

D2L Inc. Announces First Quarter 2025 Financial Results

- Total revenue increased 10% year-over-year to US\$48.5 million
- Subscription and support revenue grew 10% year-over-year to US\$43.0 million
- Annual Recurring Revenue¹ reached US\$190.3 million, up 11% over the prior year, and Constant Currency Annual Recurring Revenue¹ grew 12%
- Adjusted EBITDA² grew 43% over the prior year to US\$4.0 million (8.3% margin)

TORONTO, ONTARIO — June 4, 2024 — D2L Inc. (TSX: DTOL) (“D2L” or the “Company”), a leading global learning technology company, today announced financial results for its Fiscal 2025 first quarter ended April 30, 2024. All amounts are in U.S. dollars and all figures are prepared in accordance with International Financial Reporting Standards (“IFRS”) unless otherwise indicated.

“It was a solid start to Fiscal 2025, highlighted by strong growth in our subscription and support revenue and Annual Recurring Revenue and meaningful gains in our operating profitability. These results put us on a path to achieve our full-year growth outlook, which includes exiting the year with low-to-mid-teen Adjusted EBITDA Margin,” said John Baker, CEO of D2L. “In our 25th year of transforming the way the world learns, with sustained momentum and high win rates in our core markets, a strong and growing cash position, and a world-class team, we have never been more encouraged by the outlook and opportunity for D2L.”

First Quarter Fiscal 2025 Financial Highlights

- Total revenue of \$48.5 million, up 10% from the same period in the prior year.
- Subscription and support revenue was \$43.0 million, an increase of 10% over the same period of the prior year, reflecting growth from new customers and strong revenue retention and expansion from existing customers.
- Annual Recurring Revenue¹ (“ARR”) as at April 30, 2024 increased by 11% year-over-year, from \$170.9 million to \$190.3 million. Constant Currency Annual Recurring Revenue¹ increased 12% to \$191.4 million.
- Gross profit increased 9% to \$32.7 million (67.4% gross profit margin) from \$29.9 million (67.6% gross profit margin) in the same period of the prior year.
- Gross profit margin for subscription and support revenue increased to 72.2%, from 71.3% in the same period of the prior year.
- Adjusted EBITDA² increased to \$4.0 million, up from \$2.8 million for the comparative period in the prior year.
- Income for the period was \$0.6 million, compared with income of \$1.1 million for the comparative period of the prior year. The Q1 2025 results included approximately \$1.5 million in one-time expenses unrelated to the continuing operations of the business.
- Cash flow used in operating activities was \$14.8 million, versus \$17.0 million in the same period in the prior year, and Free Cash Flow² was negative \$15.0 million, compared to Free Cash Flow of negative \$18.7 million in the same period in the prior year. Cash flows from operations have a seasonal low in the first quarter each year and a seasonal high in the second quarter each year.
- Strong balance sheet at quarter end, with cash and cash equivalents of \$98.9 million and no debt.
- During the quarter ended April 30, 2024, the Company repurchased and canceled 131,380 Subordinate Voting Shares under its normal course issuer bid (“NCIB”).

¹ Refer to “Key Performance Indicators” section of this press release.

² A non-IFRS financial measure or non-IFRS ratio. Refer to “Non IFRS Financial Measures” section of this press release.

First Quarter Fiscal 2025 Financial Results – Selected Financial Measures

(in thousands of U.S. dollars, except for percentages)

	Q1 2025	Q1 2024	Change	Change
	\$	\$	\$	%
Subscription & Support Revenue	42,954	39,190	3,764	9.6%
Professional Services & Other Revenue	5,541	5,038	503	10.0%
Total Revenue	48,495	44,228	4,267	9.7%
Constant Currency Revenue ¹	48,450	44,228	4,222	9.5%
Gross Profit	32,677	29,880	2,797	9.4%
Adjusted Gross Profit ¹	32,823	29,991	2,832	9.4%
Adjusted Gross Margin ¹	67.7%	67.8%		
Income for the period	572	1,110	(538)	-48.5%
Adjusted EBITDA ¹	4,019	2,811	1,208	43.0%
Cash Flows used in Operating Activities	(14,826)	(17,035)	2,209	12.9%
Free Cash Flow ¹	(14,952)	(18,684)	3,732	20.0%

¹ A non-IFRS financial measure or non-IFRS ratio. Refer to the “Non-IFRS Financial Measures and Reconciliation of Non-IFRS Financial Measures” section of this press release for more details.

First Quarter Business & Operating Highlights

- D2L continued to grow its customer base in education in North America, including the additions of Hawaii University, University of Central Missouri and Madison Area Technical College.
- The Company continued to expand its international customer base, including Utrecht University and Hogeschool Leiden.
- D2L signed new corporate customers, including Royal Institute of British Architects.
- D2L received two 2024 SIIA CODiE Awards for best learning management system (LMS) and best customer education LMS, and G2 named D2L Brightspace the easiest LMS to use overall.
- D2L welcomed Brian Finnerty as its new Chief Marketing Officer.
- D2L continued to lead the way with security by design and privacy by design efforts in the learning sector. D2L teamed with Sinclair College to launch a free cybersecurity course designed to help meet the unique needs of school system leaders in understanding and responding to the growing cybersecurity threat.
- D2L was again celebrated as one of Canada’s best diversity employers and one of Canada’s top employers for young people by Mediacorp Canada. D2L also achieved Platinum Club status in Deloitte’s Best Managed Companies awards program.
- As previously announced, the Company entered into an agreement to spin-out the D2L Wave offering into a new independent, partially-owned standalone company, SkillsWave Corporation (“SkillsWave”), with an expected mid-year closing date.

Financial Outlook

D2L maintained its previously issued financial guidance for the year ended January 31, 2025 (“Fiscal 2025”) as follows:

- Subscription and support revenue in the range of \$177 million to \$180 million, implying growth of 10% at the midpoint over Fiscal 2024;
- Total revenue in the range of \$197 million to \$201 million, implying growth of 9% at the midpoint over Fiscal 2024; and
- Adjusted EBITDA in the range of \$21 million to \$23 million, implying Adjusted EBITDA margin of 11% at the midpoint.

The Company expects revenue and Adjusted EBITDA to increase as Fiscal 2025 progresses, enabling the Company to exit the year with low-to-mid-teen Adjusted EBITDA Margin.

For additional details on the Company’s outlook, including the principal underlying assumptions and risk factors regarding achievement, refer to the “*Financial Outlook*” section of the Company’s Management’s Discussion and Analysis for the three and 12 months ended January 31, 2024 (the “Annual MD&A”), as well as the “Forward-Looking Information” section therein, below and in the Company’s Management’s Discussion and Analysis for the three months ended April 30, 2024 (the “Interim MD&A”).

Conference Call & Webcast

D2L management will host a conference call on Wednesday, June 5, 2024 at 8:30 am ET to discuss its first quarter Fiscal 2025 financial results.

Date: Wednesday, June 5, 2024

Time: 8:30 am (ET)

Dial in number: Canada/US: 1 (833) 470-1428
International: 1 (404) 975-4839
Access code: 496346

Webcast: A live webcast will be available at ir.d2l.com/events-and-presentations/events/
The webcast will also be archived

Forward-Looking Information

This press release includes statements containing “forward-looking information” within the meaning of applicable securities laws. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, “budget”, “scheduled”, “estimates”, “outlook”, “target”, “forecasts”, “projection”, “potential”, “prospects”, “strategy”, “intends”, “anticipates”, “seek”, “believes”, “opportunity”, “guidance”, “aim”, “goal” or variations of such words and phrases or statements that certain future conditions, actions, events or results “may”, “could”, “would”, “should”, “might”, “will”, “can”, or negative versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions. Statements containing forward-looking information are not historical facts, but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

This forward-looking information relates to the Company’s future financial outlook and anticipated events or results and includes, but is not limited to, statements under the heading “Financial Outlook” and information regarding: the Company’s financial position, financial results, business strategy, performance, achievements, prospects, objectives, opportunities, business plans and growth strategies; the Company’s budgets, operations and taxes; judgments and estimates impacting on financial statements; and the proposed spin-out of D2L Wave.

Forward-looking information is based on certain assumptions, expectations and projections, 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, including the following: the Company’s ability to win business from new customers and expand business from existing customers; the timing of new customer wins and expansion decisions by existing customers; the Company’s ability to generate revenue and expand its business while controlling costs and expenses; the Company’s ability to manage growth effectively; the Company’s ability to hire and retain personnel effectively; the effects of foreign currency exchange rate fluctuations on our operations; the ability to seek out, enter into and successfully integrate acquisitions; business and industry trends, including the success of current and future product development initiatives; positive social development and attitudes toward the pursuit of higher education; the Company’s ability to maintain positive relationships with its customer base and strategic partners; the Company’s ability to adapt and develop solutions that keep pace with continuing changes in technology, education and customer needs; the ability to patent new technologies and protect intellectual property rights; the Company’s ability to comply with security, cybersecurity and accessibility laws, regulations and standards; the assumptions underlying the judgments and estimates impacting on financial statements; and the Company’s ability to retain key personnel; the factors and assumptions discussed under the “Financial Outlook” of the Annual MD&A; that the conditions to completing the spin-out of D2L Wave are achieved or waived in a timely manner; and that the list of factors referenced in the following paragraph, collectively, do not have a material impact on the Company.

Although the Company believes that the assumptions underlying such forward-looking information were reasonable when made, they are inherently uncertain and are subject to significant risks and uncertainties and may prove to be incorrect. The Company cautions investors that forward-looking information is not a guarantee of the future and that actual results may differ materially from those made in or suggested by the forward-looking information contained in this press release. 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 and other factors, including but not limited to the risk of non-completion of the D2L Wave spin-out, or completion on the terms other than those initially negotiated, due to an inability to achieve satisfaction of applicable closing conditions, or obtain such third party consents as considered desirable by the parties and the further risks identified herein, or at “*Summary of Factors Affecting Our Performance*” of the Company’s Interim MD&A or in the “*Risk Factors*” section of the Company’s most recently filed annual information form, in each case filed under the Company’s profile on SEDAR+ at www.sedarplus.com. If any of these risks or uncertainties materialize, or if

assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information.

Given these risks and uncertainties, investors are cautioned not to place undue reliance on forward-looking information, including any financial outlook. Any forward-looking information that is contained in this press release speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking information 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.

About D2L Inc. (TSX: DTOL)

D2L is transforming the way the world learns—helping learners of all ages achieve more than they dreamed possible. Working closely with customers all over the world, D2L is supporting millions of people learning online and in person. Our global workforce is dedicated to making the best learning products to leave the world better than they found it. Learn more at www.D2L.com.

For further information, please contact:

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D2L INC.

Condensed Consolidated Interim Statements of Financial Position
(In U.S. dollars)

As at April 30, 2024 and January 31, 2024
(Unaudited)

	April 30, 2024	January 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 98,851,147	\$ 116,943,499
Trade and other receivables	25,287,892	23,025,690
Uninvoiced revenue	3,747,084	3,971,861
Prepaid expenses	8,232,470	10,517,226
Deferred commissions	5,346,539	5,334,864
	141,465,132	159,793,140
Non-current assets:		
Other receivables	517,782	537,056
Prepaid expenses	109,989	119,872
Deferred income taxes	520,153	529,674
Right-of-use assets	8,963,572	8,774,960
Property and equipment	8,009,367	8,427,734
Deferred commissions	7,757,724	7,730,724
Intangible assets	732,871	770,707
Goodwill	10,274,106	10,440,091
Total assets	\$ 178,350,696	\$ 197,123,958
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 25,973,683	\$ 32,635,926
Deferred revenue	80,973,649	93,727,368
Lease liabilities	1,289,542	1,002,464
Contingent consideration	256,946	271,479
	108,493,820	127,637,237
Non-current liabilities:		
Deferred income taxes	557,168	587,075
Lease liabilities	11,518,505	11,707,534
Contingent consideration	312,670	311,839
	12,388,343	12,606,448
	120,882,163	140,243,685
Shareholders' equity:		
Share capital	366,514,193	364,830,884
Additional paid-in capital	46,329,301	47,485,107
Accumulated other comprehensive loss	(5,794,007)	(4,998,317)
Deficit	(349,580,954)	(350,437,401)
	57,468,533	56,880,273
Total liabilities and shareholders' equity	\$ 178,350,696	\$ 197,123,958

D2L INC.

Condensed Consolidated Interim Statements of Comprehensive (Loss) Income (In U.S. dollars)

For the three months ended April 30, 2024 and 2023
(Unaudited)

	2024	2023
Revenue:		
Subscription and support	\$ 42,953,475	\$ 39,189,661
Professional services and other	5,541,417	5,038,278
	48,494,892	44,227,939
Cost of revenue:		
Subscription and support	11,946,610	11,240,740
Professional services and other	3,870,868	3,107,304
	15,817,478	14,348,044
Gross profit	32,677,414	29,879,895
Expenses:		
Sales and marketing	12,904,939	12,440,667
Research and development	12,290,771	11,145,353
General and administrative	8,099,431	6,189,503
	33,295,141	29,775,523
(Loss) income from operations	(617,727)	104,372
Interest and other income (expenses):		
Interest expense	(160,660)	(156,008)
Interest income	1,084,045	876,107
Other income	59,476	15,463
Foreign exchange gain	230,781	430,172
	1,213,642	1,165,734
Income before income taxes	595,915	1,270,106
Income taxes (recovery):		
Current	50,745	74,642
Deferred	(27,096)	85,013
	23,649	159,655
Income for the period	572,266	1,110,451
Other comprehensive loss:		
Foreign currency translation loss	(795,690)	(211,211)
Comprehensive (Loss) income	\$ (223,424)	\$ 899,240
Earnings per share – basic	\$ 0.01	\$ 0.02
Earnings per share – diluted	0.01	0.02
Weighted average number of common shares – basic	54,015,602	53,224,007
Weighted average number of common shares – diluted	55,723,344	54,752,509

D2L INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(In U.S. dollars)

For the three months ended April 30, 2024 and 2023
(Unaudited)

	Share Capital		Additional paid-in capital	Accumulated other comprehensive loss	Deficit	Total
	Shares	Amount				
Balance, January 31, 2024	53,978,085	\$ 364,830,884	\$ 47,485,107	\$ (4,998,317)	\$ (350,437,401)	\$ 56,880,273
Issuance of Subordinate Voting Shares on exercise of options	206,299	1,739,261	(900,761)	—	—	838,500
Issuance of Subordinate Voting Shares on settlement of restricted share units	194,483	965,967	(2,587,799)	—	—	(1,621,832)
Stock-based compensation	—	—	2,332,754	—	—	2,332,754
Repurchase of share capital for cancellation under NCIB	(131,380)	(1,021,919)	—	—	—	(1,021,919)
Change in share repurchase commitment under ASPP	—	—	—	—	284,181	284,181
Other comprehensive loss	—	—	—	(795,690)	—	(795,690)
Income for the period	—	—	—	—	572,266	572,266
Balance, April 30, 2024	54,247,487	\$ 366,514,193	\$ 46,329,301	\$ (5,794,007)	\$ (349,580,954)	\$ 57,468,533
Balance, January 31, 2023	53,146,530	357,639,824	46,084,161	(5,001,805)	(344,630,902)	54,091,278
Issuance of Subordinate Voting Shares on exercise of options	128,073	1,111,373	(450,449)	—	—	660,924
Issuance of Subordinate Voting Shares on settlement of restricted share units	24,097	297,619	(397,164)	—	—	(99,545)
Stock-based compensation	—	—	2,074,223	—	—	2,074,223
Other comprehensive loss	—	—	—	(211,211)	—	(211,211)
Income for the period	—	—	—	—	1,110,451	1,110,451
Balance, April 30, 2023	53,298,700	\$ 359,048,816	\$ 47,310,771	\$ (5,213,016)	\$ (343,520,451)	\$ 57,626,120

D2L INC.

Condensed Consolidated Interim Statements of Cash Flows
(In U.S. dollars)

For the three months ended April 30, 2024 and 2023
(Unaudited)

	2024	2023
Operating activities:		
Income for the period	\$ 572,266	\$ 1,110,451
Items not involving cash:		
Depreciation of property and equipment	436,493	291,732
Depreciation of right-of-use assets	286,692	321,071
Amortization of intangible assets	27,967	4,376
Gain on disposal of property and equipment	(45,803)	(15,463)
Stock-based compensation	2,332,754	2,074,223
Net interest (income) expense	(923,385)	(720,099)
Income tax expense	23,649	159,655
Changes in operating assets and liabilities:		
Trade and other receivables	(2,528,272)	(3,582,301)
Uninvoiced revenue	168,438	(807,077)
Prepaid expenses	2,116,314	448,517
Deferred commissions	(191,409)	(231,019)
Accounts payable and accrued liabilities	(6,008,716)	(5,551,696)
Deferred revenue	(12,109,523)	(11,383,125)
Right-of-use assets and lease liabilities	(43,743)	—
Interest received	1,077,425	876,107
Interest paid	(12,633)	(7,522)
Income taxes paid	(4,239)	(22,509)
Cash flows used in operating activities	(14,825,725)	(17,034,679)
Financing activities:		
Payment of lease liabilities	(405,727)	(132,994)
Proceeds from exercise of stock options	838,500	660,924
Taxes paid on settlement of restricted share units	(1,621,832)	(99,545)
Repurchase of share capital for cancellation under NCIB	(1,021,919)	—
Cash flows (used in) from financing activities	(2,210,978)	428,385
Investing activities:		
Purchase of property and equipment	(171,869)	(1,664,474)
Proceeds from disposal of property and equipment	45,803	15,463
Cash flows used in investing activities	(126,066)	(1,649,011)
Effect of exchange rate changes on cash and cash equivalents	(929,583)	(384,923)
Decrease in cash and cash equivalents	(18,092,352)	(18,640,228)
Cash and cash equivalents, beginning of period	116,943,499	110,732,236
Cash and cash equivalents, end of period	\$ 98,851,147	\$ 92,092,008

Non-IFRS Financial Measures and Reconciliation of Non-IFRS Financial Measures

The information presented within this press release refers to certain non-IFRS financial measures (including non-IFRS ratios) including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Margin, Free Cash Flow, Free Cash Flow Margin, and Constant Currency Revenue. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. Non-IFRS financial measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS and are unlikely to be comparable to similar measures presented by other issuers. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations, financial performance and liquidity from management's perspective and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Company believes that securities analysts, investors and other interested parties frequently use non-IFRS financial measures in the evaluation of the Company. The Company's management also uses non-IFRS financial measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to assess our ability to meet our capital expenditures and working capital requirements.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is defined as net income (loss), excluding interest, taxes, depreciation and amortization (or EBITDA), adjusted for stock-based compensation, foreign exchange gains and losses, non-recurring expenses, transaction-related expenses, impairment charges and other income and losses. Adjusted EBITDA Margin is calculated as Adjusted EBITDA expressed as a percentage of total revenue. For an explanation of recent changes to and management's use of Adjusted EBITDA and Adjusted EBITDA Margin see "Non-IFRS and Other Financial Measures – Non-IFRS Financial Measures and Non-IFRS Financial Ratios – Adjusted EBITDA and Adjusted EBITDA Margin" section in the Company's Interim MD&A, which section is incorporated by reference herein.

The following table reconciles Adjusted EBITDA to income (loss) for the period, and discloses Adjusted EBITDA Margin, for the periods indicated:

(in thousands of U.S. dollars, except for percentages)	Three months ended April 30	
	2024	2023
Income for the period	572	1,110
Stock-based compensation	2,333	2,074
Foreign exchange gain	(231)	(430)
Non-recurring expenses	821	—
Transaction-related expenses	672	—
Net interest income	(923)	(720)
Income tax expense	24	160
Depreciation and amortization	751	617
Adjusted EBITDA	4,019	2,811
Adjusted EBITDA Margin	8.3%	6.4%

Adjusted Gross Profit and Adjusted Gross Margin

Adjusted Gross Profit is defined as gross profit excluding related stock-based compensation expenses. Adjusted Gross Margin is calculated as Adjusted Gross Profit expressed as a percentage of total revenue. For an explanation of management's use of Adjusted Gross Profit and Adjusted Gross Margin see "Non-IFRS and Other Financial Measures – Non-IFRS Financial Measures and Non-IFRS Financial Ratios – Adjusted

Gross Profit and Adjusted Gross Margin” section in the Company’s Interim MD&A , which section is incorporated by reference herein.

The following table reconciles Adjusted Gross Margin to gross profit expressed as a percentage of revenue, for the periods indicated:

(in thousands of U.S. dollars, except for percentages)	Three months ended April 30	
	2024	2023
Gross profit for the period	32,677	29,880
Stock-based compensation	146	111
Adjusted Gross Profit	32,823	29,991
Adjusted Gross Margin	67.7%	67.8%

Free Cash Flow and Free Cash Flow Margin

Free Cash Flow is defined as cash provided by (used in) operating activities less net additions to property and equipment. Free Cash Flow Margin is calculated as Free Cash Flow expressed as a percentage of total revenue. For an explanation of management’s use of Free Cash Flow and Free Cash Flow Margin see “*Non-IFRS and Other Financial Measures – Non-IFRS Financial Measures and Non-IFRS Financial Ratios – Free Cash Flow and Free Cash Flow Margin*” section in the Company’s Interim MD&A , which section is incorporated by reference herein.

The following table reconciles our cash flow from (used in) operating activities to Free Cash Flow, and discloses Free Cash Flow Margin, for the periods indicated:

(in thousands of U.S. dollars, except for percentages)	Three months ended April 30	
	2024	2023
Cash flow used in operating activities	(14,826)	(17,035)
Net addition to property and equipment	(126)	(1,649)
Free Cash Flow	(14,952)	(18,684)
Free Cash Flow Margin	-30.8%	-42.2%

Constant Currency Revenue

Constant Currency Revenue is defined as foreign-currency-denominated revenues translated at the historical exchange rates from the comparable prior period into our U.S. dollar functional currency. For an explanation of management’s use of Constant Currency Revenue see “*Non-IFRS and Other Financial Measures – Non-IFRS Financial Measures and Non-IFRS Financial Ratios – Constant Currency Revenue*” section in the Company’s Interim MD&A , which section is incorporated by reference herein.

The following table reconciles our Constant Currency Revenue to revenue, for the periods indicated:

(in thousands of U.S. dollars)	Three months ended April 30	
	2024	2023
Total revenue for the period	48,495	44,228
Positive impact of foreign exchange rate changes over the prior period	(45)	—
Constant Currency Revenue	48,450	44,228

Key Performance Indicators

Management uses a number of metrics, including the key performance indicators identified below, to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other issuers. These metrics are estimated operating metrics and not projections, nor actual financial results, and are not indicative of current or future performance.

- *Annual Recurring Revenue and Constant Currency Annual Recurring Revenue:* We define Annual Recurring Revenue as the annualized equivalent value of subscription revenue from all existing customer contracts as at the date being measured, exclusive of the implementation period. Our calculation of Annual Recurring Revenue assumes that customers will renew their contractual commitments as those commitments come up for renewal. We believe Annual Recurring Revenue provides a reasonable, real-time measure of performance in a subscription-based environment and provides us with visibility for potential growth to our cash flows. We believe that increasing Annual Recurring Revenue indicates the continued strength in the expansion of our business, and will continue to be our focus on a go-forward basis. We define Constant Currency Annual Recurring Revenue as foreign-currency-denominated Annual Recurring Revenue translated at the historical exchange rates from the comparable prior period into our U.S. dollar functional currency.

(in millions of U.S. dollars, except percentages)	As at April 30		Change %
	2024 \$	2023 \$	
Annual Recurring Revenue	190.3	170.9	11.4%
Constant Currency Annual Recurring Revenue	191.4	170.9	12.0%