

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): May 7, 2024

DOMA HOLDINGS, INC.

(Exact name of Registrant, as specified in its charter)

Delaware

001-39754

84-1956909

(State or other jurisdiction of incorporation)

(Commission File Number)

(I.R.S. Employer Identification Number)

101 Mission Street, Suite 1050

San Francisco, California 94105

(Address of principal executive offices) (Zip code)

650-419-3827

(Registrant's telephone number, including area code)

Not Applicable

(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.0001 per share	DOMA	The New York Stock Exchange
Warrants to purchase common stock	DOMAW	*

* The warrants are trading on the OTC Pink Marketplace under the symbol "DOMAW".

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 7, 2024, Doma Holdings, Inc. (the "Company") issued a press release announcing its financial results for the three months ended March 31, 2024. The press release is furnished as Exhibit 99.1 and incorporated by reference herein.

The information contained in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section and shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	
99.1*	Press release dated May 7, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

*Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 7, 2024

By: /s/ Mike Smith
Name: Mike Smith
Title: Chief Financial Officer

Doma Reports First Quarter 2024 Financial Results

SAN FRANCISCO--(Business Wire)--May 7, 2024-- Doma Holdings, Inc. (NYSE: DOMA) (“Doma” or the “Company”), a leading force for disruptive change in the real estate industry, today reported financial results and key operating data for the three months ended March 31, 2024.

First Quarter 2024 Business Highlights (1)(2):

- Total revenues of \$66 million, down 22% versus Q4 2023
- Retained premiums and fees of \$14 million, down 17% versus Q4 2023
- Gross profit of \$4 million, down 14% versus Q4 2023
- Adjusted gross profit of \$7 million, down 9% versus Q4 2023
- Net loss of \$19 million, compared to a net loss of \$18 million in Q4 2023
- Adjusted EBITDA loss of \$6 million, compared to a loss of \$3 million in Q4 2023

“With mortgage rates at twenty-year highs and housing supply severely constrained, many of the largest participants in the mortgage ecosystem— the government-sponsored enterprises, software providers, and national lenders—are seeking new and innovative solutions to reduce closing costs for consumers,” says Max Simkoff, Doma CEO. “We have long advocated the importance of title insurance and the protection it provides for homebuyers but also the potential for innovation around lenders’ title to lower costs for homeowners. We welcome the focus of Fannie Mae in this area, and believe our scale- and market-tested technology puts us in a leading position to participate in their pilot program.”

- (1) Reconciliations of retained premiums and fees, adjusted gross profit, and the other financial measures used in this press release that are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”) to the nearest measures prepared in accordance with GAAP have been provided in this press release in the accompanying tables. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”
- (2) Doma has exited its local retail operations nationwide. Local and associated operations are classified as “discontinued operations” and segregated in Doma’s financial results beginning in the third quarter ended September 30, 2023. The financial results and key operating data highlighted today reflect the continuing operations of Doma, excluding the discontinued local and associated operations.

Pending Transaction

As previously announced on March 28, 2024, Doma entered into a definitive agreement and plan of merger to be acquired by Title Resources Group (“TRG”) in an all-cash transaction for \$6.29 per share. The pending transaction would result in Doma becoming a private company and is expected to close in the second half of 2024, subject to certain closing conditions, including the approval of the holders of a majority of Doma’s common stock that are not affiliated with LENX ST Investor, LLC and LEN FW Investor, LLC and certain other persons.

In light of the pending transaction, Doma will not hold an earnings conference call or provide forward looking guidance.

About Doma Holdings, Inc.

Doma is a real estate technology company that is disrupting a century-old industry by building an instant and frictionless home closing experience for buyers and sellers. Doma uses proprietary machine intelligence technology and deep human expertise to create a vastly more simple and affordable experience for everyone involved in a residential real estate transaction, including current and prospective homeowners, mortgage lenders, title agents, and real estate professionals. With Doma, what used to take days can now be done in minutes, replacing an arcane and cumbersome process with a digital experience designed for today’s world. To learn more visit doma.com.

Non-GAAP Financial Measures

Some of the financial information and data contained in this press release, such as retained premiums and fees, adjusted gross profit and adjusted EBITDA, have not been prepared in accordance with GAAP. Retained premiums and fees is defined as total revenue less premiums retained by agents. Adjusted gross profit is defined as gross profit (loss), adjusted to exclude the impact of depreciation and amortization. Adjusted EBITDA is defined as net income (loss) before interest, income taxes and depreciation and amortization, and further adjusted to exclude the impact of net loss from discontinued operations, stock-based compensation, severance and interim salary costs, change in fair value of local sales deferred earnout, and the change in fair value of warrant and sponsor covered shares liabilities. Doma believes that the use of retained premiums and fees, adjusted gross profit and adjusted EBITDA provides additional tools to assess operational performance and trends in, and in comparing Doma’s financial measures with, other similar companies, many of which present similar non-GAAP financial measures to investors. Doma’s non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial measures determined in accordance with GAAP. Because of the limitations of non-GAAP financial measures, you should consider the non-GAAP financial measures presented herein in conjunction with Doma’s financial statements and the related notes thereto. Please refer to the non-GAAP reconciliations in this press release for a reconciliation of these non-GAAP financial measures to the most comparable financial measure prepared in accordance with GAAP.

Forward-Looking Statements Legend

This press release includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The absence of these words does not mean that a statement is not forward-looking. Such statements are based on the

beliefs of, as well as assumptions made by information currently available to Doma management. These forward-looking statements include, but are not limited to, statements regarding our ability to offer our technology through, and enter into commercial relationships with, mortgage technology platforms (including any specific partner mentioned), primary and/or secondary mortgage market participants and/or their customers, estimates and forecasts of financial and performance metrics, projections of market opportunity, total addressable market ("TAM"), market share and competition, the ability to expand our product offerings geographically and/or add additional partners, and the impact of FHFA's recently announced "title acceptance" pilot and/or our level of participation, if any, in such pilot, and the pending transaction with the Title Resources Group. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectation of Doma's management and are not predictions of actual performance. These forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not guarantees of future performance and undue reliance should not be placed on them. Actual events and circumstances are difficult or impossible to predict, will differ from assumptions and are beyond the control of Doma.

These forward-looking statements are subject to a number of risks and uncertainties, including changes in business, market, financial, political and legal conditions; risks relating to the uncertainty of our market opportunities; future global, regional or local economic, political, market and social conditions; the development, effects and enforcement of laws and regulations, including with respect to the title insurance industry; Doma's ability to manage its future growth or to develop or acquire enhancements to its platform; the effects of competition on Doma's future business; the outcome of any potential litigation, government and regulatory proceedings, investigations and inquiries; Doma's ability to complete the pending transaction with Title Resources Group on the anticipated timeline, if at all; and those other factors described in Part I, Item 1A - "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 and any subsequent reports filed by Doma from time to time with the U.S. Securities and Exchange Commission (the "SEC").

If any of these risks materialize or Doma's assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Doma does not presently know or that Doma currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Doma's expectations, plans or forecasts of future events and views as of the date of this press release. Doma anticipates that subsequent events and developments will cause Doma's assessments to change. However, while Doma may elect to update these forward-looking statements at some point in the future, Doma specifically disclaims any obligation to do so, except as required by law. These forward-looking statements should not be relied upon as representing Doma's assessment as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Key Operating and Financial Indicators from Continuing Operations

	Three Months Ended March 31,	
	2024	2023
	(Unaudited - in thousands)	
GAAP financial data:		
Revenue (1)	\$ 66,067	\$ 68,812
Gross profit (2)	\$ 4,108	\$ 2,101
Net loss (3)	\$ (19,474)	\$ (31,233)
Non-GAAP financial data (4):		
Retained premiums and fees	\$ 13,676	\$ 14,275
Adjusted gross profit	\$ 7,093	\$ 4,963
Ratio of adjusted gross profit to retained premiums and fees	52%	35%
Adjusted EBITDA	\$ (5,562)	\$ (12,785)

- (1) Revenue is comprised of (i) net premiums written, (ii) escrow, other title-related fees and other, and (iii) investment, dividend and other income.
- (2) Gross profit, calculated in accordance with GAAP, is calculated as total revenue, minus premiums retained by agents, direct labor expense (including mainly personnel expense for certain employees involved in the direct fulfillment of policies) and direct non-labor expense (including mainly title examination expense, provision for claims, and depreciation and amortization). In our consolidated income statements, depreciation and amortization is recorded under the "other operating expenses" caption.
- (3) Net loss is made up of the components of revenue and expenses.
- (4) Retained premiums and fees, adjusted gross profit and adjusted EBITDA are non-GAAP financial measures.

Non-GAAP Financial Measures

Retained premiums and fees

The following table reconciles our continuing operations retained premiums and fees to our gross profit, the most closely comparable GAAP financial measure, for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
	(Unaudited - in thousands)	
Revenue	\$ 66,067	\$ 68,812
<i>Minus:</i>		
Premiums retained by agents	52,391	54,537
Retained premiums and fees	\$ 13,676	\$ 14,275
<i>Minus:</i>		
Direct labor	3,414	3,808
Provision for claims	730	3,287
Depreciation and amortization	2,985	2,862
Other direct costs (1)	2,439	2,217
Gross Profit	\$ 4,108	\$ 2,101

- (1) Includes title examination expense, office supplies, and premium and other taxes.

Adjusted gross profit

The following table reconciles our continuing operations adjusted gross profit to our gross profit, the most closely comparable GAAP financial measure, for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
	(Unaudited - in thousands)	
Gross Profit	\$ 4,108	\$ 2,101
<i>Adjusted for:</i>		
Depreciation and amortization	2,985	2,862
Adjusted Gross Profit	<u>\$ 7,093</u>	<u>\$ 4,963</u>

Adjusted EBITDA

The following table reconciles our continuing operations adjusted EBITDA to our net loss, the most closely comparable GAAP financial measure, for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
	(Unaudited - in thousands)	
Net loss (GAAP)	\$ (20,551)	\$ (42,123)
<i>Adjusted for:</i>		
Depreciation and amortization	2,985	2,862
Interest expense	6,604	3,971
Income taxes	(504)	156
EBITDA	\$ (11,466)	\$ (35,134)
<i>Adjusted for:</i>		
Loss from discontinued operations, net of taxes	1,077	10,890
Stock-based compensation	4,703	4,993
Severance and interim salary costs	64	6,481
Change in fair value of Warrant and Sponsor Covered Shares liabilities	239	(15)
Change in fair value of Local Sales Deferred Earnout	(179)	—
Adjusted EBITDA	<u>\$ (5,562)</u>	<u>\$ (12,785)</u>

The following table reconciles our continuing operations adjusted gross profit to our adjusted EBITDA, for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
	(Unaudited - in thousands)	
Adjusted Gross Profit	\$ 7,093	\$ 4,963
<i>Minus:</i>		
Customer acquisition costs	1,475	2,336
Other indirect costs (1)	11,180	15,412
Adjusted EBITDA	<u>\$ (5,562)</u>	<u>\$ (12,785)</u>

(1) Includes corporate support, research and development, and other operating costs.

Doma Holdings, Inc.
Consolidated Statements of Operations

<i>(Unaudited - in thousands, except share and per share information)</i>	Three Months Ended March 31,	
	2024	2023
Revenues:		
Net premiums written (1)	\$ 63,513	\$ 66,770
Escrow, other title-related fees and other	1,071	964
Investment, dividend and other income	1,483	1,078
Total revenues	\$ 66,067	\$ 68,812
Expenses:		
Premiums retained by agents (2)	\$ 52,391	\$ 54,537
Title examination expense	858	733
Provision for claims	730	3,287
Personnel costs	14,615	25,408
Other operating expenses	10,608	11,968
Total operating expenses	\$ 79,202	\$ 95,933
Operating loss from continuing operations	\$ (13,135)	\$ (27,121)
Other (expense) income:		
Change in fair value of Warrant and Sponsor Covered Shares liabilities	(239)	15
Interest expense	(6,604)	(3,971)
Loss from continuing operations before income taxes	\$ (19,978)	\$ (31,077)
Income tax benefit (expense)	504	(156)
Loss from continuing operations, net of taxes	\$ (19,474)	\$ (31,233)
Loss from discontinued operations, net of taxes	(1,077)	(10,890)
Net loss	\$ (20,551)	\$ (42,123)
Earnings per share:		
Net loss from continuing operations per share attributable to stockholders - basic and diluted	\$ (1.42)	\$ (2.37)
Net loss per share attributable to stockholders - basic and diluted	\$ (1.50)	\$ (3.19)
Weighted average shares outstanding common stock - basic and diluted	13,736,176	13,194,859

(1) Net premiums written includes revenues from a related party of \$34.1 million and \$30.0 million during the three months ended March 31, 2024, and 2023, respectively.

(2) Premiums retained by agents includes expenses associated with a related party of \$27.5 million and \$24.1 million during the three months ended March 31, 2024, and 2023, respectively.

Doma Holdings, Inc.
Consolidated Balance Sheets

<i>(Unaudited - in thousands, except share information)</i>	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 61,467	\$ 65,939
Restricted cash	3,985	5,228
Investments:		
Fixed maturities		
Held-to-maturity debt securities, at amortized cost (net of allowance for credit losses of \$123 at March 31, 2024 and \$125 at December 31, 2023)	16,582	18,179
Available-for-sale debt securities, at fair value (amortized cost \$50,800 at March 31, 2024 and \$58,516 at December 31, 2023)	50,395	58,032
Mortgage loans	45	45
Total investments	<u>\$ 67,022</u>	<u>\$ 76,256</u>
Trade and other receivables (net of allowance for credit losses of \$1,812 at March 31, 2024 and \$1,802 at December 31, 2023)	21,897	24,452
Prepaid expenses, deposits and other assets	7,113	4,614
Lease right-of-use assets	3,827	4,175
Fixed assets (net of accumulated depreciation of \$31,287 at March 31, 2024 and \$26,272 at December 31, 2023)	29,697	30,945
Title plants	2,716	2,716
Goodwill	23,413	23,413
Assets held for disposal	2,062	2,563
Total assets	<u><u>\$ 223,199</u></u>	<u><u>\$ 240,301</u></u>
Liabilities and stockholders' deficit		
Accounts payable	\$ 1,698	\$ 1,798
Accrued expenses and other liabilities	12,072	12,700
Lease liabilities	8,078	8,838
Senior secured credit agreement, net of debt issuance costs and original issue discount	160,692	154,087
Liability for loss and loss adjustment expenses	76,155	81,894
Warrant liabilities	29	26
Sponsor Covered Shares liability	321	86
Liabilities held for disposal	5,835	6,783
Total liabilities	<u>\$ 264,880</u>	<u>\$ 266,212</u>
Commitments and contingencies		
Stockholders' deficit:		
Common stock, 0.0001 par value; 80,000,000 shares authorized at March 31, 2024; 13,887,772 and 13,524,203 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	\$ 1	\$ 1
Additional paid-in capital	598,475	593,772
Accumulated deficit	(639,752)	(619,201)
Accumulated other comprehensive income	(405)	(483)
Total stockholders' deficit	<u>\$ (41,681)</u>	<u>\$ (25,911)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 223,199</u></u>	<u><u>\$ 240,301</u></u>

Investor Contact: Dave DeHorn | Chief Strategy Officer and Interim Head of Investor Relations for Doma | ir@doma.com

SOURCE Doma Holdings, Inc.