

Consolidated Financial Statements  
(In USD)

## **Lumine Group Inc.**

For the years ended December 31, 2025 and 2024

And Independent Auditor's Report thereon



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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lumine Group Inc.

### ***Opinion***

We have audited the consolidated financial statements of Lumine Group Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2025 and December 31, 2024
- the consolidated statements of income (loss) for the years then ended
- the consolidated statements of comprehensive income (loss) for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

### **Determination of distinct professional services performance obligations in customer contracts containing multiple performance obligations and estimation of hours to complete for certain percentage-of-completion (POC) arrangements**

#### ***Description of the matter***

We draw attention to Notes 2(e) and 3(j) to the financial statements. The Entity has recognized revenue of \$765,660 thousand. Typically, the Entity enters into contracts that contain multiple products and services such as software licenses, licenses hosted software-as-a-service, maintenance, professional services, and hardware. The Entity uses significant judgment to assess whether professional services sold in a customer contract are considered distinct and should be accounted for as separate performance obligations. Revenue from the license of software that involves complex implementation or customization that is not distinct, and/or includes sales of hardware that is not distinct, is recognized as a combined performance obligation using the percentage-of-completion method based primarily on labour hours. The Entity applies significant judgment to determine the estimated hours to completion which affects the timing of revenue recognized for professional services and non-distinct license and hardware.

#### ***Why the matter is a key audit matter***

We identified the determination of distinct professional services performance obligations in customer contracts containing multiple performance obligations and the estimation of hours to complete for certain POC arrangements, being contracts where revenue recognition is based on estimated hours to completion, as a key audit matter. Significant auditor judgment was required to evaluate the Entity's significant judgments of whether professional services are distinct or non-distinct and the estimated hours to completion for arrangements that are completed over an extended period. There was significant auditor effort, involving more senior professionals, required to address this matter.

#### ***How the matter was addressed in the audit***

The primary procedures we performed to address this key audit matter included the following:

We evaluated the design and tested the operating effectiveness of certain controls over revenue recognition including controls related to the Entity's process to identify distinct professional services performance obligations in certain customer contracts and controls over the estimation of hours to completion for POC arrangements.



For a selection of new customer contracts, we assessed the Entity's determination of distinct/non-distinct professional services performance obligations, if any, by examining the contract source documents, comparing to the Entity's past assessments for similar contracts, and practices observed in the Entity's industry.

For a selection of POC arrangements where revenue recognition is based on the estimated hours to completion, we interviewed operational personnel responsible for the contract. We obtained an understanding of the original estimated hours to completion and any increase or decrease to the estimated hours to completion as the contract progresses and inspected correspondence such as project planning documents and change requests, if any, between the Entity and its customers.

In addition, we assessed the Entity's historical ability to accurately estimate hours to complete by performing an analysis of a selection of completed contracts to compare actual hours incurred upon completion to the initial estimated hours to completion.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Lesley Bridget Luk.

Vaughan, Canada

March 4, 2026

# Lumine Group Inc.

## Consolidated Statements of Financial Position

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

	December 31, 2025	December 31, 2024
<b>Assets</b>		
Current assets:		
Cash	\$ 352,441	\$ 210,983
Accounts receivable, net	163,174	158,048
Unbilled revenue (note 19)	47,547	35,982
Inventories	557	693
Other assets (note 5)	51,808	47,183
	615,527	452,889
Non-current assets:		
Property and equipment (note 6)	8,325	7,457
Right of use assets (note 7)	5,779	6,949
Deferred income taxes (note 13)	15,503	9,536
Other assets (note 5)	13,752	12,467
Intangible assets and goodwill (note 8)	728,384	797,888
	771,743	834,297
<b>Total assets</b>	<b>\$ 1,387,270</b>	<b>\$ 1,287,186</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 123,835	\$ 107,861
Due to related parties, net (note 24)	860	2,972
Current portion of bank indebtedness (note 9)	1,992	3,190
Deferred revenue (note 19)	94,776	88,442
Provisions (note 10)	–	156
Acquisition holdback payables	6,604	17
Lease obligations (note 11)	3,149	4,249
Income taxes payable	9,044	10,278
	240,260	217,165
Non-current liabilities:		
Deferred income taxes (note 13)	108,565	107,044
Bank indebtedness (note 9)	207,956	275,443
Lease obligations (note 11)	3,631	3,621
Other liabilities (note 5)	7,716	5,191
	327,868	391,299
<b>Total liabilities</b>	<b>568,128</b>	<b>608,464</b>
Equity (note 14):		
Capital stock	490,669	490,669
Contributed surplus	185,142	185,142
Accumulated other comprehensive income (loss)	8,042	(13,612)
Retained earnings	135,289	16,523
	819,142	678,722
<b>Total liabilities and equity</b>	<b>\$ 1,387,270</b>	<b>\$ 1,287,186</b>

Guarantees (note 22)  
Subsequent events (note 25)

See accompanying notes to the consolidated financial statements.

# Lumine Group Inc.

## Consolidated Statements of Income (Loss)

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

	Years ended December 31,	
	2025	2024
Revenue (note 19)		
License	\$ 72,643	\$ 51,360
Professional services	135,044	113,851
Hardware and other	20,301	18,216
Maintenance and other recurring	537,672	484,943
	765,660	668,370
Expenses		
Staff	352,915	333,278
Hardware	11,092	10,872
Third party license, maintenance and professional services	46,210	41,189
Occupancy	4,069	6,248
Travel, telecommunications, supplies, software and equipment	36,326	32,488
Professional fees	16,854	15,624
Other, net	14,434	9,192
Depreciation (note 6 and note 7)	8,099	9,091
Amortization of intangible assets (note 8)	108,369	108,058
	598,368	566,040
Redeemable Preferred and Special Securities expense (note 14)	–	317,362
Gain on bargain purchase (note 4)	(2,165)	–
Finance costs and other expenses (note 15)	18,871	24,187
	16,706	341,549
Income (loss) before income taxes	150,586	(239,219)
Current income tax expense (note 12)	36,686	39,952
Deferred income recovery (note 12)	(4,866)	(20,262)
Income tax expense	31,820	19,690
Net income (loss)	\$ 118,766	\$ (258,909)
Weighted average shares outstanding (note 16):		
Basic	256,620,388	214,226,206
Diluted	256,620,388	255,803,966
Earnings (loss) per share (note 16):		
Basic and diluted	\$ 0.46	\$ (1.21)

See accompanying notes to the consolidated financial statements.

# 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,	
	2025	2024
Net income (loss)	\$ 118,766	\$ (258,909)
Items that are or may be reclassified subsequently to net income (loss):		
Foreign currency translation differences from foreign operations and other	21,654	(7,316)
Other comprehensive income (loss) for the year, net of income tax	21,654	(7,316)
Total comprehensive income (loss) for the year	\$ 140,420	\$ (266,225)

See accompanying notes to the consolidated financial statements.

# 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, 2025

	Capital stock	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings	Total equity
Balance at January 1, 2025	\$ 490,669	\$ 185,142	\$(13,612)	\$ 16,523	678,722
Total comprehensive income for the year:					
Net income	–	–	–	118,766	118,766
Other comprehensive income:					
Foreign currency translation differences from foreign operations and other	–	–	21,654	–	21,654
Total other comprehensive income for the year	–	–	21,654	–	21,654
Total comprehensive income for the year	–	–	21,654	118,766	140,420
Balance at December 31, 2025	\$ 490,669	\$ 185,142	\$ 8,042	\$ 135,289	819,142

See accompanying notes to the consolidated financial statements.

# 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	Retained (deficit) earnings	Total equity
Balance at January 1, 2024	\$ –	\$ (1,015,661)	\$ (6,296)	\$ (2,820,478)	\$ (3,842,435)
Total comprehensive loss for the year:					
Net loss	–	–	–	(258,909)	(258,909)
Other comprehensive loss:					
Foreign currency translation differences from foreign operations and other	–	–	(7,316)	–	(7,316)
Total other comprehensive loss for the year	–	–	(7,316)	–	(7,316)
Total comprehensive loss for the year	–	–	(7,316)	(258,909)	(266,225)
Settlement of Preferred and Special Share Dividends in Subordinate Voting Shares (Note 14)	87,368	–	–	–	87,368
Mandatory Conversion of Preferred and Special Shares (Note 14)	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

See accompanying notes to the consolidated financial statements.

# Lumine Group Inc.

## Consolidated Statements of Cash Flows

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

	Years ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 118,766	\$ (258,909)
Adjustments for:		
Depreciation (note 6 and note 7)	8,099	9,245
Amortization of intangible assets (note 8)	108,369	108,058
Contingent consideration adjustments (note 18)	2,966	(713)
Preferred and Special Securities expense	–	317,362
Gain on bargain purchase (note 4)	(2,165)	–
Finance costs and other expenses (note 15)	23,034	25,241
Income tax expense	31,820	19,690
Change in non-cash operating assets and liabilities exclusive of effects of business combinations (note 23)	(18,466)	(77,852)
Income taxes paid	(35,963)	(27,158)
Net cash flows from operating activities	236,460	114,964
Cash flows (used in) from financing activities:		
Interest paid on lease obligations (note 11)	(357)	(505)
Interest paid on bank indebtedness	(14,008)	(18,724)
Proceeds from issuance of bank indebtedness (note 9)	55,000	155,500
Repayments of bank indebtedness (note 9)	(125,667)	(27,790)
Transaction costs on bank indebtedness (note 9)	(574)	(2,207)
Payments of lease obligations (note 11)	(4,653)	(6,103)
Net cash flows (used in) from financing activities	(90,259)	100,171
Cash flows used in investing activities:		
Acquisition of businesses (note 4)	(20,461)	(145,271)
Cash obtained with acquired businesses (note 4)	6,331	–
Post-acquisition settlement payments, net of receipts	(2,632)	4,706
Interest, dividends and other proceeds received (note 15)	4,163	1,054
Proceeds from sale of property and equipment	169	–
Property and equipment purchased	(4,158)	(2,934)
Decrease (increase) in restricted cash, and other investing activities	4,182	(5,187)
Net cash flows used in investing activities	(12,406)	(147,632)
Effect of foreign currency on cash and cash equivalents	7,663	(3,029)
Increase in cash	141,458	64,474
Cash, beginning of year	210,983	146,509
Cash, end of year	\$ 352,441	\$ 210,983

See accompanying notes to the consolidated financial statements.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

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# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 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 consolidated financial statements of the Company as at and for the years ended December 31, 2025 and 2024 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 acquisition and strengthening of businesses in the Communications and Media industry. These businesses provide for the development, installation and customization of software and related professional services and support for customers globally.

## 2. Basis of presentation

### **(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") issued and outstanding as of March 4, 2026, the date the Board of Directors approved such consolidated financial statements.

### **(b) Basis of measurement**

These consolidated 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) Comparative amounts**

Certain comparative figures have been reclassified, to conform to the current year's presentation. These reclassifications had no effect on prior year net income, total assets or equity.

Adjustments arising from the finalization of purchase price allocations related to acquisitions may impact the prior year.

### **(d) Functional and presentation currency**

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

### **(e) Use of estimates and judgements**

The preparation of the consolidated 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. Actual results may differ from these estimates.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 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, additional relevant information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 3(j) - Revenue recognition

Note 3(a)(i) - Business combinations

Note 3(c)(ii) - Contingent consideration liabilities

Note 3(m) - Income taxes

Note 3(h) - Impairment

Note 3(d) - Intangible assets

Note 21 - Contingencies

Critical judgements that the Company has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognized in the consolidated financial statements relate to the (i) determination of functional currencies for the Company's subsidiaries and, most notably, in respect of businesses acquired during the period; (ii) identification and valuation of intangible assets acquired in connection with the Company's business combinations; (iii) assessment as to whether professional services in multiple-performance obligation arrangements are distinct of other performance obligations and determination of the estimated hours to complete customer contracts accounted for using the percentage of completion method; and (iv) recognition of deferred tax assets.

- Functional currency of each business unit – the Company applies judgement in situations where primary and secondary indicators are mixed. Primary indicators such as the currency that mainly influences sales prices are given priority before considering secondary indicators.
- Business Combinations - estimates and judgments are used when allocating the purchase price to the fair value of acquired net assets (specifically to the acquired technology assets and customer relationship assets) in business combinations. The Company estimates the fair value of technology and customer relationships acquired in a business combination based on the income approach. The income approach is a valuation technique that calculates the fair value of an intangible asset based on the present value of future cash flows that the asset can be expected to generate over its remaining useful life. For significant business combinations, significant estimates and judgments include forecasted cashflows, forecasted annual customer attrition rate, royalty rates, migration rate and the discount rates used to estimate the fair value of the acquired intangible assets. Changes in these estimates and judgments could result in significant changes to the valuation of the intangible assets.
- Revenue Recognition - the Company uses significant judgment to assess whether professional services sold in a customer contract are considered distinct and should be accounted for as separate performance obligations. Non-distinct professional services are combined with other goods or services until they are distinct and form a single performance obligation. The Company also applies significant judgment to determine the estimated hours to completion which affects the timing of revenue recognized for professional services and non-distinct license and hardware. Estimated hours to completion are continually and routinely revised based on changes in the progress of customer contracts.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

- Deferred tax assets - the recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

### 3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

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

#### ***(a) Basis of consolidation***

##### (i) Business combinations

Acquisitions have been accounted for using the acquisition method required by IFRS 3 Business Combinations. Goodwill arising on acquisitions is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, if any, less the net recognized amount of the estimated fair value of identifiable assets acquired and liabilities assumed (subject to certain exemptions to fair value measurement principles such as deferred tax assets or liabilities), all measured as of the acquisition date. When the consideration transferred is less than the estimated fair value of assets acquired and liabilities assumed, a bargain purchase gain is recognized immediately in the consolidated statements of income (loss). Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

The Company uses its best estimates and assumptions to reasonably value assets and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, and these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with a corresponding offset to goodwill. Upon conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to profit or loss. For a given acquisition, the Company may identify certain pre-acquisition contingencies as of the acquisition date and may extend its review and evaluation of these pre-acquisition contingencies throughout the measurement period in order to obtain sufficient information to assess these contingencies as part of acquisition accounting, as applicable.

##### (ii) Consolidation methods

Entities over which the Company has control are consolidated from the date that control commences until the date that control ceases. Entities over which the Company has significant influence (investments in "associates") are accounted for under the equity method. Significant influence is assumed when the Company's interests are 20% or more unless qualitative factors overcome this assumption.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## (iii) Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

## **(b) Foreign currency translation**

### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the business unit at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-measured to the functional currency at the exchange rate at the reporting date. Foreign currency differences arising on re-measurement are recognized through profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are reported in profit and loss on a net basis. The effect of currency translation adjustments on cash is presented separately in the consolidated statements of cash flows and separated from investing and financing activities when deemed significant.

### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD using average exchange rates for the month during which the transactions occurred. Foreign currency differences are recognized in other comprehensive income in the cumulative translation account.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which its substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the cumulative amount of foreign currency translation differences. If, and when, settlement plans change or are likely to occur, then the accounting process in (b)(i) above is applied. The Company has elected not to treat repayments of monetary items receivable or payable to a foreign operation as a disposition.

## **(c) Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets include cash, accounts receivable, unbilled revenue, income taxes receivable, and holdback receivable. Financial assets are recognized in the consolidated statement of financial position if the Company has a contractual right to receive cash or other financial assets from another entity.

# Lumine Group Inc.

Notes to consolidated financial statements

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Financial assets, including accounts receivable, are derecognized when the rights to receive cash flows from the investments have expired or were transferred to another party and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities include accounts payable and accrued liabilities, due to related parties, income taxes payable, acquisition holdback payables and contingent consideration liabilities, and bank indebtedness. Financial liabilities are generally recognized initially at fair value and subsequently measured at amortized cost, except for financial liabilities carried at fair value, including contingent consideration and preferred and special shares liabilities. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

## (i) Financial Assets

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Subsequent to initial recognition, financial assets at amortized cost are measured using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate except for short-term receivables where the interest revenue would be immaterial. Interest income, foreign exchange gains and losses, impairment, and any gain or loss on derecognition are recognized in profit or loss.

A debt investment is measured at fair value through other comprehensive income ("FVOCI") if it not designated as FVTPL and it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss.

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVOCI. Financial assets classified as FVTPL are accounted for initially, and subsequently, at fair value with changes recognized in profit or loss. Gains or losses on these items are recognized in profit or loss.

## (ii) Financial Liabilities

Financial liabilities are measured at amortized cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost under the effective interest method.

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Contingent consideration liabilities are initially recorded on the date of a business combination and are payable on the achievement of certain financial targets in the post-acquisition periods. The obligation for contingent consideration is recorded at its estimated fair value at the various acquisition dates and is recorded at fair value at the end of each reporting period. The estimated fair value of the applicable contingent consideration is calculated using the estimated financial outcome and resulting expected contingent consideration to be paid and inclusion of a discount rate as appropriate.

## ***(d) Intangible assets***

### (i) Acquired intangible assets

The Company uses the income approach to value technology and customer relationship intangible assets acquired in a business combination. The income approach is a valuation technique that calculates the estimated fair value of an intangible asset based on the estimated future cash flows that the asset can be expected to generate over its remaining useful life.

The Company utilizes the discounted cash flow ("DCF") methodology which is a form of the income approach that begins with a forecast of the annual cash flows that a market participant would expect the subject intangible asset to generate over a discrete projection period. The forecasted cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the intangible assets' projected cash flows, again, from a market participant perspective. The present value of the forecasted cash flows are then added to the present value of the residual value of the intangible asset (if any) at the end of the discrete projection period to arrive at a conclusion with respect to the estimated fair value of the subject intangible assets.

Specifically, the Company relies on the relief-from-royalty method to value the acquired technology and the multiple-period excess earnings method ("MEEM") to value customer relationship assets.

The underlying premise of the relief-from-royalty method is that the fair value of the technology is equal to the cost savings (or the "royalty avoided") resulting from the ownership of the asset by the avoidance of paying royalties to license the use of the technology from another owner. Accordingly, the income forecast reflects an estimate of a fair royalty that a licensee would pay, on a percentage of revenue basis, to obtain a license to utilize the technology.

The MEEM method isolates the cash flows attributable to the subject asset by utilizing a forecast of expected cash flows less the returns attributable to other enabling assets, both tangible and intangible.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost, being reflective of fair value, less accumulated amortization and impairment losses. Subsequent expenditures are capitalized only when it increases the future economic benefits that form part of the specific asset to which it relates and other criteria have been met. Otherwise, all other expenditures are recognized in profit or loss as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are acquired and available for use, since this most closely reflects the expected usage and pattern of consumption of the future economic benefits embodied in the asset. To determine the useful life of the technology assets, the Company considers the length of time over which it expects to earn or recover the majority of the present value of the forecasted cash flows of the related intangible assets. The estimated useful lives for the current and comparative periods are as follows:

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Technology assets	3 to 10 years
Customer assets	5 to 23 years

Amortization methods, useful lives and the residual values are reviewed at least annually (or when there has been an indication of impairment) and are adjusted as appropriate.

## (ii) Impairment

Intangible assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If we cannot estimate the recoverable amount of the individual intangible asset because it does not generate independent cash flows, we test the entire cash-generating unit ("CGU") to which the asset belongs for impairment. When performing the impairment test at the CGU level, the impairment test methodology is based on a comparison between the higher of fair value less costs to sell and value-in-use of each of the Company's CGUs and the CGU's net carrying values. Within the Company's reporting structure, business units generally reflect the CGUs. In determining the recoverable amount, the Company applies an estimated market valuation multiple to the CGU's most recent annual recurring revenues, which are generally derived from post-contract customer support revenues, transactional revenues, and hosted products revenues. Valuation multiples applied by the Company for this purpose reflect current market conditions specific to the CGU and are assessed for reasonability by comparison to the Company's current and past acquisition experience involving ranges of revenue-based multiples required to acquire representative software companies and the Company's overall revenue based-trading multiple. In addition, in certain instances, the recoverable amount is determined using a value-in-use approach which follows the same valuation process that is undertaken for the Company's business acquisitions.

An impairment is recognized if the carrying amount of the asset or the CGU exceeds its estimated recoverable amount and is recognized in the consolidated statement of income (loss) immediately. The Company will reverse a previously recognized impairment loss if the estimated recoverable amount of the previously impaired asset or CGU increases such that the impairment in the previous period has reversed. The carrying amount of the asset or CGU cannot be greater than its carrying amount had the impairment loss not previously been recognized.

## (iii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized only if the product or process is technically and commercially feasible, if development costs can be measured reliably, if future economic benefits are probable, if the Company intends to use or sell the asset and the Company intends and has sufficient resources to complete development. To date, no material development expenditures have been capitalized.

# Lumine Group Inc.

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Years ended December 31, 2025 and 2024

For the year ended December 31, 2025, \$103,982 (2024 – \$99,996) of research and development costs have been expensed in consolidated statements of income (loss). These costs are net of estimated investment tax credits, recognized as part of other, net expenses through profit or loss of \$7,145 for the year ended December 31, 2025 (2024 – \$10,087).

## **(e) Property and equipment**

### (i) Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes initial and subsequent expenditures that are directly attributable to the acquisition of the related asset. When component parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment, where applicable.

### (ii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The estimated useful lives for the current and comparative periods are as follows:

<b>Asset</b>	<b>Rate</b>
Computer hardware	3-5 years
Computer software	1 years
Furniture, equipment and vehicles	5 years
Leasehold improvements	Shorter of the estimated useful life and the term of the lease

Depreciation methods, useful lives and residual values are reviewed at each financial year end or more frequently as deemed relevant and adjusted where appropriate.

## **(f) Unbilled revenue**

Unbilled revenue represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at revenue recognized to date less progress billings and recognized losses, if any.

Unbilled revenue is presented in the statement of financial position for all contracts in which revenues recognized exceed progress billings. If progress billings exceed revenues recognized, then the excess is presented as deferred revenue in the statement of financial position.

## **(g) Other non-current liabilities**

Other non-current liabilities consist principally of deferred revenue, provisions, net defined benefit liabilities and contingent consideration recognized in connection with business acquisitions to be settled in cash, which are discounted for measurement purposes to the extent the impact is material.

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

Years ended December 31, 2025 and 2024

## ***(h) Impairment***

### (i) Financial assets (including accounts receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy.

The Company considers evidence of impairment for receivables at both a specific and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired, together with receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### (ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets (which are addressed in note 3(m)), are reviewed at each reporting date (or more frequently if required) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated annually on December 31 of each fiscal year, and whenever there is an indication that the CGU may be impaired.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the Company uses discounted cash flows which are determined using a pre-tax discount rate specific to the asset or CGU. The discount rate used reflects current market conditions including risks specific to the assets. Significant estimates within the cash flows include recurring revenue growth rates and operating expenses. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets, which for the Company's purposes is typically representative of the business unit level within the corporate and management structure. For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination.

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An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets (such as intangible assets and property and equipment) in the CGU (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other non-financial assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognized.

## ***(i) Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the estimated future cash flows required to settle the present obligation, based on the most reliable evidence available at the reporting date. The estimated cash flows are discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amortization of the discount is recognized as part of finance costs.

## ***(j) Revenue recognition***

Revenue represents the amount the Company expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. The Company reports revenue under four revenue categories being, License, Professional services, Hardware and other and Maintenance and other recurring revenue. Software license revenue is comprised of non-recurring license fees charged for the use of software products licensed under multiple-year or perpetual arrangements. Professional service revenue consists of fees charged for implementation services, custom programming, product training, certain managed services, and consulting. Hardware and other revenue include the resale of third party hardware as part of customized solutions, as well as sales of hardware assembled internally and the reimbursement of travel costs. Maintenance and other recurring revenue primarily consist of fees charged for customer support on software products post-delivery and also includes recurring fees derived from combined software/support contracts, transaction revenues, managed services associated with the Company's software that has been sold to the customer, and hosted software-as-a-service products.

### **(i) Contracts with multiple products or services**

Typically, the Company enters into contracts that contain multiple products and services such as software licenses, hosted software-as-a-service, maintenance, professional services, and hardware. The Company evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation.

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Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated stand-alone selling price.

## (ii) Nature of products and services

The Company sells on-premises software licenses on both a perpetual and specified-term basis. Revenue from the license of distinct software is recognized at the time that both the right to use the software has commenced and the software has been made available to the customer. Certain of the Company's contracts with customers contain provisions that require the customer to renew optional support and maintenance in order to maintain the active right to use a perpetual or term license. The renewal payments after the initial bundled support and maintenance term in these cases apply to both the continued right to use the license and the support and maintenance renewal. Where the fees payable for the initial term are incremental to the fees for the renewal terms, the excess is treated as a prepayment for expected renewals and allocated (amortized) evenly over the expected customer renewals, up to the estimated life of the software that is typically 4-6 years.

Revenue from the license of software that involves complex implementation or customization that is not distinct, and/or includes sales of hardware that is not distinct, is recognized as a combined performance obligation using the percentage-of-completion method based primarily on labour hours. The percentage-of-completion method based on labour hours requires the Company to make significant judgments to determine the estimated hours to completion which affects the timing of revenue recognized.

A portion of the Company's sales, categorized as hardware and other revenue, are accounted for as product revenue. Product revenue is recognized when control of the product has transferred under the terms of an enforceable contract.

Revenue related to the customer reimbursement of travel related expenses incurred during a project implementation where the Company is the principal in the arrangement is included in the hardware and other revenue category. Revenue is recognized as costs are incurred which is consistent with the period in which the costs are invoiced. Reimbursable travel expenses incurred for which an invoice has not been issued are recorded as part of unbilled revenue on the statement of financial position.

Maintenance and other recurring revenue primarily consist of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from software licenses that are not distinct from maintenance, transaction revenues, managed services associated with the Company's software, and hosted products.

Revenue from software-as-a-service (SaaS) arrangements, which allows customers to use hosted software over a term without taking possession of the software, are provided on a subscription basis. Revenue from the SaaS subscription, which includes the hosted software and maintenance, is recognized rateably over the term of the subscription. Significant incremental payments for SaaS in an initial term are recognized rateably over the expected renewal periods, up to the estimated life of the software.

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Professional services revenue, including installation, implementation, training and customization of software, is recognized by the stage of completion of the performance obligation determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. Professional services revenue also includes managed services not associated with the Company's software. The revenue and profit of fixed price contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably but the Company expects to recover its costs, the amount of expected costs is treated as variable consideration and the transaction price is updated as more information becomes known.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in unbilled revenue. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

## ***(k) Costs to obtain a contract***

The Company allocates incremental costs to obtain a contract (which principally consists of commissions) to the various performance obligations to which they relate using the expected-based allocation (relative expected margins) for bundled costs. For those performance obligations that are expected to be renewed at the end of the initial period without a further commission (such as post-contract customer support), the Company has considered expected renewals over the life of the intellectual property when determining the expected margins from the arrangement. For performance obligations not delivered upfront, the allocated commissions are deferred and amortized over the pattern of transfer of the related performance obligation. For commissions allocated to term-based license arrangements and post-contract customer support, the amortization period is expected to be approximately 4-6 years. Capitalized costs to obtain a contract are included in other non-current assets on the consolidated statement of financial position.

## ***(l) Finance income and finance costs***

Finance income comprises interest income, gains on the disposal of available-for-sale financial assets, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognized as it accrues through profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, amortization of the discount on provisions, acquisition holdback payable and contingent consideration and impairment losses recognized on financial assets other than trade receivables.

## ***(m) Income taxes***

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in other comprehensive income.

Current tax is the expected taxes payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

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Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits, difference in tax bases in the purchaser's tax jurisdiction and its cost as reported in the consolidated financial statements as a result of an intra-group transfer of assets and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## ***(n) Investment tax credits***

The Company is entitled to both non-refundable and refundable investment tax credits for qualifying research and development ("R&D") activities. Investment tax credits are included within "Other, net" in the consolidated statement of income for items of a period expense nature or as a reduction of property and equipment for items of a capital nature when the amount is reliably estimable, and the Company has reasonable assurance regarding compliance with the relevant objective conditions and that the credit will be realized.

## ***(o) Segment reporting***

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The operating results of all operating segments are reviewed regularly by the Company's Chief Executive Officer, the Company's chief operating decision maker ("CODM"). To drive decisions regarding resource allocation amongst segments, the CODM reviews segment performance. In addition, the CODM directs investing of capital that generates returns at or above the investment hurdle rates set by the Company's head office and board of directors.

Following the guidance set out by IFRS 8, Operating Segments, the Company has determined that it has two operating segments. Each of the Company's operating segments operate as individual conglomerates of small vertical market software companies with similar economic characteristics. Reporting to and under the guidance of the Chief Operating Officer, each operating segment leader is focused on managing their portfolios of business units, supporting integration of acquired business units, and monitoring of operational performance.

The Company aggregates these two operating segments into one reportable segment, consistent with the objective and basic principles of IFRS 8.

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## **(p) Earnings per share**

The Company presents basic and diluted earnings per share data for its ordinary shares, being Subordinate Voting Shares and Super Voting Share. Until March 2024, the number of basic shares outstanding includes Special Shares due to the terms of the Shareholder Agreement which entitles the holders of Special Shares to dividends declared to Subordinate Voting Shares and Super Voting Share. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for treasury shares held. Diluted earnings per share is determined by dividing the profit or loss attributable to shareholders of ordinary shares by the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

## **(q) Employee benefits**

### **(i) Short-term employee benefits**

Short-term employee benefit obligations, including wages, benefits, incentive compensation, and compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid and settled under the Company's employee incentive compensation plan if the Company has a legal or constructive obligation to pay this amount at the time bonuses are paid as a result of past service provided by the employee, and the obligation can be estimated reliably.

### **(ii) Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is available.

### **(iii) Defined benefit plans**

The Company's net obligation in respect of the defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income ("OCI"). The Company determines the net interest expense (income) on the net defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting changes in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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## ***(r) Leases***

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is measured on inception based on the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method, as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

## ***(s) Adoption of Amendment to IAS 21, Lack of Exchangeability***

In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments were implemented by the Company effective January 1, 2025. The Company has assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements.

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## ***(t) Recent accounting pronouncements not yet adopted***

The IASB has issued:

(i) IFRS 18, Presentation and Disclosure in Financial Statements (replacing IAS 1, Presentation of Financial Statements), with an aim to improve how information is communicated in the financial statements, with a focus on information in the statements of income (loss) that will become effective on January 1, 2027.

(ii) Amendments to IFRS 9 and IFRS 7, which address the classification and measurement of financial instruments and will become effective January 1, 2026.

The Company is assessing the impacts of these pronouncements on the consolidated financial statements.

## **4. Business acquisitions**

### ***Acquisition from Arvato Systems operating as Vidispine***

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 an aggregate cash consideration of \$6,807 on closing plus cash holdbacks and contingent consideration with a combined estimated acquisition date fair value of \$2,237 for total consideration of \$9,044.

The acquired business operates in the communications and media market, similar to the Company's existing businesses. The acquisition has been accounted for using the acquisition method with the results of operations included in the consolidated statement of income (loss) for the year ended December 31, 2025 from the date of the acquisition.

The Company recorded a \$2,165 bargain purchase gain related to this acquisition, due to the higher fair value of acquired net assets relative to the purchase price. The gain has been recorded in the consolidated statement of income (loss) for the year ended December 31, 2025 in accordance with IFRS.

The gross contractual amount of acquired receivables was \$3,965; however, the Company has recorded an allowance of \$507 as part of the acquisition accounting to reflect contractual cash flows that are not expected to be collected.

Due to the complexity and timing of the acquisition, the Company is in the process of determining and finalizing the estimated fair value of the net tangible assets acquired. The amounts determined on a provisional basis generally relate to the valuation of intangible assets, net asset assessments and measurement of the assumed liabilities, including acquired contract liabilities, and related tax matters. The provisional purchase price allocations may differ from the final purchase price allocations, and these differences may be material. Revisions to the allocations will occur as additional information about the fair value of assets and liabilities becomes available. The accounting will be finalized by the second quarter of 2026.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

The provisional acquisition accounting applied in connection with the business acquisition is as follows:

Accounts receivable	\$	3,458
Unbilled revenue		2,580
Technology assets		3,803
Customer assets		5,079
	\$	14,920
Current liabilities	\$	963
Deferred revenue		1,945
Deferred income tax liabilities		563
Other non-current liabilities		240
	\$	3,711
Bargain purchase gain		(2,165)
Total Consideration	\$	9,044

The acquisition of Vidispine contributed revenue of \$14,919 and net income of \$1,044 during the year ended December 31, 2025.

## ***Acquisition of Datafusion Systems***

On July 3, 2025, the Company acquired 100% of the outstanding shares of Datafusion Systems ("Datafusion") for aggregate cash consideration of \$13,654 on closing as well as cash holdback payable and contingent consideration with a combined estimated acquisition date fair value of \$7,696 for a total consideration of \$21,350. This arrangement includes a maximum, or capped, contingent consideration which is not expected to exceed \$2,840. The closing cash consideration is subject to adjustments for such items as net working capital assessments, as defined in the purchase and sale agreement, and claims under the respective representations and warranties of the purchase and sale agreement.

The acquired business operates in the communications and media market, similar to the Company's existing businesses. The acquisition has been accounted for using the acquisition method with the results of operations included in the consolidated statements of income for the year ended December 31, 2025 from the date of the acquisition.

The goodwill recognized in connection with this acquisition is primarily attributable to the application of the Company's best practices to improve the operations of the company acquired, synergies with existing businesses of the Company, and other intangible assets that do not qualify for separate recognition including assembled workforce. Goodwill is not deductible for income tax purposes.

The gross contractual amounts of acquired receivables was \$9,509; however, the Company has recorded an allowance of \$672 as part of the acquisition accounting to reflect contractual cash flows that are not expected to be collected.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

Due to the timing of the acquisition, the Company is in the process of determining and finalizing the estimated fair value of the net assets acquired. The amounts determined on a provisional basis generally relate to the valuation of intangible assets, net asset assessments and measurement of the assumed liabilities, including acquired contract liabilities, and related tax matters. The provisional purchase price allocations may differ from the final purchase price allocations, and these differences may be material. Revisions to the allocations will occur as additional information about the fair value of assets and liabilities becomes available. The accounting will be finalized by the third quarter of 2026.

The provisional acquisition accounting applied in connection with the business acquisition is as follows:

Cash	\$	6,331
Accounts receivable		8,837
Other current assets		2,605
Property and equipment		247
Right of use assets		236
Other non-current assets		579
Technology assets		6,773
Customer assets		10,372
	\$	35,980
Current liabilities	\$	4,545
Deferred revenue		7,029
Lease obligations		236
Deferred income tax liabilities		1,876
Other non-current liabilities		2,583
	\$	16,269
Goodwill		1,639
Total Consideration	\$	21,350

The acquisition of Datafusion contributed revenue of \$16,437 and net income of \$1,747 during the year ended December 31, 2025.

The Company incurred transaction costs of \$582 related to the acquisitions of Vidispine and Datafusion recognized in Other, net expense in the consolidated statement of income (loss). If the acquisitions of Vidispine and Datafusion occurred on January 1, 2025, the Company estimates that pro-forma consolidated revenue and pro-forma consolidated net income would have been \$781,482 and \$117,345, respectively, for the year ended December 31, 2025 compared to the actual amounts reported in the consolidated statement of income (loss). In determining these amounts, the Company has assumed that the net assets' fair values, as determined and recognized on the acquisition dates, would remain unchanged as if the acquisitions had occurred on January 1, 2025. The net income from acquisitions includes the associated amortization of acquired intangible assets recognized as if the acquisitions had occurred on January 1, 2025.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## ***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 consolidated statement of financial position as of December 31, 2024. 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 were finalized. The purchase price for the Motive acquisition was reduced by \$20 following the finalization of the acquisition holdback receivable.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## 5. Other assets and liabilities

### *Other assets*

	December 31, 2025	December 31, 2024
Prepaid expenses and other current assets	\$ 21,959	\$ 18,926
Sales tax receivable	6,362	4,291
Investment tax credits recoverable	3,818	5,294
Restricted cash	641	4,903
Acquisition holdback receivables	–	2,513
Income tax and other receivables	19,028	11,256
Total other current assets	\$ 51,808	\$ 47,183
Investment tax credits recoverable	\$ 10	\$ 1,703
Costs to obtain a contract	2,639	2,729
Unbilled revenue	2,751	2,905
Restricted cash	733	653
Non-current trade and other receivables and other assets	7,619	4,477
Total other non-current assets	\$ 13,752	\$ 12,467

### *Other liabilities*

	December 31, 2025	December 31, 2024
Contingent consideration (note 18)	\$ –	\$ 170
Deferred revenue (note 19)	2,207	3,031
Provisions (note 10)	2,306	1,990
Net defined benefit liabilities	3,203	–
Total other non-current liabilities	\$ 7,716	\$ 5,191

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## 6. Property and equipment

	Computer hardware	Computer software	Furniture, equipment and vehicles	Leasehold improvements	Total
<b>Cost</b>					
Balance at January 1, 2024	\$ 13,443	\$ 765	\$ 1,126	\$ 1,427	\$ 16,761
Additions	2,524	137	116	157	2,934
Acquisitions through business combinations	3,658	–	–	–	3,658
Disposals / retirements / reclassifications / foreign exchange / other	(129)	(56)	(210)	738	343
Balance at December 31, 2024	\$ 19,496	\$ 846	\$ 1,032	\$ 2,322	\$ 23,696
Balance at January 1, 2025	\$ 19,496	\$ 846	\$ 1,032	\$ 2,322	\$ 23,696
Additions	3,927	103	106	22	4,158
Acquisitions through business combinations (note 4)	–	118	129	–	247
Disposals / retirements / reclassifications / foreign exchange / other	(1,134)	43	(56)	(705)	(1,852)
Balance at December 31, 2025	\$ 22,289	\$ 1,110	\$ 1,211	\$ 1,639	\$ 26,249
<b>Depreciation and impairment losses</b>					
Balance at January 1, 2024	\$ 10,297	\$ 603	\$ 678	\$ 1,019	\$ 12,597
Depreciation charge for the year	2,732	220	95	343	3,390
Disposals / retirements / reclassifications / foreign exchange / other	(324)	(43)	(28)	647	252
Balance at December 31, 2024	\$ 12,705	\$ 780	\$ 745	\$ 2,009	\$ 16,239
Balance at January 1, 2025	\$ 12,705	\$ 780	\$ 745	\$ 2,009	\$ 16,239
Depreciation charge for the year	3,160	64	126	170	3,520
Disposals / retirements / reclassifications / foreign exchange / other	(1,096)	53	(89)	(703)	(1,835)
Balance at December 31, 2025	\$ 14,769	\$ 897	\$ 782	\$ 1,476	\$ 17,924
<b>Carrying amounts:</b>					
At January 1, 2024	\$ 3,146	\$ 162	\$ 448	\$ 408	\$ 4,164
At December 31, 2024	\$ 6,791	\$ 66	\$ 287	\$ 313	\$ 7,457
At January 1, 2025	\$ 6,791	\$ 66	\$ 287	\$ 313	\$ 7,457
At December 31, 2025	\$ 7,520	\$ 213	\$ 429	\$ 163	\$ 8,325

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## 7. Right-of-use assets

The following table presents the right-of-use assets for the Company:

	Computer hardware	Vehicles	Building	Furniture, equipment & other	Total
<b>Cost</b>					
Balance at January 1, 2024	\$ 1,076	\$ 456	\$ 21,094	\$ 822	\$ 23,448
Additions	–	–	108	1,171	1,279
Disposals / retirements / reclassifications / other	(872)	(141)	(843)	–	(1,856)
Effect of movements in foreign exchange and other	(23)	(24)	(387)	(6)	(440)
Balance at December 31, 2024	\$ 181	\$ 291	\$ 19,972	\$ 1,987	\$ 22,431
Balance at January 1, 2025	\$ 181	\$ 291	\$ 19,972	\$ 1,987	\$ 22,431
Additions	–	17	2,433	625	3,075
Acquisitions through business combinations (note 4)	–	–	236	–	236
Disposals / retirements / reclassifications / other	–	–	(1,535)	(151)	(1,686)
Effect of movements in foreign exchange and other	22	38	946	22	1,028
Balance at December 31, 2025	\$ 203	\$ 346	\$ 22,052	\$ 2,483	\$ 25,084
<b>Depreciation and impairment losses</b>					
Balance at January 1, 2024	\$ 1,059	\$ 289	\$ 9,858	\$ 269	\$ 11,475
Depreciation charge for the year	8	61	5,519	266	5,854
Disposals / retirements / reclassifications / other	(872)	(110)	(555)	–	(1,537)
Effect of movements in foreign exchange and other	(21)	(17)	(267)	(5)	(310)
Balance at December 31, 2024	\$ 174	\$ 223	\$ 14,555	\$ 530	\$ 15,482
Balance at January 1, 2025	\$ 174	\$ 223	\$ 14,555	\$ 530	\$ 15,482
Depreciation charge for the year	1	43	4,066	469	4,579
Disposals / retirements / reclassifications / other	–	–	(1,535)	–	(1,535)
Effect of movements in foreign exchange and other	28	31	707	13	779
Balance at December 31, 2025	\$ 203	\$ 297	\$ 17,793	\$ 1,012	\$ 19,305
<b>Carrying amounts:</b>					
At January 1, 2024	\$ 17	\$ 167	\$ 11,236	\$ 553	\$ 11,973
At December 31, 2024	\$ 7	\$ 68	\$ 5,417	\$ 1,457	\$ 6,949
At January 1, 2025	\$ 7	\$ 68	\$ 5,417	\$ 1,457	\$ 6,949
At December 31, 2025	\$ –	\$ 49	\$ 4,259	\$ 1,471	\$ 5,779

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## 8. 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 4)	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
Acquisitions through business combinations (note 4)	10,576	15,451	1,639	27,666
Effect of movements in foreign exchange and other	15,284	9,690	(143)	24,831
Balance at December 31, 2025	\$ 449,307	\$ 610,802	\$ 82,389	\$ 1,142,498
<b>Accumulated amortization and impairment losses</b>				
Balance at January 1, 2024	\$ 124,274	\$ 63,913	\$ –	\$ 188,187
Amortization for the year	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 year	59,990	48,379	–	108,369
Effect of movements in foreign exchange and other	9,691	3,941	–	13,632
Balance at December 31, 2025	\$ 253,821	\$ 160,293	\$ –	\$ 414,114
<b>Carrying amounts:</b>				
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 December 31, 2025	\$ 195,486	\$ 450,509	\$ 82,389	\$ 728,384

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## 9. Bank Indebtedness

### *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 the Company incurred transaction costs of \$1,771.

As of December 31, 2025, a balance of \$100,000 remains outstanding (December 31, 2024 – \$108,000). For the year ended December 31, 2025 repayments of \$8,000 were made on the revolving facility (December 31, 2024 – \$17,000). For the years ended December 31, 2025 and December 31, 2024, no additional borrowings were drawn on the revolving facility.

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.

### *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 the entire amount has been drawn, to provide long-term financing in connection with an acquired business and the Company incurred transaction cost of \$450. The financing also came with a revolving credit facility of \$2,500 (collectively, the “Telarix Loans”).

As of December 31, 2025, the Telarix Loans have been terminated with no outstanding balance. The term loan, originally scheduled to mature in October 2026, was repaid in full on May 2, 2025, for \$35,588 including nominal accrued interest. Prior to termination, there was a normal course repayment for \$731 for the year ended December 31, 2025 (December 31, 2024 – \$1,707).

### *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 the Company incurred transaction costs of \$164 in 2023.

As of December 31, 2025, a balance of \$7,044 remains outstanding (December 31, 2024 – \$8,309). For the year ended December 31, 2025, repayments of \$2,348 were made on the WizTivi Loan (December 31, 2024 – \$2,083). For the years ended December 31, 2025 and December 31, 2024, no additional borrowings were drawn on the WizTivi Loan.

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.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## **Lumine Facility**

On March 20, 2024, the Company entered into a revolving credit financing facility (the “Lumine Facility”) with a syndicate of Canadian and US financial institutions, amounting to \$310,000 to support future acquisitions and incurred transaction costs of \$2,401. On June 17, 2025, the Lumine Facility was amended to increase the total facility size to \$360,000.

As of December 31, 2025, a balance of \$50,000 (December 31, 2024 – \$129,000) remains outstanding. For the year ended December 31, 2025, no additional borrowings were drawn from the Lumine Facility (December 31, 2024 – \$136,000. For the year ended December 31, 2025, repayment of \$79,000 was made on the Lumine Facility (December 31, 2024 – \$7,000).

Covenants associated with the Lumine 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 Lumine Facility is collateralized by substantially all of the assets of certain direct and indirect subsidiaries of the Company subject to the ringfence arrangement.

## **Motive Loan**

On December 19, 2025, Motive, a wholly owned subsidiary, entered into a revolving credit facility agreement (the “Motive Loan”) with a Canadian chartered bank amounting to \$55,000, to provide long-term financing in connection with the acquisition of Motive and the Company incurred transaction costs of \$217. For the year ended December 31, 2025, the total available facility under the Motive Loan of \$55,000 was drawn down.

Covenants associated with the Motive Loan are monitored and reported based on the financial position and financial performance of Motive. The covenants include a leverage ratio and an interest coverage ratio. No minimum repayments are required and the outstanding principal balance is due on the maturity date of December 19, 2030. The Motive Loan is collateralized by substantially all of the assets of Motive.

	<b>Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Telarix Loan – Term loan	Terminated	39,000	SOFR+1.85%	–	36,319
Telarix Loan – Revolving facility	Terminated	2,500	Prime+0.50%	–	–
WO Loan	2028	185,000	SOFR+1.75%	100,000	108,000
Wiztivi Loan	2028	€10,000	EURIBOR+2.5%	7,044	8,309
Lumine Facility	2027	360,000	SOFR+1.25%	50,000	129,000
Motive Loan	2030	55,000	SOFR+1.00%	55,000	–
				212,044	281,628
Deferred transaction costs				(2,096)	(2,995)
Less current portion, net of related transaction costs				\$ (1,992)	\$ (3,190)
<b>Total long-term bank indebtedness</b>				<b>\$ 207,956</b>	<b>\$ 275,443</b>

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

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

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

2026	2,348
2027	52,348
2028	102,348
2029	–
2030	55,000
	\$ 212,044

## 10. Provisions

<b>At January 1, 2025</b>	\$ 2,146
Reversal	(22)
Provisions recorded during the year	367
Provisions used during the year	(203)
Effect of movements in foreign exchange and other	18
<b>At December 31, 2025</b>	\$ 2,306
Provisions classified as other non-current liabilities (note 5)	\$ 2,306

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.

## 11. Lease obligations

The following tables show a reconciliation from the beginning balances to the ending balances for lease obligations for the years ended December 31, 2025 and December 31, 2024, respectively.

	2025	2024
<b>Balance at January 1,</b>	\$ 7,870	\$ 13,279
Additions	3,075	1,279
Acquisitions through business combinations (note 4)	219	–
Payments	(5,010)	(6,608)
Interest expense on lease liabilities	357	505
Effect of movements in foreign exchange and other	269	(585)
<b>Balance at December 31,</b>	\$ 6,780	\$ 7,870
Lease obligations classified as current liabilities	\$ 3,149	\$ 4,249
Lease obligations classified as other non-current liabilities	\$ 3,631	\$ 3,621

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

The following table presents the expected maturity of the undiscounted cash flows for lease obligations as at December 31, 2025:

	December 31, 2025	
Between 0 to 1 year	\$	3,492
Between 2 and 5 years		3,437
More than 5 years		–
Total	\$	6,929
Less: Impact of discounting		(149)
Leases obligation recorded on balance sheet	\$	6,780

The expense relating to variable lease payments not included in the measurement of lease obligations was \$1,293 for the year ended December 31, 2025 (December 31, 2024 – \$449) and consists primarily of variable lease payments for property taxes. Expenses relating to short-term leases for the year ended December 31, 2025 were \$289 (December 31, 2024 – \$359). Expenses relating to leases of low value assets for the year ended December 31, 2025 were nil (December 31, 2024 – \$2). Total cash outflow for leases for the year ended December 31, 2025 was \$5,010 (December 31, 2024 – \$6,608).

## 12. Income taxes

### *Tax recognized in profit or loss*

	2025	2024
<b>Income tax recognized in profit or loss</b>		
Current income tax expense (recovery)		
Current year	40,773	45,835
Adjustment for prior years	(4,087)	(5,883)
	36,686	39,952
Deferred income tax expense (recovery)		
Origination and reversal of temporary differences	(3,143)	(24,772)
Effect of change in future tax rates	(271)	2,158
Change in recognized temporary differences and unrecognized tax losses	(2,175)	1,970
Adjustment for prior years	723	382
	(4,866)	(20,262)
Income tax expense (recovery)	31,820	19,690

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## **Reconciliation of effective tax rate**

	2025	2024
Net income (loss) for the year	118,766	(258,909)
Income tax expense	31,820	19,690
Net income (loss) before income taxes	150,586	(239,219)
Income tax expense (recovery) using the Company' statutory tax rate of 26.5% (2024 – 26.5%)	39,905	(63,393)
Impact on taxes from:		
Foreign tax rate differential	(2,139)	(1,916)
Other including non-deductible expenses and non-taxable income	(157)	2,271
Non-deductible redeemable preferred securities expense	–	84,101
Change in recognized temporary differences and unrecognized tax losses	(2,154)	1,970
Effect of change in future tax rates	(271)	2,158
Adjustment for prior years	(3,364)	(5,501)
	31,820	19,690

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 judgement. 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.

On July 4, 2025, the U.S. government enacted comprehensive tax legislation, the "One Big Beautiful Bill Act" (the "Act"). The Act contains several provisions affecting corporate income taxes, most significantly for the Company, the repeal of the mandatory capitalization and amortization of domestic research and experimental (R&E) expenditures under Internal Revenue Code Section 174, which was effective for tax years beginning after December 31, 2021.

For the year ended December 31, 2025, the Company recognized a current tax benefit of \$14,834 related to the deduction of current year domestic R&E expenditures and the Company's intention to accelerate the deduction of previously capitalized domestic R&E expenditures in the current year pursuant to the Act. An offsetting amount has been booked to deferred income tax expense to reverse the previously capitalized R&E in prior periods, such that there is no impact on net tax expense or the effective tax rate for the Company.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## 13. Deferred tax assets and liabilities

### *Unrecognized deferred tax liabilities*

The aggregate amount of temporary differences associated with investments in subsidiaries for which the Company has not recognized deferred tax liabilities is \$417,050 (2024 - \$296,000) as the Company ultimately controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future. The temporary differences relate to undistributed earnings of the subsidiaries of the Company. Dividends declared would be subject to withholding tax in the range of 0-15% depending on the jurisdiction of the subsidiaries.

### *Unrecognized deferred tax assets*

	2025	2024
Deductible temporary differences, including capital losses, excluding foreign tax credits	4,887	7,160
Deductible temporary differences relating to foreign tax credits	3,332	–
Non-capital tax losses	98,590	118,086

Non-capital tax losses of \$13,497 expire between 2026 and 2045, and \$85,093 can be carried forward indefinitely. The deductible temporary differences and capital losses do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of those items because it is not probable that future taxable profit will be available in those jurisdictions against which the Company can utilize these benefits.

### *Recognized deferred tax assets and liabilities*

	Assets		Liabilities		Net	
	December 31,		December 31,		December 31,	
	2025	2024	2025	2024	2025	2024
Property and equipment	4,496	2,469	(502)	(671)	3,994	1,798
Intangible assets	7,751	7,351	(125,724)	(136,502)	(117,973)	(129,151)
Reserves	3,828	4,591	(429)	(496)	3,399	4,095
Non-capital loss carry forwards	9,646	3,672	–	–	9,646	3,672
Scientific research and experimental development expenditure pool	4,734	18,748	–	–	4,734	18,748
Deferred revenue	1,482	2,310	(80)	(139)	1,402	2,171
Foreign and other tax credits	7	15	(20)	(58)	(13)	(43)
Other, including capital losses and foreign exchange	2,254	1,665	(505)	(464)	1,749	1,201
<b>Tax assets (liabilities)</b>	<b>34,198</b>	<b>40,821</b>	<b>(127,260)</b>	<b>(138,330)</b>	<b>(93,062)</b>	<b>(97,509)</b>
Reclassification	(18,695)	(31,285)	18,695	31,285	–	–
<b>Net tax assets (liabilities)</b>	<b>15,503</b>	<b>9,536</b>	<b>(108,565)</b>	<b>(107,045)</b>	<b>(93,062)</b>	<b>(97,509)</b>

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This reclassification relates to the offsetting of deferred tax assets and deferred tax liabilities to the extent that they relate to the same taxing authorities and there is a legally enforceable right to do so.

## ***Movement in deferred tax balances during the year***

	<b>Balance January 1, 2025</b>	<b>Recognized in profit or loss</b>	<b>Acquired in business combinations (note 4)</b>	<b>Other</b>	<b>Balance December 31, 2025</b>
Property and equipment	1,798	2,196	–	–	3,994
Intangible assets	(129,151)	14,853	(2,405)	(1,270)	(117,973)
Reserves	4,095	(696)	–	–	3,399
Non-capital loss carry forwards	3,672	5,974	–	–	9,646
Scientific research and experimental development expenditure pool	18,748	(14,014)	–	–	4,734
Deferred revenue	2,171	(769)	–	–	1,402
Tax credits	(43)	(3,169)	–	3,199	(13)
Other, including capital losses and foreign exchange	1,201	491	–	57	1,749
	<b>(97,509)</b>	<b>4,866</b>	<b>(2,405)</b>	<b>1,986</b>	<b>(93,062)</b>

	<b>Balance January 1, 2024</b>	<b>Recognized in profit or loss</b>	<b>Acquired in business combinations (note 4)</b>	<b>Other</b>	<b>Balance December 31, 2024</b>
Property and equipment	2,271	(473)	–	–	1,798
Intangible assets	(151,614)	21,317	575	571	(129,151)
Reserves	3,291	804	–	–	4,095
Non-capital loss carry forwards	7,080	(3,408)	–	–	3,672
Scientific research and experimental development expenditure pool	17,521	1,227	–	–	18,748
Deferred revenue	1,048	1,123	–	–	2,171
Tax credits	(6)	(37)	–	–	(43)
Other, including capital losses and foreign exchange	1,478	(291)	–	14	1,201
	<b>(118,931)</b>	<b>20,262</b>	<b>575</b>	<b>585</b>	<b>(97,509)</b>

# Lumine Group Inc.

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

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## 14. Capital and other components of equity

### *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
At January 1, 2025	256,620,389 \$	490,669
At December 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 December 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 December 31, 2025, there are no Special Shares outstanding due to Mandatory Conversion of Preferred and Special Shares to Subordinate Voting Shares.

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

Accumulated other comprehensive income (loss) is comprised of the following component 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.

### ***Dividends***

During the years ended December 31, 2025 and December 31, 2024, the Company did not declare any dividends on the Subordinate Voting Shares.

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Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## 15. Finance costs and other expenses

	Years ended December 31,	
	2025	2024
Interest expense on contingent consideration	\$ 16	\$ 94
Interest expense on bank indebtedness	15,277	19,261
Interest expense on lease obligations	357	505
Foreign exchange loss	7,442	5,875
Interest earned on cash	(4,413)	(1,802)
Other expenses	192	254
Finance and other expenses	\$ 18,871	\$ 24,187

## 16. Earnings per share

### *Basic and Diluted earnings per share*

	Years ended December 31,	
	2025	2024
<b>Numerator:</b>		
Net income (loss)	\$ 118,766	\$ (258,909)
Add: Expense associated with the redeemable preferred securities	–	298,714
Net income to be used for diluted earnings per share	\$ 118,766	\$ 39,805
<b>Denominator:</b>		
Basic weighted average shares outstanding	256,620,388	214,226,206
Add: Effect of dilutive shares	–	41,577,760
Diluted weighted average shares outstanding	256,620,388	255,803,966
<b>Basic and diluted earnings (loss) per share:</b>	\$ 0.46	\$ (1.21)

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

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Notes to consolidated financial statements

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

Years ended December 31, 2025 and 2024

## 17. Capital risk management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue strategic acquisitions, support growth initiatives, and to provide returns to its shareholders. The Company manages its capital with the objective of ensuring that there are adequate capital resources while maximizing the return to shareholders through the optimization of debt and equity. The capital structure of the Company consists of cash, bank indebtedness, and components of shareholders' equity including retained earnings and capital stock.

The Company is subject to certain financial and non-financial covenants on bank indebtedness. The covenants include a leverage ratio, fixed charge coverage ratio and an interest coverage ratio. The Company monitors the ratios on a quarterly basis. As at December 31, 2025, the Company is in compliance with its debt covenants. Other than the covenants required for the bank indebtedness, the Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

## 18. Financial risk management and financial instruments

### **Overview**

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Company is exposed are described below.

### **Market risk**

Market risk is the risk that changes in market prices, such as fluctuations in foreign exchange rates and interest rates, will affect the Company's income or the value of its financial instruments.

The Company operates internationally, giving rise to exposure to market risks from changes in foreign exchange rates which impact sales and purchases that are denominated in a currency other than the respective functional currencies of certain of its subsidiaries. Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Most of the Company's business units are organized geographically so that many of its expenses are incurred in the same currency as its revenues thus mitigating some of its exposure to currency fluctuations. As such, the Company does not expect its exposure with respect to foreign currencies to be material.

The Company currently does not use derivative instruments to hedge its exposure to interest rate risks.

The Company is also exposed to interest rate risk on the utilized portion of bank indebtedness. If there was a 1% increase in the interest rate on utilized portion of the bank indebtedness, there would be a corresponding decrease in income before tax of \$2,423. There would be an equal and opposite impact if there was a 1% decrease in the interest rate.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

## ***Liquidity risk***

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company manages liquidity risk through the management of its capital structure, as outlined in note 17 to the consolidated financial statements. The Company's growth is financed through a combination of cash flows from operations and borrowings under the debt facility. One of the Company's primary goals is to maintain an optimal level of liquidity through the active management of its assets and liabilities as well as its cash flows from operations.

The majority of the Company's financial liabilities recorded in accounts payable and accrued liabilities are due within 60 days. Holdbacks payable related to business acquisitions are generally due within six months to two years.

Given the Company's available liquid resources as compared to the timing of the payments of liabilities, the Company assesses its liquidity risk to be low.

## ***Credit risk***

Credit risk represents the financial loss that the Company would experience if a counterparty to a financial instrument, in which the Company has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company. The carrying amount of the Company's financial assets, including accounts receivables from customers, represents the Company's maximum credit exposure.

The majority of the accounts receivable balance relates to invoices to customers that have a history of payment. In addition, a large proportion of the Company's accounts receivable are with tier 1 customers in the communications and media industry where the credit risk has historically been assessed to be low. Furthermore, the Company generally does not provide significant financing arrangements to our customers and many of the Company's invoices are paid in advance of providing services. During the year ended December 31, 2025, the Company recognized a credit gain of \$893 compared to credit loss of \$4,050 during December 31, 2024.

An allowance account for accounts receivable is used to record impairment losses arising from credit risk unless the Company is satisfied that no recovery of the amount owing is possible; at which point the amounts are considered to be uncollectible and are written off against the specific accounts receivable amount attributable to a customer. The number of days outstanding of an individual receivable balance is the key indicator for determining whether an account is at risk of being impaired. If an accounts receivable balance has aged more than 365 days, a provision of 100% of the outstanding balance is normally applied. If an accounts receivable balance has aged more than 270 days, a minimum provision of 50% for non-government customers is normally applied. The Company would also record a provision for any known or estimated amounts that are not collectible over and above the minimum provision requirements regardless of aging.

As at December 31, 2025, the Company had accounts receivable from the major customer identified in note 20. A financial default by this customer could have a material impact on the Company's cash flows and profitability.

# Lumine Group Inc.

Notes to consolidated financial statements

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

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

Years ended December 31, 2025 and 2024

The aging of accounts receivables at the reporting date was:

	December 31, 2025	December 31, 2024
Current		
Gross	\$ 133,131	\$ 133,526
Impairment	(323)	(613)
Net	132,808	132,913
90-180 days		
Gross	18,265	16,553
Impairment	(18)	(487)
Net	18,247	16,066
More than 180 days		
Gross	20,459	16,609
Impairment	(8,340)	(7,539)
Net	12,119	9,070
Total accounts receivable		
Gross	\$ 171,855	\$ 166,688
Impairment	(8,681)	(8,639)
Net	163,174	158,049

The number of days outstanding of an individual receivable balance is the key indicator for determining whether an account is at risk of being impaired.

The movement in the allowance for impairment in respect of accounts receivable during the year ended:

	2025	2024
Aggregate balance at January 1,	\$ 8,639	\$ 5,067
Increase from business acquisitions (note 4)	1,123	43
Charges through profit or loss	4,952	5,866
Reversal of Impairment provisions recorded in profit or loss	(1,895)	(1,603)
Amounts written off	(4,472)	(655)
Other movements	334	(79)
Aggregate balance at December 31,	\$ 8,681	\$ 8,639

The Company manages credit risk related to cash by maintaining the majority of the Company's bank accounts with large, international, well-capitalized financial institutions.

# Lumine Group Inc.

Notes to consolidated financial statements

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Years ended December 31, 2025 and 2024

## ***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 indebtedness approximates its fair values as it is subject to market interest rates.

## ***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 December 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.

	December 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>								
Contingent Consideration	–	–	2,840	2,840	–	–	1,529	1,529
	\$ –	\$ –	\$ 2,840	\$ 2,840	\$ –	\$ –	\$ 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 years ended December 31, 2025 and 2024.

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.

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Years ended December 31, 2025 and 2024

## Contingent Consideration

		2025		2024
Balance at January 1,	\$	1,529	\$	3,161
Settlements through cash payments		(1,676)		(980)
Charges (recoveries) through profit or loss		2,966		(713)
Interest on contingent consideration liabilities		16		94
Foreign exchange and other movements		5		(33)
Balance at December 31,	\$	2,840	\$	1,529
Contingent consideration classified as current liabilities	\$	2,840	\$	1,359
Contingent consideration classified as other non-current liabilities	\$	–	\$	170

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%) for the year ended December 31, 2025 (December 31, 2024 – 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 years ended December 31, 2025 and December 31, 2024 have been recorded at their estimated fair value at each reporting date. Aggregate contingent consideration of \$2,840 (December 31, 2024 – \$1,529) has been included in accounts payable and accrued liabilities and other liabilities in the consolidated statement 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 consolidated financial statement of income (loss) resulting in an expense of \$2,966 for the year ended December 31, 2025 (December 31, 2024 – a gain of \$713).

## 19. Revenue

The following tables provide information about unbilled revenue (contract asset) and deferred revenue (contract liability).

### ***Unbilled Revenue:***

		2025		2024
Balance at January 1,	\$	38,887	\$	43,980
Increase from business acquisitions (note 4)		3,081		1,690
Transfers to accounts receivable		(67,642)		(59,922)
Changes as a result of the measure of progress		74,807		53,492
Foreign exchange and other movements		1,165		(353)
Balance at December 31,	\$	50,298	\$	38,887
Unbilled revenue classified as a current asset	\$	47,547	\$	35,982
Unbilled revenue classified as a non-current asset (note 5)	\$	2,751	\$	2,905

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

Years ended December 31, 2025 and 2024

## **Deferred Revenue:**

		<b>2025</b>		<b>2024</b>
Balance at January 1,	\$	91,473	\$	97,259
Increase from business acquisitions (note 4)		8,974		8,028
Decrease from revenue recognized that was included in the deferred revenue balance at the beginning of the period		(70,461)		(86,020)
Decrease from revenue recognized that arose from acquired deferred revenue balances in the current year		(6,536)		(7,273)
Increase due to cash received, excluding amounts recognized as revenue during the period		69,164		80,715
Foreign exchange and other movements		4,369		(1,236)
Balance at December 31,	\$	96,983	\$	91,473
Deferred revenue classified as a current liability	\$	94,776	\$	88,442
Deferred revenue classified as an other non-current liability (note 5)	\$	2,207	\$	3,031

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized (“contracted not yet recognized”) and includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Contracted not yet recognized revenue was approximately \$391,394 as of December 31, 2025, of which the Company expects to recognize an estimated 74% of the revenue over the next 12 months and the remainder thereafter.

## **Costs to obtain a contract with a customer:**

The Company has capitalized and amortized incremental commission costs on a systematic basis, consistent with the pattern of transfer of the good(s) or service(s) to which the commission relates as the Company believes these costs are recoverable. The total capitalized commission costs as of December 31, 2025 is \$2,639 (December 31, 2024 – \$2,729). The amount of amortization expense for the year ended December 31, 2025 was \$922 (December 31, 2024 – \$1,620) and there was no impairment loss in relation to the costs capitalized in 2024 and 2025.

## **20. Operating segments**

For information regarding the Company's CODM and identification of its operating and reportable segments, refer to the above material accounting policy note 3(o).

## **Geographical information**

The Company operates primarily in three principal geographical areas: Europe, Middle East, and Africa (“EMEA”); Americas; and Asia-Pacific (“APAC”).

In presenting the geographical information, revenue is based on the region in which the revenue is transacted and intellectual property is located. Assets are based on the geographic locations of the assets.

# Lumine Group Inc.

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

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

Years ended December 31, 2025 and 2024

Year ended December 31, 2025	Canada	Americas	EMEA	APAC	Total
Revenue	\$ 95,278	\$ 409,424	\$ 242,136	\$ 18,822	765,660
Non-current assets	\$ 59,957	\$ 556,090	\$ 138,573	\$ 17,123	771,743

Year ended December 31, 2024	Canada	Americas	EMEA	APAC	Total
Revenue	\$ 70,701	\$ 358,791	\$ 225,447	\$ 13,431	668,370
Non-current assets	\$ 74,310	\$ 621,736	\$ 122,546	\$ 15,705	834,297

## Major customers

For the year ended December 31, 2025, there was one customer with revenues in excess of 10% of the Company's total revenues. Revenues from this customer for the year ended December 31, 2025 were \$106,293 (December 31, 2024 - \$71,486).

## 21. 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.

## 22. Guarantees

- (a) In the ordinary course of business the Company and its subsidiaries have provided performance bonds, letters of credit, and other guarantees for the completion of certain customer contracts and other contracts in the normal course of operations. As at December 31, 2025, the total obligations of the Company pursuant to such bonds and related contingencies total \$7 (December 31, 2024 \$6). No liability has been recorded in the consolidated financial statements.
- (b) In the normal course of business, some of the Company's subsidiaries entered into lease agreements for facilities. As the joint lessees, the subsidiaries agree to indemnify the lessor for liabilities that may arise from the use of the leased facility. The maximum amount potentially payable under the foregoing indemnity cannot be reasonably estimated. The subsidiaries have liability insurance that relates to the indemnifications.
- (c) The Company and its subsidiaries have provided routine indemnifications to some of its customers against liability if the Company's product infringes on a third party's intellectual property rights. The maximum exposure from the indemnifications cannot be reasonably estimated.

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

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

Years ended December 31, 2025 and 2024

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

	Years ended December 31,	
	2025	2024
Decrease (increase) in current accounts receivable	\$ 11,217	\$ (59,739)
Decrease (increase) in current unbilled revenue	(7,339)	5,222
Decrease (increase) in other current assets	(8,353)	(1,368)
Decrease (increase) in inventories	727	(172)
Decrease (increase) in other non-current assets	300	789
Increase (decrease) in other non-current liabilities	(195)	(5,896)
Increase (decrease) in current accounts payable and accrued liabilities, excluding holdbacks from acquisitions	(5,557)	(6,312)
Increase (decrease) in due to related parties	(2,112)	(134)
Increase (decrease) in current deferred revenue	(6,994)	(10,316)
Increase (decrease) in current provisions	(160)	74
Change in non-cash operating working capital	\$ (18,466)	\$ (77,852)

# Lumine Group Inc.

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## 24. 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 any amount has been charged.

### *Transactions with CSI*

The Company pays management fees to CSI (included within "Other, net" expenses) and reimburses CSI for certain expenses paid on behalf of the Company. During the year ended December 31, 2025, the Company expensed management fees of \$3,027 (December 31, 2024 – \$2,756). At December 31, 2025, the Company had outstanding amounts due to related parties of \$860 (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 year and no debt from CSI related to borrowed funds.

### *Key management personnel compensation*

The key management personnel of the Company are the members of the Company's executive management team and its Board of Directors.

	Years ended December 31,	
	2025	2024
Salaries, bonus and employee benefits	\$ 6,955	\$ 6,302
Total	\$ 6,955	\$ 6,302

There were no significant post-employment benefits, other long-term benefits, or share-based payments attributed to the key management personnel in 2025 and 2024.

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Years ended December 31, 2025 and 2024

## 25. Subsequent events

### ***Acquisition of Synchronoss Technologies, Inc.***

On February 13, 2026, the Company acquired 100% of the outstanding shares of Synchronoss Technologies, Inc. ("Synchronoss") for cash consideration of \$113,640 paid to the shareholders of Synchronoss, repayment of Synchronoss debt of \$184,260, including interest and an early extinguishment fee, and \$8,766 for the reimbursement of transaction expenses incurred by Synchronoss, for an approximate total purchase price of \$306,666.

The acquisition was funded through cash on hand and a draw down on the Lumine Facility for \$160,000. Synchronoss is a software company that offers cloud-based software and services that enable communications service providers and other enterprises to manage, monetize, and securely deliver digital content, messaging, and customer engagement solutions.

As of the date of issuance of these consolidated 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 consolidated financial statements.