

OPEN TEXT CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share data)

ASSETS	December 31, 2022 (unaudited)	June 30, 2022
Cash and cash equivalents	\$ 2,820,927	\$ 1,693,741
Accounts receivable trade, net of allowance for credit losses of \$17,089 as of December 31, 2022 and \$16,473 as of June 30, 2022	470,794	426,652
Contract assets	25,613	26,167
Income taxes recoverable	10,300	18,255
Prepaid expenses and other current assets	131,172	120,552
Total current assets	3,458,806	2,285,367
Property and equipment	250,706	244,709
Operating lease right of use assets	194,415	198,132
Long-term contract assets	18,603	19,719
Goodwill	5,250,136	5,244,653
Acquired intangible assets	883,748	1,075,208
Deferred tax assets	811,142	810,154
Other assets	303,559	256,987
Long-term income taxes recoverable	47,091	44,044
Total assets	\$ 11,218,206	\$ 10,178,973
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 459,360	\$ 448,607
Current portion of long-term debt	10,000	10,000
Operating lease liabilities	58,299	56,380
Deferred revenues	879,226	902,202
Income taxes payable	87,549	51,069
Total current liabilities	1,494,434	1,468,258
Long-term liabilities:		
Accrued liabilities	18,705	18,208
Pension liability	57,349	60,951
Long-term debt	5,193,158	4,209,567
Long-term operating lease liabilities	188,809	198,695
Long-term deferred revenues	84,681	91,144
Long-term income taxes payable	40,878	34,003
Deferred tax liabilities	18,808	65,887
Total long-term liabilities	5,602,388	4,678,455
Shareholders' equity:		
Share capital and additional paid-in capital		
270,235,234 and 269,522,639 Common Shares issued and outstanding at December 31, 2022 and June 30, 2022, respectively; authorized Common Shares: unlimited	2,092,079	2,038,674
Accumulated other comprehensive income (loss)	(1,028)	(7,659)
Retained earnings	2,171,236	2,160,069
Treasury stock, at cost (3,295,043 and 3,706,420 shares at December 31, 2022 and June 30, 2022, respectively)	(142,126)	(159,966)
Total OpenText shareholders' equity	4,120,161	4,031,118
Non-controlling interests	1,223	1,142
Total shareholders' equity	4,121,384	4,032,260
Total liabilities and shareholders' equity	\$ 11,218,206	\$ 10,178,973

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(In thousands of U.S. dollars, except share and per share data)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Revenues:				
Cloud services and subscriptions	\$ 408,674	\$ 364,886	\$ 813,325	\$ 721,475
Customer support	316,508	334,875	633,859	670,112
License	107,960	109,493	170,508	183,022
Professional service and other	64,298	67,545	131,784	134,498
Total revenues	<u>897,440</u>	<u>876,799</u>	<u>1,749,476</u>	<u>1,709,107</u>
Cost of revenues:				
Cloud services and subscriptions	134,314	122,129	266,113	241,908
Customer support	28,589	29,668	55,943	59,151
License	3,863	3,741	6,621	7,710
Professional service and other	54,064	53,041	107,864	104,766
Amortization of acquired technology-based intangible assets	40,863	52,602	83,500	105,769
Total cost of revenues	<u>261,693</u>	<u>261,181</u>	<u>520,041</u>	<u>519,304</u>
Gross profit	<u>635,747</u>	<u>615,618</u>	<u>1,229,435</u>	<u>1,189,803</u>
Operating expenses:				
Research and development	109,700	103,622	219,898	203,787
Sales and marketing	177,171	163,938	344,341	310,178
General and administrative	77,603	71,513	155,677	142,990
Depreciation	22,858	21,779	46,032	43,165
Amortization of acquired customer-based intangible assets	53,446	52,665	107,884	104,549
Special charges (recoveries)	10,306	9,217	24,587	9,561
Total operating expenses	<u>451,084</u>	<u>422,734</u>	<u>898,419</u>	<u>814,230</u>
Income from operations	<u>184,663</u>	<u>192,884</u>	<u>331,016</u>	<u>375,573</u>
Other income (expense), net	163,349	(25,037)	(25,882)	4,745
Interest and other related expense, net	<u>(38,715)</u>	<u>(40,245)</u>	<u>(79,097)</u>	<u>(77,300)</u>
Income before income taxes	309,297	127,602	226,037	303,018
Provision for income taxes	50,774	39,266	84,399	82,716
Net income for the period	<u>\$ 258,523</u>	<u>\$ 88,336</u>	<u>\$ 141,638</u>	<u>\$ 220,302</u>
Net (income) loss attributable to non-controlling interests	<u>(37)</u>	<u>(38)</u>	<u>(81)</u>	<u>(89)</u>
Net income attributable to OpenText	<u>\$ 258,486</u>	<u>\$ 88,298</u>	<u>\$ 141,557</u>	<u>\$ 220,213</u>
Earnings per share—basic attributable to OpenText	<u>\$ 0.96</u>	<u>\$ 0.32</u>	<u>\$ 0.52</u>	<u>\$ 0.81</u>
Earnings per share—diluted attributable to OpenText	<u>\$ 0.96</u>	<u>\$ 0.32</u>	<u>\$ 0.52</u>	<u>\$ 0.81</u>
Weighted average number of Common Shares outstanding—basic (in '000's)	<u>270,189</u>	<u>272,112</u>	<u>269,997</u>	<u>272,078</u>
Weighted average number of Common Shares outstanding—diluted (in '000's)	<u>270,189</u>	<u>272,931</u>	<u>270,009</u>	<u>273,074</u>

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Net income	\$ 258,523	\$ 88,336	\$ 141,638	\$ 220,302
Other comprehensive income (loss)—net of tax:				
Net foreign currency translation adjustments	39,419	(21,347)	3,053	(31,439)
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss) - net of tax expense (recovery) effect of \$347 and \$37 for the three months ended December 31, 2022 and 2021, respectively; (\$859) and \$(354) for the six months ended December 31, 2022 and 2021, respectively	959	104	(2,381)	(982)
(Gain) loss reclassified into net income - net of tax (expense) recovery effect of \$397 and \$(7) for the three months ended December 31, 2022 and 2021, respectively; \$609 and \$(110) for the six months ended December 31, 2022 and 2021, respectively	1,101	(18)	1,689	(305)
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss) - net of tax expense (recovery) effect of \$106 and \$(104) for the three months ended December 31, 2022 and 2021, respectively; \$1,210 and \$(336) for the six months ended December 31, 2022 and 2021, respectively	32	(1,435)	4,196	(2,484)
Amortization of actuarial (gain) loss into net income - net of tax (expense) recovery effect of \$25 and \$67 for the three months ended December 31, 2022 and 2021, respectively; \$51 and \$135 for the six months ended December 31, 2022 and 2021, respectively	37	159	74	321
Total other comprehensive income (loss) net	41,548	(22,537)	6,631	(34,889)
Total comprehensive income	300,071	65,799	148,269	185,413
Comprehensive (income) loss attributable to non-controlling interests	(37)	(38)	(81)	(89)
Total comprehensive income attributable to OpenText	<u>\$ 300,034</u>	<u>\$ 65,761</u>	<u>\$ 148,188</u>	<u>\$ 185,324</u>

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars and shares)
(unaudited)

	Three Months Ended December 31, 2022							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
Balance as of September 30, 2022	269,881	\$2,067,881	(3,586)	\$(154,792)	\$1,978,442	\$ (42,576)	\$ 1,186	\$3,850,141
Issuance of Common Shares								
Under employee stock purchase plans	354	8,042	—	—	—	—	—	8,042
Share-based compensation	—	28,822	—	—	—	—	—	28,822
Issuance of treasury stock	—	(12,666)	291	12,666	—	—	—	—
Dividends declared (\$0.24299 per Common Share)	—	—	—	—	(65,692)	—	—	(65,692)
Other comprehensive income (loss) - net	—	—	—	—	—	41,548	—	41,548
Net income for the period	—	—	—	—	258,486	—	37	258,523
Balance as of December 31, 2022	270,235	\$2,092,079	(3,295)	\$(142,126)	\$2,171,236	\$ (1,028)	\$ 1,223	\$4,121,384

	Three Months Ended December 31, 2021							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
Balance as of September 30, 2021	272,534	\$1,991,719	(1,426)	\$ (63,477)	\$2,225,363	\$ 53,886	\$ 1,024	\$4,208,515
Issuance of Common Shares								
Under employee stock option plans	56	1,966	—	—	—	—	—	1,966
Under employee stock purchase plans	226	9,421	—	—	—	—	—	9,421
Share-based compensation	—	14,409	—	—	—	—	—	14,409
Purchase of treasury stock	—	—	(400)	(19,593)	—	—	—	(19,593)
Issuance of treasury stock	—	(15,104)	350	15,104	—	—	—	—
Repurchase of Common Shares	(1,810)	(11,498)	—	—	(79,536)	—	—	(91,034)
Dividends declared (\$0.2209 per Common Share)	—	—	—	—	(59,658)	—	—	(59,658)
Other comprehensive income (loss) - net	—	—	—	—	—	(22,537)	—	(22,537)
Net income for the period	—	—	—	—	88,298	—	38	88,336
Balance as of December 31, 2021	271,006	\$1,990,913	(1,476)	\$(67,966)	\$2,174,467	\$ 31,349	\$ 1,062	\$4,129,825

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars and shares)
(unaudited)

	Six Months Ended December 31, 2022							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2022	269,523	\$2,038,674	(3,706)	\$ (159,966)	\$2,160,069	\$ (7,659)	\$ 1,142	\$4,032,260
Issuance of Common Shares								
Under employee stock option plans	72	1,994	—	—	—	—	—	1,994
Under employee stock purchase plans	640	17,221	—	—	—	—	—	17,221
Share-based compensation	—	52,030	—	—	—	—	—	52,030
Issuance of treasury stock	—	(17,840)	411	17,840	—	—	—	—
Dividends declared (\$0.48598 per Common Share)	—	—	—	—	(130,390)	—	—	(130,390)
Other comprehensive income (loss) - net	—	—	—	—	—	6,631	—	6,631
Net income for the period	—	—	—	—	141,557	—	81	141,638
Balance as of December 31, 2022	270,235	\$2,092,079	(3,295)	\$ (142,126)	\$2,171,236	\$ (1,028)	\$ 1,223	\$4,121,384

	Six Months Ended December 31, 2021							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2021	271,541	\$1,947,764	(1,568)	\$ (69,386)	\$2,153,326	\$ 66,238	\$ 1,511	\$4,099,453
Issuance of Common Shares								
Under employee stock option plans	852	29,265	—	—	—	—	—	29,265
Under employee stock purchase plans	423	17,910	—	—	—	—	—	17,910
Share-based compensation	—	28,343	—	—	—	—	—	28,343
Purchase of treasury stock	—	—	(400)	(19,593)	—	—	—	(19,593)
Issuance of treasury stock	—	(21,013)	492	21,013	—	—	—	—
Repurchase of Common Shares	(1,810)	(11,498)	—	—	(79,536)	—	—	(91,034)
Dividends declared (\$0.4418 per Common Share)	—	—	—	—	(119,536)	—	—	(119,536)
Other comprehensive income (loss) - net	—	—	—	—	—	(34,889)	—	(34,889)
Distribution to non-controlling interest	—	142	—	—	—	—	(538)	(396)
Net income for the period	—	—	—	—	220,213	—	89	220,302
Balance as of December 31, 2021	271,006	\$1,990,913	(1,476)	\$ (67,966)	\$2,174,467	\$ 31,349	\$ 1,062	\$4,129,825

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Cash flows from operating activities:				
Net income for the period	\$ 258,523	\$ 88,336	\$ 141,638	\$ 220,302
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	117,167	127,046	237,416	253,483
Share-based compensation expense	28,822	14,409	52,030	28,343
Pension expense	2,057	1,529	3,444	3,015
Amortization of debt issuance costs	1,686	1,293	3,166	2,454
Write off of right of use assets	948	—	3,775	—
Loss on extinguishment of debt	8,131	27,413	8,131	27,413
Loss on sale and write down of property and equipment	121	11	121	38
Deferred taxes	(26,135)	6,210	(46,802)	20,892
Share in net (income) loss of equity investees	289	(2,042)	6,823	(31,357)
Unrealized (gain) loss on financial instruments	(171,607)	—	9,854	—
Changes in operating assets and liabilities:				
Accounts receivable	(86,091)	(25,339)	(26,597)	51,187
Contract assets	(9,400)	(11,497)	(18,454)	(18,745)
Prepaid expenses and other current assets	(131)	(1,410)	(3,065)	(11,221)
Income taxes	28,406	(13,985)	44,240	2,776
Accounts payable and accrued liabilities	36,143	5,705	8,964	(108,629)
Deferred revenue	24,646	(12,177)	(29,133)	(50,693)
Other assets	(12,957)	9,371	(60,706)	16,913
Operating lease assets and liabilities, net	(5,448)	1,771	(7,716)	142
Net cash provided by operating activities	195,170	216,644	327,129	406,313
Cash flows from investing activities:				
Additions of property and equipment	(32,215)	(10,635)	(68,539)	(37,347)
Purchase of Zix Corporation, net of cash acquired	—	(837,573)	—	(837,573)
Purchase of Bricata Inc.	—	(17,927)	—	(17,927)
Other investing activities	(873)	(3,567)	(873)	(3,271)
Net cash used in investing activities	(33,088)	(869,702)	(69,412)	(896,118)
Cash flows from financing activities:				
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	5,736	8,968	15,773	45,688
Proceeds from long-term debt and Revolver	1,000,000	1,500,000	1,000,000	1,500,000
Repayment of long-term debt and Revolver	(2,500)	(852,500)	(5,000)	(855,000)
Debt extinguishment costs	—	(24,969)	—	(24,969)
Debt issuance costs	(11,650)	(15,347)	(11,650)	(15,347)
Repurchase of Common Shares	—	(91,034)	—	(91,034)
Purchase of treasury stock	—	(19,593)	—	(19,593)
Distribution to non-controlling interest	—	—	—	(396)
Payments of dividends to shareholders	(64,864)	(59,658)	(129,562)	(119,536)
Net cash provided by financing activities	926,722	445,867	869,561	419,813
Foreign exchange gain (loss) on cash held in foreign currencies	27,831	(16,436)	(271)	(25,713)
Increase (decrease) in cash, cash equivalents and restricted cash during the period	1,116,635	(223,627)	1,127,007	(95,705)
Cash, cash equivalents and restricted cash at beginning of the period	1,706,283	1,737,722	1,695,911	1,609,800
Cash, cash equivalents and restricted cash at end of the period	\$ 2,822,918	\$ 1,514,095	\$ 2,822,918	\$ 1,514,095

OPEN TEXT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)
(unaudited)

Reconciliation of cash, cash equivalents and restricted cash:	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 2,820,927	\$ 1,511,792
Restricted cash ⁽¹⁾	1,991	2,303
Total cash, cash equivalents and restricted cash	\$ 2,822,918	\$ 1,514,095

⁽¹⁾ Restricted cash is classified under the Prepaid expenses and other current assets and Other assets line items on the Consolidated Balance Sheets.