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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

ORACLE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
As of August 31, 2023 and May 31, 2023
(Unaudited)

(in millions, except per share data)	August 31, 2023	May 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,613	\$ 9,765
Marketable securities	470	422
Trade receivables, net of allowances for credit losses of \$445 and \$428 as of August 31, 2023 and May 31, 2023, respectively	6,519	6,915
Prepaid expenses and other current assets	3,564	3,902
Total current assets	<u>22,166</u>	<u>21,004</u>
Non-current assets:		
Property, plant and equipment, net	17,644	17,069
Intangible assets, net	9,074	9,837
Goodwill, net	62,206	62,261
Deferred tax assets	12,243	12,226
Other non-current assets	13,329	11,987
Total non-current assets	<u>114,496</u>	<u>113,380</u>
Total assets	<u><u>\$ 136,662</u></u>	<u><u>\$ 134,384</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and other borrowings, current	\$ 4,499	\$ 4,061
Accounts payable	1,034	1,204
Accrued compensation and related benefits	1,818	2,053
Deferred revenues	11,120	8,970
Other current liabilities	6,886	6,802
Total current liabilities	<u>25,357</u>	<u>23,090</u>
Non-current liabilities:		
Notes payable and other borrowings, non-current	84,442	86,420
Income taxes payable	11,201	11,077
Deferred tax liabilities	5,281	5,772
Other non-current liabilities	7,540	6,469
Total non-current liabilities	<u>108,464</u>	<u>109,738</u>
Commitments and contingencies		
Oracle Corporation stockholders' equity:		
Preferred stock, \$0.01 par value—authorized: 1.0 shares; outstanding: none	—	—
Common stock, \$0.01 par value and additional paid in capital—authorized: 11,000 shares; outstanding: 2,739 shares and 2,713 shares as of August 31, 2023 and May 31, 2023, respectively	30,295	30,215
Accumulated deficit	(26,428)	(27,620)
Accumulated other comprehensive loss	(1,497)	(1,522)
Total Oracle Corporation stockholders' equity	<u>2,370</u>	<u>1,073</u>
Noncontrolling interests	471	483
Total stockholders' equity	<u>2,841</u>	<u>1,556</u>
Total liabilities and stockholders' equity	<u><u>\$ 136,662</u></u>	<u><u>\$ 134,384</u></u>

See notes to condensed consolidated financial statements.

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ORACLE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended August 31, 2023 and 2022
(Unaudited)

(in millions, except per share data)	Three Months Ended August 31,	
	2023	2022
Revenues:		
Cloud services and license support	\$ 9,547	\$ 8,417
Cloud license and on-premise license	809	904
Hardware	714	763
Services	1,383	1,361
Total revenues	12,453	11,445
Operating expenses:		
Cloud services and license support ⁽¹⁾	2,179	1,735
Hardware ⁽¹⁾	219	249
Services ⁽¹⁾	1,212	1,053
Sales and marketing ⁽¹⁾	2,026	2,177
Research and development	2,216	2,093
General and administrative	393	411
Amortization of intangible assets	763	919
Acquisition related and other	11	41
Restructuring	138	144
Total operating expenses	9,157	8,822
Operating income	3,296	2,623
Interest expense	(872)	(787)
Non-operating expenses, net	(49)	(180)
Income before income taxes	2,375	1,656
Benefit from (provision for) income taxes	45	(108)
Net income	\$ 2,420	\$ 1,548
Earnings per share:		
Basic	\$ 0.89	\$ 0.58
Diluted	\$ 0.86	\$ 0.56
Weighted average common shares outstanding:		
Basic	2,728	2,685
Diluted	2,823	2,747

⁽¹⁾ Exclusive of amortization of intangible assets, which is shown separately.

See notes to condensed consolidated financial statements.