

Lumine Group Inc. Announces Results for the Three and Twelve Months Ended December 31, 2024

March 6, 2025 - [Lumine Group Inc.](#) (“Lumine Group” or “the Company”) (TSXV:LMN) announces financial results for the three and twelve months ended December 31, 2024. 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 annual consolidated financial statements for the year ended December 31, 2024, and management’s discussion and analysis (“MD&A”) for the year ended December 31, 2024, 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.

Q4 2024 Headlines:

- Revenue grew 31% to \$187.1 million compared to \$143.1 million in the same quarter prior year (including -9% organic growth after adjusting for foreign exchange impacts).
- The Company generated operating income of \$68.7 million during the quarter, a 65% increase from \$41.6 million in the same quarter prior year.
- The Company generated net income of \$29.4 million during the quarter, from net loss of \$1,506.3 million in the same quarter prior year.
- Cash flows from operations (“CFO”) increased \$25.9 million to \$52.3 million compared to \$26.4 million in Q4 2023, representing an increase of 98%.
- Free cash flow available to shareholders (“FCFA2S”) increased \$23.4 million to \$43.7 million compared to \$20.3 million in Q4 2023, representing an increase of 115%.

Year-to-Date Q4 2024 Headlines:

- Revenue grew 34% to \$668.4 million compared to \$499.7 million in the same twelve-month period prior year (including -9% organic growth after adjusting for foreign exchange impacts).
- The Company generated operating income of \$210.4 million in the twelve-month period ended December 31, 2024, an increase of 45% from \$144.7 million in the same period prior year.
- An expense of \$317.4 million was incurred in the twelve-month period ended December 31, 2024 related to redeemable preferred and special securities expense, compared to an expense of \$2,871.0 million in the same period prior year.
- The Company generated a net loss of \$258.9 million during the twelve-month period ended December 31, 2024, from net loss of \$2,825.6 million in the same period prior year. The net loss is primarily related to the redeemable preferred and special securities expense.

- CFO increased \$7.9 million to \$116.2 million compared to \$108.2 million in the twelve-month period ended December 31, 2023, representing an increase of 7%.
- FCFA2S decreased \$3.2 million to \$85.7 million compared to \$88.8 million in the twelve-month period ended December 31, 2023, representing a decrease of 4%.

Total revenue for the three months ended December 31, 2024 was \$187.1 million, an increase of 31%, or \$44.0 million, compared to \$143.1 million for the comparable period in 2023. For the twelve months ended December 31, 2024, total revenue was \$668.4 million, an increase of 34%, or \$168.7 million, compared to \$499.7 million for the comparable period in 2023. The increase for the three and twelve months ended December 31, 2024 compared to the same periods in the prior year is primarily attributable to revenues from new acquisitions. The Company experienced organic growth of -9% and -8%, respectively, for the three and twelve months ended December 31, 2024 or -9% and -9% 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 December 31, 2024 was \$68.7 million, an increase of 65%, or \$27.1 million, compared to \$41.6 million for the same period in 2023. Operating income for the twelve months ended December 31, 2024 was \$210.4 million, an increase of 45%, or \$65.7 million, compared to \$144.7 million for the same period in 2023. The increase for the three and twelve-month periods is primarily attributable to current year 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 December 31, 2024 was \$29.4 million compared to net loss of \$1,506.3 million for the same period in 2023. Net loss for the twelve months ended December 31, 2024 was \$258.9 million compared to net loss of \$2,825.6 million for the same period in 2023. The increase in net income for the three month period is primarily attributable to current year acquisitions. The decrease in net loss for the twelve month period is primarily attributable to 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 December 31, 2024, CFO increased \$25.9 million to \$52.3 million compared to \$26.4 million for the same period in 2023 representing an increase of 98%. For the twelve months ended December 31, 2024, CFO increased \$7.9 million to \$116.2 million compared to \$108.2 million for the same period in 2023 representing an increase of 7%. The change in the three months is primarily attributable to the impact of changes in operating income. The change in the twelve months is primarily attributable to the

impact of changes in operating income partly offset by changes in non-cash operating assets and liabilities exclusive of effects of business combinations.

For the three months ended December 31, 2024, FCFA2S increased \$23.4 million to \$43.7 million compared to \$20.3 million for the same period in 2023 representing an increase of 115%. For the twelve months ended December 31, 2024, FCFA2S decreased \$3.2 million to \$85.7 million compared to \$88.8 million for the same period in 2023 representing a decrease of 4%. The change in the three months is mainly driven by higher CFO compared to the same periods in 2023. The change in the twelve months is mainly driven by higher interest paid on other facilities partly offset by higher CFO compared to the same periods in 2023. 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 December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
Net income (loss)	29.4	(1,506.3)	(258.9)	(2,825.6)
Adjusted for:				
Amortization of intangible assets	26.4	22.7	108.1	80.3
Redeemable preferred and special securities expense	-	1,525.0	317.4	2,871.0
Finance and other expense (income)	5.3	1.1	24.2	11.1
Income tax expense (recovery)	7.5	(0.9)	19.7	7.9
Operating income (loss)	68.7	41.6	210.4	144.7

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, dividends paid to redeemable preferred and special securities holders, 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 December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
Net cash flows from operating activities:	52.3	26.4	116.2	108.2
Adjusted for:				
Interest paid on lease obligations	(0.1)	(0.2)	(0.5)	(0.6)
Interest paid on other facilities	(5.4)	(4.0)	(18.7)	(10.4)
Credit facility transaction costs	(0.3)	(0.2)	(2.2)	(1.9)
Payment of lease obligations	(1.5)	(1.5)	(6.1)	(5.3)
Property and equipment purchased	(1.2)	(0.3)	(2.9)	(1.1)
Free cash flow available to shareholders	43.7	20.3	85.7	88.8

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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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.

Consolidated Statements of Financial Position

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

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash	\$ 210,983	\$ 146,509
Accounts receivable	158,487	104,955
Unbilled revenue	36,000	39,858
Inventories	693	521
Other assets	47,163	44,862
	453,326	336,705
Non-current assets:		
Property and equipment	7,556	4,164
Right of use assets	6,949	11,973
Deferred income taxes	9,536	6,197
Other assets	12,467	13,063
Intangible assets and goodwill	798,614	763,793
	835,122	799,190
Total assets	\$ 1,288,448	\$ 1,135,895
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 107,909	\$ 97,532
Due to related parties, net	2,972	2,380
Current portion of bank debt	3,190	3,071
Deferred revenue	89,533	91,726
Provisions	156	-
Acquisition holdback payables	17	19
Lease obligations	4,249	6,358
Income taxes payable	10,278	12,436
Preferred and Special Securities	-	4,469,996
	218,304	4,683,518
Non-current liabilities:		
Deferred income taxes	107,167	125,128
Bank debt	275,443	149,636
Lease obligations	3,621	6,921
Other liabilities	5,191	13,127
	391,422	294,812
Total liabilities	609,726	4,978,330
Equity:		
Capital stock	490,669	-
Contributed surplus	185,142	(1,015,661)
Accumulated other comprehensive income (loss)	(13,612)	(6,296)
Retained earnings (deficit)	16,523	(2,820,478)
	678,722	(3,842,435)
Subsequent events		
Total liabilities and equity	\$ 1,288,448	\$ 1,135,895

Lumine Group Inc.

Consolidated Statements of Income (Loss)

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

	Years ended December 31,	
	2024	2023
Revenue		
License	\$ 51,360	\$ 46,140
Professional services	113,851	89,312
Hardware and other	18,216	19,864
Maintenance and other recurring	484,943	344,353
	668,370	499,669
Expenses		
Staff	333,278	252,941
Hardware	10,872	13,042
Third party license, maintenance and professional services	41,189	29,445
Occupancy	6,248	3,680
Travel, telecommunications, supplies, software and equipment	32,488	21,497
Professional fees	15,624	16,561
Other, net	9,192	9,914
Depreciation	9,091	7,890
Amortization of intangible assets	108,058	80,322
	566,040	435,292
Redeemable Preferred and Special Securities expense	317,362	2,870,997
Finance and other expenses (income)	24,187	11,085
	341,549	2,882,082
Income (loss) before income taxes	(239,219)	(2,817,705)
Current income tax expense (recovery)	39,952	24,795
Deferred income tax expense (recovery)	(20,262)	(16,912)
Income tax expense (recovery)	19,690	7,883
Net income (loss)	\$ (258,909)	\$ (2,825,588)
Weighted average shares outstanding:		
Basic	214,226,206	72,499,119
Diluted	255,803,966	245,076,178
Earnings (loss) per share:		
Basic and diluted	\$ (1.21)	\$ (38.97)

Lumine Group Inc.

Consolidated Statements of Comprehensive Income (Loss)

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

	Years ended December 31,	
	2024	2023
Net income (loss)	\$ (258,909)	\$ (2,825,588)
Items that are or may be reclassified subsequently to net income (loss):		
Foreign currency translation differences from foreign operations and other	(7,316)	2,616
Other comprehensive (loss) income for the year, net of income	(7,316)	2,616
Total comprehensive income (loss) for the year	\$ (266,225)	\$ (2,822,972)

Lumine Group Inc.

Consolidated Statement of Changes in Equity

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

Year ended December 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 year:</i>					
Net income (loss)	-	-	-	(258,909)	(258,909)
<i>Other comprehensive income (loss):</i>					
Foreign currency translation differences from foreign operations and other	-	-	(7,316)	-	(7,316)
Total other comprehensive income (loss) for the year	-	-	(7,316)	-	(7,316)
Total comprehensive income (loss) for the year	-	-	(7,316)	(258,909)	(266,225)
Settlement of Preferred and Special Share Dividends in Subordinate Voting Shares	87,368	-	-	-	87,368
Mandatory Conversion of Special and Preferred Shares	403,301	1,200,803	-	3,095,910	4,700,014
Balance at December 31, 2024	\$ 490,669	\$ 185,142	\$ (13,612)	\$ 16,523	\$ 678,722

Lumine Group Inc.

Consolidated Statement of Changes in Equity

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

Year ended December 31, 2023	Capital stock	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings (deficit)	Total equity
Balance at January 1, 2023	\$ -	\$ 162,692	\$ (8,912)	\$ -	\$ 153,780
<i>Total comprehensive income (loss) for the year:</i>					
Net income (loss)	-	-	-	(2,825,588)	(2,825,588)
<i>Other comprehensive income (loss):</i>					
Foreign currency translation differences from foreign operations and other	-	-	2,616	-	2,616
Total other comprehensive income (loss) for the year	-	-	2,616	-	2,616
Total comprehensive income (loss) for the year	-	-	2,616	(2,825,588)	(2,822,972)
Transactions with Parent, recorded directly in equity					
Capital contributions by Parent	-	22,451	-	-	22,451
Amalgamation with Lumine Group (Holdings) Inc.	-	(1,200,804)	-	-	(1,200,804)
Special share conversion	-	-	-	5,110	5,110
Balance at December 31, 2023	\$ -	\$ (1,015,661)	\$ (6,296)	\$ (2,820,478)	\$ (3,842,435)

Lumine Group Inc.

Consolidated Statements of Cash Flows

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

	Years ended December 31,	
	2024	2023
Cash flows from (used in) operating activities:		
Net income (loss)	\$ (258,909)	\$ (2,825,588)
Adjustments for:		
Depreciation	9,245	7,890
Amortization of intangible assets	108,058	80,322
Contingent consideration adjustments	(713)	(729)
Preferred and Special Securities expense (income)	317,362	2,870,997
Finance and other expenses (income)	24,187	11,085
Income tax expense (recovery)	19,690	7,883
Change in non-cash operating assets and liabilities exclusive of effects of business combinations	(75,610)	(12,483)
Income taxes (paid) received	(27,158)	(31,150)
Net cash flows from (used in) operating activities	116,152	108,228
Cash flows from (used in) financing activities:		
Interest paid on lease obligations	(505)	(626)
Interest paid on bank debt	(18,724)	(10,377)
Cash transferred from (to) Parent	(134)	(11,137)
Proceeds from issuance of bank debt	155,500	185,914
Repayments of bank debt	(27,790)	(50,897)
Transaction costs on bank debt	(2,207)	(1,935)
Payments of lease obligations	(6,103)	(5,282)
Issuance of Preferred Shares to Parent	-	181,484
Dividends paid	-	(24)
Net cash flows from (used in) in financing activities	100,037	287,119
Cash flows from (used in) investing activities:		
Acquisition of businesses	(145,271)	(352,349)
Cash obtained with acquired businesses	-	41,286
Post-acquisition settlement payments, net of receipts	4,706	(5,938)
Property and equipment purchased	(2,934)	(1,141)
Other investing activities	(5,187)	(238)
Net cash flows from (used in) investing activities	(148,686)	(318,380)
Effect of foreign currency on cash and cash equivalents	(3,029)	2,457
Increase (decrease) in cash	64,474	79,424
Cash, beginning of period	146,509	67,085
Cash, end of period	\$ 210,983	\$ 146,509