

Constellation Software Inc. and Topicus.Com Inc. Announce Results for Topicus.com Inc. for the Fourth Quarter and Year Ended December 31, 2024

TORONTO, Feb. 26, 2025 -- Topicus.com Inc. (TSXV:TOI) in a joint release with Constellation Software Inc. (TSX:CSU) today announced financial results for Topicus.com Inc. ("Topicus" or the "Company") for the fourth quarter and year ended December 31, 2024. Please note that all amounts referred to in this press release are in Euros unless otherwise stated.

The following press release should be read in conjunction with the Annual Consolidated Financial Statements of Topicus.com Inc. (or the "Company") for the year ended December 31, 2024, which we prepared in accordance with International Financial Reporting Standards ("IFRS") and the Company's annual Management's Discussion and Analysis for the year ended December 31, 2024, which can be found on SEDAR+ at www.sedarplus.com and on Topicus.com Inc.'s website www.topicus.com. Additional information about Topicus.com Inc. is also available on SEDAR+ at www.sedarplus.com.

Q4 2024 Headlines:

- Revenue increased 18% (5% organic growth) to €364.9 million compared to €309.7 million in Q4 2023.
- Net income increased 32% to €56.2 million (€0.40 on a diluted per share basis) from €42.5 million (€0.31 on a diluted per share basis) in Q4 2023.
- Acquisitions were completed for aggregate cash consideration of €47.9 million (which includes acquired cash). Deferred payments associated with these acquisitions have an estimated value of €6.7 million resulting in total consideration of €54.6 million.
- Cash flows from operations ("CFO") increased 28% to €79.6 million compared to €62.4 million in Q4 2023.
- Free cash flow available to shareholders¹ ("FCFA2S") increased 27% to €36.6 million compared to €28.9 million in Q4 2023.

2024 Headlines:

- Revenue increased 15% (5% organic growth) to €1,294.9 million compared to €1,125.0 million in 2023.
- Net income increased 30% to €149.5 million (€1.11 on a diluted per share basis) from €115.4 million (€0.88 on a diluted per share basis) in 2023.
- A number of acquisitions were completed for total consideration of €153.4 million including holdbacks and contingent consideration.
- Cash flows from operations ("CFO") increased 41% to €347.6 million compared to €246.6 million in 2023.
- Free cash flow available to shareholders¹ ("FCFA2S") increased 44% to €177.4 million compared to €123.4 million in 2023.

Total revenue for the quarter ended December 31, 2024 was €364.9 million, an increase of 18%, or €55.2 million, compared to €309.7 million for the comparable period in 2023. For the year ended December 31, 2024 total revenues were €1,294.9 million, an increase of 15%, or €169.9 million, compared to €1,125.0 million for the comparable period in 2023. The increase for both the three months and 12 months ended December 31, 2024 compared to the same periods in the prior year is primarily attributable to growth from acquisitions as the Company experienced organic growth of 5% for each of the periods. Organic growth is not a standardized financial measure and might not be comparable to measures disclosed by other issuers.

Net income for the quarter ended December 31, 2024 increased €13.7 million to €56.2 million compared to €42.5 million for the same period in 2023. On a per share basis, this translated into net income per basic and diluted share of €0.40 in the quarter ended December 31, 2024 compared to €0.31 for the same period in 2023. For the twelve months ended December 31, 2024 net income increased €34.1 million to €149.5 million compared to €115.4 million for the same period in 2023. On a per share basis, this translated into net income per basic and diluted share of €1.11 in the twelve months ended December 31, 2024 compared to €0.88 for the same period in 2023.

For the quarter ended December 31, 2024, CFO increased €17.2 million to €79.6 million compared to €62.4 million for the same period in 2023 representing an increase of 28%. Many of the businesses invoice customers for annual software maintenance fees in Q1 each year resulting in a disproportionate amount of cash being received in the first quarter as compared to the remaining three quarters. For the twelve months ended December 31, 2024, CFO increased €101.1 million to €347.6 million compared to €246.6 million for the same period in 2023 representing an increase of 41%.

For the quarter ended December 31, 2024, FCFA2S increased €7.7 million to €36.6 million compared to €28.9 million for the same period in 2023 representing an increase of 27%. For the twelve months ended December 31, 2024, FCFA2S increased €54.0 million to €177.4 million compared to €123.4 million for the same period in 2023 representing an increase of 44%.

1. See Non-IFRS measures.

Forward Looking Statements

Certain statements herein may be "forward looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Topicus or the industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward

looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward looking statements. These forward looking statements reflect current assumptions and expectations regarding future events and operating performance and are made as of the date hereof and Topicus assumes no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances.

Non-IFRS Measures

Free cash flow available to shareholders "FCFA2S" refers to net cash flows from operating activities less interest paid on lease obligations, interest paid on other facilities, credit facility transaction costs, repayments of lease obligations, dividends paid to redeemable preferred securities holders, and property and equipment purchased, and includes interest and dividends received, and the proceeds from sale of interest rate caps. The portion of this amount applicable to non-controlling interests is then deducted. Topicus believes that FCFA2S is useful supplemental information as it provides an indication of the uncommitted cash flow that is available to shareholders if Topicus does not make any acquisitions, or investments, and does not repay any debts. While Topicus could use the FCFA2S to pay dividends or repurchase shares, Topicus' objective is to invest all of our FCFA2S in acquisitions which meet Topicus' hurdle rate.

FCFA2S is not a recognized measure under IFRS and, accordingly, readers are cautioned that FCFA2S should not be construed as an alternative to net cash flows from operating activities.

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

	Three months ended December 31,		Year ended December 31,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(€ in millions)		(€ in millions)	
Net cash flows from operating activities	79.6	62.4	347.6	246.6
Adjusted for:				
Interest paid on lease obligations	(0.6)	(0.4)	(2.1)	(1.4)
Interest paid on other facilities	(5.7)	(4.4)	(21.1)	(15.8)
Proceeds from sale of interest rate cap	-	-	-	4.8
Credit facility transaction costs	(0.3)	(0.0)	(1.3)	(0.3)
Payments of lease obligations	(6.5)	(5.5)	(24.6)	(21.8)
Property and equipment purchased	(1.9)	(2.5)	(8.3)	(7.8)
	64.5	49.5	290.3	204.3
Less amount attributable to non-controlling interests	(27.9)	(20.6)	(112.9)	(81.0)
Free cash flow available to shareholders	36.6	28.9	177.4	123.4

Due to rounding, certain totals may not foot.

About Topicus.com Inc.

Topicus' subordinate voting shares are listed on the Toronto Venture Stock Exchange under the symbol "TOI". Topicus acquires, manages and builds vertical market software businesses.

About Constellation Software Inc.

Constellation's common shares are listed on the Toronto Stock Exchange under the symbol "CSU". Constellation acquires, manages and builds vertical market software businesses.

For further information:

Jamal Baksh
Chief Financial Officer
jbaksh@csissoftware.com
info@topicus.com
www.topicus.com

SOURCE: TOPICUS.COM INC.

Topicus.com Inc.

Consolidated Statements of Financial Position

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

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash	206,157	179,059
Accounts receivable	142,791	134,079
Unbilled revenue	45,415	44,838
Inventories	4,930	4,517
Other assets	55,107	55,250
	<u>454,400</u>	<u>417,742</u>
Non-current assets:		
Property and equipment	23,245	20,030
Right of use assets	75,666	61,066
Deferred income taxes	19,905	16,412
Other assets	11,983	13,824
Intangible assets	950,670	903,709
	<u>1,081,470</u>	<u>1,015,042</u>
Total assets	<u>1,535,870</u>	<u>1,432,784</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Topicus Revolving Credit Facility and current portion of term and other loans	225,718	161,077
Accounts payable and accrued liabilities	250,361	211,423
Deferred revenue	166,593	138,854
Provisions	2,582	1,708
Acquisition holdback payables	13,073	12,292
Lease obligations	23,629	20,614
Income taxes payable	18,233	20,068
	<u>700,189</u>	<u>566,035</u>
Non-current liabilities:		
Term and other loans	49,300	64,615
Deferred income taxes	145,911	137,155
Acquisition holdback payables	10,061	1,339
Lease obligations	53,188	41,524
Other liabilities	45,825	29,632
	<u>304,285</u>	<u>274,266</u>
Total liabilities	<u>1,004,474</u>	<u>840,301</u>
Shareholders' Equity:		
Capital stock	39,412	39,412
Accumulated other comprehensive income (loss)	5,584	2,390
Retained earnings	266,281	297,382
Non-controlling interests	220,119	253,299
	<u>531,396</u>	<u>592,483</u>
Total liabilities and shareholders' equity	<u>1,535,870</u>	<u>1,432,784</u>

Topicus.com Inc.

Consolidated Statements of Income (Loss)

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

	Year ended December 31,	
	2024	2023
Revenue		
License	43,507	35,458
Professional services	326,877	297,669
Hardware and other	24,819	18,045
Maintenance and other recurring	899,659	773,801
	1,294,862	1,124,973
Expenses		
Staff	706,579	625,200
Hardware	16,851	12,068
Third party license, maintenance and professional services	100,085	88,074
Occupancy	10,951	8,351
Travel, telecommunications, supplies, software and equipment	50,382	43,639
Professional fees	20,722	15,318
Other, net	13,427	15,422
Depreciation	34,088	30,586
Amortization of intangible assets	135,499	121,124
	1,088,584	959,782
Impairment of intangible and other non-financial assets	617	-
Bargain purchase (gain)	(517)	-
Finance and other expenses (income)	22,705	20,426
	22,804	20,426
Income (loss) before income taxes	183,474	144,766
Current income tax expense (recovery)	62,413	53,098
Deferred income tax expense (recovery)	(28,410)	(23,759)
Income tax expense (recovery)	34,004	29,338
Net income (loss)	149,470	115,427
Net income (loss) attributable to:		
Equity holders of Topicus	91,994	71,753
Non-controlling interests	57,476	43,674
Net income (loss)	149,470	115,427
Weighted average shares		
Basic shares outstanding	82,766,336	81,889,764
Diluted shares outstanding	129,841,819	129,841,819
Earnings (loss) per common share of Topicus		
Basic	1.11	0.88
Diluted	1.11	0.88

Topicus.com Inc.

Consolidated Statements of Comprehensive Income (Loss)

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

	Year ended December 31,	
	2024	2023
Net income (loss)	149,470	115,427
Items that are or may be reclassified subsequently to net income (loss):		
Foreign currency translation differences from foreign operations and other	7,241	2,344
Other comprehensive (loss) income for the period, net of income tax	7,241	2,344
Total comprehensive income (loss) for the period	156,711	117,771
Total other comprehensive income (loss) attributable to:		
Equity holders of Topicus	3,193	1,201
Non-controlling interests	4,048	1,143
Total other comprehensive income (loss)	7,241	2,344
Total comprehensive income (loss) attributable to:		
Equity holders of Topicus	95,187	72,954
Non-controlling interests	61,524	44,817
Total comprehensive income (loss)	156,711	117,771

Topicus.com Inc.

Consolidated Statement of Changes in Shareholders' Equity

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

Year ended December 31, 2024

	Capital Stock	Accumulated other comprehensive (loss) income	Retained earnings	Total	Non- controlling interests	Total equity
Balance at January 1, 2024	39,412	2,390	297,382	339,185	253,299	592,483
<i>Total comprehensive income (loss) for the period:</i>						
Net income (loss)	-	-	91,994	91,994	57,476	149,470
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of income tax	-	3,193	-	3,193	4,048	7,241
Total other comprehensive income (loss) for the period	-	3,193	-	3,193	4,048	7,241
Total comprehensive income (loss) for the period	-	3,193	91,994	95,187	61,524	156,711

Transactions with owners, recorded directly in equity

Other movements in non-controlling interests and equity	-	-	(251)	(251)	(369)	(620)
Exchange of Topicus Coop ordinary units held by non-controlling interests to subordinate voting shares of Topicus	-	-	4,797	4,797	(4,797)	-
Dividends paid to shareholders of the Company	-	-	(127,641)	(127,641)	-	(127,641)
Return of capital to non-controlling interests					(9,048)	(9,048)
Dividends paid to non-controlling interests	-	-	-	-	(80,489)	(80,489)
Balance at December 31, 2024	39,412	5,584	266,281	311,277	220,119	531,396

Topicus.com Inc.

Consolidated Statement of Changes in Shareholders' Equity

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

Year ended December 31, 2023

	Capital Stock	Accumulated other comprehensive (loss) income	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2023	39,412	(232)	226,919	266,099	201,685	467,784
<i>Total comprehensive income (loss) for the period:</i>						
Net income (loss)	-	-	71,753	71,753	43,674	115,427
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of income tax	-	1,201	-	1,201	1,143	2,344
Total other comprehensive income (loss) for the period	-	1,201	-	1,201	1,143	2,344
Total comprehensive income (loss) for the period	-	1,201	71,753	72,954	44,817	117,771

Transactions with owners, recorded directly in equity

Other movements in non-controlling interests and equity	-	1,422	(1,290)	131	(203)	(72)
Contribution by non-controlling interests	-	-	-	-	9,617	9,617
Acquisition of non-controlling interests	-	-	-	-	(803)	(803)
Dividends paid to non-controlling interests	-	-	-	-	(1,814)	(1,814)
Balance at December 31, 2023	39,412	2,390	297,382	339,185	253,299	592,483

Topicus.com Inc.

Consolidated Statements of Cash Flows

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

	Year ended December 31,	
	2024	2023
Cash flows from (used in) operating activities:		
Net income (loss)	149,470	115,427
Adjustments for:		
Depreciation	34,088	30,586
Amortization of intangible assets	135,499	121,124
Impairment of intangible and other non-financial assets	617	-
Bargain purchase (gain)	(517)	-
Finance and other expenses (income)	22,705	20,426
Income tax expense (recovery)	34,004	29,338
Change in non-cash operating assets and liabilities exclusive of effects of business combinations	27,106	(20,062)
Income taxes (paid) received	(55,344)	(50,281)
Net cash flows from (used in) operating activities	347,627	246,558
Cash flows from (used in) financing activities:		
Interest paid on lease obligations	(2,054)	(1,422)
Interest paid on other facilities	(21,124)	(15,779)
Proceeds from sale of interest rate cap	-	4,809
Net increase (decrease) in Topicus Revolving Credit Facility	65,000	25,000
Proceeds from issuance of term and other loans	30,238	37,010
Increase (decrease) in bank indebtedness	7,873	-
Repayment of loan from CSI	-	(29,878)
Increase (decrease) in loan from Vela Software Group	(300)	1,342
Contribution from Vela Software Group into GeoSoftware and Geoactive	-	9,617
Return of capital to non-controlling interests	(9,048)	-
Repayments of term and other loans	(47,786)	(84,226)
Credit facility transaction costs	(1,321)	(278)
Payments of lease obligations	(24,594)	(21,784)
Other financing activities	(356)	(573)
Dividends paid to non-controlling interests	(80,489)	(1,814)
Dividends paid to shareholders of the Company	(127,641)	-
Net cash flows from (used in) in financing activities	(211,602)	(77,977)
Cash flows from (used in) investing activities:		
Acquisition of businesses	(112,952)	(113,846)
Cash obtained with acquired businesses	35,532	12,291
Post-acquisition settlement payments, net of receipts	(22,385)	(17,622)
Purchases of other investments	-	(248)
(Increase) decrease in restricted cash	(2,128)	-
Property and equipment purchased	(8,283)	(7,778)
Net cash flows from (used in) investing activities	(110,217)	(127,203)
Effect of foreign currency on cash and cash equivalents	1,291	909
Increase (decrease) in cash	27,099	42,287
Cash, beginning of period	179,059	136,772

Cash, end of period

206,157

179,059
