



Constellation Software Inc. Announces Formation of a Venture Capital Fund and Management Changes

TORONTO, Nov. 25, 2021 (GLOBE NEWSWIRE) -- Constellation Software Inc. (TSX:CSU) ("Constellation") today announced the creation of a two hundred-million-dollar venture capital fund ("VMS Ventures", or "the Fund"). The Fund will provide financing for start-up and rapidly growing vertical market software businesses, most of which will have been either incubated or identified by a sponsoring Constellation business unit.

While Constellation regularly invests in dozens of small initiatives and will continue to do so, VMS Ventures will invest in larger initiatives and take a different approach:

- The Fund will only invest in businesses ("Investees") that have the potential to become standalone business units within Constellation.
- The managers and employees of the Fund's Investees will be significant shareholders in their businesses.
- The Fund will not back start-ups that have to rely upon a Constellation business unit for on-going sales, marketing, customer support, development, etc.
- Many of the Investees' staff will be hired from outside of Constellation.
- The Fund's employees will be compensated based upon the Fund's results.

Investing only \$200 million over a three-to-five-year period, Constellation does not expect the Fund to add meaningfully to Constellation's organic revenue growth rate. The Fund's objective is to develop and refine organic growth processes which can eventually be rolled out more broadly by Constellation's operating groups. Constellation does not anticipate that the Fund will detract from Constellation's existing initiative programs nor its acquisition momentum.

The Managing Partner of the Fund will be Daan Dijkhuizen. In addition to managing the Fund, he will continue to be the CEO of the Topicus Operating Group ("TOG") within Topicus.com, but will resign his role as CEO of Topicus.com. Robin van Poelje will take on the role of the CEO Of Topicus.com in addition to his current position as Chairman.

"Leading the Topicus Operating Group into Topicus.com Inc., and the subsequent public listing of Topicus.com Inc., was an exciting and fruitful journey. I will stay at Topicus.com Inc as a board member. I look forward to continue building the future of TOG as CEO and to leading the fund as managing partner focusing on Constellation's larger organic growth opportunities", said Daan Dijkhuizen.

Mark Leonard, President of Constellation stated: "Organic growth will be a critically important part of CSI's enduring success. I'm delighted that Daan will continue to lead TOG and will take on the additional responsibility for the Fund. TOG has one of the best track records of sustained organic growth at scale that I've seen in the VMS industry. I'll personally support the Fund and Daan as he focuses on leading Constellation's larger organic growth efforts."

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. 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 Constellation Software Inc.

Constellation Software acquires, manages and builds vertical market software businesses.

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