

Condensed Consolidated Interim Financial Statements
(In U.S. dollars)

CONSTELLATION SOFTWARE INC.

For the three and six months ended June 30, 2025 and 2024
Unaudited

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Financial Position

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	June 30, 2025	December 31, 2024	June 30, 2024
Assets			
Current assets:			
Cash	\$ 2,575	\$ 1,980	\$ 1,873
Accounts receivable	1,285	1,292	1,116
Unbilled revenue	466	369	419
Inventories	67	56	60
Other assets (note 6)	685	596	628
	5,079	4,293	4,096
Non-current assets:			
Property and equipment	231	222	215
Right of use assets	381	329	324
Deferred income taxes	281	219	192
Equity securities (note 5)	481	13	14
Other assets (note 6)	369	316	298
Intangible assets (note 7)	7,907	7,459	6,985
	9,650	8,559	8,027
Total assets	\$ 14,728	\$ 12,851	\$ 12,123
Liabilities and Shareholders' Equity			
Current liabilities:			
Debt with recourse to Constellation Software Inc. (note 8)	\$ 575	\$ 303	\$ 274
Debt without recourse to Constellation Software Inc. (note 9)	250	319	342
Accounts payable and accrued liabilities	1,515	1,589	1,312
Dividends payable (note 12)	21	21	21
Deferred revenue	2,415	1,966	2,086
Provisions (note 10)	23	22	11
Acquisition holdback payables	183	218	271
Lease obligations	130	115	115
Income taxes payable	112	111	104
	5,223	4,664	4,537
Non-current liabilities:			
Debt with recourse to Constellation Software Inc. (note 8)	1,932	1,855	1,834
Debt without recourse to Constellation Software Inc. (note 9)	1,981	1,689	1,604
Deferred income taxes	787	670	620
Acquisition holdback payables	165	131	110
Lease obligations	291	252	247
Other liabilities (note 6)	367	300	268
	5,523	4,899	4,683
Total liabilities	10,746	9,563	9,220
Shareholders' equity (note 12):			
Capital stock	99	99	99
Accumulated other comprehensive income (loss)	129	(224)	(158)
Retained earnings	3,068	2,919	2,517
Non-controlling interests (note 18)	686	493	445
	3,982	3,288	2,903
Total liabilities and shareholders' equity	\$ 14,728	\$ 12,851	\$ 12,123
Subsequent events (notes 19)			

See accompanying notes to the condensed consolidated interim financial statements.

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Income (loss)

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue				
License	\$ 87	\$ 87	\$ 183	\$ 175
Professional services	532	495	1,019	964
Hardware and other	80	68	155	127
Maintenance and other recurring	2,144	1,819	4,141	3,556
	2,844	2,468	5,498	4,822
Expenses				
Staff	1,457	1,328	2,869	2,620
Hardware	43	37	83	72
Third party license, maintenance and professional services	268	243	522	458
Occupancy	17	16	33	30
Travel, telecommunications, supplies, software and equipment	144	133	275	245
Professional fees	55	44	102	83
Other, net	56	51	109	101
Depreciation	50	45	96	89
Amortization of intangible assets (note 7)	286	258	558	500
	2,375	2,155	4,647	4,197
Foreign exchange loss (gain)	118	4	150	(15)
IRGA/TSS Membership liability revaluation charge	126	8	220	89
Finance and other expense (income) (note 13)	(28)	(23)	(108)	(32)
Bargain purchase gain (note 4)	(5)	(2)	(5)	(5)
Impairment of intangible and other non-financial assets (note 7)	9	6	11	16
Redeemable preferred securities expense (income)	-	-	-	58
Finance costs (note 13)	71	69	142	136
	290	61	409	247
Income (loss) before income taxes	179	252	441	378
Current income tax expense (recovery)	155	143	292	270
Deferred income tax expense (recovery)	(60)	(78)	(109)	(153)
Income tax expense (recovery)	95	65	183	117
Net income (loss)	85	187	258	261
Net income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	56	177	192	282
Non-controlling interests (note 18)	28	10	66	(21)
Net income (loss)	85	187	258	261
Earnings per common share of Constellation Software Inc.				
Basic and diluted (note 14)	\$ 2.66	\$ 8.35	\$ 9.07	\$ 13.31

See accompanying notes to the condensed consolidated interim financial statements.

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Income (loss)

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 85	\$ 187	\$ 258	\$ 261
Items that are or may be reclassified subsequently to net income (loss):				
Foreign currency translation differences from foreign operations and other, net of tax	185	(14)	264	(62)
Items that will not be reclassified to net income (loss):				
Changes in the fair value of equity investments at FVOCI (note 5)	95	-	215	-
Other comprehensive income (loss), net of income tax	280	(14)	479	(62)
Total comprehensive income (loss)	\$ 364	\$ 173	\$ 737	\$ 198
Total other comprehensive income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	213	(13)	353	(53)
Non-controlling interests	66	(1)	126	(9)
Total other comprehensive income (loss)	\$ 280	\$ (14)	\$ 479	\$ (62)
Total comprehensive income (loss) attributable to:				
Common shareholders of Constellation Software Inc.	270	164	545	229
Non-controlling interests (note 18)	95	9	192	(30)
Total comprehensive income (loss)	\$ 364	\$ 173	\$ 737	\$ 198

See accompanying notes to the condensed consolidated interim financial statements.

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statement of Changes in Equity

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

Six months ended June 30, 2025

	Equity Attributable to Common Shareholders of CSI				Non-controlling interests	Total equity
	Capital stock	Accumulated other comprehensive income (loss)	Retained earnings	Total		
Balance at January 1, 2025	\$ 99	\$ (224)	\$ 2,919	\$ 2,795	\$ 493	\$ 3,288
<i>Total comprehensive income (loss):</i>						
Net income (loss)	-	-	192	192	66	258
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of tax and changes in the fair value of equity investments at FVOCI (note 5)	-	353	-	353	126	479
Total other comprehensive income (loss)	-	353	-	353	126	479
Total comprehensive income (loss)	-	353	192	545	192	737
Transactions with owners, recorded directly in equity						
Other movements in non-controlling interests	-	-	(1)	(1)	1	(0)
Dividends paid to non-controlling interests	-	-	-	-	(0)	(0)
Dividends to shareholders of the Company (note 12)	-	-	(42)	(42)	-	(42)
Balance at June 30, 2025	\$ 99	\$ 129	\$ 3,068	\$ 3,296	\$ 686	\$ 3,982

See accompanying notes to the condensed consolidated interim financial statements.

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statement of Changes in Equity
(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

Six months ended June 30, 2024

	Equity Attributable to Common Shareholders of CSI				Non-controlling interests	Total equity
	Capital stock	Accumulated other comprehensive income (loss)	Retained earnings	Total		
Balance at January 1, 2024	\$ 99	\$ (99)	\$ 1,876	\$ 1,877	\$ 85	\$ 1,961
<i>Total comprehensive income (loss):</i>						
Net income (loss)	-	-	282	282	(21)	261
<i>Other comprehensive income (loss)</i>						
Foreign currency translation differences from foreign operations and other, net of tax	-	(53)	-	(53)	(9)	(62)
Total other comprehensive income (loss)	-	(53)	-	(53)	(9)	(62)
Total comprehensive income (loss)	-	(53)	282	229	(30)	198
Transactions with owners, recorded directly in equity						
Non-controlling interests arising from business combinations	-	-	-	-	(0)	(0)
Conversion of Lumine Special Shares to subordinate voting shares of Lumine and settlement of accrued dividend on Lumine Special Shares through the issuance of subordinate voting shares of Lumine	-	-	-	-	872	872
Conversion of Lumine Preferred Shares to subordinate voting shares of Lumine and settlement of accrued dividend on Lumine Preferred Shares through the issuance of subordinate voting shares of Lumine	-	(6)	400	394	(394)	-
Other movements in non-controlling interests	-	-	1	1	(1)	(0)
Dividends paid to non-controlling interests	-	-	-	-	(86)	(86)
Dividends to shareholders of the Company	-	-	(42)	(42)	-	(42)
Balance at June 30, 2024	\$ 99	\$ (158)	\$ 2,517	\$ 2,458	\$ 445	\$ 2,903

See accompanying notes to the condensed consolidated interim financial statements.

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Cash Flows

(In millions of U.S. dollars, except per share amounts. Due to rounding, numbers presented may not foot.)

Unaudited

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash flows from (used in) operating activities:				
Net income (loss)	\$ 85	\$ 187	\$ 258	\$ 261
Adjustments for:				
Depreciation	50	45	96	89
Amortization of intangible assets (note 7)	286	258	558	500
IRGA/TSS Membership liability revaluation charge (note 8)	126	8	220	89
Finance and other expense (income) (note 13)	(28)	(23)	(108)	(32)
Bargain purchase (gain) (note 4)	(5)	(2)	(5)	(5)
Impairment of intangible and other non-financial assets (note 7)	9	6	11	16
Redeemable preferred securities expense (income)	-	-	-	58
Finance costs (note 13)	71	69	142	136
Income tax expense (recovery)	95	65	183	117
Foreign exchange loss (gain)	118	4	150	(15)
Depreciation of third party costs	4	-	9	-
Change in non-cash operating assets and liabilities exclusive of effects of business combinations (note 17)	(185)	(174)	46	34
Transaction costs associated with equity securities classified as FVOCI (note 5)	-	-	(2)	-
Income taxes paid	(192)	(177)	(299)	(245)
Net cash flows from (used in) operating activities	433	265	1,260	1,002
Cash flows from (used in) financing activities:				
Interest paid on lease obligations	(4)	(3)	(8)	(7)
Interest paid on debt	(32)	(37)	(94)	(78)
Increase (decrease) in CSI facility	-	-	-	(578)
Increase (decrease) in Topicus revolving credit debt facility without recourse to CSI	(135)	(21)	(104)	92
Proceeds from issuance of Senior Notes	-	-	-	1,000
Proceeds from issuance of debt facilities without recourse to CSI	341	164	368	276
Repayments of debt facilities without recourse to CSI	(69)	(14)	(99)	(32)
Other financing activities	1	(24)	(0)	(27)
Dividends paid to non-controlling interests	-	(0)	(0)	(86)
Debt transaction costs	(4)	(2)	(4)	(13)
Payments of lease obligations, net of sublease receipts	(33)	(29)	(63)	(58)
Distribution to the Joday Group	-	-	-	(64)
Principal repayments to the Joday Group pursuant to the Call Notice	-	-	-	(22)
Dividends paid to common shareholders of the Company (note 12)	(21)	(21)	(42)	(42)
Net cash flows from (used in) financing activities	43	12	(48)	363
Cash flows from (used in) investing activities:				
Acquisition of businesses (note 4)	(380)	(452)	(474)	(675)
Cash obtained with acquired businesses (note 4)	45	31	56	66
Post-acquisition settlement payments, net of receipts	(114)	(54)	(130)	(130)
Purchases of investments and other assets (note 5)	(14)	(0)	(189)	(1)
Proceeds from sales of other investments and other assets	15	2	15	5
Decrease (increase) in restricted cash	(3)	2	5	(9)
Interest, dividends and other proceeds received	20	8	32	13
Property and equipment purchased	(16)	(13)	(31)	(23)
Net cash flows from (used in) investing activities	(446)	(476)	(717)	(753)
Effect of foreign currency on cash	68	(5)	101	(22)
Increase (decrease) in cash	98	(205)	596	590
Cash, beginning of period	\$ 2,477	\$ 2,078	\$ 1,980	\$ 1,284
Cash, end of period	\$ 2,575	\$ 1,873	\$ 2,575	\$ 1,873

See accompanying notes to the condensed consolidated interim financial statements.

CONSTELLATION SOFTWARE INC.

Notes to Condensed Consolidated Interim Financial Statements

(In millions of U.S. dollars, except per share amounts and as otherwise indicated)

(Due to rounding, numbers presented may not foot)

Three and six months ended June 30, 2025 and 2024

(Unaudited)

Notes to the condensed consolidated interim financial statements

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CONSTELLATION SOFTWARE INC.

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(In millions of U.S. dollars, except per share amounts and as otherwise indicated)

(Due to rounding, numbers presented may not foot)

Three and six months ended June 30, 2025 and 2024

(Unaudited)

1. Reporting entity

Constellation Software Inc. is a company domiciled in Canada. The address of Constellation Software Inc.'s registered office is 66 Wellington Street West, Suite 5300, Toronto, Ontario, Canada. The condensed consolidated interim financial statements of Constellation Software Inc. as at and for the three and six month period ended June 30, 2025 comprise Constellation Software Inc. and its subsidiaries (together referred to as "Constellation", "CSI", or the "Company") and the Company's interest in associates. The Company is engaged principally in the development, installation and customization of software as well as in the provisioning of related professional services and support for customers globally across over 100 diverse markets.

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies disclosed in Note 3 of the Company's 2024 annual consolidated financial statements, available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.com, except as disclosed herein.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on August 8, 2025.

These condensed consolidated interim financial statements should be read in conjunction with the Company's 2024 annual consolidated financial statements.

(b) Basis of measurement

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

(c) Functional and presentation of currency

The condensed consolidated interim financial statements are presented in U.S. dollars, which is Constellation's functional currency.

(d) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, consistent with those disclosed in the 2024 annual consolidated financial statements and described in these condensed consolidated interim financial statements. Actual results may differ from these estimates.

CONSTELLATION SOFTWARE INC.

Notes to Condensed Consolidated Interim Financial Statements

(In millions of U.S. dollars, except per share amounts and as otherwise indicated)

(Due to rounding, numbers presented may not foot)

Three and six months ended June 30, 2025 and 2024

(Unaudited)

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

3. Material accounting policies

Unless otherwise noted in the condensed consolidated interim financial statements, the material accounting policies used in preparing these condensed consolidated interim financial statements are unchanged from those disclosed in the Company's 2024 annual consolidated financial statements and have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

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

4. Business acquisitions

(a) On June 2, 2025, the Company completed the acquisition of the shares of Cipal Schaubroeck NV ("CS"). The Company paid cash of \$228 plus issued an estimated cash holdback payable of \$23 and contingent consideration with an estimated acquisition date fair value of \$7. The total consideration resulting from acquisition of CS is \$258.

CS is a Belgium-based vertical market software provider active in the local government vertical. The acquisition has been accounted for using the acquisition method with the results of operations included in the consolidated financial statements for the six months ended June 30, 2025 from the date of the acquisition.

The goodwill recognized in connection with this acquisition is primarily attributable to the application of the Company's best practices to improve the operations of the company acquired, synergies with existing businesses of the Company, and other intangible assets that do not qualify for separate recognition including assembled workforce. The goodwill is not expected to be deductible for income tax purposes.

The gross contractual amounts of acquired receivables was \$31; however, the Company has recorded an allowance of \$0 as part of the acquisition accounting to reflect contractual cash flows that are not expected to be collected.

Due to the complexity and timing of this acquisition, the Company is in the process of determining and finalizing the estimated fair value of the net assets acquired. The amounts determined on a provisional basis generally relate to net asset assessments and measurement of the assumed liabilities. The provisional purchase price allocations may differ from the final purchase price allocations, and these differences may be material. Revisions to the allocations will occur as additional information about the fair value of assets and liabilities becomes available.

The impact of acquisition accounting applied on a provisional basis in connection with the acquisition of CS is as follows:

CONSTELLATION SOFTWARE INC.

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(In millions of U.S. dollars, except per share amounts and as otherwise indicated)

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Three and six months ended June 30, 2025 and 2024

(Unaudited)

Assets acquired:		
Cash	\$	20
Accounts receivable		31
Other current assets		13
Property and equipment		2
Right of use assets		15
Other non-current assets		30
Deferred income taxes		2
Technology assets		74
Customer assets		171
		359
Liabilities assumed:		
Current liabilities		35
Deferred revenue		20
Deferred income taxes		61
Long-term lease obligations		10
Other non-current liabilities		1
		128
Goodwill		26
Total consideration	\$	258

The acquisition of CS contributed revenue of \$10 and a net loss of \$1 for the six months ended June 30, 2025. If this acquisition had occurred on January 1, 2025, the Company estimates that pro-forma consolidated revenue and pro-forma consolidated net income would have been \$5,547 and \$255 compared to the actual amounts reported in the condensed consolidated interim statement of income (loss) for period ending June 30, 2025.

(b) During the six-month period ended June 30, 2025, the Company completed a number of additional acquisitions for aggregate cash consideration of \$246 plus cash holdbacks of \$70 and contingent consideration with an estimated acquisition date fair value of \$28. The total consideration resulting from the additional acquisitions in the six-month period ended June 30, 2025 was \$344. The contingent consideration is payable on the achievement of certain financial targets in the post-acquisition periods. The obligation for contingent consideration for acquisitions during the six-month period ended June 30, 2025 has been recorded at its estimated fair value at the various acquisition dates. The estimated fair value of the applicable contingent consideration is calculated using the estimated financial outcome and resulting expected contingent consideration to be paid and inclusion of a discount rate as appropriate. For these arrangements, which include both maximum, or capped, and unlimited contingent consideration amounts, the estimated increase to the initial consideration is not expected to exceed \$50.

CONSTELLATION SOFTWARE INC.

Notes to Condensed Consolidated Interim Financial Statements

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Three and six months ended June 30, 2025 and 2024

(Unaudited)

Aggregate contingent consideration of \$207 (December 31, 2024 - \$174) has been reported in the condensed consolidated interim statement of financial position at its estimated fair value relating to applicable acquisitions completed in the current and prior periods. Changes made to the estimated fair value of contingent consideration are included in other, net in the condensed consolidated interim statements of income (loss). An expense of \$4 and \$11 has been recorded for the three and six months ended June 30, 2025, as a result of such changes (expense of \$5 and \$16 for the three and six months ended June 30, 2024).

No additional acquisitions were deemed to be individually significant. The majority of the businesses acquired during the period were acquisitions of shares and the remainder were asset acquisitions. The cash holdbacks are generally payable over a two-year period and are adjusted, as necessary, for such items as working capital or net tangible asset assessments, as defined in the agreements, and claims under the respective representations and warranties of the purchase and sale agreements.

The additional acquisitions during the six-month period ended June 30, 2025 include software companies catering to the following markets: automotive, digital marketing, fashion, financial services, forestry, hospitality, human capital, information technology, lighting design, maintenance management, manufacturing, software infrastructure, supply chain management, technical service providers, travel, telecommunications, oil and gas, transport, enterprise and resource planning, law enforcement, local government, fleet, utilities, asset management, production and visualization, content management, craftsman, retail management and distribution, creative agencies, pharmacy, human capital, automotive, sports, leisure, transit and healthcare all of which are software businesses similar to existing businesses operated by the Company. The acquisitions have been accounted for using the acquisition method with the results of operations included in these condensed consolidated interim financial statements from the date of each acquisition.

The goodwill recognized in connection with these additional acquisitions is primarily attributable to the application of Constellation's best practices to improve the operations of the companies acquired, synergies with existing businesses of Constellation, and other intangible assets that do not qualify for separate recognition including assembled workforce. Goodwill in the amount of \$1 is expected to be deductible for income tax purposes.

The gross contractual amounts of acquired receivables was \$46; however, the Company has recorded an allowance of \$5 as part of the acquisition accounting to reflect contractual cash flows that are not expected to be collected.

Due to the complexity and timing of certain additional acquisitions made, the Company is in the process of determining and finalizing the estimated fair value of the net assets acquired as part of the acquisitions closed during 2025 and the last two quarters of 2024. The amounts determined on a provisional basis generally relate to net asset assessments and measurement of the assumed liabilities, including acquired contract liabilities. The provisional purchase price allocations may differ from the final purchase price allocations, and these differences may be material. Revisions to the allocations will occur as additional information about the fair value of assets and liabilities becomes available. The cash consideration associated with these provisional estimates (including individually significant acquisitions) totals \$1,147.

The aggregate impact of acquisition accounting applied in connection with the aggregate of business acquisitions that are not individually significant in the period ended June 30, 2025 is as follows:

CONSTELLATION SOFTWARE INC.

Notes to Condensed Consolidated Interim Financial Statements

(In millions of U.S. dollars, except per share amounts and as otherwise indicated)

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Three and six months ended June 30, 2025 and 2024

(Unaudited)

Assets acquired:		
Cash	\$	36
Accounts receivable		41
Other current assets		38
Property and equipment		8
Right of use assets		14
Other non-current assets		0
Deferred income taxes		4
Technology assets		180
Customer assets		180
		500
Liabilities assumed:		
Current liabilities		59
Deferred revenue		41
Deferred income taxes		66
Long-term debt		1
Long-term lease obligations		11
Other non-current liabilities		9
		188
Goodwill		35
Bargain purchase gain		(4)
Total consideration	\$	344

The 2025 additional business acquisitions did not have a material impact to either the consolidated revenue or the consolidated net income (loss) for the six months ended June 30, 2025. The materiality threshold is reviewed on a regular basis taking into account the quantitative (contribution to revenue and net income (loss)) and qualitative (size and comparability with other Constellation businesses) factors of current period acquisitions on both an individual and aggregate basis.

CONSTELLATION SOFTWARE INC.

Notes to Condensed Consolidated Interim Financial Statements

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Three and six months ended June 30, 2025 and 2024

(Unaudited)

(c) The chart below outlines the significant measurement period adjustments and adjustments to estimated holdback payables on prior year acquisitions which have been reflected on the condensed consolidated interim statement of financial position as of December 31, 2024 and June 30, 2024.

	December 31, 2024	June 30, 2024
Current Assets:		
Accounts receivable	(0)	(1)
Unbilled revenue	(0)	(10)
Inventories	(0)	0
Acquisition holdback receivables	0	3
Other assets	(1)	7
	(1)	(0)
Non-current Assets:		
Property and equipment	(1)	5
Right of use assets	1	9
Deferred income taxes	1	1
Equity securities	-	-
Other assets	-	0
Intangible assets	(11)	(8)
	(10)	7
Total assets	(12)	7
Current liabilities:		
Accounts payable and accrued liabilities	0	5
Deferred revenue	(1)	7
Acquisition holdback payables	(7)	(6)
Lease obligations	0	2
Income taxes payable	(0)	0
	(8)	9
Non-current liabilities:		
Deferred income taxes	(3)	(1)
Acquisition holdback payables	(2)	(2)
Lease obligations	0	6
Other liabilities	1	(5)
	(4)	(2)
Total liabilities	(12)	7

CONSTELLATION SOFTWARE INC.

Notes to Condensed Consolidated Interim Financial Statements

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Three and six months ended June 30, 2025 and 2024

(Unaudited)

5. Equity securities

On January 31, 2025, the Company purchased 8,300,029 shares in Asseco Poland S.A. ("Asseco") representing approximately 9.99% of the issued shares in Asseco. The Asseco shares were acquired at a price of 85 PLN per share for total consideration of \$174. Asseco offers comprehensive, proprietary IT solutions for all sectors of the economy and is listed on the Polish Warsaw Stock Exchange (the "WSE"). The Company has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income ("FVOCI"). The Company designated the Asseco investment as equity securities at FVOCI because the investment in Asseco represents an investment that the Company intends to hold for the long term. During the three and six months ended June 30, 2025, the Company recorded a gain of \$95 and \$216 based on the share price as at June 30, 2025 within other comprehensive income reduced by transaction costs of \$2. The investment in Asseco has been classified as a non-current asset as at June 30, 2025 within "Equity Securities".

During the three months ended June 30, 2025, the Company received a dividend of \$9 from Asseco. The dividend has been included in net income and included in the line item "Finance and other (income) expenses".

Correction of an Immaterial Error:

The Company corrected an immaterial error relating to the three months ending March 31, 2025. 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 had recorded the initial gain of \$35 in other comprehensive income. Under IFRS Accounting Standards, the difference between the fair value at initial recognition and the transaction price should have been recognized as a gain or loss in the statement of income (loss) with subsequent changes in fair value recorded in other comprehensive income. Additionally, as a result of the above, current income tax expense was understated by \$2 due to the recognition of the initial gain in other comprehensive income. As a result, an adjustment was made to the condensed consolidated interim statement of income (loss) and condensed consolidated interim statement comprehensive income (loss). There was no change to assets or cash flows. The impact of these adjustments is summarized below:

As reported, three months ended March 31, 2025	Adjustment	As corrected, three months ended March 31, 2025
--	------------	---

Condensed Consolidated Interim Statement of Income (Loss)

(Increase) decrease in the fair value of equity securities	3	(35)	(32)
Current tax expense (recovery)	136	2	137
Net income (loss)	140	34	174

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

Changes in the fair value of equity instruments at FVOCI	155	(35)	120
Other comprehensive (loss) income for the period, net of income tax	234	(35)	199

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6. Other assets and other non-current liabilities

(a) Other assets

		June 30, 2025	December 31, 2024
Prepaid expenses and other current assets	\$	383	\$ 318
Holdback receivable		3	6
Investment tax credits recoverable		63	45
Sales tax receivable		54	62
Equity securities held for trading		2	14
Derivatives		5	-
Income tax and other receivables		175	151
Total other current assets	\$	685	\$ 596
Investment tax credits recoverable	\$	16	\$ 21
Costs to obtain a contract		99	91
Non-current trade and other receivables and other assets		198	190
Equity accounted investees		57	14
Total other non-current assets	\$	369	\$ 316

(b) Other non-current liabilities

		June 30, 2025	December 31, 2024
Contingent consideration	\$	109	\$ 97
Deferred revenue		112	89
Other non-current liabilities		146	114
Total other non-current liabilities	\$	367	\$ 300

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7. Intangible Assets

	Technology Assets	Customer Assets	Backlog	Non-compete agreements	Trademarks	Goodwill	Total
Cost							
Balance at January 1, 2024	\$ 5,004	\$ 4,705	\$ 17	\$ 2	\$ 29	\$ 1,279	\$ 11,037
Acquisitions through business combinations	903	925	0	-	-	246	2,073
Effect of movements in foreign exchange	(173)	(144)	(0)	0	(1)	(47)	(366)
Balance at December 31, 2024	\$ 5,733	\$ 5,486	\$ 17	\$ 2	\$ 28	\$ 1,477	\$ 12,744
Balance at January 1, 2025	\$ 5,733	\$ 5,486	\$ 17	\$ 2	\$ 28	\$ 1,477	\$ 12,744
Acquisitions through business combinations	254	350	-	-	-	62	666
Effect of movements in foreign exchange and other	280	259	0	(0)	2	75	616
Balance at June 30, 2025	\$ 6,266	\$ 6,094	\$ 17	\$ 2	\$ 31	\$ 1,614	\$ 14,025
Accumulated amortization and impairment losses							
Balance at January 1, 2024	\$ 2,822	\$ 1,497	\$ 17	\$ 2	\$ 7	\$ 16	\$ 4,361
Amortization for the period	600	442	0	0	1	-	1,044
Impairment charge	10	9	-	-	-	7	26
Effect of movements in foreign exchange	(92)	(54)	(0)	0	-	-	(146)
Balance at December 31, 2024	\$ 3,340	\$ 1,894	\$ 17	\$ 2	\$ 9	\$ 23	\$ 5,284
Balance at January 1, 2025	\$ 3,340	\$ 1,894	\$ 17	\$ 2	\$ 9	\$ 23	\$ 5,284
Amortization for the period	318	239	0	(0)	1	-	558
Impairment charge	3	4	-	-	-	3	10
Effect of movements in foreign exchange	163	101	0	(0)	-	-	265
Balance at June 30, 2025	\$ 3,825	\$ 2,238	\$ 17	\$ 2	\$ 9	\$ 26	\$ 6,118
Carrying amounts							
At January 1, 2024	\$ 2,182	\$ 3,209	\$ 0	\$ (0)	\$ 22	\$ 1,262	\$ 6,675
At December 31, 2024	\$ 2,393	\$ 3,593	\$ 0	\$ -	\$ 20	\$ 1,454	\$ 7,459
At January 1, 2025	\$ 2,393	\$ 3,593	\$ 0	\$ -	\$ 20	\$ 1,454	\$ 7,459
At June 30, 2025	\$ 2,442	\$ 3,856	\$ 0	\$ (0)	\$ 21	\$ 1,588	\$ 7,907

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8. Debt with recourse to CSI

	CSI Facility	Senior Notes	Liability of CSI under the IRGA	Debentures	Term Loan	Total
Principal outstanding (and, except for debentures, equal to fair value)	\$ -	\$ 1,000	\$ 1,014	\$ 363	\$ 89	\$ 2,466
Deduct: Unamortized transaction costs included in debt balance	-	(7)	-	-	(0)	(7)
Add: Unamortized debt premium	-	-	-	48	-	48
Carrying value at June 30, 2025	-	993	1,014	411	89	2,507
Current portion	-	-	575	-	-	575
Non-current portion	-	993	439	411	89	1,932

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 to \$1,085, 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 June 30, 2025, \$nil (December 31, 2024 – \$nil) had been drawn from this credit facility, and letters of credit totaling \$13 (December 31, 2024 - \$13) 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 aggregate principal amount of 5.158% senior notes due 2029 and \$500 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 Members Agreement

On December 23, 2014, in accordance with the terms of the purchase and sale agreement for the initial acquisition of Total Specific Solutions (“TSS”) by CSI, and on the basis of the term sheets attached thereto, Constellation and the sellers of TSS along with certain members of TSS’ executive management team (collectively, the “Joday Group”) among others, entered into a Members Agreement (the “TSS 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., (“Topicus Coop”)), a subsidiary of Constellation and the indirect owner of 100% of TSS at the time of the acquisition. Total proceeds from this transaction was EUR 39.

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On January 5, 2021, the TSS Members Agreement was terminated in conjunction with the acquisition of Topicus.com B.V., the reorganization of Topicus Coop and the execution of the Investors Rights and Governance Agreement ("IRGA"). The IRGA was established to create certain contractual obligations of the parties in respect of the governance of Topicus and Topicus Coop. The IRGA provides for transfer restrictions in respect of the ordinary units of Topicus Coop ("Topicus Coop Ordinary Units" or the "Topicus Coop Units").

Any time after January 5, 2021, any member of the Joday Group has the right, at their 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 their 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 their 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 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 Investments VI B.V. ("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

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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 condensed consolidated interim statements of income (loss) for the period.

Debentures

On October 1, 2014 and November 19, 2014, the Company issued debentures with a total principal value of C\$96 for total proceeds of C\$91. On September 30, 2015, the Company issued another tranche of debentures (collectively with the 2014 issuances called the "Debentures") with a total principal value of C\$186 for total proceeds of C\$214.

On October 6, 2023, a total of C\$213 principal amount of debentures ("2023 Debentures") were issued at a price of C\$133.00 per C\$100.00 principal amount of 2023 Debentures purchased representing proceeds to the Company of C\$283 which was used by the Company to pay down indebtedness under its existing credit facility. The 2023 Debentures were issued as an additional tranche of, and will form a single series with, the outstanding C\$282 aggregate principal amount of Debentures.

The Debentures have a maturity date of March 31, 2040 (the "Maturity Date").

The interest rate from and including:

- March 31, 2023 but excluding March 31, 2024 is 13.3%
- March 31, 2024 but excluding March 31, 2025 is 10.4%
- March 31, 2025 but excluding March 31, 2026 is 8.9%

Subsequent from and including March 31, 2026 to but excluding the Maturity Date, the interest rate applicable to the 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%. Notwithstanding the foregoing, the interest rate applicable to the debentures will not be less than 0%. The Company may, subject to certain approvals, elect the Payment in Kind election ("PIK Election"), in lieu of paying interest in cash, to satisfy all or any portion of its interest obligation payable on an interest payment date by issuing to each Debenture holder PIK Debentures equal to the amount of the interest obligation to be satisfied. The PIK Debentures will have the same terms and conditions as the Debentures and will form part of the principal amount of the Debentures. If, on any interest payment date, the Company fails to pay the amount of interest owing on the Debentures in full in cash, the Company will not (A) declare or pay dividends of any kind on the Common Shares, nor (B) participate in any share buyback or redemption involving the Common Shares, until the date on which the Company pays such interest (or the unpaid portion thereof) in cash to holders of the Debentures; however, where the Company has issued PIK Debentures in respect of all or a portion of the amount of interest owing on the Debentures on an interest payment date, the Company may resume declaring or paying dividends of any kind on the Common Shares and participating in any share buyback or redemption involving the Common Shares beginning on the next earlier of (i) the interest payment date of which the Company pays the amount of interest owing on the Debentures in full in cash and (ii) the date on which the Company repays all amounts owing under the PIK Debenture. All payments in respect of the Debentures will be subordinated in right of payment to the prior payment in full of all senior indebtedness of the Company.

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The Debentures will be redeemable in certain circumstances at the option of the Company or the holder. During the period beginning on March 16 and ending on March 31 of each year, the Company will have the right, at its option, to give notice to holders of Debentures of its intention to redeem the Debentures, in whole or in part, on March 31 in the year that is five years following the year in which notice is given, at a price equal to the principal amount thereof plus accrued and unpaid interest up to but excluding the date fixed for redemption. During the period beginning on March 1 and ending on March 15 of each year, holders of Debentures will also have the right, at their option, to give notice to the Company of their intention to require the Company to repurchase (or to “put”) the Debentures, in whole or in part, on March 31 in the year that is five years following the year in which notice is given, at a price equal to the principal amount thereof plus accrued and unpaid interest up to but excluding the date fixed for repurchase.

During the year to date periods ended June 30, 2025 and December 31, 2024, no notices for redemption of the Debentures were received or given by the Company.

The fair value of the debentures as at June 30, 2025 was \$425 (December 31, 2024 - \$410).

Term Loan

One of CSI’s subsidiaries has entered into a GBP 65 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.

9. Debt without recourse to CSI

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

In conjunction with the acquisition of Optimal Blue, the Company had entered into a promissory note agreement (“Promissory Note”). 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:

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	Topicus Revolving Credit Facility	Debt Facilities	Promissory Note	Total
Principal outstanding (and equal to fair value)	\$ 159	\$ 1,587	\$ 500	\$ 2,246
Deduct: Carrying value of transaction costs included in debt balance	(3)	(12)	-	(15)
Carrying value at June 30, 2025	156	1,575	500	2,231
Current portion	156	94	-	250
Non-current portion	-	1,481	500	1,981

The annual minimum repayment requirements for the debt facilities without recourse to CSI (excluding the Topicus Revolving Credit Facility and the Promissory Note) are as follows:

Year	Debt Facilities
2025	51
2026	138
2027	611
2028	381
2029	148
2030	127
2031	2
2032 and subsequent years	130
	1,587

The annual minimum repayment requirements for the Promissory Note are as follows:

Year	June 30, 2025
2025 - 2029	\$ 7
2030- 2063	493
Total	\$ 500

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10. Provisions

At January 1, 2025	\$	32
Reversal		(2)
Provisions recorded during the period		12
Provisions used during the period		(10)
Effect of movements in foreign exchange and other		2
At June 30, 2025	\$	34
Provisions classified as current liabilities		23
Provisions classified as other non-current liabilities		12

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

11. Income taxes

Income tax expense is recognized based on management's best estimate of the actual income tax rate for the interim period applied to the pre-tax income of the interim period for each entity in the consolidated group. As a result of foreign exchange fluctuations, acquisitions and ongoing changes due to intercompany transactions amongst entities operating in different jurisdictions, the Company has determined that a reasonable estimate of a weighted average annual tax rate cannot be determined on a consolidated basis. The Company's consolidated effective tax rate in respect of continuing operations for the three and six months ended June 30, 2025 was 53% and 42% (26% and 31% for the three and six months ended June 30, 2024).

Constellation is subject to tax audits in the countries in which the Company does business globally. These tax audits could result in additional tax expense in future periods relating to historical filings. Reviews by tax authorities generally focus on, but are not limited to, the validity of the Company's intercompany 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.

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12. Capital and other components of equity

	Common Shares	
	Number	Amount
June 30, 2025	21,191,530	\$ 99
December 31, 2024	21,191,530	\$ 99

Dividends and other distributions to shareholders

During the three months ended June 30, 2025, the Company declared a \$1.00 per share dividend to all common shareholders of record at close of business on June 20, 2025. The dividend declared in the quarter ended June 30, 2025 representing \$21 was paid and settled on July 11, 2025.

During the three months ended March 31, 2025, the Company declared a \$1.00 per share dividend to all common shareholders of record at close of business on March 28, 2025. The dividend declared in the quarter ended March 31, 2025 representing \$21 was paid and settled on April 15, 2025.

The dividend declared in the quarter ended December 31, 2024 representing \$21 was paid and settled on January 10, 2025.

13. Finance and other expense (income) and finance costs

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Interest income on cash	\$ (12)	\$ (9)	\$ (23)	\$ (15)
(Increase) decrease in the fair value of equity securities (note 5)	(4)	(2)	(36)	0
Share in net (income) loss of equity investee	(0)	(0)	(0)	0
(Increase) decrease in the fair value of derivative and other finance income	1	-	(5)	-
Finance and other income	(12)	(12)	(45)	(17)
Finance and other expense (income)	\$ (28)	\$ (23)	\$ (108)	\$ (32)
Interest expense on debt and debentures	\$ 58	\$ 57	\$ 116	\$ 113
Interest expense on lease obligations	4	3	8	7
Amortization of debt related transaction costs	2	1	3	3
Amortization of debenture discount (premium)	(1)	(1)	(2)	(2)
Other finance costs	9	8	16	15
Finance costs	\$ 71	\$ 69	\$ 142	\$ 136

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14. Earnings per share

Basic and diluted earnings per share

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss) attributable to common shareholders of CSI	\$ 56	\$ 177	\$ 192	\$ 282
Denominator:				
Basic and diluted shares outstanding	21,191,530	21,191,530	21,191,530	21,191,530
Earnings per share				
Basic and diluted	\$ 2.66	\$ 8.35	\$ 9.07	\$ 13.31

15. Financial instruments

Fair values versus carrying amounts

The carrying values of cash, accounts receivable, accounts payable, accrued liabilities, dividends payable, the majority of the acquisition holdbacks, and the CSI Facility, approximate their fair values 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 Senior Notes, IRGA liability and the Term Loan with recourse to CSI approximates fair value.

Fair value hierarchy

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

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

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

Financial assets and financial liabilities measured at fair value as at June 30, 2025 and December 31, 2024 in the condensed consolidated interim financial statements are summarized below. The Company has no additional financial liabilities measured at fair value after initial recognition other than those recognized in connection with business combinations.

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	June 30, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Equity securities	\$ 482	\$ -	\$ -	\$ 482	\$ 27	\$ -	\$ -	\$ 27
Derivatives	-	-	5	5	-	-	-	-
	482	-	5	488	27	-	-	27
Liabilities:								
Contingent consideration	-	-	207	207	-	-	174	174
	-	-	207	207	-	-	174	174

There were no transfers of fair value measurement between level 1, 2 and 3 of the fair value hierarchy in the periods ended June 30, 2025 and December 31, 2024.

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

Contingent Consideration

Balance at January 1, 2025	\$ 174
Increase from business acquisitions	35
Cash payments	(35)
Charges (recoveries) through profit or loss	19
Foreign exchange and other movements	15
Balance at June 30, 2025	207
Contingent consideration classified as current liabilities	98
Contingent consideration classified as other non-current liabilities	109

Estimates of the fair value of contingent consideration are performed by the Company on a quarterly basis. Key unobservable inputs include revenue/profitability growth rates and the discount rates applied (7% to 11%). The estimated fair value increases as the annual revenue/profitability growth rate increases and as the discount rate decreases and vice versa.

Derivatives

On February 4, 2025, the Company entered into a binding agreement in respect of the acquisition of 12,318,863 treasury shares of Asseco Poland S.A. ("Asseco"). These shares represent 14.84% of Asseco's share capital and will be purchased at a price of PLN 85 per share. The completion of the acquisition of the treasury shares remains subject to obtaining relevant regulatory and antitrust approvals in various government jurisdictions. The contract to acquire the additional shares of Asseco is a derivative under IFRS Accounting Standards and has been recorded at fair value as of June 30, 2025. Key unobservable inputs include the probability of receiving regulatory and

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antitrust approvals in each of the various government jurisdictions prior to September 30, 2025. The estimated fair value of the derivative asset increases as the probability increases. The estimated fair value of the asset decreases as the probability decreases. The key observable input is the share price of Asseco. As the Asseco share price increases, the fair value of the derivative increases. As the Asseco share price decreases, the fair value of the derivative decreases. During the three and six months ended June 30, 2025, a loss of \$1 and a gain of \$4 was recorded Condensed Consolidated Interim Statements of Income (loss).

16. Contingencies

In the normal course of operations, the Company is subject to litigation and claims from time to time. The Company may also be subject to lawsuits, investigations and other claims, including environmental, labour, income and sales tax, product, customer disputes and other matters. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

17. Changes in non-cash operating assets and liabilities

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Decrease (increase) in current accounts receivable	\$ 175	\$ 127	\$ 142	\$ 74
Decrease (increase) in current unbilled revenue	(32)	(24)	(60)	(57)
Decrease (increase) in other current assets	(6)	(39)	(54)	(64)
Decrease (increase) in inventories	1	0	1	(5)
Decrease (increase) in other non-current assets	(2)	(8)	(2)	(29)
Increase (decrease) in other non-current liabilities	(42)	(18)	(19)	(30)
Increase (decrease) in current accounts payable and accrued liabilities, excluding holdbacks from acquisitions	(51)	5	(223)	(128)
Increase (decrease) in current deferred revenue	(227)	(220)	261	269
Increase (decrease) in current provisions	(1)	3	(0)	2
Change in non-cash operating working capital	\$ (185)	\$ (174)	\$ 46	\$ 34

18. Non-controlling interests

Topicus:

Constellation's equity interest in Topicus, a company based in the Netherlands, is 60.65% (39.35% being non-controlling interest). On May 16, 2022, Topicus also acquired a controlling interest of 72.68% in Sygnity S.A. ("Sygnity"), a company based in Poland. The remaining 27.32% represents non-controlling interest.

Adapt IT:

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(Due to rounding, numbers presented may not foot)

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On January 3, 2022, the Company acquired a controlling interest in Adapt IT Holdings Limited ("Adapt IT"), a company based in South Africa. The Company has an interest of 73.93% in Adapt IT (the remaining 26.07% represents non-controlling interest).

Lumine:

The Company reflects an equity interest of 61.40% in Lumine, a company based in Canada, and a non-controlling interest in Lumine of 38.60%.

The following tables summarize the information relating to the Company's non-controlling interests in Topicus, Adapt-IT and Lumine as at June 30, 2025 and December 31, 2024:

	As at June 30, 2025		
	Topicus Coop	Adapt-IT	Lumine
Non-controlling interest	39.35%	26.07%	38.60%
Current assets	646	50	531
Non-current assets	2,085	57	803
Total assets	2,730	107	1,335
Current liabilities	937	34	239
Non-current liabilities	823	22	352
Total liabilities	1,760	56	591
Less: Non-controlling interest of subsidiaries, including interests held by CSI	46	-	-
Net assets after allocation of non-controlling interests (including interests held by CSI)	924	52	743
Inter-group eliminations	(19)	-	11
Total	905	52	754
Net assets allocated to the non-controlling interests of subsidiary	356	13	291
Add: Non-controlling interest of subsidiaries not owned by CSI	24	-	-
Total non-controlling interest	380	13	291

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	As at December 31, 2024		
	Topicus Coop 39.35%	Adapt-IT 26.07%	Lumine 38.60%
Non-controlling interest			
Current assets	472	36	453
Non-current assets	1,123	59	835
Total assets	1,595	94	1,288
Current liabilities	727	27	218
Non-current liabilities	316	23	391
Total liabilities	1,043	50	610
Less: Non-controlling interest of subsidiaries, including interests held by CSI	47	-	-
Net assets after allocation of non-controlling interests (including interests held by CSI)	505	44	679
Inter-group eliminations	(16)	-	8
Total	489	44	686
Net assets allocated to the non-controlling interests of subsidiary	192	12	265
Add: Non-controlling interest of subsidiaries not owned by CSI	23	-	-
Total non-controlling interest	215	12	265

The following tables summarizes the information on the condensed consolidated interim statement of income (loss) relating to Topicus, Adapt-IT and Lumine for the three and six months ended June 30, 2025 and 2024.

	Three months ended June 30, 2025		
	Topicus Coop	Adapt-IT	Lumine
Revenue	422	26	184
Expenses	363	23	153
Income (loss) before income taxes	59	3	31
Income tax expense	12	1	8
Net income (loss) prior to non-controlling interest allocation	47	2	24
Less: Non-controlling interest of subsidiaries, including interests held by CSI	1	-	-
Net income (loss) after allocation of non-controlling interest	46	2	24
Inter-group eliminations	(2)	-	1
Total	44	2	24
Net income (loss) attributable to non-controlling interests	17	1	9
Add: Non-controlling interest of subsidiaries not owned by CSI	1	-	-
Total non-controlling interest	18	1	9

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	Six months ended June 30, 2025		
	Topicus Coop	Adapt-IT	Lumine
Revenue	796	52	363
Expenses	652	46	303
Income (loss) before income taxes	144	7	60
Income tax expense	22	2	15
Net income (loss) prior to non-controlling interest allocation	122	4	44
Less: Non-controlling interest of subsidiaries, including interests held by CSI	1	-	-
Net income (loss) after allocation of non-controlling interest	121	4	44
Inter-group eliminations	(4)	-	1
Total	117	4	46
Net income (loss) attributable to non-controlling interests	46	1	18
Add: Non-controlling interest of subsidiaries not owned by CSI	1	-	-
Total non-controlling interest	47	1	18

	Three months ended June 30, 2024		
	Topicus Coop	Adapt-IT	Lumine
Revenue	337	25	163
Expenses	301	25	161
Redeemable preferred securities expense (income)	-	-	-
Income (loss) before income taxes	36	(1)	2
Income tax expense	7	0	4
Net income (loss) prior to non-controlling interest allocation	29	(1)	(2)
Less: Non-controlling interest of subsidiaries, including interests held by CSI	0	-	-
Net income (loss) after allocation of non-controlling interest	29	(1)	(2)
Inter-group eliminations	(1)	-	1
Total	27	(1)	(2)
Net income (loss) attributable to non-controlling interests	11	(0)	(1)
Add: Non-controlling interest of subsidiaries not owned by CSI	0	-	-
Total non-controlling interest	11	(0)	(1)

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(Unaudited)

	Six months ended June 30, 2024		
	Topicus Coop	Adapt-IT	Lumine
Revenue	668	49	304
Expenses	592	48	284
Redeemable preferred securities expense (income)	-	-	317
Income (loss) before income taxes	75	1	(297)
Income tax expense	16	1	8
Net income (loss) prior to non-controlling interest allocation	60	0	(305)
Less: Non-controlling interest of subsidiaries, including interests held by CSI	0	-	-
Net income (loss) after allocation of non-controlling interest	60	0	(305)
Inter-group eliminations	(3)	-	261
Total	57	0	(45)
Net income (loss) attributable to non-controlling interests	22	0	(44)
Add: Non-controlling interest of subsidiaries not owned by CSI	0	-	-
Total non-controlling interest	23	0	(44)

Financial information on the statement of cash flows for Topicus, Adapt-IT and Lumine for the three and six months ended June 30, 2025 and 2024:

	Three months ended June 30, 2025		
	Topicus Coop	Adapt-IT	Lumine
Cash flows from (used in) operating activities	(19)	4	78
Cash flows from (used in) financing activities	182	-	(42)
Cash flows from (used in) investing activities	(216)	(3)	(5)

	Six months ended June 30, 2025		
	Topicus Coop	Adapt-IT	Lumine
Cash flows from (used in) operating activities	266	17	119
Cash flows from (used in) financing activities	207	(4)	(47)
Cash flows from (used in) investing activities	(433)	(4)	(1)

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	Three months ended June 30, 2024		
	Topicus Coop	Adapt-IT	Lumine
Cash flows from (used in) operating activities	9	3	10
Cash flows from (used in) financing activities	(20)	(1)	43
Cash flows from (used in) investing activities	(13)	0	(145)

	Six months ended June 30, 2024		
	Topicus Coop	Adapt-IT	Lumine
Cash flows from (used in) operating activities	256	10	45
Cash flows from (used in) financing activities	(139)	(2)	125
Cash flows from (used in) investing activities	(59)	0	(146)

19. Subsequent events

On August 8, 2025 the Company declared a \$1.00 per share dividend that is payable on October 10, 2025 to all common shareholders of record at close of business on September 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. These shares represent 14.84% of Asseco's share capital and will be purchased at a price of PLN 85 per share. The completion of the acquisition of the treasury shares remains subject to obtaining relevant regulatory and antitrust approvals.

On July 4, 2025, the "One Big Beautiful Bill Act" was signed into law. The legislation includes a provision that repeals the requirement under Section 174 of the Internal Revenue Code to capitalize and amortize domestic research and experimental expenditures. As this law was enacted subsequent to June 30, 2025, its effects are not reflected in these condensed consolidated interim financial statements. The Company is currently evaluating the impact of this legislative change but expects it will result in a significant reduction to current income tax expense for the third quarter of 2025. An offsetting amount will be booked to deferred income tax expense so there is no impact on net tax expense or the effective tax rate. The full impact of the new law will be recorded in the quarter ending September 30, 2025.

Subsequent to June 30, 2025, the Company completed or has open commitments to acquire a number of businesses for aggregate cash consideration of \$210 on closing plus total estimated deferred payments of \$109 for total consideration of \$320. The business acquisitions operate in the document management, real estate, aviation, local government, retail management and distribution, transit, telecommunications, asset management, hospitality, education, utilities, manufacturing, pharmacy, enterprise resource planning, data collection, disability, legal, schools and automotive verticals and are all software companies similar to the existing business of the Company.