

CONSTELLATION SOFTWARE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

The following discussion and analysis should be read in conjunction with the Unaudited Condensed Consolidated Interim Financial Statements for the three and nine month periods ended September 30, 2025, which we prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS). Certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Forward-Looking Statements" and "Risks and Uncertainties".

Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars. All references to "\$" are to U.S. dollars and all references to "C\$" are to Canadian dollars. Due to rounding, certain totals and subtotals may not foot and certain percentages may not reconcile.

Additional information about Constellation Software Inc. (the "Company", "Constellation" or "CSI"), including our most recently filed Annual Information Form ("AIF"), is available on SEDAR+ at www.sedarplus.ca.

Forward Looking Statements

Certain statements in this report may contain "forward looking" statements that involve risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or industry 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 operating performance as of the date of this MD&A November 7, 2025. 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, including, but not limited to, the factors discussed under "Risks and Uncertainties". Although the forward looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward looking statements. These forward looking statements are made as of the date of this MD&A and the Company assumes no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances. This report should be viewed in conjunction with the Company's other publicly available filings, copies of which can be obtained electronically on SEDAR+ at www.sedarplus.ca.

Non-IFRS Measures

This MD&A includes certain measures which have not been prepared in accordance with IFRS such as Free cash flow available to shareholders.

Free cash flow available to shareholders "FCFA2S" refers to net cash flows from operating activities less interest paid on lease obligations, interest paid on debt, debt transaction costs, payments of lease obligations, the IRGA / TSS membership liability revaluation charge, and property and equipment purchased, and includes interest and dividends received, and the proceeds from sale of interest rate caps. The portion of this amount applicable to non-controlling interests is then deducted. We believe that FCFA2S is useful supplemental information as it provides an indication of the uncommitted cash flow that is available to shareholders if we do not make any acquisitions, or investments, and do not repay any debts. While we could use the FCFA2S to pay dividends or repurchase shares, our objective is to invest all of our FCFA2S in acquisitions which meet our hurdle rate.

FCFA2S is not a recognized measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Accordingly, readers are cautioned that FCFA2S should not be construed as an alternative to net cash flows from operating activities. See “Results of Operations —Free cash flow available to shareholders” for a reconciliation of FCFA2S to net cash flows from operating activities.

Overview

We acquire, manage and build vertical market software (“VMS”) businesses. Generally, these businesses provide mission critical software solutions that address the specific needs of our customers in particular markets. Our focus on acquiring businesses with growth potential, managing them well and then building them, has allowed us to generate significant cash flows and revenue growth during the past several years.

Our revenue consists primarily of software license fees, maintenance and other recurring fees, professional service fees and hardware sales. Software license revenue is comprised of non-recurring license fees charged for the use of software products licensed under multiple-year or perpetual arrangements. Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes recurring fees derived from combined software/support contracts, transaction revenues, managed services associated with CSI software that has been sold to the customer, and hosted software-as-a-service products. Professional service revenue consists of fees charged for implementation services, custom programming, product training, certain managed services, and consulting. Hardware and other revenue includes the resale of third party hardware as part of customized solutions, as well as sales of hardware assembled internally and the reimbursement of travel costs. Our customers typically purchase a combination of software, maintenance, professional services and hardware, although the type, mix and quantity of each vary by customer and by product.

Expenses consist primarily of staff costs, the cost of hardware, third party licenses, maintenance and professional services to fulfill our customer arrangements, travel and occupancy costs, depreciation, and other general operating expenses.

Preferred Share Investment in Lumine

On February 22 and 23, 2023 (as part of a series of transactions relating to the acquisition of WideOrbit Inc. (“WideOrbit”)), the Company’s subsidiary, Lumine Group Inc. (“Lumine”), completed a corporate reorganization. At the beginning of the period, the Company owned 63,582,712 preferred shares (“Lumine Preferred Shares”) in the capital of the Company’s subsidiary, Lumine. The Lumine Preferred Shares were non-voting and under certain conditions were redeemable at the option of CSI for a redemption price of \$21.74 (the “Initial Face Value”) per share. The redemption price was to either be settled in cash or through the issuance of a variable number of subordinate voting shares of Lumine (“Lumine Subordinate Voting Shares”) based on the terms of the Lumine Preferred Shares, or any combination thereof. The Lumine Preferred Shares were also convertible into Lumine Subordinate Voting Shares at a conversion ratio of 1:2.4302106 at any time. The Lumine Preferred Shares entitled CSI to a fixed annual cumulative dividend of 5% per annum on the Initial Face Value.

On March 25, 2024, all of the Lumine Preferred Shares were automatically converted into Lumine Subordinate Voting Shares, and additional Lumine Subordinate Voting Shares were issued in satisfaction of the amounts owing in connection with the accrued dividends on the Lumine Preferred Shares. As at September 30, 2025, CSI holds 157,553,539 Lumine Subordinate Voting Shares.

Subsequent to the conversion, CSI continues to consolidate Lumine and now reflects an equity interest of 61.40% (December 31, 2023 – 0%) in Lumine and a non-controlling interest of 38.60% (December 31, 2023 – 100%).

Results of Operations

(In millions of dollars, except percentages and per share amounts)

Unaudited

	Three months ended September 30,				Period-Over-Period Change					Nine months ended September 30,				Period-Over-Period Change			
	2025	2024	\$	%						2025	2024	\$	%				
Revenue	2,948	2,541	407	16%						8,446	7,363	1,083	15%				
Expenses	2,141	1,881	260	14%						6,230	5,578	652	12%				
Amortization of intangible assets	307	271	36	13%						865	771	94	12%				
Foreign exchange (gain) loss	(17)	30	(48)	NM						132	16	117	751%				
IRGA / TSS membership liability revaluation charge	16	33	(17)	-53%						236	122	114	94%				
Finance and other expense (income)	(83)	(18)	(65)	365%						(191)	(50)	(142)	286%				
Bargain purchase gain	(1)	1	(1)	NM						(6)	(4)	(2)	46%				
Impairment of intangible and other non-financial assets	12	2	10	650%						23	17	6	33%				
Redeemable preferred securities expense (income)	-	-	-	NM						-	58	(58)	-100%				
Revaluation of investment accounted for using the equity method to cost	260	-	260	NM						260	-	260	NM				
Finance costs	74	72	3	4%						216	207	9	4%				
Income before income taxes	239	270	(31)	-11%						681	648	33	5%				
Income tax expense (recovery)																	
Current income tax expense (recovery)	153	126	27	22%						445	396	49	12%				
Deferred income tax expense (recovery)	(76)	(43)	(33)	76%						(185)	(196)	11	-6%				
Income tax expense (recovery)	77	83	(6)	-7%						261	200	61	30%				
Net income (loss) attributable to:																	
Common shareholders of CSI	210	164	46	28%						402	446	(44)	-10%				
Non-controlling interests	(48)	23	(71)	NM						18	2	16	896%				
Net income (loss)	162	187	(25)	-13%						420	448	(28)	-6%				
Net cash flows from operating activities	685	517	168	33%						1,944	1,518	426	28%				
Free cash flow available to shareholders	529	362	167	46%						1,259	990	269	27%				
Weighted average number of shares outstanding																	
Basic and diluted	21.2	21.2								21.2	21.2						
Net income (loss) per share																	
Basic and diluted	\$ 9.89	\$ 7.74	\$ 2.15	28%						\$ 18.96	\$ 21.04	\$ (2.08)	-10%				
Net cash flows from operating activities per share																	
Basic and diluted	\$ 32.31	\$ 24.37	\$ 7.93	33%						\$ 91.75	\$ 71.64	\$ 20.11	28%				
Free cash flow available to shareholders per share																	
Basic and diluted	\$ 24.96	\$ 17.06	\$ 7.90	46%						\$ 59.42	\$ 46.72	\$ 12.70	27%				
Cash dividends declared per share																	
Basic and diluted	\$ 1.00	\$ 1.00	\$ -	0%						\$ 3.00	\$ 3.00	\$ -	0%				

NM - Not meaningful

Due to rounding, certain totals may not foot and certain percentages may not reconcile.

Comparison of the three and nine month periods ended September 30, 2025 and 2024

Revenue:

Total revenue for the quarter ended September 30, 2025 was \$2,948 million, an increase of 16%, or \$407 million, compared to \$2,541 million for the comparable period in 2024. For the first nine months of 2025 total revenues were \$8,446 million, an increase of 15%, or \$1,083 million, compared to \$7,363 million for the comparable period in 2024. The increase for both the three and nine month periods compared to the same periods in the prior year is primarily attributable to growth from acquisitions as the Company experienced organic growth of 5% and 3% respectively, 3% and 3% respectively after adjusting for the impact of changes in the valuation of the US dollar against most major currencies in which the Company transacts business. For acquired companies, organic growth is calculated as the difference between actual revenues achieved by each company in the financial period following acquisition compared to the estimated revenues they achieved in the corresponding financial period preceding the date of acquisition by Constellation. Organic growth is not a standardized financial measure and might not be comparable to measures disclosed by other issuers.

The following table displays the breakdown of our revenue according to revenue type:

	Three months ended September 30,				Period-Over- Period Change		Q324 Proforma Adj. (Note 1)	Organic Growth		Nine months ended September 30,				Period-Over- Period Change		Q324 Proforma Adj. (Note 2)	Organic Growth	
	2025		2024		\$	%	\$	%		2025		2024		\$	%	\$	%	
	(\$ in millions, except percentages)																	
Licenses	107	84	23	27%		6	19%			290	259	31	12%		30	0%		
Professional services	538	487	52	11%		58	-1%			1,558	1,451	107	7%		147	-3%		
Hardware and other	89	78	11	15%		16	-5%			244	204	40	19%		40	0%		
Maintenance and other recurring	2,213	1,893	320	17%		193	6%			6,354	5,449	905	17%		588	5%		
	2,948	2,541	407	16%		273	5%			8,446	7,363	1,083	15%		806	3%		

\$M - Millions of dollars

Due to rounding, certain totals may not foot and certain percentages may not reconcile.

Note 1: Estimated pre-acquisition revenues for the three months ended September 30, 2024 from companies acquired after June 30, 2024. (Obtained from unaudited vendor financial information.)

Note 2: Estimated pre-acquisition revenues for the nine months ended September 30, 2024 from companies acquired after December 31, 2023. (Obtained from unaudited vendor financial information.)

For comparative purposes the table below shows the quarterly organic growth as compared to the same period in the prior year by revenue type since Q3 2023. Note that the estimated revenues achieved by acquired companies in the corresponding financial period preceding the date of acquisition by Constellation may be updated in the quarter following the quarter they were acquired resulting in slight variances to previously reported figures.

	Quarter Ended								
	Sep. 30 2023	Dec. 31 2023	Mar. 31 2024	Jun. 30 2024	Sep. 30 2024	Dec. 31 2024	Mar. 31 2025	Jun. 30 2025	Sep. 30 2025
Licenses	-7%	15%	-8%	-23%	-20%	-19%	-9%	-7%	19%
Professional services	7%	4%	-1%	-2%	-6%	-4%	-6%	-1%	-1%
Hardware and other	10%	-18%	-11%	-9%	-7%	4%	5%	0%	-5%
Maintenance and other recurring	9%	7%	7%	5%	6%	5%	2%	7%	6%
Revenue	7%	6%	4%	2%	2%	2%	0%	5%	5%

The following table shows the same information adjusting for the impact of foreign exchange movements.

	Quarter Ended									
	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Sep. 30	
	<u>2023</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2025</u>	
Licenses	-9%	13%	-9%	-22%	-20%	-19%	-8%	-9%	17%	
Professional services	4%	2%	-2%	-2%	-7%	-3%	-4%	-2%	-3%	
Hardware and other	6%	-20%	-12%	-8%	-8%	4%	7%	-2%	-7%	
Maintenance and other recurring	7%	6%	6%	6%	6%	5%	4%	6%	4%	
Revenue	5%	4%	3%	3%	1%	2%	2%	4%	3%	

Expenses:

The following table displays the breakdown of our expenses:

	Three months ended				Period-Over-				Nine months ended				Period-Over-			
	September 30,				Period Change				September 30,				Period Change			
	<u>2025</u>	<u>2024</u>			<u>\$</u>	<u>%</u>			<u>2025</u>	<u>2024</u>			<u>\$</u>	<u>%</u>		
	(\$ in millions, except percentages)								(\$ in millions, except percentages)							
Expenses																
Staff	1,487	1,336			151	11%			4,356	3,956			400	10%		
Hardware	51	43			9	20%			134	114			20	17%		
Third party license, maintenance and professional services	285	243			43	18%			807	701			107	15%		
Occupancy	17	18			(0)	-1%			51	48			3	6%		
Travel, Telecommunications, Supplies & Software and equipment	149	120			29	24%			424	365			59	16%		
Professional fees	55	43			12	27%			157	126			31	25%		
Other, net	45	34			11	33%			154	134			20	15%		
Depreciation	52	46			6	13%			148	135			13	10%		
	2,141	1,881			260	14%			6,230	5,578			652	12%		

Due to rounding, certain totals may not foot and certain percentages may not reconcile.

Overall expenses for the quarter ended September 30, 2025 increased 14%, or \$260 million to \$2,141 million, compared to \$1,881 million during the same period in 2024. As a percentage of total revenue, expenses equalled 73% for the quarter ended September 30, 2025 and 74% for the same period in 2024. During the nine months ended September 30, 2025, expenses increased 12%, or \$652 million to \$6,230 million, compared to \$5,578 million during the same period in 2024. As a percentage of total revenue, expenses equalled 74% for the nine months ended September 30, 2025 and 76% for the same period in 2024. For the three and nine months ended September 30, 2025 the change in valuation of the US dollar against most major currencies in which the Company transacts business resulted in an approximate 2% and 1% increase in expenses respectively compared to the comparable periods of 2024.

Staff expense – Staff expenses increased 11% or \$151 million for the quarter ended September 30, 2025 and 10% or \$400 million for the nine months ended September 30, 2025 over the same periods in 2024. Staff expense can be broken down into five key operating departments: Professional Services, Maintenance, Research and Development, Sales and Marketing, and General and Administrative. Included within staff expenses for each of the above five departments are personnel and related costs associated with providing the necessary services. The table below compares the period over period variances.

	Three months ended September 30,				Period-Over- Period Change			Nine months ended September 30,				Period-Over- Period Change	
	<u>2025</u>	<u>2024</u>	\$	%				<u>2025</u>	<u>2024</u>	\$	%		
	(\$ in millions, except percentages)							(\$ in millions, except percentages)					
Professional services	301	286	15	5%				894	862	32	4%		
Maintenance	305	276	29	10%				902	791	111	14%		
Research and development	408	360	48	13%				1,201	1,076	125	12%		
Sales and marketing	173	155	17	11%				511	471	41	9%		
General and administrative	301	258	43	16%				847	756	92	12%		
	1,487	1,336	151	11%				4,356	3,956	400	10%		

Due to rounding, certain totals may not foot and certain percentages may not reconcile.

The increase in staff expenses for the three and nine months ended September 30, 2025 was primarily due to the growth in the number of employees compared to the same periods in 2024 primarily due to acquisitions. Staff expenses in the first quarter of every year are typically higher as a percentage of revenue as compared to other quarters, largely attributable to increased payroll tax costs associated with our annual bonus payments that are made in the month of March.

Hardware expenses – Hardware expenses increased 20% or \$9 million for the quarter ended September 30, 2025 and 17% or \$20 million for the nine months ended September 30, 2025 over the same periods in 2024 as compared with the 15% and 19% increases in hardware and other revenue for the three and nine month periods ending September 30, 2025 respectively over the comparable periods in 2024. Hardware margins for the three and nine months ended September 30, 2025 were 42% and 45% respectively as compared to 45% and 44% for the comparable periods in 2024.

Third party license, maintenance and professional services expenses – Third party license, maintenance and professional services expenses increased 18% or \$43 million for the quarter ended September 30, 2025 and 15% or \$107 million for the nine months ended September 30, 2025 over the same periods in 2024. The increase is primarily due to third party license, maintenance and professional services expenses of acquired businesses.

Occupancy expenses – Occupancy expenses decreased 1% or \$0.1 million for the quarter ended September 30, 2025 and increased 6% or \$3 million for the nine months ended September 30, 2025 over the same periods in 2024. The increase for the nine month period is primarily due to the occupancy expenses of acquired businesses.

Travel, Telecommunications, Supplies & Software and equipment expenses – Travel, Telecommunications, Supplies & Software and equipment expenses increased 24% or \$29 million for the quarter ended September 30, 2025 and 16% or \$59 million for the nine months ended September 30, 2025 over the same periods in 2024. The increase in these expenses is primarily due to expenses incurred by acquired businesses.

Professional fees – Professional fees increased 27% or \$12 million for the quarter ended September 30, 2025 and 25% or \$31 million for the nine months ended September 30, 2025 over the same periods in 2024. There are no individually material reasons contributing to this variance.

Other, net – Other expenses increased 33% or \$11 million for the quarter ended September 30, 2025 and 15% or \$20 million for the nine months ended September 30, 2025 over the same periods in 2024. The following table provides a further breakdown of expenses within this category.

	Three months ended September 30,		Period-Over-Period Change			Nine months ended September 30,		Period-Over-Period Change	
	<u>2025</u>	<u>2024</u>	\$	%		<u>2025</u>	<u>2024</u>	\$	%
	(\$ in millions, except percentages)					(\$ in millions, except percentages)			
Advertising and promotion	37	29	8	27%		114	94	20	21%
Recruitment and training	13	10	2	22%		36	32	4	12%
Bad debt expense	1	2	(0)	-25%		4	6	(1)	-24%
R&D tax credits	(20)	(15)	(5)	33%		(44)	(40)	(4)	11%
Contingent consideration	6	(4)	10	NM		17	12	5	41%
Other expense, net	8	11	(4)	-32%		27	31	(3)	-10%
	45	34	11	33%		154	134	20	15%

NM - Not meaningful

Due to rounding, certain totals may not foot and certain percentages may not reconcile.

The contingent consideration expense amounts recorded for the three and nine months ended September 30, 2025 related to an increase (decrease) in anticipated acquisition earnout payment accruals primarily as a result of increases (decreases) to revenue forecasts for the associated acquisitions. Revenue forecasts are updated on a quarterly basis and the related anticipated acquisition earnout payment accruals are updated accordingly.

There are no individually material reasons contributing to the remaining variances.

Depreciation – Depreciation of property and equipment increased 13% or \$6 million for the quarter ended September 30, 2025 and 10% or \$13 million for the nine months ended September 30, 2025 over the same periods in 2024. The increases are primarily due to the depreciation expense associated with acquired businesses.

Other Income and Expenses:

The following table displays the breakdown of our other income and expenses:

	Three months ended September 30,				Period-Over- Period Change			Nine months ended September 30,				Period-Over- Period Change	
	<u>2025</u>	<u>2024</u>	\$	%				<u>2025</u>	<u>2024</u>	\$	%		
	(\$ in millions, except percentages)							(\$ in millions, except percentages)					
Amortization of intangible assets	307	271	36	13%			865	771	94	12%			
Foreign exchange (gain) loss	(17)	30	(48)	NM			132	16	117	751%			
IRGA / TSS membership liability revaluation charge	16	33	(17)	-53%			236	122	114	94%			
Finance and other expense (income)	(83)	(18)	(65)	365%			(191)	(50)	(142)	286%			
Bargain purchase gain	(1)	1	(1)	NM			(6)	(4)	(2)	46%			
Impairment of intangible and other non-financial assets	12	2	10	650%			23	17	6	33%			
Redeemable preferred securities expense (income)	-	-	-	NM			-	58	(58)	-100%			
Revaluation of investment accounted for using the equity method to cost	260	-	260	NM			260	-	260	NM			
Finance costs	74	72	3	4%			216	207	9	4%			
Income tax expense (recovery)	77	83	(6)	-7%			261	200	61	30%			
	645	473	171	36%			1,796	1,337	459	34%			

NM - Not meaningful

Due to rounding, certain totals may not foot and certain percentages may not reconcile.

Amortization of intangible assets – Amortization of intangible assets increased 13% or \$36 million for the quarter ended September 30, 2025 and 12% or \$94 million for the nine months ended September 30, 2025 over the same periods in 2024. The increase in amortization expense for the three and nine months ended September 30,

2025 is primarily attributable to an increase in the carrying amount of our intangible asset balance over the twelve-month period ended September 30, 2025 as a result of acquisitions completed during this twelve-month period.

Foreign exchange – Most of our businesses are organized geographically so many of our expenses are incurred in the same currency as our revenues, which mitigates some of our exposure to currency fluctuations. For the three and nine months ended September 30, 2025, we realized a foreign exchange gain of \$17 million and loss of \$132 million respectively compared to losses of \$30 million and \$16 million for the same periods in 2024. The following table provides a breakdown of these amounts.

	Three months ended September 30,				Period-Over-Period Change				Nine months ended September 30,				Period-Over-Period Change			
	2025	2024	\$	%					2025	2024	\$	%				
	(\$ in millions, except percentages)								(\$ in millions, except percentages)							
Unrealized foreign exchange (gain) loss related to:																
- revaluation of intercompany loans between entities with differing functional currencies ⁽¹⁾	(10)	1	(11)	NM					(11)	15	(26)	NM				
- revaluation of the Company's unsecured subordinated floating rate debentures as a result of the appreciation (depreciation) of the Canadian dollar against the US dollar.	(8)	5	(13)	NM					13	(8)	21	NM				
- revaluation of the liability associated with the IRGA (Euro denominated liability)	(1)	26	(26)	NM					101	7	93	NM				
Remaining foreign exchange (gain) loss	1	(2)	3	NM					30	1	28	NM				
	(17)	30	(48)	NM					132	16	117	751%				

NM - Not meaningful

Due to rounding, certain totals may not foot and certain percentages may not reconcile.

(1) Offsetting amounts recorded in other comprehensive income. Net impact to Total comprehensive income for each period is nil.

The remaining foreign exchange gains and losses per the table above are primarily related to the unrealized foreign exchange translation gains and losses of certain non-US dollar denominated working capital balances to US dollars as a result of the depreciation or appreciation of the US dollar.

IRGA / TSS membership liability revaluation charge – On December 23, 2014, in accordance with the terms of the purchase and sale agreement for the initial acquisition of TSS (as defined below) by CSI, and on the basis of the term sheets attached thereto, Constellation and the Joday Group, among others, entered into a Members Agreement (the “Members Agreement”) pursuant to which the Joday Group acquired 33.29% of the voting interests in Constellation Software Netherlands Holding Coöperatief U.A. (which was renamed to Topicus.com Coöperatief U.A.), a subsidiary of Constellation and the indirect owner of 100% of TSS at the time of the acquisition. Total proceeds from this transaction was €39 million (\$49 million).

On January 5, 2021, the Members Agreement was terminated in conjunction with the acquisition of Topicus.com B.V., the reorganization of Topicus Coop and the execution of the IRGA. The IRGA was established to create certain contractual obligations of the parties in respect of the governance of Topicus and Topicus Coop. As of June 30, 2025 the Joday Group’s interest in Topicus Coop comprised 38,148,221 Topicus Coop Ordinary Units (“Topicus Coop Units”) resulting in an interest of 29.38% in Topicus Coop. The IRGA provides for transfer restrictions in respect of the Topicus Coop Units. See “Liability of CSI under the terms of the IRGA” below for further details.

The valuation of the IRGA liability (previously the TSS membership liability) increased by approximately 2% or \$16 million from Q2 2025, and approximately 34% or \$236 million from Q4 2024. The increases are primarily the result of the growth in TSS’ trailing twelve month maintenance revenue on a pro-forma basis

(primarily due to acquisitions) and an increase in net tangible assets (as defined under the IRGA) resulting from an investment in equity securities. Maintenance revenue and net tangible assets are the two main drivers in the calculation of the liability. The liability recorded on the balance sheet increased by 49% or \$336 million over the nine month period ended September 30, 2025 from \$693 million to \$1,029 million as a result of the revaluation charge of \$236 million and a \$101 million foreign exchange loss. The IRGA / TSS membership liability is denominated in Euros and the Euro appreciated 10% versus the US dollar during the nine months ended September 30, 2025.

Finance and other expense (income) – Finance and other income for the three and nine months ended September 30, 2025 was \$83 million and \$191 million respectively, compared to \$18 million and \$50 million respectively for the same periods in 2024. The following table provides a further breakdown of expenses (income) within this category.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Interest income on cash	\$ (13)	\$ (10)	\$ (35)	\$ (25)
(Increase) decrease in the fair value of equity securities (note 5)	3	(2)	(33)	(2)
Share in net (income) loss of equity investee	0	0	0	0
(Increase) decrease in the fair value of derivative and other finance income (note 15)	(71)	-	(76)	-
Finance and other income	(2)	(6)	(47)	(23)
Finance and other expense (income)	\$ (83)	\$ (18)	\$ (191)	\$ (50)

The increase in the fair value of equity securities primarily relates to the Company's investment in Asseco Poland S.A. ("Asseco"). On January 31, 2025, the Company purchased 8,300,029 shares in Asseco representing approximately 9.99% of the issued shares in Asseco. The Asseco shares were acquired at a price of 85 PLN per share for total consideration of \$174 million. Asseco offers comprehensive, proprietary IT solutions for certain sectors of the economy and is listed on the Polish Warsaw Stock Exchange (the "WSE"). The Company 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. At the time the Company purchased shares of Asseco, the trading price per Asseco share on the WSE was in excess of the purchase price of 85 PLN per share. The Company has recorded the initial gain of \$35 million in the statement of income (loss) with subsequent changes in fair value recorded in other comprehensive income. During the three and nine months ended September 30, 2025, the Company recorded a loss of \$5 million and a gain of \$211 million respectively based on the share price as at September 25, 2025 (see "Revaluation of investment accounted for using the equity method to cost" below) within other comprehensive income reduced by transaction costs of \$2 million. The investment in Asseco has been classified as a non-current asset as at September 30, 2025 within "Investments accounted for using the equity method".

The increase in the fair value of derivative relates to the increase in the fair value of the derivative assets associated with the Company's binding agreement in respect of the acquisition of 12,318,863 treasury shares of Asseco at a price of PLN 85 per share, offset by the increase in the derivative liability associated with a binding agreement allowing certain parties to buy up to 1.7% (1,411,006 shares) of issued shares in Asseco from the Company at a purchase price of PLN 85 per share. See Note 15 to the Company's Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2025 for additional information.

Finance and other income for the nine months ended September 30, 2025 includes a \$29 million settlement payment related to the fair value of the net tangible assets acquired as part of an acquisition that closed in 2024. There are no individually material reasons contributing to the remaining variances.

Bargain purchase gain – Bargain purchase gains totalling \$1 million and \$6 million were recorded in the three and nine months ended September 30, 2025 respectively, compared to an expense of \$1 million and gain of \$4 million for the same periods in 2024, relating to acquisitions made in the respective periods. The gains resulted from the fact that the fair value of the separately identifiable assets and liabilities acquired exceeded the total consideration paid, principally due to the acquisition of certain assets that will benefit the Company that had limited value to the sellers.

Impairment of intangible and other non-financial assets – Impairment expenses of \$12 million and \$23 million were recorded in the three and nine month periods ended September 30, 2025 compared to \$2 million and \$17 million for the same periods in 2024. The expenses relate to businesses that have been unable to achieve the goals established in their respective investment theses.

Redeemable preferred securities expense – The redeemable preferred securities expense for the three and nine month periods ended September 30, 2025 was nil compared to nil and \$58 million for the same periods in 2024. In conjunction with the acquisition of WideOrbit, Lumine issued 10,204,294 special shares of Lumine (the “Lumine Special Shares” or the “Preferred Securities”) to the sellers of WideOrbit for an initial subscription price of approximately \$222 million. Holders of the Preferred Securities were entitled to convert some or all of their Preferred Securities into Lumine Subordinate Voting Shares on the basis of 3.4302106 Lumine Subordinate Voting Shares per Preferred Security, at any time.

The Preferred Securities were recorded at fair value at the end of each reporting period. The change in fair value of the Preferred Securities was recorded as redeemable preferred securities expense (income) in the consolidated statements of income (loss). Based on the Preferred Securities conversion right, the value of the Preferred Securities was primarily dependent on the price movement of Lumine’s Subordinate Voting Shares. The holders of the Lumine Special Shares were also entitled to a fixed annual cumulative dividend of 5% per annum.

On March 25, 2024, all of the Lumine Special Shares were automatically converted into Lumine Subordinate Voting Shares, and additional Lumine Subordinate Voting Shares were issued in satisfaction of the amounts owing in connection with the accrued dividends on Lumine Special Shares. Specifically, a total of 35,076,193 Lumine Subordinate Voting Shares were issued.

Revaluation of investment accounted for using the equity method to cost – 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. On September 25, 2025, the Company received the last outstanding regulatory approval for the acquisition of the treasury shares and subsequent to this date, applied the equity method of accounting to its existing 9.99% investment in Asseco. The Company elected to record the investment in Asseco at cost under the equity method of accounting which comprised of the initial investment of \$174 million and transaction fees of \$2 million for a total cost of \$176 million. As a result, the Company reversed previous fair value adjustments and recorded a loss in the condensed consolidated interim statement of income of \$260 million for the three and nine months ended September 30, 2025.

Finance costs – Finance costs for the quarter ended September 30, 2025 increased \$3 million to \$74 million, compared to \$72 million for the same period in 2024. During the nine months ended September 30, 2025, finance costs increased \$9 million to \$216 million, from \$207 million for the same period in 2024. The following table provides a further breakdown of expenses within this category.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Interest expense on debt and debentures	\$ 60	\$ 63	\$ 176	\$ 175
Interest expense on lease obligations	4	4	12	10
Amortization of debt related transaction costs	2	2	5	5
Amortization of debenture discount (premium)	(1)	(1)	(2)	(2)
Other finance costs	9	4	25	19
Finance costs	\$ 74	\$ 72	\$ 216	\$ 207

Income taxes – We operate globally and we calculate our tax provision in each of the jurisdictions in which we conduct business. Our effective tax rate on a consolidated basis is, therefore, affected by the realization and anticipated relative profitability of our operations in those various jurisdictions, as well as different tax rates that apply and our ability to utilize tax losses and other credits. For the quarter ended September 30, 2025, income tax expense decreased \$6 million to \$77 million compared to \$83 million for the same period in 2024. During the nine months ended September 30, 2025, income tax expense increased \$61 million to \$261 million compared to \$200 million for the same period in 2024. Current tax expense has historically approximated our cash tax rate however the quarterly expense can sometimes fall outside of the annual range due to out of period adjustments. Current tax expense reflects gross taxes before the application of R&D tax credits which are classified as part of “other, net” expenses in the statement of income (loss). The Company’s consolidated effective tax rate in respect of continuing operations for the three and nine months ended September 30, 2025 was 32% and 38% respectively (31% and 31% for the three and nine months ended September 30, 2024 respectively).

Constellation is subject to tax audits in the countries in which the Company carries on 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 judgment. If any of these tax authorities are successful with their challenges, the Company’s income tax expense may be adversely affected and Constellation could also be subject to interest and penalty charges.

Net Income and Earnings per Share:

Net income attributable to common shareholders of CSI for the quarter ended September 30, 2025 was \$210 million compared to \$164 million for the same period in 2024. On a per share basis this translated into net income per diluted share of \$9.89 in the quarter ended September 30, 2025 compared to net income per diluted share of \$7.74 for the same period in 2024. For the nine months ended September 30, 2025, net income attributable to common shareholders of CSI was \$402 million or \$18.96 per diluted share compared to \$446 million or \$21.04 per diluted share for the same period in 2024. There was no change in the number of shares outstanding.

Net cash flows from operating activities (“CFO”):

For the quarter ended September 30, 2025, CFO increased \$168 million to \$685 million compared to \$517 million for the same period in 2024 representing an increase of 33%. For the nine months ended September 30, 2025, CFO increased \$426 million to \$1,944 million compared to \$1,518 million for the same period in 2024 representing an increase of 28%.

Free cash flow available to shareholders (“FCFA2S”):

For the quarter ended September 30, 2025, FCFA2S increased \$167 million to \$529 million compared to \$362 million for the same period in 2024 representing an increase of 46%. For the nine months ended September

30, 2025, FCFA2S increased \$269 million to \$1,259 million compared to \$990 million for the same period in 2024 representing an increase of 27%.

The following table reconciles FCFA2S to net cash flows from operating activities:

	Three months ended September 30,		Nine months ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(\$ in millions)		(\$ in millions)	
Net cash flows from operating activities	685	517	1,944	1,518
Adjusted for:				
Interest paid on lease obligations	(4)	(4)	(12)	(10)
Interest paid on debt	(59)	(63)	(153)	(141)
Debt transaction costs	(4)	(1)	(8)	(13)
Payments of lease obligations	(34)	(31)	(97)	(89)
IRGA / TSS membership liability revaluation charge	(16)	(33)	(236)	(122)
Property and equipment purchased	(16)	(19)	(47)	(42)
Interest and dividends received	13	10	44	25
	<u>565</u>	<u>376</u>	<u>1,435</u>	<u>1,125</u>
Less amount attributable to Non-controlling interests	(36)	(14)	(176)	(135)
Free cash flow available to shareholders	529	362	1,259	990

Due to rounding, certain totals may not foot.

Quarterly Results

	Quarter Ended								
	Sep. 30 <u>2023</u>	Dec. 31 <u>2023</u>	Mar. 31 <u>2024</u>	Jun. 30 <u>2024</u>	Sep. 30 <u>2024</u>	Dec. 31 <u>2024</u>	Mar. 31 <u>2025</u> Note 1	Jun. 30 <u>2025</u>	Sep. 30 <u>2025</u>
Revenue	2,126	2,323	2,353	2,468	2,541	2,703	2,654	2,844	2,948
Net income (loss) *	227	141	105	177	164	285	115	56	210
CFO	513	511	737	265	517	678	827	433	685
FCFA2S	367	325	446	182	362	482	510	220	529
Net income per share *									
Basic & diluted	10.70	6.64	4.95	8.35	7.74	13.44	5.44	2.66	9.89
CFO per share									
Basic & diluted	24.22	24.09	34.76	12.51	24.37	31.99	39.00	20.44	32.31
FCFA2S per share									
Basic & diluted	17.33	15.33	21.04	8.61	17.06	22.76	24.07	10.37	24.96

* Attributable to common shareholders of CSI

Note 1: The Company made an adjustment to the financial information for the three months ending March 31, 2025. This resulted in an increase in finance and other income of \$35 million, an increase in current income tax expense of \$2 million and an increase in net income of \$34 for the three months ended March 31, 2025. The Company will recast the comparative interim period in its future filings in 2026. See Note 5 to the Company's Unaudited Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2025 for additional information.

We experience seasonality in our operating results in that CFO and FCFA2S in the first quarter of every year is typically the highest and CFO and FCFA2S in the second quarter of every year is typically the lowest. The key driver impacting this seasonality is the timing of annual maintenance contract renewals. Our quarterly results may also fluctuate as a result of the various acquisitions which may be completed by the Company in any given quarter. We may experience variations in our net income on a quarterly basis depending upon the timing of certain expenses or gains, which may include changes in provisions, acquired contract liabilities, foreign exchange gains and losses, bargain purchase gains, and gains or losses on the sale of financial and other assets.

Spin-Outs

Topicus.com Inc.

Constellation (TSX:CSU) and Topicus (TSXV:TOI) announced on January 5, 2021 that Constellation, acting through its Total Specific Solutions (“TSS”) operating group and its subsidiary TPCS Holding B.V., completed the purchase of 100% of the shares of Topicus.com B.V., a Netherlands-based diversified vertical market software provider, from IJssel B.V. and that in connection with the closing of the acquisition, TSS has been spun out of Constellation and now operates, together with Topicus.com B.V., as a separate public company, Topicus.com Inc. (collectively, the “Spin-Out Transactions”).

In connection with the completion of the Spin-Out Transactions, on January 4, 2021, all of Constellation’s common shareholders of record on December 28, 2020 received, by way of a dividend-in-kind, 1.859817814 subordinate voting shares of Topicus.com (the “Spin-Out Shares”) for each common share of Constellation held.

Constellation’s equity interest in TSS prior to the Spin-Out Transactions was 66.7%. Constellation’s equity interest in Topicus after completion of the Spin-Out Transactions on a fully diluted basis was approximately 30.4%. Constellation’s equity interest on a fully diluted basis as at September 30, 2025 is approximately 31.3%. In addition, Constellation as the holder of the Topicus Super Voting Share is entitled to that number of votes that equals 50.1% of the aggregate number of votes attached to all of the outstanding voting shares at such time. As a result of the Topicus Super Voting Share Constellation consolidated the financial results of Topicus with its financial results.

Lumine Group Inc.

On February 22 and 23, 2023 (as part of a series of transactions relating to the acquisition of WideOrbit Inc. (“WideOrbit”)), the Company’s subsidiary, Lumine Group Inc. (“Lumine”), completed a corporate reorganization. See “Preferred Share Investment in Lumine” on page 2.

The Company holds 1 super voting share of Lumine (the “Lumine Super Voting Share”). The Lumine 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 Lumine Super Voting Shares, Lumine Subordinate Voting Shares and Lumine Special Shares. As a result, the Company controls Lumine and has consolidated Lumine’s financial position and results of operations. As at September 30, 2025, the Company holds 157,553,539 Lumine Subordinate Voting Shares and now reflects an equity interest of 61.40% in Lumine and a non-controlling interest of 38.60%.

The tables below provide certain supplemental balance sheet, statement of income, and net operating cash flow information of Topicus and Lumine for the three and nine months ended September 30, 2025. Neither Topicus or Lumine are considered a reportable operating segment of Constellation, however, management has chosen to provide certain supplemental financial information to provide greater clarity into the operating performance and cash flow from operations of Topicus and Lumine considering Constellation’s equity ownership. The financial information includes the adjustments discussed in the “Finance and other expense (income)” section above.

Selected Balance Sheet Information
As at September 30, 2025

(Unaudited)	Constellation Software Inc. (excluding Topicus & Lumine)				Consolidated
		Topicus	Lumine		
Cash	2,214	324	232		2,770
Bank debt, loans, bonds and debentures	2,956	871	157		3,985

Statement of Income
(Excluding intercompany activity)

(Unaudited)	For the three months ended September 30, 2025				For the nine months ended September 30, 2025			
	Constellation Software Inc. (excluding Topicus & Lumine)	Topicus	Lumine	Consolidated	Constellation Software Inc. (excluding Topicus & Lumine)	Topicus	Lumine	Consolidated
Revenue	2,311	450	187	2,948	6,655	1,241	549	8,446
Expenses	1,689	332	121	2,141	4,935	936	360	6,230
Amortization of intangible assets	228	51	28	307	651	134	80	865
Foreign exchange (gain) loss	(17)	(0)	0	(17)	128	(2)	6	132
IRGA / Membership liability revaluation charge	16	-	-	16	236	-	-	236
Finance and other income	(10)	(72)	(1)	(83)	(65)	(122)	(4)	(191)
Bargain purchase gain	(1)	-	-	(1)	(3)	(0)	(2)	(6)
Impairment of intangible and other non-financial assets	12	0	-	12	23	0	-	23
Revaluation of investment accounted for using the equity method to cost	-	260	-	260	-	260	-	260
Finance costs	61	11	3	74	179	25	13	216
Income (loss) before income taxes	334	(131)	36	239	572	11	98	681
Income tax expense (recovery)								
Current income tax expense (recovery)	129	22	3	153	352	63	30	445
Deferred income tax expense (recovery)	(75)	(9)	8	(76)	(153)	(28)	(4)	(185)
Income tax expense (recovery)	54	13	11	77	200	35	26	261
Net income (loss)	280	(144)	26	162	373	(24)	71	420
Net cash flows from operating activities	581	57	46	685	1,457	322	165	1,944

Foreign Exchange Adjusted Organic Revenue Growth
(Excluding intercompany activity)

	For the three months ended September 30, 2025				For the nine months ended September 30, 2025			
	Constellation Software Inc. (excluding Topicus & Lumine)	Topicus	Lumine	Consolidated	Constellation Software Inc. (excluding Topicus & Lumine)	Topicus	Lumine	Consolidated
Licenses	18%	-5%	26%	17%	2%	4%	-15%	0%
Professional services	-3%	-2%	-9%	-3%	-4%	-3%	-1%	-3%
Hardware and other	-2%	-6%	-60%	-7%	-2%	-2%	10%	-1%
Maintenance and other recurring	4%	6%	2%	4%	5%	6%	2%	5%
Revenue	3%	3%	-1%	3%	3%	4%	0%	3%

Acquisition of business segment from Allscripts Healthcare Solutions

On May 2, 2022, Constellation, through its wholly-owned subsidiary, N. Harris Computer Corporation, completed the purchase from Allscripts Healthcare Solutions (“Allscripts”) of Allscripts’ Hospitals and Large Physician Practices business segment. This business segment now operates under the name Altera.

The tables below provide certain supplemental balance sheet, statement of income, and net operating cash flow information of Altera for the three and nine months ended September 30, 2025. Altera is not considered a reportable operating segment of Constellation, however, management has chosen to provide certain supplemental financial information to provide greater clarity into the operating performance and cash flow from operations of Altera considering the size of the business and its impact on the results of Constellation. The financial information includes the adjustments discussed in the “Finance and other expense (income)” section above.

Selected Balance Sheet Information As at September 30, 2025

(Unaudited)	Constellation Software Inc. (excluding Altera)		
	Altera	Altera	Consolidated
Cash	2,613	157	2,770
Bank debt, loans, bonds and debentures	3,743	241	3,985

Statement of Income (Excluding intercompany activity)

(Unaudited)	For the three months ended September 30, 2025			For the Nine months ended September 30, 2025		
	Constellation Software Inc. (excluding Altera)			Constellation Software Inc. (excluding Altera)		
	Altera	Altera	Consolidated	Altera	Altera	Consolidated
Revenue	2,776	172	2,948	7,908	538	8,446
Expenses	2,009	133	2,141	5,808	422	6,230
Amortization of intangible assets	289	18	307	812	53	865
Foreign exchange (gain) loss	(18)	0	(17)	130	2	132
IRGA / Membership liability revaluation charge	16	-	16	236	-	236
Finance and other income	(82)	(1)	(83)	(190)	(2)	(191)
Bargain purchase gain	(1)	-	(1)	(6)	-	(6)
Impairment of intangible and other non-financial assets	12	-	12	23	-	23
Revaluation of investment accounted for using the equity method to cost	260	-	260	260	-	260
Finance costs	71	4	74	205	11	216
Income (loss) before income taxes	221	18	239	630	51	681
Income tax expense (recovery)						
Current income tax expense (recovery)	155	(2)	153	435	10	445
Deferred income tax expense (recovery)	(83)	7	(76)	(185)	1	(185)
Income tax expense (recovery)	72	5	77	249	11	261
Net income (loss)	149	13	162	381	39	420
Net cash flows from operating activities	664	21	685	1,866	79	1,944
Free cash flow available to shareholders	514	15	529	1,201	59	1,259

Foreign Exchange Adjusted Organic Revenue Growth
(Excluding intercompany activity)

	For the three months ended September 30, 2025			For the Nine months ended September 30, 2025		
	Constellation Software Inc. (excluding Altera)			Constellation Software Inc. (excluding Altera)		
	Altera	Altera	Consolidated	Altera	Altera	Consolidated
Licenses	10%	NM	17%	-1%	42%	0%
Professional services	-3%	-8%	-3%	-2%	-13%	-3%
Hardware and other	-7%	-113%	-7%	-2%	560%	-1%
Maintenance and other recurring	5%	-10%	4%	5%	-6%	5%
Revenue	4%	-7%	3%	4%	-7%	3%

Liquidity

	September 30, 2025	December 31, 2024	Variance
Cash	2,770	1,980	790
Debt with recourse to Constellation Software Inc.	2,512	2,159	354
Debt without recourse to Constellation Software Inc.	2,501	2,008	493
Debt	5,014	4,166	847
Cash less Debt	(2,243)	(2,187)	(57)

Cash flows from operations exceeded the net capital deployed on acquisitions plus dividends during the nine months ended September 30, 2025. Cash increased by \$790 million to \$2,770 million at September 30, 2025 compared to \$1,980 million at December 31, 2024 and debt increased by \$847 million to \$5,014 million at September 30, 2025 compared to \$4,166 million at December 31, 2024. Debt includes the liability of CSI under the IRGA. The increase to this liability for the nine months ended September 30, 2025 had no impact on cash. (See “IRGA / TSS membership liability revaluation charge” above.)

Total assets increased \$2,477 million, from \$12,849 million at December 31, 2024 to \$15,326 million at September 30, 2025. The increase is primarily due to the \$790 million increase in cash, the \$281 million in restricted cash, the \$129 million increase in unbilled revenue, the \$119 million increase in derivatives, the \$162 million increase in other assets, the \$244 million increase in investments accounted for using the equity method, and the \$585 million increase in intangible assets. The increases in restricted cash, and investments accounted for using the equity method resulted from the Company’s investments in Asseco. In anticipation of the acquisition of the 14.84% of Asseco’s share capital which closed on October 1, 2025, the Company’s expected cash consideration for these shares in the amount of \$289 million was subject to restriction as of September 30, 2025 and as a result, the balance was classified as “Restricted Cash” as of September 30, 2025. At September 30, 2025 Topicus, Lumine and other subsidiaries with non-recourse debt facilities hold approximately \$968 million of cash. As explained in the “Capital Resources and Commitments” section below, there are limitations on the ability of these subsidiaries to distribute funds to Constellation.

Current liabilities increased \$1,034 million, from \$4,661 million at December 31, 2024 to \$5,695 million at September 30, 2025. The increase is primarily due to an increase in debt with recourse to Constellation of \$261 million, an increase in debt without recourse to Constellation of \$259 million, an increase in accounts payable and accrued liabilities of \$123 million and an increase in deferred revenue of \$339 million mainly due to acquisitions

made since December 31, 2024 and the timing of maintenance and other billings versus performance and delivery under those customer arrangements.

Net Changes in Cash Flows

(\$ in millions)

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Net cash provided by operating activities	1,944	1,518
Net cash from (used in) financing activities	100	250
Cash used in the acquisition of businesses	(955)	(1,054)
Cash obtained with acquired businesses	100	89
Net cash from (used in) other investing activities	(496)	(28)
Net cash from (used in) investing activities	(1,351)	(993)
Effect of foreign currency	97	11
Net increase (decrease) in cash and cash equivalents	790	785

The net cash flows from operating activities were \$1,944 million for the nine months ended September 30, 2025. The \$1,944 million provided by operating activities resulted from net income of \$420 million plus \$1,958 million of adjustments to net income (primarily amortization of intangible assets, depreciation, IRGA/TSS Membership liability revaluation charge, finance and other income, revaluation of investment accounted for using the equity method to cost, finance costs, and income tax expense) offset by \$2 million of cash used in non-cash working capital, \$2 million in transaction costs associated with equity securities and \$430 million in taxes paid.

The net cash flows from financing activities for the nine months ended September 30, 2025 were \$100 million, which is mainly a result of a net increase in debt facilities of \$435 million, offset by interest payments of \$165 million, lease obligation payments of \$97 million, and dividends paid to common shareholders of \$64 million.

The net cash flows used in investing activities for the nine months ended September 30, 2025 were \$1,351 million. The cash used in investing activities was primarily due to acquisitions for an aggregate of \$955 million (including payments for holdbacks relating to prior acquisitions), the \$174 million investment in Asseco equity securities, plus the \$289 million increase in restricted cash relating to the investment in Asseco equity securities that was completed on October 1, 2025, offset by \$100 million of acquired cash.

We believe we have sufficient cash and available credit capacity to continue to operate for the foreseeable future. Generally our VMS businesses operate with negative working capital as a result of the collection of maintenance payments and other revenues in advance of the performance of the related services. As such, management anticipates that it can continue to grow the business organically without any additional funding. If we continue to acquire VMS businesses we may need additional external funding depending upon the size and timing of the potential acquisitions (see “Subsequent Events” below).

Capital Resources and Commitments

Debt with recourse to CSI comprises the following (\$ in millions):

	CSI Facility	Senior Notes	Liability of CSI under the IRGA	Debentures	Term Loan	Total
Principal outstanding at September 30, 2025 (and, except for debentures, equal to fair value)	\$ -	\$ 1,000	\$ 1,029	\$ 356	\$ 87	2,472
Deduct: Unamortized transaction costs included in debt balance	-	(7)	-	-	(0)	(7)
Add: Unamortized debt premium	-	-	-	47	-	47
Carrying value at September 30, 2025	-	993	1,029	403	87	2,512
Current portion	-	-	565	-	-	565
Non-current portion	-	993	464	403	87	1,948

CSI Facility

On January 31, 2024, the Company completed an amendment and restatement of its existing credit facility agreement (the “CSI Facility”). The facility limit was increased from \$840 million to \$1,085 million, with a syndicate of existing and new institutions. The agreement has also moved from a secured to an unsecured facility structure, which continues to be available for general corporate purposes including acquisitions and working capital. The CSI Facility is guaranteed by certain subsidiaries of the Company. The CSI Facility bears a variable interest rate with no fixed repayments required over the term to maturity. Interest rates are calculated at standard U.S. and Canadian reference rates plus interest rate spreads based on a leverage table. The CSI Facility contains standard events of default which if not remedied within a cure period would trigger the repayment of any outstanding balance. As at September 30, 2025, nil had been drawn from this credit facility, and letters of credit totaling \$13 million were issued, which limits the borrowing capacity on a dollar-for-dollar basis.

Senior Notes

On February 16, 2024, the Company completed a private offering of \$500 million aggregate principal amount of 5.158% senior notes due 2029 and \$500 million aggregate principal amount of 5.461% senior notes due 2034 (collectively, the “Senior Notes”). The Senior Notes are senior unsecured obligations of the Company and rank equally in right of payment to all of the Company’s existing and future senior unsecured indebtedness, including the CSI Facility. The Senior Notes are guaranteed by certain subsidiaries of the Company on the same basis as such subsidiaries have guaranteed the CSI Facility. Transaction costs associated with the Senior Notes are being amortized through profit or loss using the effective interest rate method.

Liability of CSI under the terms of the IRGA / TSS Membership Agreement

On December 23, 2014, in accordance with the terms of the purchase and sale agreement for the initial acquisition of TSS by CSI, and on the basis of the term sheets attached thereto, Constellation and the Joday Group, among others, entered into a Members Agreement (the “Members Agreement”) pursuant to which the Joday Group acquired 33.29% of the voting interests in Constellation Software Netherlands Holding Coöperatief U.A. (which was renamed to Topicus.com Coöperatief U.A.), a subsidiary of Constellation and the indirect owner of 100% of TSS at the time of the acquisition. Total proceeds from this transaction was €39 million (\$49 million).

On January 5, 2021, the Members Agreement was terminated in conjunction with the acquisition of Topicus.com B.V., the reorganization of Topicus Coop and the execution of the IRGA. The IRGA was established to create certain contractual obligations of the parties in respect of the governance of Topicus and Topicus Coop. As of December 31, 2024 the Joday Group's interest in Topicus Coop comprised 38,148,221 Topicus Coop Ordinary Units resulting in an interest of 29.38% in Topicus Coop. The IRGA provides for transfer restrictions in respect of the Topicus Coop Units.

Any time after January 5, 2021, any member of the Joday Group has the right, at his or its option, to sell any number of its Topicus Coop Units to CSI at a cash price per Topicus Coop Unit determined in accordance with the IRGA. Upon the exercise of such option by a member of the Joday Group, CSI will be obligated to purchase 33.33% of such Topicus Coop Units within 30 days, and an additional 33.33% on each of the first and the second anniversary of such initial purchase with the exception of certain items which have been classified as a current liability. Notwithstanding the foregoing, CSI can offer Topicus the right to purchase such Topicus Coop Units in lieu of CSI.

In the event of a change of control of CSI, any member of the Joday Group has the right, at his or its option, to sell all of its Topicus Coop Units to CSI at a cash price per Topicus Coop Unit determined in accordance with the IRGA. Upon the exercise of such option by a member of the Joday Group, CSI will be obligated to purchase all such Topicus Coop Units. Notwithstanding the foregoing, CSI can offer Topicus the right to purchase such Topicus Coop Units in lieu of CSI.

If CSI reduces its economic interest in Topicus by a sale or transfer of its economic interest (and not due to any additional issuance of any shares or equity by Topicus) by more than one-third (calculated on a fully converted basis in accordance with the IRGA), any member of the Joday Group has the right, at his or its option, to sell to CSI one-third of its Topicus Coop Units at a cash price per Topicus Coop Unit determined in accordance with the IRGA. Upon the exercise of such put option by a member of the Joday Group, CSI will be obligated to purchase all such put Topicus Coop Units. Notwithstanding the foregoing, CSI can offer Topicus the right to purchase such Topicus Coop Units in lieu of CSI. Any member of the Joday Group has a similar right to sell one-half or all of its remaining Topicus Coop Units, respectively, at its option, if CSI further reduces its remaining fully-diluted economic interest in Topicus by a sale or transfer of its economic interest by one-half and again if CSI sells its entire remaining economic interest in Topicus.

All of the Topicus Coop Ordinary Units and Topicus Coop Preference Units held by the Joday Group and Ijssel B.V. (collectively, the "Topicus Coop Exchangeable Units") are exchangeable, directly or indirectly, for Topicus Subordinate Voting Shares. All of the above rights of members of the Joday Group apply to any Topicus Subordinate Voting Shares issued on an exchange of Topicus Coop Exchangeable Units.

At any time after December 31, 2023, CSI has the right, at its option, to buy all of the Topicus Coop Units and shares of Topicus held by certain members of the Joday Group (excluding Joday) at a cash price per Topicus Coop Unit (or share of Topicus, as applicable) determined in accordance with the IRGA. After December 31, 2043, CSI has the same right to buy all of the Topicus Coop Units and shares of Topicus held by the remaining members of the Joday Group, including Joday.

In addition, if certain individuals affiliated with Joday are terminated from their employment with Topicus Coop or an affiliate thereof for urgent cause (as defined in the Dutch Civil Code), CSI has the right, at its option, to buy all of Topicus Coop Units held by such individuals at a cash price per Topicus Coop Unit determined in accordance with the IRGA.

The Company has continued to classify the above obligations of CSI under the terms of the IRGA as a liability. The main valuation driver in such calculation is the maintenance and other recurring revenue of Topicus. The valuation of CSI's obligations under the IRGA is also impacted by the change in the net tangible assets of Topicus (as defined under the IRGA). As the net tangible assets increase (which is typically the result of net profits in the applicable period), the valuation of CSI's obligations under the IRGA increases. Maintenance and recurring

revenue of Topicus for the trailing twelve months on a pro-forma basis determined at the end of the current reporting period was used as the basis for valuing the interests at each redemption date. Any increase or decrease in the value of such liability is recorded as an expense or income in the consolidated statements of income (loss) for the period.

The liability recorded on the balance sheet at September 30, 2025 was \$1,029 million.

Debentures

On October 1, 2014 and November 19, 2014, the Company issued unsecured subordinated debentures (the “Debentures”) with a total principal value of C\$96 million for total proceeds of C\$91 million. On September 30, 2015, the Company issued an additional tranche of Debentures with a total principal value of C\$186 million for total proceeds of C\$214 million. On October 6, 2023, a total of C\$213 million principal amount of Debentures were issued at a price of C\$133.00 per C\$100.00 principal amount of Debentures purchased representing proceeds to the Company of C\$283 million which was used by the Company to pay down indebtedness under its existing credit facility. The Debentures were issued as an additional tranche of, and formed a single series with, the outstanding C\$282 aggregate principal amount of Debentures.

The total principal value of debentures outstanding at September 30, 2025 was \$356 million (C\$495 million).

Guarantees

One of CSI’s subsidiaries has entered into a \$87 million (£65 million) term debt facility with a financial institution for which CSI has guaranteed the debt. The facility bears a fixed rate of interest. The term loan contains events of default that, if not remedied, allow the loan note holder to require repayment of the loan principal and interest. The loan is due in 2028.

Debt without recourse to CSI

Certain of CSI’s subsidiaries have entered into term debt facilities and revolving credit facilities with various financial institutions. Except as noted above, CSI does not guarantee the debt of its 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.

In conjunction with the acquisition of Optimal Blue, the Company entered into a promissory note agreement (“Promissory Note”) with the seller, Intercontinental Exchange, Inc. for \$500 million. The promissory note accrues interest at a rate of 7% per annum, is compounded annually and is payable in arrears. The first cash interest and principal payment under the Promissory Note is due on the day prior to the fifth anniversary and thereafter interest and principal payments will be due annually on the subsequent anniversaries of that date. The promissory note matures in 2063, subject to earlier optional prepayment.

Debt without recourse to CSI comprises the following (\$ in millions):

	Topicus Revolving Credit Facility	Debt Facilities	Promissory Note	Total
Principal outstanding at September 30, 2025 (and equal to fair value)	\$ 460	\$ 1,559	\$ 500	2,519
Deduct: Carrying value of transaction costs included in debt balance	(3)	(15)	-	(18)
Carrying value at September 30, 2025	457	1,544	500	2,501
Current portion	457	120	-	578
Non-current portion	-	1,424	500	1,924

Other commitments

Commitments include operating leases for office equipment and facilities, letters of credit and performance bonds issued on our behalf by financial institutions in connection with facility leases and contracts with public sector customers. Also, occasionally we structure some of our acquisitions with contingent consideration based on the future performance of the acquired business. The fair value of contingent consideration recorded in our statement of financial position was \$210 million at September 30, 2025. As mentioned in the “Finance and other expense (income)” section above, on January 31, 2025, the Company purchased 8,300,029 shares in Asseco representing approximately 9.99% of the issued shares in Asseco. The Company has made an irrevocable election at the time of initial recognition to present subsequent changes in FVOCI. At the time the Company purchased shares of Asseco, the trading price per Asseco share on the WSE was in excess of the purchase price of 85 PLN per share. The Company has recorded the initial gain of \$35 million in the statement of income (loss) with subsequent changes in fair value recorded in other comprehensive income. During the three and nine months ended September 30, 2025, the Company recorded a loss of \$5 million and a gain of \$211 million respectively within other comprehensive income reduced by transaction costs of \$2 million. The investment in Asseco has been classified as a non-current asset as at September 30, 2025 within “Investments accounted for using the equity method”. As also mentioned in the “Finance and other expense (income)” section above, the Company has entered into a binding agreement in respect of the acquisition of 12,318,863 treasury shares of Asseco, which is a derivative under IFRS Accounting Standards. The fair value of this derivative recorded in our statement of financial position was \$119 million at September 30, 2025. As also mentioned in the “Finance and other (income) expenses” section above, the Company entered into a binding agreement allowing certain parties to buy up to 1.7% (1,411,006 shares) of issued shares in Asseco from the Company, which is also a derivative under IFRS Accounting Standards. The fair value of this derivative liability recorded in our statement of financial position was \$44 million at September 30, 2025. Aside from the aforementioned, we do not have any other business arrangements, derivative financial instruments, or any equity interests in non-consolidated entities that would have a significant effect on our assets and liabilities as at September 30, 2025.

Contractual obligations at September 30, 2025 are summarized below.

(in millions of dollars)

	Total	< 1 yr	1-5 yrs	> 5 yrs
Lease obligations	474	140	278	56
Holdbacks	417	223	193	-
Liability of CSI under the terms of the IRGA/TSS Members Agreement	1,029	565	464	-
Debentures	356	-	-	356
Term Loan	87	-	87	-
CSI revolving credit facility	-	-	-	-
Senior Notes	1,000	-	500	500
Topicus revolving credit facility without recourse to Constellation Software Inc.	460	460	-	-
Promissory note	500	-	11	489
Other debt facilities without recourse to Constellation Software Inc.	1,559	40	1,388	131
Total outstanding commitments	5,882	1,428	2,922	1,532

The IRGA liability commitment assumes that the Joday Group has exercised their put option to sell 100% of their interests back to Constellation. This option however has not been exercised as at November 7, 2025. See note 8 to the Unaudited Condensed Consolidated Interim Financial Statements for the three and nine month periods ended September 30, 2025 for a discussion on the valuation methodology utilized.

Financial Instruments

The carrying values of cash, accounts receivable, accounts payable, accrued liabilities, dividends payable, the majority of acquisition holdbacks, and the CSI Facility, approximates fair value due to the short-term nature of these instruments. The carrying value of the debt without recourse to CSI approximate their fair values as the debt is subject to market interest rates. The carrying value of the IRGA liability and the term loan with recourse to CSI approximates fair value.

Financial assets and financial liabilities measured at fair value as at September 30, 2025 and December 31, 2024 in the Unaudited Condensed Consolidated Interim Financial Statements for the three and nine month periods ended September 30, 2025 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 and the redeemable preferred securities.

	September 30, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Equity securities	\$ 48	\$ -	\$ -	\$ 48	\$ 27	\$ -	\$ -	\$ 27
Derivatives	-	-	119	119	-	-	-	-
	48	-	119	167	27	-	-	27
Liabilities:								
Contingent consideration	-	-	210	210	-	-	174	174
Derivatives	-	-	44	44	-	-	-	-
	-	-	253	253	-	-	174	174

- 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
- Level 3 inputs are inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Foreign Currency Exposure

We operate internationally and have foreign currency risks related to our revenue, operating expenses, assets and liabilities denominated in currencies other than the U.S. dollar. Consequently, we believe movements in the foreign currencies in which we transact will impact future revenue and net income. The impact to organic revenue growth for the three and nine months ended September 30, 2025 was approximately positive 2% and 1% respectively. We cannot predict the effect of foreign exchange gains or losses in the future; however, if significant foreign exchange losses are experienced, they could have a material adverse effect on our business, revenues, results of operations, and financial condition. The Company enters into forward foreign exchange contracts from time to time with the objective of mitigating volatility in profit or loss in respect of financial liabilities. In entering into these forward exchange contracts, the Company is exposed to the credit risk of the counterparties to such contracts and the possibility that the counterparties will default on their payment obligations under these contracts. However, given that the counterparties are Schedule 1 banks or affiliates thereof, the Company believes these risks are not material. During the nine months ended September 30, 2025, the Company did not purchase any contracts of this nature.

The following table provides an approximate breakdown of our revenue and expenses by currency, expressed as a percentage of total revenue and expenses, as applicable, for the three and nine months ended September 30, 2025:

Currencies	Three Months Ended September 30, 2025		Nine Months Ended September 30, 2025	
	% of Revenue	% of Expenses	% of Revenue	% of Expenses
USD	48%	43%	51%	45%
EUR	21%	21%	20%	20%
GBP	8%	9%	8%	9%
CAD	5%	7%	5%	7%
AUD	5%	4%	4%	4%
BRL	3%	3%	3%	3%
CHF	1%	2%	1%	2%
SEK	1%	1%	1%	1%
Others	8%	10%	8%	10%
Total	100%	100%	100%	100%

Due to rounding, certain totals may not foot.

Off-Balance Sheet Arrangements

As a general practice, we have not entered into off-balance sheet financing arrangements. Except for insignificant and short-term operating leases and letters of credit, all of our liabilities and commitments are reflected as part of our statement of financial position.

Proposed Transactions

We seek potential acquisition targets on an ongoing basis and may complete several acquisitions in any given fiscal year.

Share Capital

As at November 7, 2025, there were 21,191,530 common shares outstanding.

Risks and Uncertainties

The Company's business is subject to a number of risk factors which are described in our most recently filed AIF. In addition, a new risk factor related to artificial intelligence is outlined below. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the common shares to decline. If any of the noted risks actually occur, our business may be harmed and the financial condition and results of operations may suffer significantly. In that event, the trading price of the common shares could decline, and shareholders may lose all or part of their investment.

Many of our businesses use or plan to use artificial intelligence in their operations; challenges with incorporating and managing its use may result in competitive harm or adversely affect the results of our businesses.

Many of our businesses are in the process of incorporating artificial intelligence ("AI") solutions into their software, services, and operations. We expect that AI will generally continue to become more important to our company and to our customers over time. Our competitors may incorporate AI into their products, operations or services more quickly or successfully than us, develop superior products and services through the use of AI, or more effectively develop or acquire access to AI software, services or tools, which could negatively impact our businesses' ability to compete effectively. AI may also reduce barriers to entry in the industries in which we operate,

resulting in increased competition and price pressure. Further, given the rapid pace of change and highly competitive environment in connection with AI, there is an increased level of risk that the AI solutions that we develop or adopt will not be effective or commercially viable.

While we aim to develop and use AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, AI technologies are complex and rapidly evolving. The use of AI in our businesses may generate risks with respect to harmful content, accuracy, perceived or actual bias, discrimination, human rights claims, allegations of lack of transparency, intellectual property infringement or misappropriation, breach of contract, data privacy, cyber security and misuse of personal or protected information, among others. The use of AI within our software products and our operations also bring the possibility of new or enhanced governmental or regulatory scrutiny, legal liabilities, or ethical concerns that could adversely affect our operations, reputation, or financial results. The rapidly evolving patchwork of existing and proposed laws and regulatory frameworks – and general regulatory uncertainty – further expose us to challenges, uncertainties and additional costs in relation to legal and regulatory compliance.

Controls and Procedures

Disclosure controls and procedures:

Management is responsible for establishing and maintaining disclosure controls and procedures as defined under National Instrument 52-109. The President and Chief Financial Officer have designed or caused to be designed by those under their supervision, disclosure controls and procedures which provide reasonable assurance that material information regarding the Company is accumulated and communicated to the Company's management, including its President and Chief Financial Officer in a timely manner.

Internal controls over financial reporting:

The President and Chief Financial Officer have designed or caused it to be designed under their supervision internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. The President and Chief Financial Officer have been advised that the control framework the President and the Chief Financial Officer used to design the Company's ICFR is recognized by the Committee of Sponsoring Organizations of the Treadway Commission.

The President and the Chief Financial Officer have evaluated, or caused to be evaluated by those under their supervision, whether or not there were changes to its ICFR during the period ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect the Company's ICFR. No such changes were identified through their evaluation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures and our internal controls over financial reporting are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been met.

Subsequent Events

On November 7, 2025 the Company declared a \$1.00 per share dividend that is payable on January 12, 2026 to all common shareholders of record at close of business on December 19, 2025.

On February 4, 2025, the Company entered into a binding agreement in respect of the acquisition of 12,318,863 treasury shares of Asseco, representing 14.84% of Asseco's share capital, to be purchased at a price of PLN 85 per share. The acquisition of the treasury shares closed on October 1, 2025. On October 1, 2025, the restriction was released on the cash consideration and the total purchase price for the treasury shares was \$289 million. On February 3, 2025, the Company announced the signing of a shareholders' agreement which was entered into with the Adam Góral Family Foundation governing their cooperation as shareholders in Asseco. The shareholders' agreement became effective as result of the acquisition of the treasury shares.

Subsequent to September 30, 2025, the Company completed or has open commitments to acquire a number of businesses for aggregate cash consideration of \$384 million on closing plus total estimated deferred payments of \$71 million for total consideration of \$454 million. The business acquisitions operate in the transit, social media, aviation, asset management, local government, enterprise resource planning, professional services, agri-food, content management, telecommunications, driver education, healthcare, insurance, call centers, and financial services verticals and are all software companies similar to the existing business of the Company.