

Condensed Consolidated Interim Financial Statements  
(In euros)

## **Topicus.com Inc.**

For the three months ended March 31, 2024 and 2023  
Unaudited

# Topicus.com Inc.

Condensed Consolidated Interim Statements of Financial Position

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

Unaudited

	March 31, 2024	December 31, 2023	March 31, 2023
<b>Assets</b>			
Current assets:			
Cash	254,599	179,059	197,265
Accounts receivable	175,767	134,079	143,923
Unbilled revenue	49,454	44,838	47,210
Inventories	4,516	4,517	1,481
Other assets (note 5)	63,845	55,250	49,574
	548,181	417,742	439,453
Non-current assets:			
Property and equipment	21,363	20,030	19,685
Right of use assets	63,054	61,066	53,933
Deferred income taxes	20,326	16,412	21,850
Other assets (note 5)	13,437	13,824	17,021
Intangible assets (note 6)	947,417	906,082	871,290
	1,065,598	1,017,415	983,778
<b>Total assets</b>	<b>1,613,779</b>	<b>1,435,157</b>	<b>1,423,231</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Topicus Revolving Credit Facility and current portion of term and other loans (note 7 and 8)	265,221	161,077	123,871
Loan from CSI (note 17)	-	-	30,361
Accounts payable and accrued liabilities	227,130	211,423	190,889
Deferred revenue	343,430	138,854	288,188
Provisions (note 9)	1,535	1,708	1,081
Acquisition holdback payables	13,808	12,292	10,293
Lease obligations	21,338	20,614	18,384
Income taxes payable	23,102	20,068	14,041
	895,563	566,035	677,109
Non-current liabilities:			
Term and other loans (note 8)	62,973	64,615	44,935
Deferred income taxes	148,142	137,155	147,205
Acquisition holdback payables	7,690	1,339	1,958
Lease obligations	42,748	41,524	36,635
Other liabilities (note 5)	36,017	32,005	27,246
	297,570	276,639	257,979
<b>Total liabilities</b>	<b>1,193,133</b>	<b>842,674</b>	<b>935,088</b>
Shareholders' Equity:			
Capital stock (note 11)	39,412	39,412	39,412
Accumulated other comprehensive income (loss)	3,016	2,390	(469)
Retained earnings (deficit)	192,136	297,382	240,820
Non-controlling interests (note 18)	186,082	253,299	208,380
	420,646	592,483	488,143
Subsequent events (note 19)			
<b>Total liabilities and shareholders' equity</b>	<b>1,613,779</b>	<b>1,435,157</b>	<b>1,423,231</b>

See accompanying notes to the condensed consolidated interim financial statements.

# Topicus.com Inc.

Condensed Consolidated Interim Statements of Income (Loss)

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

Unaudited

	Three months ended March 31,	
	2024	2023
Revenue		
License	9,165	6,977
Professional services	75,005	69,340
Hardware and other	5,551	2,680
Maintenance and other recurring	216,848	185,432
	<u>306,568</u>	<u>264,430</u>
Expenses		
Staff	173,116	150,108
Hardware	4,620	1,578
Third party license, maintenance and professional services	23,352	20,548
Occupancy	2,710	2,466
Travel, telecommunications, supplies, software and equipment	11,983	9,564
Professional fees	5,092	4,280
Other, net	4,305	6,214
Depreciation	8,012	7,296
Amortization of intangible assets (note 6)	31,672	27,960
	<u>264,861</u>	<u>230,014</u>
Impairment of intangible and other non-financial assets (note 6)	633	-
Bargain purchase (gain) (note 4)	(323)	-
Finance and other expenses (income) (note 12)	4,998	4,950
	<u>5,309</u>	<u>4,950</u>
Income (loss) before income taxes	36,398	29,467
Current income tax expense (recovery) (note 10)	15,083	12,328
Deferred income tax expense (recovery) (note 10)	(6,998)	(3,989)
Income tax expense (recovery)	<u>8,085</u>	<u>8,338</u>
Net income (loss)	<u>28,314</u>	<u>21,128</u>
Net income (loss) attributable to:		
Equity holders of Topicus (note 18)	18,089	13,900
Non-controlling interests (note 18)	10,225	7,229
Net income (loss)	<u>28,314</u>	<u>21,128</u>
Weighted average shares (note 13)		
Basic shares outstanding	82,195,644	81,889,764
Diluted shares outstanding	129,841,819	129,841,819
Earnings (loss) per common share of Topicus (note 13)		
Basic	0.22	0.17
Diluted	0.22	0.17

See accompanying notes to the condensed consolidated interim financial statements.

# Topicus.com Inc.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

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

Unaudited

	Three months ended March 31,	
	2024	2023
Net income (loss)	28,314	21,128
Items that are or may be reclassified subsequently to net income (loss):		
Foreign currency translation differences from foreign operations and other	1,926	(796)
Other comprehensive (loss) income for the period, net of income tax	1,926	(796)
Total comprehensive income (loss) for the period	30,240	20,332
Total other comprehensive income (loss) attributable to:		
Equity holders of Topicus	625	(237)
Non-controlling interests	1,301	(559)
Total other comprehensive income (loss)	1,926	(796)
Total comprehensive income (loss) attributable to:		
Equity holders of Topicus	18,714	13,663
Non-controlling interests	11,526	6,669
Total comprehensive income (loss)	30,240	20,332

See accompanying notes to the condensed consolidated interim financial statements.

## Topicus.com Inc.

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity (Deficiency)

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

Unaudited

Three months ended March 31, 2024

	Capital Stock	Accumulated other comprehensive (loss) income	Retained earnings (Deficit)	Total	Non-controlling interests	Total equity
<b>Balance at January 1, 2024</b>	<b>39,412</b>	<b>2,390</b>	<b>297,382</b>	<b>339,185</b>	<b>253,299</b>	<b>592,483</b>
<i>Total comprehensive income (loss) for the period:</i>						
Net income (loss)	-	-	18,089	18,089	10,225	28,314
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of income tax	-	625	-	625	1,301	1,926
<b>Total other comprehensive income (loss) for the period</b>	<b>-</b>	<b>625</b>	<b>-</b>	<b>625</b>	<b>1,301</b>	<b>1,926</b>
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>625</b>	<b>18,089</b>	<b>18,714</b>	<b>11,526</b>	<b>30,240</b>
Transactions with owners, recorded directly in equity						
Other movements in non-controlling interests and equity	-	-	72	72	31	103
Exchange of Topicus Coop ordinary units held by non-controlling interests to subordinate voting shares of Topicus (note 11)	-	-	4,235	4,235	(4,235)	-
Dividends paid to shareholders of the Company	-	-	(127,641)	(127,641)	-	(127,641)
Dividends paid to non-controlling interests	-	-	-	-	(74,539)	(74,539)
<b>Balance at March 31, 2024</b>	<b>39,412</b>	<b>3,016</b>	<b>192,136</b>	<b>234,565</b>	<b>186,082</b>	<b>420,646</b>

See accompanying notes to the condensed consolidated interim financial statements.

## Topicus.com Inc.

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity (Deficiency)

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

Unaudited

Three months ended March 31, 2023

	Capital Stock	Accumulated other comprehensive (loss) income	Retained earnings (deficit)	Total	Non-controlling interests	Total equity
<b>Balance at January 1, 2023</b>	<b>39,412</b>	<b>(232)</b>	<b>226,919</b>	<b>266,099</b>	<b>201,685</b>	<b>467,784</b>
<i>Total comprehensive income (loss) for the period:</i>						
Net income (loss)	-	-	13,900	13,900	7,229	21,128
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of income tax	-	(237)	-	(237)	(559)	(796)
<b>Total other comprehensive income (loss) for the period</b>	<b>-</b>	<b>(237)</b>	<b>-</b>	<b>(237)</b>	<b>(559)</b>	<b>(796)</b>
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>(237)</b>	<b>13,900</b>	<b>13,663</b>	<b>6,669</b>	<b>20,332</b>
Transactions with owners, recorded directly in equity						
Other movements in non-controlling interests and equity	-	-	1	1	25	26
<b>Balance at March 31, 2023</b>	<b>39,412</b>	<b>(469)</b>	<b>240,820</b>	<b>279,763</b>	<b>208,380</b>	<b>488,143</b>

See accompanying notes to the condensed consolidated interim financial statements.

# Topicus.com Inc.

## Condensed Consolidated Interim Statements of Cash Flows

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

Unaudited

	Three months ended March 31,	
	2024	2023
Cash flows from (used in) operating activities:		
Net income (loss)	28,314	21,128
Adjustments for:		
Depreciation	8,012	7,296
Amortization of intangible assets	31,672	27,960
Impairment of intangible and other non-financial assets	633	-
Bargain purchase (gain)	(323)	-
Finance and other expenses (income)	4,998	4,950
Income tax expense (recovery)	8,085	8,338
Change in non-cash operating assets and liabilities exclusive of effects of business combinations (note 16)	155,008	116,599
Income taxes (paid) received	(8,901)	(12,279)
<b>Net cash flows from (used in) operating activities</b>	<b>227,497</b>	<b>173,993</b>
Cash flows from (used in) financing activities:		
Interest paid on lease obligations	(457)	(306)
Interest paid on other facilities	(3,161)	(3,060)
Net increase (decrease) in Topicus Revolving Credit Facility	105,000	(10,000)
Proceeds from issuance of term and other loans	816	4,277
Repayments of term and other loans	(3,684)	(68,445)
Credit facility transaction costs	-	(63)
Payments of lease obligations	(5,817)	(5,263)
Dividends paid to non-controlling interests	(74,539)	-
Dividends paid to shareholders of the Company	(127,641)	-
<b>Net cash flows from (used in) in financing activities</b>	<b>(109,483)</b>	<b>(82,860)</b>
Cash flows from (used in) investing activities:		
Acquisition of businesses (note 4)	(36,542)	(24,796)
Cash obtained with acquired businesses (note 4)	7,024	972
Post-acquisition settlement payments, net of receipts	(4,214)	(4,487)
(Increase) decrease in restricted cash	(6,000)	-
Property and equipment purchased	(2,654)	(1,981)
<b>Net cash flows from (used in) investing activities</b>	<b>(42,386)</b>	<b>(30,292)</b>
Effect of foreign currency on cash and cash equivalents	(88)	(348)
Increase (decrease) in cash	75,540	60,493
Cash, beginning of period	179,059	136,772
<b>Cash, end of period</b>	<b>254,599</b>	<b>197,265</b>

See accompanying notes to the condensed consolidated interim financial statements.

# TOPICUS.COM INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of euros, except per share amounts and as otherwise indicated)

(Due to rounding, numbers presented may not foot)

Three months ended March 31, 2024 and 2023

(Unaudited)

## Notes to the condensed consolidated interim financial statements

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# TOPICUS.COM INC.

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(In thousands of euros, except per share amounts and as otherwise indicated)

(Due to rounding, numbers presented may not foot)

Three months ended March 31, 2024 and 2023

(Unaudited)

## 1. Reporting entity

Topicus.com Inc. ("Topicus" or "the Company") was incorporated pursuant to the Business Corporations Act (Ontario) on September 10, 2020. The address of its registered office is 20 Adelaide Street East, Toronto, Ontario, Canada.

The condensed consolidated interim financial statements of Topicus as at and for the periods ended March 31, 2024 and March 31, 2023 comprise Topicus, Topicus Coop and its subsidiaries (together referred to as the "Company") and the Company's interest in associates. Topicus' principal subsidiary is Topicus Coop and Topicus has a common equity interest of 63.83% (December 31, 2023 – 63.07%) in Topicus Coop with 36.17% (December 31, 2023 – 36.93%) being owned by the non-controlling interests.

The Company is engaged principally in the development, installation and customization of software and the provision of related professional services and support for customers across several diverse markets primarily in Europe.

## 2. Basis of presentation

### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies disclosed in Note 3 of the Topicus 2023 annual consolidated financial statements, available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at [www.sedarplus.com](http://www.sedarplus.com), except as disclosed herein.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 1, 2024.

These condensed consolidated interim financial statements should be read in conjunction with the Company's 2023 annual consolidated financial statements.

### (b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain assets and liabilities initially recognized in connection with business combinations, derivative financial instruments and contingent consideration related to business acquisitions, which are measured at their estimated fair value.

### (c) Functional and presentation of currency

The consolidated financial statements are presented in euro, which is the Company's functional currency.

### (d) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of

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Notes to Condensed Consolidated Interim Financial Statements

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(Due to rounding, numbers presented may not foot)

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(Unaudited)

accounting policies and reported amounts of assets, liabilities, income and expenses, consistent with those disclosed in the 2023 annual consolidated financial statements and described in these condensed consolidated interim financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

### 3. Material accounting policies

The material accounting policies used in preparing these condensed consolidated interim financial statements are unchanged from those disclosed in the 2023 annual consolidated financial statements and have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

The accounting policies have been applied consistently by the Company's subsidiaries.

### 4. Business acquisitions

(a) During the three-month period ended March 31, 2024, the Company completed acquisitions for aggregate cash consideration of EUR 36,542, plus cash holdbacks of EUR 12,304 and contingent consideration with an estimated acquisition date fair value of EUR 5,157 resulting in total consideration of EUR 54,003. The obligation for contingent consideration for acquisitions during the three months ended March 31, 2024 has been recorded at its estimated fair value at the various acquisition dates. 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. For these arrangements, the estimated increase to the initial consideration is not expected to exceed EUR 6,625. Aggregate contingent consideration liability at March 31, 2024 of EUR 25,018 (December 31, 2023 – EUR 23,139) has been reported in the condensed consolidated interim statement of financial position at its estimated fair value relating to applicable acquisitions completed in the current and prior periods. Changes made to the estimated fair value of contingent consideration are included in "Other, net" in the condensed consolidated interim statements of income. An expense of EUR 575 has been recorded for the three months ended March 31, 2024, as a result of such changes (expense of EUR 807 for the three months ended March 31, 2023).

None of the acquisitions completed during the three-month period ended March 31, 2024 were deemed to be individually significant. All of the businesses acquired during the period were acquisitions of shares. The cash holdbacks are generally payable within a two-year period and are adjusted, as necessary, for such items as working capital or net tangible asset assessments, as defined in the purchase and sale agreements, and claims under the respective representations and warranties of the purchase and sale agreements.

The acquisitions during the three-month period ended March 31, 2024 include software companies catering to facility management, library, information technology, financial services, retail management and distribution, and education, all of which are software businesses similar to existing businesses operated by the Company. The acquisitions have been accounted for using the acquisition method with the results of operations included in these consolidated financial statements from the date of each acquisition.

The goodwill recognized in connection with these acquisitions is primarily attributable to the application of the Company's best practices to improve the operations of the companies acquired, other intangible assets that do not

# TOPICUS.COM INC.

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(Unaudited)

qualify for separate recognition including assembled workforce, and synergies with existing businesses of the Company. The goodwill is not expected to be deductible for income tax purposes.

The gross contractual amounts of acquired receivables was EUR 7,756 however, the Company has recorded an allowance of EUR 260 as part of the acquisition accounting to reflect contractual cash flows that are not expected to be collected.

Due to the complexity and timing of certain acquisitions made, the Company is in the process of determining and finalizing the estimated fair value of the net assets acquired as part of the acquisitions closed during the last three quarters of 2023 and the first quarter of 2024. The amounts determined on a provisional basis generally relate to net asset assessments and measurement of the assumed liabilities, including acquired contract liabilities. The provisional purchase price allocations may differ from the final purchase price allocations, and these differences may be material. Revisions to the allocations will occur as additional information about the fair value of assets and liabilities becomes available. The cash consideration associated with these provisional estimates totals EUR 125,592.

# TOPICUS.COM INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of euros, except per share amounts and as otherwise indicated)

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Three months ended March 31, 2024 and 2023

(Unaudited)

The aggregate impact of acquisition accounting applied in connection with the business acquisitions in the three-month period ended March 31, 2024 is as follows:

Assets acquired:	
Cash	7,024
Accounts receivable	7,496
Other current assets	3,004
Property and equipment	966
Right of use assets	3,323
Other non-current assets	401
Deferred income taxes	1,517
Technology assets	25,654
Customer assets	40,272
	<hr/>
	89,657
Liabilities assumed:	
Current liabilities	8,273
Deferred revenue	11,959
Deferred income taxes	15,326
Long-term lease obligations	2,200
Other non-current liabilities	3,110
	<hr/>
	40,868
Bargain purchase gain	(323)
Goodwill	5,536
	<hr/>
<b>Total consideration</b>	<b>54,003</b>

The 2024 business acquisitions did not have a material impact to either the consolidated revenue or the consolidated net income (loss) for the three months ended March 31, 2024. The materiality threshold is reviewed on a regular basis taking into account the quantitative (contribution to revenue and net income) and qualitative (size and comparability with other Topicus businesses) factors of current period acquisitions on both an individual and aggregate basis.

(b) The Company recorded a measurement period adjustment which has been reflected on the condensed consolidated interim statement of financial position as of March 31, 2023. The measurement period adjustment consisted of a reduction to intangible assets of 6,996, an increase to deferred income tax assets of 717, a reduction to deferred tax liabilities of EUR 7,225, an increase to other long-term liabilities of EUR 946.

# TOPICUS.COM INC.

Notes to Condensed Consolidated Interim Financial Statements

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(Due to rounding, numbers presented may not foot)

Three months ended March 31, 2024 and 2023

(Unaudited)

## 5. Other assets and other non-current liabilities

### (a) Other assets

	March 31, 2024	December 31, 2023
Prepaid expenses and other current assets	45,116	33,165
Sales tax receivable	3,001	2,270
Equity securities held for trading	3	3
Other receivables	15,725	19,812
<b>Total other current assets</b>	<b>63,845</b>	<b>55,250</b>
Costs to obtain a contract	242	205
Non-current trade and other receivables and other assets	10,591	11,210
Equity accounted investees	2,605	2,410
<b>Total other non-current assets</b>	<b>13,437</b>	<b>13,824</b>

### (b) Other non-current liabilities

	March 31, 2024	December 31, 2023
Contingent consideration	17,888	15,803
Deferred revenue	1,942	2,450
Other non-current liabilities	16,187	13,752
<b>Total other non-current liabilities</b>	<b>36,017</b>	<b>32,005</b>

# TOPICUS.COM INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of euros, except per share amounts and as otherwise indicated)

(Due to rounding, numbers presented may not foot)

Three months ended March 31, 2024 and 2023

(Unaudited)

## 6. Intangible Assets

	Technology Assets	Customer Assets	Trademarks	Goodwill	Total
<b>Cost</b>					
Balance at January 1, 2023	499,419	592,783	25,406	222,349	1,339,956
Acquisitions through business combinations	61,850	72,114	-	15,306	149,270
Effect of movements in foreign exchange and other	434	3,791	-	453	4,678
Balance at December 31, 2023	561,703	668,688	25,406	238,107	1,493,904
Balance at January 1, 2024	561,703	668,688	25,406	238,107	1,493,904
Acquisitions through business combinations	25,654	40,272	-	5,275	71,201
Effect of movements in foreign exchange and other	991	1,348	-	300	2,639
Balance at March 31, 2024	588,348	710,307	25,406	243,683	1,567,744
<b>Accumulated amortization and impairment losses</b>					
Balance at January 1, 2023	273,336	187,840	4,762	18	465,956
Amortization for the period	60,725	59,130	1,269	-	121,124
Impairment charge	-	-	-	-	-
Effect of movements in foreign exchange and other	183	559	(0)	-	742
Balance at December 31, 2023	334,244	247,528	6,032	18	587,822
Balance at January 1, 2024	334,244	247,528	6,032	18	587,822
Amortization for the period	15,316	16,038	317	-	31,672
Impairment charge	-	-	-	629	629
Effect of movements in foreign exchange and other	149	54	-	-	203
Balance at March 31, 2024	349,709	263,621	6,349	647	620,326
<b>Carrying amounts</b>					
At January 1, 2023	226,082	404,943	20,644	222,331	874,000
At December 31, 2023	227,458	421,160	19,374	238,089	906,082
At January 1, 2024	227,458	421,160	19,374	238,089	906,082
At March 31, 2024	238,639	446,686	19,057	243,036	947,417

# TOPICUS.COM INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of euros, except per share amounts and as otherwise indicated)

(Due to rounding, numbers presented may not foot)

Three months ended March 31, 2024 and 2023

(Unaudited)

## 7. Revolving Credit Facility

On October 28, 2022, Topicus Coop amended the existing revolving credit facility (the “Topicus Revolving Credit Facility”) with a number of European financial institutions. Under the amended credit facility, the Company will be able to borrow up to EUR 550,000 under a multicurrency revolving loan facility and up to EUR 150,000 under an additional uncommitted incremental facility. The Topicus Revolving Credit Facility matures on October 28, 2028 with an extension option for one year. The Topicus Revolving Credit Facility bears interest at a rate calculated at EURIBOR plus interest rate spreads based on a leverage table. The Topicus Revolving Credit Facility is collateralized by some of the more material assets owned by the Company and its subsidiaries, except for the entities securing amounts outstanding under the Term and Other Loans (note 8). The Topicus Revolving Credit Facility contains standard events of default which, if not remedied within a cure period, would trigger the repayment of any outstanding balance. As of March 31, 2024, EUR 260,000 (December 31, 2023 – EUR 155,000) had been drawn from this credit facility. Transaction costs associated with the Topicus Revolving Credit Facility have been included as part of the carrying amount of the liability and are being amortized through profit or loss using the effective interest rate method. The carrying value of the debt amounts to EUR 257,776 (December 31, 2023 – EUR 152,621) and has been classified as a current liability in the consolidated statement of financial position. As at March 31, 2024, the carrying amount of costs relating to this Topicus Revolving Credit Facility totaled EUR 2,224 (December 31, 2023 – EUR 2,379)

## 8. Term and Other Loans

Certain of the Company's subsidiaries have entered into term and other debt facilities (“Term and Other Loans”) with various financial institutions. Topicus does not guarantee the debt of these subsidiaries, nor are there any cross-guarantees between subsidiaries. The credit facilities are collateralized by substantially all of the assets of the borrowing entity and its subsidiaries. The credit facilities typically bear interest at a rate calculated using an interest rate index plus a margin. The financing arrangements for each subsidiary typically contain certain restrictive covenants, which may include limitations or prohibitions on additional indebtedness, payment of cash dividends, redemption of capital, capital spending, making of acquisitions and sales of assets. In addition, certain financial covenants must be met by those subsidiaries that have outstanding debt.

The term and other loans comprise the following:

	Term and Other Debt Facilities	
	March 31, 2024	December 31, 2023
Principal outstanding (and equal to fair value)	71,146	73,925
Deduct: Carrying value of transaction costs included in debt balance	(728)	(852)
Carrying value	70,418	73,073
Current portion	7,445	8,457
Non-current portion	62,973	64,615

The annual minimum repayment requirements for the Term and Other Loans are as follows:

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<b>Year</b>	<b>Term and Other Debt Facilities</b>
2024	7,131
2025	40,887
2026	9,675
2027	3,117
2028	1,337
2029	9,000
	<hr/>
	71,146

## 9. Provisions

At January 1, 2024	1,708
Reversal	(44)
Provisions recorded during the period	924
Provisions used during the period	(1,050)
Effect of movements in foreign exchange and other	(4)
At March 31, 2024	1,535
	<hr/>
Provisions classified as current liabilities	1,535
Provisions classified as other non-current liabilities	-

The provisions balance is comprised of various individual provisions for severance costs and other estimated liabilities of the Company of uncertain timing or amount.

## 10. Income taxes

Income tax expense is recognized based on management's best estimate of the actual income tax rate for the interim period applied to the pre-tax income of the interim period for each entity in the consolidated group. As a result of foreign exchange fluctuations, acquisitions, and ongoing changes due to intercompany transactions amongst entities operating in different jurisdictions, the Company has determined that a reasonable estimate of a weighted average annual tax rate cannot be determined on a consolidated basis. The Company's consolidated effective tax rate in respect of continuing operations for the three months ended March 31, 2024 was 22% (28% for the three months ended March 31, 2023).

The Company is subject to tax audits in the countries in which the Company does business globally. These tax audits could result in additional tax expense in future periods relating to historical filings. Reviews by tax authorities generally focus on, but are not limited to, the validity of the Company's inter-company transactions, including financing and transfer pricing policies which generally involve subjective areas of taxation and a significant degree of judgement. If any of these tax authorities are successful with their challenges, the Company's income tax expense may be adversely affected and the Company could also be subject to interest and penalty charges.

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As part of an ongoing tax audit by the Dutch Tax Authorities, the deductibility of the Company's employee bonus program is being challenged for financial years 2016 to date. The Company continues to believe in the merits of its tax filing position and, as such, has not recognized any provision in the consolidated financial statements. If the Company is ultimately unsuccessful, the additional tax expense including interest for the period from 2016 to March 31, 2024 would be up to approximately EUR 7,900.

## 11. Shareholders' Equity

	Common Stock	
	Number	Amount
March 31, 2024	82,883,874	39,412
December 31, 2023	81,889,764	39,412

The Company's authorized share capital consists of an unlimited number of Subordinate Voting Shares and 1 Super Voting Share. As at March 31, 2024, there are 82,883,874 Subordinate Voting Shares and 1 Super Voting Share outstanding. The Super Voting Share is held by Constellation Software Inc. ("CSI"). The Super Voting Share entitles CSI to that number of votes that equals 50.1% of the aggregate number of votes attached to all the outstanding Super Voting Shares and Subordinate Voting Shares.

During the three months ended March 31, 2024, 994,110 ordinary units of Topicus Coop were exchanged for 994,110 Subordinate Voting Shares of Topicus.

On March 5, 2024, Topicus announced the declaration by its subsidiary Topicus Coop a special dividend in the amount of EUR 1.54 per ordinary unit (the "Coop Dividend"). As a result of its ownership in Topicus Coop, the Company received EUR 127,641 of the aggregate amount of the Coop Dividend. As such, the Company declared a EUR 1.54 per share special dividend which was paid on March 28, 2024, to all holders of its subordinate voting shares and super voting share of record as of the close of business on March 15, 2024.

Topicus Coop paid EUR 72,315 to non-controlling interest holders pursuant to the Coop Dividend.

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## 12. Finance and other expense (income)

	Three months ended March 31,	
	2024	2023
Interest expense on debt	4,278	3,195
Interest expense on lease obligations	457	306
Amortization of debt related transaction costs	254	346
Share in net (income) loss of equity investee	(0)	0
Foreign exchange loss (gain)	67	632
Other finance costs (income)	(57)	471
<b>Finance costs and other expenses (income)</b>	<b>4,998</b>	<b>4,950</b>

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## 13. Earnings (loss) per share

### *Basic and diluted earnings (loss) per share*

	Three months ended March 31,	
	2024	2023
<b>Basic earnings (loss) per share:</b>		
<b>Numerator:</b>		
Net income (loss) attributable to equity holders of Topicus	18,089	13,900
<b>Denominator:</b>		
Weighted average basic shares outstanding	82,195,644	81,889,764
<b>Earnings (loss) per share</b>		
Basic	0.22	0.17
<b>Diluted earnings (loss) per share:</b>		
<b>Numerator:</b>		
Net income (loss) attributable to the ordinary equity holders of Topicus	18,089	13,900
Add: Net income (loss) attributable to the non-controlling interest holders of Topicus Coop	10,474	8,139
Net income (loss) to be used for diluted earnings per share	28,563	22,039
<b>Denominator:</b>		
Weighted average basic shares outstanding	82,195,644	81,889,764
Add: Effect of dilutive shares	47,646,175	47,952,055
Weighted average diluted shares outstanding	129,841,819	129,841,819
<b>Earnings (loss) per share</b>		
Diluted	0.22	0.17

## 14. Financial instruments

### *Fair values versus carrying amounts*

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, the majority of acquisition holdbacks, and the Revolving Credit Facility, approximate their fair values due to the short-term nature of these instruments. The carrying value of the Term and Other Loans approximate their fair value as the bank debt is subject to market interest rates.

### *Fair value hierarchy*

The table below analyzes financial instruments carried at fair value, by valuation method.

- level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

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- level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- level 3 inputs are inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

In the table below, the Company has segregated all financial assets and liabilities that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

Financial assets and financial liabilities measured at fair value as of March 31, 2024 and December 31, 2023 in the condensed consolidated interim financial statements are summarized below. The Company has no additional financial liabilities measured at fair value after initial recognition other than those recognized in connection with business combinations.

	March 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets:</b>								
Equity securities held for trading	3	-	-	3	3	-	-	3
	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Liabilities:</b>								
Contingent consideration	-	-	25,018	25,018	-	-	23,139	23,139
	<b>-</b>	<b>-</b>	<b>25,018</b>	<b>25,018</b>	<b>-</b>	<b>-</b>	<b>23,139</b>	<b>23,139</b>

There were no transfers of fair value measurement between level 1, 2 and 3 of the fair value hierarchy in the periods ended March 31, 2024 and December 31, 2023.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

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## *Contingent Consideration*

Balance at January 1, 2024	23,139
Increase from business acquisitions	5,157
Cash recoveries (payments)	(3,894)
Charges (recoveries) through profit or loss	575
Foreign exchange and other movements	40
Balance at March 31, 2024	25,018
Contingent consideration classified as current liabilities	7,130
Contingent consideration classified as other non-current liabilities	17,888

Estimates of the fair value of contingent consideration are performed by the Company on a quarterly basis. Key unobservable inputs include revenue/profitability growth rates and the discount rates applied (8% to 11%). The estimated fair value increases as the annual revenue/profitability growth rate increases and as the discount rate decreases and vice versa.

## **15. 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. Management 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, management 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.

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## 16. Changes in non-cash operating assets and liabilities

	Three months ended	
	March 31,	
	2024	2023
Decrease (increase) in current accounts receivable	(35,966)	(44,310)
Decrease (increase) in current unbilled revenue	(3,566)	(5,294)
Decrease (increase) in other current assets	(6,794)	(9,734)
Decrease (increase) in inventories	3	(61)
Decrease (increase) in other non-current assets	2,027	(447)
Increase (decrease) in other non-current liabilities	(3,374)	(347)
Increase (decrease) in current accounts payable and accrued liabilities, excluding holdbacks from acquisitions	10,637	9,025
Increase (decrease) in current deferred revenue	192,236	168,650
Increase (decrease) in current provisions	(195)	(883)
Change in non-cash operating working capital	155,008	116,599

## 17. 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 controlling shareholder, CSI. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

### *Transactions with CSI*

The Company pays management fees to CSI (included within "Other, net" expenses) and reimburses CSI for certain expenses paid on behalf of the Company. Furthermore, CSI reimburses the Company for certain salary expenses incurred by the Company on behalf of CSI. The net payments made by the Company to CSI for management fees and reimbursements of expenses during the three months ended March 31, 2024 was EUR 955 (March 31, 2023 - EUR 634). During the three months ended March 31, 2024, the Company expensed management fees of EUR 645 (March 31, 2023 - EUR 501).

The ending payable balance to CSI (included within "Accounts payable and accrued liabilities") as at March 31, 2024 was EUR 7,029 (December 31, 2023 - EUR 947).

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## *Transactions with entities under the control of CSI*

The Company also provides professional services to other entities under the control of CSI. The total amount of revenue recognized during the three months ended March 31, 2024 (included within “Professional services revenue”) relating to such arrangements was EUR 1,877 (March 31, 2023 – EUR 1,985). The ending receivable balance (included within “Accounts receivable”) as at March 31, 2024 relating to these arrangements was EUR 1,230 (December 31, 2023 – EUR 620).

## *Transactions with Vela Software Group and CSI in conjunction with the acquisition of GeoSoftware:*

During the three months ended March 31, 2024, GeoSoftware and Geoactive reimbursed Vela and CSI for certain expenses primarily related to salaries and benefits incurred by Vela and CSI on behalf of GeoSoftware and Geoactive. The total expenses reimbursed for the three months ended March 31, 2024 was EUR 772 (March 31, 2023 – EUR 1,298). The amount payable as at March 31, 2024 relating to these amounts was EUR 753 (included within “Accounts payable and accrued liabilities”) (December 31, 2023 – EUR 475).

During 2023, Vela provided a loan to the Company in the amount of USD \$2,000. The loan is non-interest bearing, may be repaid by the Company at any time and matures in 2029. The Company is required to make annual principal payments in the amount of USD \$335 and the final payment is USD \$325. The long-term portion of the loan is included within “Other Liabilities” and the short-term portion of the loan is included within “Accounts Payable and Accrued Liabilities”.

During three months ended March 31, 2024, the Company paid a pro-rata dividend to the shareholders of GeoSoftware. A dividend of EUR 2,224 was paid to Vela.

## **18. Non-controlling interests**

The Company’s non-controlling interest at March 31, 2024 is associated with Topicus Coop, an entity domiciled in the Netherlands and certain subsidiaries of Topicus Coop. Topicus Coop’s common equity consists of Topicus Coop Ordinary Units. As at March 31, 2024, there were 129,841,818 Topicus Coop Ordinary Units outstanding, which are held by Topicus Coop’s unitholders, as follows:

- Topicus: 82,883,873 Topicus Coop Ordinary Units, representing 63.83% equity ownership.
- CSI: 188,953 Topicus Coop Ordinary Units, representing 0.15% equity ownership.
- Joday Group: 38,148,221 Topicus Coop Ordinary Units, representing 29.38% equity ownership.
- Ijssel Group: 8,620,771 Topicus Coop Ordinary Units, representing 6.64% equity ownership

All of the Topicus Coop Ordinary Units held by CSI, the Joday Group and Ijssel Group (collectively the “Topicus Coop Exchangeable Units”) are exchangeable, directly or indirectly, for Subordinate Voting Shares. The Topicus Coop Exchangeable Units comprise non-controlling interests in Topicus Coop.

Topicus Coop also has certain subsidiaries that are not owned 100% by Topicus Coop and have a non-controlling interest. In 2021, the Company acquired a 60% interest in Geosoftware, the remaining 40% is owned by the Vela Software Group. Geosoftware is domiciled primarily in Europe and North America. On May 16, 2022, the Company also acquired a controlling interest of 72.68% in Sygnity S.A. (“Sygnity”), a company based in Poland. The remaining 27.32% represents non-controlling interest. On July 1, 2022, the Company acquired a controlling interest of 60% in GeoActive, the remaining 40% is owned by the Vela Software Group. GeoActive is domiciled in Scotland.

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The following tables summarize the information relating to the Company's non-controlling interests in Topicus Coop as at March 31, 2024 and December 31, 2023.

As at March 31, 2024

	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	GeoSoftware	Geoactive	Sygnity	Topicus Coop
Current assets	487,704	16,126	16,317	28,029	548,176
Non-current assets	895,850	71,558	19,470	78,720	1,065,598
Total assets	1,383,554	87,684	35,787	106,749	1,613,774
Current liabilities	839,692	20,190	10,099	25,544	895,525
Non-current liabilities	276,763	2,844	4,069	13,894	297,570
Total liabilities	1,116,455	23,034	14,168	39,438	1,193,095
Less: Non-controlling interest of Topicus Coop subsidiaries	294	25,855	8,646	18,389	53,184
Net assets	266,805	38,795	12,973	48,922	367,494
Net assets allocated to the Ordinary Units of Topicus Coop classified as non-controlling interest					132,898
Add: Non-controlling interest of Topicus Coop subsidiaries					53,184
Total non-controlling interest					186,082

As at December 31, 2023

	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	GeoSoftware	Geoactive	Sygnity	Topicus Coop
Current assets	355,817	16,520	13,052	32,347	417,736
Non-current assets	859,480	71,369	19,938	66,628	1,017,415
Total assets	1,215,297	87,889	32,990	98,975	1,435,151
Current liabilities	522,155	15,307	8,162	20,167	565,791
Non-current liabilities	257,505	2,732	4,148	12,254	276,639
Total liabilities	779,659	18,039	12,310	32,421	842,429
Less: Non-controlling interest of Topicus Coop subsidiaries	292	27,935	8,270	18,183	54,680
Net assets	435,346	41,915	12,410	48,371	538,042
Net assets allocated to the Ordinary Units of Topicus Coop classified as non-controlling interest					198,619
Add: Non-controlling interest of Topicus Coop subsidiaries					54,680
Total non-controlling interest					253,299

The following tables summarize the information on the condensed consolidated interim statement of income (loss) relating to the Company's non-controlling interests in Topicus Coop for the three months ended March 31 2024 and 2023.

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	Three months ended March 31, 2024				
	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	GeoSoftware	Geoactive	Sygnity	Topicus Coop
Revenue	281,562	7,176	3,650	14,181	306,568
Expenses	244,371	8,584	3,028	14,197	270,179
Income (loss) before income taxes	37,191	(1,408)	622	(16)	36,389
Income tax expense	8,317	(189)	154	(197)	8,085
Net income (loss) prior to non-controlling interest allocation	28,874	(1,219)	468	181	28,304
Less: Non-controlling interest of Topicus Coop subsidiaries	1	(488)	187	49	(249)
Net income (loss) after allocation of non-controlling interest of Topicus Coop subsidiaries	28,873	(732)	281	132	28,554
Net income (loss) allocated to Ordinary Units of Topicus Coop classified as non-controlling interest					10,474
Add: Non-controlling interest of Topicus Coop subsidiaries					(249)
Total non-controlling interest					10,225

	Three months ended March 31, 2023				
	Topicus Coop (excluding GeoSoftware, GeoActive and Sygnity)	GeoSoftware	GeoActive	Sygnity	Topicus Coop
Revenue	240,476	9,812	3,032	11,111	264,430
Expenses	209,300	10,740	3,247	11,677	234,964
Income (loss) before income taxes	31,176	(928)	(215)	(566)	29,466
Income tax expense	7,546	(222)	1,102	(87)	8,338
Net income (loss) prior to non-controlling interest allocation	23,630	(706)	(1,317)	(479)	21,128
Less: Non-controlling interest of Topicus Coop subsidiaries	30	(282)	(527)	(131)	(911)
Net income (loss) after allocation of non-controlling interest of Topicus Coop subsidiaries	23,600	(424)	(790)	(348)	22,038
Net income (loss) allocated to Ordinary Units of Topicus Coop classified as non-controlling interest					8,139
Add: Non-controlling interest of Topicus Coop subsidiaries					(911)
Total non-controlling interest					7,229

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Financial information on the statement of cash flows for Topicus Coop is as follows for the three months ended March 31, 2024 and 2023:

	Three months ended March 31, 2024				
	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	GeoSoftware	Geoactive	Sygnity	Topicus Coop
Cash flows from (used in) operating activities	213,873	6,618	3,268	3,739	227,497
Cash flows from (used in) in financing activities	(102,158)	(6,202)	(17)	(1,106)	(109,483)
Cash flows from (used in) investing activities	(34,114)	9	(6)	(8,276)	(42,386)

  

	Three months ended March 31, 2023				
	Topicus Coop (excluding GeoSoftware, GeoActive and Sygnity)	GeoSoftware	GeoActive	Sygnity	Topicus Coop
Cash flows from (used in) operating activities	166,393	5,536	2,086	(23)	173,993
Cash flows from (used in) in financing activities	(80,330)	(96)	(22)	(2,411)	(82,860)
Cash flows from (used in) investing activities	(29,947)	(319)	-	(26)	(30,292)

## 19. Subsequent events

Subsequent to March 31, 2024, the Company completed or has open commitments to acquire a number of businesses for aggregate cash consideration of EUR 16,474 on closing plus total estimated deferred payments of EUR 6,894 for total consideration of EUR 23,368. The business acquisitions operate in the human capital, healthcare, and education verticals and are all software companies similar to the existing business of the Company.