

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 18, 2024

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-08495
(Commission
File Number)

16-0716709
(IRS Employer
Identification No.)

207 High Point Drive, Building 100, Victor, NY 14564
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(585) 678-7100**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock	STZ	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On April 18, 2024, Constellation Brands, Inc. (“Constellation” or the “Company”) issued a news release (the “release”) announcing that (i) its indirect, wholly-owned subsidiaries, Greenstar Canada Investment Limited Partnership (“Greenstar”) and CBG Holdings LLC (“CBG”), converted (the “Conversion”) their common shares (“Common Shares”) of Canopy Growth Corporation (“Canopy”) for non-voting and non-participating exchangeable shares of Canopy (“Exchangeable Shares”), and (ii) Greenstar and Canopy agreed to exchange approximately C\$81.2 million of the principal amount of the C\$100 million promissory note due December 2024 issued by Canopy (the “Note”) for Exchangeable Shares (the “Note Exchange”). A copy of this release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

References to Constellation’s website and/or other social media sites or platforms in the release do not incorporate by reference the information on such websites, social media sites, or platforms into this Current Report on Form 8-K, and Constellation disclaims any such incorporation by reference. The information in the release attached as Exhibit 99.1 is incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. This information is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and is not otherwise subject to the liabilities of that section. Such information may be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references the information incorporated by reference herein.

Item 8.01 Other Events.

As previously reported, in October 2022, Greenstar and CBG entered into a consent agreement (the “Consent Agreement”) and a voting support agreement with Canopy in respect of Canopy’s proposal to amend its share capital to (a) provide for the creation of Exchangeable Shares, and (b) restate the rights of Common Shares to provide for the conversion of Common Shares into Exchangeable Shares on a one-for-one basis at any time at the option of the holder of such shares (the “Amendment”). Also as previously reported, in October 2022, Constellation entered into Amendment No. 1 (the “Credit Agreement Amendment”) to the Tenth Amended and Restated Credit Agreement, dated as of April 14, 2022, by and among Constellation, CB International Finance S.à r.l., Bank of America, N.A. and certain other lenders party thereto (the “Credit Agreement”). On April 15, 2024, Canopy announced that the Amendment was approved by Canopy’s shareholders.

On April 18, 2024, Greenstar and CBG exchanged their Common Shares for Exchangeable Shares. Canopy also issued Greenstar 9,111,549 Exchangeable Shares in connection with the Note Exchange, calculated based on a price per share of C\$8.91. Pursuant to the exchange agreement with respect to the Note, Greenstar forgave all accrued but unpaid interest on the Note together with the remaining principal amount of the Note. Following the Conversion and the Note Exchange, Greenstar and CBG now hold an aggregate of 26,261,474 Exchangeable Shares and no other securities of Canopy. In connection with the Conversion, Greenstar, CBG, and Canopy have terminated the investor rights agreement, administrative services agreement, co-development agreement, and all other commercial arrangements between them and their subsidiaries, other than the Consent Agreement, certain termination agreements, and the exchange agreement with respect to the Note. In addition, all Constellation board nominees resigned from Canopy’s board of directors effective April 18, 2024. Following the Conversion and the Note Exchange, the Company will account for its investment in Exchangeable Shares at fair value. Future impairments, if any, will be reported in income (loss) from unconsolidated investments within the Company’s consolidated results.

The Credit Agreement Amendment became effective on April 18, 2024 in accordance with its terms following Greenstar’s and CBG’s exchange of their Common Shares for Exchangeable Shares and the resignation of all Constellation board nominees from Canopy’s board of directors.

Item 9.01

Financial Statements and Exhibits.

INDEX TO EXHIBITS

Exhibit No. Description

99.1 [News Release of Constellation Brands, Inc. dated April 18, 2024.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 18, 2024

CONSTELLATION BRANDS, INC.

By: /s/ Garth Hankinson
Garth Hankinson
Executive Vice President and
Chief Financial Officer



PRESS RELEASE

#WORTHREACHINGFOR | VISIT US   

CONSTELLATION BRANDS ANNOUNCES CONVERSION OF COMMON SHARES AND EXCHANGE OF PROMISSORY NOTE INTO EXCHANGEABLE SHARES OF CANOPY GROWTH CORPORATION

VICTOR, N.Y., Apr. 18, 2024 – Constellation Brands, Inc. (NYSE: STZ), a leading beverage alcohol company, announced today that its indirect, wholly-owned subsidiaries, Greenstar Canada Investment Limited Partnership (“Greenstar”) and CBG Holdings LLC (“CBG”), have converted (the “Conversion”) their common shares (“Common Shares”) of Canopy Growth Corporation (“Canopy”) into non-voting and non-participating exchangeable shares of Canopy (“Exchangeable Shares”). The amendment to Canopy’s share capital and the creation of the Exchangeable Shares were authorized by Canopy shareholders at a special meeting held on April 12, 2024 (the “Amendment”). Greenstar and Canopy also agreed to exchange (the “Note Exchange” and together with the Conversion, the “Transactions”) C\$81.2 million of the principal amount of the C\$100 million promissory note due December 2024 issued by Canopy (the “Note”) for Exchangeable Shares pursuant to an exchange agreement between Greenstar and Canopy (the “Exchange Agreement”). Pursuant to the Exchange Agreement, Greenstar forgave all accrued but unpaid interest on the Note together with the remaining principal amount of the Note. Constellation had previously disclosed its intention to complete the Transactions following Canopy shareholder approval of the Amendment.

“We are pleased to complete the conversion of our Common Share ownership interest in Canopy into Exchangeable Shares,” said Bill Newlands, Constellation’s President and CEO. “While we remain supportive of Canopy’s strategy, this Transaction is expected to eliminate the impact to our equity in earnings and is aligned to our intent to not deploy additional investment in Canopy as we’ve previously stated in our capital allocation priorities.”

Prior to the completion of the Transactions, Greenstar and CBG held an aggregate of 17,149,925 Common Shares (representing approximately 18.8% of the issued and outstanding Common Shares) after giving effect to the reverse stock split completed by Canopy in December 2023, and Greenstar also held the Note. Canopy issued Greenstar 9,111,549 Exchangeable Shares in connection with the Note Exchange, calculated based on a price per share of C\$8.91.

As a result of the Transactions, Greenstar and CBG now hold an aggregate of 26,261,474 Exchangeable Shares, which Constellation believes to be all of the issued and outstanding Exchangeable Shares as of April 18, 2024, and no other securities of Canopy.

In connection with the Conversion, Greenstar, CBG, and Canopy have terminated the investor rights agreement, administrative services agreement, co-development agreement, and all other commercial arrangements between them and their subsidiaries, other than the consent agreement pursuant to which Greenstar and CBG consented to the Amendment, certain termination agreements, and the Exchange Agreement. As a result, Constellation has no further governance rights in relation to Canopy, including rights to nominate members to the Board of Directors of Canopy (the “Canopy Board”), or approval or consulting rights related to certain transactions of Canopy. All nominees of Constellation resigned from the Canopy Board effective April 18, 2024.

Pursuant to their terms, the Exchangeable Shares are convertible into Common Shares on a one-for-one basis at any time at the election of Greenstar and CBG. Greenstar and CBG do not intend to convert any of their outstanding Exchangeable Shares for Common Shares or own any Common Shares, in each case until such time as the U.S. domestic sale of marijuana could not reasonably be expected to violate the Controlled Substances Act, the Civil Asset Forfeiture Reform Act (as it relates to violation of the Controlled Substances Act), and all related

applicable anti-money laundering laws. For early warning reporting purposes, Constellation will be deemed to beneficially own the Common Shares issuable on conversion of the Exchangeable Shares. Based on the assumptions noted above and assuming no further issuances of Common Shares or Exchangeable Shares, if Constellation were to convert all such Exchangeable Shares into Common Shares it would hold an aggregate of 26,261,474 Common Shares (representing approximately 26.2% of the currently issued and outstanding Common Shares, inclusive of the as-converted Exchangeable Shares).

IMPORTANT ADDITIONAL INFORMATION

Constellation has no other present plans or future intentions that relate to Canopy. Constellation may from time to time dispose of Exchangeable Shares or other securities of Canopy, convert its Exchangeable Shares into Common Shares (provided that Constellation does not intend to convert any of its outstanding Exchangeable Shares for Common Shares or own any Common Shares, in each case until such time as the U.S. domestic sale of marijuana could not reasonably be expected to violate the Controlled Substances Act, the Civil Asset Forfeiture Reform Act (as it relates to violation of the Controlled Substances Act), and all related applicable anti-money laundering laws), dispose of any Common Shares acquired upon exchange of Exchangeable Shares, or conduct other transactions, in the future, either on the open market or in private transactions, in each case, depending on a number of factors, including general market and economic conditions, other available investment opportunities, regulatory developments, or other factors determined by Constellation. Depending on market conditions, general economic and industry conditions, Canopy's business and financial condition, and/or other relevant factors, Constellation may develop other plans or intentions in the future.

A copy of the early warning report filed in connection with this press release will be available on Canopy's profile on SEDAR+ at www.sedarplus.ca or may be obtained by contacting Constellation's Investor Center at 1-888-922-2150.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The word "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements may relate to business strategy, future operations, prospects, plans and objectives of management, as well as information concerning expected actions of third parties, including statements related to the Exchangeable Shares, Canopy's strategy, the impact to Constellation's equity in earnings, Constellation's intent to not deploy additional investment in Canopy, and potential future transactions. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur.

The forward-looking statements are based on management's current expectations and should not be construed in any manner as a guarantee that such actions will in fact occur or will occur on the timetable contemplated hereby. All forward-looking statements speak only as of the date of this news release and Constellation undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

In addition to risks and uncertainties associated with ordinary business operations, the forward-looking statements contained in this news release are subject to other risks and uncertainties, including the accuracy of all projections and other factors and uncertainties disclosed from time-to-time in Constellation's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended February 28, 2023 and Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2023, which could cause actual future performance to differ from current expectations. Constellation disclaims any responsibility for all disclosure issued by Canopy.



ABOUT CONSTELLATION BRANDS

Constellation Brands (NYSE: STZ) is a leading international producer and marketer of beer, wine, and spirits with operations in the U.S., Mexico, New Zealand, and Italy. Our mission is to build brands that people love because we believe elevating human connections is Worth Reaching For. It's worth our dedication, hard work, and calculated risks to anticipate market trends and deliver more for our consumers, shareholders, employees, and industry. This dedication is what has driven us to become one of the fastest-growing, large CPG companies in the U.S. at retail, and it drives our pursuit to deliver what's next.

Every day, people reach for our high-end, iconic imported beer brands such as those in the Corona brand family like the flagship Corona Extra, Modelo Especial and the flavorful lineup of Modelo Cheladas, Pacifico, and Victoria; our fine wine and craft spirits brands including The Prisoner Wine Company, Robert Mondavi Winery, Casa Noble Tequila, and High West Whiskey; and our premium wine brands such as Kim Crawford and Meiomi.

As an agriculture-based company, we have a long history of operating sustainably and responsibly. Our ESG strategy is embedded into our business and our work focuses on serving as good stewards of the environment, enhancing social equity within our industry and communities, and promoting responsible beverage alcohol consumption. These commitments ground our aspirations beyond driving the bottom line as we work to create a future that is truly Worth Reaching For.

To learn more, visit www.cbrands.com and follow us on [X](#), [Instagram](#), and [LinkedIn](#).

MEDIA CONTACTS

Amy Martin 585-678-7141 / amy.martin@cbrands.com
Carissa Guzski 315-525-7362 / carissa.guzski@cbrands.com

INVESTOR RELATIONS CONTACTS

Snehal Shah 847-385-4940 / snehal.shah@cbrands.com
David Paccapaniccia 585-282-7227 / david.paccapaniccia@cbrands.com