

## LUMINE GROUP INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management discussion and analysis ("MD&A") should be read in conjunction with the Annual Consolidated Financial Statements for the year ended December 31, 2025, which were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain information included herein is forward looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Forward Looking Statements" and "Risk Factors".

Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars and all references to "\$" are to U.S. dollars. Due to rounding, certain totals and subtotals may not foot.

Additional information about Lumine Group Inc. (the "Company" or "Lumine"), is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company is listed on TSX Venture Exchange under the ticker symbol, LMN.

#### Forward Looking Statements

Certain statements in this report may contain "forward looking" statements that involve risks, uncertainties and other factors that may cause the actual results, performance or achievements of Lumine or its industry to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Words such as "may", "will", "expect", "believe", "plan", "intend", "should", "anticipate" and other similar terminology are intended to identify forward looking statements. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this MD&A, March 4, 2026. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. Several factors could cause actual results to vary significantly from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors". Although the forward-looking statements contained in this MD&A are based upon what management of Lumine believes are reasonable assumptions, Lumine cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and Lumine assumes no obligation, except as required by law, to update any forward-looking statements to reflect new events or circumstances. This report should be viewed in conjunction with Lumine's other publicly available filings, copies of which can be obtained electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Non-IFRS Measures**

This MD&A includes certain measures which have not been prepared in accordance with IFRS such as free cash flow available to shareholders and operating income.

Free cash flow available to shareholders "FCFA2S" refers to net cash flows from operating activities less interest paid on lease obligations, interest paid on bank indebtedness, transaction costs on bank indebtedness, repayments of lease obligations, interest, dividends and other proceeds received, and property and equipment purchased net of proceeds from disposal. We believe that FCFA2S is useful supplemental information as it provides an indication of the uncommitted cash flow that is available to shareholders if we do not make any acquisitions, or investments, and do not repay any bank indebtedness. While we could use the FCFA2S to pay dividends or repurchase shares, our objective is to invest all of our FCFA2S in acquisitions which meet our hurdle rate.

FCFA2S is not a recognized measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Accordingly, readers are cautioned that FCFA2S should not be construed as an alternative to net cash flows from operating activities. See "Results of Operations – Free cash flow available to shareholders" for a reconciliation of FCFA2S to net cash flows from operating activities.

Operating income refers to net income (loss) before income tax expense, amortization of intangible assets, redeemable preferred and special securities expense, gain on bargain purchase, and finance costs and other expenses (income). We believe that operating income is useful supplemental information as it provides an indication of the profitability of the Company related to its core operations. Operating income is not a recognized measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Accordingly, readers are cautioned that operating income should not be construed as an alternative to net income (loss). See "Results of Operations - Operating Income" for a reconciliation of operating income to net income.

## ***Comparative amounts***

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

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

## Overview

We acquire, strengthen and grow businesses in the Communications and Media industry. The Company is headquartered in Toronto, with businesses located worldwide. Generally, our businesses provide mission critical software solutions that address the specific needs of customers in particular segments of the Communications and Media industry. Our focus on acquiring businesses with growth potential, strengthening their core profitability, and then growing them, has allowed us to generate significant cash flow and revenue growth over the past several years. Our software solutions enable our customers to boost productivity and operate more cost effectively, innovate more rapidly to address dynamic market needs and opportunities, grow top-line sales, improve customer service, and reduce customer churn. Many of the businesses that we acquire have the potential to be leaders within their particular market niches whether that be geography, tier of customer, type of customer, or other differentiated customer demographic. We target the Communications and Media sector because of the attractive economics that it provides and our belief that our management teams have a deep understanding of those economics.

Our revenue consists primarily of software license fees, maintenance and other recurring fees, professional service fees and hardware and other sales. Software license revenue is comprised of license fees charged for the use of our software products generally licensed under multiple-year or perpetual arrangements. Maintenance and other recurring revenue consists of fees charged for customer support on our software products post-delivery and also includes, recurring fees derived from software as a service, subscriptions, term licenses, transaction-related revenues, managed services and hosted products. Professional service revenue consists of fees charged for implementation and integration services, customized programming, product training and consulting. Hardware and other sales include the resale of third-party hardware that forms part of our customer solutions.

Expenses consist primarily of staff costs, the cost of hardware, third-party licenses, maintenance and professional services used internally and for our customers, travel and occupancy costs, other general operating expenses, and legal and advisory fees.

## Comparison of the three months and years ended December 31, 2025 and 2024

### Results of Operations

The following table displays a summary of the results of operations of the Company for the three months and years ended December 31, 2025 and 2024.

(In millions of dollars or shares, except percentages and per share amounts)

Unaudited	Three months ended December 31,		Period-Over-Period Change		Years ended December 31,		Period-Over-Period Change	
	2025	2024	\$	%	2025	2024	\$	%
Revenue	216.3	187.1	29.2	16%	765.7	668.4	97.3	15%
Expenses	127.9	118.5	9.4	8%	490.0	458.0	32.0	7%
Operating income <sup>1</sup>	88.4	68.7	19.7	29%	275.7	210.4	65.3	31%
Amortization of intangible assets	28.4	26.4	2.0	8%	108.4	108.1	0.3	0%
Redeemable preferred and special securities expense	—	—	—	NM	—	317.4	(317.4)	-100%
Gain on bargain purchase	0.3	—	0.3	NM	(2.2)	—	(2.2)	NM
Finance costs and other expenses	4.4	5.3	(0.9)	-17%	18.9	24.2	(5.3)	-22%
<b>Income (loss) before income taxes</b>	<b>55.3</b>	<b>36.9</b>	<b>18.4</b>	<b>50%</b>	<b>150.6</b>	<b>(239.2)</b>	<b>389.8</b>	<b>NM</b>
<b>Income tax expense</b>								
Current income tax expense	6.9	8.8	(1.9)	-22%	36.7	40.0	(3.3)	-8%
Deferred income tax recovery	(1.2)	(1.3)	0.1	-8%	(4.9)	(20.3)	15.4	-76%
Income tax expense	5.7	7.5	(1.8)	-24%	31.8	19.7	12.1	61%
<b>Net income (loss)</b>	<b>49.6</b>	<b>29.4</b>	<b>20.2</b>	<b>69%</b>	<b>118.8</b>	<b>(258.9)</b>	<b>377.7</b>	<b>NM</b>
<b>Net cash flows from operating activities<sup>2</sup></b>	<b>71.4</b>	<b>53.3</b>	<b>18.1</b>	<b>34%</b>	<b>236.5</b>	<b>115.0</b>	<b>121.5</b>	<b>106%</b>
<b>Free cash flow available to shareholders<sup>1,2</sup></b>	<b>67.1</b>	<b>45.3</b>	<b>21.8</b>	<b>48%</b>	<b>217.0</b>	<b>85.7</b>	<b>131.3</b>	<b>153%</b>
<b>Weighted average shares outstanding</b>								
Basic	256.6	256.6	—	0%	256.6	214.2	42.39	20%
Diluted	256.6	256.6	—	0%	256.6	255.8	0.82	0%
<b>Net income (loss) per share</b>								
Basic and diluted	0.19	0.11	0.08	73%	0.46	(1.21)	1.67	NM
<b>Net cash flows from operating activities per share<sup>1,2</sup></b>								
Basic	0.28	0.21	0.07	33%	0.92	0.54	0.38	70%
Diluted	0.28	0.21	0.07	33%	0.92	0.45	0.47	104%
<b>Free cash flow available to shareholders per share<sup>1,2</sup></b>								
Basic	0.26	0.17	0.09	53%	0.85	0.39	0.46	118%
Diluted	0.26	0.17	0.09	53%	0.85	0.33	0.52	158%

NM – Not meaningful

Due to rounding, certain totals may not foot.

<sup>1</sup> See “Non-IFRS Measures”.

<sup>2</sup> The comparative periods are adjusted to conform with the current presentation in the financial statements, which resulted in immaterial adjustments to net cash flows from operating activities and free cash flow available to shareholders.

## Comparison of the three months and years ended December 31, 2025 and 2024

### Revenue

Total revenue for the three months ended December 31, 2025 is \$216.3 million, an increase of 16%, or \$29.2 million, compared to \$187.1 million for the comparable period in 2024. For the year ended December 31, 2025, total revenue was \$765.7 million, an increase of 15%, or \$97.3 million, compared to \$668.4 million for the comparable period in 2024. The increase for the three months and year ended December 31, 2025 compared to the same periods in the prior year is primarily attributable to revenues from new acquisitions in the current and preceding year. The Company experienced organic growth of 3% and 2%, respectively, for the three months and year ended December 31, 2025 or 1% and 1% after adjusting for the impact of changes in the valuation of the US dollar against most major currencies in which the Company transacts business. For acquired companies, organic growth is calculated as the difference between actual revenues achieved by each business in the financial period following acquisition, compared to the estimated revenues they achieved in the corresponding financial period preceding the date of acquisition by the Company. Organic growth is not a standardized financial measure and might not be comparable to measures disclosed by other issuers.

The following table displays the breakdown of our revenue according to revenue type:

Unaudited	Three months ended						Years ended					
	December 31,		Period-Over-Period		Q4-24	Organic	December 31,		Period-Over-Period		Q4-24	Organic
	2025	2024	\$	%	Pro Forma Adj. (Note 1)	Growth	2025	2024	\$	%	YTD Pro Forma Adj. (Note 2)	Growth
	(\$ in millions, except percentages)						(\$ in millions, except percentages)					
Licenses	31.6	15.2	16.4	108%	14.9	5%	72.6	51.4	21.2	41%	26.4	-7%
Professional services	35.7	27.2	8.5	31%	1.8	23%	135.0	113.9	21.1	19%	14.3	5%
Hardware and other	5.6	6.9	(1.3)	-19%	0.3	-22%	20.3	18.2	2.1	12%	2.2	-1%
Maintenance and other recurring	143.3	137.8	5.5	4%	5.2	0%	537.7	484.9	52.8	11%	39.8	2%
	216.3	187.1	29.2	16%	22.2	3%	765.7	668.4	97.2	15%	82.7	2%

Due to rounding, certain totals may not foot.

Note 1: Estimated pre-acquisition revenues for the three months ended December 31, 2024 from companies acquired after September 30, 2024. (Obtained from unaudited vendor financial information.)

Note 2: Estimated pre-acquisition revenues for the year ended December 31, 2024 from companies acquired after December 31, 2023. (Obtained from unaudited vendor financial information.)

For comparative purposes the table below shows the quarterly organic growth as compared to the same period in the prior year by revenue type for the prior 8 quarters, as well as the trailing twelve months ended December 31, 2025 and 2024. Note that the estimated revenues achieved by acquired companies in the corresponding financial period preceding the date of acquisition by the Company may be updated in the quarter following the quarter they were acquired resulting in slight variances to previously reported figures.

Unaudited									12 months ended	
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Dec. 31	Dec. 31
	2024	2024	2024	2024	2025	2025	2025	2025	2024	2025
Licenses	-16%	-43%	-40%	-38%	-43%	-8%	28%	5%	-36%	-7%
Professional services	13%	-22%	-12%	-35%	-9%	18%	-7%	23%	-18%	5%
Hardware and other	-59%	-69%	-39%	-29%	115%	21%	-60%	-22%	-46%	-1%
Maintenance and other recurring	0%	0%	1%	6%	-1%	8%	3%	0%	2%	2%
Total Revenue	-2%	-12%	-8%	-9%	-5%	9%	1%	3%	-8%	2%

The following table shows the same information adjusting for the impact of foreign exchange movements.

Unaudited									12 months ended	
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Dec. 31	Dec. 31
	2024	2024	2024	2024	2025	2025	2025	2025	2024	2025
Licenses	-17%	-43%	-40%	-38%	-43%	-10%	26%	0%	-36%	-9%
Professional services	11%	-22%	-13%	-35%	-8%	15%	-9%	19%	-17%	3%
Hardware and other	-60%	-69%	-39%	-31%	115%	17%	-60%	-22%	-47%	-1%
Maintenance and other recurring	0%	0%	0%	6%	-1%	6%	2%	-2%	3%	1%
Total Revenue	-3%	-12%	-9%	-9%	-4%	6%	-1%	1%	-7%	1%

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 \$106.3 million (\$71.5 million for the year ended December 31, 2024).

## Expenses

The following table displays the breakdown of our expenses:

Unaudited	Three months ended				Period-Over-Period				Years ended		Period-Over-Period	
	December 31,				Change				December 31,		Change	
	2025	2024			\$	%	2025	2024	\$	%		
	(\$ in millions, except percentages)				(\$ in millions, except percentages)							
Staff	91.4	82.6	8.8	11%	352.9	333.3	19.6	6%				
Hardware	3.2	4.3	(1.1)	-26%	11.1	10.9	0.2	2%				
Third party license, maintenance and professional services	14.4	12.2	2.2	18%	46.2	41.2	5.0	12%				
Occupancy	1.1	2.1	(1.0)	-48%	4.1	6.2	(2.1)	-34%				
Travel, telecommunications, supplies & software and equipment	8.9	8.8	0.1	1%	36.3	32.5	3.8	12%				
Professional fees	4.8	4.5	0.3	7%	16.9	15.6	1.3	8%				
Other, net	2.3	1.7	0.6	35%	14.4	9.2	5.2	57%				
Depreciation	1.8	2.2	(0.4)	-18%	8.1	9.1	(1.0)	-11%				
	127.9	118.5	9.4	8%	490.0	458.0	32.0	7%				

Due to rounding, certain totals may not foot.

Overall expenses for the three months ended December 31, 2025 increased 8%, or \$9.4 million to \$127.9 million, compared to \$118.5 million during the same period in 2024. During the year ended December 31, 2025, expenses increased 7%, or \$32.0 million to \$490.0 million, compared to \$458.0 million during the same period in 2024. As a percentage of total revenue, expenses equalled 59% and 64% for the three months and year ended December 31, 2025, respectively, and 63% and 69% for the same period in 2024, respectively.

**Staff expense** – Staff expenses increased 11% or \$8.8 million for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, staff expenses increased 6% or \$19.6 million over the same period in 2024. Staff expense can be broken down into five key operating departments: Professional Services, Maintenance, Research and Development, Sales and Marketing, and General and Administrative. Included within staff expenses for each of the above five departments are personnel and related costs. The table below compares the period over period variances.

Unaudited	Three months ended December 31,		Period-Over-Period Change		Years ended December 31,		Period-Over-Period Change	
	2025	2024	\$	%	2025	2024	\$	%
	(\$ in millions, except percentages)				(\$ in millions, except percentages)			
Professional services	15.0	14.5	0.5	3 %	59.5	58.0	1.5	3 %
Maintenance	18.7	17.0	1.7	10 %	75.5	68.5	7.0	10 %
Research and development	25.1	25.9	(0.8)	(3)%	101.5	91.7	9.8	11 %
Sales and marketing	14.2	13.5	0.7	5 %	49.0	46.7	2.3	5 %
General and administrative	18.4	11.7	6.7	57 %	67.4	68.3	(0.9)	(1)%
	91.4	82.6	8.8	11 %	352.9	333.3	19.6	6 %

Due to rounding, certain totals may not foot.

The total increase in staff expenses for the three months and year ended December 31, 2025 was primarily due to the growth in the number of employees compared to the same periods in 2024 from new acquisitions made in the current year.

**Hardware expenses** – Hardware expenses decreased 26% or \$1.1 million for the three months ended December 31, 2025 over the same period in 2024 as compared with the decrease of 19% or \$1.3 million in hardware and other revenue for the three months ended December 31, 2025 over the comparable period in 2024. For the year ended December 31, 2025, hardware expenses increased 2% or \$0.2 million over the same period in 2024 as compared with the increase of 12% in hardware and other revenue for the year ended December 31, 2025 over the comparable period in 2024. Hardware margins for the three months and year ended December 31, 2025 were 43% and 45%, respectively, as compared to 38% and 40% for the respective comparable periods in 2024. Hardware sales typically consist of the resale of third-party hardware as part of the sale of customized solutions to our customers and margins are affected by the macroeconomic environment and vary period to period based on the nature, geographical location, and type of hardware required of solutions provided.

**Third party license, maintenance and professional services expenses** – Third party license, maintenance and professional services expenses increased 18% or \$2.2 million for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, third party license, maintenance and professional services expenses increased 12% or \$5.0 million over the same period in 2024. The increase is primarily due to expected growth in operations and increases from new acquisitions made in the current and preceding year.

**Occupancy expenses** – Occupancy expenses decreased 48% or \$1.0 million for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, occupancy expenses decreased 34% or \$2.1 million over the same period in 2024. The decrease for the three months and year ended December 31, 2025 is due to reductions in rent-related costs of businesses acquired in the prior year.

**Travel, telecommunications, supplies & software and equipment expenses** – Travel, telecommunications, supplies & software and equipment expenses increased 1% or \$0.1 million for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, travel, telecommunications, supplies & software and equipment expenses increased 12% or \$3.8 million over the same period in 2024. The increase is primarily due to increases from acquisitions in both the current and preceding year.

**Professional fees** – Professional fees increased by 7% or \$0.3 million for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, professional fees increased 8% or \$1.3 million over the same period in 2024. The increase is mainly driven by growth in external advisory and compliance related costs as well as transaction costs incurred for current and future acquisitions.

**Other, net** – Other expenses increased by 35% or \$0.6 million for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, other expenses increased by 57% or \$5.2 million over the same period in 2024. The following table provides a further breakdown of expenses within this category.

Unaudited	Three months ended December 31,		Period-Over-Period Change		Years ended December 31,		Period-Over-Period Change	
	2025	2024	\$	%	2025	2024	\$	%
	(\$ in millions, except percentages)				(\$ in millions, except percentages)			
Advertising and promotion	0.8	0.8	—	—%	5.7	4.0	1.7	43%
Recruiting and training	0.7	0.7	—	—%	4.1	2.3	1.8	78%
R&D tax credits	(3.6)	(5.0)	1.4	-28%	(7.1)	(10.1)	3.0	-30%
Contingent consideration	1.8	(0.3)	2.1	NM	3.0	(0.7)	3.7	NM
Other expense, net	2.6	5.5	(2.9)	-53%	8.9	13.8	(4.9)	-36%
	2.3	1.7	0.6	35%	14.4	9.2	5.2	57%

NM – Not meaningful

Due to rounding, certain totals may not foot.

Advertising and promotion expense increased 43% or \$1.7 million for the year ended December 31, 2025 over the same period in 2024. The increase is mainly attributable to increased spending across the businesses in order to expand sales pipelines, including trade shows, conferences, and public relations.

Recruiting and training increased by 78% or \$1.8 million for the year ended December 31, 2025 over the same period in 2024. The increase is mainly due to costs associated with hiring and onboarding of new employees, internal training, and leadership conferences hosted by the Company during the year.

R&D tax credits decreased by 28% or \$1.4 million for the three months ended December 31, 2025 over the same period in 2024 and decreased by 30% or \$3.0 million for the year ended December 31, 2025 over the same period in 2024. The decrease for the three months and year ended December 31, 2025 is mainly due to changes in foreign jurisdiction SR&ED activities and SR&ED tax credits recognized in the comparative 2024 period.

Contingent consideration expense increased \$2.1 million for the three months ended December 31, 2025 over the same period in 2024 and increased by \$3.7 million for the year ended December 31, 2025 over the same period in 2024. The increase is driven by higher anticipated acquisition earnout payment accruals from the prior year primarily as a result of adjustments to revenue forecasts for the associated acquisitions. Revenue forecasts are updated on a quarterly basis and the related anticipated acquisition earnout payment accruals are updated accordingly.

Other expense, net decreased 53% or \$2.9 million for the three months ended December 31, 2025 over the same period in 2024, and decreased 36% or \$4.9 million for the year ended December 31, 2025 over the same period in 2024. This includes bad debt expense, bank fees, withholding taxes, subscription and membership fees, as well as management fees paid to Volaris Group Inc., a wholly-owned subsidiary of Constellation Software Inc. (collectively referred to as the "Parent"), which reimburses the Parent for services and resources they provided to the Company (see "Related Parties" below for a discussion of the nature of these charges). The decrease in other expense, net is mainly due to lower bad debt expense, withholding taxes and business tax expense.

**Depreciation** – Depreciation of property and equipment and right of use assets decreased 18% or \$0.4 million for the three months ended December 31, 2025 as compared to the same period in 2024, and decreased 11% or \$1.0 million for the year ended December 31, 2025 as compared to the same period in 2024. The decrease for the three months and year ended December 31, 2025 is driven by the expiry of leases during the year and certain capital assets that had reached the end of their useful lives.

### Operating Income

Operating income for the three months ended December 31, 2025 was \$88.4 million compared to \$68.7 million for the same period in 2024. For the year ended December 31, 2025, operating income was \$275.7 million compared to \$210.3 million for the same period in 2024. Operating income is a non-IFRS Measure. See "Non-IFRS Measures".

The following table reconciles operating income to net income (loss):

Unaudited	Three months ended December 31,		Period-Over-Period Change		Years ended December 31,		Period-Over-Period Change	
	2025	2024	\$	%	2025	2024	\$	%
	(\$ in millions, except percentages)				(\$ in millions, except percentages)			
<b>Net income (loss)</b>	49.6	29.4	20.2	69 %	118.8	(258.9)	377.7	NM
<b>Adjusted for:</b>								
Amortization of intangible assets	28.4	26.4	2.0	8 %	108.4	108.1	0.3	— %
Redeemable preferred and special securities expense	—	—	—	NM	—	317.4	(317.4)	-100 %
Gain on bargain purchase	0.3	—	0.3	NM	(2.2)	—	(2.2)	NM
Finance costs and other expenses	4.4	5.3	(0.9)	-17 %	18.9	24.2	(5.3)	-22 %
Income tax expense	5.7	7.5	(1.8)	(24)%	31.8	19.7	12.1	61 %
<b>Operating income<sup>1</sup></b>	<b>88.4</b>	<b>68.7</b>	<b>19.7</b>	<b>29 %</b>	<b>275.7</b>	<b>210.4</b>	<b>65.3</b>	<b>31 %</b>

<sup>1</sup> See "Non-IFRS Measures".

## Other Income and Expenses

The following table displays the breakdown of our other income and expenses:

Unaudited	Three months ended		Period-Over-Period		Years ended		Period-Over-Period	
	December 31,		Change		December 31,		Change	
	2025	2024	\$	%	2025	2024	\$	%
	(\$ in millions, except percentages)				(\$ in millions, except percentages)			
Amortization of intangible assets	28.4	26.4	2.0	8%	108.4	108.1	0.3	—%
Foreign exchange loss	1.6	0.5	1.1	220%	7.4	5.9	1.5	25%
Redeemable preferred and special securities expense	—	—	—	NM	—	317.4	(317.4)	-100%
Gain on bargain purchase	0.3	—	0.3	NM	(2.2)	—	(2.2)	NM
Finance costs and other expense, excluding foreign exchange loss	2.8	4.8	(2.0)	-42%	11.5	18.3	(6.8)	-37%
Income tax expense	5.7	7.5	(1.8)	-24%	31.8	19.7	12.1	61%
	38.8	39.3	(0.5)	-1%	156.9	469.3	(312.4)	-67%

NM – Not meaningful

Due to rounding, certain totals may not foot.

**Amortization of intangible assets** – Amortization of intangible assets increased 8% or \$2.0 million for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, amortization of intangible assets increased \$0.3 million over the same period in 2024. The increase in amortization for the three months and year ended December 31, 2025 is primarily attributable to an increase in intangible assets in connection with acquisitions in both the current and prior years.

**Foreign exchange loss** – Most of our businesses are organized geographically so many of our expenses are incurred in the same currency as our revenues, which mitigates some of our exposure to currency fluctuations. For the three months and year ended December 31, 2025, we recorded a foreign exchange loss of \$1.6 million and \$7.4 million, respectively, compared to a loss of \$0.5 million and \$5.9 million for the same respective periods in 2024. The year-over-year fluctuations in foreign exchange loss relate to movement in foreign currency exchange rates.

**Redeemable preferred and special securities expense** – Redeemable preferred and special securities expense was \$317.4 million for the year ended December 31, 2024. This is due to the mandatory conversion of preferred and special securities in Q1 2024. For more information on the redeemable preferred and special securities expense, including additional details regarding the mandatory conversion, refer to the Company's consolidated financial statements for the year ended December 31, 2024.

**Gain on bargain purchase** – Gain on bargain purchase was \$2.2 million for the year ended December 31, 2025. The gain is from the acquisition of the Vidispine brand and business assets from Arvato Systems, a subsidiary of Bertelsmann SE & Co. KGaA in the second quarter of 2025, and is subject to measurement period adjustments as required.

**Finance costs and other expenses, excluding foreign exchange loss** – Finance costs and other expenses, excluding foreign exchange loss decreased \$2.0 million or 42% for the three months ended December 31, 2025 over the same period in 2024. For the year ended December 31, 2025, finance costs and other expenses, excluding foreign exchange loss decreased \$6.8 million or 37% over the same period in 2024. The decrease is largely driven by lower interest expense due to repayment of bank indebtedness during the year ended December 31, 2025 (see Bank Indebtedness under “Capital Resources and Commitments”).

**Income taxes** – We operate globally, and we calculate our tax provision in each of the jurisdictions in which we conduct business. Our effective tax rate on a combined basis is, therefore, affected by the realization and anticipated relative profitability of our operations in those various jurisdictions, as well as different tax rates that apply and our ability to utilize tax losses and other credits. For the three months ended December 31, 2025, income tax expense decreased \$1.8 million to \$5.7 million compared to \$7.5 million for the same period in 2024. For the year ended December 31, 2025, income tax expense increased \$12.1 million to \$31.8 million compared to \$19.7 million for the same period in 2024. Current tax expense has historically approximated our cash tax rate. The Company's combined effective tax rate in respect of continuing operations for the three months and year ended December 31, 2025 was +10.2% and +21.1%, respectively (+20.4% and -8.2% for the three months and year ended December 31, 2024, respectively). The change in effective tax rate was mainly impacted by the redeemable preferred and special securities expense in 2024, which are not deductible for tax purposes and not applicable in the current period.

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 \$14.8 million 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.

## Net Income (Loss) per Share

Net income for the three months ended December 31, 2025 was \$49.6 million compared to net income of \$29.4 million for the same period in 2024. Net income for the year ended December 31, 2025 was \$118.8 million compared to net loss of \$258.9 million for the same period in 2024. On a per share basis, this translated into net income per basic and diluted share of \$0.19 in the three months ended December 31, 2025 and net income per basic and diluted share of \$0.46 in the year ended December 31, 2025. This is compared to net income per basic and diluted share of \$0.11 in the three months ended December 31, 2024 and net loss per basic and diluted share of \$1.21 for the year ended December 31, 2024.

## Net cash flows from operating activities ("CFO")<sup>1</sup>

For the three months ended December 31, 2025, CFO increased \$18.1 million to \$71.4 million compared to \$53.3 million for the same period in 2024 representing an increase of 34%. The increase is mainly driven by higher operating income of \$19.7 million.

For the year ended December 31, 2025, CFO increased \$121.5 million to \$236.5 million compared to \$115.0 million for the same period in 2024 representing an increase of 106%. The increase for the year is mainly driven by lower non-cash operating working capital of \$59.4 million and higher operating income of \$65.4 million, partly offset by \$8.8 million higher income taxes paid.

## Free cash flow available to shareholders ("FCFA2S")<sup>1</sup>

For the three months ended December 31, 2025, FCFA2S increased \$21.8 million to \$67.1 million compared to \$45.3 million for the same period in 2024. For the year ended December 31, 2025, FCFA2S increased \$131.3 million to \$217.0 million compared to \$85.7 million for the same period in 2024. The increase in the three months ended December 31, 2025 is driven by higher CFO compared to the same periods in 2024 and lower interest paid on bank indebtedness. The increase in the year ended December 31, 2025 is driven by higher CFO compared to the same period in 2024, higher interest received on bank deposits, and lower interest paid on bank indebtedness. FCFA2S is a non-IFRS Measure. See "Non-IFRS Measures".

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

Unaudited	Three months ended		Period-Over-Period		Years ended		Period-Over-Period	
	December 31,		Change		December 31,		Change	
	2025	2024	\$	%	2025	2024	\$	%
	(\$ in millions, except percentages)				(\$ in millions, except percentages)			
<b>Net cash flows from operating activities:<sup>1</sup></b>	71.4	53.3	18.1	34%	236.5	115.0	121.5	106%
<b>Adjusted for:</b>								
Interest paid on lease obligations	(0.1)	(0.1)	—	—%	(0.4)	(0.5)	0.1	-20%
Interest paid on bank indebtedness	(2.6)	(5.4)	2.8	-52%	(14.0)	(18.7)	4.7	-25%
Transaction costs on bank indebtedness	(0.4)	(0.3)	(0.1)	33%	(0.6)	(2.2)	1.6	-73%
Repayments of lease obligations	(0.5)	(1.5)	1.0	-67%	(4.7)	(6.1)	1.4	-23%
Interest, dividends and other proceeds received	1.1	0.5	0.6	108%	4.2	1.1	3.1	298%
Property and equipment purchased, net of proceeds from disposal	(1.8)	(1.2)	(0.6)	50%	(4.0)	(2.9)	(1.1)	38%
<b>Free cash flow available to shareholders<sup>1</sup></b>	<b>67.1</b>	<b>45.3</b>	<b>21.8</b>	<b>48%</b>	<b>217.0</b>	<b>85.7</b>	<b>131.3</b>	<b>153%</b>

<sup>1</sup> The comparative periods are adjusted to conform with the current presentation in the financial statements, which resulted in immaterial adjustments to net cash flows from operating activities and free cash flow available to shareholders.

## Quarterly Results

Unaudited	Quarter ended							
	Mar. 31 2024	Jun. 30 2024	Sep. 30 2024	Dec. 31 2024	Mar. 31 2025	Jun. 30 2025	Sep. 30 2025	Dec. 31 2025
Revenue	141.1	162.8	177.3	187.1	178.7	184.0	186.7	216.3
Operating income <sup>1</sup>	44.5	36.6	60.7	68.7	59.5	62.7	65.1	88.4
Net (loss) income	(304.3)	(2.2)	18.3	29.4	20.8	23.6	24.8	49.6
CFO <sup>2</sup>	32.9	9.7	19.1	53.3	40.1	78.4	46.5	71.4
FCFA2S <sup>1,2</sup>	26.7	2.8	10.7	44.8	35.0	72.4	42.5	67.1
Weighted average shares (in millions)								
Basic	86.1	256.6	256.6	256.6	256.6	256.6	256.6	256.6
Diluted	253.3	256.6	256.6	256.6	256.6	256.6	256.6	256.6
Net (loss) income per share								
Basic and diluted	(3.53)	(0.01)	0.07	0.11	0.08	0.09	0.10	0.19
CFO per share <sup>2</sup>								
Basic	0.38	0.04	0.07	0.21	0.16	0.31	0.18	0.28
Diluted	0.13	0.04	0.07	0.21	0.16	0.31	0.18	0.28
FCFA2S per share <sup>1,2</sup>								
Basic	0.31	0.01	0.04	0.17	0.14	0.28	0.17	0.26
Diluted	0.11	0.01	0.04	0.17	0.14	0.28	0.17	0.26

<sup>1</sup> See "Non-IFRS Measures".

<sup>2</sup> The comparative periods are adjusted to conform with the current presentation in the financial statements, which resulted in immaterial adjustments to net cash flows from operating activities and free cash flow available to shareholders. In millions of dollars, except per share amounts.

We do not generally experience significant seasonality in our operating results from quarter to quarter. However, our quarterly results may fluctuate as a result of the various acquisitions which may be completed by the Company in any given quarter. We may experience variations in our net income on a quarterly basis depending upon the timing of certain expenses or gains, which may include changes in provisions, acquired contract liabilities, and gains or losses on the sale of financial and other assets. The preferred and special securities expense was primarily dependent on the price movement of Subordinate Voting Shares. In March 2024, the preferred and special securities were converted to Subordinate Voting Shares through the mandatory conversion.

## Liquidity

Unaudited	Period-Over-Period Change			
	As at December 31, 2025	As at December 31, 2024	\$	%
Cash	352.4	211.0	141.4	67%
Other current assets	263.1	241.9	21.2	9%
Non-current assets	771.7	834.3	(62.6)	-8%
Total assets	1,387.3	1,287.2	100.1	8%
Current liabilities	240.3	217.2	23.1	11%
Non-current liabilities	327.9	391.3	(63.4)	-16%
Total equity	819.1	678.7	140.4	21%
Total liabilities and equity	1,387.3	1,287.2	100.1	8%

Cash increased by \$141.4 million to \$352.4 million at December 31, 2025 from December 31, 2024. The increase in cash was predominantly driven by \$236.5 million in net cash flows generated by operating activities, partly offset by cash used in acquisition of businesses for \$23.1 million, net of cash obtained with acquired business of \$6.3 million, and net cash flows used in financing activities of \$90.3 million primarily to settle outstanding principal and interest obligations related to the Company's bank indebtedness.

Total assets increased \$100.1 million from \$1,287.2 million at December 31, 2024 to \$1,387.3 million at December 31, 2025. The increase is primarily due to a \$141.4 million increase in cash as explained above and a \$11.5 million increase in unbilled revenue. This was partially offset by a decrease of \$69.5 million to intangible assets driven by regular amortization in the period.

Current liabilities increased \$23.1 million, from \$217.2 million at December 31, 2024 to \$240.3 million at December 31, 2025. The increase is primarily due to the increase in accounts payable and accrued liabilities by \$15.9 million, increase in deferred revenue by \$6.4 million, and an increase in acquisition holdback payables by \$6.6 million. These increases were partly offset by decrease in bank indebtedness by \$1.2 million and due to related parties by \$2.1 million.

Non-current liabilities decreased \$63.4 million, from \$391.3 million at December 31, 2024 to \$327.9 million at December 31, 2025. The decrease is primarily due to the principal and interest repayments of \$67.4 million on bank indebtedness.

Bank indebtedness decreased by \$68.6 million to \$210.0 million at December 31, 2025 compared to \$278.6 million at December 31, 2024 due to the full \$36.3 million repayment of the Telarix Loans (as defined below), a \$79.0 million repayment towards amounts drawn on the Lumine Facility (as defined below), a \$2.3 million repayment towards the outstanding WizTivi Loan (as defined below), and a \$8.0 million repayment against the outstanding WO Loan (as defined below). This decrease to bank indebtedness was partially offset by the \$55.0 million Motive Loan (as defined below) drawn down in the year (see "Capital Resources and Commitments" below). Due to related parties, net (see "Related Parties" below) decreased by \$2.1 million to \$0.9 million compared to \$3.0 million at December 31, 2024.

### Net Changes in Cash Flows

Unaudited	Three months ended		Period-Over-Period		Years ended		Period-Over-Period	
	December 31,		Change		December 31,		Change	
	2025	2024	\$	%	2025	2024	\$	%
	(\$ in millions, except percentages)				(\$ in millions, except percentages)			
Net cash from operating activities	71.4	53.3	18.1	34 %	236.5	115.0	121.5	106 %
Net cash from (used in) financing activities	49.0	(16.7)	65.7	NM	(90.3)	100.2	(190.5)	NM
Cash used in the acquisition of businesses	(0.1)	(0.9)	0.8	(89)%	(23.1)	(140.6)	117.5	-84 %
Cash obtained with acquired businesses	—	—	—	NM	6.3	—	6.3	NM
Net cash (used in) from other investing activities	(0.8)	(5.4)	4.6	(85)%	4.4	(8.1)	12.5	NM
Net cash used in investing activities	(0.8)	(6.4)	5.6	(88)%	(12.4)	(148.7)	136.3	-92 %
Effect of foreign currency	0.4	(0.1)	0.5	NM	7.7	(3.0)	10.7	NM
<b>Net increase in cash and cash equivalents</b>	<b>120.0</b>	<b>30.6</b>	<b>89.4</b>	<b>292 %</b>	<b>141.5</b>	<b>64.5</b>	<b>77.0</b>	<b>119 %</b>

The net cash flows from operating activities were \$236.5 million for the year ended December 31, 2025, which is driven by \$275.7 million in operating income, partly reduced by \$18.5 million in changes to working capital.

The net cash flows used in financing activities for the year ended December 31, 2025 was \$90.3 million, which is mainly attributable to repayments of outstanding principal of \$125.7 million and interest paid on bank indebtedness of \$14.0 million. The cash flows used in financing activities were partly offset by proceeds from issuance of bank indebtedness during the year amounting to \$55.0 million.

The net cash flows used in investing activities for the year ended December 31, 2025 was \$12.4 million. This was primary due to \$23.1 million paid for acquisition of businesses which was partially offset by \$6.3 million in cash obtained from acquired business and a release of restricted cash totalling \$4.2 million.

We believe we have sufficient cash and available credit capacity to continue to operate for the foreseeable future. Additional funding may be utilized depending upon the size and timing of potential future acquisitions.

### **Related Parties**

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 indirect controlling shareholder, Constellation Software Inc. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

The Company pays management fees to the Parent (included within "Other, net" expenses) and reimburses the Parent for certain expenses paid on behalf of the Company. During the three months and year ended December 31, 2025, the Company expensed management fees of \$0.8 million and \$3.0 million, respectively (December 31, 2024 – \$0.8 million and \$2.8 million, respectively). At December 31, 2025, the Company had outstanding amounts due to related parties of \$0.9 million (December 31, 2024 – \$3.0 million) which reflects the amount owing to the Parent for management fees and the reimbursement of expenses paid on its behalf, net of the cash sent to the Parent during the quarter 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. Amounts in the below tables are presented in thousands.

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

### **Capital Resources and Commitments**

#### 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 \$185.0 million, to provide long-term financing in connection with the acquisition of WideOrbit (the "WO Loan"), of which \$175.0 million was drawn and the Company incurred transaction costs of \$1.8 million.

As of December 31, 2025, a balance of \$100.0 million remains outstanding (December 31, 2024 – \$108.0 million). For the year ended December 31, 2025 repayments of \$8.0 million were made on the revolving facility (December 31, 2024 – \$17.0 million). 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 \$39.0 million, 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 \$0.5 million. The financing also came with a revolving credit facility of \$2.5 million (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 \$35.6 million including nominal accrued interest. Prior to termination, there was a normal course repayment for \$0.7 million for the year ended December 31, 2025 (December 31, 2024 – \$1.7 million).

#### *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 €10.0 million (\$10.9 million) 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 \$0.2 million in 2023.

As of December 31, 2025, a balance of \$7.0 million remains outstanding (December 31, 2024 – \$8.3 million). For the year ended December 31, 2025, repayments of \$2.3 million were made on the WizTivi Loan (December 31, 2024 – \$2.1 million). 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 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 \$310.0 million to support future acquisitions and incurred transaction costs of \$2.4 million. On June 17, 2025, the Lumine Facility was amended to increase the total facility size to \$360.0 million.

As of December 31, 2025, a balance of \$50.0 million (December 31, 2024 – \$129.0 million) remains outstanding. For the year ended December 31, 2025, no additional borrowings were drawn from the Lumine Facility (December 31, 2024 – \$136.0 million). For the year ended December 31, 2025, repayment of \$79.0 million was made on the revolving facility (December 31, 2024 – \$7.0 million).

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 Software Solutions Inc. ("Motive"), a wholly owned subsidiary, entered into a revolving credit facility agreement (the "Motive Loan") with a Canadian chartered bank amounting to \$55.0 million to provide long-term financing in connection with the acquisition of Motive and the Company incurred transaction costs of \$0.2 million. For the year ended December 31, 2025, the total available facility under the Motive Loan of \$55.0 million 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.

As of December 31, 2025, the Company and its subsidiaries are in compliance with their respective bank indebtedness covenants. Amounts in the below tables are presented in thousands.

	<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>

The annual minimum repayment requirements are as follows:

2026	2,348
2027	52,348
2028	102,348
2029	—
2030	55,000
	<b>\$ 212,044</b>

### Guarantees

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 and 2024, the total obligations of the Company pursuant to such bonds and related contingencies are not material. No liability has been recorded in the consolidated financial statements.

In addition, 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.

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.

## Other Commitments

Commitments include operating leases for office equipment and facilities, letters of credit and performance bonds issued on our behalf by financial institutions in connection with facility leases and contracts with public sector customers. Also, occasionally we structure some of our acquisitions with contingent consideration based on the future performance of the acquired business. The fair value of contingent consideration recorded in our statement of financial position was \$2.8 million at December 31, 2025 (December 31, 2024 - \$1.5 million).

(\$ in millions)	Total	<1 yr	1-5 yrs	> 5 yrs
Lease obligations	6.9	3.5	3.4	—
Bank indebtedness	212.0	2.3	209.7	—
Total outstanding commitments	218.9	5.8	213.1	—

## **Foreign Currency Exposure**

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 following table provides an approximate breakdown of our revenue and expenses by currency, expressed as a percentage of total revenue and operating expenses, as applicable, for the three months and year ended December 31, 2025:

Currencies	Three Months Ended December 31, 2025		Year Ended December 31, 2025	
	% of Revenue	% of Expenses	% of Revenue	% of Expenses
CAD	4%	3%	5%	3%
EUR	17%	24%	13%	18%
GBP	12%	9%	13%	10%
SEK	2%	3%	3%	3%
USD	61%	55%	64%	56%
Other	4%	6%	2%	10%
Total	100%	100%	100%	100%

## **Off-Balance Sheet Arrangements**

As a general practice, we have not entered into off-balance sheet financing arrangements. Except for short term leases, leases of low value assets, and letters of credit, all of our liabilities and commitments are reflected as part of our statement of financial position.

### ***Changes in Material Accounting Policies***

Our material accounting policies are fully described in Note 3 to the Company's Consolidated Financial Statements for the year ended December 31, 2025. There were no significant changes in our accounting policies.

#### ***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.

#### ***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.

### ***Internal controls over financial reporting ("ICFR")***

Management has reviewed ICFRs enforced during the year ended December 31, 2025, and notes no changes to ICFRs from the prior year.

### ***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 \$113.6 million paid to the shareholders of Synchronoss, repayment of Synchronoss debt of \$184.3 million, including interest and an early extinguishment fee, and \$8.8 million for the reimbursement of transaction expenses incurred by Synchronoss, for an approximate total purchase price of \$306.7 million.

The acquisition was funded through cash on hand and a draw down on the Lumine Facility for \$160.0 million. 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.

## ***Share Capital***

As at March 4, 2026, there were 256,620,388 Subordinate Voting Shares and 1 Super Voting Share outstanding. The Super Voting Share is convertible into a Subordinate Voting Share on a one-for-one basis.

For more information on the capital structure of Lumine, including additional details regarding the terms and conditions relevant to the Subordinate Voting Shares, the Super Voting Share, the Preferred Shares, and the Special Shares of Lumine, see Lumine's final long form prospectus dated February 6, 2023, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Critical Accounting Estimates**

### ***General***

The preparation of our consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Our estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Our ongoing evaluation of these estimates forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of revenues and expenses, in cases where they are not readily ascertainable from other sources. Actual amounts may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are fully described in Note 3 to our annual consolidated financial statements which are available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). Certain accounting policies are particularly important to the reporting of our financial position and results of operations and require the application of significant judgment by our management. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different, estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could have a material impact on the financial statements. Management believes the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our consolidated financial statements. We believe that there have been no significant changes in our critical accounting estimates for the years presented in our consolidated financial statements.

### ***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, Hardware and other, Professional services, 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 includes 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 consists 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 CSI software that has been sold to the customer, and hosted software-as-a-service products.

### ***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.

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

### ***Nature of products and services***

The Company sells on-premise 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 consists 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, term licenses, subscriptions, managed services, 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.

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 Lumine 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.

### ***Business Combinations and Contingent Consideration Liabilities***

Acquisitions have been accounted for using the acquisition method required by IFRS 3. 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 excess of the consideration transferred less the assets and liabilities acquired is negative, a bargain purchase gain is recognized immediately in profit or 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.

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.

### ***Valuation of Identifiable Goodwill and Other Intangible Assets, and Impairment Subsequent to Acquisition***

The Company uses the income approach to value acquired technology and customer related intangible assets, which are the two material intangible asset categories reported in the financial statements.

The income approach is a valuation technique that calculates the fair value of an intangible asset based on the 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 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 is 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 asset.

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 costs 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.

Goodwill is initially recorded when the purchase price paid for an acquisition exceeds the fair value assigned to the net identifiable tangible and intangible assets acquired. Goodwill is not amortized but rather it is periodically assessed for impairment.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired. The Company performs an annual review in the fourth quarter of each fiscal year, or more frequently if indicators of potential impairment exist, to determine if the recorded goodwill is impaired. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee. No such losses have been recognized during the year.

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 cash generating units ("CGU") and the net asset carrying values (including goodwill). In determining the recoverable amount, the Company applies an estimated market valuation multiple to the business unit'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 business unit 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 a CGU exceeds its estimated recoverable amount. The recoverable amount of goodwill is estimated annually on December 31 of each year or whenever events or changes in circumstances indicate that the carrying value may be impaired.

The Company also reviews the carrying value of amortizable intangible assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. Any change in estimate which causes the undiscounted expected future cash flows to be less than the carrying value, would result in an impairment loss being recognized equal to the amount by which the carrying value of the asset exceeds the fair value of the asset.

### ***Accounting for Income Taxes***

Significant management judgment is required in determining the Company's provision for income taxes, income tax assets and liabilities, and any valuation allowance recorded against net income tax assets. The Company operates in multiple geographic jurisdictions, and to the extent that it has profits in each jurisdiction, these profits are taxed pursuant to the tax laws of their jurisdiction. The Company's effective tax rate may be affected by changes in, or interpretations of, tax laws in any given jurisdiction, the level of profitability, utilization of net operating losses and tax credit carry forwards, changes in geographical mix of income and expense, and changes in management's assessment of matters, such as the ability to realize future tax assets. As a result of these considerations, the Company must estimate its income taxes in each of the jurisdictions in which it operates on a quarterly basis. This process involves estimating actual current tax exposures, together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in future tax assets and liabilities, which are included in our consolidated balance sheet.

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.

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.

The Company is subject to income tax audits by various authorities in respect of prior periods that could result in additional tax expense in future periods. While the outcome of current outstanding actions and claims remains uncertain, it is expected that they will be resolved without a material impact to the Company's financial position. However, there can be no assurances as to the final resolution of these matters and, if the final outcome is adverse to the Company, the amounts the Company will be required to pay and the loss of certain future tax deductions could be material to the Company's financial statements.

### ***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.

## **Risk Factors**

The Company's business is subject to a number of risk factors, including those set forth below. These risks, and additional risks and uncertainties not presently known to us or that we currently deem immaterial, may adversely affect our business and operations and potentially cause the price of our securities to decline.

### ***Risks Related to the Company and the Industry***

We cannot guarantee that we will sustain profitability in the future. Failure to maintain profits could cause our share price to decline.

As our business grows, our operating expenses and capital expenditures may increase, and as a result, we will need to generate higher revenue to maintain profitability. If our revenues decline, we may not be able to sustain profitability because many of our expenses are fixed in the short term and cannot be easily or quickly reduced. A failure to maintain profitability could materially and adversely affect our business.

We periodically review the estimated value of acquired intangibles and goodwill for potential impairment and to determine whether we could write-down a portion of our intangible assets and goodwill as part of any such future review, which occurs when impairment indicators exist or, in the case of goodwill, at least once annually. We occasionally review opportunities to reorganize operations and may record restructuring charges in connection with any such reorganization. Any write-down of intangible assets or goodwill or restructuring charges in the future could affect our operating results materially and adversely and potentially lead to a decline in our share price.

Our quarterly revenues and operating results may fluctuate.

Factors which may cause the Company's revenues and operating results to fluctuate include:

- the demand for our software products and the market conditions for technology spending;
- patterns of capital spending and changes in budgeting cycles by our customers;
- the timing of acquisitions and related costs;
- the geographical mix of our sales, together with fluctuations in foreign currency exchange rates;
- changes in personnel and related costs;
- seasonal variations in our sales cycles; and

In addition, we expect that a substantial portion of our revenue will continue to be derived from renewals of maintenance arrangements with our customers. These maintenance arrangements typically range from 12 month terms to multi-year, and the timing of cash collections of related revenues varies from quarter to quarter and customer by customer.

Any new license revenue may also fluctuate significantly on a quarterly and annual basis as a result of a number of factors, many of which are outside of our control. The sale of a new license generally requires a customer to make a purchase decision that involves a significant commitment of capital, which may also be driven by the seasonality of technology spend.

We may be unable to identify and complete suitable acquisitions.

We cannot be certain that we will be able to identify suitable new acquisition targets that are available for purchase at reasonable prices. Even if we are able to identify such targets, we may be unable to complete an acquisition on suitable terms. When evaluating an acquisition opportunity, we cannot guarantee that we will correctly identify all risks and costs inherent in the target that we are acquiring.

Any failure to manage our growth effectively through acquisitions or manage other businesses we acquire may lead to a disruption in our operations and adversely affect our operating results.

Since our inception we have made numerous acquisitions and we plan to continue to make acquisitions in the future. Acquisitions involve special risks, including the following:

- failure to maximize any anticipated financial and strategic benefits of the transaction;
- possible impairment of relationships with employees and customers as a result of the acquisition of new businesses;
- possible losses from liabilities assumed in customer contracts; and
- impairment of goodwill.

Future acquisitions carry a risk that the obligations and liabilities of an acquired target may not be adequately reflected in its historical financial statements or that those statements may be based on assumptions that are incorrect or inconsistent with our assumptions or approach to accounting policies. This could lead to business disruption, loss of customers and revenue, and increased expenses.

The Company is and will remain a holding company, with its material assets limited to interests in its operating subsidiaries.

The Company does not generate revenue independently as it depends on distributions and other payments from its operating businesses to meet its financial obligations. The Company's operating businesses consist of separate legal entities and some of which are or may be limited in their ability to pay dividends and distributions or otherwise provide funds to the Company due to local laws, regulations, or contractual restrictions.

The Company's performance may vary in response to changes in the communications and media sectors.

The Company's direct and indirect subsidiaries ("Company Group") services customers that include telecommunications and media operators, several of which are global, large-scale businesses that operate in mature markets. The Company's financial and operational performance may vary with fluctuations in the health of the telecommunications and media sector. These customers often take a long view to procurement decisions, which can benefit established providers, including the Company Group.

The company is taking a pragmatic approach to AI adoption.

The Company is taking a data-driven, pragmatic and transparent approach to artificial intelligence ("AI"). Our pragmatic approach to AI may not align with market or shareholder expectations. The Company will continue to evaluate and pilot AI tools for internal use, and for integration into business unit product suites based on customer demand, sponsorship, and funding. The Company currently is not actively pursuing acquisitions of purely AI businesses that do not have a strong customer and revenue track-record, and a path to sustained profitability under the Companies ownership.

Through our acquisitions, we may acquire contingent liabilities that could adversely affect our operating results.

Through our acquisitions, we may acquire contingent liabilities which may be material. Although management uses its best efforts to estimate the risks associated with such contingent liabilities and the likelihood that they will materialize, their estimates could differ materially from the liabilities actually acquired.

Impact of geopolitical and other global or local events may have a significant effect on our operations. Demand for our software solutions may fluctuate with market conditions which may reduce our profitability in the future

Material adverse macroeconomic conditions—such as inflation, interest rate changes, or currency volatility—and geopolitical events, including trade restrictions or regional conflicts, could negatively impact the Company's short- and long-term operating performance by reducing customer demand, delaying project timelines, or increasing costs. While the Company employs risk management strategies, these factors remain largely outside our control.

If our customers demand performance guarantees, the costs and risks associated with offering our software solutions may increase. our customers demand performance guarantees, the costs and risks associated with offering our software solutions may increase.

We and our competitors are sometimes requested to provide specific performance guarantees with respect to the functionality of certain aspects of our software solutions and associated services. Similarly, we have been requested to quote fixed-price bids for our software solutions. These requests present risks, because implementations of our software solutions are rarely identical, and therefore we cannot accurately predict precisely what will be required to meet these performance standards. If these guarantees and fixed price bids become more common, our profitability may be affected.

We face competition from other software solutions providers and other technologies, which may reduce our market share or limit the prices we can charge for our software solutions.

Given our telecommunications and media focus, we face competition from a large number of discrete competitors ranging in size from small private companies with annual revenues of less than \$1 million per year to the larger enterprise software vendors. As a result, in certain market segments, competition can be intense, and significant pricing pressure may exist. To maintain and improve our competitive position, we must continue to develop and to introduce, in a timely and cost-effective manner, new software modules to differentiate our solutions. In addition, we expect that a substantial portion of our revenue will continue to be derived from renewals of maintenance arrangements with our customers. Although we have experienced relatively stable and predictable attrition relating to these arrangements, increased competition could reduce the need for our maintenance services, as customers could decide to replace our software applications with a competitor's applications or arrange for a third party to provide maintenance services.

Some of our competitors and potential competitors have greater financial, technical, marketing, and other resources, greater name recognition, and a larger installed base of customers than our individual businesses. The products of some of our competitors are based on more advanced product architectures or offer performance advantages compared with some of our more mature products. Our competitors may be able to bundle numerous products and also respond more quickly to new or emerging technologies and changes in customer requirements or may devote greater resources to the development, promotion, and sale of their products than we do. Many competitive factors affect the market for our products and our ability to earn maintenance revenue, professional services and new license revenue. Some of these factors are: vendor and product reputation; industry-specific expertise; cost of ownership; ease and speed of implementation; customer support; product architecture, quality, price and performance; product performance attributes, such as flexibility, scalability, compatibility, functionality and ease of use; and vendor financial stability.

If we cannot attract and retain qualified sales and customer service personnel, and software developers, we may not be able to sell and support our existing products or develop new products.

Our business relies on the expertise of key technical, sales, and senior management personnel. Many of these individuals may be difficult to replace if they were to leave the Company. Our ongoing success also depends on our ability to identify, hire, train, integrate, motivate, and retain highly qualified personnel, including recently hired officers and staff. New hires may require a significant transition period before contributing meaningfully to the Company. Competition for qualified employees is intense in the technology industry, and we have at times experienced challenges in recruiting qualified candidates. If we are unable to attract and retain the necessary qualified personnel our operating results and financial condition could be adversely affected.

Our future growth also depends, in part, on our ability to develop new products and improve existing software products. Achieving this will, in part, require recruiting and retaining highly skilled software programmers. If we are unable to hire and retain a sufficient number of qualified programming personnel, we may not be able to develop new software solutions or enhance our existing ones within the time frames necessary to execute our business plan.

The loss of our rights to use software currently licensed to us by third parties could increase our operating expenses by forcing us to seek alternative technology and adversely affect our ability to compete.

We license certain technologies used in our products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay our ability to ship our products while we seek to implement alternative technology offered by other sources and may require significant unplanned investments on our part. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third-party technology licenses relating to one or more of our products or relating to current or future technologies to enhance our product offerings. There is a risk that we will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

Dependence on our relationship with CSI.

CSI, through its indirect wholly-owned subsidiary, has certain rights and influence over the Company pursuant to the Shareholders Agreement and the Super Voting Share. CSI also provides certain services to the Company pursuant to a Services Agreement with the Company. There is no guarantee that the Company will continue to benefit from this relationship with CSI. There can also be no assurance that CSI will continue to indirectly hold the Super Voting Share. The Company has established a protocol with CSI to address actual and potential conflicts, and to provide guidelines for the allocation of certain transaction opportunities, which may limit the ability of the Company to compete with CSI and CSI's other subsidiaries for such opportunities.

Failure to retain and provide succession for executive and key senior management could lead to execution risk and adversely affect our operating results

We face execution risk if we fail to retain or provide succession for executive and key senior management roles. Leadership gaps could adversely impact our ability to deliver growth and operational performance. To mitigate this risk, we utilize a robust talent management and succession planning framework, including identification of critical roles, readiness tiers, and development plans for potential successors. We also invest in leadership development programs and conduct regular talent reviews to ensure continuity and resilience in our leadership pipeline.

We may experience customer attrition, which could affect our revenues more adversely than expected, and we may be unable to adapt quickly to such attrition. Any significant reduction in revenues as a result of such attrition may have a material adverse effect on our business, operating results, or financial condition.

We expect that a substantial portion of our revenue will continue to be derived from renewals of quarterly and annual maintenance arrangements with our customers, and, to a lesser extent, from professional services engagements for these customers. Although we believe we have strong customer retention rates, attrition in our customer base does occur when existing customers elect not to renew their maintenance arrangements and cease purchasing professional services from us. Customer attrition occurs for a variety of reasons, including a customer's decision to replace our software product with that of a competing vendor, to purchase maintenance or consulting services from a third-party service provider, or to forego maintenance services altogether. It can also occur when a customer is acquired or ceases operations.

Historically, we have been able to offset revenue lost through attrition with new revenue from maintenance services as well as from price increases for maintenance services. However, if our software products become less competitive due to factors such as competitors' products offering having more advanced product architecture, superior functionality, or better performance, or lower prices, or any other factors that reduce demand for our maintenance services, such as intensifying price competition, this could lead to increased rates of customer attrition.

Currency exchange rate fluctuations and other risks associated with our international operations may adversely affect our operating results.

We are subject to risks associated with operating internationally, including fluctuations in currency exchange rates, increases in duty rates, difficulties in obtaining export licenses, challenges in the enforcement of intellectual property rights and political uncertainties. We do not typically use derivative instruments to mitigate our exposure to such risks. Although most of our businesses are structured so that many of our revenues and expenses are incurred in the same currency, mitigating some of our exposure to currency fluctuations, we are still subject to some foreign currency risk. We may choose to enter into forward foreign exchange contracts from time to time with the objective of mitigating volatility in profit or loss but there is no assurance that these hedging strategies will be effective.

Revenues and expenses generated in foreign currencies are translated at exchange rates during the month in which the transaction occurs. We cannot predict the impact of foreign exchange losses in the future; however, if significant foreign exchange losses are experienced, they could have a material adverse effect on our business, operating results, and financial condition. In addition, fluctuations in exchange rates could affect the pricing of our products and negatively influence customer demand.

We may have exposure to unforeseen tax liabilities, including changes to tax laws, tariffs, and treaties.

We are subject to income and non-income based taxes in Canada and various foreign jurisdictions. Our tax structure is periodically reviewed by applicable taxation authorities. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. In the ordinary course of a global business, inter-company transactions and related calculations involve inherent uncertainty, and the ultimate tax determination may differ from our estimates. In addition, changes in Canadian or international tax laws, treaties or tariffs could increase our overall tax burden or elevate costs which could adversely affect our competitiveness. Although we strive to ensure that our tax estimates and filing positions are reasonable, there can be no assurance that the impact of future legislative changes or guarantee that the final resolution of tax audits will not differ from amounts recorded in our historical income tax provisions and accruals. Any such differences may materially affect our operating results for the relevant periods.

The Company Group is subject to income tax audits from time to time by applicable authorities in respect of prior periods that could result in additional tax expense in future periods. The outcomes of any outstanding audits and claims.

We are also subject to non-income taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes in Canada and various foreign jurisdictions which may give rise to additional liabilities.

AI Usage & Confidentiality of Lumine Data risk.

If internal policy guidelines on AI usage are not followed and internal, confidential, or restricted data is entered into public AI models, these actions could compromise the confidentiality of our commercially sensitive and proprietary data, client or employee data, and could result in data breaches. Should a data breach occur, it could lead to litigation, regulatory fines, and impact the Company's overall business reputation.

Some of the markets for our software products are characterized by periodic technological advances, and we must improve our software products to remain competitive.

Technological change including the proliferation of AI, cloud computing, increased personalization, and mobile experiences and associated new product introductions and enhancements characterize the software industry in general. Our current and potential customers increasingly require greater levels of functionality and more sophisticated product offerings. In addition, the life cycles of many of our software products are difficult to estimate. While we believe some of our software products may be nearing the end of their product life cycles, we cannot estimate the decline in demand from our customers for maintenance related to these software products. Our software products must remain compatible with evolving computer hardware and software platforms and operating environments. We cannot guarantee that we will be successful in these efforts. In addition, competitive or technological developments and new regulatory requirements may require us to make substantial, unanticipated investments in new products and technologies, and we may not have sufficient resources to make these investments. If we were required to expend substantial resources to respond to specific technological or product changes, our operating results would be adversely affected.

If we are unable to protect our current proprietary technology or that of the businesses we acquire, our competitive position could be adversely affected.

We rely on patent, copyright, and trademark laws, confidentiality procedures, and contractual protections to safeguard our rights in our intellectual property and other proprietary materials and data. To the extent applicable, although patent registrations generally provide stronger protection for software, we currently hold only a limited number of patents. We typically require our employees, consultants, customers, partners and vendors to sign agreements to manage and maintain ownership over our intellectual property. Our protective measures may not prevent misappropriation of our intellectual property, and may not always be enforceable. Despite our efforts, unauthorized parties may still copy, access, or use our proprietary technology or information. Monitoring and enforcing our rights, if necessary, may be difficult, time-consuming, and costly. Our protective measures may ultimately be inadequate.

Third parties may independently develop similar or superior technology without violating our proprietary rights. They may also apply for and obtain patent protection for products and services that are similar to our software solutions. Trademark protection is an important factor in establishing product recognition. If we are unable to prevent infringement of our trademarks, it could result in harm to any goodwill associated with our trademarks. Moreover, successful third-party claims may limit our ability to use one or more of our trademarks.

While we believe that our software products and technology do not infringe on the proprietary rights of others, third parties may bring infringement claims against us with respect to their proprietary rights. Litigation may also be necessary to protect our proprietary technology.

Any litigation can be time consuming and expensive regardless of its merit. Successful infringement claims brought against us could cause product release delays, require us to redesign our products, or require us to enter into royalty or license agreements that may not be available on terms acceptable to us, if at all.

Software product development delays could harm our competitive position and reduce our revenues. Our software products may contain errors or defects that could result in lost revenue, delayed or limited market acceptance, or product liability claims with substantial litigation costs.

If we experience significant delays in releasing new or enhanced software products, our position in the market could be harmed and our revenue could be substantially reduced, which would adversely affect our operating results. We have experienced software product development delays in the past and may experience delays in the future. In particular, we may experience software product development delays associated with the integration of recently acquired software products and technologies. Delays may occur for many reasons, including the inability to hire a sufficient number of developers, discovery of bugs and errors, or the inability of our current or future software products to conform to customer and industry requirements.

As a result of their complexity, software products may contain undetected errors or failures when entering the market. Despite testing performed by us and testing and use by current and potential customers, defects and errors may be found in new software products after commencement of commercial shipments or the offering of a network service using these software products. In these circumstances, we may be unable to successfully correct the errors in a timely manner or at all. The occurrence of errors and failures in our software products could result in negative publicity and a loss of, or delay in, market acceptance of those software products. Such publicity could reduce revenue from new licenses and lead to increased customer attrition. Alleviating these errors and failures could require significant expenditure of capital and other resources by us. The consequences of these errors and failures could have a material adverse effect on our business, operating results, and financial condition.

Because many of our customers use our software products for business-critical applications, any errors, defects, or other performance problems could result in financial or other damage to our customers or their customers. Our customers or other third parties could seek to recover damages from us in the event of actual or alleged failures of our software solutions. Accordingly, any such claim could have a material adverse effect upon our business, operating results, and financial condition. Defending such a claim, regardless of its merits, or addressing any affected customers' concerns, could require significant expense and demand substantial time and attention from key members of management.

The hosting services of some of our products are dependent on the uninterrupted operation of data centers. Any unexpected interruption in the operation of data centers used could result in customer dissatisfaction and a loss of revenues.

Some of our individual business units provide hosting services in respect of some of our software products. These hosting services depend upon the uninterrupted operation of data centers and the ability to protect computer equipment and information stored in these data centers against damage that may be caused by natural disaster, fire, power loss, telecommunications or internet failure, unauthorized intrusion, computer viruses and other similar damaging events. If any of the data centers we use were to become inoperable for an extended period, we might be unable to provide our customers with contracted services, which could result in customer dissatisfaction, loss of revenue and damage to our business.

As a provider of hosted services, we receive confidential information, including financial and accounting data. Any lapse in security could expose the Company to litigation, loss of customers, or otherwise harm our business. In addition, any person who is able to circumvent our security measures could misappropriate proprietary or confidential customer information or cause interruptions in our operations.

Our Global operations expose us to complex, constantly evolving legal and regulatory requirements in multiple jurisdictions.

Due to the international nature and scale of our operations, we are impacted by the laws and regulations of various jurisdictions, including labour, data protection and privacy, anti-bribery and anti-corruption laws, and export and trade controls. Failure to comply with these laws and regulations could result in financial, operational, or reputational loss.

We are currently, and may in the future become, exposed to litigation, which if decided against us, could require us to pay settlement fees or other penalties.

In addition to being exposed to litigation arising in the ordinary course of business, we may face class actions, securities claims, or other proceedings, including anti-trust and other regulatory actions.

Any such litigation may be time-consuming, costly, and disruptive to our business operations. An adverse outcome in any such litigation could have a material adverse effect on our financial condition and liquidity.

No limit on indebtedness.

In order to finance acquisitions from time-to-time, the Company may obtain a credit facility and incur indebtedness under such credit facility. Any such additional indebtedness will increase the interest payable by the Company from time-to-time until such amounts are repaid, which will represent an increase in the Company's cost and a potential reduction in its income. The Company may also need to secure additional financing to repay these amounts when they become due. There is no guarantee that the Company will be able to obtain financing on terms acceptable to it or at all at any such time.

If our internal IT systems, or systems supporting our products and services are compromised, accessed improperly, or our data, or customers' data, becomes unavailable or improperly modified, our products and services may be perceived as vulnerable, and our brand and reputation could be harmed. Should customers stop using our products and services, revenue and earnings could be impacted. We may also be exposed to litigation.

We are in the IT business, and certain of our products and services, store, retrieve, manipulate and manage information and data, both internal and external.

At times, third parties (including nation states and individuals sponsored by them) may attempt to identify and exploit vulnerabilities in our products and our systems, penetrate or bypass our security controls, or gain unauthorized access to our software, hardware, cloud offerings, networks, and systems. Such attacks could compromise the Company's or its customers' personal information or confidential data. Information technology and infrastructure may be vulnerable to unforeseen break-ins, theft, hacks, viruses, phishing, malware, denial of service attacks and other improper activity that could jeopardize the security of information for which we are responsible and/or impair our operations. The increasing use of AI by malicious actors is elevating the sophistication, frequency, and potential impact of cyber-attacks. AI-driven tools can automate the discovery of vulnerabilities, generate highly convincing phishing attempts, and create deepfakes or other social engineering vectors, increasing the risk of security breaches and data loss. Any such breach could expose the Company to litigation, loss of customers or otherwise harm our reputation and business. These risks extend to third-party data, products, or services integrated into our offerings. Data may also be improperly accessed or modified due to errors or misconduct by customers, partners, employees, or suppliers. In addition, third parties may attempt to fraudulently induce these persons into disclosing sensitive information such as user names, passwords or other information to gain access to Company, customer, or supplier data or IT systems.

International laws and regulations govern the collection, use, and storage of personal information (including but not limited to the General Data Protection Regulations in Europe). While they vary by jurisdiction, these laws and regulations generally contain protective measures such as breach notification and comprehensive data processing rules, and impose material penalties for non-compliance. The consequences of security breaches and non-compliance with privacy and data protection laws and regulations could have a material adverse effect on our business, operating results, and financial condition.

#### Limitations on enforcement of judgments against foreign subsidiaries.

We operate in multiple jurisdictions globally and as such our customer and vendor contracts will be governed by and may be subject to foreign laws and regulations which can make it difficult for us to enforce our rights in such jurisdictions (including rights vis-a-vis our IP, payment collection, and enforcing judgments).

#### ***Risks Related to the Subordinate Voting Shares***

##### The market price of the Subordinate Voting Shares will fluctuate.

The market price of the Subordinate Voting Shares may fluctuate due to a number of factors, including: actual or anticipated changes in our operating results; changes in estimates of our future operating results by management or securities analysts; announcements of technological innovations or new software products by us or our competitors; or general industry changes.

In addition, significant fluctuations in the share price of the company and other software companies can be unrelated to operating performance. Broad market fluctuations, as well as economic conditions generally, and in the software industry specifically, may adversely affect the market price of the Subordinate Voting Shares.

##### Holders of the Subordinate Voting Shares may never receive a return on their investment.

We do not anticipate paying cash dividends on the Subordinate Voting Shares in the foreseeable future. The declaration and payment of any dividends on the Subordinate Voting Shares in the future will be determined by the Company's board of directors, in its discretion, and will depend on a number of factors, including our earnings, financial condition and other relevant factors, including the availability of acquisition opportunities and other sources of capital, as well as any contractual restrictions or obligations.

The dual class structure contained in the Company's articles has the effect of concentrating voting control and the ability to influence corporate matters with CSI.

The Super Voting Share has the right to such number of votes per share at any particular time as equals 50.1% of the aggregate number of votes attached to all of the outstanding Subordinate Voting Shares and the Super Voting Share at such time. The Subordinate Voting Shares have one vote per share. CSI indirectly holds the Super Voting Share and as a result holds approximately 50.1% of the voting power of the Company's outstanding voting shares through such Super Voting Share. Therefore, CSI has significant influence over the Company's management and affairs and over all matters requiring shareholder approval

The rights of certain current shareholders have the ability to influence corporate matters.

Under the Shareholders Agreement, CSI, through its indirect wholly-owned subsidiary, and a certain group of WideOrbit rollover shareholders, the "Majority Rollover Shareholders" are afforded certain rights, including approval rights, with respect to the Company. The approval of the board of directors of CSI is required for acquisitions by the Company where the purchase price exceeds \$100 million so long as CSI through its indirect wholly owned subsidiary holds the Super Voting Share. Such approval, if not granted, may limit the Company's ability to complete an acquisition that may otherwise be beneficial to shareholders.

In addition, for so long as CSI, through its indirect wholly-owned subsidiary maintains a minimum shareholding of the Company's shares, and the Majority Rollover Shareholders maintain a minimum of their shareholding of the Company's shares, they will each have the right to designate six individuals and one individual (respectively) for election to the board of directors of the Company. As a result, CSI and the Majority Rollover Shareholders will, by majority vote, maintain governance over certain corporate matters, including growth of the Company.

#### ***Quantitative and Qualitative Disclosures about Market Risk***

##### Interest rate risk.

The Company would face interest rate risk when interest rates change on any credit facilities. If we have borrowings under any such credit facility and interest rates rise, our cash flow will be negatively impacted because we will be required to pay out more interest on such credit facility. The uncertainty of outgoing cash flow from interest payments will increase our exposure to interest rate risk.

##### Inflation risk.

If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.