

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

	March 31, 2024	June 30, 2023
ASSETS	(unaudited)	
Cash and cash equivalents	\$ 1,125,323	\$ 1,231,625
Accounts receivable trade, net of allowance for credit losses of \$11,390 as of March 31, 2024 and \$13,828 as of June 30, 2023	654,190	682,517
Contract assets	66,124	71,196
Income taxes recoverable	14,119	68,161
Prepaid expenses and other current assets	212,261	221,732
Assets held for sale	2,120,311	—
Total current assets	4,192,328	2,275,231
Property and equipment	346,073	356,904
Operating lease right of use assets	229,327	285,723
Long-term contract assets	42,659	64,553
Goodwill	7,528,147	8,662,603
Acquired intangible assets	2,624,117	4,080,879
Deferred tax assets	1,019,878	926,719
Other assets	314,580	342,318
Long-term income taxes recoverable	95,567	94,270
Total assets	\$ 16,392,676	\$ 17,089,200
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 898,611	\$ 996,261
Current portion of long-term debt	45,850	320,850
Operating lease liabilities	80,960	91,425
Deferred revenues	1,583,638	1,721,781
Income taxes payable	150,990	89,297
Liabilities held for sale	228,106	—
Total current liabilities	2,988,155	3,219,614
Long-term liabilities:		
Accrued liabilities	48,031	51,961
Pension liability, net	128,955	126,312
Long-term debt	8,305,670	8,562,096
Long-term operating lease liabilities	224,984	271,579
Long-term deferred revenues	170,544	217,771
Long-term income taxes payable	154,679	193,808
Deferred tax liabilities	241,013	423,955
Total long-term liabilities	9,273,876	9,847,482
Shareholders' equity:		
Share capital and additional paid-in capital		
272,561,685 and 270,902,571 Common Shares issued and outstanding at March 31, 2024 and June 30, 2023, respectively; authorized Common Shares: unlimited	2,276,758	2,176,947
Accumulated other comprehensive income (loss)	(73,045)	(53,559)
Retained earnings	2,059,060	2,048,984
Treasury stock, at cost (3,376,994 and 3,536,375 shares at March 31, 2024 and June 30, 2023, respectively)	(133,606)	(151,597)
Total OpenText shareholders' equity	4,129,167	4,020,775
Non-controlling interests	1,478	1,329
Total shareholders' equity	4,130,645	4,022,104
Total liabilities and shareholders' equity	\$ 16,392,676	\$ 17,089,200

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Revenues:				
Cloud services and subscriptions	\$ 454,528	\$ 435,449	\$ 1,355,633	\$ 1,248,774
Customer support	691,441	575,884	2,084,916	1,209,743
License	200,363	139,722	662,627	310,230
Professional service and other	100,799	93,619	304,252	225,403
Total revenues	1,447,131	1,244,674	4,407,428	2,994,150
Cost of revenues:				
Cloud services and subscriptions	186,400	157,658	537,960	423,771
Customer support	74,639	67,067	223,027	123,010
License	6,769	3,840	16,591	10,461
Professional service and other	75,455	78,526	230,836	186,390
Amortization of acquired technology-based intangible assets	48,094	62,639	195,702	146,139
Total cost of revenues	391,357	369,730	1,204,116	889,771
Gross profit	1,055,774	874,944	3,203,312	2,104,379
Operating expenses:				
Research and development	234,022	210,731	688,679	430,629
Sales and marketing	296,249	271,013	848,313	615,354
General and administrative	145,924	127,047	450,399	282,724
Depreciation	32,109	30,577	99,615	76,609
Amortization of acquired customer-based intangible assets	100,841	97,237	334,958	205,121
Special charges (recoveries)	19,561	74,350	87,521	98,937
Total operating expenses	828,706	810,955	2,509,485	1,709,374
Income from operations	227,068	63,989	693,827	395,005
Other income (expense), net	9,950	85,706	(38,664)	59,824
Interest and other related expense, net	(132,663)	(104,502)	(413,719)	(183,599)
Income before income taxes	104,355	45,193	241,444	271,230
Provision for (recovery of) income taxes	6,028	(12,420)	24,434	71,979
Net income for the period	\$ 98,327	\$ 57,613	\$ 217,010	\$ 199,251
Net (income) attributable to non-controlling interests	(42)	(57)	(149)	(138)
Net income attributable to OpenText	\$ 98,285	\$ 57,556	\$ 216,861	\$ 199,113
Earnings per share—basic attributable to OpenText	\$ 0.36	\$ 0.21	\$ 0.80	\$ 0.74
Earnings per share—diluted attributable to OpenText	\$ 0.36	\$ 0.21	\$ 0.80	\$ 0.74
Weighted average number of Common Shares outstanding—basic (in '000's)	272,272	270,441	271,671	270,143
Weighted average number of Common Shares outstanding—diluted (in '000's)	273,033	270,650	272,349	270,173

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net income for the period	\$ 98,327	\$ 57,613	\$ 217,010	\$ 199,251
Other comprehensive income (loss)—net of tax:				
Net foreign currency translation adjustments	11,765	(28,640)	(18,614)	(25,587)
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss) - net of tax ⁽¹⁾	(1,634)	38	(1,953)	(2,343)
(Gain) loss reclassified into net income - net of tax ⁽²⁾	118	699	455	2,388
Unrealized gain (loss) on available-for-sale financial assets:				
Unrealized gain (loss) - net of tax ⁽³⁾	90	(900)	319	(900)
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss) - net of tax ⁽⁴⁾	—	(3,318)	(110)	878
Amortization of actuarial (gain) loss into net income - net of tax ⁽⁵⁾	115	35	417	109
Total other comprehensive income (loss) net, for the period	10,454	(32,086)	(19,486)	(25,455)
Total comprehensive income	108,781	25,527	197,524	173,796
Comprehensive income attributable to non-controlling interests	(42)	(57)	(149)	(138)
Total comprehensive income attributable to OpenText	\$ 108,739	\$ 25,470	\$ 197,375	\$ 173,658

- (1) Net of tax expense (recovery) of (\$589) and \$15 for the three months ended March 31, 2024 and 2023, respectively; \$(704) and \$(844) for the nine months ended March 31, 2024 and 2023, respectively.
- (2) Net of tax expense (recovery) of \$42 and \$252 for the three months ended March 31, 2024 and 2023, respectively; \$163 and \$861 for the nine months ended March 31, 2024 and 2023, respectively.
- (3) Net of tax expense (recovery) of \$24 and (\$238) for the three months ended March 31, 2024 and 2023, respectively; \$84 and (\$238) for the nine months ended March 31, 2024 and 2023, respectively.
- (4) Net of tax expense (recovery) of \$— and \$(892) for the three months ended March 31, 2024 and 2023, respectively; \$110 and \$318 for the nine months ended March 31, 2024 and 2023, respectively.
- (5) Net of tax expense (recovery) of \$50 and \$25 for the three months ended March 31, 2024 and 2023, respectively; \$175 and \$76 for the nine months ended March 31, 2024 and 2023, respectively.

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

Three Months Ended March 31, 2024								
	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 December 31, 2023	271,855	\$2,261,856	(4,400)	\$ (179,089)	\$2,029,643	\$ (83,499)	\$ 1,436	\$4,030,347
Issuance of Common Shares								
Under employee stock option plans	517	17,315	—	—	—	—	—	17,315
Under employee stock purchase plans	190	6,698	—	—	—	—	—	6,698
Share-based compensation	—	35,947	—	—	—	—	—	35,947
Issuance of treasury stock	—	(45,058)	1,023	45,483	(425)	—	—	—
Dividends declared (\$0.25 per Common Share)	—	—	—	—	(68,443)	—	—	(68,443)
Other comprehensive income (loss) - net	—	—	—	—	—	10,454	—	10,454
Net income for the period	—	—	—	—	98,285	—	42	98,327
Balance as of March 31, 2024	272,562	\$2,276,758	(3,377)	\$ (133,606)	\$2,059,060	\$ (73,045)	\$ 1,478	\$4,130,645

Three Months Ended March 31, 2023								
	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 December 31, 2022	270,235	\$2,092,079	(3,295)	\$ (142,126)	\$2,171,236	\$ (1,028)	\$ 1,223	\$4,121,384
Issuance of Common Shares								
Under employee stock option plans	16	479	—	—	—	—	—	479
Under employee stock purchase plans	228	5,776	—	—	—	—	—	5,776
Share-based compensation	—	36,505	—	—	—	—	—	36,505
Issuance of treasury stock	—	(4,496)	79	3,426	—	—	—	(1,070)
Dividends declared (\$0.24299 per Common Share)	—	—	—	—	(65,454)	—	—	(65,454)
Other comprehensive income (loss) - net	—	—	—	—	—	(32,086)	—	(32,086)
Net income for the period	—	—	—	—	57,556	—	57	57,613
Balance as of March 31, 2023	270,479	\$2,130,343	(3,216)	\$ (138,700)	\$2,163,338	\$ (33,114)	\$ 1,280	\$4,123,147

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

	Nine Months Ended March 31, 2024							
	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, 2023	270,903	\$2,176,947	(3,536)	\$ (151,597)	\$2,048,984	\$ (53,559)	\$ 1,329	\$4,022,104
Issuance of Common Shares								
Under employee stock option plans	942	31,318	—	—	—	—	—	31,318
Under employee stock purchase plans	717	23,709	—	—	—	—	—	23,709
Share-based compensation	—	112,944	—	—	—	—	—	112,944
Purchase of treasury stock	—	—	(1,400)	(53,085)	—	—	—	(53,085)
Issuance of treasury stock	—	(68,160)	1,559	71,076	(2,916)	—	—	—
Dividends declared (\$0.75 per Common Share)	—	—	—	—	(203,869)	—	—	(203,869)
Other comprehensive income (loss) - net	—	—	—	—	—	(19,486)	—	(19,486)
Net income for the period	—	—	—	—	216,861	—	149	217,010
Balance as of March 31, 2024	272,562	\$2,276,758	(3,377)	\$ (133,606)	\$2,059,060	\$ (73,045)	\$ 1,478	\$4,130,645

	Nine Months Ended March 31, 2023							
	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	88	2,473	—	—	—	—	—	2,473
Under employee stock purchase plans	868	22,997	—	—	—	—	—	22,997
Share-based compensation	—	88,535	—	—	—	—	—	88,535
Issuance of treasury stock	—	(22,336)	490	21,266	—	—	—	(1,070)
Dividends declared (\$0.72897 per Common Share)	—	—	—	—	(195,844)	—	—	(195,844)
Other comprehensive income (loss) - net	—	—	—	—	—	(25,455)	—	(25,455)
Net income for the period	—	—	—	—	199,113	—	138	199,251
Balance as of March 31, 2023	270,479	\$2,130,343	(3,216)	\$ (138,700)	\$2,163,338	\$ (33,114)	\$ 1,280	\$4,123,147

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Cash flows from operating activities:				
Net income for the period	\$ 98,327	\$ 57,613	\$ 217,010	\$ 199,251
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	181,044	190,453	630,275	427,869
Share-based compensation expense	36,042	36,368	113,312	88,398
Pension expense	3,196	2,362	9,579	5,806
Amortization of debt discount and issuance costs	6,766	5,330	19,587	8,496
Write-off of right of use assets	4,278	3,344	15,241	7,119
Loss on extinguishment of debt	10,803	21	10,803	8,152
Loss on sale and write down of property and equipment, net	(162)	1,307	1,715	1,428
Deferred taxes	(72,144)	(131,898)	(249,174)	(178,700)
Share in net loss of equity investees	835	4,724	19,013	11,547
Changes in financial instruments	(16,671)	102,713	3,551	112,567
Changes in operating assets and liabilities:				
Accounts receivable	111,772	167,866	51,487	141,269
Contract assets	(24,859)	(11,442)	(71,486)	(29,896)
Prepaid expenses and other current assets	728	(62,121)	4,717	(65,186)
Income taxes	16,943	87,277	75,676	131,517
Accounts payable and accrued liabilities	(24,731)	(146,638)	(72,887)	(137,674)
Deferred revenue	56,840	(13,498)	14,338	(42,631)
Other assets	650	54,708	5,868	(5,998)
Operating lease assets and liabilities, net	(4,960)	(11,714)	(16,154)	(19,430)
Net cash provided by operating activities	384,697	336,775	782,471	663,904
Cash flows from investing activities:				
Additions of property and equipment	(36,537)	(31,233)	(119,316)	(99,772)
Micro Focus acquisition	—	(5,655,606)	(9,272)	(5,655,606)
Realized gain on financial instruments	—	131,248	—	131,248
Proceeds from net investment hedge derivative contracts	2,490	—	4,456	—
Other investing activities	6,315	—	(468)	(873)
Net cash used in investing activities	(27,732)	(5,555,591)	(124,600)	(5,625,003)
Cash flows from financing activities:				
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	27,770	9,399	57,027	25,172
Proceeds from long-term debt and Revolver	—	3,927,450	—	4,927,450
Repayment of long-term debt and Revolver	(186,463)	(11,463)	(559,389)	(16,463)
Debt issuance costs	—	(65,559)	(2,792)	(77,209)
Purchase of treasury stock	—	—	(53,085)	—
Payments of dividends to shareholders	(67,293)	(64,919)	(200,672)	(194,481)
Other financing activities	(1,447)	(2,193)	(1,447)	(2,193)
Net cash provided by (used in) financing activities	(227,433)	3,792,715	(760,358)	4,662,276
Foreign exchange gain (loss) on cash held in foreign currencies	(7,521)	2,903	(3,982)	2,632
Income (decrease) in cash, cash equivalents and restricted cash during the period	122,011	(1,423,198)	(106,469)	(296,191)
Cash, cash equivalents and restricted cash at beginning of the period	1,005,472	2,822,918	1,233,952	1,695,911
Cash, cash equivalents and restricted cash at end of the period	\$ 1,127,483	\$ 1,399,720	\$ 1,127,483	\$ 1,399,720

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

Reconciliation of cash, cash equivalents and restricted cash:	March 31, 2024	March 31, 2023
Cash and cash equivalents	\$ 1,125,323	\$ 1,396,817
Restricted cash ⁽¹⁾	2,160	2,903
Total cash, cash equivalents and restricted cash	\$ 1,127,483	\$ 1,399,720

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