LUMINE GROUP INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management discussion and analysis ("MD&A") should be read in conjunction with the Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2026, which were prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and the Consolidated Financial Statements for the year ended December 31, 2025, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). 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. 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, August 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.

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 and FCFA2S per share are not recognized measures or ratios under IFRS and may not be comparable to similar financial measures or ratios disclosed by other issuers. Accordingly, readers are cautioned that FCFA2S and FCFA2S per share should not be construed as an alternative to net cash flows from operating activities, including on a per-share basis. 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, gain on bargain purchase net of any reductions, 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 year’s presentation. These reclassifications had no effect on prior year net income, total assets, and total liabilities and equity.

In addition, adjustments arising from the finalization of purchase price allocations related to previous acquisitions may impact the prior year.

Overview

We acquire, strengthen and grow businesses in the Communications and Media industry, 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 and six months ended June 30, 2026 and 2025

Results of Operations

The following table displays a summary of the results of operations of the Company for the three and six months ended June 30, 2026 and 2025.

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

Unaudited	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	**2025**	**$**	**%**	**2026**	**2025**	**$**	**%**
Revenue	235.1	184.0	51.1	28%	443.4	362.6	80.8	22%
Expenses	159.8	121.3	38.5	32%	310.2	240.5	69.7	29%
Operating income[1]	75.3	62.7	12.6	20%	133.2	122.2	11.0	9%
Amortization of intangible assets	36.6	26.3	10.3	39%	67.6	52.3	15.3	29%
Reduction (increase) of gain on bargain purchase	—	(2.5)	2.5	-100%	0.8	(2.5)	3.3	NM
Finance costs and other expenses	10.8	7.4	3.4	46%	14.1	12.5	1.6	13%
Income before income taxes	27.8	31.4	(3.6)	-11%	50.6	59.8	(9.2)	-15%
Income tax expense								
Current income tax expense	20.1	12.7	7.4	58%	27.5	27.3	0.2	1%
Deferred income tax recovery	(7.7)	(4.8)	(2.9)	60%	(11.3)	(11.8)	0.5	-4%
Income tax expense	12.4	7.9	4.5	57%	16.2	15.5	0.7	5%
Net income	**15.4**	**23.6**	**(8.2)**	**-35%**	**34.4**	**44.3**	**(9.9)**	**-22%**
Net cash flows from operating activities[2]	**68.5**	**78.4**	**(9.9)**	**-13%**	**88.3**	**118.5**	**(30.2)**	**-25%**
Free cash flow available to shareholders[1, 2]	**60.4**	**72.4**	**(12.0)**	**-17%**	**75.8**	**107.4**	**(31.6)**	**-29%**
Weighted average shares outstanding								
Basic and diluted	256.6	256.6	—	0%	256.6	256.6	—	0%
Net income per share								
Basic and diluted	0.06	0.09	(0.03)	-33%	0.13	0.17	(0.04)	-24%
Net cash flows from operating activities per share[2]								
Basic and diluted	0.27	0.31	(0.04)	-13%	0.34	0.46	(0.12)	-26%
Free cash flow available to shareholders per share[1, 2]								
Basic and diluted	0.24	0.28	(0.04)	-14%	0.30	0.42	(0.12)	-29%

NM – Not meaningful

Due to rounding, certain totals may not foot.

[1] See "Non-IFRS Measures".

[2] 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 and six months ended June 30, 2026 and 2025

<u>Revenue</u>

Total revenue for the three months ended June 30, 2026 is $235.1 million, an increase of 28%, or $51.1 million, compared to $184.0 million for the comparable period in 2025. For the six months ended June 30, 2026, total revenue was $443.4 million, an increase of 22%, or $80.8 million, compared to $362.6 million for the comparable period in 2025. The increase for the three and six months ended June 30, 2026 compared to the same periods in the prior year is primarily attributable to revenues from new acquisitions completed in the preceding quarters. The Company experienced organic growth of 1% for the three months ended June 30, 2026 or 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 June 30,		Period-Over-Period Change		Q2-25 Pro Forma Adj. (Note 1)	Organic Growth	Six months ended June 30,		Period-Over-Period Change		Q2-25 YTD Pro Forma Adj. (Note 2)	Organic Growth
	2026	2025	$	%	$	%	2026	2025	$	%	$	%
	($ in millions, except percentages)						($ in millions, except percentages)					
Licenses	14.5	11.7	2.8	24%	2.9	-1%	25.9	24.0	1.9	8%	3.4	-6%
Professional services	33.6	36.2	(2.6)	-7%	2.4	-13%	66.6	67.4	(0.8)	-1%	5.6	-9%
Hardware and other	8.4	2.9	5.5	190%	0.1	176%	12.3	12.0	0.3	2%	0.3	-1%
Maintenance and other recurring	178.5	133.1	45.4	34%	42.8	1%	338.7	259.1	79.6	31%	68.5	3%
	235.1	184.0	51.1	28%	48.2	1%	443.4	362.6	81.0	22%	77.8	1%

Due to rounding, certain totals may not foot.

Note 1: Estimated pre-acquisition revenues for the three months ended June 30, 2025 from companies acquired after March 31, 2025. (Obtained from unaudited vendor financial information.)

Note 2: Estimated pre-acquisition revenues for the six months ended June 30, 2025 from companies acquired after December 31, 2024. (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 June 30, 2026 and 2025. 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	
	Sep. 30 2024	**Dec. 31 2024**	**Mar. 31 2025**	**Jun. 30 2025**	**Sep. 30 2025**	**Dec. 31 2025**	**Mar. 31 2026**	**Jun. 30 2026**	**Jun. 30 2025**	**Jun. 30 2026**
Licenses	-40%	-38%	-43%	-8%	28%	5%	-11%	-1%	-35%	5%
Professional services	-12%	-35%	-9%	18%	-7%	23%	-4%	-13%	-11%	-2%
Hardware and other	-39%	-29%	115%	21%	-60%	-22%	-59%	176%	-6%	-21%
Maintenance and other recurring	1%	6%	-1%	8%	3%	0%	6%	1%	3%	3%
Total Revenue	**-8%**	**-9%**	**-5%**	**9%**	**1%**	**3%**	**0%**	**1%**	**-4%**	**1%**

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

Unaudited									12 months ended	
	Sep. 30 2024	**Dec. 31 2024**	**Mar. 31 2025**	**Jun. 30 2025**	**Sep. 30 2025**	**Dec. 31 2025**	**Mar. 31 2026**	**Jun. 30 2026**	**Jun. 30 2025**	**Jun. 30 2026**
Licenses	-40%	-38%	-43%	-10%	26%	0%	-13%	-1%	-36%	2%
Professional services	-13%	-35%	-8%	15%	-9%	19%	-8%	-14%	-12%	-4%
Hardware and other	-39%	-31%	115%	17%	-60%	-22%	-59%	176%	-7%	-22%
Maintenance and other recurring	0%	6%	-1%	6%	2%	-2%	3%	1%	3%	1%
Total Revenue	**-9%**	**-9%**	**-4%**	**6%**	**-1%**	**1%**	**-2%**	**1%**	**-4%**	**0%**

Organic growth, adjusted for foreign exchange movements, of 1% for the three months ended June 30, 2026 was primarily driven by continued growth in maintenance and other recurring revenues.

Expenses

The following table displays the breakdown of our expenses:

Unaudited	**Three months ended June 30,**		**Period-Over-Period Change**		**Six months ended June 30,**		**Period-Over-Period Change**	
Expenses	**2026**	**2025**	**$**	**%**	**2026**	**2025**	**$**	**%**
	($ in millions, except percentages)				($ in millions, except percentages)			
Staff	115.4	87.5	27.9	32%	230.5	171.4	59.1	34%
Hardware	5.3	1.7	3.6	212%	7.3	6.4	0.9	14%
Third party license, maintenance and professional services	15.0	10.6	4.4	42%	28.4	21.8	6.6	30%
Occupancy	0.9	1.0	(0.1)	-10%	1.9	2.0	(0.1)	-5%
Travel, telecommunications, supplies & software and equipment	10.8	8.9	1.9	21%	20.9	17.9	3.0	17%
Professional fees	6.3	3.7	2.6	70%	10.5	7.5	3.0	40%
Other, net	3.8	5.5	(1.7)	-31%	6.2	8.8	(2.6)	-30%
Depreciation	2.3	2.4	(0.1)	-4%	4.4	4.7	(0.3)	-6%
	159.8	121.3	38.5	32%	310.2	240.5	69.7	29%

Due to rounding, certain totals may not foot.

Overall expenses for the three months ended June 30, 2026 increased 32%, or $38.5 million to $159.8 million, compared to $121.3 million during the same period in 2025. During the six months ended June 30, 2026, expenses increased 29%, or $69.7 million to $310.2 million, compared to $240.5 million during the same period in 2025. As a percentage of total revenue, expenses equalled 68% and 70% for the three and six months ended June 30, 2026, respectively, and 66% and 66% for the same period in 2025, respectively. This increase in overall expenses as a percentage of total revenue is primarily driven by non-recurring and other strengthening-related costs incurred for acquisitions in the current year.

Staff expense – Staff expenses increased 32% or $27.9 million for the three months ended June 30, 2026 over the same period in 2025. For the six months ended June 30, 2026, staff expenses increased 34% or $59.1 million over the same period in 2025. 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 June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	2025	$	%	2026	2025	$	%
	($ in millions, except percentages)				($ in millions, except percentages)			
Professional services	15.8	14.5	1.3	9 %	31.2	29.4	1.8	6 %
Maintenance	22.2	19.1	3.1	16 %	42.1	37.8	4.3	11 %
Research and development	35.5	25.9	9.6	37 %	68.4	49.7	18.7	38 %
Sales and marketing	20.0	11.6	8.4	72 %	37.0	22.8	14.2	62 %
General and administrative	21.9	16.4	5.5	34 %	51.8	31.6	20.2	64 %
	115.4	87.5	27.9	32 %	230.5	171.4	59.1	34 %

Due to rounding, certain totals may not foot.

The total increase in staff expenses for the three and six months ended June 30, 2026 was primarily due to new acquisitions made in the current and preceding year, resulting in growth in the number of employees compared to the same periods in 2025. The increase can also be attributed to the inclusion of non-recurring and other strengthening-related costs arising from acquisitions in the current year.

Hardware expenses – Hardware expenses increased 212% or $3.6 million for the three months ended June 30, 2026 over the same period in 2025 as compared with the increase of 190% or $5.5 million in hardware and other revenue for the three months ended June 30, 2026 over the comparable period in 2025. For the six months ended June 30, 2026, hardware expenses increased 14% or $0.9 million over the same period in 2025 as compared with the increase of 2% in hardware and other revenue for the six months ended June 30, 2026 over the comparable period in 2025. Hardware margins for the three and six months ended June 30, 2026 were 37% and 41%, respectively, as compared to 41% and 47% for the respective comparable periods in 2025. 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 42% or $4.4 million for the three months ended June 30, 2026 over the same period in 2025. For the six months ended June 30, 2026, third party license, maintenance and professional services expenses increased 30% or $6.6 million over the same period in 2025. The increase is primarily due to new acquisitions made in the current and preceding year.

Travel, telecommunications, supplies & software and equipment expenses – Travel, telecommunications, supplies & software and equipment expenses increased 21% or $1.9 million for the three months ended June 30, 2026 over the same period in 2025. For the six months ended June 30, 2026, travel, telecommunications, supplies & software and equipment expenses increased 17% or $3.0 million over the same period in 2025. The increase is primarily due to increases from acquisitions in both the current and preceding year.

Professional fees – Professional fees increased by 70% or $2.6 million for the three months ended June 30, 2026 over the same period in 2025. For the six months ended June 30, 2026, professional fees increased 40% or $3.0 million over the same period in 2025. 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 decreased by 31% or $1.7 million for the three months ended June 30, 2026 over the same period in 2025. For the six months ended June 30, 2026, other expenses decreased by 30% or $2.6 million over the same period in 2025. The following table provides a further breakdown of expenses within this category.

Unaudited	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	2025	$	%	2026	2025	$	%
	($ in millions, except percentages)				($ in millions, except percentages)			
Advertising and promotion	1.5	1.6	(0.1)	-6%	3.5	3.5	0.0	0%
Recruiting and training	0.4	2.2	(1.8)	-82%	0.9	2.7	(1.8)	-67%
R&D tax credits	(1.0)	(1.2)	0.2	-17%	(3.5)	(2.1)	(1.4)	67%
Contingent consideration	0.0	0.6	(0.6)	-100%	(0.6)	0.5	(1.1)	NM
Other expense, net	2.9	2.3	0.6	26%	5.9	4.3	1.6	37%
	3.8	5.5	(1.7)	-31%	6.2	8.8	(2.6)	-30%

NM – Not meaningful

Due to rounding, certain totals may not foot.

Recruiting and training decreased by 82% or $1.8 million for the three months ended June 30, 2026 over the same period in 2025, and decreased 67% or $1.8 million for the six months ended June 30, 2026 over the same period in 2025. The decrease is mainly attributable to the timing of the Company's leadership conferences, and is partially offset by increases due to costs associated with hiring and onboarding of new employees and internal training.

R&D tax credits increased by 67% or $1.4 million for the six months ended June 30, 2026 over the same period in 2025. The increase for the six months ended June 30, 2026 is driven by the acquisition of Synchronoss Technologies, Inc. ("Synchronoss").

Contingent consideration expense decreased $0.6 million for the three months ended June 30, 2026 over the same period in 2025 and decreased by $1.1 million for the six months ended June 30, 2026 over the same period in 2025. The decrease is driven by lower anticipated acquisition earnout payments.

Other expense, net increased 26% or $0.6 million for the three months ended June 30, 2026 over the same period in 2025, and increased 37% or $1.6 million for the six months ended June 30, 2026 over the same period in 2025. This includes bad debt expense, bank fees, withholding taxes, subscription and membership fees, as well as management fees paid to Volaris NA Holdco ULC, 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 increase for the three and six months ended June 30, 2026 in other expense, net is mainly due to higher bad debt expense, subscription and membership fees, and bank charges and transaction fees. The increase is partially offset by lower withholding taxes.

There are no individually material reasons contributing to the remaining variances.

Operating Income

Operating income for the three months ended June 30, 2026 was $75.3 million compared to $62.7 million for the same period in 2025. For the six months ended June 30, 2026, operating income was $133.2 million compared to $122.2 million for the same period in 2025. Operating income is a non-IFRS Measure. See “Non-IFRS Measures”.

The following table reconciles operating income to net income:

Unaudited	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	**2025**	**$**	**%**	**2026**	**2025**	**$**	**%**
	($ in millions, except percentages)				($ in millions, except percentages)			
Net income	15.4	23.6	(8.2)	-35%	34.4	44.3	(9.9)	-22 %
Adjusted for:								
Amortization of intangible assets	36.6	26.3	10.3	39%	67.6	52.3	15.3	29 %
Reduction (increase) of gain on bargain purchase	—	(2.5)	2.5	-100%	0.8	(2.5)	3.3	NM
Finance costs and other expenses	10.9	7.4	3.5	47%	14.2	12.5	1.7	14 %
Income tax expense	12.4	7.9	4.5	57%	16.2	15.5	0.7	5 %
Operating income[1]	75.3	62.7	12.6	20%	133.2	122.2	11.0	9 %

[1] See “Non-IFRS Measures”.

Other Income and Expenses

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

Unaudited	Three months ended June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	**2025**	**$**	**%**	**2026**	**2025**	**$**	**%**
	($ in millions, except percentages)				($ in millions, except percentages)			
Amortization of intangible assets	36.6	26.3	10.3	39%	67.6	52.3	15.3	29%
Foreign exchange loss	4.6	4.4	0.2	5%	3.1	5.6	(2.5)	-45%
Reduction (increase) of gain on bargain purchase	0.0	(2.5)	2.5	-100%	0.8	(2.5)	3.3	NM
Finance costs and other expense, excluding foreign exchange loss	6.2	3.0	3.2	107%	11.0	6.9	4.1	59%
Income tax expense	12.4	7.9	4.5	57%	16.2	15.5	0.7	5%
	59.8	39.1	20.7	53%	98.7	77.8	20.9	27%

NM – Not meaningful

Due to rounding, certain totals may not foot.

Amortization of intangible assets – Amortization of intangible assets increased 39% or $10.3 million for the three months ended June 30, 2026 over the same period in 2025. For the six months ended June 30, 2026, amortization of intangible assets increased 29% or $15.3 million over the same period in 2025. The increase in amortization for the three and six months ended June 30, 2026 is primarily attributable to an increase in intangible assets in connection with acquisitions in both the current and preceding year.

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 and six months ended June 30, 2026, we recorded a foreign exchange loss of $4.6 million and $3.1 million, respectively, compared to a loss of $4.4 million and $5.6 million for the same respective periods in 2025. The year-over-year fluctuations in foreign exchange loss relate to movement in foreign currency exchange rates.

Reduction (increase) of gain on bargain purchase – The gain on bargain purchase was nil for the three months ended June 30, 2026, compared to $2.5 million over the same period in 2025. For the six months ended June 30, 2026, the gain on bargain purchase was reduced by $0.8 million from $2.5 million that was reported over the same period in 2025. The $0.8 million reduction was attributable to measurement period adjustments recognized in connection with the 2025 acquisition of the Vidispine brand and business assets from Arvato Systems, a subsidiary of Bertelsmann SE & Co. KGaA.

Finance costs and other expenses, excluding foreign exchange loss – Finance costs and other expenses, excluding foreign exchange loss increased $3.2 million or 107% for the three months ended June 30, 2026 over the same period in 2025. For the six months ended June 30, 2026, finance costs and other expenses, excluding foreign exchange loss increased $4.1 million or 59% over the same period in 2025. The increase for the three months ended June 30, 2026 is primarily driven by higher interest expenses incurred from additional borrowings during the current year (see Bank Indebtedness under “Capital Resources and Commitments"). The increase for the six months ended June 30, 2026 is driven by a non-operating expense recorded for a historical acquisition and higher interest expenses incurred from additional borrowings in the current year.

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 June 30, 2026, income tax expense increased $4.5 million to $12.4 million compared to $7.9 million for the same period in 2025. For the six months ended June 30, 2026, income tax expense increased $0.7 million to $16.2 million compared to $15.5 million for the same period in 2025. The Company’s combined effective tax rate in respect of continuing operations for the three and six months ended June 30, 2026 was +44.6% and +31.9%, respectively (+25.1% and 25.9% for the three and six months ended June 30, 2025, respectively). The change in effective tax rate was due to a non-recurring tax item related to an acquisition and changes in unrecognized tax losses in the current period.

Net Income per Share

Net income for the three months ended June 30, 2026 was $15.4 million compared to net income of $23.6 million for the same period in 2025. Net income for the six months ended June 30, 2026 was $34.4 million compared to net income of $44.3 million for the same period in 2025. On a per share basis, this translated into net income per basic and diluted share of $0.06 in the three months ended June 30, 2026 and net income per basic and diluted share of $0.13 in the six months ended June 30, 2026. This is compared to net income per basic and diluted share of $0.09 in the three months ended June 30, 2025 and net income per basic and diluted share of $0.17 for the six months ended June 30, 2025.

Net cash flows from operating activities (“CFO”)

For the three months ended June 30, 2026, CFO decreased $9.9 million to $68.5 million compared to $78.4 million for the same period in 2025 representing a decrease of 13%. The decrease is mainly driven by higher non-cash operating working capital of $20.3 million and higher income taxes paid of $1.3 million, partly offset by higher operating income of $12.6 million.

For the six months ended June 30, 2026, CFO decreased $30.2 million to $88.3 million compared to $118.5 million for the same period in 2025 representing a decrease of 25%. The decrease for the six months is mainly driven by higher non-cash operating working capital of $34.8 million and higher income taxes paid of $5.6 million, partly offset by higher operating income of $11.0 million.

Free cash flow available to shareholders ("FCFA2S")

For the three months ended June 30, 2026, FCFA2S decreased 17% or $12.0 million to $60.4 million compared to $72.4 million for the same period in 2025. For the six months ended June 30, 2026, FCFA2S decreased 29% or $31.6 million to $75.8 million compared to $107.4 million for the same period in 2025. The decrease in the three and six months ended June 30, 2026 is driven by lower CFO and higher transaction costs incurred to secure bank indebtedness, compared to the same periods in 2025. 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 June 30,		Period-Over-Period Change		Six months ended June 30,		Period-Over-Period Change	
	2026	2025	$	%	2026	2025	$	%
	($ in millions, except percentages)				($ in millions, except percentages)			
Net cash flows from operating activities:	68.5	78.4	(9.9)	-13%	88.3	118.5	(30.2)	-25%
Adjusted for:								
Interest paid on lease obligations	(0.2)	(0.1)	(0.1)	100%	(0.4)	(0.2)	(0.2)	100%
Interest paid on bank indebtedness	(4.2)	(3.9)	(0.3)	8%	(6.9)	(7.7)	0.8	-10%
Transaction costs on bank indebtedness	(1.9)	0.0	(1.9)	NM	(1.9)	0.0	(1.9)	NM
Repayments of lease obligations	(2.0)	(1.6)	(0.4)	25%	(3.7)	(3.2)	(0.5)	16%
Interest, dividends and other proceeds received	1.0	1.1	(0.1)	-9%	2.3	1.8	0.5	28%
Property and equipment purchased, net of proceeds from disposal	(0.8)	(1.5)	0.7	-47%	(1.9)	(1.7)	(0.2)	12%
Free cash flow available to shareholders	60.4	72.4	(12.0)	-17%	75.8	107.4	(31.6)	-29%

Quarterly Results

Unaudited	Quarter ended							
	Sep. 30 2024	Dec. 31 2024	Mar. 31 2025	Jun. 30 2025	Sep. 30 2025	Dec. 31 2025	Mar. 31 2026	Jun. 30 2026
Revenue	177.3	187.1	178.7	184.0	186.7	216.3	208.3	235.1
Operating income[1]	60.7	68.7	59.5	62.7	65.1	88.4	57.9	75.3
Net income	18.3	29.4	20.8	23.6	24.8	49.6	19.0	15.4
CFO[2]	19.1	53.3	40.1	78.4	46.5	71.4	19.8	68.5
FCFA2S[1, 2]	10.7	44.8	35.0	72.4	42.5	67.1	15.3	60.4
Weighted average shares (in millions)								
Basic and diluted	256.6	256.6	256.6	256.6	256.6	256.6	256.6	256.6
Net income per share								
Basic and diluted	0.07	0.11	0.08	0.09	0.10	0.19	0.07	0.06
CFO per share[2]								
Basic and diluted	0.07	0.21	0.16	0.31	0.18	0.28	0.08	0.27
FCFA2S per share[1, 2]								
Basic and diluted	0.04	0.17	0.14	0.28	0.17	0.26	0.06	0.24

[1] See "Non-IFRS Measures".

[2] 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.

Liquidity

Unaudited			Period-Over-Period Change	
	As at June 30, 2026	**As at December 31, 2025**	**$**	**%**
Cash	421.7	352.4	69.3	20%
Other current assets	299.3	263.1	36.2	14%
Non-current assets	1,018.6	771.1	247.5	32%
Total assets	1,739.5	1,386.6	352.9	25%
Current liabilities	270.3	239.6	30.7	13%
Non-current liabilities	621.1	327.9	293.2	89%
Total equity	848.0	819.1	28.9	4%
Total liabilities and equity	1,739.5	1,386.6	352.9	25%

Cash increased by $69.3 million to $421.7 million at June 30, 2026 from December 31, 2025. The increase in cash was predominantly driven by $88.3 million in net cash flows generated from operating activities (decreased from $118.5 million for the same period in 2025) and net cash flows from financing activities of $260.2 million related to draw downs on the Lumine Facility (as defined below) and the issuance of the Synchronoss Loans (as defined below) in the current quarter, net of repayments of bank indebtedness. The increase was partially offset by cash used in the acquisition of businesses for $311.5 million, net of cash obtained with acquired businesses of $34.3 million.

Total assets increased $352.9 million from $1,386.6 million at December 31, 2025 to $1,739.5 million at June 30, 2026. The increase is primarily due to an increase of $242.3 million to intangible assets and goodwill in connection with the Company's acquisition of Synchronoss, an increase in cash of $69.3 million as explained above, and an increase in accounts receivable by $15.9 million.

Current liabilities increased $30.7 million, from $239.6 million at December 31, 2025 to $270.3 million at June 30, 2026. The increase is primarily due to an increase in deferred revenue by $27.2 million and an increase to lease obligations by $6.4 million. These increases were partially offset by the decrease in accounts payable and accrued liabilities by $4.4 million.

Non-current liabilities increased $293.2 million, from $327.9 million at December 31, 2025 to $621.1 million at June 30, 2026. The increase is primarily due to an increase to bank indebtedness for $268.2 million, an increase to deferred income tax liabilities for $17.4 million, and an increase to lease obligations for $4.8 million.

Bank indebtedness increased by $271.7 million to $481.7 million at June 30, 2026 compared to $210.0 million at December 31, 2025 due to a drawn down on the Lumine Facility (as defined below) amounting to $170.0 million (net of repayments) and the issuance of the Synchronoss Loans (as defined below) amounting to $110.0 million (see “Capital Resources and Commitments” below). Due to related parties, net (see “Related Parties” below) decreased by $0.5 million to $0.4 million compared to $0.9 million at December 31, 2025.

Net Changes in Cash Flows

Unaudited	Three months ended June 30, 2026	Three months ended June 30, 2025	Period-Over-Period Change $	Period-Over-Period Change %	Six months ended June 30, 2026	Six months ended June 30, 2025	Period-Over-Period Change $	Period-Over-Period Change %
	($ in millions, except percentages)				($ in millions, except percentages)			
Net cash from operating activities	68.5	78.4	(9.9)	-13 %	88.3	118.5	(30.2)	-25%
Net cash from (used in) financing activities	104.8	(41.8)	146.6	NM	260.2	(47.5)	307.7	NM
Cash used in the acquisition of businesses	—	(4.3)	4.3	-100 %	(311.5)	(5.2)	(306.3)	NM
Cash obtained with acquired businesses	—	—	—	NM	34.3	—	34.3	NM
Net cash from (used in) other investing activities	0.2	(0.4)	0.6	NM	0.5	4.4	(3.9)	-89%
Net cash from (used in) investing activities	0.2	(4.7)	4.9	NM	(276.7)	(0.8)	(275.9)	NM
Effect of foreign currency	(0.1)	5.6	(5.7)	NM	(2.6)	8.5	(11.1)	NM
Net increase in cash and cash equivalents	**173.5**	**37.6**	**135.9**	361 %	**69.2**	**78.7**	(9.5)	-12%

The net cash flows from operating activities were $88.3 million for the six months ended June 30, 2026, which is primarily driven by $133.2 million in operating income, partly reduced by $23.4 million in changes to working capital and $27.6 million in income taxes paid.

The net cash flows from financing activities for the six months ended June 30, 2026 was $260.2 million, which is mainly attributable to proceeds from issuance of bank indebtedness amounting to $273.2 million (net of repayments in the current year), partially offset by interest paid on bank indebtedness of $6.9 million and repayments towards lease obligations amounting to $3.7 million.

The net cash flows used in investing activities for the six months ended June 30, 2026 was $276.7 million. This was primarily due to $311.5 million paid for acquisition of businesses which was partially offset by $34.3 million in cash obtained from acquired businesses.

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 and six months ended June 30, 2026, the Company expensed management fees of $0.5 million and $1.3 million, respectively (June 30, 2025 – $0.8 million and $1.4 million, respectively). At June 30, 2026, the Company had outstanding amounts due to related parties of $0.4 million (December 31, 2025 – $0.9 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.

Capital Resources and Commitments

<u>Bank Indebtedness</u>

As of June 30, 2026, the Company and its subsidiaries are in compliance with all bank indebtedness covenants. Amounts in the below tables are presented in thousands.

	Maturity	Principal Amount	Interest Rate	June 30, 2026	December 31, 2025
WO Loan	Mar 2028	185,000	SOFR+1.75%	100,000	100,000
WizTivi Loan	Mar 2028	€10,000	EURIBOR+2.5%	—	7,044
Lumine Facility	Jun 2029	360,000	SOFR+1.25%	220,000	50,000
Motive Loan	Dec 2030	55,000	SOFR+1.00%	55,000	55,000
Synchronoss Loans	May 2030	120,000	SOFR+2.5%	110,000	—
				485,000	212,044
Deferred transaction costs				(3,303)	(2,096)
Less current portion, net of related transaction costs				$ (5,500)	$ (1,992)
Total long-term bank indebtedness				$ 476,197	$ 207,956

The annual minimum repayment requirements are as follows:

2026	2,750
2027	5,500
2028	105,500
2029	225,500
2030	145,750
	$ 485,000

WO 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 June 30, 2026, a balance of $100.0 million remains outstanding (December 31, 2025 – $100.0 million). For the three and six months ended June 30, 2026 and June 30, 2025, no repayments were made on the revolving facility. For the three and six months ended June 30, 2026 and June 30, 2025, 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 credit facility is collateralized by substantially all of the assets of WideOrbit.

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.

On June 8, 2026, the WizTivi Loan was repaid in full, in advance of its maturity date of November 24, 2028, for a total of $6.9 million, including accrued interest of $0.1 million. Prior to settlement of the WizTivi Loan, for the three and six months ended June 30, 2026 and June 30, 2025, there were no normal course repayments or additional borrowings. As of June 30, 2026, the WizTivi Loan was terminated with no outstanding balance (December 31, 2025 – $7.0 million).

Lumine Facility

On March 20, 2024, the Company entered into a revolving 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, and the Company incurred additional transaction costs of $0.4 million. On April 24, 2026, the Lumine Facility's maturity date was extended to June 30, 2029, and the Company incurred additional transaction costs of $1.0 million.

As of June 30, 2026, a balance of $220.0 million (December 31, 2025 – $50.0 million) remains outstanding. For the three and six months ended June 30, 2026, $110.0 million and $270.0 million was drawn from the Lumine Facility, respectively (June 30, 2025 – nil and nil, respectively). For the three and six months ended June 30, 2026, repayments of $100.0 million were made on the Lumine Facility (June 30, 2025 - nil).

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 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, of which the total available facility was drawn down, and the Company incurred transaction costs of $0.2 million.
As of June 30, 2026, a balance of $55.0 million remains outstanding (December 31, 2025 – $55.0 million). For the three and six months ended June 30, 2026, no repayments were made on the Motive Loan. For the three and six months ended June 30, 2026, no additional borrowings were drawn on the Motive Loan.

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.

Synchronoss Loans

On May 1, 2026, Synchronoss entered into a financing agreement for a term loan in the amount of $110.0 million and a revolving credit facility (the "facility") with a total limit of $10.0 million (together the “Synchronoss Loans”) with a syndicate of Canadian and US financial institutions, to provide long-term financing in connection with the acquisition of Synchronoss, and the Company incurred transaction costs of $0.9 million. As of June 30, 2026, $110.0 million remains outstanding under the term loan and no amounts were drawn on the facility.

Covenants associated with the Synchronoss Loans are monitored and reported based on the financial position and financial performance of Synchronoss. The covenants include a leverage ratio and a fixed charge coverage ratio. The term loan has a quarterly repayment requirement of 1.25% of the original principal amount (equating to 5% per year), with the remaining outstanding balance due on the maturity date of May 1, 2030. The facility is repayable in full on the maturity date. The Synchronoss Loans are collateralized by substantially all of the assets of Synchronoss.

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 $2.2 million at June 30, 2026 (December 31, 2025 – $2.8 million).

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 and six months ended June 30, 2026:

	Three Months Ended June 30, 2026		Six months ended June 30, 2026	
Currencies	**% of Revenue**	**% of Expenses**	**% of Revenue**	**% of Expenses**
AUD	1%	1%	1%	1%
CAD	4%	3%	4%	3%
EUR	10%	19%	11%	17%
GBP	11%	8%	11%	8%
ILS	—%	3%	—%	1%
INR	—%	5%	—%	5%
OMR	1%	1%	1%	—%
SEK	2%	2%	2%	2%
USD	71%	54%	70%	59%
Others	—%	4%	—%	4%
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.

Internal Controls over Financial Reporting ("ICFRs")

During the six months ended June 30, 2026, management has reviewed its ICFRs and notes no changes from the prior year that materially affected, or are reasonably likely to materially affect, the Company's ICFRs.

Subsequent Events

Acquisition of Quortex

On July 1, 2026, the Company acquired 100% of the outstanding shares of Synamedia Vividtec Holdings (Guernsey) Limited and acquired select assets of the Synamedia Video Network business (collectively, "Quortex") for aggregate cash consideration of $81.6 million on closing, plus cash holdbacks and unlimited contingent consideration with a combined estimated acquisition date fair value of $15.2 million for total consideration of $96.8 million. Quortex helps broadcasters, media companies, operators, and streaming providers turn video into a source of growth. The acquired business operates in the communications and media market, similar to the Company's existing businesses.

Acquisition of Imagine Communications

On July 1, 2026, the Company acquired 100% of the outstanding shares of Imagine Communications Holdings Inc. ("Imagine Communications") for aggregate cash consideration of $129.6 million on closing, plus cash holdbacks with an estimated acquisition date fair value of $7.2 million for total consideration of $136.8 million. Imagine Communications is a global provider of video connectivity solutions, channel origination software and hardware, and AI-enabled advertising management & monetization solutions. The acquired business operates in the communications and media market, similar to the Company's existing businesses.

The acquisitions of Quortex and Imagine Communications were funded through cash on hand and a draw from the Lumine Facility for $110.0 million during the three months ended June 30, 2026.

As of the date of issuance of the condensed consolidated interim financial statements for the three and six months ended June 30, 2026 and 2025, the Company had not yet completed the initial accounting for both acquisitions, including the fair value assessment of the assets acquired and liabilities assumed, due to the proximity of the date of acquisitions to the date of issuance of those financial statements on August 4, 2026.

Share Capital

As at August 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 and the Super Voting Share (and the previously issued Preferred Shares and Special Shares) of Lumine, see Lumine's final long form prospectus dated February 6, 2023, which is available on SEDAR+ at www.sedarplus.ca.

Risk Factors

The Company's business is subject to a number of risk factors which are described in the annual MD&A for the year ended December 31, 2025.