



## **Constellation Software Inc. Reaches Agreement to combine its TSS Operating Group With Topicus.com to form a new Operating Group**

TORONTO, May 20, 2020 -- Constellation Software Inc. ("Constellation") (TSX:CSU) announced today that it has, acting through its TSS operating group and its subsidiary TPCS Holding B.V. (the "Purchaser"), entered into a binding agreement with IJssel B.V. (the "Seller") to purchase 100% of the shares of Topicus.com B.V. ("Topicus"), a Netherlands-based diversified vertical market software provider.

Once the transaction is completed, TSS and Topicus will operate together under the operating group name "Topicus.com". Under the guidance of Constellation, Topicus.com intends to explore opportunities for a future public listing of its shares. Pursuant to such listing, it is anticipated that Constellation would remain a significant shareholder of Topicus.com, and that the current Constellation shareholders would be entitled to receive, pro rata and via dividend, common shares in Topicus.com.

The purchase of Topicus will be financed with TSS' cash on hand and its existing revolving line of credit and requires no funding from Constellation. Consideration will be in the form of a cash payment plus the issuance to the Seller of approximately 9% of the shares of the new operating group Topicus.com (the merged TSS and Topicus economic entity). Annual gross revenues of Topicus for 2019 were approximately €101M and total tangible assets at December 31, 2019 were approximately €7M. Topicus employs approximately 1,000 employees (870 full time equivalents). The transaction is currently expected to close in 2020, subject to the satisfaction of certain standard closing conditions including clearance from the Dutch Competition Authority.

"We have been following the impressive development of Topicus since its beginning in 2001. The company has been growing through acquisitions, but predominantly organically. Its portfolio is not directly competitive with ours. Both companies will operate stand-alone in our decentralized organization model," said Robin van Poelje, CEO of TSS.

Daan Dijkhuizen, CEO of Topicus, commented: "We see TSS as the designated partner to realize our further growth ambitions in Europe. The intended collaboration contains a wealth of opportunity for our team members, customers and product offerings. Both Topicus and TSS have a strong culture of entrepreneurship and proven craftsmanship combined with great focus. The mutual complement lies in the bundling of knowledge of and experience in healthy business operations, effective and customer-oriented services in combination with innovative strength."

Mark Leonard, President of Constellation, said: "I cannot think of another vertical market software company that has achieved Topicus' size without using outside shareholder funding. I look forward to spending more time with the Topicus founders as travel becomes easier. I'm an old dog, but I'm certain that they have new tricks to teach me. More importantly, they have experience and practices that can benefit all of the Constellation operating groups.

The plan to create a publicly listed operating group made up of Topicus and TSS was a key part of our discussions with the Topicus founders. They didn't want their legacy disappearing into the crowd of an omnivorous conglomerate. While they knew that Topicus would have autonomy within Constellation, they also wanted identity. The public listing is expected to afford our Netherlands-based businesses a platform from which to celebrate their culture and achievements.

I look forward to having CSI's long-term shareholders become long-term shareholders of Topicus.com."

### **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 events to be materially different from any future events 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. Forward looking statements in this press release include, but are not limited to, the intention of Topicus.com to explore opportunities for a future public listing of its shares, and the intention to have Constellation and its current shareholders become shareholders of Topicus.com. Such forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future results, and will not necessarily be accurate indications of whether or not such results will be achieved, or when 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 are made as of the date hereof and Constellation assumes no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances.

### **About Total Specific Solutions**

TSS is one of CSI's six Operating Group companies, based in the Netherlands and solely focused on the European vertical market software industry.

### **About Topicus**

Topicus is a Netherlands based leader in building and running smart vertical market software since 2001. Their focus is on

innovation through vertical market integration. Topicus connects organizations, professionals and end users within and across the vertical markets of education, healthcare, municipalities and financial services.

**About Constellation Software Inc.**

Constellation acquires, manages and builds vertical market software businesses that provide mission-critical software solutions.

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