

Condensed consolidated interim financial statements  
(In USD)

## **Lumine Group Inc.**

For the three months ended March 31, 2025 and 2024  
Unaudited

# Lumine Group Inc.

## Condensed Consolidated Interim Statements of Financial Position

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

Unaudited

	March 31, 2025	December 31, 2024
<b>Assets</b>		
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 (note 5)	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 (note 5)	12,112	12,467
Intangible assets and goodwill (note 6)	774,530	797,888
	810,701	834,297
<b>Total assets</b>	<b>\$ 1,325,152</b>	<b>\$ 1,287,186</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 104,387	\$ 107,861
Due to related parties, net (note 16)	3,764	2,972
Current portion of bank debt (note 7)	3,512	3,190
Deferred revenue	105,422	88,442
Provisions (note 8)	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 (note 7)	275,605	275,443
Lease obligations	3,262	3,621
Other liabilities (note 5)	5,003	5,191
	386,015	391,299
<b>Total liabilities</b>	<b>621,519</b>	<b>608,464</b>
Equity (note 10):		
Capital stock	490,669	490,669
Contributed surplus	185,142	185,142
Accumulated other comprehensive income (loss)	(9,480)	(13,612)
Retained earnings	37,302	16,523
	703,633	678,722
Subsequent events (note 17)		
<b>Total liabilities and equity</b>	<b>\$ 1,325,152</b>	<b>\$ 1,287,186</b>

See accompanying notes to the condensed consolidated interim financial statements.

# 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 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 (note 6)	26,014	22,821
	145,203	119,454
Redeemable Preferred and Special Securities expense	-	317,362
Finance and other expenses (income) (note 11)	5,134	4,272
	5,134	321,634
Income (loss) before income taxes	28,355	(299,989)
Current income tax expense	14,570	8,346
Deferred income tax (recovery)	(6,994)	(3,998)
Income tax expense	7,576	4,348
Net income (loss)	\$ 20,779	\$ (304,337)
Weighted average shares outstanding (note 12):		
Basic	256,620,388	86,111,920
Diluted	256,620,388	253,336,756
Earnings (loss) per share (note 12):		
Basic and diluted	\$ 0.08	\$ (3.53)

See accompanying notes to the condensed consolidated interim financial statements.

# 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 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 tax.	4,132	(3,625)
Total comprehensive income (loss) for the period.	\$ 24,911	\$ (307,962)

See accompanying notes to the condensed consolidated interim financial statements.

# Lumine Group Inc.

Condensed Consolidated Interim Statement of Changes in Equity  
(In thousands of USD. Due to rounding, numbers presented may not foot.)

Unaudited

Three months ended March 31, 2025

	Capital stock	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings (deficit)	Total equity
<b>Balance at January 1, 2025</b>	<b>\$ 490,669</b>	<b>\$ 185,142</b>	<b>\$ (13,612)</b>	<b>\$ 16,523</b>	<b>\$ 678,722</b>
<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
<b>Total other comprehensive income (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>4,132</b>	<b>-</b>	<b>4,132</b>
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>4,132</b>	<b>20,779</b>	<b>24,911</b>
<b>Balance at March 31, 2025</b>	<b>\$ 490,669</b>	<b>\$ 185,142</b>	<b>\$ (9,480)</b>	<b>\$ 37,302</b>	<b>\$ 703,633</b>

See accompanying notes to the condensed consolidated interim financial statements.

# Lumine Group Inc.

## Condensed Consolidated Interim Statement of Changes in Equity

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

Unaudited

Three months ended March 31, 2024

	Capital stock	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings (deficit)	Total equity
<b>Balance at January 1, 2024</b>	\$ -	\$ (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)
<b>Total other comprehensive income (loss) for the period</b>	-	-	(3,625)	-	(3,625)
<b>Total comprehensive income (loss) for the period</b>	-	-	(3,625)	(304,337)	(307,962)
Mandatory Conversion of Special and Preferred Shares (Note 10)	403,301	1,200,803	-	3,095,910	4,700,014
Settlement of Preferred and Special Share Dividends in Subordinate Voting Shares (Note 10)	87,368	-	-	-	87,368
<b>Balance at March 31, 2024</b>	<b>\$ 490,669</b>	<b>\$ 185,142</b>	<b>\$ (9,921)</b>	<b>\$ (28,905)</b>	<b>\$ 636,985</b>

See accompanying notes to the condensed consolidated interim financial statements.

# 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 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 (note 13)	(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 (note 15)	(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 (note 7)	-	90,000
Repayments of bank debt (note 7)	(243)	(244)
Transaction costs on bank debt (note 7)	(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

See accompanying notes to the condensed consolidated interim financial statements.

# Lumine Group Inc.

Notes to condensed consolidated interim financial statements

(In thousands of USD, except per share amounts or as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

Three months ended March 31, 2025 and 2024

## Notes to the condensed consolidated interim financial statements

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# Lumine Group Inc.

Notes to condensed consolidated interim financial statements

(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

Three months ended March 31, 2025 and 2024

## 1. Reporting entity

Lumine Group Inc. (TSXV:LMN) is a company domiciled in Canada. The address of its registered office is 5060 Spectrum Way, Suite 100, Mississauga, Ontario, Canada. The condensed consolidated interim financial statements of the Company as at and for the three months ended March 31, 2025, comprise Lumine Group Inc. and its subsidiaries (together referred to as "Lumine" or "the Company"). The Company is a subsidiary of Trapeze Software ULC ("Trapeze"), a wholly-owned subsidiary of Constellation Software Inc. (TSX:CSU) ("CSI" or collectively referred to as the "Parent" – references to Parent refer to CSI and its subsidiaries). The Company is engaged principally in the development, installation and customization of software and in the provision of related professional services and support for customers globally.

## 2. Basis of presentation

### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 1, 2025.

These condensed consolidated interim financial statements should be read in conjunction with the 2024 annual consolidated financial statements of Lumine Group Inc. (together referred to as the "Annual Consolidated Financial Statements").

### (b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain assets and liabilities initially recognized in connection with business combinations, certain financial instruments, and contingent consideration related to business acquisitions, which are measured at their estimated fair value.

### (c) Functional and presentation currency

The condensed consolidated interim financial statements are presented in U.S. dollars, which is the Company's presentation currency.

### (d) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, consistent with those disclosed in the Annual Consolidated Financial Statements and described in these condensed consolidated interim financial statements. Actual results may differ from these estimates.

# Lumine Group Inc.

Notes to condensed consolidated interim financial statements

(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

Three months ended March 31, 2025 and 2024

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

## 3. Material accounting policies

Unless otherwise noted in the condensed consolidated interim financial statements, the material accounting policies used in preparing these condensed consolidated interim financial statements are unchanged from those disclosed in the Annual Consolidated Financial Statements. These material accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

The material accounting policies have been applied consistently by the Company 's subsidiaries.

## 4. Business acquisitions

### (a) Prior year acquisitions

The following measurement period adjustments on the prior year acquisitions of Axyom Core ("Axyom") and Motive Software Solutions Inc. ("Motive") have been reflected on the condensed consolidated interim statement of financial position as of March 31, 2025. Negative balances in the table below represent reduction in assets and liabilities, while positive balances represent an increase in assets and liabilities. There were no material impacts to the statement of income.

Accounts receivable	\$	(438)
Other current assets		(18)
Property and equipment		(99)
Deferred income tax assets		122
Customer assets		21
	\$	(412)
Current liabilities	\$	(48)
Deferred revenue		(1,091)
	\$	(1,139)
Goodwill		(747)
Total Change in Consideration	\$	(20)

During the three months ended March 31, 2025, the purchase price allocations for the acquisition of Axyom and Motive was finalized. The purchase price for the Motive acquisition was reduced by \$20 following the finalization of the acquisition holdback payable. The total acquisition holdback payable now amounts to \$2,513

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(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

Three months ended March 31, 2025 and 2024

## 5. Other assets and liabilities

### (a) Other assets

	March 31, 2025	December 31, 2024
Prepaid expenses and other current assets	\$ 3,683	\$ 7,160
Sales tax receivable	4,670	4,291
Investment tax credits recoverable	5,527	5,294
Restricted cash	569	4,903
Acquisition holdback receivables	2,513	2,513
Income tax and other receivables	38,285	23,022
Total other current assets	\$ 55,247	\$ 47,183
Investment tax and other credits recoverable	\$ 1,775	\$ 1,703
Costs to obtain a contract	2,714	2,729
Unbilled revenue	2,603	2,905
Restricted cash	649	653
Non-current trade and other receivables and other assets	4,371	4,477
Total other non-current assets	\$ 12,112	\$ 12,467

### (b) Other liabilities

	March 31, 2025	December 31, 2024
Contingent consideration (note 13(b))	\$ 87	\$ 170
Deferred revenue	3,256	3,031
Provisions (note 8)	1,660	1,990
Total other non-current liabilities	\$ 5,003	\$ 5,191

# Lumine Group Inc.

Notes to condensed consolidated interim financial statements  
(In thousands of USD, except per share amounts and as otherwise indicated.)  
(Due to rounding, numbers presented may not foot.)  
Three months ended March 31, 2025 and 2024

## 6. Intangible assets and goodwill

	Technology Assets	Customer Assets	Goodwill	Total
<b>Cost</b>				
Balance at January 1, 2024	\$ 366,394	\$ 518,665	\$ 66,921	\$ 951,980
Acquisitions through business combinations (note 4a)	61,863	71,110	14,356	\$ 147,329
Effect of movements in foreign exchange and other	(4,810)	(4,114)	(384)	(9,308)
Balance at December 31, 2024	\$ 423,447	\$ 585,661	\$ 80,893	\$ 1,090,001
Balance at January 1, 2025	\$ 423,447	\$ 585,661	\$ 80,893	\$ 1,090,001
Effect of movements in foreign exchange and other	3,347	3,413	145	6,905
Balance at March 31, 2025	\$ 426,794	\$ 589,074	\$ 81,038	\$ 1,096,906
<b>Accumulated amortization and impairment losses</b>				
Balance at January 1, 2024	\$ 124,274	\$ 63,913	\$ -	\$ 188,187
Amortization for the period	62,652	45,406	-	108,058
Effect of movements in foreign exchange and other	(2,786)	(1,346)	-	(4,132)
Balance at December 31, 2024	\$ 184,140	\$ 107,973	\$ -	\$ 292,113
Balance at January 1, 2025	\$ 184,140	\$ 107,973	\$ -	\$ 292,113
Amortization for the period	14,618	11,396	-	26,014
Effect of movements in foreign exchange and other	2,780	1,469	-	4,249
Balance at March 31, 2025	\$ 201,538	\$ 120,838	\$ -	\$ 322,376
Carrying amounts:				
At January 1, 2024	\$ 242,120	\$ 454,752	\$ 66,921	\$ 763,793
At December 31, 2024	\$ 239,307	\$ 477,688	\$ 80,893	\$ 797,888
At January 1, 2025	\$ 239,307	\$ 477,688	\$ 80,893	\$ 797,888
At March 31, 2025	\$ 225,256	\$ 468,236	\$ 81,038	\$ 774,530

## 7. Bank Indebtedness

### (a) WideOrbit Loan

On March 2, 2023, WideOrbit Inc. ("WideOrbit"), a wholly owned subsidiary, entered into a revolving financing facility with a syndicate of Canadian and US financial institutions amounting to \$185,000, to provide long-term financing in connection with the acquisition of WideOrbit (the "WO Loan"), of which \$175,000 was drawn and incurred transaction costs of \$1,771. As of March 31, 2025, there were no additional borrowings made and a balance of \$108,000 remains outstanding (December 31, 2024 – \$108,000).

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(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

Three months ended March 31, 2025 and 2024

Covenants associated with this facility are monitored and reported based on the financial position and financial performance of WideOrbit. The covenants include a leverage ratio and a fixed charge coverage ratio. The WO Loan has a maturity date of March 2, 2028. The Company does not guarantee this indebtedness, nor are there any cross-guarantees between other subsidiaries. The credit facility is collateralized by substantially all of the assets of WideOrbit.

## **(b) Telarix Loans**

On October 31, 2022, Telarix Inc., a wholly owned subsidiary, closed term loan funding with a Canadian chartered bank, amounting to \$39,000, of which entire amount was drawn, to provide long-term financing in connection with an acquired business and incurred transaction cost of \$450. The financing also comes with a revolving credit facility of \$2,500 (collectively, the "Telarix Loans"). For the three months ended March 31, 2025, normal course repayments of \$243 were made on the term loan (March 31, 2024 – repayments of \$244). As of March 31, 2025, a balance of \$36,076 remains outstanding (December 31, 2024 – \$36,319).

Covenants and guarantees associated with this loan are monitored and reported based on the financial position and financial performance of Telarix Inc. The covenants include a leverage ratio and an interest coverage ratio. The Telarix loans have a maturity date of October 31, 2026. The Company does not guarantee the Telarix loans, nor are there any cross-guarantees between other subsidiaries. The Telarix Loans are collateralized by substantially all of the assets of Telarix Inc. and its subsidiaries.

## **(c) WizTivi Loan**

On November 24, 2023, Lumine Group France SAS ("Lumine France"), a wholly owned subsidiary, closed a term loan facility with HSBC Continental Europe amounting to €10,000 (\$10,914) to provide long-term financing in connection with its wholly owned subsidiary, WizTivi SAS (the "WizTivi Loan"), of which the full amount was drawn and incurred transaction costs of \$164 in 2023. For the three months ended March 31, 2025, there were no repayments made on the WizTivi Loan (March 31, 2024 – nil). As of March 31, 2025, a balance of \$8,763 remains outstanding (December 31, 2024 - \$8,309).

Covenants associated with this facility are monitored and reported based on the financial position and financial performance of WizTivi. The covenants include a leverage ratio and WizTivi cash position. The WizTivi Loan has a maturity date of November 24, 2028. The Company does not guarantee this indebtedness, nor are there any cross-guarantees between other subsidiaries. The credit facility is collateralized by substantially all of the assets of Lumine France and WizTivi.

## **(d) Lumine Facility**

On March 20, 2024, the Company entered into a revolving credit financing facility ("Lumine Facility") with a syndicate of Canadian and US financial institutions, amounting to \$310,000 to support future acquisitions and incurred transaction costs of \$2,256. For the three months ended March 31, 2025, no additional borrowings were drawn on the facility (March 31, 2024 – borrowings of \$90,000), and no repayment was made (March 31, 2024 – nil). As of March 31, 2025, a balance of \$129,000 (December 31, 2024 – \$129,000) remains outstanding.

Covenants associated with this facility are monitored and reported based on the financial position and financial performance of the Company's business units. The covenants include a leverage ratio and an interest coverage ratio. The Lumine Facility has a maturity date of March 21, 2027. The credit facility is collateralized by substantially all of the assets of certain direct and indirect subsidiaries of the Company subject to the ringfence arrangement.

# Lumine Group Inc.

Notes to condensed consolidated interim financial statements

(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

Three months ended March 31, 2025 and 2024

As of March 31, 2025, the Company and its subsidiaries are in compliance with their respective indebtedness covenants.

	<b>Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Telarix Loan – Term loan	2026	39,000	SOFR+1.85%	36,076	36,319
Telarix Loan – Revolving facility	2026	2,500	Prime+0.50%	-	-
WO Loan	2028	185,000	SOFR+2.5%	108,000	108,000
WizTivi Loan	2028	€10,000	EURIBOR+2.5%	8,763	8,309
Lumine Facility	2027	310,000	SOFR+1.25%	129,000	129,000
				281,839	281,628
Deferred transaction costs				(2,722)	(2,995)
Less current portion, net of related transaction costs				\$ (3,512)	\$ (3,190)
<b>Total long-term debt</b>				<b>\$ 275,605</b>	<b>\$ 275,443</b>

The annual minimum repayment requirements for the bank debts are as follows:

2025	4,114
2026	36,289
2027	131,164
2028	110,272
<b>\$</b>	<b>281,839</b>

## 8. Provisions

<b>At January 1, 2025</b>	<b>\$</b>	<b>2,146</b>
Provisions recorded during the period		8
Provisions used during the period		(485)
Effect of movements in foreign exchange and other		7
<b>At March 31, 2025</b>	<b>\$</b>	<b>1,676</b>
Provisions classified as current liabilities	<b>\$</b>	<b>16</b>
Provisions classified as other non-current liabilities	<b>\$</b>	<b>1,660</b>

The provisions balance is comprised of various individual provisions for severance costs, statutory severance benefits in certain jurisdictions, royalties, and other estimated liabilities of the Company of uncertain timing or amount.

## 9. Income taxes

Income tax expense is recognized based on management's best estimate of the actual income tax rate for the interim period applied to the pre-tax income of the interim period for each entity in the consolidated group. As a result of foreign exchange fluctuations, acquisitions, and ongoing changes due to intercompany transactions amongst entities operating in different jurisdictions, the Company has determined that a reasonable estimate of a weighted average annual tax rate cannot be determined on a consolidated basis. The Company's consolidated effective tax rate in respect of continuing operations for the three

# Lumine Group Inc.

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Three months ended March 31, 2025 and 2024

months ended March 31, 2025 was 26.70% (-1.45% for the three months ended March 31, 2024). The change in the effective tax rate for the three months ended March 31, 2025 is mainly impacted by redeemable preferred and special securities expense in 2024, which are not deductible for tax purposes and not applicable in the current period.

The Company is subject to tax audits in the countries in which the Company does business globally. These tax audits could result in additional tax expense in future periods relating to historical filings. Reviews by tax authorities generally focus on, but are not limited to, the validity of the Company's intercompany transactions, including financing and transfer pricing policies which generally involve subjective areas of taxation and a significant degree of judgment. If any of these tax authorities are successful with their challenges, the Company's income tax expense may be adversely affected and the Company could also be subject to interest and penalty charges.

## 10. Capital and other components of equity

### (a) Capital stock

	Subordinate Voting & Super Voting Shares	
	Number	Amount
At January 1, 2024	63,990,664	\$ -
Mandatory Conversion of Preferred and Special Shares	189,114,307	403,301
Settlement of Preferred and Special Share Dividends	3,515,418	87,368
At December 31, 2024	256,620,389	\$ 490,669

  

	Subordinate Voting & Super Voting Shares	
	Number	Amount
At January 1, 2025	256,620,389	\$ 490,669
At March 31, 2025	256,620,389	\$ 490,669

The Company's authorized share capital consists of an unlimited number of Subordinate Voting Shares, an unlimited number of Special Shares, an unlimited number of Preferred Shares and 1 Super Voting Share. As at March 31, 2025, there are 256,620,388 Subordinate Voting Shares and 1 Super Voting Share outstanding. The Super Voting Share is held by Parent and is convertible into a Subordinate Voting Share on a one-for-one basis.

Holders of Subordinate Voting Shares, the Super Voting Share, and Special Shares are entitled to attend and vote at meetings of the Company's shareholders except meetings at which only holders of a particular class are entitled to vote. Holders of Subordinate Voting Shares and Special Shares are entitled to one vote per share, and the holder of the Super Voting Share is entitled to that number of votes that equals 50.1% of the aggregate number of votes attached to all of the outstanding Super Voting Shares, Subordinate Voting Shares and Special Shares at such time. Other than in respect of voting rights, the Subordinate Voting Shares and the Super Voting Share have the same rights, are equal in all respects and are treated as if they were one class of shares. As of March 31, 2025, there are no Special Shares outstanding due to Mandatory Conversion of Preferred and Special Shares to Subordinate Voting Shares.

# Lumine Group Inc.

Notes to condensed consolidated interim financial statements

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Three months ended March 31, 2025 and 2024

## (b) Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) is comprised of the following separate components of equity:

### *Cumulative translation account*

The cumulative translation account comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as foreign exchange gains and losses arising from monetary items that form part of the net investment in the foreign operation.

## (c) Dividends

During the three months ended March 31, 2025 the Company did not declare any dividends on the Subordinate Voting Shares (March 31, 2024 – no dividends declared).

## 11. Finance costs and other expenses (income)

	Three months ended March 31,	
	2025	2024
Interest expense on contingent consideration	\$ 3	\$ 42
Interest expense on bank debt	4,615	2,954
Interest expense on lease obligations	105	154
Foreign exchange loss (gain)	1,190	1,411
Other expenses (income)	(779)	(289)
Finance and other expenses (income)	\$ 5,134	\$ 4,272

## 12. Earnings per share

### (a) Basic and diluted earnings per share

	Three months ended March 31,	
	2025	2024
<b>Numerator:</b>		
Net income (loss)	\$ 20,779	\$ (304,337)
Add: Expense associated with the redeemable preferred securities	-	298,714
Net income (loss) to be used for diluted earnings per share	\$ 20,779	\$ (5,624)
<b>Denominator:</b>		
Basic weighted average shares outstanding	256,620,388	86,111,920
Add: Effect of dilutive shares	-	167,224,836
Diluted weighted average shares outstanding	256,620,388	253,336,756
<b>Basic and diluted earnings per share:</b>	\$ 0.08	\$ (3.53)

There were no dilutive shares for the three months ended March 31, 2025. The impact of diluted weighted average shares outstanding determined above is anti-dilutive due to the net loss for the three months ended March 31, 2024.



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(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

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## 13. Financial instruments

### (a) Fair values versus carrying amounts

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities (excluding contingent consideration), income taxes payable, and acquisition holdbacks approximate their fair values due to the short-term nature of these instruments. The carrying value of bank debt approximates its fair values as it is subject to market interest rates.

### (b) Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method.

- level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- level 3 inputs are inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

In the table below, the Company has segregated all financial assets and liabilities that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

Financial assets and financial liabilities measured at fair value as at March 31, 2025 and December 31, 2024 in the financial statements are summarized below. The Company has no additional financial liabilities measured at fair value initially other than those recognized in connection with business combinations.

	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>								
Contingent Consideration	-	-	483	483	-	-	1,529	1,529
	\$ -	\$ -	\$ 483	\$ 483	\$ -	\$ -	\$ 1,529	\$ 1,529

There were no transfers of fair value measurements between level 1, 2 and level 3 of the fair value hierarchy in the three ended March 31, 2025 and 2024.

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(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

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The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

## *Contingent Consideration*

Balance at January 1, 2024	\$	3,161
Settlements through cash payments		(980)
Charges (recoveries) through profit or loss		(713)
Interest on contingent consideration liabilities		94
Foreign exchange and other movements		(33)
Balance at December 31, 2024	\$	1,529
Contingent consideration classified as current liabilities		1,359
Contingent consideration classified as other non-current liabilities		170
Balance at January 1, 2025	\$	1,529
Settlements through cash payments		(937)
Charges (recoveries) through profit or loss		(113)
Interest on contingent consideration liabilities		3
Foreign exchange and other movements		1
Balance at March 31, 2025	\$	483
Contingent consideration classified as current liabilities		396
Contingent consideration classified as other non-current liabilities		87

Estimates of the fair value of contingent consideration are performed by the Company on a quarterly basis. Key unobservable inputs include revenue growth rates and the discount rates applied (8%). The estimated fair value increases as the annual growth rate increases and as the discount rate decreases and vice versa.

The obligations for contingent consideration for acquisitions during the three months ended March 31, 2025 and year ended December 31, 2024 have been recorded at their estimated fair value at each reporting date. Aggregate contingent consideration of \$483 (December 31, 2024 – \$1,529) has been included in accounts payable and accrued liabilities and other liabilities in the condensed consolidated interim statements of financial position at its estimated fair value. Changes made to the estimated fair value of contingent consideration have been included in other, net in the condensed consolidated interim statements of income resulting in a gain of \$113 for the three months ended March 31, 2025 (March 31, 2024 – an expense of \$43).

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(In thousands of USD, except per share amounts and as otherwise indicated.)

(Due to rounding, numbers presented may not foot.)

Three months ended March 31, 2025 and 2024

## 14. Contingencies

In the normal course of operations, the Company is subject to litigation and claims from time to time. The Company may also be subject to lawsuits, investigations and other claims, including environmental, labour, income and sales tax, product, customer disputes and other matters. The Company believes that adequate provisions have been recorded in the accounts where required. Although it is not always possible to estimate the extent of potential costs, if any, the Company believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

## 15. Changes in non-cash operating working capital

	Three months ended March 31,	
	2025	2024
Decrease (increase) in current accounts receivable	(6,193)	3,111
Decrease (increase) in current unbilled revenue	(5,294)	(3,183)
Decrease (increase) in other current assets	(11,683)	1,865
Decrease (increase) in inventories	176	(52)
Decrease (increase) in other non-current assets	420	1,130
Increase (decrease) in other non-current liabilities	(113)	(1,465)
Increase (decrease) in current accounts payable and accrued liabilities, excluding holdbacks from acquisitions	(10,590)	(13,111)
Increase (decrease) in due to related parties	694	-
Increase (decrease) in current deferred revenue	15,212	3,560
Increase (decrease) in current provisions	(143)	20
Change in non-cash operating working capital	(17,514)	(8,125)

## 16. Related party transactions

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, significant shareholders, directors, key management personnel, certain companies affiliated with key management personnel, and companies that are under common control of the Company's controlling shareholder, CSI. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

### Transactions with CSI

The Company pays management fees to CSI (included within "Other, net" expenses), reimburses CSI for certain expenses paid on behalf of the Company, and borrows funds from CSI from time to time to fund acquisitions. During the three months ended March 31, 2025, the Company expensed management fees of \$694 (March 31, 2024 – \$519). At March 31, 2025, the Company had outstanding amounts due to related parties of \$3,764 (December 31, 2024 – \$2,972) which reflects the amount owing to the Parent for management fees and the reimbursement of expenses paid on its behalf, net of the cash sent to the Parent during the quarter.

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## 17. Subsequent Events

### Acquisition from Arvato Systems

On April 1, 2025, the Company acquired the Vidispine brand and business assets ("Vidispine") from Arvato Systems, a subsidiary of Bertelsmann SE & Co. KGaA. for aggregate cash consideration of up to \$8,937 of which \$6,529 was paid in cash on closing. The acquired businesses operate in the communications and media market, similar to the Company's existing businesses.

As of the date of issuance of these financial statements, the Company had not yet completed the initial accounting for the acquisition, including the fair value assessment of the assets acquired and liabilities assumed, due to the proximity of the date of acquisition to the date of issuance of these financial statements.