

# KLDiscovery Investments Lead to a Record-Breaking Year in 2023

KLDiscovery<sup>™</sup>



KLDiscovery had a banner year in 2023, breaking company records for revenue attainment and EBITDA. With ongoing investments in people, processes, technology, acquisitions, and innovative programs, we were able to report the highest revenue in our financial filings in company history. Let us go behind the scenes to take a closer look at what enabled KLDiscovery to attain this remarkable level of success. 

- 3 People
- 4 Software
- 8 Services
- 9 Partnerships & Programs
- 10 Strategic Acquisitions
- 11 Expansion of Information & Data Security
- 12 Growth

# Investing in People

Our team is the reason we continue driving technological innovation to advance the legal industry and enhance client satisfaction. Because they are at the center of everything we do, we take a comprehensive approach to investing in our team. Encompassing everything from ongoing leadership training for continuing education to wellness programs focused on ensuring our team members and their families are healthy, we understand when our people do well, we do better as a company.



## Professional Growth Opportunities

We are committed to the development of our entire organization, including Leaders, Managers, and Individual Contributors, through well-established continuous learning programs. We invest in innovative learning management tools and provide access to a suite of online learning options for all our employees. In 2023, we launched a formal Leadership Development Program aimed at enhancing the leadership skills of our people managers. We have so far delivered 16 training sessions, equating to more than 1,000 training hours and we are providing sessions on new topics each month.

## New Hires and Promotions

To ensure we constantly drive innovation and market expansion, we invest in hiring new team members and promoting existing employees. In 2023, we hired 335 new people and promoted 124 team members.

## Employee Wellbeing

At KLDDiscovery, we embrace inclusivity, diversity, and equity. Valuing team members' unique backgrounds and varieties of experience make our company stronger and nimbler. We are proud to support our Business Resource Groups (BRGs), including:

- KLD Pride
- KLD Women in Technology
- KLD One Fingerprint United
- KLD Cares

BRG members lead multiple efforts and initiatives throughout the year, including highlighting employee stories to foster a greater sense of camaraderie across a global workforce, interviewing women in technology, bringing in guest speakers who focus on inclusion and diversity, and providing continuing education on global holidays and events. The stronger the connections team members make, the more they can accomplish in a tight timeline for our clients.

In addition to BRGs, KLDDiscovery offers a Roadmap to Wellness program. An internally developed and executed program, Roadmap to Wellness encourages employees to nurture holistic wellbeing across their work and personal lives. Team members create and curate programs related to multiple areas of wellness, including mental health, social connection, financial wellness, and physical health.

Holistic wellbeing includes best-in-class benefits. Among those are free Employee Support Programs offering assistance and local resources for a range of life events. In fact, KLDDiscovery was recognized by Cigna, our US medical benefits provider, awarding us a Bronze Level Healthy Workplace Designation for 2023. This recognition is for companies who invest in wellness and wellbeing programs for their employees and have found success with participation and health-related outcomes.

## Employee Engagement

Because the greatest innovation and client support are born from highly engaged employees, KLDDiscovery conducts engagement surveys of employees. In our most recent engagement survey, KLDDiscovery earned an employee net promoter score (eNPS) of 75%, which is considered excellent.

# Investing in Software



Nebula® is the platform of choice to address legal, compliance, and investigation needs. With continuous investment and an unwavering focus on helping customers navigate the evolving digital and legal landscape, we drove major product advancements and increasing adoption of Nebula.

## Nebula Key Growth Metrics Q3 2022 through Q3 2023 (as of September 30, 2023):

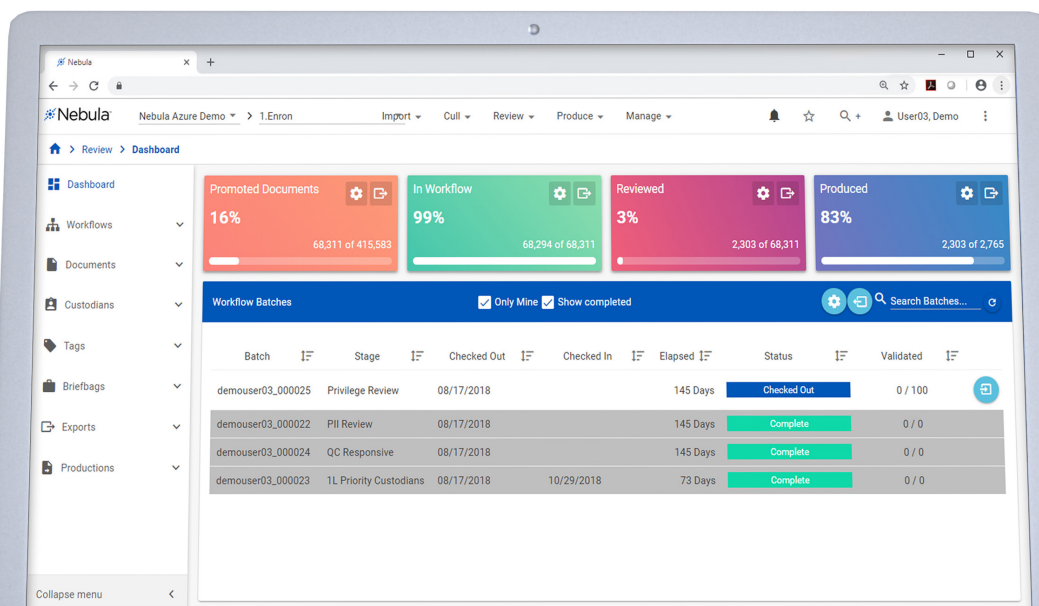
- **Customer Growth**  
The number of customers relying on Nebula for legal and compliance matters increased 11% to 1,682.
- **User Expansion**  
The user base has grown 20% with 4,892 users actively utilizing Nebula worldwide.
- **Matter Growth**  
The number of active Nebula matters has increased 15%, reaching a new milestone of 1,338 concurrent projects.
- **Data Hosting**  
Total data hosted across active Nebula projects surged 35% to over 500TB globally.

This extraordinary growth translated to remarkable financial performance. Nebula’s revenue grew 62% year over year in 2023, showcasing its financial strength and market competitiveness. September 2023 year-to-date Nebula revenue saw a 57% increase year-over-year, further highlighting the platform’s sustained success and client trust.

Building off Nebula’s artificial intelligence and machine learning, new AI features are slated for release in 2024 and 2025 to further solidify Nebula as an eDiscovery powerhouse.

Available both as a SaaS solution and as a maintenance-free rackmount appliance, Nebula can be leveraged by any type of eDiscovery customer, in nearly any geography. Cloud SaaS usage has been the driving force behind Nebula’s growth, accounting for the majority of all new engagements.

Nebula epitomizes the modern, cloud-native application including the latest in artificial intelligence and machine learning. Our software development and data science teams have incorporated cutting-edge technology throughout Nebula to enhance efficiency, streamline user experiences, and drive favorable outcomes.

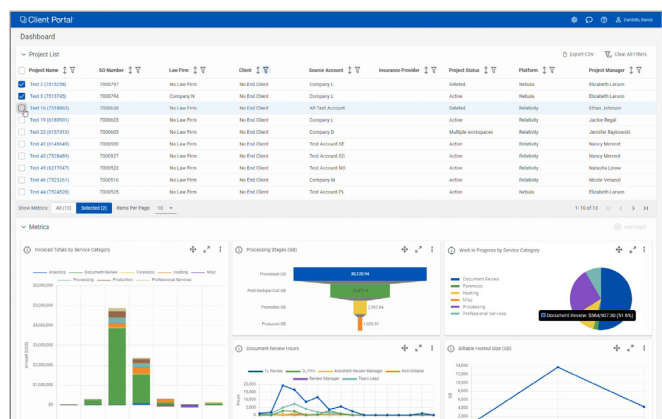


Client Portal™ offers business intelligence for greater visibility and control across a portfolio of matters. In 2023, we invested in the software to expand the features and metrics available, offering additional insights and raising the standards of client support in the legal industry.

Expanded metrics provide even greater transparency into project activity and financials, enabling users to make informed decisions and gain efficiencies. Graphs available in Client Portal's data visualization tool include:

- Hosted production image count
- Total hosted size (GB)
- Processed document count by custodian
- Processed size (GB) by custodian
- Produced redacted document count

Additional customization options in Client Portal allow users to view aggregate invoicing as well as other financial metrics grouped by entity, such as law firm, client, and insurance provider. These features provide industry-leading flexibility and on-demand access to key analytics, empowering users to gain more comprehensive financial insights.



A groundbreaking Alerting feature was unveiled in 2023 empowering clients to set up customizable alerts to proactively notify them of key events that occur within their portfolio of matters with KLDISCOVERY.

Key components of the Alerting feature include:

- **Customizable Alerts**  
Client Portal allows users to set up tailor-made alerts to align with their unique needs and priorities. Whether it is closely monitoring budgeted spend, accrued work in progress for the month, or significant increases in work being performed, clients have the flexibility to establish alerts to suit their specific objectives.
- **Real-time Notifications**  
Clients receive timely notifications when their predefined conditions are met or exceeded. Alerts can be triggered on demand or at a scheduled interval. This ensures clients are always aware of any developments in their legal matters, enabling quicker responses and informed decision-making.
- **Enhanced Control**  
With this new feature, clients have the power to proactively manage their legal portfolios. They can take immediate action when necessary, leading to more efficient and cost-effective legal processes.
- **Improved Risk Mitigation**  
The Alerting feature not only provides clients with greater control but also aids in risk mitigation. By being alerted to critical changes in real time, clients can address potential issues before they escalate, ultimately saving time and resources.

As part of our continued investment in providing innovative solutions to empower clients and elevate their legal experiences, Client Portal's expansion is another testament to our dedication to client satisfaction and technological advancement in the legal industry.





ReadySuite® is our multipurpose software for load files with support for Relativity Short Message Files (RSMF) and the ability to collect and convert chat messaging data. Used by law firms, service providers, consultants, and corporations, ReadySuite is essential legal software for managing document volumes, production sets, and eDiscovery workflows.

In 2023, we announced a major software release that integrated ReadySuite with Nebula allowing users to easily review outgoing productions by retrieving load file data directly from Nebula at the push of a button.

Additional powerful features in the release included:

- Chat Messages and RSMF batch import – supports the bulk ingestion of many RSMF in one simple operation
- Data Grid updates – expanded datatype conversions and better column filtering in the Data Grid put more power in the hands of users
- Enhanced scripting engine – new API properties added when reading page and TIFF file data, and several updates were made to the built-in library, now with 80 included scripts

At the end of 2023, Relativity ended support for the Relativity Desktop Client (RDC) and the Relativity Import API when used in the RelativityOne environment, which impacted ReadySuite’s integration with RelativityOne. ReadySuite was updated enabling users to:

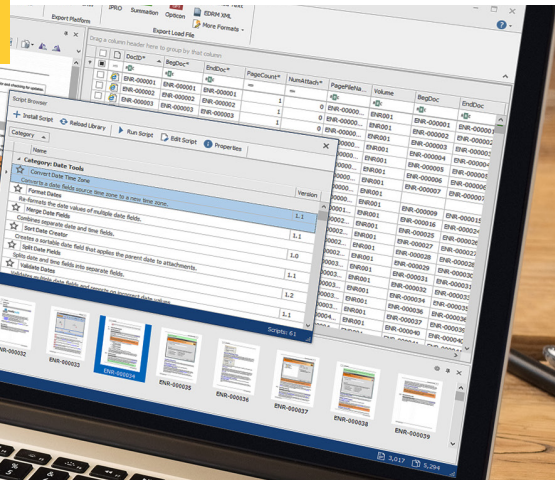
- Import eDiscovery volume and productions directly to RelativityOne from ReadySuite
- Leverage ReadySuite’s script library and overlay metadata fields directly to a Relativity workspace
- Retrieve document coding directly from a RelativityOne workspace to support Production QC workflows in ReadySuite

Development kicked off in 2023 for the most recent software release of ReadySuite 8 in March 2024.

Key upgrades and features of ReadySuite 8 include:

- Advanced Chat Connectors – collect and convert data directly from chat sources to the Relativity Short Message Format (RSMF) 2.0, including Microsoft Teams, Slack, and Google Chat/Hangouts
- Enhanced Viewing Tools – quickly inspect and validate RSMF files in bulk
- Scripting Engine Including Dynamic/Scripted Fields – customize and fine-tune chat data for import and export
- Chat and RSMF Export – take advantage of official support for RSMF 2.0 and new export options including several slicing/chunking capabilities for RSMF files

ReadySuite is a vital tool for eDiscovery technologists and with the introduction of ReadySuite 8, clients are empowered to utilize our built-in RSMF collection and conversion tools to easily view, manage, and validate modern chat data for eDiscovery review and production workflows.



For individuals and growing businesses, Ontrack Desk enables everyone from novices to experts to recover their lost data with minimal effort. Engineered with sophisticated technology, the software is available in 3 versions and caters to all levels of technical expertise—ensuring optimal data recovery solutions for every user.

Best of all, Ontrack Desk allows customers to recover up to **1GB of lost data for free**, including photos, videos, and more.

- Recover data from any storage media, including hard drives, SSD, USB flash drives, and SD cards and removable media
- Recover any file format, including photos, videos, documents, databases, or email file formats
- Leverage multi-language support, including a user interface available in English, Italian, and both traditional and simplified Chinese
- Recover data from unbootable or crashed systems

A culmination of our 35+ years of experience developing file recovery systems for a multitude of formats, Ontrack Desk is the new, modern data recovery tool that is **powerful yet simple** to use.



# Investing in **Services**

With continuous investments to expand our services, **2023 stands out** with impressive statistics.

## Processing and Production

KLDiscovery **processed 1.3 petabytes** of client data across all the platforms we support, including Nebula, Relativity, and Canopy. This statistic makes 2023 the year we processed the **most data in company history**—on top of continuous growth over the last 7 years. With the persistent proliferation of data, our ongoing investments position KLDiscovery to handle more and more client data volumes each year.

In 2023, KLDiscovery **produced 128 million documents** (334 million pages) of client data—48% more documents and pages produced than in 2022. We were able to manage this extra workload thanks to investments made in internal tools that allow for greater efficiency and faster turnaround times.

## Hosting

Total active hosting in 2023 across Nebula and Relativity encompassed **2,200+ terabytes of data**. Between March 2023 and March 2024, Nebula **grew more than 21%** and Relativity **grew more than 66%**.

## Managed Review

In 2023, our Managed Review team impressed with **312 engagements** and **1.2+ million hours worked** on client projects. Highlights from those engagements include:

- A Supplementary Information Request (SIR) with over **4 million documents**. A team of 130 reviewers completed review in 2 months and ensured the client met all deadlines. The acquisition was approved by the Canadian Competition Bureau.
- A Second Request from the US Department of Justice included reviewing **3 million documents over 4 months**, ensuring all deadlines were met.

## Data Recovery

Ontrack engineers recovered **17+ petabytes of data** in 2023 ranging from single drives and RAID servers to cloud servers and ransomware data recovery.





# Investing in **Partnerships** and **Programs**

We believe in making it easy for clients and partners to work with KLDDiscovery. This is the reason we have made significant investments in innovative programs enabling organizations to engage with us in ways that work best for them. From franchising to partner programs, KLDDiscovery is committed to creating robust partnership opportunities, redefining collaboration across the legal landscape. We have developed a mutually beneficial ecosystem to support operational excellence, client-focused service delivery, and continued advancement in legal technology.

## **Franchises**

In 2023, we launched a first-of-its-kind eDiscovery franchise program in the US. This program serves as the gateway for legal entrepreneurs and adjacent companies to flourish in the eDiscovery domain, with access to KLDDiscovery's proven business model, established brand, global footprint, innovative technology, and 24/7/365 support. This program is the ideal incubator for both seasoned business owners, including smaller eDiscovery providers, consultants, forensic companies, managed service providers, and the next generation of legal technology entrepreneurs who are ready to invest in themselves.

## **Partner Programs**

### **KLDDiscovery**

Specifically designed for ambitious, regionally operating eDiscovery and forensic companies, KLDDiscovery's SaaS offering, inclusive of Nebula, Relativity Server, and Relativity One, is crafted to reduce operational costs and infrastructure needs, providing scalable paths to growth with multiple delivery options and white-glove support.

### **Ontrack**

Ontrack, a business of KLDDiscovery focused on data recovery, offers an Authorized Partner Program ideal for computer retailers, consultants, and companies in the IT service, education, and government sectors. Opportunities like the Ontrack Authorized Partner Program underscore KLDDiscovery's dedication to providing a comprehensive suite of services, with benefits ranging from increased revenue streams to unparalleled access to a global network of engineering and R&D expertise.

## **Reseller Programs**

We invite companies to earn substantial referral commissions by simply channeling clients to KLDDiscovery, without the need to engage directly with service delivery.

# Investing in **Strategic Acquisitions**

In Q4 2023, KLDISCOVERY completed the acquisition of CENZA Technologies Private Limited (CENZA), an India-based alternative legal services provider (ALSP) offering Contract Lifecycle Management (CLM), CLM implementation services, document review, and legal AI-driven solutions.

Recognized for delivering scalable, cost-effective, and reliable managed legal services, KLDISCOVERY secured its position in the Chambers and Partners 2023 Global-wide Alternative Legal Service Provider and LawTech Consulting guides.

KLDISCOVERY has a long history of successfully integrating companies we acquire into our global network. With this strategic acquisition, we are further enhancing our best-in-class secure managed document review and cyber incident response solutions. This combination also enables us to expand contract management solutions by blending consulting, advisory services, project management, hosting, and legal AI with lawyers-in-the-loop.





# Investing in the **Expansion of Information and Data Security**

Given the nature of our business, we are entrusted with large amounts of sensitive and confidential information by our clients. We understand the importance of security, which is why we continuously invest resources to protect clients' most sensitive electronically stored information ("ESI").

Certifications, registrations, and compliances:

- ISO/IEC-27001 Certified
- ISO/IEC 9001 Certified
- SOC 2 Type II Certified: Security Trust Service
- UK Cyber Essentials Certified
- PCI DSS Certified
- FSQS Registered
- ITAR compliant
- GDPR compliant
- OWASP compliant
- ISO 27050 compliant
- DFARS compliant

In 2023, we earned these additional certifications and compliances:

- SOC 2 Type II Certified: Confidentiality, Processing Integrity, and Availability Trust Services
- SOC 2 Type II Certified: Privacy Trust Service
- HIPAA Audited Compliant
- HITECH Audited Compliant
- FISMA Audited Compliant
- NIST 800-171 Audited Compliant



# Investing in **Growth**

The investments we made as a company led to a record-breaking year for KLDiscovery in 2023. Our people, processes, technology, and innovations will continue to carry us forward on a path of **growth in 2024 and beyond**. Stay tuned for more stories that take a deeper dive into how we are building and sustaining our success for years to come.







[www.kldiscovery.com](http://www.kldiscovery.com)