

Lumine Group Inc. Announces Results for the Three Months Ended March 31, 2025

TORONTO – May 1, 2025 – [Lumine Group Inc.](#) (“Lumine Group” or “the Company”) (TSXV:LMN) announces financial results for the three months ended March 31, 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 months ended March 31, 2025, and management’s discussion and analysis (“MD&A”) for the three months ended March 31, 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.

Q1 2025 Headlines:

- Revenue grew 27% to \$178.7 million compared to \$141.1 million in the same quarter prior year (including -4% organic growth after adjusting for foreign exchange impacts).
- The Company generated operating income of \$59.5 million during the quarter, a 34% increase from \$44.5 million in the same quarter prior year.
- The Company generated net income of \$20.8 million during the quarter, from net loss of \$304.3 million in the same quarter prior year.
- Cash flows from operations (“CFO”) increased \$5.1 million to \$40.1 million compared to \$34.9 million in Q1 2024, representing an increase of 15%.
- Free cash flow available to shareholders (“FCFA2S”) increased \$6.2 million to \$35.0 million compared to \$28.8 million in Q1 2024, representing an increase of 22%.

Total revenue for the three months ended March 31, 2025 was \$178.7 million, an increase of 27%, or \$37.6 million, compared to \$141.1 million for the comparable period in 2024. The increase for the three months compared to the same period in the prior year is attributable to revenues from new acquisitions. The Company experienced organic growth of -5% for the three months ended March 31, 2025 or -4% 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 March 31, 2025 was \$59.5 million, an increase of 34%, or \$15.0 million, compared to \$44.5 million for the same period in 2024. The increase 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 March 31, 2025 was \$20.8 million compared to net loss of \$304.3 million for the same period in 2024. The increase in net income 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 current quarter.

For the three months ended March 31, 2025, CFO increased \$5.1 million to \$40.1 million compared to \$34.9 million for the same period in 2024 representing an increase of 15%. The change is primarily attributable to the higher operating income partly offset by changes in non-cash operating assets and liabilities exclusive of effects of business combinations.

For the three months ended March 31, 2025, FCFA2S increased \$6.2 million to \$35.0 million compared to \$28.8 million for the same period in 2024 representing an increase of 22%. The change is mainly 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, 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:

(Unaudited)	Three months ended	
	March 31,	
	2025	2024
Net income (loss)	20.8	(304.3)
Adjusted for:		
Amortization of intangible assets	26.0	22.8
Redeemable preferred and special securities expense	-	317.4
Finance and other expense (income)	5.1	4.3
Income tax expense (recovery)	7.6	4.3
Operating income (loss)	59.5	44.5

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. 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:

(Unaudited)	Three months ended March 31,	
	2025	2024
Net cash flows from operating activities:	40.1	34.9
Adjusted for:		
Interest paid on lease obligations	(0.1)	(0.2)
Interest paid on other facilities	(3.8)	(2.5)
Credit facility transaction costs	(0.0)	(1.7)
Payment of lease obligations	(1.6)	(1.6)
Interest, dividends and other proceeds received	0.7	0.1
Property and equipment purchased	(0.3)	(0.4)
Free cash flow available to shareholders	35.0	28.8

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.

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Lumine Group Inc.

Condensed Consolidated Interim Statements of Financial Position

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

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash	\$ 252,096	\$ 210,983
Accounts receivable, net	164,954	158,048
Unbilled revenue	41,637	35,982
Inventories	517	693
Other assets	55,247	47,183
	514,451	452,889
Non-current assets:		
Property and equipment	6,895	7,457
Right of use assets	5,928	6,949
Deferred income taxes	11,236	9,536
Other assets	12,112	12,467
Intangible assets and goodwill	774,530	797,888
	810,701	834,297
Total assets	\$ 1,325,152	\$ 1,287,186
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 104,387	\$ 107,861
Due to related parties, net	3,764	2,972
Current portion of bank debt	3,512	3,190
Deferred revenue	105,422	88,442
Provisions	16	156
Acquisition holdback payables	19	17
Lease obligations	3,464	4,249
Income taxes payable	14,920	10,278
	235,504	217,165
Non-current liabilities:		
Deferred income taxes	102,145	107,044
Bank debt	275,605	275,443
Lease obligations	3,262	3,621
Other liabilities	5,003	5,191
	386,015	391,299
Total liabilities	621,519	608,464
Equity:		
Capital stock	490,669	490,669
Contributed surplus	185,142	185,142
Accumulated other comprehensive income (loss)	(9,480)	(13,612)
Retained earnings (deficit)	37,302	16,523
	703,633	678,722
Subsequent events		
Total liabilities and equity	\$ 1,325,152	\$ 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.)

	Three months ended March 31,	
	2025	2024
Revenue		
License	\$ 12,327	\$ 11,720
Professional services	31,277	24,933
Hardware and other	9,070	2,417
Maintenance and other recurring	126,018	102,029
	178,692	141,099
Expenses		
Staff	83,904	73,028
Hardware	4,659	1,520
Third party license, maintenance and professional services	11,203	8,539
Occupancy	996	896
Travel, telecommunications, supplies, software and equipment	9,022	6,757
Professional fees	3,840	2,832
Other, net	3,295	946
Depreciation	2,270	2,115
Amortization of intangible assets	26,014	22,821
	145,203	119,454
Redeemable Preferred and Special Securities expense	-	317,362
Finance and other expenses (income)	5,134	4,272
	5,134	321,634
Income (loss) before income taxes	28,355	(299,989)
Current income tax expense (recovery)	14,570	8,346
Deferred income tax expense (recovery)	(6,994)	(3,998)
Income tax expense (recovery)	7,576	4,348
Net income (loss)	\$ 20,779	\$ (304,337)
Weighted average shares outstanding:		
Basic	256,620,388	86,111,920
Diluted	256,620,388	253,336,756
Earnings (loss) per share:		
Basic and diluted	\$ 0.08	\$ (3.53)

Lumine Group Inc.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

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

	Three months ended March 31,	
	2025	2024
Net income (loss)	\$ 20,779	\$ (304,337)
Items that are or may be reclassified subsequently to net income (loss):		
Foreign currency translation differences from foreign operations and other	4,132	(3,625)
Other comprehensive (loss) income for the period, net of income	4,132	(3,625)
Total comprehensive income (loss) for the period	\$ 24,911	\$ (307,962)

Lumine Group Inc.

Condensed Consolidated Interim Statement of Changes in Equity

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

Three months ended March 31, 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>					
Net income (loss)	-	-	-	20,779	20,779
<i>Other comprehensive income (loss):</i>					
Foreign currency translation differences from foreign operations and other	-	-	4,132	-	4,132
Total other comprehensive income (loss) for the period	-	-	4,132	-	4,132
Total comprehensive income (loss) for the period	-	-	4,132	20,779	24,911
Balance at March 31, 2025	\$ 490,669	\$ 185,142	\$ (9,480)	\$ 37,302	\$ 703,633

Lumine Group Inc.

Condensed Consolidated Interim Statement of Changes in Equity

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

Three months ended March 31, 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)	-	-	-	(304,337)	(304,337)
<i>Other comprehensive income (loss):</i>					
Foreign currency translation differences from foreign operations and other	-	-	(3,625)	-	(3,625)
Total other comprehensive income (loss) for the period	-	-	(3,625)	-	(3,625)
Total comprehensive income (loss) for the period	-	-	(3,625)	(304,337)	(307,962)
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 March 31, 2024	\$ 490,669	\$ 185,142	\$ (9,921)	\$ (28,905)	\$ 636,985

Lumine Group Inc.

Condensed Consolidated Interim Statements of Cash Flows

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

	Three months ended March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Net income (loss)	\$ 20,779	\$ (304,337)
Adjustments for:		
Depreciation	2,310	2,115
Amortization of intangible assets	26,014	22,821
Contingent consideration adjustments	(113)	43
Preferred and Special Securities expense (income)	-	317,362
Finance and other expenses (income)	5,828	4,339
Income tax expense (recovery)	7,576	4,348
Change in non-cash operating assets and liabilities exclusive of effects of business combinations	(17,514)	(8,125)
Income taxes (paid) received	(4,809)	(3,637)
Net cash flows from (used in) operating activities	40,071	34,928
Cash flows from (used in) financing activities:		
Interest paid on lease obligations	(105)	(154)
Interest paid on bank debt	(3,813)	(2,472)
Cash transferred from (to) Parent	100	(2,107)
Proceeds from issuance of bank debt	-	90,000
Repayments of bank debt	(243)	(244)
Transaction costs on bank debt	(19)	(1,655)
Payments of lease obligations	(1,583)	(1,566)
Net cash flows from (used in) in financing activities	(5,663)	81,802
Cash flows from (used in) investing activities:		
Post-acquisition settlement payments, net of receipts	(937)	(685)
Interest, dividends and other proceeds received	694	67
Property and equipment purchased	(254)	(361)
Other investing activities	4,337	6
Net cash flows from (used in) investing activities	3,840	(972)
Effect of foreign currency on cash and cash equivalents	2,865	(2,479)
Increase (decrease) in cash	41,113	113,280
Cash, beginning of period	210,983	146,509
Cash, end of period	\$ 252,096	\$ 259,789