



## CONSTELLATION SOFTWARE INC. ANNOUNCES RIGHTS OFFERING OF SERIES 1 DEBENTURES

**Toronto, Ontario – August 3, 2023** – Constellation Software Inc. (TSX: CSU) (the “**Company**”) has announced a rights offering (the “**Rights Offering**”) pursuant to which the Company intends to distribute rights (the “**Rights**”) that will entitle holders of common shares (“**Common Shares**”) of the Company (the “**Shareholders**”) on the applicable record date 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 are expected to be issued as an additional tranche of, and treated as a single series with, the outstanding C\$284.2 million aggregate principal amount of Series 1 Debentures.

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 are expected to be issued in satisfaction of a dividend to be declared by the Company on the Common Shares 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 issuable on the exercise of the Rights will be qualified for distribution in each province and territory of Canada by way of a short form prospectus.

The exercise period and exercise price will be established prior to the filing of the Company’s final short form prospectus. Based on the current trading price of the Series 1 Debentures on the Toronto Stock Exchange, the Company anticipates that the Series 1 Debentures will be issued at a premium to their principal amount.

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 date of issue 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.

Further details regarding the Rights Offering and the Series 1 Debentures can be found in the preliminary short form prospectus of the Company which has been filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and is available on the Company's website at <https://www.csisoftware.com/category/stat-filings>.

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 Series 1 Debentures 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:**

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