Risk Factors Comparison 2023-08-03 to 2022-08-05 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to our Business and Industry • If we do not continue to develop technologically advanced products that successfully integrate with the software products and enhancements used by our customers, future revenues and our operating results may be negatively affected • Product development is a long, expensive and uncertain process, and we may terminate one or more of our development programs • Our investment in our current research and development efforts may not provide a sufficient or timely return • If our software products and services do not gain market acceptance, our operating results may be negatively affected • Failure to protect our intellectual property could harm our ability to compete effectively • Other companies may claim that we infringe their intellectual property, which could materially increase costs and materially harm our ability to generate future revenues and profits • Our software products and services may contain defects that could harm our reputation, be costly to correct, delay revenues and expose us to litigation • Our software products rely on the stability of infrastructure software that, if not stable, could negatively impact the effectiveness of our products, resulting in harm to our reputation and business • Risks associated with the evolving use of the Internet, including changing standards, competition and regulation and associated compliance efforts, may adversely impact our business • Business disruptions, including those arising from disasters **, pandemics** or ~~other~~ catastrophic events, may adversely affect our operations • Unauthorized disclosures, cyber- attacks ~~and~~ **,** breaches of data security **and other information technology risks** may adversely affect our operations • Our success depends on our relationships with strategic partners, distributors and third- party service providers and any reduction in the sales efforts by distributors, cooperative efforts from our partners or service from third party providers could materially impact our revenues • The loss of licenses to resell or use third- party software or the lack of support or enhancement of such software could adversely affect our business • Current and future competitors could have a significant impact on our ability to generate future revenues and profits • The length of our sales cycle can fluctuate significantly which could result in significant fluctuations in revenues being recognized from quarter to quarter • Our existing customers might cancel contracts with us, fail to renew contracts on their renewal dates and / or fail to purchase additional services and products, and we may be unable to attract new customers **, which could adversely affect our operating results** • Consolidation in the industry, particularly by large, well- capitalized companies, could place pressure on our operating margins which could, in turn, have a material adverse effect on our business • We may be unable to maintain or expand our base of small and medium- sized businesses (SMBs) and consumer customers, which could adversely affect our anticipated future growth and operating results • Our sales to government clients expose us to business volatility and risks, including government budgeting cycles and appropriations, early termination, audits, investigations, sanctions and penalties • Geopolitical instability, political unrest, war and other global conflicts, including the Russia- Ukraine conflict, has affected and may continue to affect our business • The **restructuring of certain of** ~~COVID- 19 pandemic has and may continue to further negatively affect~~ our ~~business,~~ operations ~~and financial performance • The impact of the COVID- 19 pandemic continues to create significant uncertainty in the global economy and for our business, operations and financial performance • The restructuring of our operations, including steps taken to mitigate the anticipated negative impact of the COVID- 19 pandemic,~~ may be ineffective ~~and~~ **,** may adversely affect our business and our finances, and we may incur additional restructuring charges in connection with such actions • We have ~~implemented~~ a Flex- Office program, which ~~will subject~~ **subjects** us to certain operational challenges and risks • We must continue to manage our internal resources during periods of company growth, or our operating results could be adversely affected • If we lose the services of our executive officers or other key employees or if we are not able to attract or retain top employees, our business could be significantly harmed • Our compensation structure may hinder our efforts to attract and retain vital employees • Increased attention from shareholders, customers and other key relationships regarding our **corporate social responsibility (CSR) and** environmental, social and corporate governance (ESG) practices could impact our business activities, financial performance and reputation Risks Related to Acquisitions • Acquisitions, investments, joint ventures and other business initiatives may negatively affect our operating results • We may **fail to realize all of the anticipated benefits of our acquisitions, including the Micro Focus Acquisition (as defined below), or those benefits may take longer to realize than expected • We may** be unable to successfully integrate acquired businesses or do so within the intended timeframes, which could have an adverse effect on our financial condition, results of operations and business prospects • **As a result of the Micro Focus Acquisition, the scope and size of our operations and business has substantially changed and will result in certain incremental risks to us. We cannot provide assurance that our expansion in scope and size will be successful • We incurred significant transaction costs in connection with the Micro Focus Acquisition, and could incur unanticipated costs during the integration of Micro Focus that could adversely affect our results of operations •** Loss of key personnel could impair the integration of acquired businesses, lead to loss of customers and a decline in revenues, or otherwise could have an adverse effect on our operations ~~• We may fail to realize all of the anticipated benefits of any acquisitions, including our acquisition of Zix, or those benefits may take longer to realize than expected~~ • Businesses we acquire may have disclosure controls and procedures and internal controls over financial reporting, cybersecurity and compliance with data privacy laws that are weaker than or otherwise not in conformity with ours **• Pro forma financial information may not be indicative of our financial condition or results following the Micro Focus Acquisition** Risks Related to Laws and Regulatory Compliance • Our provision for income taxes and effective income tax rate may vary significantly and may adversely affect our results of operations and cash resources • As part of the ongoing audit of our Canadian tax returns by the Canada Revenue Agency (CRA), we have received notices of, and are appealing, reassessments for Fiscal 2012, Fiscal 2013, Fiscal 2014, Fiscal 2015 and Fiscal 2016, and the CRA **has audited**

Fiscal 2017 and Fiscal 2018 and is auditing Fiscal ~~2017~~ **2019** . An adverse outcome of these ongoing audits could have a material adverse effect on our financial position and results of operations • Risks associated with data privacy issues, including evolving laws and regulations and associated compliance efforts, may adversely impact our business • Certain of our products may be perceived as, or determined by the courts to be, a violation of privacy rights and related laws. Any such perception or determination could adversely affect our revenues and results of operations **• Artificial Intelligence (AI) and other machine learning technology is being integrated into some of our products, systems or solutions, which could present risks and challenges to our business** Risks Related to our Financial Condition • We may not generate sufficient cash flow to satisfy our unfunded pension obligations • Fluctuations in foreign currency exchange rates could materially affect our financial results • Our indebtedness could limit our operations and opportunities Risks Related to Ownership of our Common Stock • Our revenues and operating results are likely to fluctuate, which could materially impact the market price of our Common Shares • Changes in the market price of our Common Shares and credit ratings of our outstanding debt securities could lead to losses for shareholders and debt holders General Risks • Unexpected events may materially harm our ability to align when we incur expenses with when we recognize revenues • We may fail to achieve our financial forecasts due to inaccurate sales forecasts or other factors • Our international operations expose us to business, political and economic risks ~~that could cause our operating results to suffer~~ • We may become involved in litigation that may materially adversely affect us • The declaration, payment and amount of dividends will be made at the discretion of our Board of Directors and will depend on a number of factors • Our operating results could be adversely affected by any weakening of economic conditions • Stress in the global financial system may adversely affect our finances and operations ~~in ways that may be hard to predict or to defend against~~ Item 1. Business Incorporated in 1991, OpenText has grown to be a leader in Information Management offering a comprehensive line of Information Management products and services that power and protect businesses of all sizes. OpenText' s Information Management solutions manage the creation, capture, use, analysis and lifecycle of structured and unstructured data. Our Information Management solutions are designed to help organizations extract value **and insights** from their information, secure that information and meet the growing list of privacy and compliance requirements. OpenText helps customers improve efficiencies, redefine business models and transform industries. Our products are available in **private cloud, public** cloud, off- ~~cloud, private cloud, public~~ cloud and application programming interface (API) cloud, or any combination thereof, ~~and we are ready~~ to support the customer' s preferred ~~delivery channel~~ **deployment option** . In providing choice and flexibility, we strive to maximize the lifetime value of the relationship with our customers and support their information- led transformation journey. Business Overview and Strategy About OpenText ~~At~~ OpenText **is** ~~, 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** ~~connected. Our innovations maximize the strategic benefits of data and content for our customers, strengthening their productivity, growth, profitability, compliance and competitive information advantage~~ . The comprehensive OpenText Information Management platform and services provide secure and scalable solutions for global enterprises, SMBs, governments and consumers around the world. ~~We also accelerate information- led digital transformations with~~ **With** ~~intelligent~~ **critical** tools and services for **connecting** ~~moving off paper, automating classification~~ and **classifying** ~~building clean~~ data ~~lakes for~~ **, OpenText accelerates customers' ability to deploy** ~~artificial~~ **Artificial** ~~intelligence~~ **Intelligence** (AI), ~~analytics and automation~~ **automate work, and strengthen productivity** . **The benefits of interconnected information enable customers to enhance real- time decision- making, meet new compliance standards, manage across multi- cloud environments, and stay cyber resilient with secure data. With rising compliance standards for data management, security, environmental, sustainability, and inclusion factors,** OpenText ~~is~~ **empowers customers with foresight and trust. Our products are** fundamentally integrated into the ~~parts~~ **operations and existing software systems** of our customers ~~'~~ **'** businesses ~~that matter~~ , so ~~they~~ **customers** can securely manage the complexity of information flow end- to- end. Through automation and AI, we connect, synthesize and deliver information when and where needed to drive new efficiencies, experiences and insights. We make information more valuable by connecting it to digital business processes, enriching it with insights, protecting and securing it throughout its entire lifecycle and leveraging it to create engaging digital experiences. Our solutions connect large digital supply chains **, IT service management ecosystems, application development and delivery workflows, and processes** in many industries including manufacturing, retail and financial services ~~. With the growing compliance standards for data management, security, e- invoicing, environmental, sustainability and inclusion factors, OpenText empowers customers with foresight and trust~~ . 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 and identify threats ~~on any endpoint or~~ across their **endpoints and** networks. With a multi- layered security approach, we have a wide range of OpenText ~~Security~~ **Cybersecurity** ~~Solutions~~ **solutions** that power and protect at the data management layer, at the infrastructure and application layers **, at the code** , and at the edge, offering insights and threat intelligence across it all. Our **investments in research and development (R & D) push product innovation, increasing the value of our offerings to our installed customer base and to new customers, which include Global 10, 000 companies (G10K), SMBs and consumers. Our R & D leverages our existing investments in the OpenText Cloud with the aim of ensuring that all our cloud products provide our customers with insights, meet compliance regulations and provide a seamless experience across our portfolio. Businesses of all sizes rely on a combination of public and private clouds, managed cloud services and off- cloud solutions. Looking ahead, the destination for our customers is hybrid and multi- cloud and our innovation roadmap is designed to provide flexibility in all environments. On January 31, 2023, we completed the acquisition of all of the outstanding ordinary shares of Micro Focus International Limited, formerly Micro Focus International plc (Micro Focus), a leading provider of mission- critical software technology and services that help customers accelerate digital transformation. Our** Products and Services We ~~have~~ **leverage** a **common set of technologies, processes and systems to deliver our** complete and integrated portfolio of Information Management solutions

~~delivered~~ at scale to meet the demands and needs of a global market ~~. With the rise of operational and experience data as a force accelerating the need for information management, OpenText helps businesses master modern work with our Content Cloud, digitize supply chains with the Business Network Cloud, create communication- centric experiences with the Experience Cloud and build a resilient and safer world with the Security Cloud. In addition to our four business clouds, we have the Developer Cloud to help unleash developer creativity~~ . Our solutions are **marketed and** delivered on the OpenText Cloud Platform, which supports ~~customers~~ - **customer deployments** ~~in four different ways to use our services~~ from private cloud to public cloud to off- cloud to API. Our architectural approach ~~is one that~~ puts at the forefront the ability for customers to have the flexibility and customization they need in a hybrid multi- cloud world **. The OpenText Cloud is a comprehensive Information Management platform consisting of six business clouds: our Content Cloud, Cybersecurity Cloud, Application Automation Cloud, Business Network Cloud, IT Operations Management Cloud and Analytics & AI Cloud. In addition to our six business clouds, we have the Developers Cloud to help unleash developer creativity. With embedded AI and analytics, our solutions improve business insight, employee productivity, customer experiences, asset utilization, collaboration, supply chain efficiency and risk management** . Our innovation roadmap is focused on investing a significant amount of our ~~research and development (~~ R & D ~~)~~ in cloud **and AI** capabilities. This includes ~~maturing~~ **enhancing the capabilities and deployment options of the acquired Micro Focus products, growing** our public cloud and API offerings, driving deep integrations through co- innovations with partners **, integrating security, analytics and AI solutions throughout our offerings** and investing to meet new compliance standards ~~. Security is fundamentally built into all OpenText Information Management software~~ . Our platform offers multi- level, multi- role and multi- context security. Information is secured at the ~~database~~ **data** level, by user- enrolled security, context rights and time- based security. We also provide encryption at rest for document- level security. ~~With embedded AI and analytics, our solutions improve business insight, employee productivity, customer experiences, asset utilization, collaboration, supply chain efficiency and risk management. Our software capabilities connect information across people, systems and devices to automate end- to- end processes and provide customers with increased business visibility and foresight.~~ Below is a listing of our Information Management solutions **. For the year ended June 30, 2023, total revenues is comprised of 45 % from Content Cloud, 20 % from Cybersecurity Cloud, 15 % from Business Network Cloud, 10 % from Application Automation Cloud, 5 % from IT Operations Management Cloud and 5 % from Analytics & AI Cloud, with revenues from Business Network Cloud and Cybersecurity Cloud primarily derived from Cloud revenues, and the remaining primarily derived from Customer support revenues** . Our Content Cloud empowers customers to ~~master modern work~~ **gain an information advantage** through robust content management, improved integrations and intelligent automation. It connects content to the digital business eliminating silos and providing convenient, secure and compliant remote access to both structured and unstructured data ~~–~~ **,** boosting productivity **and insights** and reducing risk. Our solutions manage the lifecycle, distribution, use and analysis of information across the organization, from capture through ~~to~~ archiving and disposition. Our Content Services solutions range from content collaboration and intelligent capture to records management, collaboration, e- signatures and archiving, and are available off- cloud, on a cloud provider of the customer' s choice, as a subscription in the OpenText Cloud, in a hybrid environment or as a managed service. Our Content Services solutions enable customers to capture data from paper, electronic files and other sources and transform it into digital content delivered directly into content management solutions ~~and~~ **,** business processes **and analytic applications** . Our customers can protect critical historical information within a secure, centralized archiving solution. OpenText Content Services adhere to the Content Management Interoperability Services (CMIS) standard and support a broad range of operating systems, databases, application servers and applications. Our Content Services integrate with the applications that manage critical business processes, such as SAP ® S / 4HANA, SAP ® SuccessFactors ®, Salesforce ®, Microsoft ® Office 365 ® and other software systems and applications, establishing the foundation for intelligent business process and content workflow automation. By connecting unstructured content with structured data workflows, our Content Services allow users to have the content they need, when they need it, reducing errors, driving greater business insight and increasing efficiency. **Also** ~~Our AI and analytics capabilities~~ within Content ~~and~~ quickly recover from threats across endpoints,network,applications,IT infrastructure and data ~~,~~ **—** all with AI- led threat intelligence. ~~OpenText Cybersecurity aims to protect critical information and processes through threat intelligence,forensics,identity,encryption,and cloud- based application security.~~ At the data layer,OpenText ~~Cybersecurity~~ **Security Solutions** ~~helps~~ - **help** customers be cyber- resilient with uninterrupted access and protection of business data against cyber threats.With Carbonite Endpoint,Carbonite Server,Carbonite Cloud- to- Cloud Backup and Information Archiving,we help ensure customers have visibility across all endpoints,devices and networks,for proactive discovery of sensitive data,identification of threats and sound data collection for investigation.At the infrastructure and application layer,OpenText ~~Cybersecurity~~ **Security** ~~solutions~~ **Solutions** help detect issues and respond ~~to~~ and remediate threats.Our full suite of capabilities includes ~~Application Security~~ **Endpoint Detection Response** (~~Fortify~~ **EDR**), **Network Detection Response** ~~Identity and Access Management~~ (~~NetIQ~~ **NDR**), ~~Email~~ **Managed Detection and Response (MDR),Digital Forensics & Incident Response and eDiscovery.OpenText Security Solutions deliver services,combining front- line experience with** ~~Services~~ **services** ~~leverages structured~~ **, combining front- line experience with automation, AI technology and OpenText software to help organizations detect threats in real time. Moreover,** ~~or~~ **our eDiscovery capabilities provide forensics and** unstructured data **analytics for searching and investigating data** to ~~help~~ **manage legal obligations and organizational risks. For highly regulated** organizations ~~improve decision- making~~ , **these** ~~gain operational efficiencies and increase visibility through interactive dashboards, reports and data visualizations. It leverages a comprehensive set of data analytics software- such as text mining, natural language processing, interactive visualizations and~~ machine learning **capabilities help drive compliance** ~~- to identify patterns, relationships, risks~~ and ~~trends~~ **timely responses in complex situations. From** ~~that~~ **threat prevention to detection** ~~are used for predictive process automation~~ and ~~accelerated decision- making. Our~~ **response, data management to investigation and compliance, OpenText Cybersecurity offers** solutions

~~support composite AI for improved accuracy~~ **to keep business operations in a trusted state across endpoints** , **networks, clouds, email, webservers, firewalls** and **logs. At the edge,** we help customers ~~turn repositories~~ **protect endpoints, virtual machine platforms and browsers from rising cyber- attacks. With Webroot Endpoint Protection, Webroot Domain Name System (DNS) protection, Email Security by Zix, Security Awareness Training, MDR and Threat Hunting, our security solutions are directed to the SMB and consumers segments. We serve SMB together with our network** of **Managed Service Providers (MSPs) who help deploy OpenText solutions at scale. OpenText Cybersecurity solutions help secure operations using solutions with threat intelligence. Threat monitoring with BrightCloud, remote endpoint protection and automated cloud backup and recovery work together to protect employees and customer data while allowing organizations to prepare for, respond to and recover quickly from cyber- attacks. OpenText Cybersecurity products help find** information ~~into clean and integrated " data lakes " that can be mined by AI to extract useful knowledge and insight for our customers. Our automation solutions enable organizations to transform into intelligent~~ , ~~secure and connected digital, data- driven businesses. We help customers re- engineer processes and quickly adapt~~ to **effectively conduct investigations** ~~complex needs to deliver seamless customer and employee experiences. We speed up the development of case- and process- driven applications with low- code~~ , ~~drag-~~ **manage risk** and **respond** ~~- drop components, reusable building blocks and pre- built accelerators~~ to **incidents** ~~build and deploy solutions more easily. Moreover, our professional services team works with customers to simplify complex interactions among people, content, transactions and workflows across multiple systems of record to support a diverse range of use cases~~ . Our Business Network Cloud provides a foundation for digital supply chains and secure e- commerce ecosystems. Our Business Network manages data within the organization and outside the firewall, connecting people, systems and Internet of Things (IoT) devices at a global scale for those seeking to digitize and automate their procure- to- pay and order- to- cash processes. For our customers, ~~this~~ **our Business Network Cloud offerings** ~~delivers~~ - **deliver** streamlined connectivity, secure collaboration and real- time business intelligence in a single, unified platform. Organizations of all sizes can build global and sustainable supply chains, rapidly onboard new trading partners, comply with regional mandates, assess their credit quality and ethics scores, provide electronic invoicing and remove information silos across ecosystems and the extended enterprise. The foundation of our Business Network Cloud is our Trading Grid, which connects businesses, trading partners, transportation and logistics companies, financial institutions and government organizations globally. OpenText offers a range of application- to- application, IoT, identity and access management, active applications and industry specific applications. We enable supply chain optimization, digital business integration, data management, messaging, security, communications and secure data exchange across an increasingly complex network of off- cloud and cloud applications, connected devices, systems and people. The Business Network Cloud can be accessed through our new multi- tenant, self- service Foundation offering or as a managed service to simplify the inherent complexities of business- to- business (B2B) data exchange. OpenText' s Business Network Cloud offers insights that help drive operational efficiencies, accelerate time to transaction and improve customer satisfaction. Our ~~Experience~~ **IT Operations Management** Cloud ~~powers modern~~ **helps customers increase service levels and deliver better** experiences **through a more holistic management of IT assets and applications across all types of infrastructures and environments. Within IT operations management, we power IT service management for automation and advancement of IT support and asset management (SMAX). We enable customers with better AI operations management with the capabilities of network operations management (NOM) and connected data management and observability (OpsBridge). We help customers manage vulnerabilities and deployment of patches within their IT landscape through server and network automation. Lastly, with the power of our universal discovery and automation tools** that **can manage distributed landscapes, we help customers better manage cloud costs and carbon footprints. As OpenText integrates the Micro Focus portfolio, we expect that new innovations will** drive ~~revenue growth~~ **the combination of IT service management** and **enterprise content management to enable IT service agents with the right content and insights. Bringing the AI operations portfolio onto the OpenText private cloud is anticipated to allow** ~~customer~~ **customers** ~~loyalty~~ **to take advantage of the discovery capabilities on top of a private network and within private data** . ~~Our Digital Experience~~ **AI enabled tools are expected to accelerate how customers can manage and control cloud costs and carbon footprints across multiple environments. OpenText** solutions **are built on** ~~create, manage, track and optimize omnichannel interactions throughout~~ the ~~customer journey, from acquisition to retention, and integrate~~ **integrated ,** ~~with systems of record including Salesforce ® and SAP ®. The OpenText Digital Experience platform enables businesses to gain insights into their customer interactions and optimize them to improve customer lifetime value. The platform includes solutions and extensions that deliver highly personalized content and engagements along a continuous customer journey. With~~ AI- ~~powered~~ **based OPTIC Platform to ensure IT efficiency and performance. OpenText** ~~analytics~~ **Analytics & AI** ~~, the Experience~~ Cloud ~~can evaluate and deliver optimized user experiences at scale to ensure every point of interaction, whether physical or digital, on any device, is engaging and personalized. The Experience Cloud platform includes a range of~~ solutions **bring artificial intelligence with practical usage to** ~~from Customer Experience Management (CXM), Web Content Management (WCM), Digital Asset Management (DAM), Customer Analytics, AI & Insights, Digital Fax, Omnichannel Communications, Secure Messaging, Voice of Customer (VoC), as well as customer journey, testing and segmentation. Our security solutions~~ provide organizations with **actionable insights** ~~capabilities to protect, prevent, detect, respond~~ and **better** quickly recover from threats across endpoints,......, combining front- line experience with automation **. We** ~~,~~ ~~AI technology and OpenText software to~~ help organizations **overcome enterprise data challenges through visualizations** ~~detect threats in real time. Moreover~~ , ~~our eDiscovery~~ **advanced natural language processing and natural language understanding and integrated computer vision** capabilities ~~provide forensics~~ **. With** ~~and~~ - **an open architecture, Analytics & AI can integrate with external AI services, such as Google Cloud or Azure. Our Analytics & AI solutions feature capabilities from data analytics (Vertica) to insights from new** unstructured data **types (IDOL) to visualization that can be applied to key processes (Magellan, LegalTech). Our solutions help organizations process data of all types from**

anywhere, at any speed, and transforms data into insights that can be used in workflows through applications. These capabilities can be consumed as a full stack analytics **engine** ~~For~~ - **or** ~~searching and investigating organizational~~ **as API components embedded in other custom OEM solutions. In addition, we have embedded AI** data ~~to~~ **analytics in all our major offerings. Information** ~~manage~~ **management** ~~legal obligations~~ **in the cloud, secure** and ~~risks~~ **intelligent and at scale; customers will benefit from our enhanced offerings** . **Our AI and analytics capabilities within Content Cloud leverage structured** ~~For~~ - **or** ~~highly regulated~~ **unstructured data to help** organizations **improve decision- making** , ~~these~~ **gain operational efficiencies and increase visibility through interactive dashboards, reports and data visualizations. It leverages a comprehensive set of data analytics software, such as text mining, natural language processing, interactive visualizations and** machine learning ~~capabilities help drive compliance and timely response in complex situations. At the edge~~ , **to identify patterns, relationships, risks and trends that are used for predictive process automation and accelerated decision making. Our Magellan, Vertica, and IDOL solutions support composite AI for improved accuracy, and** we help customers **turn repositories of operational** ~~protect endpoints, virtual machine platforms~~ and ~~browsers~~ **experience information into clean and integrated " data lakes " that can be mined by AI to extract useful knowledge and insight for our customers. The OpenText Application Automation Cloud focuses on helping customers re- engineer processes and quickly adapt to complex needs to deliver seamless customer and employee applications. Our cloud ready solutions speed up the development of case and process- driven applications with low- code, drag- and- drop components, reusable building blocks and pre- built accelerators to build and deploy solutions more easily. The Application Automation Cloud provides performance to functional testing, and lifecycle management of applications with improved visibility. Moreover, our professional services team works with customers to simplify complex interactions among people, content, transactions and workflows across multiple systems of record to support a diverse range of use cases. Within our applications automation space, we help customers move workloads into the cloud by integrating customer applications they have on mainframes and older infrastructures. From mainframe development tools to host connectivity, our products deliver value managing a fast- paced and ever- changing IT landscape. Customers can innovate faster, with lower risk, by transforming their core business applications, processes, and infrastructure —** from **mainframe** ~~rising cyber- attacks. With Webroot Endpoint Protection, Webroot Domain Name System (DNS) protection, Email Security by Zix, Security Awareness Training and MDR / Threat Hunting, our security solutions are directed~~ to ~~the SMB and consumers segments. We serve SMB together with our network of Managed Service Providers (MSPs) who help deploy OpenText solutions at scale. Lastly, OpenText Security solutions help secure operations using solutions with threat intelligence. Threat monitoring with BrightCloud, remote endpoint protection and automated~~ cloud ~~backup and recovery work together to protect employees and customer data while allowing organizations to prepare for, respond to and recover quickly from cyber- attacks~~ . ~~Our Developer~~ **Developers can access API** ~~Cloud makes it faster and easier to build~~ , ~~extend and customize Information Management applications using a collection of~~ cloud services ~~, APIs~~ and software development kits (SDK) **from our six business cloud offerings, through the OpenText Developer Cloud, making it faster and easier to build, extend and customize Information Management applications** . Our solutions help R & D teams engage with our community of developers to innovate and build custom applications. Our API solutions help developers accelerate new product development, utilize fewer resources and reduce time to delivery for their projects. With our Developer Cloud ~~'~~ **'** s language- neutral protocols and cloud API services, our customers can reduce infrastructure spend, improve time- to- market and minimize the time and effort required to add new capabilities. The OpenText Developer Cloud delivers a broad and deep set of Information Management capability for organizations to extend their existing OpenText implementations or include our capabilities into their own custom solutions, such as for customer, supplier and partner collaboration. The Developer Cloud also includes IoT and threat intelligence capabilities for organizations to dynamically integrate multi- tiered supply chain communities and build solutions for greater efficiency, agility and new value- added services. Data security is embedded throughout our offerings so the developer can focus on building differentiated user experiences. Organizations can gain an information advantage and quickly turn ideas into solutions with OpenText APIs to build, integrate and customize Information Management applications. ~~Developers choose from a rich set of Information Management services to manage information from any source, for any use case, including capture, archive, digital signature, workflow and case management.~~ OpenText APIs empower developers to focus on code- based innovation with a single, secure, infrastructure agnostic platform, freely available technical documentation and an open and engaged developer community to share knowledge and best practices to solve problems and create new solutions **. Our innovation roadmap includes APIs as a deployment option for all new products** . OpenText provides a range of customer solutions through professional and managed services, whether off- cloud, in the OpenText Cloud, in hybrid scenarios or other clouds, including our partners: Google Cloud Platform, Amazon Web Services (AWS) and Microsoft Azure. Our team provides full advisory, implementation, migration, operation and support services for our Information Management solutions to meet the needs of our customers. Cloud Managed Services aims to help keep customers current on the latest technology and to meet complex requirements, all with reduced burden on information technology staff and ensure optimal application management by trusted experts. With OpenText Managed Services, organizations can focus resources on their core business priorities with the knowledge that their infrastructure, applications, integrations and upgrades are all managed, monitored and optimized for security, performance and compliance. Our Cloud Managed Services offering provides customers with a single point of contact and a single service level agreement for OpenText solutions managed in our partner' s clouds. Our Strategy Growth As an organization, we are committed to " Total Growth ", meaning we strive towards delivering value through organic initiatives, innovations and acquisitions ~~, as well as financial performance~~ . With an emphasis on increasing recurring revenues and expanding **profitability** ~~our margins~~ , we believe our Total Growth strategy will ultimately drive ~~overall~~ cash flow ~~generation~~ **growth** , thus helping to fuel our **innovation, broaden** ~~disciplined capital allocation approach and further~~ our ~~ability~~ **go-** to **- market distribution** ~~deepen our account coverage~~ and identify and execute strategic acquisitions. With strategic acquisitions, we are well positioned to expand our product portfolio and improve our ability to innovate and grow organically, which helps us to meet our long- term growth targets. **Our** ~~We believe our~~ Total Growth strategy is a durable model, that we believe will create both near and long- term shareholder value through organic and acquired growth, capital efficiency and profitability. **As a global leader in Information Management, we know customers need an integrated set of cloud products, solutions and services as a foundation for efficiency and growth. The cloud is a strategic business imperative that drives customers' investment in product innovation, business agility, operational efficiency and cost management.** We are committed to **continuing our investment in the OpenText Cloud to better suit the evolving needs of our customers. We are committed to** continuous innovation **. Over the last three fiscal years, we have invested a cumulative total of $ 1. 5 billion in R & D or 13. 6 % of cumulative revenue for that three- year period. On an annual basis, we continue to target to spend 14 % to 16 % of revenues on R & D expense. With our innovation roadmap delivered, we believe we have fortified our support for customer choice: private cloud, public cloud, off- cloud, and API cloud** . Our investments in R & D push product innovation, increasing the value of our offerings to our installed customer base **and new customers** , which includes **G10K** ~~Global 10~~ , ~~000~~ **enterprise** companies ~~(G10K)~~ **, public sector agencies, mid-market companies** , SMB and consumers. The G10K are the world ~~'~~ **'** s largest companies, ranked by estimated total revenues, as well as the world ~~'~~ **'** s largest governments and 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 $ 1. 2 billion in R & D or 12. 3 % of cumulative revenue for that three- year period. On an annual basis, we target to spend 12 % to 14 % of revenues for R & D expense. As a global leader in Information Management, we know customers need an integrated set of cloud products, solutions and services as a foundation for efficiency and growth. The cloud is a strategic business imperative that drives customers' investment in product innovation, business agility, operational efficiency and cost management. OpenText expects the cloud to be our largest driver of growth. We are committed to continuing our investment in the OpenText Cloud to best suit the evolving needs of our customers. Supported by a global, scalable and secure infrastructure, OpenText Cloud Editions includes a foundational platform of technology services, and packaged business applications for industry and business processes. OpenText Cloud Editions enables organizations to protect and manage information in public, private or hybrid deployments at scale.~~ We remain a value oriented and disciplined acquirer, having efficiently deployed $ ~~6~~ **13** . ~~5~~ **4** billion on acquisitions over the last 10 fiscal years. Mergers and acquisitions are one of our leading growth drivers. We look for companies that are situated within our total addressable markets. We have developed a philosophy, the OpenText Business System, that is designed to create value by leveraging a clear set of operational mandates for integrating newly acquired companies and assets. We see our ability to successfully integrate acquired companies and assets into our business as a strength and pursuing strategic acquisitions is an important aspect to our Total Growth strategy. We expect to continue to acquire strategically, to integrate and innovate, and to deepen and strengthen our intelligent information platform for customers. We regularly evaluate acquisition **and divestiture** opportunities and at any time may be at various stages of discussion with respect to such opportunities. For additional details on our acquisitions, please see " Acquisitions During the Last Five Fiscal Years ", elsewhere in Item 1 of this Annual Report on Form 10- K. ~~In March 2020~~ **OpenText Revenues Our business consists of four revenue streams: cloud services and subscriptions** , ~~COVID- 19 was characterized as a pandemic~~ **customer support, license and professional service and other. For information regarding our revenues** by ~~the World Health Organization. The spread of COVID- 19 has significantly~~ -- **significant geographic** ~~impacted the global economy and has adversely impacted and may continue to adversely impact our operational and financial performance. The extent of the adverse impact of the pandemic on the global economy and markets will continue to depend, in part, on the length and severity of the measures taken to limit the spread of the virus, the availability, effectiveness and use of treatments and vaccines and on actual and potential resurgences. We are~~ **area for Fiscal 2023** ~~closely monitoring the potential effects and impact on our operations~~ , **Fiscal** ~~businesses and financial performance, including liquidity and capital usage, though the extent is difficult to fully predict due to the evolution of this uncertain situation. We continue to conduct business with modifications to employee travel and work locations and also virtualization of certain events, along with modified interactions with customers and suppliers, among other modifications. In addition, as many local governments and officials have started lifting pandemic restrictions in accordance with the guidance of public health experts, in July~~ 2022 ~~, we implemented a Flex-Office program in which a majority of our employees work a portion of their time in the office~~ and ~~a portion remotely. See~~ **Fiscal 2021, please see Note 20** " **Segment Information** ~~We have implemented a Flex- Office program, which will subject us to certain operational challenges and risks~~ " **to the Consolidated Financial Statements** ~~in Part I, Item 1A " Risk Factors "~~ included **in** ~~elsewhere within~~ this Annual Report on Form 10- K. ~~We will continue to actively monitor the impact of the COVID- 19 pandemic on all aspects of our business and geographies, including customer purchasing decisions, and may take further actions that alter our business operations, including our Flex- Office program, as may be required by governments, or that we determine are in the best interest of our employees, customers, partners, suppliers and shareholders. It is uncertain and difficult to predict what the potential effects any such alterations or modifications may have on our business including the effects on our customers and prospects, or our financial results and our ability to successfully execute our business strategies and initiatives. The ongoing and ultimate impact of the COVID- 19 pandemic on our operations and financial performance depends on many factors that are not within our control. For more information, please see Part I, Item 1A " Risk Factors " included elsewhere within this Annual Report on Form 10- K. OpenText Revenues Our business consists of four revenue streams: cloud services and subscriptions, customer support, license and professional service and other. For information regarding our revenues by significant geographic area for Fiscal 2022, Fiscal 2021 and Fiscal 2020, please see Note 20 " Segment Information " to the Consolidated Financial Statements included in this Annual Report on Form 10- K.~~ Cloud Services and Subscriptions Cloud services and subscriptions revenues consist of (i) **software as a service (** SaaS **)** offerings, (ii) APIs and data services, (iii) hosted services and (iv) managed service arrangements. These offerings allow customers to transmit a variety of content between various mediums and to securely manage enterprise information without the commitment of investing in related hardware infrastructure. ~~We offer B2B integration solutions such as messaging~~ **OpenText expects the cloud to be our largest driver of growth. Supported by a global, scalable** and ~~managed~~ **secure infrastructure, OpenText Cloud Editions includes a foundational platform of technology** services ~~. Messaging services allow~~ **, and packaged business applications** for **industry** ~~the automated~~ and ~~reliable exchange of electronic transaction information, such as purchase orders, invoices, shipment notices and other~~ business **processes** ~~documents, amongst businesses worldwide~~. Managed services provide an end- to- end fully outsourced B2B integration solution to our customers, including program implementation, operational management and customer support ~~. Our cloud- based Business Network enables customers to effectively manage the flow of electronic transaction information with their trading partners and reduces the complexity of disparate standards and communication protocols~~. Customer Support The first year of our customer support offering is usually purchased by customers together with the license of our Information Management software products. Customer support is typically renewed on an annual basis and historically customer support revenues have been a significant portion of our total revenue. Through our OpenText customer support programs, customers receive access to software and security upgrades, a knowledge base, discussion boards, product information and an online mechanism to post and review " trouble tickets. " Additionally, our customer support teams handle questions on the use, configuration and functionality of OpenText products and help identify software issues, develop solutions and document enhancement requests for consideration in future product releases. License License revenues consist of fees earned from the licensing of software products to our customers. Our license revenues are impacted by the strength of general economic and industry conditions, the competitive strength of our software products and our acquisitions. The decision by a customer to license our software products often involves a comprehensive implementation process across the customer' s network or networks and the licensing and implementation of our software products may entail a significant commitment of resources by prospective customers. Professional Service and Other We provide consulting and learning services to customers. Generally, these services relate to the implementation, training and integration of our licensed product offerings into the customer ~~'~~ **'** s systems. Our consulting services help customers build solutions that enable them to leverage their investments in our technology and in existing enterprise systems. The implementation of these services can range from simple modifications to meet specific departmental needs to enterprise applications that integrate with multiple existing systems. Our learning services consultants analyze our customers ~~'~~ **'** education and training needs, focusing on key learning outcomes and timelines, with a view to creating an appropriate education plan for the employees of our customers who work with our products. Education plans are designed to be flexible and can be applied to any phase of implementation: pilot, roll- out, upgrade or refresher. OpenText learning services employ a blended approach by combining mentoring, instructor- led courses, webinars, eLearning and focused workshops. Marketing and Sales ~~Customers~~ Our customer base consists of G10K organizations, enterprise companies, public sector agencies, mid- market companies, SMB and direct consumers. Partners and Alliances We are committed to establishing relationships with the best resellers and technology and service providers to ensure customer success. Together as partners, we fulfill key market objectives to drive new business, establish a competitive advantage and create demonstrable business value **. Our OpenText Partner Network offers five distinct programs: Strategic Partners, Global Systems Integrators, Resellers, Technology and Managed Service Providers. This creates an extended organization to develop technologies, repeatable service offerings and solutions that enhance the way our customers maximize their investment in our products and services. Through the OpenText Partner Network, we are extending market coverage, building stronger relationships and providing customers with a more complete local ecosystem of partners to meet their needs. Each distinct program is focused to provide valuable business benefits to the joint relationship** . We have a number of strategic partnerships that contribute to our success. These include the most prominent organizations in enterprise software, hardware and public cloud, with whom we work to enhance the value of customer investments. They include: • SAP SE (SAP): We ~~are~~ **partner with** SAP **on** ~~' s partner for~~ content services. The OpenText Suite for SAP solutions provides key business content within the context of SAP business processes providing enhanced efficiencies, reduced risk and better experiences for customers, employees and partners- accessible anywhere and anytime and available on and off- cloud. • Google Cloud: We work together with Google Cloud to deploy our Information Management solutions on the Google Cloud Platform. This includes a containerized application architecture for flexible cloud or hybrid deployment models. Deploying our solutions on the Google Cloud Platform allows our customers to scale their deployments as their businesses demand. We offer our solutions as a managed service and selected products as a SaaS offering. • Amazon Web Services (AWS): Our collaboration offers businesses the opportunity to consume our Information Management solutions as fully managed services on AWS for cost savings, increased performance, scalability and security. • Microsoft Corporation (Microsoft): Together with Microsoft, we enable customers to connect all aspects of their content infrastructure, integrating these into business processes and enable collaboration, management and governance on the most valuable asset- information. With the acquisition of Zix Corporation (Zix) in 2021, we extended our partnership with Microsoft by becoming one of their nine authorized Cloud Solutions Providers in the North American market. • Oracle Corporation (Oracle): We develop innovative solutions for Oracle applications that enhance the experience and productivity of users working with these tools. • Salesforce. com Corporation (Salesforce): The company- to- company partnership between OpenText and Salesforce is focused on growing a full portfolio of Information Management solutions to complement the Salesforce ecosystem by uniting the structured and unstructured information experience. **• DXC Technology Company (DXC)** ~~Our Global Partner Program offers five distinct programs~~ : **We partner with DXC** ~~Referral, Reseller, Services, Technology and Support. This creates an extended organization~~ to ~~develop technologies, repeatable~~ **deliver mission critical IT** ~~service~~ **services** ~~offerings and~~ **to global companies including testing** solutions ~~that enhance the way our customers maximize~~ **, application development and IT operations management for** ~~their~~ -- **the optimization** ~~investment in our products~~ and **modernization** ~~services. Through the Global Partner Program, we are extending market coverage, building stronger relationships and providing customers with a more complete local ecosystem~~ of **data centers** ~~partners to meet their needs. Each distinct program is focused~~

~~to provide valuable business benefits to the joint relationship~~. Global Systems Integrators (GSIs) provide customers with digital transformational services around OpenText technologies. They are trained and certified on OpenText solutions and enhance the value of our offerings by providing technical credibility and complementary services to customers. Our GSIs include **DXC,** Accenture plc ~~, ATOS International S. A. S.~~, Capgemini Technology Services SAS, ~~Cognizant Technology Solutions U. S. Corp.,~~ Deloitte Consulting LLP **, Hewlett Packard Enterprises** and Tata Consultancy Services (TCS). Our partner program also enables MSPs, resellers, distributors and network and security vendors to grow through cloud- based cybersecurity, threat intelligence and backup and recovery solutions aimed at the SMB and consumer markets. We provide the industry- specific tools, services, training, integrations, certifications and platforms our partners need to ensure trust and reliability with their customer base. We currently have over 22, 000 MSPs in our network **which provide** ~~and it is expected to grow. This is~~ a key go- to- market channel for us as MSPs act as ~~an intermediary~~ **intermediaries** between the solutions vendors like OpenText and the SMB market. An MSP specializes in their local market and provides managed services to their clients. International Markets We provide our product offerings worldwide. Our geographic coverage allows us to draw on business and technical expertise from a geographically diverse workforce, providing greater stability to our operations and revenue streams by diversifying our portfolio to better mitigate against the risks of a single geographically focused business. There are inherent risks to conducting operations internationally. For more information about these risks, see " Risk Factors " included in Item 1A of this Annual Report on Form 10- K. Competition The market for our products and services is highly competitive, subject to rapid technological change and shifting customer needs and economic pressures. We compete with multiple companies, some that have single or narrow solutions and some that have a range of information management solutions, like us. Our primary competitor is International Business Machines Corporation (IBM), with numerous other software vendors competing with us in the Information Management sector, such as **Box Inc.,** Hyland Software Inc., ~~Datto Holding~~ **Alfresco Software Inc., ServiceNow Inc., Atlassian** Corp., **Splunk** ~~Quadient SA, Veeva Systems~~ Inc., **Gen Digital** ~~SPS Commerce Inc., Box Inc., CrowdStrike Holdings~~ Inc. and Adobe Inc. In certain markets, OpenText competes with Oracle and Microsoft, who are also our partners. In addition, we also face competition from systems integrators that configure hardware and software into customized systems. Additionally, new competitors or alliances among existing competitors may emerge and could rapidly acquire additional market share. We expect that competition will increase because of ongoing software industry consolidation. We believe that certain competitive factors affect the market for our software products and services, which may include: (i) vendor and product reputation; (ii) product quality, performance and price; (iii) the availability of software products on multiple platforms; (iv) product scalability; (v) product integration with other enterprise applications; (vi) software functionality and features; (vii) software ease of use; (viii) the quality of professional services, customer support services and training; and (ix) the ability to address specific customer business problems. We believe the relative importance of each of these factors depends upon the concerns and needs of each specific customer. Research and Development The industry in which we compete is subject to rapid technological developments, evolving industry standards, changes in customer requirements and competitive new products and features. As a result, our success, in part, depends on our ability to continually enhance our existing products in a timely and efficient manner and to develop and introduce new products that meet customer needs while reducing total cost of ownership. To achieve these objectives, we have made and expect to continue to make investments in research and development, through internal and third- party development activities, third- party licensing agreements and potentially through technology acquisitions. We expect a significant amount of our future R & D investment will be in cloud- based technologies. Our R & D expenses were $ **680. 6 million for Fiscal 2023, $** 440. 4 million for Fiscal 2022 ~~,~~ **and** $ 421. 4 million for Fiscal 2021 ~~and $ 370. 4 million for Fiscal 2020~~. We believe our spending on research and development is an appropriate balance between managing our organic growth and results of operations. We expect to continue to invest in R & D to maintain and improve our products and services offerings. We regularly evaluate acquisition opportunities within the Information Management market and at any time may be in various stages of discussions with respect to such opportunities. Below is a summary of certain significant acquisitions we have made over the last five fiscal years **. • On January 31, 2023, we acquired Micro Focus, a leading provider of mission- critical software technology and services that help customers accelerate digital transformations, for $ 6. 2 billion (the Micro Focus Acquisition)** . • On December 23, 2021, we acquired Zix, a leader in SaaS based email encryption, threat protection and compliance cloud solutions for SMBs, for $ 894. 5 million. • On November 24, 2021, we acquired all of the equity interest in Bricata Inc. (Bricata) for $ 17. 8 million. • On March 9, 2020, we acquired XMedius, a provider of secure information exchange and unified communication solutions, for $ 73. 5 million. • On December 24, 2019, we acquired Carbonite Inc. (Carbonite), a leading provider of cloud- based subscription backup, disaster recovery and endpoint security to SMB, consumers and a wide variety of partners, for $ 1. 4 billion. • On December 2, 2019, we acquired certain assets and certain liabilities of Dynamic Solutions Group (The Fax Guys) for $ 5. 1 million. • On January 31, 2019, we acquired Catalyst, a leading provider of eDiscovery that designs, develops and supports market- leading cloud eDiscovery software, for $ 71. 4 million. • On December 17, 2018, we acquired Liaison, a leading provider of cloud- based business to business integration, for $ 310. 6 million. ~~• On February 14, 2018, we acquired Hightail, a leading cloud service for file sharing and creative collaboration, for $ 20. 5 million. • On September 14, 2017, we acquired Guidance, a leading provider of forensic security solutions, for $ 240. 5 million. • On July 26, 2017, we acquired Covisint, a leading cloud platform for building Identity Access Management, Automotive and IoT applications, for $ 102. 8 million.~~ We believe our acquisitions support our long- term strategy for growth, strengthen our competitive position, expand our customer base and provide greater scale to accelerate innovation, grow our earnings and provide superior shareholder value. We expect to continue to strategically acquire companies, products, services and technologies to augment our existing business. Intellectual Property Rights Our success and ability to compete depends in part on our ability to develop, protect and maintain our intellectual property and proprietary technology and to operate without infringing on the proprietary rights of others. Our software products are generally licensed to our customers on a non- exclusive basis for internal use in a customer ~~'~~ **'** s organization. We also grant rights to our intellectual property to third parties that allow them to market certain of our products on a non- exclusive or limited- scope exclusive basis for a particular application of the product (s) or to a particular geographic area. We rely on a combination of copyright, patent, trademark and trade secret laws, non- disclosure agreements and other contractual provisions to establish and maintain our proprietary rights. We have obtained or applied for trademark registration for corporate and strategic product names in selected major markets. We have a number of U. S. and foreign patents and pending applications, including patents and rights to patent applications acquired through strategic transactions, which relate to various aspects of our products and technology. The duration of our patents is determined by the laws of the country of issuance and is typically 20 years from the date of filing of the patent application resulting in the patent. From time to time, we may enforce our intellectual property rights through litigation in line with our strategic and business objectives. While we believe our intellectual property is valuable and our ability to maintain and protect our intellectual property rights is important to our success, we also believe that our business as a whole is not materially dependent on any particular patent, trademark, license, or other intellectual property right. For more information on the risks related to our intellectual property rights, see " Risk Factors " included in Item 1A of this Annual Report on Form 10- K. Looking Towards the Future In Fiscal ~~2023~~ **2024** we intend to continue to implement strategies that are designed to: **Invest** in the Cloud.Today,the destination for innovation is **indisputably** the cloud.Businesses of all sizes rely on a combination of APIs,public and private clouds,managed services and off- cloud solutions.As a result,we are committed to continue to modernize our technology infrastructure and leverage existing investments in the OpenText Cloud.The combination of OpenText cloud- native applications and managed services,together with the scalability and performance of our partner public cloud providers,offer more secure,reliable and compliant solutions to customers wanting to deploy cloud- based Information Management applications.OpenText Cloud Editions is designed to build additional flexibility and scalability for our customers:becoming cloud- native,connecting anything and extending capabilities quickly with multi- tenant SaaS applications and services. ~~Invest in~~ Broaden Our Information Management Reach into the G10K. As technologies and customers become more sophisticated, we intend to be a leader in expanding the definition of traditional market sectors. We continue to expand our direct sales coverage of the G10K as we focus on connecting this marquee customer base to our information platform. Invest in the Cloud. Today,......- tenant SaaS applications and services. Deepen Existing Customer Footprint. We believe one of our greatest opportunities is to sell newly developed or acquired technologies to our existing customer base, and cross- sell historical OpenText products to newly acquired customers. We have significant expertise in a number of industry sectors and aim to increase our customer penetration based on our strong credentials. We are particularly focused on circumstances where the customer is looking to consolidate multiple vendors with solutions from a single source while addressing a broader spectrum of business problems or equally new or existing customers looking to take a more holistic approach to digital transformation. Invest in Technology Leadership. We believe we are well- positioned to develop additional innovative solutions to address the evolving market. We plan to continue investing in technology innovation by funding internal development, acquiring complementary technologies and collaborating with third- parties. Deepen Strategic Partnerships. OpenText is committed culturally, programmatically and strategically to be a partner- embracing company. Our partnerships with companies such as SAP SE, Google Cloud, AWS, Microsoft Corporation, Oracle Corporation, Salesforce. com Corporation and others serve as examples of how we are working together with our partners to create next- generation Information Management solutions and deliver them to market. We will continue to look for ways to create more customer value from our strategic partnerships. ~~Broaden Global Presence. As customers become increasingly multi- national and as international markets continue to adopt Information Management solutions, we plan to further grow our brand, presence and partner networks in these new markets. We are focused on using our direct sales for targeting existing G10K customers and plan to address new geographies and SMB customers, jointly with our partners.~~ Deliver Organic Growth. We are focused on investing and delivering on ~~future~~ organic growth. The Information Management market is large and is expected to continue to grow and we expect cloud to be our leading growth driver. We have multiple initiatives that are designed to deliver organic growth **including;** ~~. We are~~ guiding our customers along their cloud journey, investing in our mid- market channel and deepening our relationships with our partners and hyperscalers. As customers move ~~more~~ into the cloud, it will facilitate cross- sell and upsell opportunities across the product portfolio and geographies **. Execute on Deleveraging Goals. As part of the Micro Focus Acquisition, the Company announced an initiative to deleverage our balance sheet through the repayment of outstanding debt instruments utilizing the free cash flows generated from our combined operations. We intend to maintain our dividend during our deleveraging initiatives which is aimed at enhancing our continued commitment to returning value to our shareholders** . Selectively Pursue Acquisitions. We expect to continue to pursue strategic acquisitions to strengthen our service offerings in the Information Management market. Considering the continually evolving marketplace in which we operate, we regularly evaluate acquisition opportunities within the Information Management market and at any time may be in various stages of discussions with respect to such opportunities. We plan to continue to pursue acquisitions that complement our existing business, represent a strong strategic fit and are consistent with our overall growth strategy and disciplined financial management. We may also target future acquisitions to expand or add functionality and capabilities to our existing portfolio of solutions, as well as add new solutions to our portfolio. Human Capital Our Global Footprint Our ability to attract, retain and engage a diverse workforce committed to innovation, operational excellence and the OpenText mission and values across our global footprint is a cornerstone to our success. As of June 30, ~~2022~~ **2023** , we employed a total of approximately ~~14~~ **24** , ~~800~~ **100** individuals, of which ~~7~~ **approximately 9** , ~~150~~ **700 joined** ~~or~~ **our** ~~49~~ **workforce as part of the Micro Focus Acquisition. Of the total 24, 100 individuals we employed as of June 30, 2023, 9, 050 or 38** % are in the Americas, ~~2~~ **5** , ~~720~~ **750** or ~~18~~ **24** % are in EMEA and ~~4~~ **9** , ~~930~~ **300** or ~~33~~ **38** % are in Asia Pacific. Currently, we have employees in ~~35~~ **45** countries enabling strong access to multiple talent pools while ensuring reach and proximity to our customers. Please see " Results of Operations " included in Item 7 of this Annual Report on Form 10- K for our definitions of geographic regions. The approximate composition of our employee base is as follows: (i) ~~2~~ **4** , ~~700~~ **800** employees in sales and marketing, (ii) ~~4~~ **8** , 300 employees in product development, (iii) 3, ~~300~~ **700** employees in cloud services, (iv) ~~1~~ **2** , ~~500~~ **200** employees in professional services, (v) 1, ~~000~~ **700** employees in customer support and (vi) ~~2~~ **3** , ~~000~~ **400** employees in general and administrative roles. We believe that relations with our employees are strong. **In certain jurisdictions** ~~None of our employees are represented by a labour union~~ , ~~nor~~ **where it is customary to** do **so** ~~we have collective bargaining arrangements with any of our employees. However, in certain European jurisdictions in which we operate~~ , a “ Workers ~~'~~ **’** Council ” **or professional union** represents our employees. Employee Safety **and Remote Work The OpenText** ~~/ COVID- 19 Response In response to the~~ COVID- 19 pandemic **response program** , ~~we implemented~~ Project Shield ~~as a business continuity plan to address employee~~ , **evolved in Fiscal 2023** ~~customer, facility and technology- related challenges associated~~ with the ~~pandemic. Project Shield maintains the overarching principle of providing safe environments for our employees, customers, partners, as well as the communities where we work. Project Shield takes a strong human capital focus, including enabling well- researched~~ global **lifting of** ~~awareness, post- pandemic support for our employees and managing a safe return to our workplace. We focus on analyzing key~~ COVID- 19 **safety restrictions. While active** ~~related data and public health protocols to support executive decisions~~ , **Project Shield kept teams informed** ~~ensuring regular executive and employee communications and making strong connections~~ with **comprehensive resources** ~~leaders around the world to respond swiftly to local changes. Over the course of the pandemic, we have ensured our benefit programs support employees,~~ and **current** ~~we established the OpenText Employee Relief Fund to provide financial assistance for employees requiring additional support for medical costs related to contracting~~ COVID- 19 ~~. Project Shield extended~~ **information, including a dedicated platform with helpful health and safety protocols for** our **employees returning to the office. As of January 2023, all office- based employees were granted the flexibility to** work from home **up to 40 %** ~~approach at the beginning of Fiscal 2022 providing employees with continued flexibility and safety globally. In July 2022, we implemented our Flex- Office program in which a majority of our employees work a portion~~ of their time ~~in~~ **. Project Shield worked alongside our internal teams to launch our flexible approach to return to** the office ~~and a portion remotely~~ . We continue to invest in software and hardware along with office redesign to support a flexible workforce where teams can collaborate and be productive. Using our offices in a purposeful way drives innovation, creativity and teamwork. Our past experiences continue to inform our future workplace standards and practices. **See “** We **have** ~~remain committed to maintaining~~ a **Flex-** ~~healthy workplace where all employees and office~~ **Office** ~~visitors feel safe~~ **program, which subjects us to certain operational challenges** and ~~respected by implementing new health and safety protocols aligned~~ **risks ” in Part I, Item 1A “ Risk Factors ” included elsewhere** ~~with~~ **within** ~~regional guidelines~~ **this Annual Report on Form 10- K** . Employee Engagement We regularly conduct employee research to understand perceptions in the areas of engagement, company strategy, personal impact, manager effectiveness, recognition, career development and equity, diversity and inclusion. Participation level and engagement have remained high. Throughout the phases of the **global health** pandemic, employee communication and listening strategies increased, including supplemental surveys ranging from topics of well- being, feedback from new hires on the quality of their onboarding and office re- opening plans. Environmental, Social and Corporate Governance The OpenText Zero- In Initiative is our commitment to our global impact goals and initiatives related to ESG. We believe the future of growth is sustainable and inclusive, and we commit to zero footprint, zero barriers and achieving our commitments with zero compromise through our purposeful goals to achieve net- zero greenhouse gas (GHG) emissions by 2040, zero waste from operations by 2030 and to be majority ethnically diverse among employees by 2030 with equal gender representation in key roles and 40 % women in leadership positions at all management levels. Our charitable giving program supports activities at the local and global level, focused on education, innovation, disaster relief and the health and welfare of children and families. We also provide employees three paid days off to volunteer and make an impact to the causes that matter most to them. In addition, **we** ~~the OpenText Navigator Fund identifies and addresses key needs in our communities. We~~ launched the Navigator Internship Program to create pathways to digital jobs for Indigenous and under- represented minority students ~~. Recognizing that many millions of families are still recovering from the economic impact of the pandemic, we dedicated the holiday season to supporting food banks globally~~ . To operate long- term, we need to ensure that our local communities and the natural environment are thriving. We are committed to mitigating any adverse environmental impacts of our business activities, which at a minimum means abiding by all environmental laws, regulations and standards that apply to us. Our Environmental Policy articulates our commitment to measuring and managing our environmental impact. We integrate the consideration of environmental concerns and impacts into our everyday decision making and business activities. Externally, we promote sustainable consumption by developing and promoting environmentally sound technologies to support our customers’ digital transformations, including transitioning to the cloud environment. Internally, we continue to develop, implement and manage company- wide environmental initiatives **. See “ Increased attention from shareholders, customers and other key relationships regarding our CSR and ESG practices could impact our business activities, financial performance and reputation ” in Part I, Item 1A “ Risk Factors ” included elsewhere within this Annual Report on Form 10- K** . Equity, Diversity and Inclusion (ED & I) We are passionate about creating an inclusive environment where skilled and diverse employees thrive, deliver compelling innovations to our customers and provide shareholder value. We are committed to increasing equity in opportunity for all employees regardless of race, gender, sexual orientation, religion or other differences. At OpenText, we have established a global Equity, Diversity and Inclusion steering committee to guide ED & I programs. We bring our ambition to life through impact teams made of employees who come together to recommend policies, programs and initiatives across a range of topics. Our impact teams are leading global initiatives with local impact which include: • Awareness and Training: For employees and managers on matters such as inclusive leadership practices and diversity awareness; • Recruiting: Platforms that are inclusive, diverse slates for key leadership roles and an increased focus on virtual work opportunities to widen recruiting talent and diversity; • Advancement: Internal career building opportunities, mentoring and networks; • Advocacy: Employee affinity groups, including “ Black Employee Empowerment ” and “ Women in Technology **,** ” ~~,~~ fostering sponsorship, community and career conversations; and • Civic Action: Focusing an ED & I lens on community outreach and engagement. Compensation and Benefits Our compensation philosophy is based on a set of principles that align with business strategy, reflect business and individual performance levels, consider market conditions to ensure competitiveness, demonstrate internal pay equity for similar roles and reflect the impact that economic conditions have on pay programs. Our compensation and benefit programs are regularly reviewed through an executive- sponsored governance process. Across the Company, we offer a wide variety of retirement and group benefits including medical, life and disability, which are designed to protect employees and their dependents against financial hardship due to illness or injury. Programs are designed to recognize the diversity of our work force and a range of well- being needs. We also have regional Employee Assistance Programs in many countries that provide 24 / 7 confidential counselling, support and access to resources for employees and their families. The OpenText Employee Stock Purchase Plan (ESPP) is a global benefit program that allows all eligible employees to purchase OpenText shares at a 15 % discount and provides the opportunity for employees to strengthen their ownership in the Company while enjoying the benefits of potential share price appreciation. Internal equity is a cornerstone of our goals. Our pay programs are carefully designed and governed, from hiring practices to consistency in progression rates for common roles. In designing variable pay for performance awards, we focus only on measurable outcomes rather than subjective measures. This ensures true equity in opportunity and awards tied to business results. Employee Education, Training and Compliance We know that employees join OpenText for continuous learning, experience and credentials to shape their careers. Our strategies focus on ensuring strong technical credentials, building capabilities, new skills sets and a high duty of care in ensuring ethical, secure and compliant practices. All employees have internal access to certification on OpenText and partner products. Leaders and managers play a key role in the engagement of employees. From a focus on high quality interviewing and onboarding of new hires to the importance of career development planning, we foster a culture and value proposition of career development. Internal applications to job postings are highly encouraged. Our annual Career Week event focuses on career development planning and honing manager skills in developing teams. We offer an annual education reimbursement program to all employees globally. This program aligns with our commitment to support internal development, equal opportunity and mobility across all of our geographies, regardless of an employee’ s role, function or location. We have designed the education reimbursement program to meet the needs of all personalized development goals through programs that range from technical to business skills. As part of our commitment to the highest standards of conduct, all employees and contractors participate in an annual formal Compliance and Data Security Training, including Code of Business Conduct and Ethics, Responsible Business Practices, Data Protection, Global Data Privacy Practices, Protecting Information and Preventing Sexual Harassment Training. These compliance programs ensure that we operate our business with integrity, following standard business ethics across the globe. ~~Corporate Mission Overall, our people programs and actions are driven by our mission. • Our Mission: We power and protect information • Our Purpose: To elevate every person and every organization to gain the information advantage~~ Available Information OpenText Corporation was incorporated on June 26, 1991. Our principal office is located at 275 Frank Tompa Drive, Waterloo, Ontario, Canada N2L 0A1, and our telephone number at that location is (519) 888- 7111. Our internet address is www. opentext. com. Our website is included in this Annual Report on Form 10- K as an inactive textual reference only. Except for the documents specifically incorporated by reference into this Annual Report, information contained on our website is not incorporated by reference in this Annual Report on Form 10- K and should not be considered to be a part of this Annual Report. Access to our Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K and amendments to these reports filed with or furnished to the SEC may be obtained free of charge through the Investors section of our website at investors. opentext. com as soon as is reasonably practical after we electronically file or furnish these reports. In addition, our filings with the SEC may be accessed through the SEC ~~'~~**’** s website at www. sec. gov and our filings with the Canadian Securities Administrators (CSA) may be accessed through the CSA ~~'~~**’** s System for Electronic Document Analysis and Retrieval (SEDAR) at www. sedar. com. The SEC and SEDAR websites are included in this Annual Report on Form 10- K as inactive textual references only. Except for the documents specifically incorporated by reference into this Annual Report, information contained on the SEC or SEDAR websites is not incorporated by reference in this Annual Report on Form 10- K and should not be considered to be a part of this Annual Report. All statements made in any of our securities filings, including all forward- looking statements or information, are made as of the date of the document in which the statement is included, and we do not assume or undertake any obligation to update any of those statements or documents unless we are required to do so by applicable law. **Investors should note that we may announce information using our website, press releases, securities law filings, public conference calls, webcasts and the social media channels identified on the Investors section of our website (https: / / investors. opentext. com). Such social media channels may include the Company’ s or our CEO’ s blog, Twitter account or LinkedIn account. The information posted through such channels may be material. Accordingly, investors should monitor such channels in addition to our other forms of communication. Unless otherwise specified, such information is not incorporated into, or deemed to be a part of, our Annual Report on Form 10- K or in any other report or document we file with the SEC under the Securities Act, the Exchange Act or under applicable Canadian securities laws.** Item 1A. Risk Factors The following important factors could cause our actual business and financial results to differ materially from our current expectations, estimates, forecasts and projections. These forward- looking statements contained in this Annual Report on Form 10- K or made elsewhere by management from time to time are subject to important risks, uncertainties and assumptions which are difficult to predict. The risks and uncertainties described below are not the only risks and uncertainties facing us. Additional risks not currently known to us or that we currently believe are immaterial may also impair our operating results, financial condition and liquidity. Our business is also subject to general risks and uncertainties that affect many other companies. The risks discussed below are not necessarily presented in order of importance or probability of occurrence. **You should read these risk factors in conjunction with the section entitled “ Forward- Looking Statements ” in Part I of this Annual Report on Form 10- K, “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” in Part II, Item 7 of this Annual Report on Form 10- K and our consolidated financial statements and related notes in Part II, Item 8 of this Annual Report on Form 10- K.** Our success depends upon our ability to design, develop, test, market, license, sell and support new software products and services and enhancements of current products and services on a timely basis in response to both competitive threats and marketplace demands. The software industry is increasingly focused on cloud computing, mobility, social media ~~and~~ **,** SaaS **and artificial intelligence,** among other continually evolving shifts. In addition, our software products, services and enhancements must remain compatible with standard platforms and file formats. Often, we must integrate software licensed or acquired from third parties with our proprietary software to create new products or improve our existing products. If we are unable to achieve a successful integration with third party software, we may not be successful in developing and marketing our new software products, services and enhancements. If we are unable to successfully integrate third party software to develop new software products, services and enhancements to existing software products and services, or to complete the development of new software products and services which we license or acquire from third parties, our operating results will be materially adversely affected. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, our operating results will be materially adversely affected. Moreover, if new industry standards emerge that we do not anticipate or adapt to, or, if alternatives to our services and solutions are developed by our competitors in times of rapid technological change, our software products and services could be rendered less competitive or obsolete, causing us to lose market share and, as a result, harm our business and operating results and our ability to compete in the marketplace. We may determine that certain software product candidates or programs do not have sufficient potential to warrant the continued allocation of resources. Accordingly, we may elect to terminate one or more of our programs for such product candidates. If we terminate a software product in development in which we have invested significant resources, our prospects may suffer, as we will have expended resources on a project that does not provide a return on our investment, and may have missed the opportunity to have allocated those resources to potentially more productive uses, which may negatively impact our business, operating results and financial condition. The development of ~~Information~~ **information** ~~Management~~ **management** software products is a costly, complex and time- consuming process, and the investment in ~~Information~~ **information** ~~Management~~ **management** software product development often involves a long wait until a return is achieved on such an investment. We are making, and will continue to make, significant investments in software research and development and related product and service opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors, including the degree of innovation of the software products and services developed through our research and development efforts, sufficient support from our strategic partners and effective distribution and marketing. Accelerated software product introductions and short product life cycles require high levels of expenditures for **research and development and the potential introduction of government regulation, including that related to the use of AI, may increase the costs of** research and development. These expenditures may adversely affect our operating results if they are not offset by corresponding revenue increases. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts in order to maintain our competitive position. However, significant revenues from new software product and service investments may not be achieved for a number of years, if at all. Moreover, new software products and services may not be profitable, and even if they are profitable, operating margins for new software products and services may not be as high as the margins we have experienced for our current or historical software products and services. We intend to pursue our strategy of being a market leading consolidator for cloud- based ~~Information~~ **information** ~~Management~~ **management** solutions. We intend to grow the capabilities of our ~~Information~~ **information** ~~Management~~ **management** software offerings through our proprietary research and the development of new software product and service offerings, as well as through acquisitions. It is important to our success that we continue to enhance our software products and services in response to customer demand and to seek to set the standard for ~~Information~~ **information** ~~Management~~ **management** capabilities. The primary market for our software products and services is rapidly evolving, and the level of acceptance of products and services that have been released recently, or that are planned for future release to the marketplace, is not certain. If the markets for our software products and services fail to develop, develop more slowly than expected or become subject to increased competition, our business may suffer. As a result, we may be unable to: (i) successfully market our current products and services; (ii) develop new software products and services and enhancements to current software products and services; (iii) complete customer implementations on a timely basis; or (iv) complete software products and services currently under development. In addition, increased competition and ~~our transition~~ **transitioning** from perpetual license sales to subscription- based business model could put significant pricing pressures on our products, which could negatively impact our margins and profitability. If our software products and services are not accepted by our customers or by other businesses in the marketplace, our business, operating results and financial condition will be materially adversely affected. We are highly dependent on our ability to protect our proprietary technology. We rely on a combination of copyright, patent, trademark and trade secret laws, as well as non- disclosure agreements and other contractual provisions, to establish and maintain our proprietary rights. We intend to protect our intellectual property rights vigorously; however, there can be no assurance that these measures will, in all cases, be successful, and these measures can be costly and / or subject us to counterclaims, including challenges to the validity and enforceability of our intellectual property rights. Enforcement of our intellectual property rights may be difficult, particularly in some countries outside of North America in which we seek to market our software products and services. While Canadian and U. S. copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of our proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of our software products represents a loss of revenue to us. Where applicable, certain of our license arrangements have required us to make a limited confidential disclosure of portions of the source code for our software products, or to place such source code into escrow for the protection of another party. Despite the precautions we have taken, unauthorized third parties, including our competitors, may be able to copy certain portions of our software products or reverse engineer or obtain and use information that we regard as proprietary. Our competitive position may be adversely affected by our possible inability to effectively protect our intellectual property. In addition, certain of our products contain open ~~-~~source software. Licensees of open ~~-~~source software may be required to make public certain source code, to license proprietary software for free or to permit others to create derivative works of proprietary software. While we monitor and control the use of open source software in our products and in any third party software that is incorporated into our products, and try to ensure that no open source software is used in such a way that negatively affects our proprietary software, there can be no guarantee that such use does not occur inadvertently, which in turn, could harm our intellectual property position and have a material adverse effect on our business, results of operations and financial condition. Further, any undetected errors or defects in open source software could prevent the deployment or impair the functionality of our software products, delay the introduction of new solutions, or render our software more vulnerable to breaches or security attacks. Claims of infringement (including misappropriation and / or other intellectual property violation) are common in the software industry and increasing as related legal protections, including copyrights and patents, are applied to software products. Although most of our technology is proprietary in nature, we do include certain third party and open ~~-~~source software in our software products. In the case of third-party software, we believe this software is licensed from the entity holding the intellectual property rights. While we believe that we have secured proper licenses for all material third- party intellectual property that is integrated into our products in a manner that requires a license, third parties have and may continue to assert infringement claims against us in the future. In particular, our efforts to protect our intellectual property through patent litigation may result in counterclaims of patent infringement by counterparties in such suits. Any such assertion, regardless of merit, may result in litigation or require us to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on commercially reasonable terms. In addition, as we continue to develop software products and expand our portfolio using new technology and innovation, our exposure to threats of infringement may increase. Any infringement claims and related litigation could be time- consuming and disruptive to our ability to generate revenues or enter into new market opportunities and may result in significantly increased costs as a result of our defense against those claims or our attempt to license the intellectual property rights or rework our products to avoid infringement of third- party rights. Typically, our agreements with our partners and customers contain provisions that require us to indemnify them for damages sustained by them as a result of any infringement claims involving our products. Any of the foregoing infringement claims and related litigation could have a material adverse impact on our business and operating results as well as on our ability to generate future revenues and profits. Our software products and services are highly complex and sophisticated and, from time to time, may contain design defects, software errors, hardware failures or other computer system failures that are difficult to detect and correct. Errors, defects and / or other failures may be found in new software products or services or improvements to existing products or services after delivery to our customers **, including as a result of the introduction of new and emerging technologies such as AI** . If these defects, errors and / or other failures are discovered, we may not be able to successfully correct them in a timely manner. In addition, despite the extensive tests we conduct on all our software products or services, we may not be able to fully simulate the environment in which our products or services will operate and, as a result, we may be unable to adequately detect the design defects or software or hardware errors that may become apparent only after the products are installed in an end- user ~~'~~**'** s network, and only after users have transitioned to our services. The occurrence of errors, defects and / or other failures in our software products or services could result in the delay or the denial of market acceptance of our products and alleviating such errors, defects and / or other failures may require us to make significant expenditure of our resources. Customers often use our services and solutions for critical business processes and, as a result, any defect or disruption in our solutions, any data breaches or misappropriation of proprietary information or any error in execution, including human error or intentional third- party activity such as denial of service attacks or hacking, may cause customers to reconsider renewing their contracts with us. The errors in or failure of our software products and services could also result in us losing customer transaction documents and other customer files, causing significant customer dissatisfaction and possibly giving rise to claims for monetary damages. The harm to our reputation resulting from product and service errors, defects and / or other failures may be material. Since we regularly provide a warranty with our software products, the financial impact of fulfilling warranty obligations may be significant in the future. Our agreements with our strategic partners and end- users typically contain provisions designed to limit our exposure to claims. These agreements regularly contain terms such as the exclusion of all implied warranties and the limitation of the availability of consequential or incidental damages. However, such provisions may not effectively protect us against claims and the attendant liabilities and costs associated with such claims. Any claims for actual or alleged losses to our customers' businesses may require us to spend significant time and money in litigation or arbitration or to pay significant sums in settlements or damages. Defending a lawsuit, regardless of merit, can be costly and would divert management' s attention and resources. Although we maintain errors and omissions insurance coverage and comprehensive liability insurance coverage, such coverage may not be adequate to cover all such claims. Accordingly, any such claim could negatively affect our business, operating results or financial condition. Our development of Internet and intranet applications depends on the stability, functionality and scalability of the infrastructure software of the underlying intranet, such as the infrastructure software produced by Hewlett- Packard, Oracle, Microsoft and others. If weaknesses in such infrastructure software exist, we may not be able to correct or compensate for such weaknesses. If we are unable to address weaknesses resulting from problems in the infrastructure software such that our software products do not meet customer needs or expectations, our reputation, and consequently, our business, may be significantly harmed. The use of the Internet as a vehicle for electronic data interchange (EDI) and related services ~~currently~~ **continues to** ~~raises~~ **raise** numerous issues, including those relating to reliability, data security, data integrity and rapidly evolving standards. New competitors, including media, software vendors and telecommunications companies, offer products and services that utilize the Internet in competition with our products and services, which may be less expensive or process transactions and data faster and more efficiently. Internet- based commerce is subject to increasing regulation by Canadian, U. S. federal and state and foreign governments, including in the areas of data privacy and breaches and taxation. Laws and regulations relating to the solicitation, collection, processing or use of personal or consumer information could affect our customers' ability to use and share data, potentially reducing demand for Internet- based solutions and restricting our ability to store, process, analyze and share data through the Internet. Although we believe that the Internet will continue to provide opportunities to expand the use of our products and services, we cannot guarantee that our efforts to capitalize on these opportunities will be successful or that increased usage of the Internet for business integration products and services, increased competition or heightened regulation will not adversely affect our business, results of operations and financial condition. Our business and operations are highly automated, and a disruption or failure of our systems may delay our ability to complete sales and to provide services. Business disruptions can be caused by several factors, including climate change, natural disasters **, global health pandemics** , terrorist attacks, power loss, telecommunications and system failures, computer viruses, physical attacks and cyber- attacks. A major disaster or other catastrophic event that results in the destruction or disruption of any of our critical business or information technology systems, including our cloud services, could severely affect our ability to conduct normal business operations. We operate data centers in various locations around the world and although we have redundancy capability built into our disaster recovery plan, we cannot ensure that our systems and data centers will remain fully operational during and immediately after a disaster or disruption. We also rely on third parties that provide critical services in our operations and despite our diligence around their disaster recovery processes, we cannot provide assurances as to whether these third- party service providers can maintain operations during a disaster or disruption. ~~Furthermore, global~~ **Global** climate change may **also** aggravate natural disasters and increase severe weather events that affect our business operations, thereby compelling us to build additional resiliency in order to mitigate their impact. **Further, in the event of any future global health pandemic, certain measures or restrictions may be imposed or recommended by governments, public institutions and other organizations, which could disrupt economic activity and result in reduced commercial and consumer confidence and spending, increased unemployment, closure or restricted operating conditions for businesses, inflation, volatility in the global economy, instability in the credit and financial markets, labour shortages and disruption in supply chains.** Any business disruption could negatively affect our business, operating results or financial condition. Most of the jurisdictions in which we operate have laws and regulations relating to data privacy, security and protection of information. We have certain measures to protect our information systems against unauthorized access and disclosure of personal information and of our confidential information and confidential information belonging to our customers. We have policies and procedures in place dealing with data security and records retention. **These measures and policies may change over time as laws and regulations regarding data privacy, security and protection of information change.** However, there is no assurance that the security measures we have put in place will be effective in every case **, and our response process to incidents may not be adequate, may fail to accurately assess the severity of an incident, may not be fast enough to prevent or limit harm, or may fail to sufficiently remediate an incident** . **Failures and** ~~Breaches~~ **breaches** in security could result in a negative impact for us and for our customers, adversely affecting our and our customers ~~'~~ **'** businesses, assets, revenues, brands and reputations **, disrupting our operations** and resulting in penalties, fines, litigation, regulatory proceedings, regulatory investigations, increase insurance premiums, remediation efforts, indemnification expenditures **, reputational harm, negative publicity** , lost revenues and / or other potential liabilities, in each case depending on the nature of the information disclosed. Security breaches could also affect our relations with our customers, damage our reputation and harm our ability to keep existing customers and to attract new customers. Some jurisdictions, including all U. S. states and the European Union (EU), have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data, and in some cases our agreements with certain customers require us to notify them in the event of a data security incident. Such mandatory disclosures could lead to negative publicity and may cause our current and prospective customers to lose confidence in the effectiveness of our data security measures. These circumstances could also result in adverse impact on the market price of our Common Shares. These risks to our business may increase as we expand the number of web- based and cloud- based products **, systems** and ~~services~~ **solutions** we offer and as we increase the number of countries in which we operate. In particular, **we are increasingly relying** ~~in connection with COVID- 19, there has been a spike in cybers- attacks as shelter in place orders and work from home measures have led businesses to increase reliance~~ on virtual environments and communications systems, which have been **in recent years and may be in the future** subjected to ~~increasing~~ third- party vulnerabilities and security risks **of increasing frequency, scope and potential harm** . Malicious hackers may attempt to gain access to our network or data centers; steal proprietary information related to our business, products, **systems, solutions,** employees and customers; ~~or~~ interrupt our systems and services or those of our customers or **others; or attempt to exploit any vulnerabilities in our products, systems or solutions, and such acts may go undetected. Increased information technology security threats and more sophisticated cybercrimes and cyberattacks, including computer viruses and other malicious codes, ransomware, unauthorized access attempts, denial- of- service attacks, phishing, social engineering, hacking, and other types of attacks, pose a risk to the security and availability of our information technology systems, networks, products, solutions and services, including those that are managed, hosted, provided, or used by third parties (and which may not provide the same level of information security as our own products, systems or solutions), as well as the confidentiality, availability and integrity of our data and the data of our customers, partners, consumers, employees, stockholders, suppliers and** others. Although we monitor our networks and continue to enhance our security protections, hackers are increasingly more sophisticated and aggressive **and change tactics frequently** , and our efforts may be inadequate to prevent **or mitigate** all incidents of data breach or theft **. A series of issues may also be determined to be material at a later date in the aggregate, even if they may not be material individually at the time of their occurrence** . Furthermore, it is possible that the risk of cyber- attacks and other data security breaches or thefts to us or our customers may increase due to global geo- political uncertainty **, in particular such as the ongoing Russia- Ukraine conflict** . In addition, if data security is compromised, this could materially and adversely affect our operating results given that we have customers that use our systems to store and exchange large volumes of proprietary and confidential information and the security and reliability of our services are of significant importance to these customers. We have experienced attempts by third parties to identify and exploit product and services vulnerabilities, penetrate or bypass our security measures and gain unauthorized access to our or our customers' or service providers' cloud offerings and other products ~~and~~ **,** systems **or solutions. We may experience future security issues, whether due to human error or misconduct, system errors or vulnerabilities in our or our third- party service providers' products, systems or solutions** . If our products ~~or~~ **,** systems **or solutions** , or the products ~~or~~ **,** systems **or solutions** of third-party service providers on whom we rely **or may rely in the future** , are attacked or accessed by unauthorized parties, it could lead to major disruption or denial of service and access to or loss, modification or theft of our and our customers ~~'~~ **’** data, which may require us to spend material **financial or other** resources on correcting the breach and indemnifying the relevant parties and / or on litigation, regulatory investigations, regulatory proceedings, increased insurance premiums, lost revenues, penalties, **reputational harm, negative publicity,** fines and / or other potential liabilities **. If third- party service providers fail to implement adequate data security practices or otherwise suffer a security breach, our or our customer' s data may be improperly accessed, disclosed, used or otherwise lost, which could lead to reputational, business, operating and financial harms** . Our efforts to protect against cyber- attacks and data breaches, including increased risks associated with work from home measures, may not be sufficient to prevent **or mitigate** such incidents, which could have material adverse effects on our reputation, business, operating results and financial condition. We rely on close cooperation with strategic partners for sales and software product development as well as for the optimization of opportunities that arise in our competitive environment. A portion of our license revenues is derived from the licensing of our software products through third parties. Also, a portion of our service revenues may be impacted by the level of service provided by third party service providers relating to Internet, telecommunications and power services. Our success will depend, in part, upon our ability to maintain access to and grow existing channels of distribution and to gain access to new channels if and when they develop. We may not be able to retain a sufficient number of our existing distributors or develop a sufficient number of future distributors. Distributors may also give higher priority to the licensing or sale of software products and services other than ours (which could include competitors ~~'~~ **’** products and services) or may not devote sufficient resources to marketing our software products and services. The performance of third party distributors and third party service providers is largely outside of our control, and we are unable to predict the extent to which these distributors and service providers will be successful in either marketing and licensing or selling our software products and services or providing adequate Internet, telecommunication and power services so that disruptions and outages are not experienced by our customers. A reduction in strategic partner cooperation or sales efforts, a decline in the number of distributors, a decision by our distributors to discontinue the licensing of our software products or a decline or disruption in third party services could cause users and the general public to perceive our software products and services as inferior and could materially reduce our revenues. In addition, our financial results could be materially adversely affected if the financial condition of our distributors or third- party service providers were to weaken. Some of our distributors and third- party service providers may have insufficient financial resources and may not be able to withstand changes in business conditions, including economic weakness, industry consolidation and market trends. We currently depend upon a limited number of third-party software products. If such software products were not available, we might experience delays or increased costs in the development of our own software products. For a limited number of our product modules, we rely on software products that we license from third parties, including software that is integrated with internally developed software and which is used in our products to perform key functions. These third- party software licenses may not continue to be available to us on commercially reasonable terms and the related software may not continue to be appropriately supported, maintained or enhanced by the licensors. The loss by us of the license to use, or the inability by licensors to support, maintain or enhance any such software, could result in increased costs, lost revenues or delays until equivalent software is internally developed or licensed from another third party and integrated with our software. Such increased costs, lost revenues or delays could adversely affect our business. For example, with **our** ~~the recent~~ acquisition of Zix, we extended our partnership with Microsoft by becoming one of their ~~nine~~ authorized Cloud Solutions Providers in North America. If our key partners were to terminate our relationship, make an adverse change in their reseller program, change their product offerings or experience a major cyber- attack or similar event, it could reduce our revenues and adversely affect our business. The markets for our software products and services are intensely competitive and are subject to rapid technological change and other pressures created by changes in our industry. The convergence of many technologies has resulted in unforeseen competitors arising from companies that were traditionally not viewed as threats to our market position. We expect competition to increase and intensify in the future as the pace of technological change and adaptation quickens and as additional companies enter our markets, including those competitors who offer solutions similar to ours, but offer it through a different form of delivery. Numerous releases of competitive products have occurred in recent history and are expected to continue in the future. We may not be able to compete effectively with current competitors and potential entrants into our marketplace. We could lose market share if our current or prospective competitors: (i) develop technologies that are perceived to be substantially equivalent or superior to our technologies; (ii) introduce new competitive products or services; (iii) add new functionality to existing products and services **, including through new and emerging AI applications** ; (iv) acquire competitive products and services; (v) reduce prices; or (vi) form strategic alliances or cooperative relationships with other companies. If other businesses were to engage in aggressive pricing policies with respect to competing products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our software products and services, we would need to lower the prices we charge for the products and services we offer. This could result in lower revenues or reduced margins, either of which may materially adversely affect our business and operating results. Moreover, our competitors may affect our business by entering into exclusive arrangements with our existing or potential customers, distributors or third- party service providers. Additionally, if prospective consumers choose methods of ~~Information~~

information ~~Management~~ **management** delivery different from that which we offer, our business and operating results could also be materially adversely affected. The decision by a customer to license our software products or purchase our services often involves a comprehensive implementation process across the customer ~~'~~ **'** s network or networks. As a result, the licensing and implementation of our software products and any related services may entail a significant commitment of resources by prospective customers, accompanied by the attendant risks and delays frequently associated with significant technology implementation projects. Given the significant investment and commitment of resources required by an organization to implement our software products, our sales cycle may be longer compared to other companies within our own industry, as well as companies in other industries. Also, because of changes in customer spending habits, it may be difficult for us to budget, forecast and allocate our resources properly. In weak economic environments, **such as a recession or slowdown,** it is not uncommon to see reduced information technology spending. It may take several months, or even several quarters, for marketing opportunities to materialize **, especially following a prolonged period of weak economic environment** . If a customer ~~'~~ **'** s decision to license our software or purchase our services is delayed or if the implementation of these software products takes longer than originally anticipated, the date on which we may recognize revenues from these licenses or sales would be delayed. Such delays and fluctuations could cause our revenues to be lower than expected in a particular period and we may not be able to adjust our costs quickly enough to offset such lower revenues, potentially negatively impacting our business, operating results and financial condition. ~~Our existing customers might cancel contracts with us, fail to renew contracts on their renewal dates and / or fail to purchase additional services and products, and we may be unable to attract new customers, which could materially adversely affect our operating results~~ We depend on our installed customer base for a significant portion of our revenues. We have significant contracts with our license customers for ongoing support and maintenance, as well as significant service contracts that provide recurring services revenues to us. In addition, our installed customer base has historically generated additional new license and services revenues for us. Service contracts are generally renewable at a customer' s option and / or subject to cancellation rights, and there are generally no mandatory payment obligations or obligations to license additional software or subscribe for additional services. If our customers cancel or fail to renew their service contracts or fail to purchase additional services or products, then our revenues could decrease, and our operating results could be materially adversely affected. Factors influencing such contract terminations and failure to purchase additional services or products could include changes in the financial circumstances of our customers, including as a result of any potential recession, dissatisfaction with our products or services, our retirement or lack of support for our legacy products and services, our customers selecting or building alternate technologies to replace our products or services, the cost of our products and services as compared to the cost of products and services offered by our competitors, acceptance of future price increases by us, including due to inflationary pressures, our ability to attract, hire and maintain qualified personnel to meet customer needs, consolidating activities in the market, changes in our customers' business or in regulation impacting our customers' business that may no longer necessitate the use of our products or services, general economic or market conditions, or other reasons. Further, our customers could delay or terminate implementations or use of our services and products or be reluctant to migrate to new products. Such customers will not generate the revenues we may have expected within the anticipated timelines, or at all, and may be less likely to invest in additional services or products from us in the future. We may not be able to adjust our expense levels quickly enough to account for any such revenue losses. Acquisitions by large, well- capitalized technology companies have changed the marketplace for our software products and services by replacing competitors that are comparable in size to our Company with companies that have more resources at their disposal to compete with us in the marketplace. In addition, other large corporations with considerable financial resources either have products and / or services that compete with our software products and services or have the ability to encroach on our competitive position within our marketplace. These companies have considerable financial resources, channel influence and broad geographic reach; thus, they can engage in competition with our software products and services on the basis of price, marketing, services or support. They also have the ability to introduce items that compete with our maturing software products and services. The threat posed by larger competitors and their ability to use their better economies of scale to sell competing products and / or services at a lower cost may materially reduce the profit margins we earn on the software products and services we provide to the marketplace. Any material reduction in our profit margin may have a material adverse effect on the operations or finances of our business, which could hinder our ability to raise capital in the public markets at opportune times for strategic acquisitions or for general operational purposes, which may then, in turn, prevent effective strategic growth or improved economies of scale or put us at a disadvantage to our better capitalized competitors. We may be unable to maintain or expand our base of SMB and consumer customers, which could adversely affect our anticipated future growth and operating results With the acquisitions of Carbonite and Zix, we have expanded our presence in the SMB market as well as the consumer market. Expanding in this market may require substantial resources and increased marketing efforts, different to what we are accustomed to historically. If we are unable to market and sell our solutions to the SMB market and consumers with competitive pricing and in a cost- effective manner, it may harm our ability to grow our revenues and adversely affect our **anticipated future growth and operating** results ~~of operations~~ . In addition, SMBs frequently have limited budgets and are more likely to be significantly affected by economic downturns than larger, more established companies. As such, SMBs may choose to spend funds on items other than our solutions, particularly during difficult economic times, which may hurt our projected revenues, business financial condition and results of operations. We derive revenues from contracts with U. S. and Canadian federal, state, provincial and local governments and other foreign governments and their respective agencies, which may terminate most of these contracts at any time, without cause. There is increased pressure on governments and their agencies, both domestically and internationally, to reduce spending. Further, our U. S. federal government contracts are subject to the approval of appropriations made by the U. S. Congress to fund the expenditures under these contracts. Similarly, our contracts with U. S. state and local governments, Canadian federal, provincial and local governments and other foreign governments and their agencies are generally subject to government funding authorizations. Additionally, government contracts are generally subject to audits and investigations that could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business. Geopolitical instability, political unrest, war and other global conflicts may result in adverse effects on macroeconomic conditions, including volatility in financial markets, adverse changes in trade policies, inflation, higher interest rates, direct and indirect supply chain disruptions, increased cybersecurity threats and fluctuations in foreign currency. These events may also impact our decision or limit our ability to conduct business in certain areas or with certain entities. For example, in response to the Russia- Ukraine conflict, we ~~have~~ ceased all direct business in Russia and Belarus and with known Russian- owned companies. Sanctions and export controls have also been imposed by the United States, Canada and other countries in connection with Russia ~~'~~**’**s military actions in Ukraine, including restrictions on selling or exporting goods, services or technology to certain regions, and travel bans and asset freezes impacting political, military, business and financial organizations and individuals in or connected with Russia. To support certain of our cloud customers headquartered in the United States or allied countries that rely on our network to manage their global business (including their business in Russia), we have **nonetheless** allowed ~~nonetheless~~ these customers to continue to use our services to the extent that it can be done in strict compliance with all applicable sanctions and export controls. However, as the situation ~~develops~~ **continues** and the regulatory environment **further** ~~continues to evolve~~ **evolves** , we may adjust our business practices as required by applicable rules and regulations. Our compliance with sanctions and export controls could impact the fulfillment of certain contracts with customers and partners doing business in these affected areas and future revenue streams from impacted parties and certain countries. While ~~we do not expect~~ our decision to cease all direct business in Russia and Belarus and with known Russian- owned companies **has not had and is not expected** 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 of this conflict or other conflicts, which could include sanctions, embargoes, regional instability, changes to regional trade ecosystems, geopolitical shifts and adverse effects on the global economy, on our business and operations as well as those of our customers, partners and third party service providers. ~~In March 2020, COVID- 19 was characterized as a pandemic by the World Health Organization. Since December 2019, COVID- 19 has spread globally, with a high concentration of cases in certain regions in which we sell our products and services and conduct our business operations, including the United States, Canada, Europe and Asia. The spread of COVID- 19 and resulting tight government controls and travel bans implemented around the world, such as declarations of states of emergency, business closures, manufacturing restrictions and a prolonged period of travel, commercial and / or other similar restrictions and limitations, have caused disruption to global supply chains and economic activity. The spread of COVID- 19 has had and is continuing to have an adverse impact on the global economy, the severity and duration of which is difficult to predict and has adversely affected and may continue to further adversely affect our financial performance, as well as our ability to successfully execute our business strategies and initiatives, including by negatively impacting the demand for our products and services, restricting our sales operations and marketing efforts, disrupting the supply chain of hardware needed to operate our SaaS offerings or run our business and disrupting our ability to conduct product development and other important business activities. While the restrictions and limitations noted above have and may continue to be relaxed or rolled back if COVID- 19 abates and vaccination rates increase, COVID- 19 cases (including the emergence and spread of more transmissible variants) continue to surge in certain parts of the world, including the U. S., and such restrictions and limitations may be reinstated as the pandemic continues to evolve, including as a result of the impact of variants, and in response to actual or potential resurgences. The scope and timing of any such reinstatement are difficult to predict and may materially affect our operations in the future. We are continuing to focus on the safety and protection of our employees and our customers by conducting business with modifications to employee travel, employee work locations and virtualization or cancellation of certain sales and marketing events, among other modifications. To mitigate anticipated negative financial and operational impacts of COVID- 19, we made a strategic decision to move towards a significant work from home model and we implemented certain restructuring activities to streamline our operations and significantly reduce our real estate footprint around the world. In addition, as many local governments and officials have started lifting pandemic restrictions in accordance with the guidance of public health experts, in July 2022 we implemented a Flex- Office program in which a majority of our employees work a portion of their time in the office and a portion remotely. The transition to a flexible workforce may subject us to further operational challenges and risks, which may adversely affect our business, operations or financial performance. For more information regarding the impact of the Flex- Office program, see " We have implemented a Flex- Office program, which will subject us to certain operational challenges and risks. " We will continue to actively monitor the situation and may take further actions that alter our business operations as may be required by governments, or that we determine are in the best interest of our employees, customers, partners, suppliers and shareholders. The extent of the adverse impact of the pandemic on the global economy and markets will depend, in part, on the length and severity of the measures taken to limit the spread of the virus, including the distribution and effectiveness of vaccines and treatments, and, in part, on the size, effectiveness and duration of the compensating measures taken by governments and monetary authorities. To the extent the COVID- 19 pandemic continues to adversely affect the global economy, and / or adversely affects our business, operations or financial performance, it may also have the effect of increasing the likelihood and / or magnitude of other risks described herein, including those risks related to market, credit, geopolitical and business operations and cybersecurity, or risks described in our other filings with the SEC and the applicable Canadian securities regulatory authorities. In addition, the COVID- 19 pandemic may also affect our business, operations or financial performance in a manner that is not presently known to us. We are closely monitoring the potential adverse effects and impact on our operations, businesses and financial performance, including liquidity and capital usage, though the extent of the impact is difficult to fully predict at this time due to the rapid and continuing evolution of this uncertain situation. The COVID- 19 pandemic has significantly impacted health and economic conditions throughout the United States and globally. The global spread of COVID- 19 has been, and continues to be, complex and rapidly evolving, with governments,~~

~~public institutions and other organizations imposing or recommending, and businesses and individuals implementing, restrictions on various activities or other actions to combat its spread, such as travel restrictions and bans, social distancing, quarantine or shelter- in- place directives, limitations on the size of gatherings and closures of non- essential businesses. These restrictions have disrupted and may continue to disrupt economic activity, resulting in reduced commercial and consumer confidence and spending, increased unemployment, closure or restricted operating conditions for businesses, inflation, volatility in the global economy, instability in the credit and financial markets, labour shortages, regulatory recommendations to provide relief for impacted consumers and disruption in supply chains. The extent to which the COVID- 19 pandemic impacts our business, operations and financial performance is highly uncertain and will depend on numerous evolving factors that we may not be able to accurately predict or assess, including, but not limited to, the severity, extent and duration of the pandemic or any resurgences in the future, any economic recession, the distribution and effectiveness of vaccines and treatments, and the continued governmental, business and individual actions taken in response to the pandemic. Impacts related to the COVID- 19 pandemic are expected to continue to pose risks to our business for the foreseeable future, may heighten many of the risks and uncertainties identified herein, and could have a material adverse impact on our business, operations or financial performance in a manner that is difficult to predict.~~ We often undertake initiatives to restructure or streamline our operations, particularly during the period post- acquisition, **such** as ~~well~~ **the Micro Focus Acquisition Restructuring Plan (** as **defined below)** ~~in response to the COVID- 19 pandemic and as part of our return to office planning~~. We may incur costs associated with implementing a restructuring initiative beyond the amount contemplated when we first developed the initiative, and these increased costs may be substantial. Additionally, such costs would adversely impact our results of operations for the periods in which those adjustments are made. We will continue to evaluate our operations and may propose future restructuring actions as a result of changes in the marketplace, including the exit from less profitable operations, the decision to terminate products or services that are not valued by our customers or adjusting our workforce. Any failure to successfully execute these initiatives on a timely basis may have a material adverse effect on our business, operating results and financial condition. **For example** ~~In particular, in order to mitigate anticipated negative financial and operational impacts of COVID- 19, we implemented certain cost cutting measures. This included our COVID- 19 Restructuring Plan, which involved a move towards a significant work from home model and a reduction in our real estate footprint around the world. Further, as part of our return to office planning~~, during the third quarter of Fiscal 2022, we made a strategic decision to implement restructuring activities to streamline our operations and further reduce our real estate footprint around the world (Fiscal 2022 Restructuring Plan). Such steps to reduce costs, and further changes we may make in the future, may negatively impact our business, operations and financial performance in a manner that is difficult to predict. For more information on our ~~COVID- 19~~ **Micro Focus Acquisition** Restructuring Plan and our Fiscal 2022 Restructuring Plan, see Note 18 " Special Charges (Recoveries) " to our Consolidated Financial Statements included in this Annual Report on Form 10- K. In ~~response to the COVID- 19 pandemic, our employees shifted from in- person to remote work. As many local governments and officials have started lifting pandemic restrictions in accordance with the guidance of public health experts, in~~ July 2022 **,** we implemented a Flex- Office program in which a majority of our employees work a portion of their time in the office and a portion remotely. As a result, we ~~expect to~~ continue to be subject to the challenges and risks of having a remote work environment, as well as new operational challenges and risks from having a flexible workforce. For example, employing a remote work environment could affect employee productivity, including due to a lower level of employee oversight ~~, distractions caused by the pandemic and its impact on daily life~~, health conditions or illnesses, disruptions due to caregiving or childcare obligations or slower or unreliable Internet access. OpenText systems, client, vendor and / or borrower data may be subject to additional risks presented by increased cyber- attacks and phishing activities targeting employees, vendors, third party service providers and counterparties in transactions, the possibility of attacks on OpenText systems or systems of employees working remotely as well as by decreased physical supervision. In addition, we may rely, in part, on third- party service providers to assist us in managing monitoring and otherwise carrying out aspects of our business and operations ~~, and COVID- 19 may affect their ability to devote sufficient time and resources to perform work for the Company~~. Such events may result in a period of business disruption or reduced operations, which could materially affect our business, financial condition and results of operations. While our controls ~~prior to the onset of the COVID- 19 pandemic~~ were not specifically designed to operate in a home environment, we believe that established internal controls over financial reporting continue to address all identified risk areas. The transition to a flexible workforce may also subject us to other operational challenges and risks. For example, our shift to a Flex- Office program may adversely affect our ability to recruit and retain personnel who prefer a fully remote or fully in- person work environment. Operating our business with both remote and in- person workers, or workers who work on flexible schedules, could have a negative impact on our corporate culture, decrease the ability of our employees to collaborate and communicate effectively, decrease innovation and productivity, or negatively affect employee morale. In addition, we have incurred costs related to our return to office planning and the transition to a flexible workforce, including due to reducing our real estate footprint around the world. If we are unable to effectively **continue the** transition to a flexible workforce ~~, including due to potential future surges of COVID- 19 causing reinstatements of governmental restrictions and / or other similar limitations~~, manage the cybersecurity and other risks of remote work, and maintain our corporate culture and employee morale, our financial condition and operating results may be adversely impacted. For more information regarding the impact of **business disruptions** ~~COVID- 19~~ on our cybersecurity, see " Business disruptions, including those arising from disasters **, pandemics** or ~~other~~ catastrophic events, may adversely affect our operations. " The ~~Information~~ **information** ~~Management~~ **management** market in which we compete continues to evolve at a rapid pace. **We** ~~However, there is significant uncertainty on growth from the impact of the COVID- 19 pandemic. Moreover, we~~ have grown significantly through acquisitions ~~in~~ **, including through** the ~~past~~ **Micro Focus Acquisition,** and ~~expect~~ **, in conjunction with our plan** to **de- lever, may** continue to review acquisition opportunities as a means of increasing the size and scope of our business. Our growth, coupled with the rapid evolution of our markets, has placed, and will continue to place, significant strains on our administrative and operational resources and increased demands on our internal systems, procedures and controls. Our administrative infrastructure, systems, procedures and controls may not adequately support our operations. In addition, our management may not be able to achieve the rapid, effective execution of the product and business initiatives necessary to successfully implement our operational and competitive strategy. If we are unable to manage growth effectively, our operating results will likely suffer, which may, in turn, adversely affect our business. Our performance is substantially dependent on the performance of our executive officers and key employees and there is a risk that we could lose their services ~~, including due to the illness of executive officers and key employees from COVID- 19~~ . We do not maintain " key person " life insurance policies on any of our employees. Our success is also highly dependent on our continuing ability to identify, hire, train, retain and motivate highly qualified management, technical, sales and marketing personnel. In particular, the recruitment and retention of top research developers and experienced salespeople, particularly those with specialized knowledge, remains critical to our success, including providing consistent and uninterrupted service to our customers. Competition for such people is intense, substantial and continuous, and we may not be able to attract, integrate or retain highly qualified technical, sales or managerial personnel in the future. In our effort to attract and retain critical personnel, and in responding to inflationary wage pressure, we may experience increased compensation costs that are not offset by either improved productivity or higher prices for our software products or services. In addition, the loss of the services of any of our executive officers or other key employees could significantly harm our business, operating results and financial condition. A portion of our total compensation program for our executive officers and key personnel includes the award of options to buy our Common Shares. If the market price of our Common Shares performs poorly, such performance may adversely affect our ability to retain or attract critical personnel. In addition, any changes made to our stock option policies, or to any other of our compensation practices, which are made necessary by governmental regulations or competitive pressures, could adversely affect our ability to retain and motivate existing personnel and recruit new personnel. For example, any limit to total compensation that may be prescribed by the government or applicable regulatory authorities or any significant increases in personal income tax levels levied in countries where we have a significant operational presence may hurt our ability to attract or retain our executive officers or other employees whose efforts are vital to our success. Additionally, payments under our long- term incentive plans (the details of which are described in Item 11 of this Annual Report on Form 10-K) are dependent to a significant extent upon the future performance of our Company both in absolute terms and in comparison to similarly situated companies. Any failure to achieve the targets set under our long- term incentive plan could significantly reduce or eliminate payments made under this plan, which may, in turn, materially and adversely affect our ability to retain the key personnel paid under this plan. Increased attention from shareholders, customers and other key relationships regarding our **CSR and** ESG practices could impact our business activities, financial performance and reputation Shareholders, customers and other key relationships are placing a greater emphasis on **CSR and** ESG factors when evaluating companies for business and investment opportunities. We actively manage a broad range of **CSR and** ESG matters and annually publish a Corporate Citizenship Report regarding our policies and practices on a variety of **CSR and** ESG matters, including our: governance framework; community involvement; ED & I initiatives; employee health and safety; targets regarding greenhouse gas emissions, waste diversion and energy consumption; and practices relating to data privacy and information security. Our approach to and disclosure of **CSR and** ESG matters may result in increased attention from our shareholders, customers, employees, partners and suppliers, and such key relationships may not be satisfied with our approach to **CSR and** ESG as compared to their expectations and standards, which continue to evolve. Additionally, third- party organizations evaluate our approach to **CSR and** ESG, and an unfavorable rating **on CSR or ESG** from such organizations could lead to negative investor sentiment and reduced demand for our securities **and damage to our reputation, as well as damage to our relationships with shareholders, customers, employees, partners and suppliers, which could have adverse effects on our reputation, business, operating results and financial condition** . See " Changes in the market price of our Common Shares and credit ratings of our outstanding debt securities could lead to losses for shareholders and debt holders. " The Company has disclosed the OpenText Zero- In Initiative, where we have committed to: (1) science- based GHG emissions target of 50 % reduction by 2030, and net zero GHG emissions by 2040; (2) zero waste from operations by 2030; and (3) by 2030, a majority ethnically diverse staff, with 50 / 50 representation in key roles and 40 % women in leadership positions at all management levels. Achieving our targets and ongoing compliance with evolving laws and regulatory requirements may cause us to reconfigure facilities and operations or adjust our existing processes. This could result in significant unexpected expenses, changes in our relationships with certain strategic partners, distributors and third- party service providers, loss of revenue and business disruption. We may not meet our goals **in the manner or on such a timeline as initially contemplated, or at all,** which would have adverse effects on our reputation, business, operating results and financial condition. Further, we may incur additional costs and require additional resources to be able to collect reliable emissions and waste data (in part, due to unavailable third-party data or inconsistent industry standards on the measurement of certain data), measure our performance against our targets and adjust our disclosure in line with market expectations. We may also incur additional compliance costs under evolving ESG-related regulations across the world, including in the EU, the U. S. and Canada. If we fail to meet our ESG targets or other ESG criteria set by third parties on a timely basis, or at all, or fail to respond to any perceived ESG concerns, **or regulators disagree with our procedures or standards,** our business activities, financial performance and reputation may be adversely affected. The growth of our Company through the successful acquisition and integration of complementary businesses is a critical component of our corporate strategy. As a result of the continually evolving marketplace in which we operate, we regularly evaluate acquisition opportunities and at any time may be in various stages of discussions with respect to such opportunities. We plan to continue to pursue acquisitions that complement our existing business, represent a strong strategic fit and are consistent with our overall growth strategy and disciplined financial management. We may also target future acquisitions to expand or add functionality and capabilities to our existing portfolio of solutions, as well as to add new solutions to our portfolio. We may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. These activities create risks such as: (i) the need to integrate and manage the businesses and products acquired with our own business and products; (ii) additional demands on our resources, systems, procedures and controls; (iii) disruption of our ongoing business; and (iv) diversion of management ~~'~~**’** s attention from other business concerns. Moreover, these transactions could involve: (i) substantial investment of funds or financings by issuance of debt or equity or equity- related securities; (ii) substantial investment with respect to technology transfers and operational integration; and (iii) the acquisition or disposition of product lines or businesses. Also, such activities could result in charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the issuance or assumption of debt, which could have a negative impact on the credit ratings of our outstanding debt securities or the market price of our Common Shares. Such acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of financial and other resources of our Company. Any such activity may not be successful in generating revenues, income or other returns to us, and the resources committed to such activities will not be available to us for other purposes. In addition, while we conduct due diligence prior to consummating an acquisition, joint venture or business collaboration, such diligence may not identify all material issues associated with such activities **and we may be exposed to additional risk due to such acquisition, joint venture or business collaboration** . We may also experience unanticipated difficulties identifying suitable or attractive acquisition candidates that are available for purchase at reasonable prices. Even if we are able to identify such candidates, we may be unable to consummate an acquisition on suitable terms or in the face of competition from other bidders. Moreover, if we are unable to access capital markets on acceptable terms or at all, we may not be able to consummate acquisitions, or may have to do so on the basis of a less than optimal capital structure. Our inability ~~:~~(i) to take advantage of growth opportunities for our business or for our products and services, or (ii) to address risks associated with acquisitions or investments in businesses, may negatively affect our operating results and financial condition. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges associated with any acquisition or investment activity, may materially adversely impact our results of operations and financial condition which, in turn, may have a material adverse effect on the market price of our Common Shares or credit ratings of our outstanding debt securities. **We may fail to realize all of the anticipated benefits of our acquisitions, including the Micro Focus Acquisition, or those benefits may take longer to realize than expected We may be required to devote significant management attention and resources to integrating the business practices and operations of our acquisitions, including the acquisition of Micro Focus. As we integrate our acquisitions, we may experience disruptions to our business and, if implemented ineffectively, it could restrict the realization of the full expected benefits. The failure to meet the challenges involved in the integration process and to realize the anticipated benefits of our acquisitions could cause an interruption of, or loss of momentum in, our operations and could adversely affect our business, financial condition and results of operations. The anticipated benefits we expect from having consummated the Micro Focus Acquisition are, necessarily, based on projections and assumptions about our combined business with Micro Focus, which may not materialize as expected or which may prove to be inaccurate. Our business and results of operations could be adversely affected if we are unable to realize the anticipated benefits from the Micro Focus Acquisition on a timely basis or at all, including realizing the anticipated synergies from the Micro Focus Acquisition in the anticipated amounts or at all and within the anticipated timeframes or cost expectations, including implementing the Micro Focus Acquisition Restructuring Plan. Achieving the benefits of the Micro Focus Acquisition will depend, in part, on our ability to integrate the business and operations of Micro Focus successfully and efficiently with our business. See " We may be unable to successfully integrate acquired businesses or do so within the intended timeframes, which could have an adverse effect on our financial condition, results of operations and business prospects. " Many of these factors will be outside of our control and any one of them could result in increased costs, including restructuring charges, decreases in the amount of expected revenues and diversion of management' s time and energy, which could adversely affect our business, financial condition and results of operations.** Our ability to realize the anticipated benefits of acquired businesses **, including the Micro Focus Acquisition,** will depend, in part, on our ability to successfully and efficiently integrate acquired businesses and operations with our own. The integration of acquired businesses with our existing business will be complex, costly and time- consuming, and may result in additional demands on our resources, systems, procedures and controls, disruption of our ongoing business and diversion of management' s attention from other business concerns. Although we cannot be certain of the degree and scope of operational and integration problems that may arise, the difficulties and risks associated with the integration of acquired businesses **, which may be complex and time- consuming,** may include, among others: • the increased scope and complexity of our operations; • coordinating geographically separate organizations, operations, relationships and facilities **, including coordinating and integrating (i) independent research and development and engineering teams across technologies and product platforms to enhance product development while reducing costs and (ii) sales and marketing efforts to effectively position the combined company' s capabilities and the direction of product development** ; • integrating (i) personnel with diverse business backgrounds, corporate cultures and management philosophies, and (ii) the standards, policies and compensation structures, as well as the complex systems, technology, networks and other assets, of the businesses; • ~~preserving important~~ **successfully managing relationships with our** strategic **partners and combined supplier** and customer ~~relationships~~ **base; • implementing expected cost synergies of the acquisitions, including expected cost synergies of $ 400 million relating to the Micro Focus Acquisition** ; • retention of key employees **; • the diversion of management attention from other important business objectives** ; • the possibility that we may have failed to discover obligations of acquired businesses or risks associated with those businesses during our due diligence investigations as part of the acquisition, which we, as a successor owner, may be responsible for or subject to; and • provisions in contracts with third parties that may limit flexibility to take certain actions. As a result of these difficulties and risks, we may not accomplish the integration of acquired businesses smoothly, successfully or within our budgetary expectations and anticipated timetables, which may result in a failure to realize some or all of the anticipated benefits of our acquisitions **. The Micro Focus Acquisition has substantially expanded the scope and size of our business by adding substantial assets and operations to our previously existing business. The anticipated future growth of our business will impose significant added responsibilities on management, including the need to identify, recruit, train and integrate additional employees. Our senior management' s attention may be diverted from the management of daily operations and other important business objectives to the integration of the assets acquired in the Micro Focus Acquisition. Our ability to manage our business and growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may also encounter risks, costs and expenses associated with any undisclosed or other unanticipated liabilities and use more cash and other financial resources on integration and implementation activities than we expect. We may not be able to integrate the Micro Focus business into our existing operations on our anticipated timelines or realize the full expected economic benefits of the Micro Focus Acquisition, which may have a material adverse effect on our business, financial condition and results of operations. Further, as permitted by applicable rules and laws, we have excluded Micro Focus from the assessment of our internal control over financial reporting as of June 30, 2023. See " Item 9A. Controls and Procedures. " We may also encounter risk, costs and expenses associated with preparing periodic reporting and consolidated financial statements now that the Micro Focus Acquisition has closed. The expansion of effective internal controls over financial reporting and adequate disclosure controls and procedures over the Micro Focus business will be necessary to provide reliable financial reports and reporting. Micro Focus identified a material weakness in its internal controls over financial reporting for the fiscal year ended October 31, 2021, which was subsequently remediated. In the course of applying our internal controls framework to the Micro Focus business we may identify other material weaknesses, significant deficiencies or other deficiencies, which could result in our determining we have a material weakness in internal controls over financial reporting, and lead to an adverse reaction in the financial markets and a material adverse effect on our business, financial condition, results of operation and prospects. Also, Micro Focus' historical financial statements were prepared in accordance with International Financial Reporting Standards and have not been prepared in accordance with United States generally accepted accounting principles (U. S. GAAP). Prior to the Micro Focus Acquisition, Micro Focus provided financial statements semi- annually, with a fiscal year end of October 31. Given such differences, it may be difficult for us to integrate systems in a timely fashion to continue to produce financial statements now that the Micro Focus Acquisition has closed. We incurred significant transaction costs in connection with the Micro Focus Acquisition, including payment of certain fees and expenses incurred in connection with the Micro Focus Acquisition and related transactions to obtain financing for the Micro Focus Acquisition, including entering into certain derivative transactions as further described herein. We have mark- to- market valuation adjustments for certain derivative transactions, based on foreign currency fluctuations. For more information on our mark- to- market derivatives, see Note 17 " Derivative Instruments and Hedging Activities " and Note 23 " Other Income (Expense), Net " to our Consolidated Financial Statements and in Part II, Item 7 " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " Additional unanticipated costs may be incurred in the integration process. These could adversely affect our results of operations in the period in which such expenses are recorded or our cash flow in the period in which any related costs are actually paid. Furthermore, we have incurred and may continue to incur severance expenses and restructuring charges in connection with the Micro Focus Acquisition Restructuring Plan, which may, now that the Micro Focus Acquisition has closed, adversely affect our operating results in the period in which such expenses are recorded or our cash flow in the period in which any related costs are actually paid. For more information on our transaction costs, see Note 18 " Special Charges (Recoveries) " to our Consolidated Financial Statements included in this Annual Report on Form 10- K**. Our success as a combined business with any prior or future acquired businesses will depend, in part, upon our ability to retain key employees, especially during the integration phase of the businesses. It is possible that the integration process could result in current and prospective employees of ours and the acquired business to experience uncertainty about their future roles with us, which could have an adverse effect on our ability to retain or recruit key managers and other employees. If, despite our retention and recruiting efforts, key employees depart, the loss of their services and their experience and knowledge regarding our business or an acquired business could have an adverse effect on our future operating results and the successful ongoing operation of our businesses ~~. We may be required to devote significant management attention and resources to integrating the business practices and operations of our acquisitions, including the acquisition of Zix. As we integrate our acquisitions, we may experience disruptions to our business and, if implemented ineffectively, it could restrict the realization of the full expected benefits. The failure to meet the challenges involved in the integration process and to realize the anticipated benefits of any acquisition could cause an interruption of, or loss of momentum in, our operations and could adversely affect our business, financial condition and results of operations. Furthermore, as we integrate our acquisitions, including Zix, it may result in material unanticipated problems, expenses, charges, liabilities, competitive responses, loss of customers and other business relationships, and diversion of management' s attention. Additional integration challenges may include: • Difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the acquisition; • Difficulties in the integration of operations and systems, including pricing and marketing strategies; and • Difficulties in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures. Many of these factors will be outside of our control and any one of them could result in increased costs, including restructuring charges, decreases in the amount of expected revenues and diversion of management' s time and energy, which could adversely affect our business, financial condition and results of operations~~. We have a history of acquiring complementary businesses of varying size and organizational complexity and we may continue to engage in such acquisitions. Upon consummating an acquisition, we seek to implement our disclosure controls and procedures, our internal controls over financial reporting as well as procedures relating to cybersecurity and compliance with data privacy laws and regulations at the acquired company as promptly as possible. Depending upon the nature and scale of the business acquired, the implementation of our disclosure controls and procedures as well as the implementation of our internal controls over financial reporting at an acquired company may be a lengthy process and may divert our attention from other business operations. Our integration efforts may periodically expose deficiencies in the disclosure controls and procedures and internal controls over financial reporting as well as procedures relating to cybersecurity and compliance with data privacy laws and regulations of an acquired company that were not identified in our due diligence undertaken prior to consummating the acquisition; contractual protections intended to protect against any such deficiencies may not fully eliminate all related risks. If such deficiencies exist, we may not be in a position to comply with our periodic reporting requirements and, as a result, our business and financial condition may be materially harmed. Refer to Item 9A " Controls and Procedures ", included elsewhere in this Annual Report on Form 10- K, for details on our internal controls over financial reporting for recent acquisitions. **The selected pro forma financial information with respect to the Micro Focus Acquisition contained in our public disclosure record is presented for illustrative purposes only as of its respective dates and may not be indicative of our current financial condition or results of operations. The selected unaudited pro forma financial information was derived from the respective historical financial statements of the Company and Micro Focus, and certain adjustments and assumptions were made as of such dates to give effect to the Micro Focus Acquisition. The information upon which these adjustments and assumptions were made was preliminary and these kinds of adjustments and assumptions are difficult to make with complete accuracy. Accordingly, the combined business, assets, results of operations and financial condition may differ significantly from those indicated in the unaudited pro forma financial information, and such variations may negatively impact our financial condition, results of operations and the market price of our Common Shares.** Significant judgment is required in determining our provision for income taxes. Various internal and external factors may have favorable or unfavorable effects on our future provision for income taxes, income taxes receivable and our effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and / or rates, results of audits by tax authorities, changing interpretations of existing tax laws or regulations, changes in estimates of prior years ~~'~~**’** items, the impact of transactions we complete, future levels of research and development spending, changes in the valuation of our deferred tax assets and liabilities, transfer pricing adjustments, changes in the overall mix of income among the different jurisdictions in which we operate and changes in overall levels of income before **taxes. For instance, the provision for income taxes from the Tax Cuts and Jobs Act of 2017, which requires capitalization and amortization of research and development costs starting Fiscal 2023, have materially increased cash** taxes. Furthermore, new accounting pronouncements or new interpretations of existing accounting pronouncements, and / or any internal restructuring initiatives we may implement from time to time to streamline our operations, can have a material impact on our effective income tax rate. Tax examinations are often complex as tax authorities may disagree with the treatment of items reported by us and our transfer pricing methodology based upon our limited risk distributor model, the result of which could have a material adverse effect on our financial condition and results of operations. Although we believe our estimates are reasonable, the ultimate outcome with respect to the taxes we owe may differ from the amounts recorded in our financial statements, and this difference may materially affect our financial position and financial results in the period or periods for which such determination is made. ~~For more information~~ **The United Kingdom (UK) tax authorities have challenged certain historic tax filing positions of Micro Focus. Based** on **Micro Focus' assessment of the value of the underlying tax benefit under dispute, and as supported by external professional advice, it believed that it had no liability in respect of these matters and therefore no tax charge was recorded in current or previous periods. Although the Company, after closing of the Micro Focus Acquisition, believes that assessment is reasonable, no assurance can be made regarding the ultimate outcome of these matters. The Company is also subject to income taxes in numerous jurisdictions and significant judgment has been applied in determining its worldwide provision for income taxes, including historical Micro Focus matters related to the EU State Aid and UK tax authority challenge in respect of prior periods. The provision for income taxes may be impacted by various internal and external factors that could have favorable or unfavorable effects, including changes in tax laws, regulations and / or rates, results of audits, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, the impact of transactions completed, the structuring of activities undertaken, the application of complex transfer pricing rules, changes in the valuation of deferred tax assets and liabilities, and changes in overall mix and levels of income before taxes. Further, due to Micro Focus' complex acquisitive history, we could become subject to additional** tax audits ~~to~~ **in jurisdictions in** which we ~~are~~ **have not historically been** subject **to examination. As a result** , **our worldwide provision for income taxes and any ultimate tax liability may differ from the amounts initially recorded and such differences could have an adverse effect on the combined company' s financial condition and results of operations. For further details on certain tax matters relating to the Company** see Note 14 " Guarantees and Contingencies " and Note 15 " Income Taxes " to the Consolidated Financial Statements included in this Annual Report on Form 10- K. 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, ~~2022~~ **2023** , 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 $ ~~75~~ **76** million. As of June 30, ~~2022~~ **2023** , we have provisionally paid approximately $ ~~34~~ **33** 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, ~~2022~~ **2023** . 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 ~~any~~ 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 ~~also~~ audited Fiscal 2017 **and Fiscal 2018** 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. ~~In conjunction with the Fiscal 2017 audit, the CRA issued a proposal letter dated April 7, 2021 (Proposal Letter) indicating to us that it proposes to reassess our Fiscal 2017 tax year to reduce the depreciable basis of these assets. We have made extensive submissions in support of our position.~~ CRA’ s position for Fiscal 2017 **and Fiscal 2018** 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 **and Fiscal 2018** conflict with the expert valuation prepared by the independent leading accounting and advisory firm that was used to support our original filing position. **The** ~~On January 27, 2022, the~~ CRA issued ~~a notice~~ **notices** of reassessment in respect of Fiscal 2017 **and Fiscal 2018** on ~~the~~ **a** basis ~~of~~ **consistent with** its ~~position set forth in the Proposal~~ **proposal** ~~Letter~~ **to reduce the available depreciable basis of these assets in Canada** . On April 19, 2022, we filed our notice of objection regarding the reassessment in respect of Fiscal 2017 **and on March 15, 2023, we filed our notice of objection regarding the reassessment in respect of Fiscal 2018** . 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 and **Fiscal 2018 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 **and Fiscal 2018** due to the utilization of available tax attributes; however, to the extent the CRA reassesses subsequent fiscal years on a similar basis, we expect to make certain minimum payments required under Canadian legislation, which may need to be provisionally made starting in Fiscal 2024 while the matter is 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. The CRA is ~~currently~~ **auditing Fiscal 2019, and may reassess Fiscal 2019 on a similar basis as Fiscal 2017 and Fiscal 2018. The CRA is also** in preliminary stages of auditing Fiscal **2020** ~~2018 and Fiscal 2019~~ . For further details on these and other tax audits to which we are subject, see Note 14 “ Guarantees and Contingencies ” and Note 15 “ Income Taxes ” to the Consolidated Financial Statements included in this Annual Report on Form 10- K. Our business depends on the processing of personal data, including data transfer between our affiliated entities, to and from our business partners and customers, and with third- party service providers. The laws and regulations relating to personal data are constantly evolving, as federal, state and foreign governments continue to adopt new measures addressing data privacy and processing (including collection, storage, transfer, disposal and use) of personal data. Moreover, the interpretation and application of many existing or recently enacted privacy and data protection laws and regulations in the EU, **UK** ~~United Kingdom~~ , the U. S. and elsewhere are uncertain and fluid, and it is possible that such laws and regulations may be interpreted or applied in a manner that is inconsistent with our existing data management practices or the features of our products and services. Any such new laws or regulations, any changes to existing laws and regulations and any such interpretation or application may affect demand for our products and services, impact our ability to effectively transfer data across borders in support of our business operations or increase the cost of providing our products and services. Additionally, any actual or perceived breach of such laws or regulations may subject us to claims and may lead to administrative, civil or criminal liability, as well as reputational harm to our Company and our employees. We could also be required to fundamentally change our business activities and practices, or modify our products and services, which could have an adverse effect on our business. In the U. S., various laws and regulations apply to the collection, processing, transfer, disposal, unauthorized disclosure and security of personal data. For example, data protection laws passed by all states within the U. S. require notification to users when there is a security breach for personal data. Additionally, the Federal Trade Commission (FTC) and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, transfer and security of data. The U. S. Congress and state legislatures, along with federal regulatory authorities, have recently increased their attention to matters concerning personal data, and this has and may continue to result in new legislation which could increase the cost of compliance. For example, the California Consumer Privacy Act of 2018 ~~(CCPA)~~ came into effect on January 1, 2020 **and was subsequently amended by the California Privacy Rights Act, which took effect January 1, 2023 (the foregoing, collectively, the CCPA)** . The CCPA requires companies that process information of California residents to make new disclosures to consumers about their data collection, use and sharing practices, allows consumers to access and request deletion of their data and opt out of certain data sharing with third parties and provides a new private right of action for data breaches. Violations of the CCPA are enforced by the California Attorney General with sizeable civil penalties, particularly for violations that impact large numbers of consumers. **The** ~~Further, in November 2020, California voters passed the California Privacy Rights and Enforcement Act of 2020 (CPRA), which significantly modifies the~~ CCPA **also** ~~with additional data privacy compliance requirements, expands consumers' rights with respect to certain sensitive personal information and~~ establishes a regulatory agency dedicated to enforcing the requirements of the CCPA ~~and CPRA~~ . **Comprehensive privacy laws in Colorado, Connecticut** ~~It remains unclear how various provisions of the CCPA~~ and **Virginia also came** ~~CPRA will be interpreted and enforced when CPRA comes~~ into effect in ~~most material respects on January 1,~~ 2023. ~~Virginia~~ **Indiana** , ~~Colorado~~ **Iowa** , **Montana, Tennessee, Texas and** Utah ~~and Connecticut~~ have similarly ~~passed~~ **enacted** broad laws relating to privacy, data protection and information security **that will come into effect in the next few years, and Delaware and Oregon have passed comprehensive privacy laws that are awaiting enactment** , further complicating our privacy compliance obligations through the introduction of increasingly disparate requirements across the various U. S. jurisdictions in which we operate. In addition to government regulation, privacy advocacy and industry groups may propose new and different self- regulatory standards that either legally or contractually apply to us or our clients. Some of our operations are subject to the EU' s General Data Protection Regulation (the EU GDPR), which took effect from May 25, 2018, the General Data Protection Regulation as it forms part of retained EU law in the **UK** ~~United Kingdom~~ by virtue of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc **.**) (EU Exit) Regulations 2019 (SI 2019 / 419) (the UK GDPR, and together with the EU GDPR, the GDPR), and the UK Data Protection Act 2018. The GDPR imposes a number of obligations for subject companies, and we will need to continue dedicating financial resources and management time to GDPR compliance. The GDPR enhances the obligations placed on companies that control or process personal data including, for example, expanded disclosures about how personal data is to be used, mechanisms for obtaining consent from data subjects, controls for data subjects with respect to their personal data (including by enabling them to exercise rights to erasure and data portability), limitations on retention of personal data and mandatory data breach notifications. Additionally, the GDPR places companies under obligations relating to data transfers and the security of the personal data they process. The GDPR provides that supervisory authorities in the EU and the **UK** ~~United Kingdom~~ may impose administrative fines for certain infringements of the GDPR of up to EUR 20, 000, 000 under the EU GDPR (or GBP 17, 500, 000 under the UK GDPR), or 4 % of an undertaking' s total, worldwide, annual turnover of the preceding financial year, whichever is higher. Individuals who have suffered damage as a result of a subject company' s non- compliance with the GDPR also have the right to seek compensation from such company. Given the breadth of the GDPR, compliance with its requirements is likely to continue to require significant expenditure of resources on an ongoing basis, and there can be no assurance that the measures we have taken for the purposes of compliance will be successful in preventing violation of the GDPR. Given the potential fines, liabilities and damage to our reputation in the event of an actual or perceived violation of the GDPR, such a violation may have a material adverse effect on our business and operations. In addition, the GDPR restricts transfers of personal data outside of the European ~~Economical~~ -- **Economic** Area (EEA) and the **UK** ~~United Kingdom~~ to third countries deemed to lack adequate privacy protections unless an appropriate safeguard is implemented. In light of the July 2020 decision of the Court of Justice of the European Union in Data Protection Commissioner vs Facebook Ireland Limited and Maximillian Schrems (C- 311 / 118) (Schrems II) invalidating the EU- U. S. Privacy Shield Framework **and the Irish Data Protection Authority' s May 2023 decision to impose a fine of € 1. 2 billion on Meta Platforms, Inc. (Meta) regarding Meta' s transfers of personal data to the U. S.** , there is potential uncertainty with respect to the legality of certain transfers of personal data from the European Economic Area (EEA) and the **UK** ~~United Kingdom~~ to so- called " third countries " outside the EEA, including the U. S. and Canada. In addition to the increased legal risk in the event of any such transfers, additional costs might also need to be incurred in order to implement necessary safeguards to comply with GDPR. While the Court of Justice of the **EU** ~~European Union~~ upheld the adequacy of the old standard contractual clauses (SCCs), a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, it made clear that reliance on them alone may not necessarily be sufficient in all circumstances. In June 2021, the European Commission issued new SCCs that must be used for relevant new data transfers, and existing SCCs must be migrated to the new SCCs by December 27, 2022. At the same time, the **UK** ~~United Kingdom~~ ' s Information Commissioner' s Office released two new agreements governing international data transfers out of the **UK** ~~United Kingdom~~ that can be used from March 21, 2022: the International Data Transfer Agreement (IDTA) and the Data Transfer Addendum (Addendum). All existing contracts and any new contracts signed before September 21, 2022 can continue to use the old SCCs until March 21, 2024, after which the old SCCs must be replaced by either the IDTA or the Addendum in conjunction with the new SCCs. All contracts signed after September 21, 2022 must use either the IDTA or the Addendum in conjunction with the new SCCs. Additionally, on March 25, 2022, the U. S. and European Commission announced that they had agreed in principle to a new " Trans- Atlantic Data Privacy Framework " **(the TDPF** to enable trans- Atlantic data flows and address the concerns raised in the Schrems II decision. **To implement the commitments of the U. S. under the TDPF, in October 2022, President Biden signed an Executive Order on Enhancing Safeguards for the United States Signals Intelligence Activities (the Executive Order). This subsequently prompted the European Commission to formally launch the process to adopt an adequacy decision based on the Executive Order in December 2022, and the adequacy decision was adopted on July 10, 2023. However, the TDPF is likely to be subject to legal challenges and may be struck down by the EU courts.** Outside of the U. S., the EU and the **UK** ~~United Kingdom~~ , many jurisdictions have adopted or are adopting new data privacy laws that may impose further onerous compliance requirements, such as data localization, which prohibits companies from storing and / or processing outside the jurisdiction data relating to resident individuals. The proliferation of such laws within the jurisdictions in which we operate may result in conflicting and contradictory requirements, particularly in relation to evolving technologies such as cloud computing **and AI** . Any failure to successfully navigate the changing regulatory landscape could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, results of operations and financial condition. Privacy- related claims or lawsuits initiated by governmental bodies, customers or other third parties, whether meritorious or not, could be time consuming, result in costly regulatory proceedings, litigation, penalties, fines, or other potential liabilities, or require us to change our business practices, sometimes in expensive ways. Unfavorable publicity regarding our privacy practices could damage our reputation, harm our ability to keep existing customers or attract new customers or otherwise adversely affect our business, assets, revenue and brands. Because of the nature of certain of our products, including those relating to digital investigations, potential customers and purchasers of our products or the general public may perceive that the use of these products results in violations of individual privacy rights. In addition, certain courts or regulatory authorities could determine that the use of our software solutions or other products is a violation of privacy laws, particularly in jurisdictions outside of the ~~United States~~ **U. S** . Any such determination or perception by potential customers and purchasers, the general public, government entities or the judicial system could harm our reputation and adversely affect our revenues **and results of operations. AI and other machine learning technology is being integrated into some of our products, systems or solutions, which could present risks and challenges to our business AI and other machine learning technology is being integrated into some of our products, systems or solutions and could be a significant factor in future offerings. While AI can present significant benefits, it can also present risks and challenges to our business. Data sourcing, technology, integration and process issues, program bias into decision- making algorithms, security challenges and the protection of personal privacy could impair the adoption and acceptance of AI. If the output from AI in our products, systems or solutions are deemed to be inaccurate or questionable, or if the use of AI does not operate as anticipated or perform as promised, our business and reputation may be harmed. As the adoption of AI quickens, we expect competition to intensify and additional companies may enter our markets offering similar products, systems or solutions. We may not be able to compete effectively with our competitors and our strategy to integrate AI and other machine learning technology into our products, systems or solutions may also not be accepted by our customers or by other businesses in the marketplace. The integration of AI may also expose us to risks regarding intellectual property ownership and license rights, particularly if any copyrighted material is embedded in training models. The use of copyrighted materials in AI and other machine learning technology has not been fully interpreted by federal, state, or international courts and the regulatory framework for AI continues to evolve and remains uncertain. It is possible that new laws and regulations will be adopted in the jurisdictions in which we operate, or existing laws and regulations may be interpreted in new ways, that would affect the way in which AI and other machine learning technology is used in our products, systems or solutions. Further, the cost to comply with such laws or regulations, including court decisions, could be significant. The risks and challenges associated with integrating AI and other machine learning technology into our products, systems and solutions could adversely affect our business, financial condition** and results of operations. Through our acquisitions, we have assumed certain unfunded pension plan liabilities. We will be required to use the operating cash flow that we generate in the future to meet these obligations. As a result, our future net pension liability and cost may be materially affected by the discount rate used to measure these pension obligations and by the longevity and actuarial profile of the relevant workforce. A change in the discount rate may result in a significant increase or decrease in the valuation of these pension obligations, and these changes may affect the net periodic pension cost in the year the change is made and in subsequent years. We cannot assure that we will generate sufficient cash flow to satisfy these obligations. Any inability to satisfy these pension obligations may have a material adverse effect on the operational and financial health of our business. For more information on our pension obligations, see Note 12 " Pension Plans and Other Post Retirement Benefits " to the Consolidated Financial Statements included in this Annual Report on Form 10- K. Our Consolidated Financial Statements are presented in U. S. dollars. In general, the functional currency of our subsidiaries is the local currency. For each subsidiary, assets and liabilities denominated in foreign currencies are translated into U. S dollars at the exchange rates in effect at the balance sheet dates and revenues and expenses are translated at the average exchange rates prevailing during the month of the transaction. Therefore, increases or decreases in the value of the U. S. dollar against other major currencies affect our net operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. In addition, unexpected and dramatic devaluations of currencies in developing, as well as developed, markets could negatively affect our revenues from, and the value of the assets located in, those markets. Transactional foreign currency gains (losses) are included in the Consolidated Statements of Income under the line item " Other income (expense) net. " See Item 8. Financial Statements and Supplementary Data. While we use derivative financial instruments to attempt to reduce our net exposure to currency exchange rate fluctuations, fluctuations in foreign currency exchange rates, particularly the strengthening of the U. S. dollar against major currencies or the currencies of large developing countries, could materially affect our financial results. These risks and their potential impacts may be exacerbated by the ~~ongoing COVID- 19 pandemic, the~~ Russia- Ukraine conflict and any policy changes, including those resulting from trade and tariff disputes. See " ~~The COVID- 19 pandemic has and may continue to further negatively affect our business, operations and financial performance " and "~~ Geopolitical instability, political unrest, war and other global conflicts, including the Russia- Ukraine conflict, has affected and may continue to affect our business. " ~~Our~~ **We have a significant amount of indebtedness outstanding following closing the Micro Focus Acquisition. As of June 30, 2023, we had $ 9. 1 billion of total indebtedness. This level of indebtedness could have important consequences to our business, including, but not limited to: • increasing our** debt service obligations ~~could have~~ **, making it more difficult for us to satisfy our obligations; • limiting our ability to borrow additional funds for working capital, capital expenditures, acquisitions** ~~an~~ **and other general purposes and increasing the cost of any such borrowing; • increasing our vulnerability to, and reducing our flexibility to respond to, general** adverse ~~effect~~ **economic and industry conditions; • expose us to fluctuations in the interest rate environment because the interest rates under our credit facilities are variable; • require us to dedicate a substantial portion of our cash flow from operations to make payments** on our ~~earnings and cash flows for as long as the~~ indebtedness ~~is outstanding~~ , **thereby reducing** ~~which could reduce~~ the availability of our cash flow to fund working capital,

capital expenditures, acquisitions **, dividends** and other general corporate purposes **; • limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • potentially placing us at a competitive disadvantage as compared to certain of our competitors that are not as highly leveraged; • increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing; and • restricting us from pursuing certain business opportunities, including other acquisitions** . As of June 30, ~~2022~~ **2023** , our credit facilities consisted of a **$ 3. 585 billion term loan (Acquisition Term Loan),** $ 1. 0 billion term loan facility (Term Loan B) and a $ 750 million committed revolving credit facility (the Revolver). Borrowings under **our credit facilities** ~~Term Loan B and the Revolver, if any,~~ are ~~or will be~~ secured by a first charge over substantially all of our assets, which security interests may limit our financial flexibility. Repayments made under **the Acquisition Term Loan and** Term Loan B are equal to 0. 25 % of the original principal amount in equal quarterly installments for the life of **such loans** ~~Term Loan B~~ , with the remainder due at maturity. ~~As of June 30, 2022, we had no outstanding balance under the Revolver.~~ The terms of **the Acquisition Term Loan,** Term Loan B and ~~the~~ Revolver include customary restrictive covenants that impose operating and financial restrictions on us, including restrictions on our ability to take actions that could be in our best interests. These restrictive covenants include certain limitations on our ability to make investments, loans and acquisitions, incur additional debt, incur liens and encumbrances, consolidate, amalgamate or merge with any other person, dispose of assets, make certain restricted payments, including a limit on dividends on equity securities or payments to redeem, repurchase or retire equity securities or other indebtedness, engage in transactions with affiliates, materially alter the business we conduct, and enter into certain restrictive agreements. **The Acquisition Term Loan,** Term Loan B and ~~the~~ Revolver includes a financial covenant relating to a maximum consolidated net leverage ratio, which could restrict our operations, particularly our ability to respond to changes in our business or to take specified actions. Our failure to comply with any of the covenants that are included in **the Acquisition Term Loan,** Term Loan B and ~~the~~ Revolver could result in a default under the terms thereof, which could permit the lenders thereunder to declare all or part of any outstanding borrowings to be immediately due and payable. As of June 30, ~~2022~~ **2023** , we also have **$ 1. 0 billion in aggregate principal amount of 6. 90 % Senior Secured Notes due 2027 (Senior Secured Notes 2027),** $ 900 million in aggregate principal amount of 3. 875 % Senior Notes due 2028 (Senior Notes 2028), $ 850 million in aggregate principal amount of 3. 875 % Senior Notes due 2029 (Senior Notes 2029), $ 900 million in aggregate principal amount of 4. 125 % Senior Notes due 2030 (Senior Notes 2030) and $ 650 million in aggregate principal amount of our 4. 125 % senior unsecured notes due 2031 (Senior Notes 2031 and, together with the Senior **Secured Notes due 2027, Senior** Notes 2028, Senior Notes 2029 and Senior Notes 2030, the Senior Notes) outstanding, respectively issued in private placements to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain persons in offshore transactions pursuant to Regulation S under the Securities Act. Our failure to comply with any of the covenants that are included in the indentures governing the Senior Notes could result in a default under the terms thereof, which could result in all or a portion of the Senior Notes to be immediately due and payable ~~. Our Term Loan B and Revolver have variable rates of interest, which will increase our cost of borrowing during times of rising interest rates. Also, some of our variable rates of interest use London Inter-Bank Offered Rate (LIBOR) as a benchmark. After December 31, 2021, all CHF and EUR LIBOR settings, the one- week and two- month USD LIBOR settings and the overnight / spot next, one- week, two- month and twelve- month GBP and JPY LIBOR settings have ceased to be published and the remaining USD LIBOR settings will either cease to be provided by any administrator or no longer continue to be representative after June 30, 2023. As a result, any financial instruments or agreements using LIBOR as a benchmark interest rate may be adversely affected. This discontinuance of LIBOR may exacerbate the risk to us of increased interest rates, and our business, prospects, financial condition and results of operations could be materially adversely affected. Although our Term Loan B and Revolver include mechanics to facilitate the adoption by us and our lenders of an alternative benchmark rate in place of LIBOR, no assurance can be made that such alternative rate will perform in a manner similar to LIBOR and may result in interest rates that are higher or lower than those that would have resulted had LIBOR remained in effect~~ . The risks discussed above would be increased to the extent that we engage in **additional** acquisitions that involve the incurrence of material additional debt, or the acquisition of businesses with material debt, and such incurrences or acquisitions could potentially negatively impact the ratings or outlook of the rating agencies on our outstanding debt securities and the market price of our common shares. For more information on our indebtedness, see Note 11 " Long- Term Debt " to the Consolidated Financial Statements included in this Annual Report on Form 10- K. We experience significant fluctuations in revenues and operating results caused by many factors, including: • ~~Impact of the ongoing COVID- 19 pandemic and actual or potential resurgences on our business and on general economic and business conditions, including any potential recession; •~~ Changes in the demand for our software products and services and for the products and services of our competitors; • The introduction or enhancement of software products and services by us and by our competitors; • Market acceptance of our software products, enhancements and / or services; • Delays in the introduction of software products, enhancements and / or services by us or by our competitors; • Customer order deferrals in anticipation of upgrades and new software products; • Changes in the lengths of sales cycles; • Changes in our pricing policies or those of our competitors; • Delays in software product implementation with customers; • Change in the mix of distribution channels through which our software products are licensed; • Change in the mix of software products and services sold; • Change in the mix of international and North American revenues; • Changes in foreign currency exchange rates ~~, LIBOR~~ and ~~other~~ applicable interest rates ~~(including the expected replacement of LIBOR as a benchmark rate)~~ ; • Fluctuations in the value of our investments related to certain investment funds in which we are a limited partner: • Acquisitions and the integration of acquired businesses; • Restructuring charges taken in connection with any completed acquisition or otherwise; • Outcome and impact of tax audits and other contingencies; • Investor perception of our Company; • Changes in earnings estimates by securities analysts and our ability to meet those estimates; • Changes in laws and regulations affecting our business, including data privacy and cybersecurity laws and regulations; • Changes in general economic and business conditions, including the impact of **any potential recession, or** ~~the COVID- 19~~

~~pandemic and the resulting~~ direct and indirect supply chain disruptions and ~~global micro- chip~~ shortages; and • Changes in general political developments, international trade policies and policies taken to stimulate or to preserve national economies. A general weakening of the global economy ~~or~~ **,** a continued weakening of the economy in a particular region ~~or~~ **,** economic or business uncertainty **or changes in political developments, trade policies or policies implemented to stimulate or preserve economies** could result in the cancellation of or delay in customer purchases. A cancellation or deferral of even a small number of license sales or services or delays in the implementation of our software products could have a material adverse effect on our business, operating results and financial condition. As a result of the timing of software product and service introductions and the rapid evolution of our business as well as of the markets we serve, we cannot predict whether patterns or trends experienced in the past will continue. For these reasons, you should not rely upon period- to- period comparisons of our financial results to forecast future performance. Our revenues and operating results may vary significantly, and this possible variance could materially reduce the market price of our Common Shares. The market price of our Common Shares and credit ratings of our outstanding debt securities are subject to fluctuations. Such fluctuations in market price or credit ratings may continue in response to: (i) quarterly and annual variations in operating results; (ii) announcements of technological innovations or new products or services that are relevant to our industry; (iii) changes in financial estimates by securities analysts; (iv) changes to the ratings or outlook of our outstanding debt securities by rating agencies; (v) impacts of **general** ~~the COVID- 19 pandemic and related~~ economic **and market** conditions or (vi) other events or factors **(including those events or factors noted in this Part I, Item 1A " Risk Factors " or in Part I, " Forward- Looking Statements " of this Annual Report on 10- K)** . In addition, financial markets experience significant price and volume fluctuations that particularly affect the market prices of equity securities of many technology companies in particular due to concerns about increasing interest rates, rising inflation or any potential recession. These fluctuations have often resulted from the failure of such companies to meet market expectations in a particular quarter, and thus such fluctuations may or may not be related to the underlying operating performance of such companies. Broad market fluctuations or any failure of our operating results in a particular quarter to meet market expectations may adversely affect the market price of our Common Shares or the credit ratings of our outstanding debt securities. Additionally, short sales, hedging and other derivative transactions in our Common Shares and technical factors in the public trading market for our Common Shares may produce price movements that may or may not comport with macro, industry or company- specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites), the amount and status of short interest in our Common Shares, access to margin debt, trading in options and other derivatives on our Common Shares and other technical trading factors. Occasionally, periods of volatility in the market price of a company ~~'~~ **'** s securities may lead to the institution of securities class action litigation against a company. If we are subject to such volatility in our market price, we may be the target of such securities litigation in the future. Such legal action could result in substantial costs to defend our interests and a diversion of management ~~'~~ **'** s attention and resources, each of which would have a material adverse effect on our business and operating results. We incur operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses are relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described herein or it may be due to other factors) could cause significant variations in operating results from quarter to quarter and could materially reduce operating income. If these expenses are not subsequently matched by revenues, our business, financial condition, or results of operations could be materially and adversely affected. Our revenues and particularly our new software license revenues are difficult to forecast, and, as a result, our quarterly operating results can fluctuate substantially. Sales forecasts may be particularly inaccurate or unpredictable given **general economic and market factors** ~~the extraordinary nature of the COVID- 19 pandemic~~ . We use a " pipeline " system, a common industry practice, to forecast sales and trends in our business. By reviewing the status of outstanding sales proposals to our customers and potential customers, we make an estimate as to when a customer will make a purchasing decision involving our software products. These estimates are aggregated periodically to make an estimate of our sales pipeline, which we use as a guide to plan our activities and make internal financial forecasts. Our sales pipeline is only an estimate and may be an unreliable predictor of actual sales activity, both in a particular quarter and over a longer period of time. Many factors may affect actual sales activity, such as weakened economic conditions, including as a result of any potential recession, which may cause our customers and potential customers to delay, reduce or cancel information technology- related purchasing decisions, our decision to increase prices in response to rising inflation, and the tendency of some of our customers to wait until the end of a fiscal period in the hope of obtaining more favorable terms from us. If actual sales activity differs from our pipeline estimate, then we may have planned our activities and budgeted incorrectly, and this may adversely affect our business, operating results and financial condition. In addition, for newly acquired companies, we have limited ability to immediately predict how their pipelines will convert into sales or revenues following the acquisition and their conversion rate post- acquisition may be quite different from their historical conversion rate. **Our international operations expose us to business, political and economic risks that could cause our operating results to suffer** We **have significantly increased, and** intend to continue to make efforts to increase **,** our international operations and anticipate that international sales will continue to account for a significant portion of our revenues. These international operations are subject to certain risks and costs, including the difficulty and expense of administering business and compliance abroad, differences in business practices, compliance with domestic and foreign laws (including without limitation domestic and international import and export laws and regulations and the Foreign Corrupt Practices Act, including potential violations by acts of agents or other intermediaries), costs related to localizing products for foreign markets, costs related to translating and distributing software products in a timely manner, costs related to increased financial accounting and reporting burdens and complexities, longer sales and collection cycles for accounts receivables, failure of laws or courts to protect our intellectual property rights adequately, local competition, and economic or political instability and uncertainties, including inflation, recession, interest rate fluctuations and actual or anticipated military or geopolitical conflicts. International operations also tend to be subject to a longer sales and collection cycle. In addition, regulatory limitations regarding the repatriation of earnings may adversely affect the transfer of cash earned from international operations. Significant international sales may also expose us to greater risk from political and economic instability, unexpected changes in Canadian, ~~United States~~ **U. S.** or other governmental policies concerning import and export of goods and technology, regulatory requirements, tariffs and other trade barriers. Additionally, international earnings may be subject to taxation by more than one jurisdiction, which may materially adversely affect our effective tax rate. Also, international expansion may be difficult, time consuming and costly. These risks and their potential impacts may be exacerbated by the ~~ongoing COVID- 19 pandemic and the~~ Russia- Ukraine conflict. See ~~" The COVID- 19 pandemic has and may continue to further negatively affect our business, operations and financial performance " and~~ " Geopolitical instability, political unrest, war and other global conflicts, including the Russia- Ukraine conflict, has affected and may continue to affect our business " As a result, if revenues from international operations do not offset the expenses of establishing and maintaining international operations, our business, operating results and financial condition will suffer. From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time- consuming, divert management ~~'~~ **'** s attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on our business, operating results or financial condition. We have adopted a policy to declare non-cumulative quarterly dividends on our Common Shares. The declaration, payment and amount of any dividends will be made pursuant to our dividend policy and is subject to final determination each quarter by our Board of Directors in its discretion based on a number of factors that it deems relevant, including our financial position, results of operations, available cash resources, cash requirements and alternative uses of cash that our Board of Directors may conclude would be in the best interest of our shareholders. Our dividend payments are subject to relevant contractual limitations, including those in our existing credit agreements and to solvency conditions established by the Canada Business Corporations Act (CBCA), the statute under which we are incorporated. Accordingly, there can be no assurance that any future dividends will be equal or similar in amount to any dividends previously paid or that our Board of Directors will not decide to reduce, suspend or discontinue the payment of dividends at any time in the future. Our overall performance depends in part on worldwide economic conditions. Certain economies have experienced periods of downturn as a result of a multitude of factors, including, but not limited to, turmoil in the credit and financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, increases in unemployment, volatility in commodity prices and worldwide stock markets, excessive government debt, disruptions to global trade or tariffs, inflation, higher interest rates and risks of recession **and global health pandemics** . The severity and length of time that a downturn in economic and financial market conditions may persist, as well as the timing, strength and sustainability of any recovery from such downturn, are unknown and are beyond our control. Recently, the ~~COVID- 19 pandemic, the~~ Russia- Ukraine conflict, the inflationary environment **and** ~~, as well as any~~ policy changes resulting from trade and tariff disputes ~~,~~ have raised additional concerns regarding economic uncertainties. Moreover, any instability in the global economy affects countries in different ways, at different times and with varying severity, which makes the impact to our business complex and unpredictable. During such downturns, many customers may delay or reduce technology purchases. Contract negotiations may become more protracted, or conditions could result in reductions in the licensing of our software products and the sale of cloud and other services, longer sales cycles, pressure on our margins, difficulties in collection of accounts receivable or delayed payments, increased default risks associated with our accounts receivables, slower adoption of new technologies and increased price competition. In addition, deterioration of the global credit markets could adversely impact our ability to complete licensing transactions and services transactions, including maintenance and support renewals. Any of these events, as well as a general weakening of, or declining corporate confidence in, the global economy, or a curtailment in government or corporate spending, could delay or decrease our revenues and therefore have a material adverse effect on our business, operating results and financial condition. **Stress in** ~~For more information regarding~~ the ~~impact of COVID- 19 on our business and~~ global **financial system** ~~economic conditions, see " The COVID- 19 pandemic has and~~ may **adversely** ~~continue to further negatively~~ affect our ~~business,~~ **finances and** operations ~~and financial performance " and " The impact of the COVID- 19 pandemic continues to create significant uncertainty~~ in ~~the global economy and~~ **ways that may be hard to predict** ~~for~~ - **or to defend against** ~~our business, operations and financial performance. "~~ Financial developments seemingly unrelated to us or to our industry may adversely affect us over the course of time. For example, material increases in ~~LIBOR or other~~ applicable interest rate benchmarks may increase the interest expense for our credit facilities such as ~~our~~ **the Acquisition Term Loan,** Term Loan B and ~~the~~ Revolver that have variable rates of interest ~~, some of which use LIBOR as a benchmark. After December 31, 2021, all CHF and EUR LIBOR settings, the one- week and two- month USD LIBOR settings and the overnight / spot next, one- week, two- month and twelve- month GBP and JPY LIBOR settings have ceased to be published and the remaining USD LIBOR settings will either cease to be provided by any administrator or no longer continue to be representative after June 30, 2023. As a result, any financial instruments or agreements using LIBOR as a benchmark interest rate may be adversely affected. Furthermore, we may need to amend our variable rate debt agreements to replace LIBOR with a new reference rate. The U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee (ARRC), a steering committee comprised of large U. S. financial institutions has settled on the establishment of Secured Overnight Financing Rate (SOFR), a new index calculated by short term repurchase agreements backed by Treasury securities, as its recommended alternative to U. S. dollar LIBOR. Although our Term Loan B and Revolver include mechanics to facilitate the adoption by us and our lenders of an alternative benchmark rate in place of LIBOR, no assurance can be made that such alternative rate will perform in a manner similar to LIBOR and may result in interest rates that are higher or lower than those that would have resulted had LIBOR remained in effect~~ . Credit contraction in financial markets may hurt our ability to access credit in the event that we identify an acquisition opportunity or require significant access to credit for other reasons. Similarly, volatility in the market price of our Common Shares due to seemingly unrelated financial developments, such as a recession, inflation or an economic slowdown in the ~~United States~~ **U. S.** or internationally, could hurt our ability to raise capital for the financing of acquisitions or other reasons. Potential price inflation caused by an excess of liquidity in countries where we conduct business may increase the cost we incur to provide our solutions and may reduce profit margins on agreements that govern the licensing of our software products and / or the sale of our services to customers over a multi- year period. A reduction in credit, combined with reduced economic activity, may adversely affect businesses and industries that collectively constitute a significant portion of our customer base such as the public sector. As a result, these customers may need to reduce their licensing of our software products or their purchases of our services, or we may experience greater difficulty in receiving payment for the licenses and services that these customers purchase from us. In addition, inflation is often accompanied by higher interest rates, which may cause additional economic fluctuation. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on our business, operating results and financial condition.