Condensed Consolidated Interim Financial Statements
(In euros)

Topicus.com Inc.

For the three months ended March 31, 2025 and 2024
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, 2025	December 31, 2024	March 31, 2024
Assets			
Current assets:			
Cash	296,307	206,157	254,599
Accounts receivable	171,142	142,791	175,767
Unbilled revenue	56,532	45,415	49,454
Inventories	5,539	4,930	4,516
Other assets (note 6)	72,597	55,107	63,845
	602,117	454,400	548,181
Non-current assets:			
Property and equipment	24,913	23,245	21,363
Right of use assets	79,736	75,666	63,054
Deferred income taxes	17,961	19,905	20,326
Equity securities (note 5)	313,441	-	-
Other assets (note 6)	11,026	11,983	13,437
Intangible assets (note 7)	992,114	950,670	947,417
	1,439,190	1,081,470	1,065,598
Total assets	2,041,307	1,535,870	1,613,779
Liabilities and Shareholders' Equity			
Current liabilities:			
Topicus Revolving Credit Facility and current portion of term and other loans (note 8 and 9)	258,927	225,718	265,221
Accounts payable and accrued liabilities	289,077	250,361	227,130
Deferred revenue	378,732	166,593	343,430
Provisions (note 10)	2,381	2,582	1,535
Acquisition holdback payables	17,353	13,073	13,808
Lease obligations	25,042	23,629	21,338
Income taxes payable	24,483	18,233	23,102
	995,994	700,189	895,563
Non-current liabilities:			
Term and other loans (note 9)	53,140	49,300	62,973
Deferred income taxes	153,437	145,911	148,142
Acquisition holdback payables	14,750	10,061	7,690
Lease obligations	55,895	53,188	42,748
Other liabilities (note 6)	52,734	45,825	36,017
	329,957	304,285	297,570
Total liabilities	1,325,951	1,004,474	1,193,133
Shareholders' Equity:			
Capital stock (note 12)	39,412	39,412	39,412
Accumulated other comprehensive income (loss)	98,780	5,584	3,016
Retained earnings	291,061	266,281	192,136
Non-controlling interests (note 19)	286,103	220,119	186,082
	715,356	531,396	420,646
Subsequent events (note 20)			
Total liabilities and shareholders' equity	2,041,307	1,535,870	1,613,779

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,	
	2025	2024
Revenue		
License	9,396	9,165
Professional services	82,305	75,005
Hardware and other	7,319	5,551
Maintenance and other recurring	256,575	216,848
	355,595	306,568
Expenses		
Staff	197,889	173,116
Hardware	4,125	4,620
Third party license, maintenance and professional services	28,422	23,352
Occupancy	2,958	2,710
Travel, telecommunications, supplies, software and equipment	14,592	11,983
Professional fees	7,608	5,092
Other, net	5,626	4,305
Depreciation	9,376	8,012
Amortization of intangible assets (note 7)	36,852	31,672
	307,448	264,861
Impairment of intangible and other non-financial assets (note 7)	-	633
Bargain purchase (gain) (note 4)	-	(323)
Finance and other (income) expenses (note 13)	(5,257)	(473)
Finance costs (note 13)	6,189	5,471
	931	5,309
Income (loss) before income taxes	47,216	36,398
Current income tax expense (recovery) (note 11)	17,326	15,083
Deferred income tax expense (recovery) (note 11)	(8,871)	(6,998)
Income tax expense (recovery)	8,456	8,085
Net income (loss)	38,761	28,314
Net income (loss) attributable to:		
Equity holders of Topicus (note 19)	24,743	18,089
Non-controlling interests (note 19)	14,018	10,225
Net income (loss)	38,761	28,314
Weighted average shares (note 14)		
Basic shares outstanding	83,068,874	82,195,644
Diluted shares outstanding	129,841,819	129,841,819
Earnings (loss) per common share of Topicus (note 14)		
Basic	0.30	0.22
Diluted	0.30	0.22

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, 2025	2024
Net income (loss)	38,761	28,314
Items that are or may be reclassified subsequently to net income (loss):		
Foreign currency translation differences from foreign operations and other	1,296	1,926
Items that will not be reclassified to net income (loss):		
Changes in the fair value of equity investments at FVOCI (note 5)	143,886	-
Other comprehensive (loss) income for the period, net of income tax	145,182	1,926
Total comprehensive income (loss) for the period	183,942	30,240
Total other comprehensive income (loss) attributable to:		
Equity holders of Topicus	93,197	625
Non-controlling interests	51,985	1,301
Total other comprehensive income (loss)	145,182	1,926
Total comprehensive income (loss) attributable to:		
Equity holders of Topicus	117,940	18,714
Non-controlling interests	66,003	11,526
Total comprehensive income (loss)	183,942	30,240

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, 2025

	Capital Stock	Accumulated other comprehensive (loss) income	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2025	**39,412**	**5,584**	**266,281**	**311,277**	**220,119**	**531,396**
Total comprehensive income (loss) for the period:						
Net income (loss)	-	-	24,743	24,743	14,018	38,761
Foreign currency translation differences from foreign operations and other, net of income tax and changes in the fair value of equity investments at FVOCI	-	93,197	-	93,197	51,985	145,182
Total other comprehensive income (loss) for the period	**-**	**93,197**	**-**	**93,197**	**51,985**	**145,182**
Total comprehensive income (loss) for the period	**-**	**93,197**	**24,743**	**117,940**	**66,003**	**183,942**
Transactions with owners, recorded directly in equity						
Other movements in non-controlling interests and equity	-	(0)	37	37	18	55
Dividends paid to non-controlling interests	-	-	-	-	(38)	(38)
Balance at March 31, 2025	**39,412**	**98,780**	**291,061**	**429,253**	**286,103**	**715,356**

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	Total	Non-controlling interests	Total equity
Balance at January 1, 2024	**39,412**	**2,390**	**297,382**	**339,185**	**253,299**	**592,483**
Total comprehensive income (loss) for the period:						
Net income (loss)	-	-	18,089	18,089	10,225	28,314
Other comprehensive income (loss)						
Foreign currency translation differences from foreign operations and other, net of income tax	-	625	-	625	1,301	1,926
Total other comprehensive income (loss) for the period	**-**	**625**	**-**	**625**	**1,301**	**1,926**
Total comprehensive income (loss) for the period	**-**	**625**	**18,089**	**18,714**	**11,526**	**30,240**
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	-	-	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)
Balance at March 31, 2024	**39,412**	**3,016**	**192,136**	**234,565**	**186,082**	**420,646**

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,	
	2025	2024
Cash flows from (used in) operating activities:		
Net income (loss)	38,761	28,314
Adjustments for:		
Depreciation	9,376	8,012
Amortization of intangible assets	36,852	31,672
Impairment of intangible and other non-financial assets	-	633
Bargain purchase (gain)	-	(323)
Finance and other expenses (income) (note 13)	(5,257)	(473)
Finance costs (note 13)	6,189	5,471
Income tax expense (recovery)	8,456	8,085
Change in non-cash operating assets and liabilities exclusive of effects of business combinations (note 17)	190,533	155,008
Transaction costs associated with equity securities classified as FVOCI (note 5)	(1,659)	-
Income taxes (paid) received	(11,803)	(8,901)
Net cash flows from (used in) operating activities	271,446	227,497
Cash flows from (used in) financing activities:		
Interest paid on lease obligations	(663)	(457)
Interest paid on other facilities	(4,708)	(3,161)
Net increase (decrease) in Topicus Revolving Credit Facility	30,000	105,000
Proceeds from issuance of term and other loans	18,010	816
Repayments of term and other loans	(10,585)	(3,684)
Credit facility transaction costs	(91)	-
Payments of lease obligations	(6,828)	(5,817)
Dividends paid to non-controlling interests	(38)	(74,539)
Dividends paid to shareholders of the Company	-	(127,641)
Net cash flows from (used in) in financing activities	25,098	(109,483)
Cash flows from (used in) investing activities:		
Acquisition of businesses (note 4)	(39,413)	(36,542)
Cash obtained with acquired businesses (note 4)	7,934	7,024
Post-acquisition settlement payments, net of receipts	(6,299)	(4,214)
Purchase of equity securities of Asseco Poland S.A. (note 5)	(167,977)	-
(Increase) decrease in restricted cash	(425)	(6,000)
Interest, dividends and other proceeds received	255	-
Property and equipment purchased	(2,898)	(2,655)
Net cash flows from (used in) investing activities	(208,823)	(42,386)
Effect of foreign currency on cash and cash equivalents	2,428	(88)
Increase (decrease) in cash	90,150	75,540
Cash, beginning of period	206,157	179,059
Cash, end of period	296,307	254,599

See accompanying notes to the condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

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 66 Wellington Street West, Suite 5300, TD Bank Tower, Toronto, Ontario, Canada.

The condensed consolidated interim financial statements of Topicus as at and for the periods ended March 31, 2025 and March 31, 2024 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 63.98% (December 31, 2024 – 63.98%) in Topicus Coop with 36.02% (December 31, 2024 – 36.02%) 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 2024 annual consolidated financial statements, available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at 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 7, 2025.

These condensed consolidated interim financial statements should be read in conjunction with the Company's 2024 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, certain financial instruments, 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 condensed consolidated interim 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 accounting policies and reported amounts of assets, liabilities, income and expenses, consistent with those disclosed in the 2024 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 2024 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

During the three-month period ended March 31, 2025, the Company completed acquisitions for aggregate cash consideration of EUR 39,413, plus cash holdbacks of EUR 14,853 and contingent consideration with an estimated acquisition date fair value of EUR 6,044 resulting in total consideration of EUR 60,309. The obligation for contingent consideration for acquisitions during the three months ended March 31, 2025 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 19,950. Aggregate contingent consideration liability at March 31, 2025 of EUR 29,606 (December 31, 2024 – EUR 23,028) 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 891 has been recorded for the three months ended March 31, 2025, as a result of such changes (expense of EUR 575 for the three months ended March 31, 2024).

None of the acquisitions completed during the three-month period ended March 31, 2025 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, 2025 include software companies catering to information technology, fashion, technical service providers, digital marketing, forestry, lighting design, healthcare, financial services, 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 condensed consolidated interim 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 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 3,758 however, the Company has recorded an allowance of EUR 60 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 2024 and the first quarter of 2025. 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 115,823.

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

The aggregate impact of acquisition accounting applied in connection with the business acquisitions in the three-month period ended March 31, 2025 is as follows:

Assets acquired:	
Cash	7,934
Accounts receivable	3,698
Other current assets	1,735
Property and equipment	1,723
Right of use assets	3,042
Other non-current assets	88
Deferred income taxes	1,117
Technology assets	30,249
Customer assets	41,028
	90,615
Liabilities assumed:	
Current liabilities	7,949
Deferred revenue	5,400
Deferred income taxes	19,003
Long-term lease obligations	2,012
Other non-current liabilities	3,429
	37,792
Goodwill	7,486
Total consideration	**60,309**

The 2025 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, 2025. 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.

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

5. Equity securities

On January 31, 2025, the Company purchased 8,300,029 shares in Asseco Poland S.A. ("Asseco") representing approximately 9.99% of the issued shares in Asseco. The shares were acquired at a price of 85 PLN per share for total consideration of EUR 167,977. Asseco offers comprehensive, proprietary IT solutions for all sectors of the economy. The Company has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income ("FVOCI"). The Company designated the Asseco investment as equity securities at FVOCI because the investment in Asseco represents an investment that the Company intends to hold for the long term. During the three months ended March 31, 2025, the Company recorded a gain of EUR 145,544 based on the share price as at March 31, 2025 within other comprehensive income reduced by transaction costs of EUR 1,659. The investment in Asseco has been classified as a non-current asset as at March 31, 2025 within "Equity Securities".

6. Other assets and other non-current liabilities

(a) Other assets

	March 31, 2025	December 31, 2024
Prepaid expenses and other current assets	53,373	40,915
Sales tax receivable	898	1,541
Equity securities held for trading	0	0
Derivatives	4,646	-
Other receivables	13,681	12,650
Total other current assets	72,597	55,107
Costs to obtain a contract	149	161
Non-current trade and other receivables and other assets	8,200	9,273
Equity accounted investees	2,677	2,549
Total other non-current assets	11,026	11,983

(b) Other non-current liabilities

	March 31, 2025	December 31, 2024
Contingent consideration	21,203	16,896
Deferred revenue	6,559	6,632
Other non-current liabilities	24,971	22,297
Total other non-current liabilities	52,734	45,825

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

7. Intangible Assets

	Technology Assets	Customer Assets	Trademarks	Goodwill	Total
Cost					
Balance at January 1, 2024	561,703	668,688	25,406	235,734	1,491,531
Acquisitions through business combinations	65,523	96,046	-	13,931	175,499
Effect of movements in foreign exchange and other	4,156	4,464	-	1,452	10,073
Balance at December 31, 2024	631,382	769,198	25,406	251,117	1,677,103
Balance at January 1, 2025	631,382	769,198	25,406	251,117	1,677,103
Acquisitions through business combinations	30,249	41,028	-	7,463	78,740
Effect of movements in foreign exchange and other	(824)	818	-	(199)	(204)
Balance at March 31, 2025	660,807	811,044	25,406	258,381	1,755,639
Accumulated amortization and impairment losses					
Balance at January 1, 2024	334,244	247,528	6,032	18	587,822
Amortization for the period	65,796	68,434	1,269	-	135,499
Impairment charge	-	-	-	629	629
Effect of movements in foreign exchange and other	1,586	897	-	-	2,483
Balance at December 31, 2024	401,625	316,860	7,301	647	726,433
Balance at January 1, 2025	401,625	316,860	7,301	647	726,433
Amortization for the period	17,857	18,678	317	-	36,852
Impairment charge	-	-	-	-	-
Effect of movements in foreign exchange and other	(201)	441	-	-	240
Balance at March 31, 2025	419,281	335,978	7,618	647	763,525
Carrying amounts					
At January 1, 2024	227,458	421,160	19,374	235,716	903,709
At December 31, 2024	229,756	452,339	18,105	250,470	950,670
At January 1, 2025	229,756	452,339	18,105	250,470	950,670
At March 31, 2025	241,526	475,066	17,788	257,734	992,114

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

8. Revolving Credit Facility

On June 3, 2024, 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 700,000 under a multicurrency revolving loan facility. The Topicus Revolving Credit Facility matures on October 28, 2029. 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 9). 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, 2025, EUR 250,000 (December 31, 2024 – EUR 220,000) 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 247,695 (December 31, 2024 – EUR 217,501) and has been classified as a current liability in the consolidated statement of financial position. As at March 31, 2025, the carrying amount of costs relating to this Topicus Revolving Credit Facility totaled EUR 2,305 (December 31, 2024 – EUR 2,499).

9. 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, 2025	December 31, 2024
Principal outstanding (and equal to fair value)	65,064	58,070
Deduct: Carrying value of transaction costs included in debt balance	(691)	(553)
Carrying value	64,373	57,517
Current portion	11,233	8,217
Non-current portion	53,140	49,300

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

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

Year	Term and Other Debt Facilities
2025	10,075
2026	13,175
2027	7,310
2028	6,202
2029	27,851
2030	451
	65,064

10. Provisions

At January 1, 2025	2,582
Reversal	(250)
Provisions recorded during the period	1,219
Provisions used during the period	(1,161)
Effect of movements in foreign exchange and other	(8)
At March 31, 2025	2,381
Provisions classified as current liabilities	2,381
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.

11. 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, 2025 was 18% (22% for the three months ended March 31, 2024).

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.

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

The deductibility of the Company's employee bonus program is being challenged by the Dutch Tax Authorities for financial years 2016 and 2018 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 condensed consolidated interim financial statements. If the Company is ultimately unsuccessful, the additional tax expense including interest for 2016 and for the period from 2018 to March 31, 2025 would be up to approximately EUR 6,200.

12. Shareholders' Equity

	Common Stock	
	Number	Amount
March 31, 2025	83,068,874	39,412
December 31, 2024	83,068,874	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, 2025, there are 83,068,873 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.

13. Finance costs and Finance other expenses (income)

	Three months ended March 31,	
	2025	2024
Share in net (income) loss of equity investee	(15)	(0)
Foreign exchange loss (gain)	321	67
(Increase) decrease in the fair value of derivative (note 15)	(4,646)	-
Other finance costs (income)	(918)	(539)
Finance and other expenses (income)	(5,257)	(473)
Interest expense on debt	4,708	4,278
Interest expense on lease obligations	663	457
Amortization of debt related transaction costs	244	254
Other finance costs	575	482
Finance costs	6,189	$ 5,471

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

14. Earnings (loss) per share

Basic and diluted earnings (loss) per share

	Three months ended March 31, 2025	2024
Basic earnings (loss) per share:		
Numerator:		
Net income (loss) attributable to equity holders of Topicus	24,743	18,089
Denominator:		
Weighted average basic shares outstanding	83,068,874	82,195,644
Earnings (loss) per share		
Basic	0.30	0.22
Diluted earnings (loss) per share:		
Numerator:		
Net income (loss) attributable to the ordinary equity holders of Topicus	24,743	18,089
Add: Net income (loss) attributable to the non-controlling interest holders of Topicus Coop	13,932	10,474
Net income (loss) to be used for diluted earnings per share	38,675	28,563
Denominator:		
Weighted average basic shares outstanding	83,068,874	82,195,644
Add: Effect of dilutive shares	46,772,945	47,646,175
Weighted average diluted shares outstanding	129,841,819	129,841,819
Earnings (loss) per share		
Diluted	0.30	0.22

15. 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;
- 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

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

- 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, 2025 and December 31, 2024 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, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Equity securities	313,441	-	-	313,441	1	-	-	1
Derivatives	-	-	4,646	4,646	-	-	-	-
	313,441	**-**	**4,646**	**318,086**	**1**	**-**	**-**	**1**
Liabilities:								
Contingent consideration	-	-	29,606	29,606	-	-	23,028	23,028
	-	**-**	**29,606**	**29,606**	**-**	**-**	**23,028**	**23,028**

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, 2025 and December 31, 2024.

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.

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

Contingent Consideration

Balance at January 1, 2025	23,028
Increase from business acquisitions	6,044
Cash recoveries (payments)	(246)
Charges (recoveries) through profit or loss	805
Foreign exchange and other movements	(24)
Balance at March 31, 2025	29,606
Contingent consideration classified as current liabilities	8,403
Contingent consideration classified as other non-current liabilities	21,203

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.

Derivatives

On February 4, 2025, the Company entered into a binding agreement in respect of the acquisition of 12,318,863 treasury shares of Asseco Poland S.A. ("Asseco"). These shares represent 14.84% of Asseco's share capital and will be purchased at a price of PLN 85 per share. The completion of the acquisition of the treasury shares remains subject to obtaining relevant regulatory and antitrust approvals in various government jurisdictions. The contract to acquire the additional shares of Asseco is a derivative under IFRS Accounting Standards and has been recorded at fair value as of March 31, 2025. Key unobservable inputs include the probability of receiving regulatory and antitrust approvals in each of the various government jurisdictions prior to September 30, 2025. The estimated fair value of the derivative asset increases as the probability increases. The estimated fair value of the asset decreases as the probability decreases. The key observable input is the share price of Asseco. As the Asseco share price increases, the fair value of the derivative increases. As the Asseco share price decreases, the fair value of the derivative decreases. During the three months ended March 31, 2025, a gain of EUR 4,646 was recorded.

16. 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.

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

17. Changes in non-cash operating assets and liabilities

	Three months ended March 31, 2025	Three months ended March 31, 2024
Decrease (increase) in current accounts receivable	(24,658)	(35,965)
Decrease (increase) in current unbilled revenue	(10,580)	(3,566)
Decrease (increase) in other current assets	(11,452)	(6,794)
Decrease (increase) in inventories	(583)	3
Decrease (increase) in other non-current assets	1,234	2,027
Increase (decrease) in other non-current liabilities	(2,022)	(3,374)
Increase (decrease) in current accounts payable and accrued liabilities, excluding holdbacks from acquisitions	31,795	10,637
Increase (decrease) in current deferred revenue	207,171	192,236
Increase (decrease) in current provisions	(372)	(195)
Change in non-cash operating working capital	190,533	155,008

18. 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, 2025 was EUR 928 (March 31, 2024 - EUR 955). During the three months ended March 31, 2025, the Company expensed management fees of EUR 735 (March 31, 2024 – EUR 645).

The ending payable balance to CSI (included within "Accounts payable and accrued liabilities") as at March 31, 2025 was EUR 9,318 (December 31, 2024 – EUR 1,050).

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, 2025 (included within "Professional services revenue") relating to such arrangements was EUR 2,301 (March 31, 2024 – EUR 1,877). The ending receivable balance (included within "Accounts receivable") as at March 31, 2025 relating to these arrangements was EUR 1,392 (December 31, 2024 – EUR 1,187).

During the period, CSI provided insurance related services to the Company. The total insurance expense recognized in 2025 was EUR 4 (included within "Professional Fees") (March 31, 2024 – EUR NIL) and the associated prepaid expense balance at March 31, 2025 was EUR 111 (included within "Other Assets") (December 31, 2024 – EUR 118).

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

During the three months ended March 31, 2025, 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, 2025 was EUR 608 (March 31, 2024 – EUR 772). The amount payable as at March 31, 2025 relating to these amounts was EUR 619 (included within "Accounts payable and accrued liabilities") (December 31, 2024 – EUR 420).

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. As at March 31, 2025, the long-term portion of the loan of USD $1,330 (December 31, 2024 – USD $1,330) is included within "Other Liabilities" and the short-term portion of the loan USD $335 (December 31, 2024 – USD $335) is included within "Accounts Payable and Accrued Liabilities".

19. Non-controlling interests

The Company's non-controlling interest at March 31, 2025 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, 2025, there were 129,841,818 Topicus Coop Ordinary Units outstanding, which are held by Topicus Coop's unitholders, as follows:

- Topicus: 83,068,873 Topicus Coop Ordinary Units, representing 63.98% 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: 8,435,771 Topicus Coop Ordinary Units, representing 6.49% 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.

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

The following tables summarize the information relating to the Company's non-controlling interests in Topicus Coop as at March 31, 2025 and December 31, 2024.

	As at March 31, 2025				
	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	**GeoSoftware**	**Geoactive**	**Sygnity**	**Topicus Coop**
Current assets	519,721	27,011	11,868	43,514	602,114
Non-current assets	1,287,938	62,816	16,161	72,275	1,439,190
Total assets	1,807,659	89,827	28,029	115,789	2,041,304
Current liabilities	941,664	20,218	9,727	24,340	995,949
Non-current liabilities	286,907	28,411	3,323	11,316	329,957
Total liabilities	1,228,571	48,629	13,050	35,656	1,325,906
Less: Non-controlling interest of Topicus Coop subsidaries	41	16,479	5,991	21,892	44,403
Net assets	579,048	24,719	8,987	58,241	670,994
Net assets allocated to the Ordinary Units of Topicus Coop classified as non-controlling interest					241,700
Add: Non-controlling interest of Topicus Coop subsidaries					44,403
Total non-controlling interest					286,103

	As at December 31, 2024				
	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	**GeoSoftware**	**Geoactive**	**Sygnity**	**Topicus Coop**
Current assets	380,463	21,871	9,747	42,316	454,396
Non-current assets	921,754	68,943	17,454	73,319	1,081,470
Total assets	1,302,217	90,814	27,201	115,635	1,535,866
Current liabilities	649,499	16,243	8,469	25,737	699,947
Non-current liabilities	257,571	30,692	3,642	12,379	304,285
Total liabilities	907,070	46,935	12,111	38,116	1,004,232
Less: Non-controlling interest of Topicus Coop subsidaries	172	17,553	6,036	21,085	44,846
Net assets	394,975	26,326	9,054	56,434	486,788
Net assets allocated to the Ordinary Units of Topicus Coop classified as non-controlling interest					175,273
Add: Non-controlling interest of Topicus Coop subsidaries					44,846
Total non-controlling interest					220,119

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 2025 and 2024.

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

	Three Months Ended March 31, 2025				
	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	GeoSoftware	Geoactive	Sygnity	Topicus Coop
Revenue	326,025	8,344	3,967	17,258	355,595
Expenses	280,326	8,713	3,347	15,993	308,379
Income (loss) before income taxes	45,699	(369)	620	1,265	47,217
Income tax expense	7,475	607	126	247	8,456
Net income (loss) prior to non-controlling interest allocation	38,224	(976)	494	1,018	38,761
Less: Non-controlling interest of Topicus Coop subsidaries	0	(390)	198	278	86
Net income (loss) after allocation of non-controlling interest of Topicus Coop subsidaries	38,224	(585)	296	740	38,675
Net income (loss) allocated to Ordinary Units of Topicus Coop classified as non-controlling interest					13,932
Add: Non-controlling interest of Topicus Coop subsidaries					86
Total non-controlling interest					14,018

	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 subsidaries	1	(488)	187	49	(249)
Net income (loss) after allocation of non-controlling interest of Topicus Coop subsidaries	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 subsidaries					(249)
Total non-controlling interest					10,225

Financial information on the statement of cash flows for Topicus Coop is as follows for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31, 2025				
	Topicus Coop (excluding GeoSoftware, Geoactive and Sygnity)	GeoSoftware	Geoactive	Sygnity	Topicus Coop
Cash flows from (used in) operating activities	260,193	6,892	1,066	3,296	271,446
Cash flows from (used in) in financing activities	27,320	(1,014)	(215)	(992)	25,098
Cash flows from (used in) investing activities	(207,303)	(102)	-	(1,417)	(208,823)

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

	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)

20. Subsequent events

On February 4, 2025, the Company entered into a binding agreement in respect of the acquisition of 12,318,863 treasury shares of Asseco. These shares represent 14.84% of Asseco's share capital and will be purchased at a price of PLN 85 per share. The completion of the acquisition of the treasury shares remains subject to obtaining relevant regulatory and antitrust approvals.

Subsequent to March 31, 2025 the Company completed or has open commitments to acquire a number of businesses for aggregate cash consideration of EUR 207,712 on closing plus total estimated deferred payments of EUR 31,635 for total consideration of EUR 239,346. The business acquisitions operate in the telecommunications, healthcare, local government, enterprise resource management, craftsman and retail verticals and are all software companies similar to the existing business of the Company.