



CONSTELLATION SOFTWARE INC. DECLARES DIVIDEND AND FILES FINAL PROSPECTUS IN RELATION TO PREVIOUSLY ANNOUNCED RIGHTS OFFERING OF SERIES 1 DEBENTURES

Toronto, Ontario – August 23, 2023 – Constellation Software Inc. (TSX: CSU) (the “**Company**”) announced today that it has declared a special dividend (the “**Rights Dividend**”) pursuant to which all common shareholders (the “**Shareholders**”) of record as of the close of business on September 1, 2023 (the “**Record Date**”) will be entitled to receive, by way of a dividend-in-kind, one right of the Company (each, a “**Right**”) for each common share of the Company (the “**Common Shares**”) held. This dividend has been designated as an eligible dividend for purposes of the *Income Tax Act* (Canada) and any similar provincial and territorial legislation.

The Company also announced that it has filed a final short form prospectus (the “**Final Prospectus**”) in relation to its previously announced rights offering (the “**Rights Offering**”) pursuant to which the Company will issue the Rights in satisfaction of the Rights Dividend that will entitle the Shareholders to purchase up to C\$700 million aggregate principal amount of unsecured subordinated floating rate debentures, Series 1 of the Company (the “**Series 1 Debentures**”).

The Series 1 Debentures will be issued as an additional tranche of, and will form a single series with, the outstanding C\$282.2 million aggregate principal amount of unsecured subordinated floating rate debentures, Series 1 of the Company. There is no minimum principal amount of Debentures that must be issuable upon the exercise of Rights.

The net proceeds of the Rights Offering are expected to be used by the Company to pay down indebtedness under its existing credit facility (the “**Credit Facility**”), with any remaining proceeds to be used for future acquisitions.

The Rights will be issued in satisfaction of the Rights Dividend in the amount of one Right per Common Share. For every 3.03 Rights held, the holder of such Rights will be entitled to subscribe for C\$100 principal amount of Series 1 Debentures. The Rights and the Series 1 Debentures will be qualified for distribution in each province and territory of Canada by way of the Final Prospectus and the Debentures have been registered in the United States on Form F-7 under the United States Securities Act of 1933, as amended.

The Series 1 Debentures are expected to be issued on October 6, 2023 (the “**Issue Date**”) and will have the same terms and conditions as the currently outstanding unsecured subordinated floating rate debentures, Series 1 of the Company.

The Series 1 Debentures have a maturity date of March 31, 2040 (the “**Maturity Date**”). The Series 1 Debentures will be issuable only in denominations of C\$100 and integral multiples thereof and, from and including the Issue Date to but excluding March 31, 2024, will bear interest at a rate of

13.3% per annum (the “**Current Rate**”). From and including March 31, 2024 to but excluding the Maturity Date, the interest rate applicable to the Series 1 Debentures will be reset on an annual basis on March 31 of each year, at a rate equal to the annual average percentage change in the All-items Consumer Price Index during the 12 month period ending on December 31 in the prior year (which amount may be positive or negative) plus 6.5% (the “**Floating Interest Rate**”). Notwithstanding the foregoing, the interest rate applicable to the Series 1 Debentures will not be less than 0%. Interest, if any, will be payable quarterly in arrears in equal instalments on March 31, June 30, September 30 and December 31 in each year. The Current Rate will only apply to the Series 1 Debentures in respect of the interest payments up to and including March 31, 2024. Effective March 31, 2024, the interest rate payable on the Series 1 Debentures will be based on the applicable Floating Interest Rate.

All payments in respect of the Series 1 Debentures will be subordinated in right of payment to the prior payment in full of all senior indebtedness of the Company, which includes the Credit Facility.

The Rights will be exercisable until 4:30 p.m. (Toronto time) (the “**Expiry Time**”) on September 29, 2023 (the “**Expiry Date**”) at a price of C\$133 per C\$100 principal amount of Series 1 Debentures purchased, plus accrued interest in the amount of C\$0.217 per C\$100 principal amount of Series 1 Debentures purchased on account of interest accrued on the Series 1 Debentures from, and including, September 30, 2023 to, but excluding the Issue Date. Rights not fully exercised prior to the Expiry Time on the Expiry Date will be void and of no further value.

The Rights will be listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “CSU.RT” and will be posted for trading on the TSX until 12:00 p.m. (Toronto time) on the Expiry Date, at which time they will be halted from trading. The TSX has approved the listing of the Rights and the Series 1 Debentures, subject to the Company fulfilling all of the requirements of the TSX.

A copy of the Final Prospectus and, in the case of eligible Shareholders, statements issued under the Computershare Direct Registration System, accompanied by rights subscription forms representing the Rights to which they are entitled, will be mailed to registered Shareholders following the Record Date. Registered Shareholders wishing to exercise their Rights must forward the completed rights subscription forms along with the applicable subscription proceeds to Computershare Trust Company of Canada by no later than the Expiry Time. Shareholders who hold their Common Shares through an intermediary will receive materials and instructions from their intermediary.

Further details regarding the Rights Offering and the Series 1 Debentures can be found in the Final Prospectus which has been filed on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov, and is available on the Company’s website at <https://www.csisoftware.com/category/stat-filings>. Alternatively, copies of the Final Prospectus may be obtained by contacting Jamal Baksh at 20 Adelaide Street East, Suite 1200, Toronto, Ontario, M5C 2T6 or by calling 416-861-9677. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities of the Company.

Forward Looking Statements

The statements contained in this press release which are not historical facts are forward-looking statements, which involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Words such as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “should”, “anticipate” and other similar terminology are intended to identify forward-looking statements. These statements reflect current assumptions and expectations regarding future events and speak only as of the date of this press release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements.

About Constellation Software Inc.

The Common Shares are listed on the TSX under the symbol “CSU”. The currently outstanding unsecured subordinated floating rate debentures, Series 1 of the Company are listed on the TSX under the symbol “CSU.DB”. The Company acquires, manages and builds vertical market software businesses.

For further information please contact:

Jamal Baksh
Chief Financial Officer
416-861-9677
info@csissoftware.com
www.csissoftware.com