derecognition of certain financial liabilities settled via electronic payment systems before the settlement date, together with enhanced disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2026 (being the Company's fiscal year beginning July 1, 2026). The Company is in the process of assessing any potential impacts.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

- *IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18")*

On April 9, 2024, the IASB issued IFRS 18 to improve reporting of financial performance. IFRS 18 replaces IAS 1 and introduces defined subtotals in the statement of profit or loss, disclosure requirements for management-defined performance measures, and enhanced principles for aggregation and disaggregation. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 (being the Company's fiscal year beginning July 1, 2027), with retrospective application and comparative information required. The Company is evaluating the implications for presentation and disclosures.

5. Acquisitions

During the six months ended December 31, 2024, the Company entered into two transactions that were accounted for as a business combination using the acquisition method of accounting. The following summarizes the consideration paid and the estimated fair value of the assets acquired and liabilities assumed:

	Nebula (a)	Affinity (b)	Total
	\$	\$	\$
Cash	7,325	12,080	19,405
Holdbacks	6,968	29,025	35,993
Total consideration	14,293	41,105	55,398
Cash and cash equivalents	188	—	188
Trade and other receivables	38	290	328
Prepaid expenses and other assets	68	37	105
Intangible assets	4,686	23,839	28,525
Accounts payable and accrued liabilities	(329)	(1,532)	(1,861)
Customer advances	(322)	—	(322)
Deferred tax liability	(129)	(5,748)	(5,877)
Net assets acquired	4,200	16,886	21,086
Goodwill	10,093	24,219	34,312

(a) On August 6, 2024, a subsidiary of the Company purchased all the outstanding shares of Nebula Tech Pty Limited ("Nebula"), a cloud-based, all-in-one practice management solution designed for legal and conveyancing firms in Australia. The Company's acquisition of Nebula provided an opportunity to establish a highly scalable cloud-based practice management software service in Australia with an opportunity to roll out the software to the Company's other key geographies (excluding Canada) under the Company's Unity brand.

Total consideration of \$14.3 million (AUD \$15.7 million) included a combination of cash on hand of \$7.3 million (AUD \$8.1 million) and holdbacks of \$7.7 million (AUD \$8.5 million) due 12 months after the close date that was recorded at fair value of \$7.0 million (AUD \$7.7 million) on the acquisition date. Goodwill in the amount of \$10.1 million (AUD \$11.1 million) that represents primarily expected synergies and assembled workforce was calculated as the excess of the consideration transferred over the net assets acquired and has been allocated to the Australia segment. The total amount of goodwill is not deductible for tax purposes. During the three months ended December 31, 2024, transaction expenses of \$nil (six months ended - \$0.1 million), consisting primarily of professional fees, were recorded in acquisition, restructuring and other costs on the Condensed Consolidated Interim Statements of Operations (Note 13).

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

The Company engaged a third party to provide valuations of the holdbacks and acquired intangible assets, which is comprised primarily of brand and licenses of \$0.2 million (AUD \$0.2 million), technology of \$4.0 million (AUD \$4.5 million), and customer lists of \$0.5 million (AUD \$0.5 million) that will be amortized over its respective useful life (Note 8). The valuation was primarily based on the income approach, including the multi-period excess earnings method, for the technology. The useful lives of the intangible assets were determined based on management's estimates and the independent valuation report. The Company has finalized the purchase equation.

During the six months ended December 31, 2025 the holdback was fully accreted and on August 8, 2025, the Company paid the holdback of \$7.7 million (AUD \$8.5 million).

- (b) On August 14, 2024, a subsidiary of the Company purchased selected assets of RELX Trading Australia Pty Ltd ("Affinity") a legal practice management solution for mid-tier legal practices located in Australia. The Company's acquisition of Affinity aligned with the Company's existing product offerings and complemented the strategic vision of growing the business through the Company's offering of practice management software services across Australia.

Total purchase consideration of up to \$41.1 million (AUD \$44.3 million) included a combination of cash on hand of \$12.1 million (AUD \$13.0 million), holdbacks of \$37.0 million (AUD \$40.0 million) and contingent consideration of up to \$4.6 million (AUD \$5.0 million) based on thresholds related to the maintenance of customer revenue throughout a period of 18 months after the close date. The Company determined that it did not expect to meet the minimum thresholds as at the acquisition date and therefore recorded no contingent consideration. Holdbacks were recorded at fair value of \$29.0 million (AUD \$31.3 million) on the acquisition date and are payable in three tranches payable between 12 and 30 months after the close date. Goodwill in the amount of \$24.2 million (AUD \$26.1 million) that represents primarily expected synergies and assembled workforce was calculated as the excess of the consideration transferred over the net assets acquired and has been allocated to the Australia segment. The total amount of goodwill is not deductible for tax purposes. During the three months ended December 31, 2024 transaction expenses of \$0.3 million (six months ended - \$1.3 million), consisting primarily of professional fees, were recorded in acquisition, restructuring and other costs in the Condensed Consolidated Interim Statements of Operations (Note 13).

The Company engaged a third party to provide valuations of the holdbacks, contingent consideration and acquired intangible assets, which is comprised primarily of technology of \$4.4 million (AUD \$4.8 million), and customer lists of \$19.4 million (AUD \$21.0 million) that will be amortized over their respective useful lives (Note 8). The valuation was primarily based on the income approach, including the relief-from-royalty method for the technology, and the multi-period excess earnings method for customer relationships. The useful lives of the intangible assets were determined based on management's estimates and the independent valuation report. The Company has finalized the purchase equation.

During the three months ended December 31, 2025, the Company accreted the holdbacks by \$0.8 million (AUD \$0.8 million) (six months ended - \$1.7 million (AUD \$1.8 million)) recorded in acquisition, restructuring and other costs on the Condensed Consolidated Interim Statements of Operations (Note 13). During the three months ended December 31, 2024, the Company accreted the holdbacks by \$1.5 million (AUD \$1.7 million) (six months ended - \$1.5 million (AUD \$1.7 million)).

During the six months ended December 31, 2025, on August 14, 2025, the Company paid the \$10.7 million (AUD \$12.0 million) first tranche holdback according to the deferred consideration schedule.

As at December 31, 2025, the Company continued to record no contingent consideration as part of its ongoing assessments of potential earn outs payable.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

In addition, the Company made the following significant adjustments to holdbacks:

During the three and six months ended December 31, 2025, the Company paid the remaining holdback balance of \$1.3 million (GBP £0.7 million) related to Credas Technologies Ltd. ("Credas"), an anti-money laundering software provider located in the United Kingdom that was due 12 months after the close date. Credas has subsequently been disposed (Note 6).

During the three and six months ended December 31, 2024, the Company recorded a change in the fair value to amend the holdbacks related to historical acquisitions, by \$nil and \$4.0 million, respectively, that was recorded as a gain in acquisition, restructuring and other costs (Note 13) on the Condensed Consolidated Interim Statement of Operations.

Total holdbacks and contingent consideration are summarized as follows and calculated using an income-based approach primarily discounted cash flows:

	Holdbacks	Contingent consideration	Total
	\$	\$	\$
Balance, June 30, 2025	41,367	15,488	56,855
Change in fair value	—	131	131
Interest accretion	1,720	—	1,720
Payments during the period	(21,099)	—	(21,099)
Effects of foreign exchange	1,022	(258)	764
Balance, December 31, 2025	23,010	15,361	38,371
Current	12,941	15,361	28,302
Non-current	10,069	—	10,069

6. Assets held for sale

During the three months ended September 30, 2025, the Company entered into advanced negotiations to sell Credas to SmartSearch, an established UK anti-money laundering software provider and portfolio company. The transaction price and principal terms were substantially agreed. Accordingly, Credas met all criteria of a disposal group classified as held for sale and as a result, the assets and liabilities of Credas were presented separately in the Condensed Consolidated Interim Statements of Financial Position.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Based on the agreed transaction price, which reflects fair value, the consideration to be received significantly exceeds the carrying amount of Credas' net assets. As a result, there was no impairment noted on the classification of the Credas assets as held for sale and they were recorded at their carrying amount.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

During the three and six months ended December 31, 2025, the Company entered into a definitive agreement with the buyer for the agreed upon transaction price in respect of the sale of Credas. Therefore, the Credas' net assets continue to be classified as being held for sale and recorded at their carrying amount as follows:

	December 31, 2025
	\$
Assets	
Cash and cash equivalents	2,021
Trade and other receivables	2,018
Prepaid and other assets	699
Property and equipment, net	143
Intangible assets, net	1,696
Assets held for sale	6,577
Liabilities	
Accounts payable and accrued liabilities	(1,141)
Customer advances	(525)
Deferred tax liabilities	(588)
Liabilities directly associated with assets held for sale	(2,254)
Net assets directly associated with disposal group	4,323

Subsequent to December 31, 2025, on January 6, 2026, the sale of Credas closed and the Company received gross proceeds of approximately \$146.3 million (GBP £77.8 million). A portion of the proceeds were used against the Company's long-term borrowings (Note 9(a)).

7. Trade accounts receivable, net

The Company's trade accounts receivable, net, are as follows:

	December 31, 2025	June 30, 2025
	\$	\$
Trade accounts receivable	81,338	93,776
Other receivable	(64)	156
Less: Provision for credit losses	(6,150)	(5,855)
Less: Assets held for sale (Note 6)	(2,018)	—
	73,106	88,077

Included in trade accounts receivable are unbilled receivables in the amount of \$25.8 million as at December 31, 2025 (as at June 30, 2025 – \$24.9 million). No single customer accounted for more than 10% of the accounts receivable balance as at December 31, 2025 and June 30, 2025. There are no trade accounts receivable that are past due but not impaired.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

The change in the Company's provision for credit losses is as follows:

	\$
Balance, June 30, 2025	5,855
Current period provision for expected losses	1,765
Write-offs charged against the provision	(1,665)
Foreign exchange movements	195
Balance, December 31, 2025	6,150

8. Intangible assets

The changes to intangible assets are as follows:

	Software technologie \$	Brand and trademarks \$	Licenses \$	Customer lists \$	Total \$
Cost					
Balance, June 30, 2025	356,144	50,474	22,009	892,900	1,321,527
Additions	9,520	—	—	—	9,520
Assets held for sale (Note 6)	(1,859)	—	—	—	(1,859)
Effects of foreign exchange	(199)	(289)	—	(681)	(1,169)
Balance, December 31, 2025	363,606	50,185	22,009	892,219	1,328,019
Accumulated amortization and impairment recovery					
Balance, June 30, 2025	238,724	32,727	15,796	357,681	644,928
Amortization	16,470	3,239	1,113	39,621	60,443
Impairment recovery, net	(394)	—	—	—	(394)
Assets held for sale (Note 6)	(163)	—	—	—	(163)
Effects of foreign exchange	(337)	(216)	—	(567)	(1,120)
Balance, December 31, 2025	254,300	35,750	16,909	396,735	703,694
Carrying value					
Balance, June 30, 2025	117,420	17,747	6,213	535,219	676,599
Balance, December 31, 2025	109,306	14,435	5,100	495,484	624,325

As at December 31, 2025, the balance of intangibles assets not available for use was \$8.3 million (as at June 30, 2025 – \$7.7 million).

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

9. Loans and borrowings

Loans and borrowings comprise the following as at:

	December 31, 2025	June 30, 2025
	\$	\$
Current		
Senior Secured 2029 Notes (a)	13,179	13,178
Term Loan B (a)	4,778	4,784
New Revolving Facility (a)	276	323
	18,233	18,285
Non-current		
Senior Secured 2029 Notes (a)	753,845	751,282
Term Loan B (a)	433,924	434,308
New Revolving Facility (a)	61,500	47,500
Other	72	68
	1,249,341	1,233,158
	1,267,574	1,251,443

(a) 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.

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.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

The changes in balance outstanding under the FY2024 Credit Facility and Senior Secured 2029 Notes are as follows:

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

The Company has entered into a variety of cross-currency interest rate swaps classified as derivative financial instruments to partially hedge the foreign currency and interest rate risk associated with the FY2024 Credit Facility. The fair value of these derivative instruments are recorded as derivative liabilities on the Condensed Consolidated Interim Statements of Financial Position with the corresponding changes in fair value recorded in finance costs, net in the Condensed Consolidated Interim Statements of Operations (Note 11).

(b) Embedded Prepayment Option

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:

	\$
Balance, June 30, 2025	20,947
Change in fair value through profit & loss (Note 11)	(21,116)
Effects of foreign exchange	347
Balance, December 31, 2025	178

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

(c) Debt covenants

The FY2024 Credit Facility and Senior Secured 2029 Notes are secured by a first ranking security over all present and after-acquired properties in the form of a general security agreement. As at December 31, 2025, the Company was in compliance with its covenants. The Company may need written consent from the required revolving lenders in case the consolidated first lien net leverage ratio exceeds 5.8x and the total outstanding revolving loan on that date surpasses 35% of total revolving commitments. As at December 31, 2025, the consolidated first lien net leverage ratio is approximately 4.98x.

During the three and six months ended December 31, 2025, the Company failed to file the Audited Consolidated Financial Statements and subsequently the Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2025 and 2024 (collectively, the "Required Financial Statements") on SEDAR+ or with the lenders on the timeline required under securities regulations in Canada and as required under the Senior Credit Agreement 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.

10. Convertible debentures

The change to convertible debentures is as follows:

	\$
Balance, June 30, 2025	335,433
Change in fair value through profit & loss (a) & (b)	(9)
Change in fair value through other comprehensive income (loss) (a) & (b)	(18,785)
Balance, December 31, 2025	316,639
Original Convertible Debentures	178,784
New Convertible Debentures	137,855
	316,639

(a) Original Convertible Debentures

The Company's convertible debentures due March 1, 2026 (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. The Company paid semi-annual interest on the Original Convertible Debentures totaling \$3.5 million for the three and six months ended December 31, 2025.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

(b) New Convertible Debentures

The Company's convertible debentures due November 1, 2028 ("New Convertible Debentures") have a principal 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 paid semi-annual interest on the New Convertible Debentures totaling \$5.21 million for the three and six months ended December 31, 2025.

(c) Restricted cash and investments

During the six months ended December 31, 2024, the Company signed a control agreement related to the New Convertible Debentures and Original Convertible Debentures (collectively, the "convertible debentures") that resulted in the movement of \$185.0 million in restricted cash into a third-party investment account managed by the Company. The restricted cash was reclassified into restricted investments as the cash was no longer readily available to the Company.

During the three and six months ended December 31, 2025, there were no additional funds invested beyond the \$160.0 million invested as at June 30, 2025 at interest rates ranging from 3.20% to 3.96% in Guaranteed Investment Certificates ("GIC") maturing in 2026. As at December 31, 2025, the restricted investments comprised of approximately \$17.8 million in cash and \$167.2 million in investments. Any interest earned beyond the \$185.0 million is readily available to the Company and therefore considered interest income. The restricted investments were classified as current as the convertible debentures and the restricted investments mature in 12 months or less.

The Company earned approximately \$1.7 million and \$3.4 million of interest on the restricted investments during the three and six months ended December 31, 2025, respectively (\$1.2 million during the three and six months ended December 31, 2024) that was recorded as interest income in finance costs, net on the Condensed Consolidated Interim Statement of Operations.

11. Finance costs, net

The Company's finance costs, net comprise of the following:

	Note	Three months ended December 31, 2024		Six months ended December 31, 2024	
		2025	(Restated – Note 2)	2025	(Restated – Note 2)
		\$	\$	\$	\$
Interest and accretion costs		37,558	35,468	69,178	68,399
Change in fair value of convertible debentures	10	(1,253)	6,744	(9)	23,325
Change in fair value of derivative liabilities		10,106	(62,872)	(15,460)	(47,931)
Change in fair value of prepayment option		744	4,403	21,116	(8,698)
Unrealized foreign exchange (gain)/loss on loans and borrowings	9	(17,950)	74,307	2,621	60,428
Interest income		(1,866)	(2,211)	(4,222)	(5,101)
		27,339	55,839	73,224	90,422

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

12. Employee compensation

The Company's employee compensation expense comprises of the following:

	Three months ended December 31, 2024		Six months ended December 31, 2024	
	2025	(Restated – Note 2)	2025	(Restated – Note 2)
	\$	\$	\$	\$
Technology and operations	18,364	20,328	38,518	36,974
General and administrative	7,723	5,161	14,936	10,127
Sales and marketing	3,791	2,542	7,693	5,254
Acquisition, restructuring and other costs	1,103	15,976	3,165	17,764
	30,981	44,007	64,312	70,119

13. Acquisition, restructuring and other costs

The Company's acquisition, restructuring and other costs comprise of the following:

	Three months ended December 31, 2024		Six months ended December 31, 2024	
	2025	(Restated – Note 2)	2025	(Restated – Note 2)
	\$	\$	\$	\$
Acquisition related expenses	(133)	1,303	321	3,547
Change in fair value of contingent consideration	131	10,134	131	9,160
Amendment to holdbacks during the year	—	—	—	(4,020)
Integration, divestiture, listing and other expenses	15,586	16,185	20,545	21,490
Restructuring	346	12,540	1,663	13,793
	15,930	40,162	22,660	43,970

Integration, divestiture and other expenses mainly relate to professional fees, integration costs due to acquisitions and employee retention. Restructuring expenses mainly represent employee retention payments, exit costs and severance due to organizational changes, as well as separation costs to the former Chief Executive Officer ("CEO") and other senior executives (Note 15).

The change in the restructuring provision is as follows:

	\$
Balance, June 30, 2025	5,408
Utilization (payments)	(1,035)
Net additions during the year	1,663
Balance, December 31, 2025	6,036

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

14. Earnings (loss) per share

The following table reflects the loss and shares data used in the basic and diluted earnings loss per share ("EPS") calculations during the three and six months ended December 31, 2025, respectively:

	Three months ended December 31,		Six months ended December 31,	
	2025	2024 (Restated – Note 2)	2025	2024 (Restated – Note 2)
Net loss attributable to the shareholders of the Company (basic and diluted)	(21,794)	(20,369)	(59,812)	(35,438)
Weighted average number of shares adjusted for basic and diluted EPS	67,171	66,975	67,171	66,945
Basic and diluted EPS	(0.32)	(0.30)	(0.89)	(0.53)

For the three months ended December 31, 2025, 39,627 options, 185,000 Original Convertible Debentures and 160,425 New Convertible Debentures (three months ended December 31, 2024 – 11,399, 185,000 and 160,425, respectively) were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

For the six months ended December 31, 2025, 22,140 options, 185,000 Original Convertible Debentures and 160,425 New Convertible Debentures (six months ended December 31, 2024 – 14,781, 185,000 and 160,425, respectively) were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

15. Related party transactions

The Company defines key management personnel as being the Board of Directors, the CEO and the executive leadership team. The remuneration of key management personnel comprises of the following during the three and six months ended:

	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)

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

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 of directors accepted the forfeiture and cancellation of the remaining 4,392 options, effective January 23, 2026 with exercise prices of \$21.31 and \$39.38.

16. Fair value measurement

The fair values of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities and customer advances approximate their carrying values due to the immediate or short-term maturity of these financial instruments. The fair value of the restricted investments approximates their carrying value as they consist of either cash or GIC that mature in less than 12 months. The fair value of holdbacks approximates their carrying value as these are due within 14 months. The fair value of Term Loan B and the New Revolving Facility approximates their carrying value due to the variable component of interest rate. The fair value of the Senior Secured 2029 Notes differs from their carrying value due to the current interest rate environment. Observable trades indicate a Level 2 fair value for the Senior Secured 2029 Notes of approximately \$0.1 million to \$0.1 million for every \$100-dollar notional amount. The Company measures its convertible debentures, derivatives, embedded prepayment options and contingent consideration on acquisitions at fair value.

Convertible debentures, contingent consideration payables and the prepayment option are classified as Level 3 financial instruments. The derivative liabilities and Senior Secured 2029 Notes are classified as Level 2 financial instruments. Changes in the fair value of swaps are based on calculations and valuation models using observable market rates adjusted for applicable credit risk.

Summary of Level 3 key inputs:

	Convertible debt	Embedded prepayment option
Risk-free rate	2–3%	USD SOFR Curve
Discount rate	11–38%	7.23% + USD SOFR
Stock price volatility	65–135%	—

A change in unobservable inputs, namely the discount rate, by 1%, will result in the following changes in fair value:

	Convertible debt	Embedded prepayment option
	\$	\$
1% change in discount rates	3,322	239

The fair value of contingent consideration payable depends on the acquired businesses meeting certain performance obligations, such as the successful completion of integration activities as well as meeting certain sales targets over a fixed measurement period.

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

17. Segment information

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

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 designed to better reflect the Company's 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 the 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 market expenses. The CODM may also consider industry trends and other externally available financial information when evaluating the performance of the Company.

The following tables summarize operating results regularly provided to the CODM by reportable segment including revenues, material items of income and expense, other material non-cash items and details on property and equipment, right of use assets and intangible assets.

	Canada \$	UK & Ireland \$	Australia \$	South Africa \$	Total \$
Three months ended December 31, 2025					
Revenue	57,589	25,787	17,487	6,161	107,024
Direct costs	(4,759)	(3,767)	(560)	479	(8,607)
Technology and operations	(12,543)	(8,769)	(5,940)	(1,116)	(28,368)
General and administrative	(9,802)	(2,999)	(1,228)	(416)	(14,445)
Sales and marketing	(2,691)	(1,512)	(704)	(345)	(5,252)
Segment income	27,794	8,740	9,055	4,763	50,352
Shared charges and corporate costs ¹	(5,472)	2,944	2,172	356	—
Segment income after allocated costs	22,322	11,684	11,227	5,119	50,352
Three months ended December 31, 2024					
	Canada \$	UK & Ireland \$	Australia \$	South Africa \$	Total (Restated) \$
Revenue	65,737	26,831	16,650	6,528	115,746
Direct costs	(4,333)	(4,770)	(722)	(2)	(9,827)
Technology and operations	(11,272)	(9,040)	(5,217)	(931)	(26,460)
General and administrative	(7,386)	(2,286)	(756)	(156)	(10,584)
Sales and marketing	(2,075)	(1,130)	(762)	(256)	(4,223)
Segment income	40,671	9,605	9,193	5,183	64,652
Shared charges and corporate costs ¹	(7,181)	3,714	2,552	915	—
Segment income after allocated costs	33,490	13,319	11,745	6,098	64,652

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

	Canada	UK & Ireland	Australia	South Africa	Total
	\$	\$	\$	\$	\$
Six months ended December 31, 2025					
Revenue	119,817	53,120	35,153	7,236	215,326
Direct costs	(8,195)	(8,232)	(2,023)	(3)	(18,453)
Technology and operations	(25,731)	(17,882)	(12,642)	(2,408)	(58,663)
General and administrative	(18,031)	(6,222)	(1,886)	(399)	(26,538)
Sales and marketing	(4,986)	(3,197)	(2,050)	(652)	(10,885)
Segment income	62,874	17,587	16,552	3,774	100,787
Shared charges and corporate costs ¹	(10,005)	5,253	4,223	529	—
Segment income after allocated costs	52,869	22,840	20,775	4,303	100,787
Six months ended December 31, 2024					
Revenue	133,843	56,449	34,502	7,343	232,137
Direct costs	(9,080)	(8,442)	(1,287)	(4)	(18,813)
Technology and operations	(21,490)	(17,475)	(10,498)	(1,893)	(51,356)
General and administrative	(14,577)	(4,543)	(1,843)	(202)	(21,165)
Sales and marketing	(4,402)	(2,130)	(1,562)	(506)	(8,600)
Segment income	84,294	23,859	19,312	4,738	132,203
Shared charges and corporate costs ¹	(14,482)	8,576	4,793	1,113	—
Segment income after allocated costs	69,812	32,435	24,105	5,851	132,203

¹The 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.

The reconciliation of segment income to consolidated pre-tax loss (income) is as follows:

	Canada	UK & Ireland	Australia	South Africa	Total
	\$	\$	\$	\$	\$
Three months ended December 31, 2025					
Segment income after allocated costs	22,322	11,684	11,227	5,119	50,352
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)
(Loss) income before income taxes	(35,291)	(1,725)	7,566	4,972	(24,478)

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

	Canada \$	UK & Ireland \$	Australia \$	South Africa \$	Total (Restated) \$
Three months ended December 31, 2024					
Segment income after allocated costs	33,490	13,319	11,745	6,098	64,652
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)
(Loss) income before income taxes	(21,014)	(10,430)	2,285	4,037	(25,122)

	Canada \$	UK & Ireland \$	Australia \$	South Africa \$	Total \$
Six months ended December 31, 2025					
Segment income after allocated costs	52,869	22,840	20,775	4,303	100,787
Finance costs, net	(63,234)	(9,025)	(1,091)	126	(73,224)
Stock-based compensation expense	(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)
(Loss) income before income taxes	(74,670)	(5,705)	13,903	3,421	(63,051)

	Canada \$	UK & Ireland \$	Australia \$	South Africa \$	Total (Restated) \$
Six months ended December 31, 2024					
Segment income after allocated costs	69,812	32,435	24,105	5,851	132,203
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)
(Loss) income before income taxes	(52,985)	(3,205)	10,041	4,653	(41,496)

Property and equipment, right-of-use assets and intangible assets by geographic regions are as follows:

	Canada \$	UK & Ireland \$	Australia \$	South Africa \$	Assets Held for Sale \$	Total \$
December 31, 2025						
Property and equipment, net	2,006	3,823	1,372	252	(143)	7,310
Right-of-use assets, net	1,624	6,355	3,885	908	—	12,772
Intangible assets, net	416,495	131,129	73,736	4,661	(1,696)	624,325
Total	420,125	141,307	78,993	5,821	(1,839)	644,407

Dye & Durham Limited

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in thousands of Canadian dollars and thousands of shares, except per share amounts and as otherwise stated)

As at and for the three and six months ended December 31, 2025, and 2024

	Canada	UK & Ireland	Australia	South Africa	Assets Held for Sale	Total
	\$	\$	\$	\$	\$	
June 30, 2025						
Property and equipment, net	2,295	4,181	1,390	245	—	8,111
Right-of-use assets, net	2,172	7,458	3,309	933	—	13,872
Intangible assets, net	450,250	148,219	73,191	4,939	—	676,599
Total	454,717	159,858	77,890	6,117	—	698,582

18. 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 these Condensed Consolidated Interim Financial Statements.

19. Other subsequent events

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.

On February 9, 2026, the Company launched an Excess Proceeds Offer (as such term is defined in the Senior Notes Indenture) in respect of its Senior Secured 2029 Notes in accordance with the Company's obligations under its debt instruments. The Excess Proceeds Offer is funded by certain of the proceeds from the Company's divestiture of Credas.