

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Annual Report on Form 10-K, including this Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A), contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the U.S. Securities Act of 1933, as amended (the Securities Act), and is subject to the safe harbors created by those sections. All statements other than statements of historical facts are statements that could be deemed forward-looking statements.

When used in this report, the words “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “may”, “could”, “would”, “might”, “will” and other similar language, as they relate to Open Text Corporation (OpenText or the Company), are intended to identify forward-looking statements under applicable securities laws. Specific forward-looking statements in this report include, but are not limited to, statements regarding: (i) our focus in the fiscal years beginning July 1, 2025 and ending June 30, 2026 (Fiscal 2026) and July 1, 2026 and ending June 30, 2027 (Fiscal 2027) on growth in earnings and cash flows; (ii) creating value through investments in broader Information Management capabilities; (iii) our future business plans and operations, strategic goals and business planning process, including the Company’s business optimization plan announced in July 2024 (the Business Optimization Plan); (iv) business trends; (v) distribution; (vi) the Company’s presence in the cloud and in growth markets; (vii) product and solution developments, enhancements and releases, the timing thereof and the customers targeted; (viii) the Company’s financial condition, results of operations and earnings; (ix) the basis for any future growth, including organic and inorganic growth, and for our financial performance; (x) declaration of quarterly dividends; (xi) future tax rates, including UK and Canada’s newly enacted global minimum tax act; (xii) the changing regulatory environment; (xiii) annual recurring revenues; (xiv) research and development and related expenditures; (xv) our building, development and consolidation of our network infrastructure; (xvi) competition and changes in the competitive landscape; (xvii) our management and protection of intellectual property and other proprietary rights; (xviii) existing and foreign sales and exchange rate fluctuations; (xix) cyclical or seasonal aspects of our business; (xx) capital expenditures; (xxi) potential legal and/or regulatory proceedings; (xxii) acquisitions and their expected impact, including our ability to realize the benefits expected from the acquisitions and to successfully integrate the assets we acquire or utilize such assets to their full capacity, including in connection with the acquisition of Micro Focus International Limited, formerly Micro Focus International plc, and its subsidiaries (Micro Focus) (see Note 19 “Acquisitions and Divestitures” to our Consolidated Financial Statements for more details); (xxiii) tax audits; (xxiv) the expected impact of the Russia-Ukraine and Middle East conflicts and other geopolitical disputes on our business; (xxv) expected costs of the restructuring and business optimization plans; (xxvi) initiatives we establish and targets that we set related to corporate citizenship-related activities; (xxvii) integration of Micro Focus, resulting synergies and timing thereof; (xxviii) divestitures and their expected impact, including in connection with the completed divestiture of the Application, Modernization and Connectivity (AMC) business (the AMC Divestiture) and the accompanying transition services agreement (TSA) (see Note 19 “Acquisitions and Divestitures” to our Consolidated Financial Statements for more details); (xxix) the implementation of or changes to global tariff regimes or other trade policies and the resulting uncertainty to the macroeconomic environment; (xxx) the expected impact of our share repurchase plan on our overall strategic capital allocation; and (xxxi) other matters.

In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking, and based on our current expectations, forecasts and projections about the operating environment, economies and markets in which we operate. Forward-looking statements reflect our current estimates, beliefs and assumptions, which are based on management’s perception of historic trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The forward-looking statements contained in this report are based on certain assumptions including the following: (i) countries continuing to implement and enforce existing and additional customs and security regulations relating to the provision of electronic information for imports and exports; (ii) our continued operation of a secure and reliable business network; (iii) the stability of general political, economic and market conditions; (iv) our ability to manage inflation, including increased labour costs associated with attracting and retaining employees, and higher interest rates; (v) our continued ability to manage certain foreign currency risk through hedging; (vi) equity and debt markets continuing to provide us with access to capital; (vii) our continued ability to identify, source and finance attractive and executable business combination opportunities; (viii) our continued ability to avoid infringing third-party intellectual property rights; (ix) increased attention from shareholders, governments, customers and other key relationships regarding our corporate citizenship practices and increased regulatory scrutiny of such practices and related disclosures could impact our business activities, financial performance and reputation; and (x) our ability to successfully implement our restructuring plans. Management’s estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. The risks and uncertainties that may affect forward-looking statements include,

but are not limited to: (i) our inability to realize successfully any anticipated synergy benefits from acquisitions; (ii) the actual and potential impacts of the use of cash and incurrence of indebtedness, including the granting of security interests related to such debt; (iii) the change in scope and size of our operations as a result of acquisitions or divestitures; (iv) the uncertainty around expectations related to the business prospects from potential acquisitions; (v) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (vi) the possibility that we may be unable to successfully integrate the assets we acquire or fail to utilize such assets to their full capacity and not realize the benefits we expect from our acquired portfolios and businesses, (vii) the potential for the incurrence of or assumption of debt in connection with acquisitions, its impact on future operations and on the ratings or outlooks of rating agencies on our outstanding debt securities, and the possibility of not being able to generate sufficient cash to service all indebtedness; (viii) the possibility that the Company may be unable to meet its future reporting requirements under the Exchange Act, and the rules promulgated thereunder, or applicable Canadian securities regulation; (ix) the risks associated with bringing new products and services to market; (x) fluctuations in currency exchange rates (including as a result of the impact of any policy changes resulting from trade and tariff disputes) and the impact of mark-to-market valuation relating to associated derivatives; (xi) delays in the purchasing decisions of the Company's customers; (xii) competition the Company faces in its industry and/or marketplace; (xiii) the final determination of litigation, tax audits (including tax examinations in Canada, the United States or elsewhere) and other legal proceedings; (xiv) potential exposure to greater than anticipated tax liabilities or expenses, including with respect to changes in Canadian, United States or international tax regimes; (xv) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (xvi) the continuous commitment of the Company's customers; (xvii) demand for the Company's products and services; (xviii) increase in exposure to international business risks including the impact of geopolitical instability, political unrest, war and other global conflicts, and other geopolitical tensions, including the Russia-Ukraine and Middle East conflicts, as we continue to increase our international operations; (xix) adverse macroeconomic conditions, such as potential increases or changes in global tariff policies and structures and the timing thereof, the effects of global relations, including escalating tensions, imposition of tariffs, retaliatory measures, restrictive regulations or boycotts, and other trade policies, inflation, disruptions in global supply chains and increased labour costs; (xx) inability to raise capital at all or on not unfavourable terms in the future; (xxi) downward pressure on our share price and dilutive effect of future sales or issuances of equity securities (including in connection with future acquisitions); (xxii) potential changes in ratings or outlooks of rating agencies on our outstanding debt securities; and (xxiii) risks related to divestitures and the impact of such divestitures on our remaining business. Other factors that may affect forward-looking statements include, but are not limited to: (i) the future performance, financial and otherwise, of the Company; (ii) the ability of the Company to bring new products and services to market and to increase sales; (iii) the strength of the Company's product development pipeline; (iv) failure to secure and protect patents, trademarks and other proprietary rights; (v) infringement of third-party proprietary rights triggering indemnification obligations and resulting in significant expenses or restrictions on our ability to provide our products or services; (vi) failure to comply with privacy laws and regulations that are extensive, open to various interpretations and complex to implement; (vii) the Company's growth and other profitability prospects; (viii) the estimated size and growth prospects of the Information Management market; (ix) the Company's competitive position in the Information Management market and its ability to take advantage of future opportunities in this market; (x) the benefits of the Company's products and services to be realized by customers; (xi) the demand for the Company's products and services and the extent of deployment of the Company's products and services in the Information Management marketplace; (xii) the Company's financial condition and capital requirements; (xiii) system or network failures or information security, cybersecurity or other data breaches in connection with the Company's offerings or the information technology systems used by the Company generally, the risk of which may be increased during times of natural disaster or pandemic due to remote working arrangements; (xiv) failure to achieve any corporate citizenship-related targets we set; (xv) failure to attract and retain key personnel to develop and effectively manage the Company's business; and (xvi) the ability of the Company's subsidiaries to make distributions to the Company.

Readers should carefully review Part I, Item 1A "Risk Factors" and other documents we file from time to time with the Securities and Exchange Commission (SEC) and other securities regulators. A number of factors may materially affect our business, financial condition, operating results and prospects. These factors include but are not limited to those set forth in Part I, Item 1A "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Any one of these factors, and other factors that we are unaware of, or currently deem immaterial, may cause our actual results to differ materially from recent results or from our anticipated future results. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The following MD&A is intended to help readers understand our results of operations and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and the accompanying Notes to our Consolidated Financial Statements under Part II, Item 8 of this Annual Report on Form 10-K.

All dollar and percentage comparisons made herein refer to the year ended June 30, 2025 compared with the year ended June 30, 2024, unless otherwise noted. Refer to Part II, Item 7 of our Annual Report on Form 10-K for Fiscal 2024 for a comparative discussion of our Fiscal 2024 financial results as compared to Fiscal 2023.

Where we say “we”, “us”, “our”, “OpenText” or “the Company”, we mean Open Text Corporation or Open Text Corporation and its subsidiaries, as applicable.

EXECUTIVE OVERVIEW

At OpenText, we believe information and knowledge make business and people better. We are an Information Management company that provides software and services that empower digital businesses of all sizes to become more intelligent, connected, secure and responsible. Our innovations maximize the strategic benefits of data and content for our customers, strengthening their productivity, growth and competitive advantage.

Our comprehensive Information Management platform and services provide secure and scalable solutions for global companies, small and medium-sized businesses (SMBs), governments and consumers around the world. We have a complete and integrated portfolio of Information Management solutions delivered at scale in the OpenText Cloud, helping organizations master modern work, automate application delivery and modernization, and optimize their digital supply chains. To do this, we bring together our Content Cloud, Cybersecurity Cloud, DevOps Cloud, Business Network Cloud, Observability and Service Management Cloud and Analytics Cloud. We also accelerate information modernization with intelligent tools and services for moving off paper, automating classification and building clean data lakes for AI, analytics and automation.

We are fundamentally integrated into the parts of our customers’ businesses that matter, so they can securely manage the complexity of information flow end to end. Through automation and AI, we connect, synthesize and deliver information where it is needed to drive new efficiencies, experiences and insights. We make information more valuable by connecting it to digital business processes, enriching it with analytics, protecting and securing it throughout its entire lifecycle, and leveraging it to create engaging experiences for employees, suppliers, developers, partners, and customers. Our solutions range from connecting large digital supply chains to managing HR processes to driving better IT service management in manufacturing, retail and financial services.

Our solutions also enable organizations and consumers to secure their information so that they can collaborate with confidence, stay ahead of the regulatory technology curve, identify threats on any endpoint or across their networks, enable privacy, leverage eDiscovery and digital forensics to defensibly investigate and collect evidence, and ensure business continuity in the event of a security incident.

Our initial public offering was on the NASDAQ in 1996 and we were subsequently listed on the Toronto Stock Exchange (TSX) in 1998. Our ticker symbol on both the NASDAQ and the TSX is “OTEX.”

As of June 30, 2025, we employed a total of approximately 21,400 individuals. Of the total 21,400 individuals we employed as of June 30, 2025, approximately 7,100 or 33% are in the Americas, 4,700 or 22% are in EMEA and 9,600 or 45% are in Asia Pacific. Currently, we have employees in 42 countries enabling strong access to multiple talent pools while ensuring reach and proximity to our customers. See “Results of Operations” below for our definitions of geographic regions.

Fiscal 2025 Summary:

During Fiscal 2025, we saw the following activity as compared to Fiscal 2024, which includes the results of the AMC Business prior to the completion of the AMC Divestiture on May 1, 2024, which has an impact on period-over-period comparisons. See “Divestiture of AMC Business” under “Results of Operations”, below for more details:

- Total revenue was \$5,168.4 million, down 10.4% compared to the prior fiscal year; down 10.4% after factoring in the unfavourable impact of \$2.8 million of foreign exchange rate changes.
- Total annual recurring revenue, which we define as the sum of cloud services and subscriptions revenue and customer support revenue, was \$4,190.5 million, down 7.6% compared to the prior fiscal year; down 7.5% after factoring in the unfavourable impact of \$4.3 million of foreign exchange rate changes.
- Cloud services and subscriptions revenue was \$1,856.5 million, up 2.0% compared to the prior fiscal year; up 2.1% after factoring in the unfavourable impact of \$1.5 million of foreign exchange rate changes.
- GAAP-based gross margin was 72.3% compared to 72.6% in the prior fiscal year.
- Non-GAAP-based gross margin was 76.2% compared to 77.3% in the prior fiscal year.
- GAAP-based net income attributable to OpenText was \$435.9 million compared to \$465.1 million in the prior fiscal year.
- Non-GAAP-based net income attributable to OpenText was \$1,007.8 million compared to \$1,137.3 million in the prior fiscal year.

- GAAP-based earnings per share (EPS), diluted, was \$1.65 compared to \$1.71 in the prior fiscal year.
- Non-GAAP-based EPS, diluted, was \$3.82 compared to \$4.17 in the prior fiscal year.
- Adjusted EBITDA (as defined below), a non-GAAP measure, was \$1,784.5 million compared to \$1,970.2 million in the prior fiscal year.
- Operating cash flow was \$830.6 million for the year ended June 30, 2025, compared to \$967.7 million in the prior fiscal year, down 14.2%.
- Cash and cash equivalents were \$1,156.5 million as of June 30, 2025, compared to \$1,280.7 million as of June 30, 2024.
- Enterprise cloud bookings were \$772.5 million for the year ended June 30, 2025, compared to \$701.4 million for the year ended June 30, 2024. We define Enterprise cloud bookings as the total value from cloud services and subscriptions contracts entered into in the fiscal year that are new, committed and incremental to our existing contracts, entered into with our enterprise-based customers.
- During the year ended June 30, 2025, we repurchased and canceled 14,524,664 Common Shares for \$418.3 million, inclusive of 2% Canadian excise taxes recorded (year ended June 30, 2024 and 2023— 5,073,913 and nil Common Shares for \$152.3 million and nil, respectively).
- During the year ended June 30, 2025, we declared and paid cash dividends of \$1.05 per Common Share in the aggregate amount of \$271.5 million, an increase of 2% compared to the prior fiscal year (year ended June 30, 2024 and 2023—\$1.00 and \$0.972 per Common Share, respectively, in the aggregate amount of \$267.4 million and \$259.5 million, respectively).

See “Use of Non-GAAP Financial Measures” below for definitions and reconciliations of GAAP-based measures to Non-GAAP-based measures. See “Acquisitions” below for the impact of acquisitions on the period-to-period comparability of results.

Acquisitions

As a result of the continually changing marketplace in which we operate, we regularly evaluate acquisition opportunities within our market and at any time may be in various stages of discussions with respect to such opportunities.

Acquisition of Micro Focus

On January 31, 2023, we acquired all of the issued and to be issued share capital of Micro Focus for a total purchase price of \$6.2 billion, inclusive of Micro Focus’ cash and repayment of Micro Focus’ outstanding indebtedness. See Note 19 “Acquisitions and Divestitures” to our Consolidated Financial Statements for more details.

Divestiture of AMC Business

On May 1, 2024, the Company completed the AMC Divestiture for \$2.275 billion in cash before taxes, fees and other adjustments. Working capital adjustments were finalized during Fiscal 2025 which resulted in a payment of \$11.7 million to Rocket Software, and a decrease to the gain on the AMC Divestiture by \$4.2 million. For Fiscal 2024, the results of the AMC business from July 1, 2023 through April 30, 2024 were recorded and presented within our Consolidated Financial Statements. See Note 19 “Acquisitions and Divestitures” to our Consolidated Financial Statements for more details.

Other Acquisitions

On August 23, 2023, we acquired all of the equity interest in KineMatik Ltd. (KineMatik), a provider of automated business process and project management solutions built on OpenText’s Content Server. In accordance with ASC Topic 805, “Business Combinations”, this acquisition was accounted for as a business combination. The results of operations of KineMatik have been consolidated with those of OpenText beginning August 24, 2023. The results of KineMatik are not considered to be material to our business.

On May 22, 2024, we acquired Pillr, a cloud native, multi-tenant MDR platform from Novacoast, Inc. for MSPs that includes powerful threat-hunting capabilities. In accordance with ASC Topic 805, “Business Combinations”, this acquisition was accounted for as a business combination. The results of operations of Pillr have been consolidated with those of OpenText beginning May 22, 2024. The results of Pillr are not considered to be material to our business.

Impacts of Geopolitical Conflicts and Diplomatic Tensions

We continue to monitor the geopolitical conflicts and diplomatic tensions around the world, including the Russia-Ukraine and Middle East conflicts. We have ceased all direct business in Russia and Belarus. We continue to operate our Israeli-based business and support our employees in the region. While our operations within these locations are not material and we do not expect these geopolitical conflicts to have a material adverse effect on our overall business, results of operations or financial condition, it is not possible to predict the broader consequences or broader expansion of these conflicts, including adverse effects on the global economy, on our business and operations as well as those of our customers, partners and third-party service providers. For more information, see Part I, Item 1A “Risk Factors” included in this Annual Report on Form 10-K.

Outlook for Fiscal 2026

Financial Outlook

As of August 7, 2025, the Company’s full year Fiscal 2026 outlook is as follows:

Metrics	Fiscal 2026 Growth
Total revenues	1% to 2%
Total cloud services and subscriptions revenues	3% to 4%
Adjusted EBITDA Margin	50 bps to 100 bps
Free Cash Flows	17% to 20%
Enterprise Cloud Bookings	12% to 16%

The forward-looking measures and the underlying assumptions involve significant known and unknown risks and uncertainties, and actual results may vary materially. The Company does not present a reconciliation of the forward-looking non-GAAP financial measure, Adjusted EBITDA (as defined below), to the most directly comparable GAAP financial measure because it is impractical to forecast certain items without unreasonable efforts due to the uncertainty and inherent difficulty of predicting, within a reasonable range, the occurrence and financial impact of and the periods in which such items may be recognized.

In addition, we intend to continue our strong capital allocation program with our quarterly dividend and renewed share repurchase program. See Note 26 “Subsequent Events” to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Strategic Priorities

We believe our strategic priorities position us well to create both near and long-term shareholder value through organic and inorganic growth, greater capital efficiency and improved profitability. As an organization, we are focused on our three strategic priorities:

- *Expanding our competitive advantage:* We believe we are well positioned in our key markets to increase our competitive AI-first advantage through our product cycle and leading with Business AI, Business Clouds and Business Security.

We are committed to continuous innovation and invest in our business to increase the value of our offerings to our existing customer base and new customers, which includes Global 10,000 companies (G10K), SMBs and consumers. The G10K are the world’s largest companies, ranked by estimated total revenues, as well as the world’s largest governments and global organizations. More valuable products, coupled with our established global partner program, lead to greater distribution and cross-selling opportunities which further help us to achieve organic growth. Over the last three fiscal years, we have invested a cumulative total of \$2.28 billion in R&D or 14.8% of cumulative revenue for that three-year period. With our innovation roadmap delivered, we believe we have fortified our support for customer choice: private cloud, public cloud, off-cloud, and API cloud.

Looking ahead, innovation continues to move to the cloud. Businesses rely on a mix of public and private clouds, managed services, and off-cloud options. We’re modernizing our infrastructure and building on our OpenText Cloud investments to meet customers where they are. Our cloud-native applications, combined with public cloud partners and managed services, provide secure, scalable solutions. With multi-tenant SaaS and embedded AI across our portfolio—including Titanium X—we aim to deliver greater flexibility, productivity, and choice.

- *Total revenue growth:* We are committed to total revenue growth through organic initiatives, innovation and acquisitions.

We believe in a programmatic approach to growth through tuck-in acquisitions or when they align with our strategic priorities. We expect to carry out programmatic divestitures, when that is the best opportunity to monetize long-term returns for mature products. We will remain flexible and allocate our capital accordingly to the highest return scenario. We regularly evaluate such opportunities within the Information Management market and at any time may be in various stages of discussions with respect to such opportunities. This strategy will often align to how we assess which of our products are performing compared to outperforming in growth and our capital allocation revenue growth expectations.

- *Achieving Operational Excellence:* We focus on driving margin and earnings expansion, free cash flow growth, and capital return. We focus on expanding profitability so as to drive cash flow growth, which helps fuel our innovation and capital allocation priorities.

As previously announced, our Business Optimization Plan was designed to support strategic initiatives, integration and simplification efforts following the Micro Focus acquisition, AMC Divestiture and AI-first innovation and growth plans.

As of June 30, 2025, we have incurred \$127.9 million of the total expected costs of up to approximately \$260.0 million. These costs primarily related to workforce reduction driven by automation, centralization, and simplification, as well as associated real estate footprint reductions globally. On a combined basis, the expansion is expected to result in a total net reduction of approximately 2,000 positions.

The Business Optimization Plan along with other savings initiatives, when fully implemented, is expected to generate total annualized savings of approximately \$490.0 million to \$550.0 million. The Company has realized approximately 35% of these savings during Fiscal 2025, and expects to realize an additional 35% in Fiscal 2026, with the balance thereafter. The entire business optimization plan is expected to be substantially completed by the second quarter of Fiscal 2027. See Part I, Item 1A, “Risk Factors” included within this Annual Report on Form 10-K for more details.

Additional Considerations

We conduct business globally and are subject to a complex and evolving international trade environment. Recent trade tensions among major economies, including the United States, Canada, China, the European Union and others, have led to the dissolution of trade agreements, the imposition of tariffs and other restrictive measures. These tariffs and other restrictive measures do not currently target software, services, intangibles or other digital services; however, we cannot predict future trade policy or tariffs, including whether such digital goods and services will be subject to any form of tariffs or other restrictions in the future, or the timing of any impacts thereof. We also cannot predict the impact that such tariffs and other restrictive measures will have on the macroeconomic environment or our customers, which could adversely impact our business and our results of operations.

We will continue to closely monitor the potential impacts of inflation with respect to wages, services and goods, concerns regarding any potential recession, higher interest rates, potential increases or changes in global tariff policies and structures and other trade policies, financial market volatility, the Russia-Ukraine and Middle East conflicts and other geopolitical disputes on our business. See Part I, Item 1A, “Risk Factors” included within this Annual Report on Form 10-K.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates, judgments and assumptions that affect the amounts reported in the Consolidated Financial Statements. These estimates, judgments and assumptions are evaluated on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe are reasonable at that time. Actual results may differ materially from those estimates. The policies listed below are areas that may contain key components of our results of operations and are based on complex rules requiring us to make judgments and estimates and consequently, we consider these to be our critical accounting policies. Some of these accounting policies involve complex situations and require a higher degree of judgment, either in the application and interpretation of existing accounting literature or in the development of estimates that affect our financial statements. The critical accounting policies which we believe are the most important to aid in fully understanding and evaluating our reported financial results include the following:

- (i) Revenue recognition,
- (ii) Goodwill,
- (iii) Acquired intangibles and
- (iv) Income taxes.

For a full discussion of all our accounting policies, see Note 2 “Accounting Policies and Recent Accounting Pronouncements” to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Revenue recognition

In accordance with Accounting Standards Codification (ASC) Topic 606 “Revenue from Contracts with Customers” (Topic 606), we account for a customer contract when we obtain written approval, the contract is committed, the rights of the parties, including the payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Revenue is recognized when, or as, control of a promised product or service is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for our products and services (at its transaction price). Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based on readily available information, which may include historical, current and forecasted information, taking into consideration the type of customer, the type of transaction and specific facts and circumstances of each arrangement. We report revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue producing transactions.

We have four revenue streams: cloud services and subscriptions, customer support, license and professional service and other.

Cloud services and subscriptions revenue

Cloud services and subscriptions revenue are from hosting arrangements where, in connection with the licensing of software, the end user does not take possession of the software, as well as from end-to-end fully outsourced B2B integration solutions to our customers (collectively referred to as cloud arrangements). The software application resides on our hardware or that of a third-party, and the customer accesses and uses the software on an as-needed basis. Our cloud arrangements can be broadly categorized as “platform as a service” (PaaS), SaaS, cloud subscriptions and managed services.

PaaS/ SaaS/ Cloud Subscriptions (collectively referred to here as cloud-based solutions): We offer cloud-based solutions that provide customers the right to access our software through the internet. Our cloud-based solutions represent a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. These services are made available to the customer continuously throughout the contractual period. However, the extent to which the customer uses the services may vary at the customer’s discretion. The payment for cloud-based solutions may be received either at inception of the arrangement, or over the term of the arrangement.

These cloud-based solutions are considered to have a single performance obligation where the customer simultaneously receives and consumes the benefit, and as such we recognize revenue for these cloud-based solutions ratably over the term of the contractual agreement. For example, revenue related to cloud-based solutions that are provided on a usage basis, such as the number of users, is recognized based on a customer’s utilization of the services in a given period.

Additionally, a software license is present in a cloud-based solutions arrangement if all of the following criteria are met:

- (i) The customer has the contractual right to take possession of the software at any time without significant penalty; and
- (ii) It is feasible for the customer to host the software independent of us.

In these cases where a software license is present in a cloud-based solutions arrangement it is assessed to determine if it is distinct from the cloud-based solutions arrangement. The revenue allocated to the distinct software license would be recognized at the point in time the software license is transferred to the customer, whereas the revenue allocated to the hosting performance obligation would be recognized ratably on a monthly basis over the contractual term unless evidence suggests that revenue is earned, or obligations are fulfilled in a different pattern over the contractual term of the arrangement.

Managed services: We provide comprehensive B2B process outsourcing services for all day-to-day operations of a customers’ B2B integration program. Customers using these managed services are not permitted to take possession of our software and the contract is for a defined period, where customers pay a monthly or quarterly fee. Our performance obligation is satisfied as we provide services of operating and managing a customer’s EDI environment. Revenue relating to these services is recognized using an output method based on the expected level of service we will provide over the term of the contract.

As part of cloud services and subscriptions revenues, in connection with cloud subscription and managed service contracts, we often agree to perform a variety of services before the customer goes live, such as, converting and migrating customer data, building interfaces and providing training. These services are considered an outsourced suite of professional services which can involve certain project-based activities. These services can be provided at the initiation of a contract, during the implementation or on an ongoing basis as part of the customer life cycle. These services can be charged separately on a fixed fee or a time and materials basis, or the costs associated may be recovered as part of the ongoing cloud subscription or

managed services fee. These outsourced professional services are considered to be distinct from the ongoing hosting services and represent a separate performance obligation within our cloud subscriptions or managed services arrangements. The obligation to provide outsourced professional services is satisfied over time, with the customer simultaneously receiving and consuming the benefits as we satisfy our performance obligations. For outsourced professional services, we recognize revenue by measuring progress toward the satisfaction of our performance obligation. Progress for services that are contracted for a fixed price is generally measured based on hours incurred as a portion of total estimated hours. As a practical expedient, when we invoice a customer at an amount that corresponds directly with the value to the customer of our performance to date, we recognize revenue at that amount.

Customer support revenue

Customer support revenue is associated with perpetual, term license and off-cloud subscription arrangements. As customer support is not critical to the customers' ability to derive benefit from their right to use our software, customer support is considered a distinct performance obligation when sold together in a bundled arrangement along with the software.

Customer support consists primarily of technical support and the provision of unspecified updates and upgrades on a when-and-if-available basis. Customer support for perpetual licenses is renewable, generally on an annual basis, at the option of the customer. Customer support for term and subscription licenses is renewable concurrently with such licenses for the same duration of time. Payments for customer support are generally made at the inception of the contract term or in installments over the term of the maintenance period. Our customer support team is ready to provide these maintenance services, as needed, to the customer during the contract term. As the elements of customer support are delivered concurrently and have the same pattern of transfer, customer support is accounted for as a single performance obligation. The customer benefits evenly throughout the contract period from the guarantee that the customer support resources and personnel will be available to them, and that any unspecified upgrades or unspecified future products developed by us will be made available. Revenue for customer support is recognized ratably over the contract period based on the start and end dates of the maintenance term, in line with how we believe services are provided.

License revenue

Our license revenue can be broadly categorized as perpetual licenses, term licenses and subscription licenses, all of which are deployed on the customer's premises (off-cloud).

Perpetual licenses: We sell perpetual licenses which provide customers the right to use software for an indefinite period of time in exchange for a one-time license fee, which is generally paid at contract inception. Our perpetual licenses provide a right to use intellectual property (IP) that is functional in nature and have significant stand-alone functionality. Accordingly, for perpetual licenses of functional IP, revenue is recognized at the point-in-time when control has been transferred to the customer, which normally occurs once software activation keys have been made available for download.

Term licenses and Subscription licenses: We sell both term and subscription licenses which provide customers the right to use software for a specified period in exchange for a fee, which may be paid at contract inception or paid in installments over the period of the contract. Like perpetual licenses, both our term licenses and subscription licenses are functional IP that have significant stand-alone functionality. Accordingly, for both term and subscription licenses, revenue is recognized at the point-in-time when the customer is able to use and benefit from the software, which is normally once software activation keys have been made available for download at the commencement of the term.

Professional service and other revenue

Our professional services, when offered along with software licenses, consist primarily of technical services and training services. Technical services may include installation, customization, implementation or consulting services. Training services may include access to online modules, or delivering a training package customized to the customer's needs. At the customer's discretion, we may offer one, all, or a mix of these services. Payment for professional services is generally a fixed fee or a fee based on time and materials. Professional services can be arranged in the same contract as the software license or in a separate contract.

As our professional services do not significantly change the functionality of the license and our customers can benefit from our professional services on their own or together with other readily available resources, we consider professional services distinct within the context of the contract.

Professional service revenue is recognized over time as long as: (i) the customer simultaneously receives and consumes the benefits as we perform them, (ii) our performance creates or enhances an asset the customer controls as we perform and (iii) our performance does not create an asset with an alternative use, and we have the enforceable right to payment.

If all the above criteria are met, we use an input-based measure of progress for recognizing professional service revenue. For example, we may consider total labour hours incurred compared to total expected labour hours. As a practical expedient, when we invoice a customer at an amount that corresponds directly with the value to the customer of our performance to date, we will recognize revenue at that amount.

Material rights

To the extent that we grant our customer an option to acquire additional products or services in one of our arrangements, we will account for the option as a distinct performance obligation in the contract only if the option provides a material right to the customer that the customer would not receive without entering into the contract. For example, if we give the customer an option to acquire additional goods or services in the future at a price that is significantly lower than the current price, this would be a material right as it allows the customer to, in effect, pay in advance for the option to purchase future products or services. If a material right exists in one of our contracts, then revenue allocated to the option is deferred and we would recognize revenue only when those future products or services are transferred or when the option expires.

Based on history, our contracts do not typically contain material rights and when they do, the material right is not significant to our Consolidated Financial Statements.

Arrangements with multiple performance obligations

Our contracts generally contain more than one of the products and services listed above. Determining whether goods and services are considered distinct performance obligations that should be accounted for separately or as a single performance obligation may require judgment, specifically when assessing whether both of the following two criteria are met:

- the customer can benefit from the product or service either on its own or together with other resources that are readily available to the customer; and
- our promise to transfer the product or service to the customer is separately identifiable from other promises in the contract.

If these criteria are not met, we determine an appropriate measure of progress based on the nature of our overall promise for the single performance obligation.

If these criteria are met, each product or service is separately accounted for as a distinct performance obligation and the total transaction price is allocated to each performance obligation on a relative standalone selling price (SSP) basis.

Standalone selling price

The SSP reflects the price we would charge for a specific product or service if it were sold separately in similar circumstances and to similar customers. In most cases we can establish the SSP based on observable data. We typically establish a narrow SSP range for our products and services and assess this range on a periodic basis or when material changes in facts and circumstances warrant a review.

If the SSP is not directly observable, then we estimate the amount using either the expected cost plus a margin or residual approach. Estimating SSP requires judgment that could impact the amount and timing of revenue recognized. SSP is a formal process whereby management considers multiple factors including, but not limited to, geographic or regional-specific factors, competitive positioning, internal costs, profit objectives and pricing practices.

Transaction price allocation

In bundled arrangements, where we have more than one distinct performance obligation, we must allocate the transaction price to each performance obligation based on its relative SSP. However, in certain bundled arrangements, the SSP may not always be directly observable. For instance, in bundled arrangements with license and customer support, we allocate the transaction price between the license and customer support performance obligations using the residual approach because we have determined that the SSP for licenses in these arrangements are highly variable. We use the residual approach only for our license arrangements. When the SSP is observable but contractual pricing does not fall within our established SSP range, then an adjustment is required, and we will allocate the transaction price between license and customer support based on the relative SSP established for the respective performance obligations.

When two or more contracts are entered into at or near the same time with the same customer, we evaluate the facts and circumstances associated with the negotiation of those contracts. Where the contracts are negotiated as a package, we will account for them as a single arrangement and allocate the consideration for the combined contracts among the performance obligations accordingly.

We believe there are significant assumptions, judgments and estimates involved in the accounting for revenue recognition as discussed above and these assumptions, judgments and estimates could impact the timing of when revenue is recognized and could have a material impact on our Consolidated Financial Statements.

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. The carrying amount of goodwill is periodically reviewed for impairment (at a minimum annually) and whenever events or changes in circumstances indicate that the carrying value of this asset may not be recoverable.

Our operations are analyzed by management and our chief operating decision maker (CODM) as being part of a single industry segment: the design, development, marketing and sales of Information Management software and solutions. Therefore, our goodwill impairment assessment is based on the allocation of goodwill to a single reporting unit.

We perform a qualitative assessment to test our reporting unit's goodwill for impairment. Based on our qualitative assessment, if we determine that the fair value of our reporting unit is more likely than not (i.e., a likelihood of more than 50 percent) to be less than its carrying amount, the quantitative assessment of the impairment test is performed. In the quantitative assessment, we compare the fair value of our reporting unit to its carrying value. If the fair value of the reporting unit exceeds its carrying value, goodwill is not considered impaired, and we are not required to perform further testing. If the carrying value of the net assets of our reporting unit exceeds its fair value, then an impairment loss equal to the difference, but not exceeding the total carrying value of goodwill allocated to the reporting unit, would be recorded.

Our annual impairment analysis of goodwill was performed as of April 1, 2025. Our qualitative assessment indicated that there were no indications of impairment and therefore there was no impairment of goodwill required to be recorded for Fiscal 2025 (no impairments were recorded for Fiscal 2024 and Fiscal 2023, respectively).

Acquired intangibles

In accordance with business combinations accounting, we allocate the purchase price of acquired companies to the tangible and intangible assets acquired and the liabilities assumed based on their estimated fair values. Such valuations may require management to make significant estimates and assumptions, especially with respect to intangible assets. Acquired intangible assets typically consist of acquired technology and customer relationships.

In valuing our acquired intangible assets, we may make assumptions and estimates based in part on information obtained from the management of the acquired company, which may make our assumptions and estimates inherently uncertain. Examples of critical estimates we may make in valuing certain of the intangible assets that we acquire include, but are not limited to:

- future expected cash flows of our individual revenue streams;
- historical and expected customer attrition rates and anticipated growth in revenue from acquired customers;
- the expected use of the acquired assets; and
- discount rates.

As a result of the judgments that need to be made, we obtain the assistance of independent valuation firms. We complete these assessments as soon as practical after the closing dates. Any excess of the purchase price over the estimated fair values of the identifiable net assets acquired is recorded as goodwill.

Although we believe the assumptions and estimates of fair value we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain and subject to refinement. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill, if the changes are related to conditions that existed at the time of the acquisition. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments, based on events that occurred subsequent to the acquisition date, are recorded in our Consolidated Statements of Income.

Income taxes

We account for income taxes in accordance with ASC Topic 740, "Income Taxes" (Topic 740).

We account for our uncertain tax provisions by using a two-step approach. The first step is to evaluate the tax position for recognition by determining if the weight of the available evidence indicates it is more likely than not, based solely on the technical merits, that the position will be sustained on audit, including the resolution of related appeals or litigation processes, if

any. The second step is to measure the appropriate amount of the benefit to recognize. The amount of benefit to recognize is measured as the maximum amount which is more likely than not to be realized. The tax position is derecognized when it is no longer more likely than not that the position will be sustained on audit. On subsequent recognition and measurement, the maximum amount which is more likely than not to be recognized at each reporting date will represent the Company's best estimate, given the information available at the reporting date, although the outcome of the tax position is not absolute or final. We recognize both accrued interest and penalties related to liabilities for income taxes within the Provision for income taxes line of our Consolidated Statements of Income.

Deferred tax assets and liabilities arise from temporary differences between the tax bases of assets and liabilities and their reported amounts in the Consolidated Financial Statements that will result in taxable or deductible amounts in future years. These temporary differences are measured using enacted tax rates. A valuation allowance is recorded to reduce deferred tax assets to the extent that we consider it is more likely than not that a deferred tax asset will not be realized. In determining the valuation allowance, we consider factors such as the reversal of deferred income tax liabilities, projected taxable income and the character of income tax assets and tax planning strategies. A change to these factors could impact the estimated valuation allowance and income tax expense.

The Company's tax positions are subject to audit by local taxing authorities across multiple global subsidiaries and the resolution of such audits may span multiple years. Since tax law is complex and often subject to varied interpretations, it is uncertain whether some of the Company's tax positions will be sustained upon audit. Our assumptions, judgments and estimates relative to the current provision for income taxes considers current tax laws, our interpretations of current tax laws and possible outcomes of current and future audits conducted by domestic and foreign tax authorities. While we believe the assumptions and estimates that we have made are reasonable, such assumptions and estimates could have a material impact to our Consolidated Financial Statements upon ultimate resolution of the tax positions.

For additional details, see Note 15 "Income Taxes" to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

RESULTS OF OPERATIONS

The following tables provide a detailed analysis of our results of operations and financial condition. For each of the periods indicated below, we present our revenues by product type, revenues by major geography, cost of revenues by product type, total gross margin, total operating margin, gross margin by product type and their corresponding percentage of total revenue.

In addition, we provide Non-GAAP measures for the periods discussed to provide additional information to investors that we believe will be useful as this presentation aligns with how our management assesses our Company's performance. See "Use of Non-GAAP Financial Measures" below for a reconciliation of GAAP-based measures to Non-GAAP-based measures.

The comparability of our operating results for the years ended June 30, 2025, June 30, 2024 and June 30, 2023 were impacted by the Micro Focus Acquisition, the results of which were consolidated with those of OpenText beginning February 1, 2023, and the AMC Divestiture, the results of which were excluded from those of OpenText beginning May 1, 2024. As such, consolidated operating results for the years ended June 30, 2023 and 2024 included five and twelve months, respectively, of Micro Focus operating results, which included five and ten months, respectively, of AMC business operating results.

Acquisition of Micro Focus

Our total revenues increased by \$1,284.6 million across all of our product types in the year ended June 30, 2024, relative to the year ended June 30, 2023, primarily due to revenue contributions from the Micro Focus Acquisition, organic revenue growth, and a favourable impact of \$40.5 million of foreign exchange rate changes. The Micro Focus Acquisition contributed \$2,210.7 million to our total revenues during the year ended June 30, 2024, of which \$1,414.5 million related to customer support revenues and \$477.4 million related to license revenues. Micro Focus total revenues increased by \$1,234.1 million during the year ended June 30, 2024 as compared to the same period in the prior fiscal year.

Total cost of revenues increased by \$262.0 million in the year ended June 30, 2024, relative to the year ended June 30, 2023, primarily from cost of revenues of \$589.4 million as a result of the Micro Focus Acquisition, an increase of \$310.1 million as compared to the same period in the prior fiscal year.

Total operating expenses increased by \$651.8 million in the year ended June 30, 2024, relative to the year ended June 30, 2023, primarily from operating expenses of \$1,325.5 million as a result of the Micro Focus Acquisition, an increase of \$564.1 million as compared to the same period in the prior fiscal year. Micro Focus research and development, sales and marketing, and general and administrative expenses were \$1,009.8 million in the year ended June 30, 2024, an increase of \$459.4 million as compared to the same period in the prior fiscal year.

The Micro Focus results described above include the results of the AMC business prior to the AMC Divestiture on May 1, 2024.

Divestiture of AMC Business

On May 1, 2024, the Company completed the sale of its AMC business to Rocket Software. The AMC business was comprised of the legacy OpenText connectivity business and the legacy Micro Focus AMC business. The comparability of our operating results for the year ended June 30, 2025 as compared to the year ended June 30, 2024 was impacted by the divestiture of our AMC business, the results of which were excluded from those of OpenText beginning May 1, 2024. As such, AMC business operating results through April 30, 2024 were included in the consolidated operating results for the year ended June 30, 2024, but were not included in the consolidated operating results for the year ended June 30, 2025.

Our total revenues decreased by \$601.2 million, primarily across license and customer support product types, in the year ended June 30, 2025 relative to the year ended June 30, 2024, primarily due to the exclusion of revenue contributions from the AMC business, and after factoring the unfavourable impact of \$2.8 million of foreign exchange rate changes. The following table illustrates the revenues contributed by the AMC business during the year ended June 30, 2024.

(In thousands)	Year Ended June 30, 2024
Cloud services and subscriptions	\$ —
Customer support	283,489
License	138,637
Professional service and other	17,817
Total revenues	\$ 439,943

Transition Services Agreement

In connection with the AMC Divestiture, we entered into a TSA with Rocket Software, whereby we agreed to provide certain transition services to Rocket Software for up to 24 months from the closing date. These transition service costs are reimbursable by Rocket Software. For Fiscal 2025, we billed Rocket Software \$31.6 million under the TSA. The following table illustrates the financial statement impact of these TSA reimbursements, which have been recorded as an offset to the respective costs incurred, within our Consolidated Statements of Income. All transition services pursuant to the TSA were completed as of June 30, 2025.

(In thousands)	Year Ended June 30,		
	2025	2024	2023
Professional service and other cost of revenue	\$ 335	\$ 123	\$ —
Customer support cost of revenue	1,352	543	—
Research and development	715	258	—
Sales and marketing	2,823	1,009	—
General and administrative	26,379	9,583	—
Total	\$ 31,604	\$ 11,516	\$ —

Summary of Results of Operations

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Total Revenues by Product Type:					
Cloud services and subscriptions	\$ 1,856,474	\$ 35,950	\$ 1,820,524	\$ 120,091	\$ 1,700,433
Customer support	2,334,037	(379,260)	2,713,297	798,277	1,915,020
License	625,614	(208,548)	834,162	295,136	539,026
Professional service and other	352,280	(49,314)	401,594	71,093	330,501
Total revenues	5,168,405	(601,172)	5,769,577	1,284,597	4,484,980
Total Cost of Revenues	1,434,118	(144,431)	1,578,549	261,962	1,316,587
Total GAAP-based Gross Profit	3,734,287	(456,741)	4,191,028	1,022,635	3,168,393
Total GAAP-based Gross Margin %	72.3 %		72.6 %		70.6 %
Total GAAP-based Operating Expenses	2,841,598	(462,345)	3,303,943	651,842	2,652,101
Total GAAP-based Income from Operations	\$ 892,689	\$ 5,604	\$ 887,085	\$ 370,793	\$ 516,292
% Revenues by Product Type:					
Cloud services and subscriptions	35.9 %		31.6 %		37.9 %
Customer support	45.2 %		47.0 %		42.7 %
License	12.1 %		14.5 %		12.0 %
Professional service and other	6.8 %		6.9 %		7.4 %
Total Cost of Revenues by Product Type:					
Cloud services and subscriptions	\$ 697,929	\$ (15,830)	\$ 713,759	\$ 123,594	\$ 590,165
Customer support	250,310	(42,423)	292,733	83,028	209,705
License	31,939	6,331	25,608	8,963	16,645
Professional service and other	265,160	(37,367)	302,527	25,639	276,888
Amortization of acquired technology-based intangible assets	188,780	(55,142)	243,922	20,738	223,184
Total cost of revenues	\$ 1,434,118	\$ (144,431)	\$ 1,578,549	\$ 261,962	\$ 1,316,587
% GAAP-based Gross Margin by Product Type:					
Cloud services and subscriptions	62.4 %		60.8 %		65.3 %
Customer support	89.3 %		89.2 %		89.0 %
License	94.9 %		96.9 %		96.9 %
Professional service and other	24.7 %		24.7 %		16.2 %
Total Revenues by Geography: ⁽¹⁾					
Americas ⁽²⁾	\$ 2,938,709	\$ (403,172)	\$ 3,341,881	\$ 556,878	\$ 2,785,003
EMEA ⁽³⁾	1,751,543	(126,927)	1,878,470	568,454	1,310,016
Asia Pacific ⁽⁴⁾	478,153	(71,073)	549,226	159,265	389,961
Total revenues	\$ 5,168,405	\$ (601,172)	\$ 5,769,577	\$ 1,284,597	\$ 4,484,980
% Revenues by Geography:					
Americas ⁽²⁾	56.9 %		57.9 %		62.1 %
EMEA ⁽³⁾	33.9 %		32.6 %		29.2 %
Asia Pacific ⁽⁴⁾	9.2 %		9.5 %		8.7 %
Other Metrics:					
GAAP-based gross margin	72.3 %		72.6 %		70.6 %
Non-GAAP-based gross margin ⁽⁵⁾	76.2 %		77.3 %		76.1 %
Net income, attributable to OpenText	\$ 435,868		\$ 465,090		\$ 150,379
GAAP-based EPS, diluted	\$ 1.65		\$ 1.71		\$ 0.56
Non-GAAP-based EPS, diluted ⁽⁵⁾	\$ 3.82		\$ 4.17		\$ 3.29
Adjusted EBITDA ⁽⁵⁾	\$ 1,784,465		\$ 1,970,200		\$ 1,472,917

(1) Total revenues by geography are determined based on the location of our direct end customer.

(2) Americas consists of countries in North, Central and South America.

(3) EMEA consists of countries in Europe, the Middle East and Africa.

(4) Asia Pacific primarily consists of Australia, Japan, Singapore, India and China.

(5) See “Use of Non-GAAP Financial Measures” (discussed later in this MD&A) for definitions and reconciliations of GAAP-based measures to Non-GAAP-based measures.

Revenues, Cost of Revenues and Gross Margin by Product Type

1) Cloud Services and Subscriptions:

Cloud services and subscriptions revenues are from hosting arrangements where in connection with the licensing of software, the end user does not take possession of the software, as well as from end-to-end fully outsourced business-to-business integration solutions to our customers (collectively referred to as cloud arrangements). The software application resides on our hardware or that of a third-party, and the customer accesses and uses the software on an as-needed basis via an identified line. Our cloud arrangements can be broadly categorized as platform as a service, software as a service, cloud subscriptions and managed services.

Beginning with the quarter ended September 30, 2024, we have disclosed the cloud renewal rate on a net basis (cloud net renewal rate). This rate includes increases and decreases in renewed contract values driven by product mix, volume and consumption, and changes for price adjustments relating to renewed contract values, which were not part of the historical calculation of the cloud renewal rate. For the year ended June 30, 2025, our cloud net renewal rate, excluding the impact of Carbonite Inc. and Zix Corporation, was 96%.

Cost of Cloud services and subscriptions revenues is comprised primarily of third-party network usage fees, maintenance of in-house data hardware centers, technical support personnel-related costs and some third-party royalty costs.

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
<u>Cloud Services and Subscriptions:</u>					
Americas	\$ 1,347,094	\$ (5,337)	\$ 1,352,431	\$ 64,700	\$ 1,287,731
EMEA	395,871	43,004	352,867	47,574	305,293
Asia Pacific	113,509	(1,717)	115,226	7,817	107,409
Total Cloud Services and Subscriptions Revenues	1,856,474	35,950	1,820,524	120,091	1,700,433
Cost of Cloud Services and Subscriptions Revenues	697,929	(15,830)	713,759	123,594	590,165
GAAP-based Cloud Services and Subscriptions Gross Profit	\$ 1,158,545	\$ 51,780	\$ 1,106,765	\$ (3,503)	\$ 1,110,268
GAAP-based Cloud Services and Subscriptions Gross Margin %	62.4 %		60.8 %		65.3 %

% Cloud Services and Subscriptions Revenues by Geography:

Americas	72.6 %	74.3 %	75.7 %
EMEA	21.3 %	19.4 %	18.0 %
Asia Pacific	6.1 %	6.3 %	6.3 %

Cloud services and subscriptions revenues increased by \$36.0 million or 2.0% during the year ended June 30, 2025 as compared to the prior fiscal year; up 2.1% after factoring in the unfavourable impact of \$1.5 million of foreign exchange rate changes. Geographically, the overall change was attributable to an increase in EMEA of \$43.0 million, a decrease in Americas of \$5.3 million, and a decrease in Asia Pacific of \$1.7 million.

There were 149 cloud services contracts greater than \$1.0 million that closed during Fiscal 2025, compared to 129 contracts during Fiscal 2024.

Cost of Cloud services and subscriptions revenues decreased by \$15.8 million during the year ended June 30, 2025 as compared to the prior fiscal year. This was due to a decrease in labour-related costs of \$22.1 million, partially offset by an increase in third-party network usage fees of \$5.6 million. Overall, the gross margin percentage on Cloud services and subscriptions revenues increased to 62% from 61%.

2) Customer Support:

Customer support revenues consist of revenues from our customer support and maintenance agreements. These agreements allow our customers to receive technical support, enhancements and upgrades to new versions of our software products when available. Customer support revenues are generated from support and maintenance relating to current year sales of software products and from the renewal of existing maintenance agreements for software licenses sold in prior periods. Therefore, changes in Customer support revenues do not always correlate directly to the changes in license revenues from period to period. The terms of support and maintenance agreements are typically twelve months, and are renewable, generally

on an annual basis, at the option of the customer. Our management reviews our customer support renewal rates on a quarterly basis, and we use these rates as a method of monitoring our customer service performance.

Beginning with the quarter ended September 30, 2024, we have disclosed the customer support renewal rate on a net basis (customer support net renewal rate). This rate includes increases in renewed contract values driven by volume and consumption, and excludes reductions driven by shifts from customer support renewals where customers migrate to other product types, which were not part of the historical calculation of the customer support renewal rate. For the year ended June 30, 2025, our customer support net renewal rate was 91%.

Cost of Customer support revenues is comprised primarily of technical support personnel and related costs, as well as third-party royalty costs.

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
<i>Customer Support Revenues:</i>					
Americas	\$ 1,202,715	\$ (251,356)	\$ 1,454,071	\$ 372,879	\$ 1,081,192
EMEA	902,041	(89,740)	991,781	329,180	662,601
Asia Pacific	229,281	(38,164)	267,445	96,218	171,227
Total Customer Support Revenues	2,334,037	(379,260)	2,713,297	798,277	1,915,020
Cost of Customer Support Revenues	250,310	(42,423)	292,733	83,028	209,705
GAAP-based Customer Support Gross Profit	\$ 2,083,727	\$ (336,837)	\$ 2,420,564	\$ 715,249	\$ 1,705,315
GAAP-based Customer Support Gross Margin %	89.3 %		89.2 %		89.0 %
<i>% Customer Support Revenues by Geography:</i>					
Americas	51.5 %		53.6 %		56.5 %
EMEA	38.6 %		36.6 %		34.6 %
Asia Pacific	9.9 %		9.8 %		8.9 %

Customer support revenues decreased by \$379.3 million or 14.0% during the year ended June 30, 2025 as compared to the prior fiscal year; down 13.9% after factoring in the unfavourable impact of \$2.9 million of foreign exchange rate changes. The decrease was primarily due to the exclusion of customer support revenue contributions of \$283.5 million as a result of the AMC Divestiture. Geographically, the overall change was attributable to a decrease in Americas of \$251.4 million, a decrease in EMEA of \$89.7 million and a decrease in Asia Pacific of \$38.2 million.

Cost of Customer support revenues decreased by \$42.4 million during the year ended June 30, 2025 as compared to the prior fiscal year, primarily due to a decrease in labour-related costs of \$39.8 million. Overall, the gross margin percentage on Customer support revenues remained stable at 89%.

3) License:

Our License revenue can be broadly categorized as perpetual licenses, term licenses and subscription licenses. Our License revenues are impacted by the strength of general economic and industry conditions, the competitive strength of our software products and our acquisitions. Cost of License revenues consists primarily of royalties payable to third parties.

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
<i>License Revenues:</i>					
Americas	\$ 264,251	\$ (115,849)	\$ 380,100	\$ 109,291	\$ 270,809
EMEA	275,724	(62,373)	338,097	138,470	199,627
Asia Pacific	85,639	(30,326)	115,965	47,375	68,590
Total License Revenues	625,614	(208,548)	834,162	295,136	539,026
Cost of License Revenues	31,939	6,331	25,608	8,963	16,645
GAAP-based License Gross Profit	\$ 593,675	\$ (214,879)	\$ 808,554	\$ 286,173	\$ 522,381
GAAP-based License Gross Margin %	94.9 %		96.9 %		96.9 %

<i>% License Revenues by Geography:</i>					
Americas	42.2 %		45.6 %		50.2 %
EMEA	44.1 %		40.5 %		37.0 %
Asia Pacific	13.7 %		13.9 %		12.8 %

License revenues decreased by \$208.5 million or 25.0% during the year ended June 30, 2025 as compared to the prior fiscal year; down 25.1% after factoring in the favourable impact of \$0.4 million of foreign exchange rate changes. The decrease was driven by the exclusion of license revenue contributions as a result of the AMC Divestiture of \$138.6 million and license revenues in the prior fiscal year relating to the grant of certain IP rights. Geographically, the overall change was attributable to a decrease in Americas of \$115.8 million, a decrease in EMEA of \$62.4 million, and a decrease in Asia Pacific of \$30.3 million.

During Fiscal 2025, we closed 211 license contracts greater than \$0.5 million, of which 79 contracts were greater than \$1.0 million, contributing \$228.5 million of License revenues. This was compared to 239 license contracts greater than \$0.5 million during Fiscal 2024, of which 103 contracts were greater than \$1.0 million, contributing \$371.7 million of License revenues.

Cost of License revenues increased by \$6.3 million during the year ended June 30, 2025 as compared to the prior fiscal year. Overall, the gross margin percentage on License revenues decreased to 95% from 97%.

4) ***Professional Service and Other:***

Professional service and other revenues consist of revenues from consulting contracts and contracts to provide implementation, training and integration services (professional services). Other revenues consist of hardware revenues, which are included within the “Professional service and other” category because they are relatively immaterial to our service revenues. Professional services are typically performed after the purchase of new software licenses. Professional service and other revenues can vary from period to period based on the type of engagements as well as those implementations that are assumed by our partner network.

Cost of Professional service and other revenues consists primarily of the costs of providing integration, configuration and training with respect to our various software products. The most significant components of these costs are personnel-related expenses, travel costs and third-party subcontracting.

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
<i>Professional Service and Other Revenues:</i>					
Americas	\$ 124,649	\$ (30,630)	\$ 155,279	\$ 10,008	\$ 145,271
EMEA	177,907	(17,818)	195,725	53,230	142,495
Asia Pacific	49,724	(866)	50,590	7,855	42,735
Total Professional Service and Other Revenues	352,280	(49,314)	401,594	71,093	330,501
Cost of Professional Service and Other Revenues	265,160	(37,367)	302,527	25,639	276,888
GAAP-based Professional Service and Other Gross Profit	\$ 87,120	\$ (11,947)	\$ 99,067	\$ 45,454	\$ 53,613
GAAP-based Professional Service and Other Gross Margin %	24.7 %		24.7 %		16.2 %

<i>% Professional Service and Other Revenues by Geography:</i>					
Americas	35.4 %		38.7 %		44.0 %
EMEA	50.5 %		48.7 %		43.1 %
Asia Pacific	14.1 %		12.6 %		12.9 %

Professional service and other revenues decreased by \$49.3 million or 12.3% during the year ended June 30, 2025 as compared to the prior fiscal year; down 12.5% after factoring in the favourable impact of \$1.0 million of foreign exchange rate changes. The decrease was partially due to the exclusion of professional services revenue contributions as a result of the AMC Divestiture. Geographically, the overall change was attributable to a decrease in Americas of \$30.6 million, a decrease in EMEA of \$17.8 million, and a decrease in Asia Pacific of \$0.9 million.

Cost of Professional service and other revenues decreased by \$37.4 million during the year ended June 30, 2025 as compared to the prior fiscal year. This was primarily due to a decrease in labour-related costs of \$38.5 million. Overall, the gross margin percentage on Professional service and other revenues remained stable at 25%.

Amortization of Acquired Technology-based Intangible Assets

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Amortization of acquired technology-based intangible assets	\$ 188,780	\$ (55,142)	\$ 243,922	\$ 20,738	\$ 223,184

Amortization of acquired technology-based intangible assets decreased during the year ended June 30, 2025 by \$55.1 million as compared to the prior fiscal year. This was primarily due to reduced amortization related to technology-based intangible assets from previous acquisitions becoming fully amortized, and a reduction in amortization related to the AMC Divestiture.

Operating Expenses

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Research and development ⁽¹⁾	\$ 755,936	\$ (108,527)	\$ 864,463	\$ 205,249	\$ 659,214
Sales and marketing ⁽¹⁾	1,059,497	(103,637)	1,163,134	193,163	969,971
General and administrative	427,811	(149,227)	577,038	157,448	419,590
Depreciation	130,573	(1,026)	131,599	23,838	107,761
Amortization of acquired customer-based intangible assets	321,891	(110,513)	432,404	105,998	326,406
Special charges (recoveries)	145,890	10,585	135,305	(33,854)	169,159
Total operating expenses	\$ 2,841,598	\$ (462,345)	\$ 3,303,943	\$ 651,842	\$ 2,652,101

% of Total Revenues:

Research and development	14.6 %	15.0 %	14.7 %
Sales and marketing	20.5 %	20.2 %	21.6 %
General and administrative	8.3 %	10.0 %	9.4 %
Depreciation	2.5 %	2.3 %	2.4 %
Amortization of acquired customer-based intangible assets	6.2 %	7.5 %	7.3 %
Special charges (recoveries)	2.8 %	2.3 %	3.8 %

- (1) Beginning in the first quarter of Fiscal 2025, the Company reclassified certain expenses previously included within Research and development to Sales and marketing in the Consolidated Statements of Income to provide a better representation of the function of the expenses and reclassified prior period information to conform to the current presentation.

Research and development expenses consist primarily of payroll and payroll-related benefits expenses, contracted research and development expenses and facility costs. Research and development enables organic growth and improves product stability and functionality, and accordingly, we dedicate extensive efforts to update and upgrade our product offerings. The primary drivers are typically software upgrades and development.

(In thousands)	Change between Fiscal Years increase (decrease)	
	2025 and 2024	2024 and 2023
Payroll and payroll-related benefits	\$ (53,387)	\$ 142,515
Contract labour and consulting	(15,317)	6,130
Share-based compensation	(13,507)	1,103
Travel and communication	(1,529)	3,127
Facilities	(19,137)	49,550
Other miscellaneous	(5,650)	2,824
Total change in research and development expenses	\$ (108,527)	\$ 205,249

Research and development expenses decreased by \$108.5 million during the year ended June 30, 2025, as compared to the prior fiscal year, primarily from restructuring and other cost savings initiatives, and the exclusion of research and development expenses as a result of the AMC Divestiture. Payroll and payroll-related benefits, which is comprised of salaries, benefits and variable short-term incentives, decreased by \$53.4 million, facility-related expenses decreased by \$19.1 million, contract labour and consulting decreased by \$15.3 million and share-based compensation expense decreased by \$13.5 million. Overall, our research and development expenses, as a percentage of total revenues, remained stable at 15% compared to the prior fiscal year.

Our research and development labour resources decreased by 315 employees, from 7,747 employees at June 30, 2024 to 7,432 employees at June 30, 2025.

Sales and marketing expenses consist primarily of personnel expenses and costs associated with advertising, marketing events and trade shows.

(In thousands)	Change between Fiscal Years increase (decrease)	
	2025 and 2024	2024 and 2023
Payroll and payroll-related benefits	\$ (71,022)	\$ 148,979
Commissions	(13,673)	7,665
Contract labour and consulting	(4,250)	8,760
Share-based compensation	(8,851)	5,285
Travel and communication	(2,005)	7,466
Marketing expenses	1,781	(1,061)
Facilities	(7,712)	13,775
Credit loss expense (recovery)	4,269	7,693
Other miscellaneous	(2,174)	(5,399)
Total change in sales and marketing expenses	\$ (103,637)	\$ 193,163

Sales and marketing expenses decreased by \$103.6 million during the year ended June 30, 2025, as compared to the prior fiscal year, primarily from the exclusion of sales and marketing expenses as of result of the AMC Divestiture, and restructuring and other cost savings initiatives. Payroll and payroll-related benefits, which is comprised of salaries, benefits and variable short-term incentives, decreased by \$71.0 million, commissions decreased by \$13.7 million, share-based compensation expense decreased by \$8.9 million, facility-related expenses decreased by \$7.7 million and contract labour and consulting expenses decreased by \$4.3 million. Overall, our sales and marketing expenses, as a percentage of total revenues, remained stable at 20% compared to the prior fiscal year.

Our sales and marketing labour resources decreased by 259 employees, from 4,218 employees at June 30, 2024 to 3,959 employees at June 30, 2025.

General and administrative expenses consist primarily of payroll and payroll related benefits expenses, related overhead, audit fees, other professional fees, contract labour and consulting expenses and public company costs.

(In thousands)	Change between Fiscal Years increase (decrease)	
	2025 and 2024	2024 and 2023
Payroll and payroll-related benefits	\$ (38,794)	\$ 48,909
Contract labour and consulting	(23,550)	4,856
Share-based compensation	(6,697)	1,212
Travel and communication	(10,108)	3,708
Facilities	3,892	4,852
Other miscellaneous	(73,970)	93,911
Total change in general and administrative expenses	\$ (149,227)	\$ 157,448

General and administrative expenses decreased by \$149.2 million during the year ended June 30, 2025, as compared to the prior fiscal year, primarily from restructuring and other cost savings initiatives. Additionally, other miscellaneous costs, which include professional fees such as legal, audit and tax related expenses, decreased by \$74.0 million primarily driven by a reduction in costs related to IP, including the grant of certain IP rights and the resolution of certain historical IP related matters in the prior fiscal year, and reductions in other professional fees. Payroll and payroll-related benefits, which is comprised of salaries, benefits and variable short-term incentives, decreased by \$38.8 million, contract labour and consulting expenses decreased by \$23.6 million. travel and communication expenses decreased by \$10.1 million and share-based compensation expenses decreased by \$6.7 million. Overall, general and administrative expenses, as a percentage of total revenues, decreased to 8% from 10% in the prior fiscal year.

Our general and administrative labour resources decreased by 580 employees, from 3,421 employees at June 30, 2024 to 2,841 employees at June 30, 2025.

Depreciation expenses:

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Depreciation	\$ 130,573	\$ (1,026)	\$ 131,599	\$ 23,838	\$ 107,761

Depreciation expenses decreased during the year ended June 30, 2025 by \$1.0 million compared to the prior fiscal year. Depreciation expenses as a percentage of total revenue increased for the year ended June 30, 2025 to 3% from 2% in the prior fiscal year.

Amortization of acquired customer-based intangible assets:

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Amortization of acquired customer-based intangible assets	\$ 321,891	\$ (110,513)	\$ 432,404	\$ 105,998	\$ 326,406

Amortization of acquired customer-based intangible assets decreased during the year ended June 30, 2025 by \$110.5 million as compared to the prior fiscal year. This was primarily due to a reduced amortization related to customer-based intangible assets from previous acquisitions becoming fully amortized and a reduction in amortization related to the AMC Divestiture.

Special charges (recoveries):

Special charges (recoveries) typically relate to amounts that we expect to pay in connection with restructuring plans, acquisition and divestiture-related costs and other similar charges and recoveries. Generally, we implement such plans in the context of integrating acquired entities with existing OpenText operations. Actions related to such restructuring plans are typically completed within a period of one year. In certain limited situations, if the planned activity does not need to be

implemented, or an expense lower than anticipated is paid out, we record a recovery of the originally recorded expense to Special charges (recoveries).

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Special charges (recoveries)	\$ 145,890	\$ 10,585	\$ 135,305	\$ (33,854)	\$ 169,159

Special charges (recoveries) increased by \$10.6 million during the year ended June 30, 2025 as compared to the prior fiscal year. This was primarily due to an increase in restructuring costs of \$127.9 million related to the Business Optimization Plan, partially offset by a decrease in restructuring costs of \$72.7 million, related to the Micro Focus Acquisition, and a decrease in divestiture related costs of \$41.9 million as compared to the prior fiscal year.

For more details on Special charges (recoveries), see Note 18 “Special Charges (Recoveries)” to our Consolidated Financial Statements.

Other Income (Expense), Net

The components of other income (expense), net were as follows:

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Foreign exchange gains (losses) ⁽¹⁾	\$ (24,888)	\$ (26,090)	\$ 1,202	\$ (55,397)	\$ 56,599
Unrealized gains (losses) on derivatives not designated as hedges ⁽²⁾	(44,286)	(47,402)	3,116	131,957	(128,841)
Realized gains (losses) on derivatives not designated as hedges ⁽³⁾	(10,380)	(10,380)	—	(137,471)	137,471
OpenText share in net income (loss) of equity investees ⁽⁴⁾	230	18,424	(18,194)	4,883	(23,077)
Loss on debt extinguishment ⁽⁵⁾⁽⁶⁾	—	56,393	(56,393)	(48,241)	(8,152)
Gain on AMC Divestiture ⁽⁷⁾	(4,175)	(433,277)	429,102	429,102	—
Other miscellaneous income (expense)	712	1,154	(442)	(911)	469
Total other income (expense), net	\$ (82,787)	\$ (441,178)	\$ 358,391	\$ 323,922	\$ 34,469

- (1) The year ended June 30, 2023 includes a foreign exchange gain of \$36.6 million resulting from the delayed payment of a portion of the purchase consideration, settled on February 9, 2023, related to the Micro Focus Acquisition (see Note 19 “Acquisitions and Divestitures” to our Consolidated Financial Statements for more details).
- (2) Represents the unrealized gains (losses) on our derivatives not designated as hedges (see Note 17 “Derivative Instruments and Hedging Activities” to our Consolidated Financial Statements for more details).
- (3) Represents the realized gains on our derivatives not designated as hedges (see Note 17 “Derivative Instruments and Hedging Activities” to our Consolidated Financial Statements for more details).
- (4) Represents our share in net income (loss) of equity investees, which approximates fair value and subject to volatility based on market trends and business conditions, based on our interest in certain investment funds in which we are a limited partner. Our interests in each of these investees range from 4% to below 20% and these investments are accounted for using the equity method (see Note 9 “Prepaid Expenses and Other Assets” to our Consolidated Financial Statements for more details).
- (5) During the year ended June 30, 2024, the Company recognized a loss on debt extinguishment of \$56.4 million related to the acceleration and recognition of unamortized debt discount and issuance costs resulting from the optional repayments and prepayments of the Acquisition Term Loan (as defined below) and Term Loan B (as defined below) in Fiscal 2024. (see Note 11 “Long-Term Debt” to our Consolidated Financial Statements for more details).
- (6) On December 1, 2022, the Company amended the Acquisition Term Loan (as defined below) to reallocate commitments under the now-terminated bridge loan to the Acquisition Term Loan and terminated all remaining commitments under the now-terminated bridge loan, which resulted in a loss on debt extinguishment related to unamortized debt issuance costs (see Note 11 “Long-Term Debt” to our Consolidated Financial Statements for more details).
- (7) On May 1, 2024, the Company completed the sale of its AMC business, which resulted in a gain on disposition (see Note 19 “Acquisitions and Divestitures” to our Consolidated Financial Statements for more details).

Interest and Other Related Expense, Net

Interest and other related expense, net is primarily comprised of interest paid and accrued on our debt facilities, offset by interest income earned on our cash and cash equivalents.

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Interest expense related to total outstanding debt ⁽¹⁾	\$ 351,365	\$ (184,567)	\$ 535,932	\$ 172,300	\$ 363,632
Interest income	(49,558)	(422)	(49,136)	4,350	(53,486)
Other miscellaneous expense ⁽²⁾	26,024	(3,360)	29,384	10,102	19,282
Total interest and other related expense, net	<u>\$ 327,831</u>	<u>\$ (188,349)</u>	<u>\$ 516,180</u>	<u>\$ 186,752</u>	<u>\$ 329,428</u>

(1) For more details see Note 11 “Long-Term Debt” to our Consolidated Financial Statements.

(2) Other miscellaneous expense primarily consists of the amortization of debt discount and the debt issuance costs. For more details see Note 11 “Long-Term Debt” to our Consolidated Financial Statements.

Provision for (recovery of) Income Taxes

We operate in several tax jurisdictions and are exposed to various foreign tax rates.

(In thousands)	Year Ended June 30,				
	2025	Change increase (decrease)	2024	Change increase (decrease)	2023
Provision for (recovery of) income taxes	\$ 46,005	\$ (218,007)	\$ 264,012	\$ 193,245	\$ 70,767

The effective tax rate decreased to a provision of 9.5% for the year ended June 30, 2025, compared to a provision of 36.2% for the year ended June 30, 2024. Tax expense decreased from \$264.0 million during the year ended June 30, 2024 to \$46.0 million during the year ended June 30, 2025. The decrease in the effective tax rate was driven by a reduced tax impact of internal reorganization, a net decrease in unrecognized tax benefits, change in valuation allowance, a reduction in U.S. BEAT, and an increase expected amended return benefits, partially offset by a reduction in foreign tax credits, and an increase in undistributed earnings.

Numerous countries have agreed to a statement in support of the Organization for Economic Co-Operation and Development model rules that propose a global minimum tax rate of 15% for companies with revenue above €750 million, calculated on a country-by-country basis. Countries with significant operations for Open Text that have enacted the legislation include Canada and UK. We are continuing to monitor when and how such rules in other jurisdictions will be enacted into law. As of the year ended June 30, 2025, the impact of the global minimum tax is not material.

On July 4, 2025, the OBBBA was enacted, introducing amendments to U.S. tax laws with various effective dates. Key income tax-related provisions of the OBBBA include provisions related to bonus depreciation, research and development expenditures, interest expense deductibility, and revisions to international tax regimes. The Company is currently assessing the future implications of these tax law changes.

For information on certain potential tax contingencies, including the Canada Revenue Agency (CRA) matter, see Note 14 “Guarantees and Contingencies” and Note 15 “Income Taxes” to our Consolidated Financial Statements. Also see Part I, Item 1A, “Risk Factors” within this Annual Report on Form 10-K.

LIQUIDITY AND CAPITAL RESOURCES

The following tables set forth changes in cash flows from operating, investing and financing activities for the periods indicated:

(In thousands)	As of June 30, 2025	Change increase (decrease)	As of June 30, 2024	Change increase (decrease)	As of June 30, 2023
Cash and cash equivalents	\$ 1,156,496	\$ (124,166)	\$ 1,280,662	\$ 49,037	\$ 1,231,625
Restricted cash ⁽¹⁾	1,610	(521)	2,131	(196)	2,327
Total cash, cash equivalents and restricted cash	\$ 1,158,106	\$ (124,687)	\$ 1,282,793	\$ 48,841	\$ 1,233,952

(1) Restricted cash is classified under the Prepaid expenses and other current assets and Other assets line items on the Consolidated Balance Sheets (see Note 9 “Prepaid Expenses and Other Assets” to our Consolidated Financial Statements for more details).

(In thousands)	Year Ended June 30,				
	2025	Change	2024	Change	2023
Cash provided by operating activities	\$ 830,618	\$ (137,073)	\$ 967,691	\$ 188,486	\$ 779,205
Cash provided by (used in) investing activities	(153,508)	(2,208,825)	2,055,317	7,706,737	(5,651,420)
Cash provided by (used in) financing activities	(834,679)	2,127,225	(2,961,904)	(7,364,957)	4,403,053

Cash and cash equivalents

Cash and cash equivalents primarily consist of balances with banks as well as deposits with original maturities of 90 days or less.

We continue to anticipate that our cash and cash equivalents, as well as available credit facilities, will be sufficient to fund our anticipated cash requirements for working capital, contractual commitments, capital expenditures, dividends and operating needs for the next twelve months. Any further material or acquisition-related activities may require additional sources of financing and would be subject to the financial covenants established under our credit facilities. For more details, see “Long-term Debt and Credit Facilities” below.

As of June 30, 2025, we have recognized a deferred income tax liability of \$20.0 million (June 30, 2024—\$15.9 million) on taxable temporary differences related to the undistributed earnings of certain non-United States subsidiaries and planned periodic repatriations from certain German subsidiaries, that will be subject to withholding taxes upon distribution.

Cash flows from operating activities

Cash flows from operating activities decreased by \$137.1 million during the year ended June 30, 2025, as compared to the same period in the prior fiscal year due to a decrease in net changes from working capital of \$301.1 million primarily from tax payments made related to the AMC Divestiture, offset by an increase in net income after the impact of non-cash items of \$164.0 million.

During the fourth quarter of Fiscal 2025 we had a days sales outstanding (DSO) of 45 days, compared to our DSO of 43 days during the fourth quarter of Fiscal 2024. The per day impact of our DSO in the fourth quarter of Fiscal 2025 and Fiscal 2024 on our cash flows was \$14.6 million and \$14.7 million, respectively. In arriving at DSO, we exclude contract assets as these assets do not provide an unconditional right to the related consideration from the customer.

Cash flows from investing activities

Our cash flows from investing activities are primarily on account of acquisitions, divestitures and additions of property and equipment.

Cash flows from investing activities decreased by \$2.2 billion during the year ended June 30, 2025, as compared to the same period in the prior fiscal year primarily due to a decrease in cash consideration received from the AMC Divestiture during Fiscal 2024 of \$2.2 billion.

Cash flows from financing activities

Our cash flows from financing activities generally consist of long-term debt financing and amounts received from stock options exercised by our employees and Employee Stock Purchase Plan (ESPP) purchases by our employees. These inflows are typically offset by scheduled and non-scheduled repayments of our long-term debt financing and, when applicable, the payment of dividends and/or repurchases of our Common Shares.

Cash flows used in financing activities decreased by \$2.1 billion during the year ended June 30, 2025 as compared to the prior fiscal year. This is primarily due to the net impact of the following activities:

- (i) \$2.5 billion decrease in prepayments and repayments of long-term debt and the Revolver.

The decreases in cash flows used in financing activities above were partially offset by the following increases:

- (i) \$340.8 million related to cash used in the repurchases of Common Shares and treasury stock;
- (ii) \$31.5 million related to lower proceeds from the issuance of Common Shares from the exercise of options and the ESPP; and
- (iii) \$30.6 million due to net change in TSA obligations driven by cash collections on behalf of Rocket Software related to certain transition services performed by the Company related to the AMC divestiture. All transition services pursuant to the TSA were completed as of June 30, 2025.

Cash Dividends

During the year ended June 30, 2025, we declared and paid cash dividends of \$1.05 per Common Share in the aggregate amount of \$271.5 million (year ended June 30, 2024 and 2023—\$1.00 and \$0.9720 per Common Share, respectively, in the aggregate amount of \$267.4 million and \$259.5 million, respectively).

Future declarations of dividends and the establishment of future record and payment dates are subject to final determination and discretion of the Board. See Item 5. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters—Dividend Policy included in this Annual Report on Form 10-K for more information.

Long-term Debt and Credit Facilities

Senior Unsecured Fixed Rate Notes

Senior Notes 2031

On November 24, 2021, Open Text Holdings, Inc. (OTHI), a wholly-owned indirect subsidiary of the Company, issued \$650 million in aggregate principal amount of 4.125% senior notes due 2031 guaranteed by the Company (Senior Notes 2031) in an unregistered offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (Securities Act), and to certain non-U.S. persons in offshore transactions pursuant to Regulation S under the Securities Act. Senior Notes 2031 bear interest at a rate of 4.125% per annum, payable semi-annually in arrears on June 1 and December 1, commencing on June 1, 2022. Senior Notes 2031 will mature on December 1, 2031, unless earlier redeemed, in accordance with their terms, or repurchased. On July 1, 2024, OTHI merged with and into Open Text Inc. (OTI), a wholly-owned indirect subsidiary of the Company. As a result of the merger, OTI assumed all rights and obligations of OTHI concerning the Senior Notes 2031, effective July 1, 2024.

OTI may redeem all or a portion of the Senior Notes 2031 at any time prior to December 1, 2026 at a redemption price equal to 100% of the principal amount of the Senior Notes 2031 plus an applicable premium, plus accrued and unpaid interest, if any, to the redemption date. OTI may also redeem up to 40% of the aggregate principal amount of the Senior Notes 2031, on one or more occasions, prior to December 1, 2024, using the net proceeds from certain qualified equity offerings at a redemption price of 104.125% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, subject to compliance with certain conditions. OTI may, on one or more occasions, redeem the Senior Notes 2031, in whole or in part, at any time on and after December 1, 2026 at the applicable redemption prices set forth in the indenture governing the Senior Notes 2031, dated as of November 24, 2021, among OTI, the Company, the subsidiary guarantors party thereto, The Bank of New York Mellon, as U.S. trustee, and BNY Trust Company of Canada, as Canadian trustee (the 2031 Indenture), plus accrued and unpaid interest, if any, to the redemption date.

If we experience one of the kinds of change of control triggering events specified in the 2031 Indenture, OTI will be required to make an offer to repurchase the Senior Notes 2031 at a price equal to 101% of the principal amount of the Senior Notes 2031, plus accrued and unpaid interest, if any, to the date of purchase.

The 2031 Indenture contains covenants that limit OTI, the Company and certain of the Company's subsidiaries' ability to, among other things: (i) create certain liens and enter into sale and lease-back transactions; (ii) in the case of our non-guarantor subsidiaries, create, assume, incur or guarantee additional indebtedness of OTI, the Company or the guarantors without such subsidiary becoming a subsidiary guarantor of Senior Notes 2031; and (iii) consolidate, amalgamate or merge with, or convey, transfer, lease or otherwise dispose of its property and assets substantially as an entirety to, another person. These covenants are subject to a number of important limitations and exceptions as set forth in the 2031 Indenture. The 2031 Indenture also provides for events of default, which, if any of them occurs, may permit or, in certain circumstances, require the principal, premium, if

any, interest and any other monetary obligations on all the then-outstanding Senior Notes 2031 to be due and payable immediately.

Senior Notes 2031 are guaranteed on a senior unsecured basis by the Company and the Company's existing and future wholly-owned subsidiaries (other than OTI) that borrow or guarantee the obligations under our senior credit facilities. Senior Notes 2031 and the guarantees rank equally in right of payment with all of the Company's, OTI's and the guarantors' existing and future senior unsubordinated debt and will rank senior in right of payment to all of the Company's, OTI's and the guarantors' future subordinated debt. Senior Notes 2031 and the guarantees will be effectively subordinated to all of the Company's, OTI's and the guarantors' existing and future secured debt, including the obligations under the senior credit facilities, to the extent of the value of the assets securing such secured debt.

The foregoing description of the 2031 Indenture does not purport to be complete and is qualified in its entirety by reference to the full text of the 2031 Indenture, which is filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on November 24, 2021.

For further details relating to our debt, see Note 11 "Long-Term Debt" to our Consolidated Financial Statements.

Senior Notes 2030

On February 18, 2020 OTHI issued \$900 million in aggregate principal amount of 4.125% senior notes due 2030 guaranteed by the Company (Senior Notes 2030) in an unregistered offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and to certain non-U.S. persons in offshore transactions pursuant to Regulation S under the Securities Act. Senior Notes 2030 bear interest at a rate of 4.125% per annum, payable semi-annually in arrears on February 15 and August 15, commencing on August 15, 2020. Senior Notes 2030 will mature on February 15, 2030, unless earlier redeemed, in accordance with their terms, or repurchased. As a result of the merger of OTHI with and into OTI, OTI assumed all rights and obligations of OTHI concerning the Senior Notes 2030, effective July 1, 2024.

OTI may, on one or more occasions, redeem the Senior Notes 2030, in whole or in part, at any time at the applicable redemption prices set forth in the indenture governing the Senior Notes 2030, dated as of February 18, 2020, among OTI, the Company, the subsidiary guarantors party thereto, The Bank of New York Mellon, as U.S. trustee, and BNY Trust Company of Canada, as Canadian trustee (the 2030 Indenture), plus accrued and unpaid interest, if any, to the redemption date.

If we experience one of the kinds of change of control triggering events specified in the 2030 Indenture, OTI will be required to make an offer to repurchase the Senior Notes 2030 at a price equal to 101% of the principal amount of the Senior Notes 2030, plus accrued and unpaid interest, if any, to the date of purchase.

The 2030 Indenture contains covenants that limit the Company, OTI and certain of the Company's subsidiaries' ability to, among other things: (i) create certain liens and enter into sale and lease-back transactions; (ii) in the case of our non-guarantor subsidiaries, create, assume, incur or guarantee additional indebtedness of the Company, OTI or the guarantors without such subsidiary becoming a subsidiary guarantor of Senior Notes 2030; and (iii) consolidate, amalgamate or merge with, or convey, transfer, lease or otherwise dispose of its property and assets substantially as an entirety to, another person. These covenants are subject to a number of important limitations and exceptions as set forth in the 2030 Indenture. The 2030 Indenture also provides for events of default, which, if any of them occurs, may permit or, in certain circumstances, require the principal, premium, if any, interest and any other monetary obligations on all the then-outstanding Senior Notes 2030 to be due and payable immediately.

Senior Notes 2030 are guaranteed on a senior unsecured basis by the Company and the Company's existing and future wholly-owned subsidiaries (other than OTI) that borrow or guarantee the obligations under our senior credit facilities. Senior Notes 2030 and the guarantees rank equally in right of payment with all of the Company, OTI and the guarantors' existing and future senior unsubordinated debt and will rank senior in right of payment to all of the Company, OTI and the guarantors' future subordinated debt. Senior Notes 2030 and the guarantees will be effectively subordinated to all of the Company, OTI and the guarantors' existing and future secured debt, including the obligations under the senior credit facilities, to the extent of the value of the assets securing such secured debt.

The foregoing description of the 2030 Indenture does not purport to be complete and is qualified in its entirety by reference to the full text of the 2030 Indenture, which is filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on February 18, 2020.

For further details relating to our debt, see Note 11 "Long-Term Debt" to our Consolidated Financial Statements.

Senior Notes 2029

On November 24, 2021, the Company issued \$850 million in aggregate principal amount of 3.875% senior notes due 2029 (Senior Notes 2029) in an unregistered offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons in offshore transactions pursuant to Regulation S under the Securities Act. Senior Notes 2029

bear interest at a rate of 3.875% per annum, payable semi-annually in arrears on June 1 and December 1, commencing on June 1, 2022. Senior Notes 2029 will mature on December 1, 2029, unless earlier redeemed, in accordance with their terms, or repurchased.

We may, on one or more occasions, redeem the Senior Notes 2029, in whole or in part, at any time at the applicable redemption prices set forth in the indenture governing the Senior Notes 2029, dated as of November 24, 2021, among the Company, the subsidiary guarantors party thereto, The Bank of New York Mellon, as U.S. trustee, and BNY Trust Company of Canada, as Canadian trustee (the 2029 Indenture), plus accrued and unpaid interest, if any, to the redemption date.

If we experience one of the kinds of change of control triggering events specified in the 2029 Indenture, we will be required to make an offer to repurchase the Senior Notes 2029 at a price equal to 101% of the principal amount of the Senior Notes 2029, plus accrued and unpaid interest, if any, to the date of purchase.

The 2029 Indenture contains covenants that limit our and certain of our subsidiaries' ability to, among other things: (i) create certain liens and enter into sale and lease-back transactions; (ii) in the case of our non-guarantor subsidiaries, create, assume, incur or guarantee additional indebtedness of the Company or the guarantors without such subsidiary becoming a subsidiary guarantor of Senior Notes 2029; and (iii) consolidate, amalgamate or merge with, or convey, transfer, lease or otherwise dispose of its property and assets substantially as an entirety to, another person. These covenants are subject to a number of important limitations and exceptions as set forth in the 2029 Indenture. The 2029 Indenture also provides for events of default, which, if any of them occurs, may permit or, in certain circumstances, require the principal, premium, if any, interest and any other monetary obligations on all the then-outstanding Senior Notes 2029 to be due and payable immediately.

Senior Notes 2029 are guaranteed on a senior unsecured basis by our existing and future wholly-owned subsidiaries that borrow or guarantee the obligations under our senior credit facilities. Senior Notes 2029 and the guarantees rank equally in right of payment with all of our and our guarantors' existing and future senior unsubordinated debt and will rank senior in right of payment to all of our and our guarantors' future subordinated debt. Senior Notes 2029 and the guarantees will be effectively subordinated to all of our and our guarantors' existing and future secured debt, including the obligations under the senior credit facilities, to the extent of the value of the assets securing such secured debt.

The foregoing description of the 2029 Indenture does not purport to be complete and is qualified in its entirety by reference to the full text of the 2029 Indenture, which is filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on November 24, 2021.

For further details relating to our debt, see Note 11 "Long-Term Debt" to our Consolidated Financial Statements.

Senior Notes 2028

On February 18, 2020, the Company issued \$900 million in aggregate principal amount of 3.875% senior notes due 2028 (Senior Notes 2028) in an unregistered offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons in offshore transactions pursuant to Regulation S under the Securities Act. Senior Notes 2028 bear interest at a rate of 3.875% per annum, payable semi-annually in arrears on February 15 and August 15, commencing on August 15, 2020. Senior Notes 2028 will mature on February 15, 2028, unless earlier redeemed, in accordance with their terms, or repurchased.

We may, on one or more occasions, redeem the Senior Notes 2028, in whole or in part, at any time at the applicable redemption prices set forth in the indenture governing the Senior Notes 2028, dated as of February 18, 2020, among the Company, the subsidiary guarantors party thereto, The Bank of New York Mellon, as U.S. trustee, and BNY Trust Company of Canada, as Canadian trustee (the 2028 Indenture), plus accrued and unpaid interest, if any, to the redemption date.

If we experience one of the kinds of change of control triggering events specified in the 2028 Indenture, we will be required to make an offer to repurchase the Senior Notes 2028 at a price equal to 101% of the principal amount of the Senior Notes 2028, plus accrued and unpaid interest, if any, to the date of purchase.

The 2028 Indenture contains covenants that limit our and certain of our subsidiaries' ability to, among other things: (i) create certain liens and enter into sale and lease-back transactions; (ii) in the case of our non-guarantor subsidiaries, create, assume, incur or guarantee additional indebtedness of the Company or the guarantors without such subsidiary becoming a subsidiary guarantor of Senior Notes 2028; and (iii) consolidate, amalgamate or merge with, or convey, transfer, lease or otherwise dispose of its property and assets substantially as an entirety to, another person. These covenants are subject to a number of important limitations and exceptions as set forth in the 2028 Indenture. The 2028 Indenture also provides for events of default, which, if any of them occurs, may permit or, in certain circumstances, require the principal, premium, if any, interest and any other monetary obligations on all the then-outstanding Senior Notes 2028 to be due and payable immediately.

Senior Notes 2028 are guaranteed on a senior unsecured basis by our existing and future wholly-owned subsidiaries that borrow or guarantee the obligations under our senior credit facilities. Senior Notes 2028 and the guarantees rank equally in right of payment with all of our and our guarantors' existing and future senior unsubordinated debt and will rank senior in right of

payment to all of our and our guarantors' future subordinated debt. Senior Notes 2028 and the guarantees will be effectively subordinated to all of our and our guarantors' existing and future secured debt, including the obligations under the senior credit facilities, to the extent of the value of the assets securing such secured debt.

The foregoing description of the 2028 Indenture does not purport to be complete and is qualified in its entirety by reference to the full text of the 2028 Indenture, which is filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on February 18, 2020.

For further details relating to our debt, see Note 11 "Long-Term Debt" to our Consolidated Financial Statements.

Senior Secured Fixed Rate Notes

Senior Secured Notes 2027

On December 1, 2022, the Company issued \$1 billion in aggregate principal amount of senior secured notes due 2027 (Senior Secured Notes 2027, and together with the Senior Notes 2031, Senior Notes 2030, Senior Notes 2029, and Senior Notes 2028, the Senior Notes) in connection with the financing of the Micro Focus Acquisition in an unregistered offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons in offshore transactions pursuant to Regulation S under the Securities Act. Senior Secured Notes 2027 bear interest at a rate of 6.90% per annum, payable semi-annually in arrears on June 1 and December 1, commencing on June 1, 2023. Senior Secured Notes 2027 will mature on December 1, 2027, unless earlier redeemed, in accordance with their terms, or repurchased.

We may redeem all or a portion of the Senior Secured Notes 2027 at any time prior to November 1, 2027 at a redemption price equal to the greater of (a) 100% of the principal amount of the Senior Secured Notes 2027 to be redeemed and (b) the net present value of the remaining scheduled payments of principal and interest thereon discounted to the Par Call Date less interest accrued to the date of redemption, plus accrued and unpaid interest to, but excluding, the redemption date. On or after the Par Call Date (as defined in the 2027 Indenture, as defined below), the Company may redeem the Senior Secured Notes 2027, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the Senior Secured Notes 2027 being redeemed plus accrued and unpaid interest thereon to the redemption date.

If we experience one of the kinds of change of control triggering events specified in the indenture governing the Senior Secured Notes 2027 dated as of December 1, 2022, among the Company, the subsidiary guarantors party thereto, The Bank of New York Mellon, as U.S. trustee, and BNY Trust Company of Canada, as Canadian trustee (the 2027 Indenture), we will be required to make an offer to repurchase the Senior Secured Notes 2027 at a price equal to 101% of the principal amount of the Senior Secured Notes 2027, plus accrued and unpaid interest, if any, to the date of purchase.

The 2027 Indenture contains covenants that limit our and certain of the Company's subsidiaries' ability to, among other things: (i) create certain liens and enter into sale and lease-back transactions; (ii) create, assume, incur or guarantee additional indebtedness of the Company or certain of the Company's subsidiaries without such subsidiary becoming a subsidiary guarantor of the Senior Secured Notes 2027; and (iii) consolidate, amalgamate or merge with, or convey, transfer, lease or otherwise dispose of the Company's property and assets substantially as an entirety to, another person. These covenants are subject to a number of important limitations and exceptions as set forth in the 2027 Indenture. The 2027 Indenture also provides for certain events of default, which, if any of them occurs, may permit or, in certain circumstances, require the principal, premium, if any, interest and any other monetary obligations on all the then-outstanding Senior Secured Notes 2027 to be due and payable immediately.

The Senior Secured Notes 2027 are guaranteed on a senior secured basis by certain of the Company's subsidiaries and are secured with the same priority as the Company's senior credit facilities. The Senior Secured Notes 2027 and the related guarantees are effectively senior to all of the Company's and the guarantors' senior unsecured debt to the extent of the value of the Collateral (as defined in the 2027 Indenture) and are structurally subordinated to all existing and future liabilities of each of the Company's existing and future subsidiaries that do not guarantee the Senior Secured Notes 2027.

For further details relating to our debt, see Note 11 "Long-Term Debt" to our Consolidated Financial Statements.

Term Loan B

On May 30, 2018, we entered into a credit facility, that provided for a \$1 billion term loan facility (Term Loan B) and borrowed \$1 billion under the facility to, among other things, repay in full the loans under our prior \$800 million term loan facility originally entered into on January 16, 2014. On May 6, 2024, we used a portion of the net proceeds from the AMC Divestiture to prepay in full the then outstanding principal balance of \$940 million under Term Loan B, at which point all remaining commitments under Term Loan B were reduced to zero and Term Loan B was terminated.

For further details relating to our debt, see Note 11 “Long-Term Debt” to our Consolidated Financial Statements.

Revolver

On December 19, 2023, we amended our committed revolving credit facility (the Revolver) to, among other things, extend the maturity to December 19, 2028. Borrowings under the Revolver are secured by a first charge over substantially all of our assets, on a pari passu basis with the Acquisition Term Loan (as defined below) and Senior Secured Notes 2027.

The Revolver has no fixed repayment date prior to the end of the term. Borrowings under the Revolver bear interest per annum at a floating rate of interest equal to Term SOFR (as defined in the Revolver) and a fixed margin dependent on our consolidated net leverage ratio ranging from 1.25% to 1.75%.

Under the Revolver, we must maintain a “consolidated net leverage” ratio of no more than 4.50:1.00 at the end of each financial quarter. Consolidated net leverage ratio is defined for this purpose as the proportion of our total debt reduced by unrestricted cash, including guarantees and letters of credit, over our trailing twelve months net income before interest, taxes, depreciation, amortization, restructuring, share-based compensation and other miscellaneous charges. As of June 30, 2025, our consolidated net leverage ratio, as calculated in accordance with the applicable agreement, was 3.25:1.00.

As of June 30, 2025, we had no outstanding balance under the Revolver (June 30, 2024—\$0.0 million).

For further details relating to our debt, see Note 11 “Long-Term Debt” to our Consolidated Financial Statements.

Acquisition Term Loan

On December 1, 2022, we amended our first lien term loan facility (the Acquisition Term Loan), dated as of August 25, 2022, to increase the aggregate commitments under the senior secured delayed-draw term loan facility from an aggregate principal amount of \$2.585 billion to an aggregate principal amount of \$3.585 billion. On August 14, 2023, we entered into the second amendment to the Acquisition Term Loan, to reduce the applicable interest rate margin by 0.75% over the remaining term of the Acquisition Term Loan. On May 15, 2024, we entered into the third amendment to the Acquisition Term Loan, to reduce the applicable interest rate margin by 0.5% and remove the 10-basis point credit spread adjustment for loans bearing interest based on the Secured Overnight Financing Rate (SOFR) rate. On November 27, 2024, we entered into the fourth amendment to the Acquisition Term Loan to reduce the applicable interest rate margin by 0.5%. The reductions in interest rate margin on the Acquisition Term Loan resulting from the amendments were all accounted for by the Company as debt modifications.

The Acquisition Term Loan has a seven-year term from the date of funding, and repayments under the Acquisition Term Loan are equal to 0.25% of the principal amount in equal quarterly installments for the life of the Acquisition Term Loan, with the remainder due at maturity. Borrowings under the Acquisition Term Loan currently bear a floating rate of interest equal to Term SOFR (as defined in the Acquisition Term Loan) plus an applicable margin of 1.75%. As of June 30, 2025, the outstanding balance on the Acquisition Term Loan bears an interest rate of 6.08%. As of June 30, 2025, the Acquisition Term Loan bears an effective interest rate of 7.12%. The effective interest rate includes interest expense of \$148.4 million and amortization of debt discount and issuance costs of \$14.7 million.

The Acquisition Term Loan has incremental facility capacity of (i) \$250 million plus (ii) additional amounts, subject to meeting a “consolidated senior secured net leverage” ratio not exceeding 2.75:1.00, in each case subject to certain conditions. Consolidated senior secured net leverage ratio is defined for this purpose as the proportion of the Company’s total debt reduced by unrestricted cash, including guarantees and letters of credit, that is secured by the Company’s or any of the Company’s subsidiaries’ assets, over the Company’s trailing four financial quarter net income before interest, taxes, depreciation, amortization, restructuring, share-based compensation and other miscellaneous charges. Under the Acquisition Term Loan, we must maintain a “consolidated net leverage” ratio of no more than 4.50:1.00 at the end of each financial quarter. Consolidated net leverage ratio is defined for this purpose as the proportion of the Company’s total debt reduced by unrestricted cash, including guarantees and letters of credit, over the Company’s trailing four financial quarter net income before interest, taxes, depreciation, amortization, restructuring, share-based compensation and other miscellaneous charges as defined in the Acquisition Term Loan. As of June 30, 2025, our consolidated net leverage ratio, as calculated in accordance with the applicable agreement, was 3.25:1.00.

The Acquisition Term Loan is unconditionally guaranteed by certain subsidiary guarantors, as defined in the Acquisition Term Loan, and is secured by a first charge on substantially all of the assets of the Company and the subsidiary guarantors on a pari passu basis with the Revolver and the Senior Secured Notes 2027.

On October 20, 2023 and January 22, 2024, the Company made prepayments of \$75 million and \$175 million, respectively, on the Acquisition Term Loan using cash on hand. On May 6, 2024, the Company used a portion of the net proceeds from the AMC Divestiture to prepay \$1.06 billion of the outstanding principal balance of the Acquisition Term Loan.

For further details relating to our debt, see Note 11 “Long-Term Debt” to our Consolidated Financial Statements.

Shelf Registration Statement

On December 15, 2023, we filed a universal shelf registration statement on Form S-3 with the SEC, which became effective automatically (the Shelf Registration Statement). The Shelf Registration Statement allows for primary and secondary offerings from time to time of equity, debt and other securities, including Common Shares, Preference Shares, debt securities, depositary shares, warrants, purchase contracts, units and subscription receipts. As the Company qualifies as a “well-known seasoned issuer” in Canada, a short-form base shelf prospectus qualifying the distribution of such securities was concurrently filed with Canadian securities regulators on December 15, 2023. The type of securities and the specific terms thereof will be determined at the time of any offering and will be described in the applicable prospectus supplement to be filed separately with the SEC and Canadian securities regulators.

Share Repurchase Plan / Normal Course Issuer Bid

On April 30, 2024, the Board authorized a share repurchase plan (the Fiscal 2024 Repurchase Plan), pursuant to which we were authorized to purchase for cancellation, in open market transactions from time to time over the 12- month period commencing on May 7, 2024 until May 6, 2025, up to an aggregate of \$250 million of our Common Shares on the NASDAQ, the TSX (as part of a Fiscal 2024 NCIB, defined below) and/or other exchanges and alternative trading systems in Canada and/or the United States, if eligible, subject to applicable law and stock exchange rules.

On July 31, 2024, in order to align our share repurchase plan to our fiscal year, the Board approved the early termination of the Fiscal 2024 Repurchase Plan and authorized the Fiscal 2025 Repurchase Plan, pursuant to which we were authorized to purchase for cancellation in open market transactions, from time to time over the 12-month period commencing on August 7, 2024 until August 6, 2025, if considered advisable, up to an aggregate of \$300 million of our Common Shares on the TSX, the NASDAQ and/or alternative trading systems in Canada and/or the United States, if eligible, subject to applicable law and stock exchange rules.

On March 13, 2025, the Company increased the authorized limit of the Fiscal 2025 Repurchase Plan by \$150 million to \$450 million and established an ASPP. The price that we were authorized to pay for Common Shares in open market transactions was the market price at the time of purchase or such other price as was permitted by applicable law or stock exchange rules. The Fiscal 2025 Repurchase Plan was effected in accordance with Rule 10b-18 under the Exchange Act, and included a normal course issuer bid to provide means to execute purchases over the TSX. Under the terms of the ASPP, the Company’s broker was permitted to make purchases at its sole discretion based on parameters set by the Company in accordance with TSX rules, applicable law and the terms of the ASPP, during periods when the Company would ordinarily not be permitted to make purchases, whether due to regulatory restriction or customary self-imposed blackout periods. Outside of such periods, Common Shares can be purchased based on management's discretion, in compliance with TSX rules and applicable law. All purchases of Common Shares made under the ASPP are included in determining the number of Common Shares purchased under the NCIB.

During the year ended June 30, 2025, we repurchased and cancelled 14,524,664 Common Shares for \$418.3 million, inclusive of 2% Canadian excise taxes recorded (year ended June 30, 2024 and 2023— 5,073,913 and nil Common Shares for \$152.3 million and nil, respectively).

Additionally, as of June 30, 2025, we recorded an accrual and a corresponding charge to retained earnings of \$24.8 million, representing the estimated value of Common Shares expected to be repurchased following the fiscal quarter ended June 30, 2025 pursuant to the ASPP.

On August 6, 2025, the Company renewed its share repurchase plan, pursuant to which we may purchase for cancellation in open market transactions, from time to time over the 12 month period commencing on August 12, 2025 until August 11, 2026, if considered advisable, up to an aggregate of \$300 million of its common shares on the TSX (as part of a Fiscal 2026 NCIB, defined below), the NASDAQ and/or alternative trading systems in Canada and/or the United States, if eligible, subject to applicable law and stock exchange rules (the Fiscal 2026 Repurchase Plan). The price that we are authorized to pay for Common Shares in open market transactions is the market price at the time of purchase or such other price as is permitted by applicable law or stock exchange rules. The Fiscal 2026 Repurchase Plan will be effected in accordance with Rule 10b-18 under the Exchange Act, and includes a normal course issuer bid to provide means to execute purchases over the TSX.

Normal Course Issuer Bid

On April 30, 2024, the Company established a Normal Course Issuer Bid (the Fiscal 2024 NCIB) in order to provide it with a means to execute purchases over the TSX as part of the overall Fiscal 2024 Repurchase Plan.

The TSX approved the Company’s notice of intention to commence the Fiscal 2024 NCIB, pursuant to which the Company could purchase Common Shares over the TSX for the period commencing on May 7, 2024 until May 6, 2025 in accordance with the TSX's normal course issuer bid rules, including that such purchases were to be made at prevailing market prices or as otherwise permitted. Under the rules of the TSX, the maximum number of Common Shares that could have been

purchased in this period was 13,643,472 (representing 5% of the Company’s issued and outstanding Common Shares as of April 26, 2024), and the maximum number of Common Shares that could be purchased on a single day was 138,175 Common Shares, which was 25% of 552,700 (the average daily trading volume for the Common Shares on the TSX for the six months ended March 31, 2024), subject to certain exceptions for block purchases, and subject in any case to the volume and other limitations under Rule 10b-18 of the Exchange Act.

On July 31, 2024, the Company voluntarily terminated the Fiscal 2024 NCIB and established a new normal course issuer bid (the Fiscal 2025 NCIB) in order to provide it with a means to execute purchases over the TSX as part of the overall Fiscal 2025 Repurchase Plan. The TSX approved the Company’s notice of intention to commence the Fiscal 2025 NCIB, pursuant to which the Company could purchase Common Shares over the TSX for the period commencing on August 7, 2024 until August 6, 2025 in accordance with the TSX's normal course issuer bid rules, including that such purchases were to be made at prevailing market prices or as otherwise permitted. Under the rules of the TSX, the maximum number of Common Shares that could have been purchased in this period was 21,179,064 (representing 10% of the Company’s public float (calculated in accordance with TSX rules) as of July 24, 2024, less the 5,073,913 Common Shares purchased under the Fiscal 2024 Repurchase Plan), and the maximum number of Common Shares that could have been purchased on a single day was 138,175 Common Shares, which was 25% of 552,700 (the average daily trading volume for the Common Shares on the TSX for the six months ended March 31, 2024), subject to certain exceptions for block purchases, and subject in any case to the volume and other limitations under Rule 10b-18 of the Exchange Act.

On August 6, 2025, the Company renewed its normal course issuer bid (the "NCIB") in order to provide it with a means to execute purchases over the TSX as part of the overall Fiscal 2026 Repurchase Plan.

The TSX approved the Company’s notice of intention to commence the Fiscal 2026 NCIB, pursuant to which the Company may purchase Common Shares over the TSX for the period commencing on August 12, 2025 until August 11, 2026 in accordance with the TSX's normal course issuer bid rules, including that such purchases be made at prevailing market prices or as otherwise permitted. Under the rules of the TSX, the maximum number of Common Shares that may be purchased in this period is 24,906,456 (representing 10% of the Company’s public float calculated in accordance with TSX rules) as of July 31, 2025, and the maximum number of Common Shares that can be purchased on a single day is 224,146 Common Shares, which was 25% of 896,585 (calculated in accordance with TSX rules based on the average daily trading volume for the Common Shares on the TSX for the six months ended July 31, 2025), subject to certain exceptions for block purchases, and subject in any case to the volume and other limitations under Rule 10b-18.

Further, as part of the NCIB renewal, the Company has established an ASPP with its broker to facilitate repurchases of the Common Shares.

Pensions

As of June 30, 2025, our total unfunded pension plan obligations were \$136.9 million, of which \$4.7 million is payable within the next twelve months. We expect to be able to make the long-term and short-term payments related to these obligations in the normal course of operations.

Anticipated pension payments under our defined benefit plans for the fiscal years indicated below are as follows:

	<u>Fiscal years ending June 30,</u>
2026	\$ 18,076
2027	16,440
2028	18,425
2029	19,668
2030	19,867
2031 to 2035	113,652
Total	<u>\$ 206,128</u>

For a detailed discussion on pensions, see Note 12 “Pension Plans and Other Post-Retirement Benefits” to our Consolidated Financial Statements.

Commitments and Contractual Obligations

As of June 30, 2025, we have entered into the following contractual obligations with minimum payments for the indicated fiscal periods as follows:

(In thousands)	Payments due between				
	Total	July 1, 2025 - June 30, 2026	July 1, 2026 - June 30, 2028	July 1, 2028 - June 30, 2030	July 1, 2030 and beyond
Long-term debt obligations ⁽¹⁾	\$ 7,866,885	\$ 370,421	\$ 2,600,069	\$ 4,206,176	\$ 690,219
Operating lease obligations ⁽²⁾	294,611	86,661	127,580	49,420	30,950
Finance lease obligations ⁽³⁾	2,406	1,947	459	—	—
Purchase obligations for contracts not accounted for as lease obligations	322,565	226,310	96,255	—	—
	<u>\$ 8,486,467</u>	<u>\$ 685,339</u>	<u>\$ 2,824,363</u>	<u>\$ 4,255,596</u>	<u>\$ 721,169</u>

- (1) Includes interest up to maturity and principal payments. See Note 11 “Long-Term Debt” to our Consolidated Financial Statements.
- (2) Represents the undiscounted future minimum lease payments under our operating leases liabilities and excludes sublease income expected to be received under our various sublease agreements with third parties. See Note 6 “Leases” to our Consolidated Financial Statements for more details.
- (3) Represents the undiscounted future minimum lease payments under our finance leases liabilities and excludes sublease income expected to be received under our various sublease agreements with third parties. See Note 6 “Leases” to our Consolidated Financial Statements for more details.

Guarantees and Indemnifications

We have entered into customer agreements which may include provisions to indemnify our customers against third-party claims that our software products or services infringe certain third-party intellectual property rights and for liabilities related to a breach of our confidentiality obligations. We have not made any material payments in relation to such indemnification provisions and have not accrued any liabilities related to these indemnification provisions in our Consolidated Financial Statements.

Occasionally, we enter into financial guarantees with third parties in the ordinary course of our business, including, among others, guarantees relating to taxes and letters of credit on behalf of parties with whom we conduct business. Such agreements have not had a material effect on our results of operations, financial position or cash flows.

Litigation

We are currently involved in various claims and legal proceedings.

Quarterly, we review the status of each significant legal matter and evaluate such matters to determine how they should be treated for accounting and disclosure purposes in accordance with the requirements of ASC Topic 450-20 “Loss Contingencies” (Topic 450-20). Specifically, this evaluation process includes the centralized tracking and itemization of the status of all our disputes and litigation items, discussing the nature of any litigation and claim, including any dispute or claim that is reasonably likely to result in litigation, with relevant internal and external counsel, and assessing the progress of each matter in light of its merits and our experience with similar proceedings under similar circumstances.

If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, we accrue a liability for the estimated loss in accordance with Topic 450-20. As of the date of this Annual Report on Form 10-K, the aggregate of such accrued liabilities was not material to our consolidated financial position or results of operations and we do not believe as of the date of this filing that it is reasonably possible that a loss exceeding the amounts already recognized will be incurred that would be material to our consolidated financial position or results of operations. As described more fully below, we are unable at this time to estimate a possible loss or range of losses in respect of certain disclosed matters.

Contingencies

CRA Matter

As part of its ongoing audit of our Canadian tax returns, the Canada Revenue Agency (CRA) has disputed our transfer pricing methodology used for certain intercompany transactions with our international subsidiaries and has issued notices of reassessment for Fiscal 2012, Fiscal 2013, Fiscal 2014, Fiscal 2015 and Fiscal 2016. Assuming the utilization of available tax attributes (further described below), we estimate our potential aggregate liability, as of June 30, 2025, in connection with the CRA’s reassessments for Fiscal 2012, Fiscal 2013, Fiscal 2014, Fiscal 2015 and Fiscal 2016, to be limited to penalties, interest

and provincial taxes that may be due of approximately \$86 million. As of June 30, 2025, we have provisionally paid approximately \$32 million in order to fully preserve our rights to object to the CRA's audit positions, being the minimum payment required under Canadian legislation while the matter is in dispute. This amount is recorded within Long-term income taxes recoverable on the Consolidated Balance Sheets as of June 30, 2025.

The notices of reassessment for Fiscal 2012, Fiscal 2013, Fiscal 2014, Fiscal 2015 and Fiscal 2016 would, as drafted, increase our taxable income by approximately \$90 million to \$100 million for each of those years, as well as impose a 10% penalty on the proposed adjustment to income. Audits by the CRA of our tax returns for fiscal years prior to Fiscal 2012 have been completed with no reassessment of our income tax liability.

We strongly disagree with the CRA's positions and believe the reassessments of Fiscal 2012, Fiscal 2013, Fiscal 2014, Fiscal 2015 and Fiscal 2016 (including any penalties) are without merit, and we are continuing to contest these reassessments. On June 30, 2022, we filed a notice of appeal with the Tax Court of Canada seeking to reverse all such reassessments (including penalties) in full and the customary court process is ongoing.

Even if we are unsuccessful in challenging the CRA's reassessments to increase our taxable income for Fiscal 2012, Fiscal 2013, Fiscal 2014, Fiscal 2015 and Fiscal 2016, we have elective deductions available for those years (including carry-backs from later years) that would offset such increased amounts so that no additional cash tax would be payable, exclusive of any assessed penalties and interest, as described above.

The CRA has audited Fiscal 2017, Fiscal 2018, Fiscal 2019 and Fiscal 2020 on a basis that we strongly disagree with and are contesting. The focus of the CRA audit has been the valuation of certain intellectual property and goodwill when one of our subsidiaries continued into Canada from Luxembourg in July 2016. In accordance with applicable rules, these assets were recognized for tax purposes at fair market value as of that time, which value was supported by an expert valuation prepared by an independent leading accounting and advisory firm. CRA's position for Fiscal 2017 through Fiscal 2020 relies in significant part on the application of its positions regarding our transfer pricing methodology that are the basis for its reassessment of our fiscal years 2012 to 2016 described above, and that we believe are without merit. Other aspects of CRA's position for Fiscal 2017 through Fiscal 2020 conflict with the expert valuation prepared by the independent leading accounting and advisory firm that was used to support our original filing position. The CRA issued notices of reassessment in respect of Fiscal 2017 through Fiscal 2020 on a basis consistent with its proposal to reduce the available depreciable basis of assets in Canada. We have filed notices of objection to the reassessments for each of these years. If we are ultimately unsuccessful in defending our position, the estimated impact of the proposed adjustment could result in us recording an income tax expense, with no immediate cash payment, to reduce the stated value of our deferred tax assets of up to approximately \$470 million. Any such income tax expense could also have a corresponding cash tax impact that would primarily occur over a period of several future years based upon annual income realization in Canada. We strongly disagree with the CRA's position for Fiscal 2017 through Fiscal 2020 and intend to vigorously defend our original filing position. We are not required to provisionally pay any cash amounts to the CRA as a result of the reassessment in respect of Fiscal 2017 through Fiscal 2019 due to utilization of available tax attributes; however, for Fiscal 2020 and, to the extent the CRA reassesses subsequent fiscal years on a similar basis, we may be required to make certain minimum payments required under Canadian legislation on a provisional basis while the matter remains in dispute.

We will continue to vigorously contest the adjustments to our taxable income and any penalty and interest assessments, as well as any reduction to the basis of our depreciable property. We are confident that our original tax filing positions were appropriate. Accordingly, as of the date of this Annual Report on Form 10-K, we have not recorded any accruals in respect of these reassessments or proposed reassessment in our Consolidated Financial Statements.

Other Matters

Also see Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K for Fiscal 2025, as well as Note 15 "Income Taxes" to the Consolidated Financial Statements included in this Annual Report on Form 10-K related to certain historical matters arising prior to the Micro Focus Acquisition.

Off-Balance Sheet Arrangements

We do not enter into off-balance sheet financing as a matter of practice, except for guarantees relating to taxes and letters of credit on behalf of parties with whom we conduct business.

Use of Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. GAAP, the Company provides certain financial measures that are not in accordance with U.S. GAAP (Non-GAAP). These Non-GAAP financial measures have certain limitations in that they do not have a standardized meaning and thus the Company's definition may be different from similar Non-GAAP financial measures used by other companies and/or analysts and may differ from period to period. Thus, it may be more difficult to compare the Company's financial performance to that of other companies. However, the Company's management compensates for these limitations by providing the relevant disclosure of the items excluded in the calculation of these Non-GAAP financial measures both in its reconciliation to the U.S. GAAP financial measures and its Consolidated Financial Statements, all of which should be considered when evaluating the Company's results.

The Company uses these Non-GAAP financial measures to supplement the information provided in its Consolidated Financial Statements, which are presented in accordance with U.S. GAAP. The presentation of Non-GAAP financial measures is not meant to be a substitute for financial measures presented in accordance with U.S. GAAP, but rather should be evaluated in conjunction with and as a supplement to such U.S. GAAP measures. OpenText strongly encourages investors to review its financial information in its entirety and not to rely on a single financial measure. The Company therefore believes that despite these limitations, it is appropriate to supplement the disclosure of the U.S. GAAP measures with certain Non-GAAP measures defined below.

Non-GAAP-based net income and Non-GAAP-based EPS, attributable to OpenText, are consistently calculated as GAAP-based net income or earnings (loss) per share, attributable to OpenText, on a diluted basis, excluding the effects of the amortization of acquired intangible assets, other income (expense), share-based compensation, and special charges (recoveries), all net of tax and any tax benefits/expense items unrelated to current period income, as further described in the tables below. Non-GAAP-based gross profit is the arithmetical sum of GAAP-based gross profit and the amortization of acquired technology-based intangible assets and share-based compensation within cost of sales. Non-GAAP-based gross margin is calculated as Non-GAAP-based gross profit expressed as a percentage of total revenue. Non-GAAP-based income from operations is calculated as GAAP-based income from operations, excluding the amortization of acquired intangible assets, special charges (recoveries), and share-based compensation expense.

Adjusted EBITDA is defined and calculated as GAAP-based net income, attributable to OpenText, excluding interest income (expense), provision for (recovery of) income taxes, depreciation and amortization of acquired intangible assets, other income (expense), share-based compensation and special charges (recoveries). Adjusted EBITDA margin is calculated as adjusted EBITDA expressed as a percentage of total revenue.

Free cash flows is defined and calculated as GAAP-based cash flows provided by operating activities less capital expenditures.

The Company's management believes that the presentation of the above defined Non-GAAP financial measures provides useful information to investors because they portray the financial results of the Company before the impact of certain non-operational charges. The use of the term "non-operational charge" is defined for this purpose as an expense that does not impact the ongoing operating decisions taken by the Company's management. These items are excluded based upon the way the Company's management evaluates the performance of the Company's business for use in the Company's internal reports and are not excluded in the sense that they may be used under U.S. GAAP.

The Company does not acquire businesses on a predictable cycle, and therefore believes that the presentation of Non-GAAP measures, which in certain cases adjust for the impact of amortization of intangible assets and the related tax effects that are primarily related to acquisitions, will provide readers of financial statements with a more consistent basis for comparison across accounting periods and be more useful in helping readers understand the Company's operating results and underlying operational trends. Additionally, the Company has engaged in various restructuring activities over the past several years, primarily due to acquisitions and most recently in response to our return to office planning, that have resulted in costs associated with reductions in headcount, consolidation of leased facilities and related costs, all which are recorded under the Company's Special charges (recoveries) caption on the Consolidated Statements of Income. Each restructuring activity is a discrete event based on a unique set of business objectives or circumstances, and each differs in terms of its operational implementation, business impact and scope, and the size of each restructuring plan can vary significantly from period to period. Therefore, the Company believes that the exclusion of these special charges (recoveries) will also better aid readers of financial statements in the understanding and comparability of the Company's operating results and underlying operational trends.

In summary, the Company believes the provision of supplemental Non-GAAP measures allow investors to evaluate the operational and financial performance of the Company's core business using the same evaluation measures that management uses, and is therefore a useful indication of OpenText's performance or expected performance of future operations and facilitates period-to-period comparison of operating performance (although prior performance is not necessarily indicative of future performance). As a result, the Company considers it appropriate and reasonable to provide, in addition to U.S. GAAP measures, supplementary Non-GAAP financial measures that exclude certain items from the presentation of its financial results.

The following charts provide unaudited reconciliations of U.S. GAAP-based financial measures to Non-GAAP-based financial measures for the following periods presented. The Micro Focus Acquisition significantly impacts period-over-period comparability.

Reconciliation of selected GAAP-based measures to Non-GAAP-based measures for the year ended June 30, 2025

(In thousands, except for per share data)

	Year Ended June 30, 2025					
	GAAP-based Measures	GAAP- based Measures % of Total Revenue	Adjustments	Note	Non-GAAP- based Measures	Non-GAAP- based Measures % of Total Revenue
Cost of revenues						
Cloud services and subscriptions	\$ 697,929		\$ (8,317)	(1)	\$ 689,612	
Customer support	250,310		(4,067)	(1)	246,243	
Professional service and other	265,160		(4,878)	(1)	260,282	
Amortization of acquired technology-based intangible assets	188,780		(188,780)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	3,734,287	72.3%	206,042	(3)	3,940,329	76.2%
Operating expenses						
Research and development	755,936		(25,999)	(1)	729,937	
Sales and marketing	1,059,497		(38,826)	(1)	1,020,671	
General and administrative	427,811		(22,753)	(1)	405,058	
Amortization of acquired customer-based intangible assets	321,891		(321,891)	(2)	—	
Special charges (recoveries)	145,890		(145,890)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	892,689		761,401	(5)	1,654,090	
Other income (expense), net	(82,787)		82,787	(6)	—	
Provision for income taxes	46,005		272,296	(7)	318,301	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	435,868		571,892	(8)	1,007,760	
GAAP-based EPS / Non-GAAP-based EPS-diluted, attributable to OpenText	\$ 1.65		\$ 2.17	(8)	\$ 3.82	

- (1) Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- (2) Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- (3) GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
- (4) Adjustment relates to the exclusion of special charges (recoveries) from our Non-GAAP-based operating expenses as special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results. See Note 18 “Special Charges (Recoveries)” to our Consolidated Financial Statements for more details.
- (5) GAAP-based and Non-GAAP-based income from operations stated in dollars.
- (6) Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective of our ongoing business and operating results.

- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 10% and a Non-GAAP-based tax rate of approximately 24%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Beginning in Fiscal 2025, net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 have been fully utilized and are no longer included. In arriving at our Non-GAAP-based tax rate of approximately 24%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- (8) Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2025	
		Per share diluted
GAAP-based net income, attributable to OpenText	\$ 435,868	\$ 1.65
Add:		
Amortization	510,671	1.94
Share-based compensation	104,840	0.40
Special charges (recoveries)	145,890	0.55
Other (income) expense, net	82,787	0.32
GAAP-based provision for income taxes	46,005	0.17
Non-GAAP-based provision for income taxes	(318,301)	(1.21)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 1,007,760</u>	<u>\$ 3.82</u>

Reconciliation of Adjusted EBITDA

	Year Ended June 30, 2025
GAAP-based net income, attributable to OpenText	\$ 435,868
Add:	
Provision for income taxes	46,005
Interest and other related expense, net	327,831
Amortization of acquired technology-based intangible assets	188,780
Amortization of acquired customer-based intangible assets	321,891
Depreciation	130,573
Share-based compensation	104,840
Special charges (recoveries)	145,890
Other (income) expense, net	82,787
Adjusted EBITDA	<u>\$ 1,784,465</u>
GAAP-based net income margin	8.4 %
Adjusted EBITDA margin	34.5 %

Reconciliation of Free Cash Flows

	Year Ended June 30, 2025
GAAP-based cash flows provided by operating activities	\$ 830,618
Add:	
Capital expenditures	(143,222)
Free cash flows	<u>\$ 687,396</u>

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures
for the year ended June 30, 2024**

(In thousands, except for per share data)

	Year Ended June 30, 2024					
	GAAP-based Measures	GAAP-based Measures % of Total Revenue	Adjustments	Note	Non-GAAP- based Measures	Non-GAAP- based Measures % of Total Revenue
Cost of revenues						
Cloud services and subscriptions	\$ 713,759		\$ (12,858)	(1)	\$ 700,901	
Customer support	292,733		(4,357)	(1)	288,376	
Professional service and other	302,527		(6,298)	(1)	296,229	
Amortization of acquired technology-based intangible assets	243,922		(243,922)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	4,191,028	72.6%	267,435	(3)	4,458,463	77.3%
Operating expenses						
Research and development	864,463		(40,612)	(1)	823,851	
Sales and marketing	1,163,134		(46,572)	(1)	1,116,562	
General and administrative	577,038		(29,382)	(1)	547,656	
Amortization of acquired customer-based intangible assets	432,404		(432,404)	(2)	—	
Special charges (recoveries)	135,305		(135,305)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	887,085		951,710	(5)	1,838,795	
Other income (expense), net	358,391		(358,391)	(6)	—	
Provision for income taxes	264,012		(78,845)	(7)	185,167	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	465,090		672,164	(8)	1,137,254	
GAAP-based EPS / Non-GAAP-based EPS-diluted, attributable to OpenText	\$ 1.71		\$ 2.46	(8)	\$ 4.17	

- (1) Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- (2) Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- (3) GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
- (4) Adjustment relates to the exclusion of special charges (recoveries) from our Non-GAAP-based operating expenses as special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results. See Note 18 “Special Charges (Recoveries)” to our Consolidated Financial Statements for more details.
- (5) GAAP-based and Non-GAAP-based income from operations stated in dollars.
- (6) Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 36% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.

(8) Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2024	
		Per share diluted
GAAP-based net income, attributable to OpenText	\$ 465,090	\$ 1.71
Add:		
Amortization	676,326	2.48
Share-based compensation	140,079	0.51
Special charges (recoveries)	135,305	0.50
Other (income) expense, net	(358,391)	(1.32)
GAAP-based provision for income taxes	264,012	0.97
Non-GAAP-based provision for income taxes	(185,167)	(0.68)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 1,137,254</u>	<u>\$ 4.17</u>

Reconciliation of Adjusted EBITDA

	Year Ended June 30, 2024	
GAAP-based net income, attributable to OpenText	\$	465,090
Add:		
Provision for income taxes		264,012
Interest and other related expense, net		516,180
Amortization of acquired technology-based intangible assets		243,922
Amortization of acquired customer-based intangible assets		432,404
Depreciation		131,599
Share-based compensation		140,079
Special charges (recoveries)		135,305
Other (income) expense, net		(358,391)
Adjusted EBITDA	<u>\$</u>	<u>1,970,200</u>
GAAP-based net income margin		8.1 %
Adjusted EBITDA margin		34.1 %

Reconciliation of Free Cash Flows

	Year Ended June 30, 2024	
GAAP-based cash flows provided by operating activities	\$	967,691
Add:		
Capital expenditures		(159,295)
Free cash flows	<u>\$</u>	<u>808,396</u>

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures
for the year ended June 30, 2023**

(In thousands, except for per share data)

	Year Ended June 30, 2023					
	GAAP-based Measures	GAAP-based Measures % of Total Revenue	Adjustments	Note	Non-GAAP-based Measures	Non-GAAP-based Measures % of Total Revenue
Cost of revenues						
Cloud services and subscriptions	\$ 590,165		\$ (10,664)	(1)	\$ 579,501	
Customer support	209,705		(3,627)	(1)	206,078	
Professional service and other	276,888		(6,998)	(1)	269,890	
Amortization of acquired technology-based intangible assets	223,184		(223,184)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	3,168,393	70.6%	244,473	(3)	3,412,866	76.1%
Operating expenses						
Research and development	659,214		(39,065)	(1)	620,149	
Sales and marketing	969,971		(41,710)	(1)	928,261	
General and administrative	419,590		(28,238)	(1)	391,352	
Amortization of acquired customer-based intangible assets	326,406		(326,406)	(2)	—	
Special charges (recoveries)	169,159		(169,159)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	516,292		849,051	(5)	1,365,343	
Other income (expense), net	34,469		(34,469)	(6)	—	
Provision for income taxes	70,767		74,261	(7)	145,028	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	150,379		740,321	(8)	890,700	
GAAP-based EPS/ Non-GAAP-based EPS-diluted, attributable to OpenText	\$ 0.56		\$ 2.73	(8)	\$ 3.29	

- (1) Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- (2) Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- (3) GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
- (4) Adjustment relates to the exclusion of special charges (recoveries) from our Non-GAAP-based operating expenses as special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations and are therefore excluded from our internal analysis of operating results. See Note 18 “Special Charges (Recoveries)” to our Consolidated Financial Statements for more details.
- (5) GAAP-based and Non-GAAP-based income from operations stated in dollars.
- (6) Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 32% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.

(8) Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2023	
		Per share diluted
GAAP-based net income, attributable to OpenText	\$ 150,379	\$ 0.56
Add:		
Amortization	549,590	2.03
Share-based compensation	130,302	0.48
Special charges (recoveries)	169,159	0.63
Other (income) expense, net	(34,469)	(0.13)
GAAP-based provision for income taxes	70,767	0.26
Non-GAAP-based recovery of income taxes	(145,028)	(0.54)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 890,700</u>	<u>\$ 3.29</u>

Reconciliation of Adjusted EBITDA

	Year Ended June 30, 2023	
GAAP-based net income, attributable to OpenText	\$	150,379
Add:		
Provision for income taxes		70,767
Interest and other related expense, net		329,428
Amortization of acquired technology-based intangible assets		223,184
Amortization of acquired customer-based intangible assets		326,406
Depreciation		107,761
Share-based compensation		130,302
Special charges (recoveries)		169,159
Other (income) expense, net		(34,469)
Adjusted EBITDA	<u>\$</u>	<u>1,472,917</u>
GAAP-based net income margin		3.4 %
Adjusted EBITDA margin		32.8 %

Reconciliation of Free Cash Flows

	Year Ended June 30, 2023	
GAAP-based cash flows provided by operating activities	\$	779,205
Add:		
Capital expenditures		(123,832)
Free cash flows	<u>\$</u>	<u>655,373</u>