

Lumine Group Inc. Announces Results for the Three and Six Months Ended June 30, 2025

August 1, 2025 - [Lumine Group Inc.](#) (“Lumine Group” or “the Company”) (TSXV:LMN) announces financial results for the three and six months ended June 30, 2025. All amounts referred to in this press release are in US dollars unless otherwise stated.

The following press release should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2025, and management’s discussion and analysis (“MD&A”) for the three and six months ended June 30, 2025, which can be found on SEDAR+ at www.sedarplus.ca. Additional information about Lumine Group is also available on SEDAR+ and on Lumine Group’s website www.luminegroup.com.

Q2 2025 Headlines:

- Revenue grew 13% to \$184.0 million compared to \$162.8 million in the same quarter prior year (including 6% organic growth after adjusting for foreign exchange impacts).
- The Company generated operating income¹ of \$62.7 million during the quarter, a 71% increase from \$36.6 million in the same quarter prior year.
- The Company generated net income of \$23.6 million during the quarter, from net loss of \$2.2 million in the same quarter prior year.
- Cash flows from operations (“CFO”) increased \$68.7 million to \$78.4 million compared to \$9.7 million in Q2 2024, representing an increase of 705%.
- Free cash flow available to shareholders¹ (“FCFA2S”) increased \$69.6 million to \$72.4 million compared to \$2.8 million in Q2 2024.

Year-to-Date Q2 2025 Headlines:

- Revenue grew 19% to \$362.6 million compared to \$303.9 million in the same six-month period prior year (including 1% organic growth after adjusting for foreign exchange impacts).
- The Company generated operating income of \$122.2 million in the six-month period ended June 30, 2025, an increase of 51% from \$81.1 million in the same period prior year.
- The Company generated net income of \$44.3 million during the six-month period ended June 30, 2025, from net loss of \$306.6 million in the same period prior year.
- CFO increased \$73.8 million to \$118.5 million compared to \$44.7 million in the six-month period ended June 30, 2024, representing an increase of 165%.

¹ See “Non-IFRS Measures”.

- FCFA2S increased \$75.8 million to \$107.4 million compared to \$31.5 million in the six-month period ended June 30, 2024, representing an increase of 240%.

Total revenue for the three months ended June 30, 2025 is \$184.0 million, an increase of 13% or \$21.1 million, compared to \$162.8 million for the same period in 2024. For the six months ended June 30, 2025, total revenue was \$362.6 million, an increase of 19%, or \$58.7 million, compared to \$303.9 million for the same period in 2024. The increase for the three and six months compared to the same period in the prior year is attributable to revenues from new acquisitions. The Company experienced organic growth of 9% and 2%, respectively, for the three and six months ended June 30, 2025, or 6% and 1% after adjusting for the impact of changes in the valuation of the US dollar against most major currencies in which the Company transacts business. For acquired companies, organic growth is calculated as the difference between actual revenues achieved by each business in the financial period following acquisition, compared to the estimated revenues they achieved in the corresponding financial period preceding the date of acquisition by the Company. Organic growth is not a standardized financial measure and might not be comparable to measures disclosed by other issuers.

Operating income for the three months ended June 30, 2025 was \$62.7 million, an increase of 71%, or \$26.1 million, compared to \$36.6 million for the same period in 2024. Operating income for the six months ended June 30, 2025 was \$122.2 million, an increase of 51%, or \$41.1 million, compared to \$81.1 million for the same period in 2024. The increase for the three and six month periods is primarily attributable to growth from acquisitions. Operating income is not a standardized financial measure and might not be comparable to measures disclosed by other issuers. See “Non-IFRS Measures”.

Net income for the three months ended June 30, 2025 was \$23.6 million compared to net loss of \$2.2 million for the same period in 2024. Net income for the six months ended June 30, 2025 was \$44.3 million compared to net loss of \$306.6 million for the same period in 2024. The increase in net income for the three and six months is primarily attributable to growth from acquisitions and the Mandatory Conversion of Preferred and Special Securities on March 25, 2024 such that no further preferred and special securities expense was booked in the subsequent quarters.

For the three months ended June 30, 2025, CFO increased \$68.7 million to \$78.4 million compared to \$9.7 million for the same period in 2024 representing an increase of 705%. For the six months ended June 30, 2025, CFO increased \$73.8 million to \$118.5 million compared to \$44.7 million for the same period in 2024 representing an increase of 165%. The primary reason for the increase is that CFO includes the impact of changes in non-cash operating assets and liabilities exclusive of effects of business combinations or changes in non-cash operating working capital (“NCOWC”) which improved during the three and six months ended June 30, 2025 compared to the same period prior year, as well as higher operating income.

For the three months ended June 30, 2025, FCFA2S increased \$69.6 million to \$72.4 million compared to \$2.8 million for the same period in 2024. For the six months ended June 30, 2025, FCFA2S increased \$75.8

million to \$107.4 million compared to \$31.5 million for the same period in 2024. The increase in the three and six months ended June 30, 2025 is driven by higher CFO compared to the same periods in 2024. FCFA2S is a non-IFRS Measure. See “Non-IFRS Measures”.

Non-IFRS Measures

Operating income (loss) refers to income (loss) before income taxes, amortization of intangible assets, redeemable Preferred and Special Share expense, gain on bargain purchase, and finance and other expenses (income). We believe that operating income is useful supplemental information as it provides an indication of the profitability of the Company related to its core operations. Operating income (loss) is not a recognized measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Accordingly, readers are cautioned that operating income (loss) should not be construed as an alternative to net income (loss).

The following table reconciles operating income to net income:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss)	23.6	(2.2)	44.3	(306.6)
Adjusted for:				
Amortization of intangible assets	26.3	29.2	52.3	52.0
Redeemable preferred and special securities expense	-	-	-	317.4
Gain on bargain purchase	(2.5)	-	(2.5)	-
Finance and other expense (income)	7.4	5.7	12.5	10.0
Income tax expense (recovery)	7.9	3.9	15.5	8.3
Operating income (loss)	62.7	36.6	122.2	81.1

Free cash flow available to shareholders “FCFA2S” refers to net cash flows from operating activities less interest paid on lease obligations, interest paid on bank debt, transaction costs on bank debt, repayments of lease obligations, interest, dividends and other proceeds received, and property and equipment purchased net of proceeds from disposal. The Company believes that FCFA2S is useful supplemental information as it provides an indication of the uncommitted cash flow that is available to shareholders if Lumine Group does not make any acquisitions, or investments, and does not repay any debts. While the Company could use the FCFA2S to pay dividends or repurchase shares, the Company’s objective is to invest all of its FCFA2S in acquisitions which meet the Company’s hurdle rate.

FCFA2S is not a recognized measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Accordingly, readers are cautioned that FCFA2S should not be construed as an alternative to net cash flows from operating activities.

The following table reconciles FCFA2S to net cash flows from operating activities:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net cash flows from operating activities:	78.4	9.7	118.5	44.7
Adjusted for:				
Interest paid on lease obligations	(0.1)	(0.1)	(0.2)	(0.3)
Interest paid on other facilities	(3.9)	(5.1)	(7.7)	(7.6)
Credit facility transaction costs	(0.0)	(0.2)	(0.0)	(1.8)
Payment of lease obligations	(1.6)	(1.5)	(3.2)	(3.0)
Interest, dividends and other proceeds received	1.1	0.3	1.8	0.4
Property and equipment purchased – net of proceeds from disposal	(1.5)	(0.4)	(1.8)	(0.7)
Free cash flow available to shareholders	72.4	2.8	107.4	31.5

Forward Looking Statements

Certain statements herein may be “forward looking” statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Lumine Group or the industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward looking statements. These forward looking statements reflect current assumptions and expectations regarding future events and operating performance and are made as of the date hereof and Lumine Group assumes no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances.

About Lumine Group Inc.

Lumine Group acquires, strengthens, and grows, vertical market software businesses in the communications and media industry. Learn more at www.luminegroup.com.

For further information:

David Nyland
Chief Executive Officer
Lumine Group
investors@luminegroup.com
+1-437-353-4910

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Lumine Group Inc.

Condensed Consolidated Interim Statements of Financial Position

(In thousands of USD. Due to rounding, numbers presented may not foot.)

Unaudited

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash	\$ 289,673	\$ 210,983
Accounts receivable, net	143,794	158,048
Unbilled revenue	51,891	35,982
Inventories	611	693
Other assets	45,501	47,183
	<u>531,470</u>	<u>452,889</u>
Non-current assets:		
Property and equipment	7,547	7,457
Right of use assets	6,198	6,949
Deferred income taxes	11,071	9,536
Other assets	12,970	12,467
Intangible assets and goodwill	765,455	797,888
	<u>803,241</u>	<u>834,297</u>
Total assets	\$ 1,334,711	\$ 1,287,186
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 98,130	\$ 107,861
Due to related parties, net	4,433	2,972
Current portion of bank debt	1,247	3,190
Deferred revenue	115,866	88,442
Provisions	5	156
Acquisition holdback payables	5,416	17
Lease obligations	3,146	4,249
Income taxes payable	11,128	10,278
	<u>239,371</u>	<u>217,165</u>
Non-current liabilities:		
Deferred income taxes	99,210	107,044
Bank debt	242,848	275,443
Lease obligations	4,404	3,621
Other liabilities	5,597	5,191
	<u>352,059</u>	<u>391,299</u>
Total liabilities	591,430	608,464
Equity:		
Capital stock	490,669	490,669
Contributed surplus	185,142	185,142
Accumulated other comprehensive income (loss)	6,615	(13,612)
Retained earnings	60,855	16,523
	<u>743,281</u>	<u>678,722</u>
Subsequent events		
Total liabilities and equity	\$ 1,334,711	\$ 1,287,186

Lumine Group Inc.

Condensed Consolidated Interim Statements of Income (Loss)

(In thousands of USD, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue				
License	\$ 11,716	\$ 11,687	\$ 24,043	\$ 23,407
Professional services	36,167	28,909	67,444	53,842
Hardware and other	2,947	2,326	12,017	4,743
Maintenance and other recurring	133,125	119,903	259,143	221,932
	183,955	162,825	362,647	303,924
Expenses				
Staff	87,496	87,704	171,400	160,733
Hardware	1,742	1,418	6,401	2,938
Third party license, maintenance and professional services	10,597	11,867	21,800	20,406
Occupancy	972	975	1,968	1,871
Travel, telecommunications, supplies, software and equipment	8,935	12,751	17,917	19,508
Professional fees	3,683	5,655	7,523	8,487
Other, net	5,490	3,509	8,785	4,455
Depreciation	2,380	2,337	4,690	4,452
Amortization of intangible assets	26,322	29,211	52,336	52,032
	147,617	155,427	292,820	274,882
Redeemable Preferred and Special Securities expense	-	-	-	317,362
Gain on bargain purchase	(2,494)	-	(2,494)	-
Finance and other expenses (income)	7,388	5,698	12,522	9,970
	4,894	5,698	10,028	327,332
Income (loss) before income taxes	31,444	1,700	59,799	(298,290)
Current income tax expense (recovery)	12,691	9,209	27,261	17,555
Deferred income tax expense (recovery)	(4,800)	(5,274)	(11,794)	(9,272)
Income tax expense	7,891	3,935	15,467	8,283
Net income (loss)	\$ 23,553	\$ (2,235)	\$ 44,332	\$ (306,573)
Weighted average shares outstanding:				
Basic	256,620,388	256,620,388	256,620,388	171,366,154
Diluted	256,620,388	256,620,388	256,620,388	254,978,572
Earnings (loss) per share:				
Basic and diluted	\$ 0.09	\$ (0.01)	\$ 0.17	\$ (1.79)

Lumine Group Inc.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(In thousands of USD. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 23,553	\$ (2,235)	\$ 44,332	\$ (306,573)
Items that are or may be reclassified subsequently to net income (loss):				
Foreign currency translation differences from foreign operations and other	16,095	(975)	20,227	(4,600)
Other comprehensive income (loss) for the year, net of income tax	16,095	(975)	20,227	(4,600)
Total comprehensive income (loss) for the year	\$ 39,648	\$ (3,210)	\$ 64,559	\$ (311,173)

Lumine Group Inc.

Condensed Consolidated Interim Statement of Changes in Equity

(In thousands of USD. Due to rounding, numbers presented may not foot.)

Unaudited

Six months ended June 30, 2025

	Capital stock	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings (deficit)	Total equity
Balance at January 1, 2025	\$ 490,669	\$ 185,142	\$ (13,612)	\$ 16,523	\$ 678,722
<i>Total comprehensive income (loss) for the period:</i>	-	-	-	44,332	44,332
Net income (loss)					
<i>Other comprehensive income (loss):</i>					
Foreign currency translation differences from foreign operations and other	-	-	20,227	-	20,227
Total other comprehensive income (loss) for the period	-	-	20,227	-	20,227
Total comprehensive income (loss) for the period	-	-	20,227	44,332	64,559
Balance at June 30, 2025	\$ 490,669	\$ 185,142	\$ 6,615	\$ 60,855	\$ 743,281

Lumine Group Inc.

Condensed Consolidated Interim Statement of Changes in Equity

(In thousands of USD. Due to rounding, numbers presented may not foot.)

Unaudited

Six months ended June 30, 2024

	Capital stock	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings (deficit)	Total equity
Balance at January 1, 2024	\$ -	\$ (1,015,661)	\$ (6,296)	\$ (2,820,478)	\$ (3,842,435)
<i>Total comprehensive income (loss) for the period:</i>					
Net income (loss)	-	-	-	(306,573)	(306,573)
<i>Other comprehensive income (loss):</i>					
Foreign currency translation differences from foreign operations and other	-	-	(4,600)	-	(4,600)
Total other comprehensive income (loss) for the period	-	-	(4,600)	-	(4,600)
Total comprehensive income (loss) for the period	-	-	(4,600)	(306,573)	(311,173)
Mandatory Conversion of Special and Preferred Shares	403,301	1,200,803	-	3,095,910	4,700,014
Settlement of Preferred and Special Share Dividends in Subordinate Voting Shares	87,368	-	-	-	87,368
Balance at June 30, 2024	\$ 490,669	\$ 185,142	\$ (10,896)	\$ (31,141)	\$ 633,774

Lumine Group Inc.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of USD. Due to rounding, numbers presented may not foot.)

Unaudited	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash flows from (used in) operating activities:				
Net income (loss)	\$ 23,553	\$ (2,235)	\$ 44,332	\$ (306,573)
Adjustments for:				
Depreciation	2,380	2,337	4,690	4,452
Amortization of intangible assets	26,322	29,211	52,336	52,032
Contingent consideration adjustments	587	915	475	958
Preferred and Special Securities expense (income)	-	-	-	317,362
Gain on bargain purchase	(2,494)	-	(2,494)	-
Finance and other expenses (income)	8,493	5,998	14,321	10,336
Income tax expense (recovery)	7,891	3,935	15,467	8,283
Change in non-cash operating assets and liabilities exclusive of effects of business combinations	28,885	(26,734)	11,370	(34,859)
Income taxes (paid) received	(17,182)	(3,680)	(21,991)	(7,317)
Net cash flows from operating activities	78,434	9,747	118,506	44,674
Cash flows from (used in) financing activities:				
Interest paid on lease obligations	(97)	(130)	(202)	(284)
Interest paid on bank debt	(3,886)	(5,130)	(7,699)	(7,602)
Cash transferred from (to) Parent	(85)	118	14	(1,990)
Proceeds from issuance of bank debt	-	50,500	-	140,500
Repayments of bank debt	(36,076)	(244)	(36,319)	(488)
Transaction costs on bank debt	(27)	(194)	(46)	(1,849)
Payments of lease obligations	(1,643)	(1,468)	(3,226)	(3,034)
Net cash flows from (used in) in financing activities	(41,815)	43,452	(47,478)	125,253
Cash flows from (used in) investing activities:				
Acquisition of businesses	(6,807)	(144,325)	(6,807)	(144,325)
Post-acquisition settlement payments, net of receipts	2,513	-	1,576	(685)
Interest, dividends and other proceeds received	1,105	300	1,799	366
Proceeds from sale of property and equipment	71	-	71	-
Property and equipment purchased	(1,455)	(363)	(1,709)	(724)
Other investing activities	(80)	(271)	4,257	(265)
Net cash flows (used in) investing activities	(4,653)	(144,659)	(813)	(145,633)
Effect of foreign currency on cash and cash equivalents	5,610	(554)	8,475	(3,030)
Increase (decrease) in cash	37,577	(92,014)	78,690	21,264
Cash, beginning of period	252,096	259,787	210,983	146,509
Cash, end of period	\$ 289,673	\$ 167,773	\$ 289,673	\$ 167,773