



opentext™

Investor Presentation

NASDAQ: OTEX | TSX: OTEX

August 5, 2021

Safe Harbor Statement

This presentation may contain forward-looking statements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and created under the Securities Act of 1933, as amended (the Securities Act), and the Securities Exchange Act of 1934, as amended, the Securities Act (Ontario) and Canadian securities legislation in each of the provinces of Canada. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. When we use words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “may,” “could,” “would”, “will” and variations of these words or similar expressions, we do so to identify forward-looking statements. In addition, any statements that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements, and are based on our current expectations, forecasts and projections about the operating environment, economies and markets in which we operate. Forward-looking statements reflect our current estimates, beliefs and assumptions, which are based on management’s perception of historic trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. These forward-looking statements are based on certain assumptions and involve known and unknown risks as well as uncertainties, which include actual and potential risks and uncertainties relating to the ultimate spread of COVID-19, the severity of the disease and the duration of the COVID-19 pandemic and issues relating to the resurgence of COVID-19 and/or new strains of COVID-19. The actual results that we achieve may differ materially from any forward-looking statements, which reflect management's current expectations and projections about future results only as of the date hereof. We undertake no obligation to revise or publicly release the results of any revisions to these forward-looking statements. A number of factors may materially affect our business, financial condition, operating results and prospects. For additional information with respect to risks and other factors which could occur, see our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission and other securities regulators. Any one of these factors may cause our actual results to differ materially from recent results or from our anticipated future results. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made.

Q4 and Fiscal 2021 Financial Results

Q4 and Fiscal 2021 Financial Highlights

with Y/Y comparisons

Q4 FY'21

Total Revenues	\$893.5M	▲ 8.1% ▲ 4.0% in CC ⁽¹⁾
ARR ⁽²⁾	\$694.4M 78% of total revenues	▲ 5.6% ▲ 2.2% in CC
Cloud Revenues	\$360.2M	▲ 8.3% ▲ 6.0% in CC
A-EBITDA ⁽³⁾	\$314.8M 35.2% (margin)	▼ (0.8)% ▼ (3.5)% in CC
Non-GAAP Earnings Per Share ⁽³⁾	\$0.80	0.0% ▼ (2.5)% in CC
Free Cash Flows ⁽³⁾	\$268.8M	▲ 2.4%

Fiscal 2021

Total Revenues	\$3.39B	▲ 8.9% ▲ 6.3% in CC
ARR ⁽²⁾	\$2.74B 81% of total revenues	▲ 12.7% ▲ 10.4% in CC
Cloud Revenues	\$1.41B	▲ 21.6% ▲ 20.0% in CC
A-EBITDA ⁽³⁾	\$1.32B 38.8% (margin)	▲ 14.5% ▲ 11.3% in CC
Non-GAAP Earnings Per Share ⁽³⁾	\$3.39	▲ 17.3% ▲ 13.5% in CC
Free Cash Flows ⁽³⁾ (Includes IRS settlement payment of \$299.6M)	\$812.4M	▼ (7.9)%

1. CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.

2. Annual recurring revenue (ARR) is defined as the sum of cloud services and subscriptions revenue and customer support revenue.

3. Please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation and "Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.

FY'21 Organic Growth⁽¹⁾

**Cloud Revenue
Organic Growth**

3.2%

**ARR
Organic Growth**

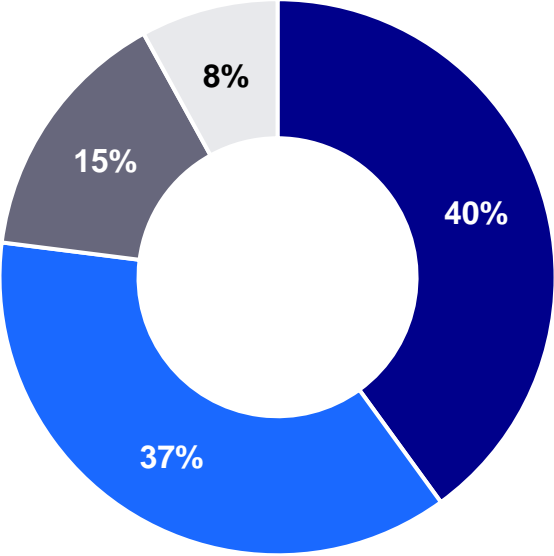
2.7%

**Total Revenue
Organic Growth**

0.5%

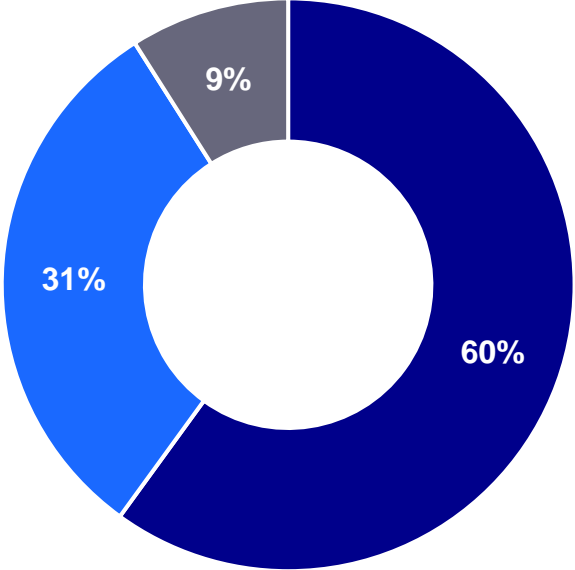
Q4 FY'21 Revenue Breakdown

Total Revenue Mix



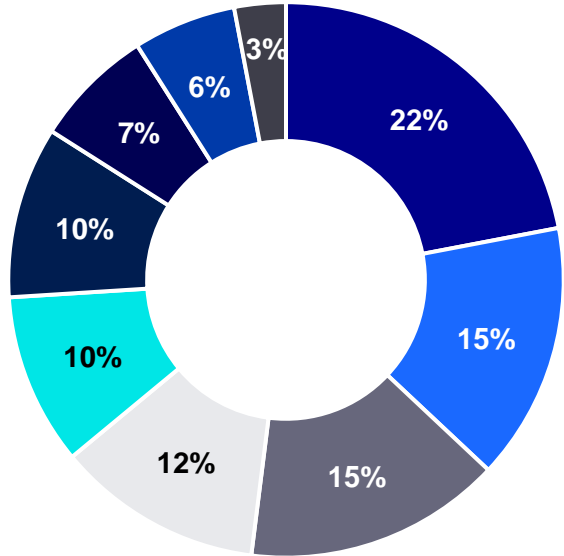
- Cloud Services & Subscriptions
- Customer Support
- License
- Professional Service & Other

Total Revenue by Geography



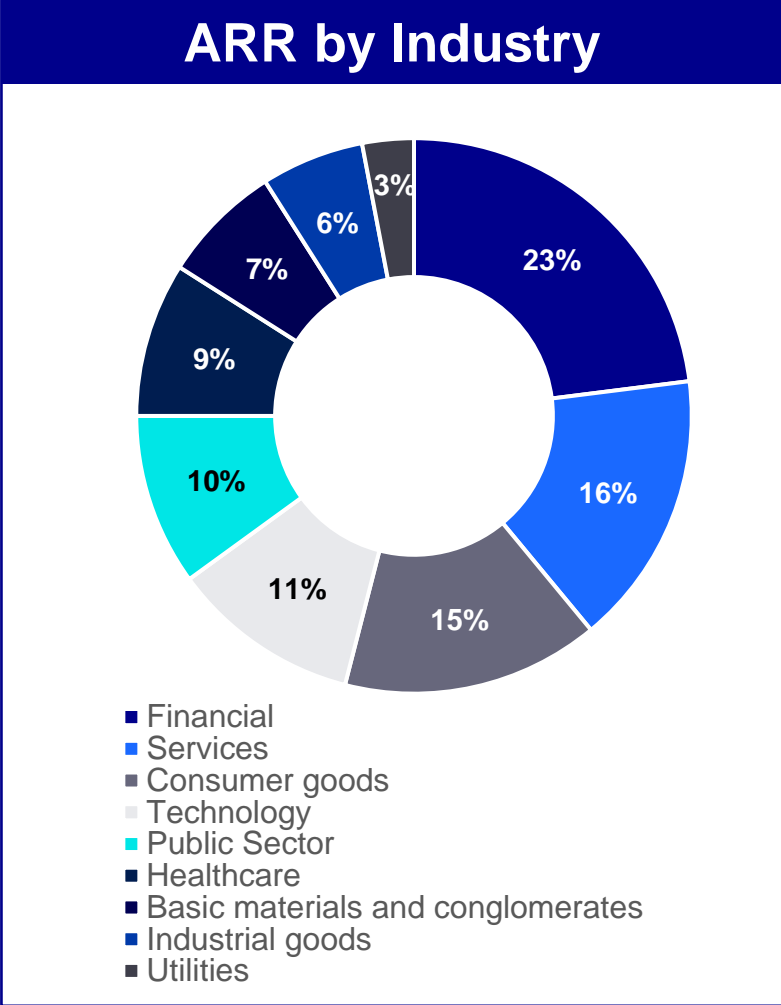
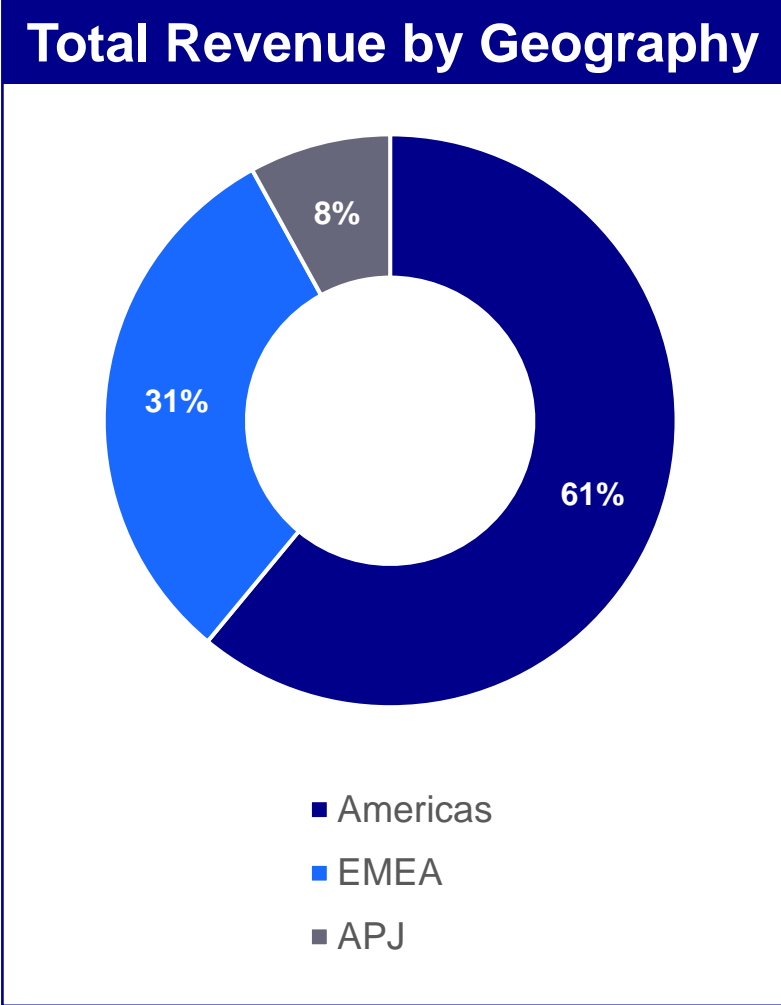
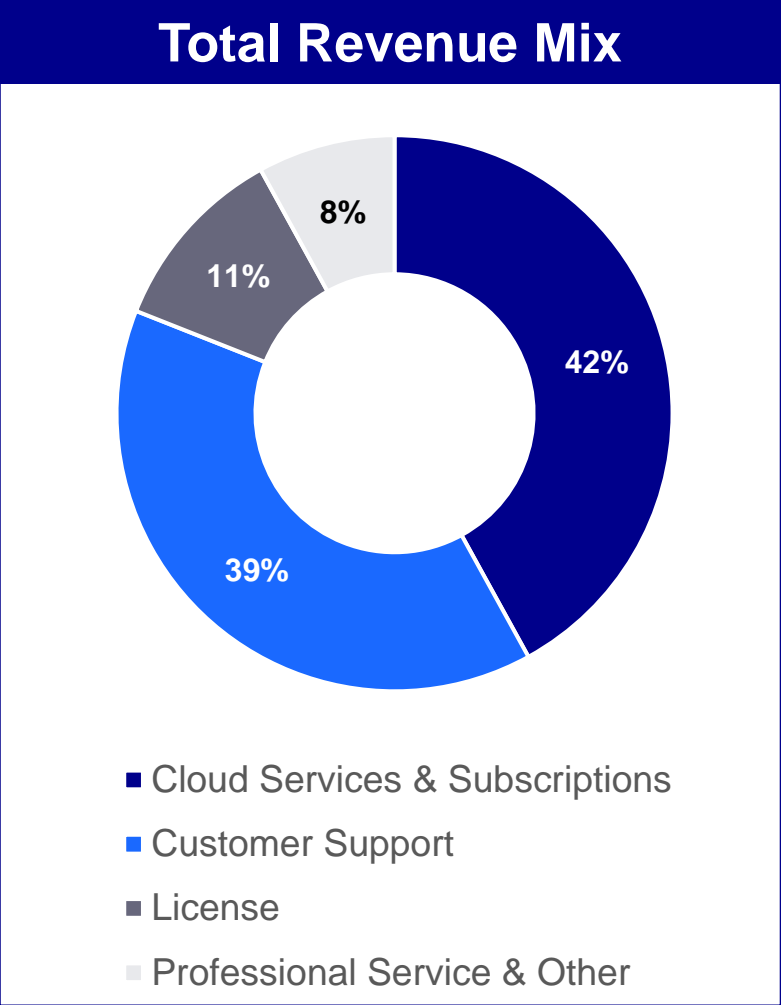
- Americas
- EMEA
- APJ

ARR by Industry



- Financial
- Consumer goods
- Services
- Technology
- Public Sector
- Healthcare
- Basic materials and conglomerates
- Industrial goods
- Utilities

FY'21 Revenue Breakdown



Q4 FY'21 Customer Wins

Business Network



EDF is a leading producer and supplier of electricity in Europe, and the world's second largest electricity company.

Products: A 10-year contract for OpenText AppWorks, Magellan and Extended ECM Solutions.

Business Purpose: For EDF Nuclear Production Department to support a major enterprise program for nuclear power plants.

Content Services



Revlon is a multinational cosmetics, skin care, fragrance, and personal care company.

Products: OpenText Vendor Invoice Management for SAP® Solutions, Intelligent Capture and Archiving / Document Access for SAP® Solutions, Cloud Edition I

Business Purpose: To streamline their internal processes.

Cyber Resilience



VMware is a leading cloud computing and virtualization technology.

Products: OpenText Axcelerate

Business Purpose: To deliver deeper information management across eDiscovery and legal review processes, minimize risk and costs associated with the explosion of data volume, heightened regulatory requirements and cybersecurity breaches.

Digital Experience



The **California Department of State Hospitals** manages the California state hospital system.

Products: OpenText XM Fax in the cloud

Business Purpose: To ensure compliance across all hospital locations and to enable secure, compliant faxing from desktop environments during the COVID19 pandemic.



Q1 FY'22 Quarterly Factors

Externalities

- COVID-19, vaccines, health & financial crisis
- Industry and supply chain disruption
- Global geopolitical and volatile macro environment
- Inflation and labor shortages
- US stimulus

Company Specific⁽¹⁾

- Expect Q1 Revenue y/y:
 - Total Revenue up low single-digits
 - ARR up low single-digits
 - FX tailwind of \$15M
- Expect Q1 q/q:
 - Adjusted EBITDA margin % up 250-300 bps

Our business is annual, and quarters will vary

FY'22 OpenText Total Growth Strategy⁽¹⁾

	FY'21 Actual ⁽²⁾		FY'22 Expected % Growth
	\$1,407.4	Cloud	3%-4%
	\$1,334.1	Customer Support	Constant to slightly up
	\$2,741.5	ARR	Low single-digit
	\$384.7	License	Decline mid single-digit
	\$259.9	Professional Service	Constant
	\$3,386.1	Total Revenues	1%-2%
		New M&A	Additive

FY'22 Target Model

	Fiscal 2021 Actuals	Fiscal 2022 ⁽³⁾
Revenue Type:		
Cloud Services and Subscriptions	41.6%	41%-43%
Customer Support	39.4%	39%-41%
Annual Recurring Revenue (ARR)	81.0%	81%-83%
License	11.4%	9%-11%
Professional Services and Other	7.7%	7%-9%
Non-GAAP Gross Margin		
Cloud Services and Subscriptions	66.0%	65%-67%
Customer Support	90.9%	91%-92%
License	96.4%	96%-98%
Professional Services and Other	25.1%	23% - 24%
Non-GAAP Gross Margin⁽¹⁾	76.1%	75% - 77%
Non-GAAP Operating Expenses:		
Research & Development	12.2%	12%-14%
Sales & Marketing	17.8%	18%-20%
General & Admin	7.3%	7%-9%
Depreciation	2.5%	2%-4%
A-EBITDA Margin⁽¹⁾	38.8%	37% - 38%
Interest and Other Related Expense (USD millions)	\$151.6	\$147-\$152
Adjusted Tax Rate ⁽²⁾	14%	14%
Capital Expenditures (USD millions)	\$63.7	\$80-\$90

Our Financial Aspirations

FY'24 Long Term Aspirations			
Total Revenue Organic Growth ⁽¹⁾	ARR % of Total Revenue	A-EBITDA Margin ⁽²⁾	Free Cash Flows ⁽²⁾ (FCF)
2% - 4%	85%	38% - 40%	\$1.2B+ New

M&A will be additive

A-EBITDA margin over 40% to be re-invested in organic growth

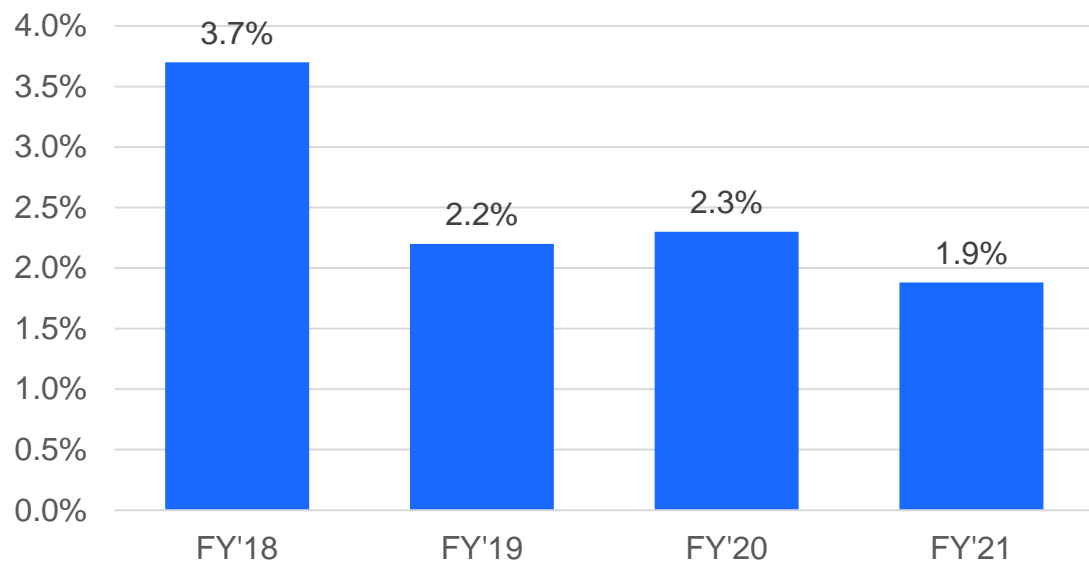
Target Capital Allocation Strategy: 33% TTM FCF via dividends & buyback⁽³⁾

Strong Liquidity and Cash Position

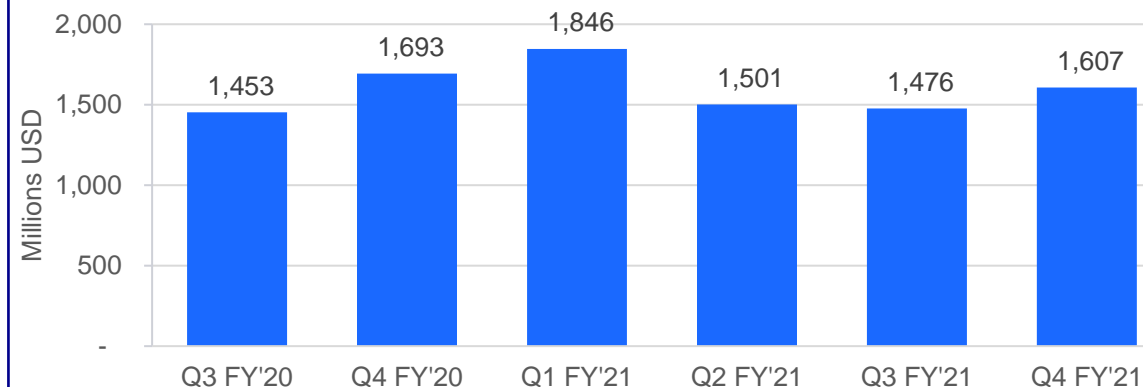
Current Liquidity (US\$)

Total Cash & Committed Liquidity⁽¹⁾ **\$2.4B**

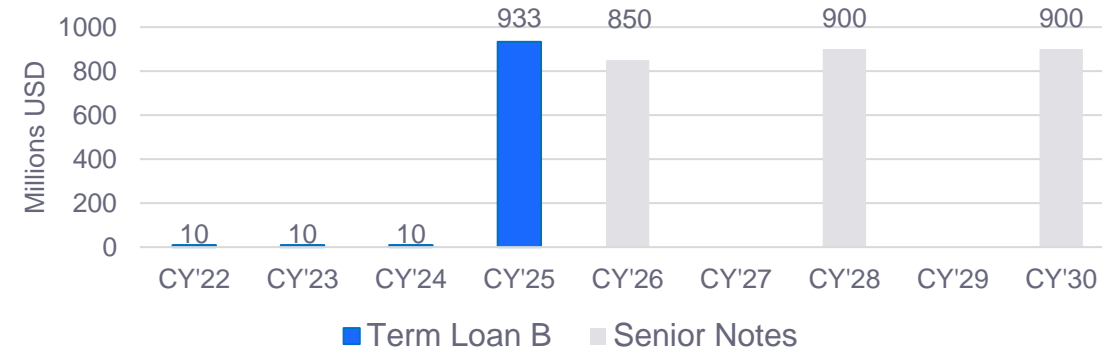
Capital Expenditures as % of Total Revenue (FY'18 to FY'21)



Total Cash & Cash Equivalents⁽²⁾

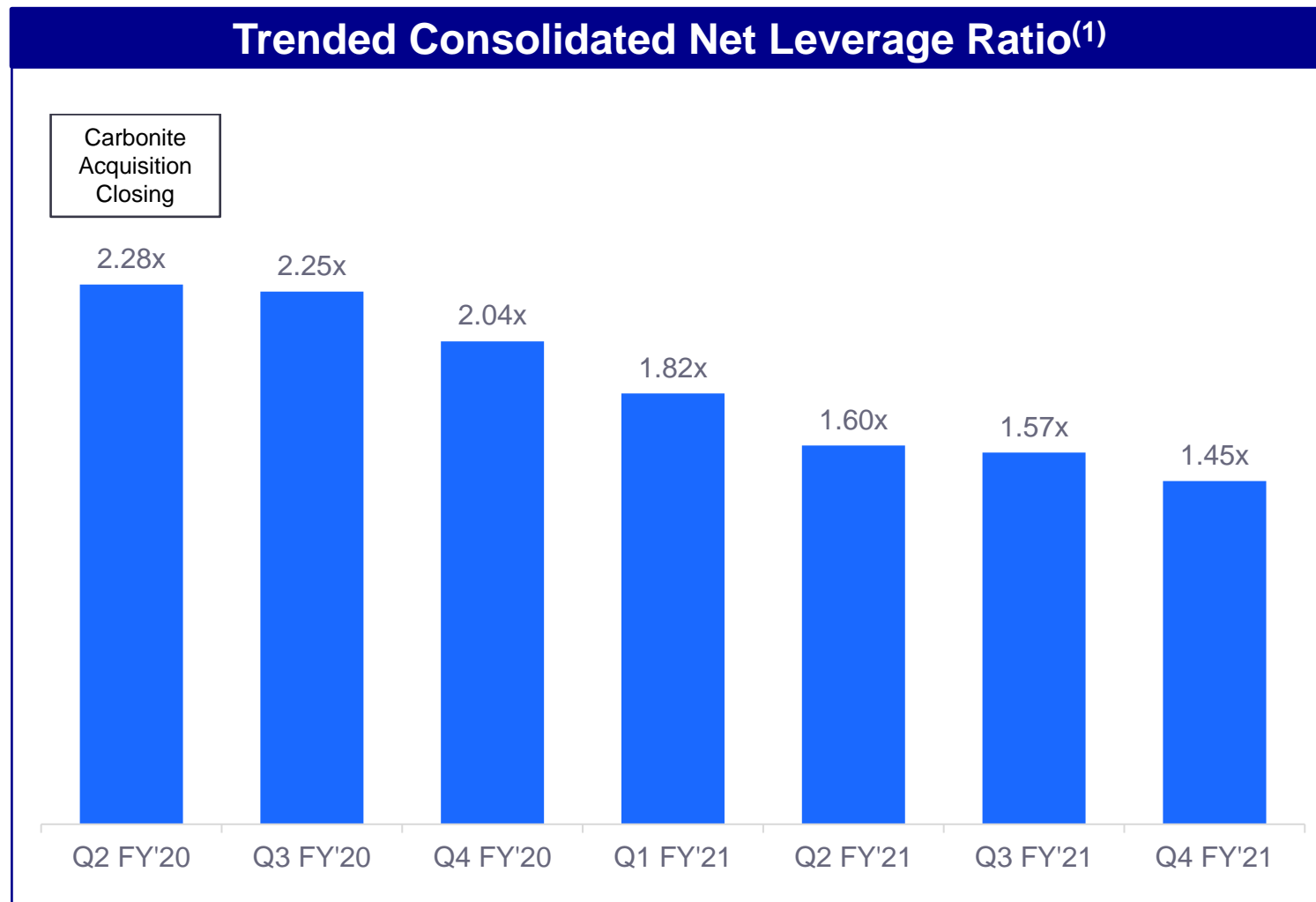


Debt Maturity Profile⁽³⁾



Strong Cash Flows and Balance Sheet

FY'21 (US\$M)	
Operating Cash Flows ⁽²⁾	\$876
Less: CapEx	\$64
Free Cash Flows ⁽²⁾	\$812
Less: Principal ⁽³⁾	\$10
Less: Dividends	\$211
Less: Share Buyback	\$119
Cash Generated for Corporate Purposes ^{(2),(4)}	\$472



Strategy

GROW with OpenText

Information in the right hands knows no bounds.

Growing ideas further, faster, wider.

OpenText is at the center of that growth, helping businesses to expand everywhere and anywhere.

OpenText Snapshot

Leader in Large Growing Addressable Market with Marquee Customer Base

\$84B

Total Addressable
Market growing 8%

89

of the **Top 100**
companies

24

of the **30 largest**
supply chains

75K

Enterprise
Customers

470K

SMB
Customers

Track Record of Growth, Profitability and Capital Efficiency

12%

Revenue CAGR
(FY'13-FY'21)

81%

Annual Recurring
Revenue (FY'21)

38.8%

A-EBITDA⁽¹⁾
margin % (FY'21)

24%

FCF^{(1),(2)}
% of Revenue (FY'21)

Target Capital Allocation Strategy⁽³⁾

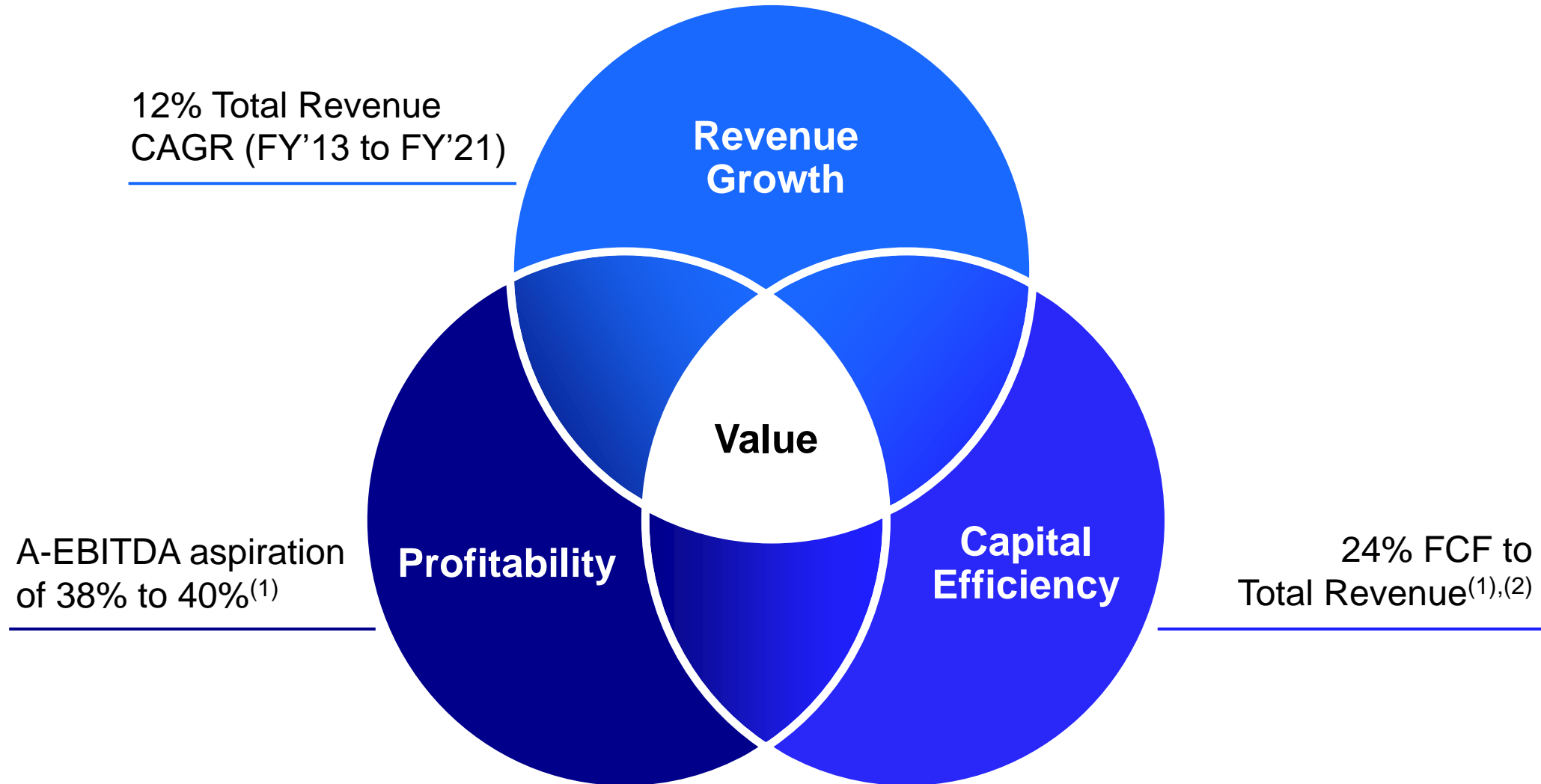
~33%

Dividend Growth TTM FCF Anti-dilutive Share Buyback





~67%

TTM FCF Available for Corporate
Purposes Including M&A

How We Create Value

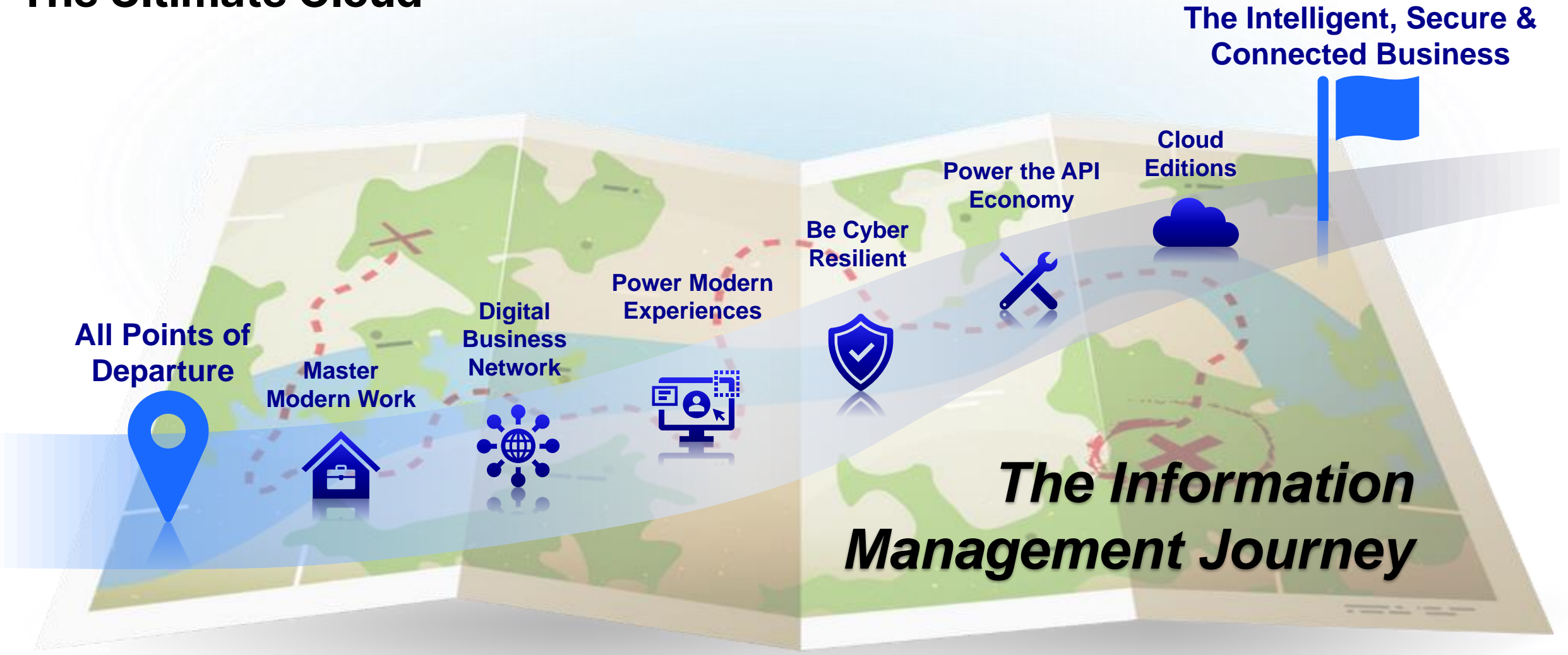


Large and Growing Addressable Market

Information Management ⁽¹⁾		Industry Trends	OpenText Product
	CY21E to CY24E CAGR		
Content	\$24B +11%	Master Modern Work	 opentext ™ Cloud Content
Business Network	\$20B +7%	Digitize Supply Chains	 opentext ™ Cloud Business Network
Digital Experience	\$21B +7%	Power Modern Experiences	 opentext ™ Cloud Experience
Security & Protection	\$19B +6%	Strengthen Cyber Resilience	 opentext ™ Cloud Security & Protection
Total	\$84B +8%		

GROW with opentext™

The Ultimate Cloud™



GROW with OpenText – Our Growth Plan



GROW
our Strategic Accounts

Market leaders by industry
Top supply chains by industry
Grow long-term customer value and share of wallet



GROW
our Cloud Editions

Migrate and upgrade install base to Cloud Editions
New product releases every 90 days



GROW
our Selling Capacity

Full coverage of G10K by end of CY'23
Investment in Digital Zone
New route to market via our API cloud services

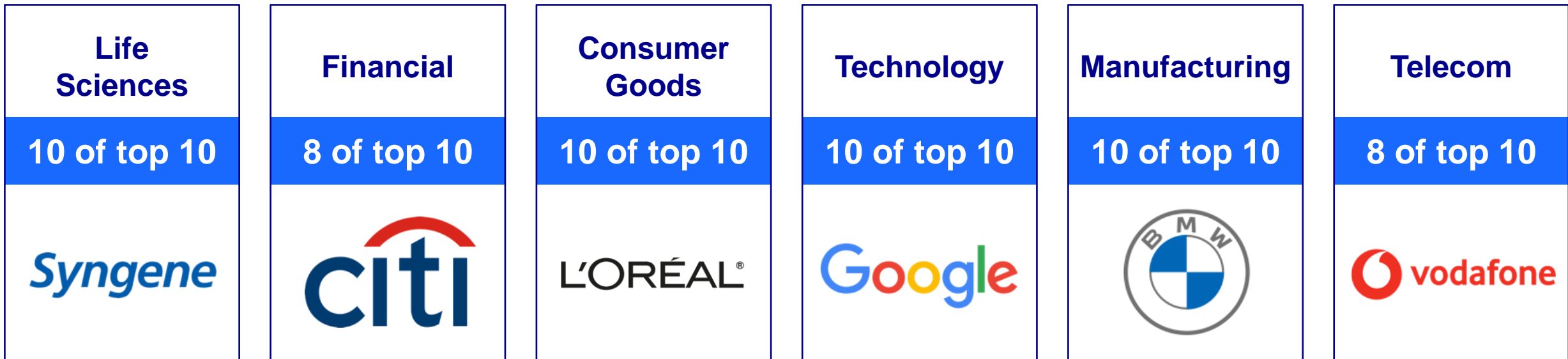


GROW
our Ecosystem

Strategic partners, Hyperscalers and Global System Integrators
SMB channel at scale – RMMs, MSPs, and other

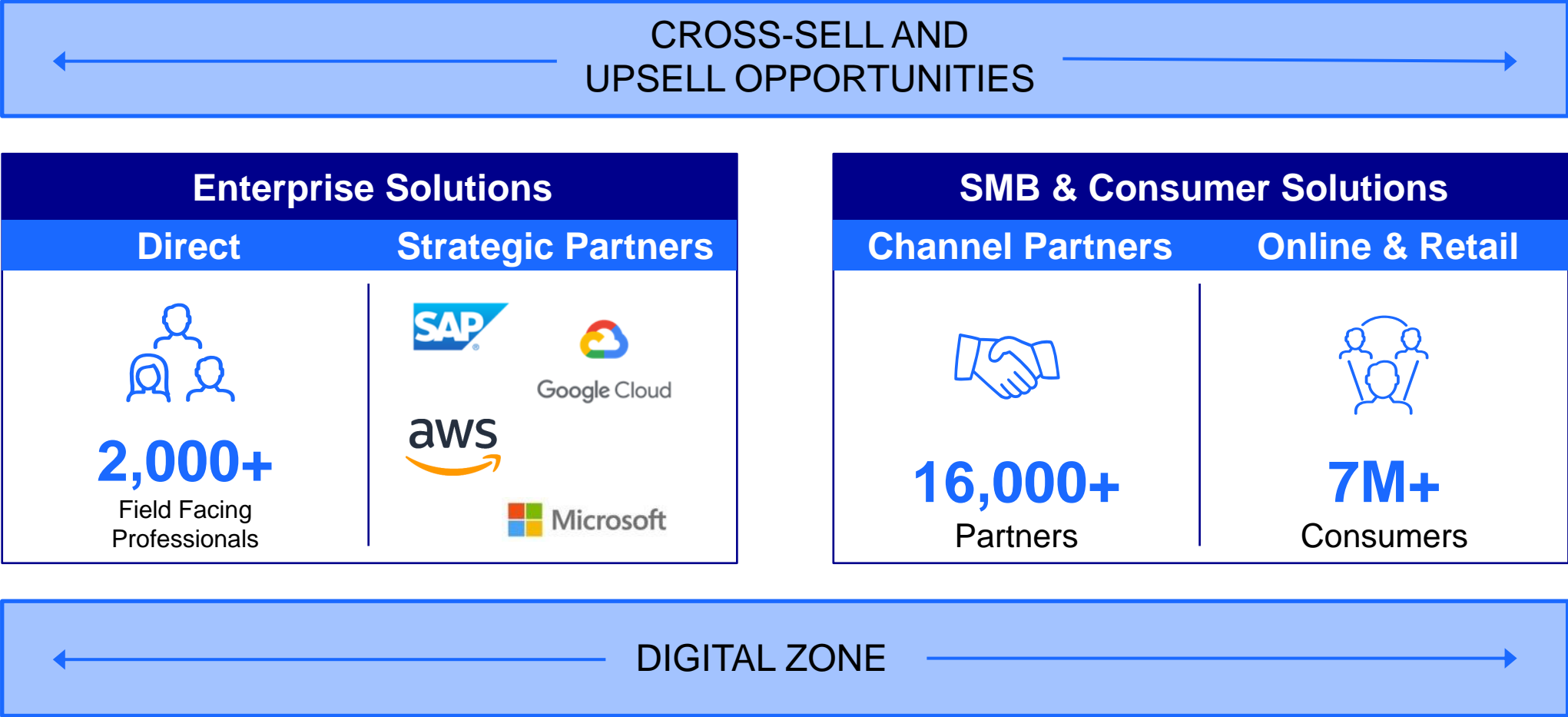
Marquee Customer Base

89 of the top **100** largest companies in the world⁽¹⁾



Great foundation for future growth

Comprehensive Go-to-Market



OpenText Digital Zone

A strategic investment in frictionless customer engagement

Grow with OpenText
Automate process initiation across departments with a single platform
[Learn more](#)

Grow with OpenText | OpenText Cloud Editions 21.1 is here | Announcing OpenText® Core Content

Automated & interactive globe with live data
Sample 1 | Sample 2

The Future of Business
Adapt to global change and technology disruption by rethinking business strategy and seeing new digital capabilities in the cloud.
[Read the CEO's white paper](#)

Explore the OpenText Ultimate™ Cloud

- Content** → Build a modern workplace by seamlessly connecting content with digital business.
- Experience** → Maximize customer engagement with data-driven experiences across the customer journey.
- Business Network** → Optimize global commerce and accelerate supply chain operations.

New opentext.com

Home

Good morning Adam
Welcome to the T-Mobile Digital Room which providing access to product collateral, demos and trials, meetings and much more...

4 Projects | 15 Members | 13 Assets | 3 Tasks

2 Demos | 6 Events | 4 Meetings | 2 Questions

January 2021

- 26 January 13:00 - 14:00: Connected Workspaces demo and review with Product team
- 15:00 - 15:30: Review price proposal with Ken
- 02 February 13:00 - 14:00: WEBINAR: What's new in Documentum CE 20.47
- 04 February 10:00 - 11:00: Review requirements for custom demo with OpenText S2 team

Digital Room

VIDEO: Click-tours, explainer videos and customer stories

NEWS: The latest demonstration news and updates

DEMOS: On-demand product demos and process plays

LABS: Access to "hands-on" learning experiences

testdrive
Demo, Hands-On Labs and Videos

- Core Content on TestDrive: Core Content to the next generation of content services from OpenText.
- Updated CE21.1 demos: Some demo systems have already been upgraded to support the new 21.1
- ALERT! Brevia/Blazon License Expired: Brevia/Blazon Licenses has expired on KnowZone Images (2BFER2021)

Test-Drive

Developer Experience
Unleash the power and creativity of your Developer teams through the use of our APIs, tools and services.

Search

- Capture & Digitize**
Multi-channel capture and advanced recognition capabilities
[Learn more](#)
- Store & Manage**
Secure and flexible content services capabilities
[Learn more](#)
- Analyze & Report**
Prescriptive and predictive analytics and reporting capabilities
[Learn more](#)

Developer

opentext | Voyager
Embark on a journey to success

632,043 Members | 1,260,192 Posts | 31 Online

- An innovator, lifelong learner
- A leader who creates paths for others
- An explorer or seeker with endless curiosity
- An Information Management ambassador

Communities

Five Clouds on Modern, Scalable Cloud-based Architecture

OpenText Cloud Editions: The Ultimate Cloud™



Content | Business Network | Experience
Security & Protection | Developer

OT2 - Cloud API Services



Global



Secure



Always on
(99.99% availability)



Modern API services



Compliant (GDPR,
data zones, etc.)


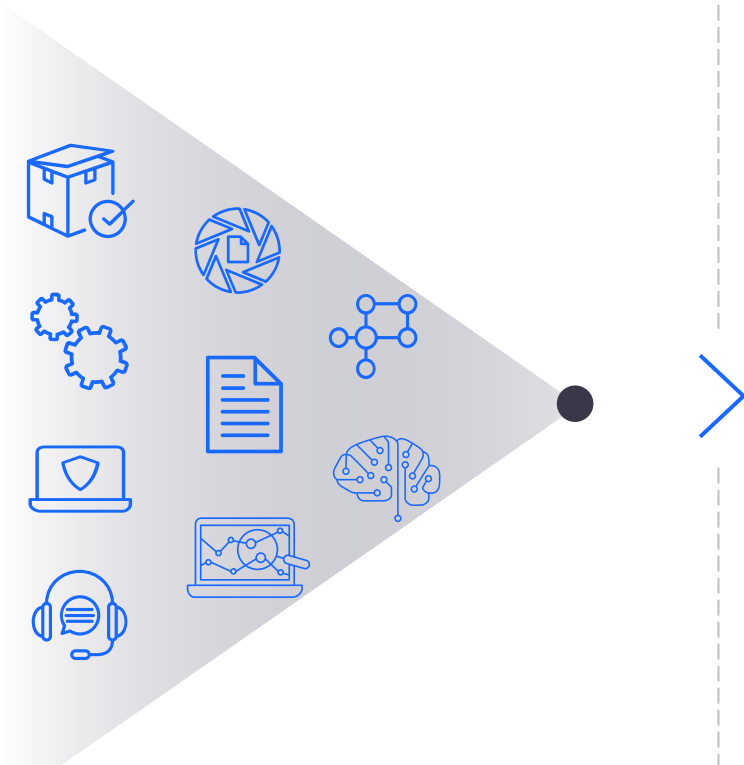


Run anywhere: off-
cloud, private cloud,
public cloud

Accelerate Product Innovation

Past Present + Future






Many Products Five Clouds



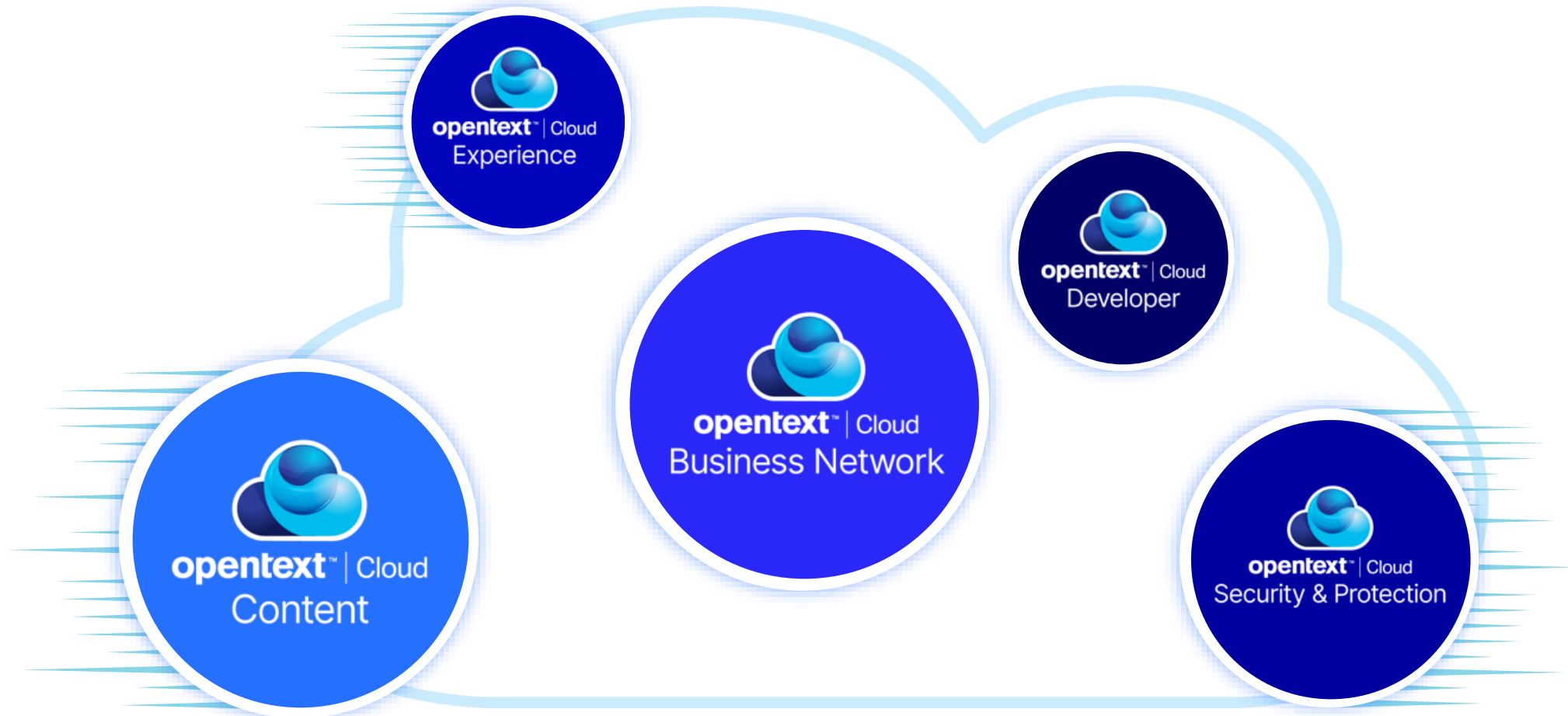
opentext™ | Cloud

Content
Business Network
Experience
Security & Protection
Developer

Multi-Year Upgrade Cycle Product Releases Every 90 Days

-  More efficient R&D spend
-  Accelerates speed of delivering innovation
-  Simplifies go-to-market – 5 clouds
-  Solution selling versus point products
-  Scales human capital via customer self-service, self-sell
-  Accelerates ability to integrate acquired products

Continued Migration to the OpenText Cloud Editions

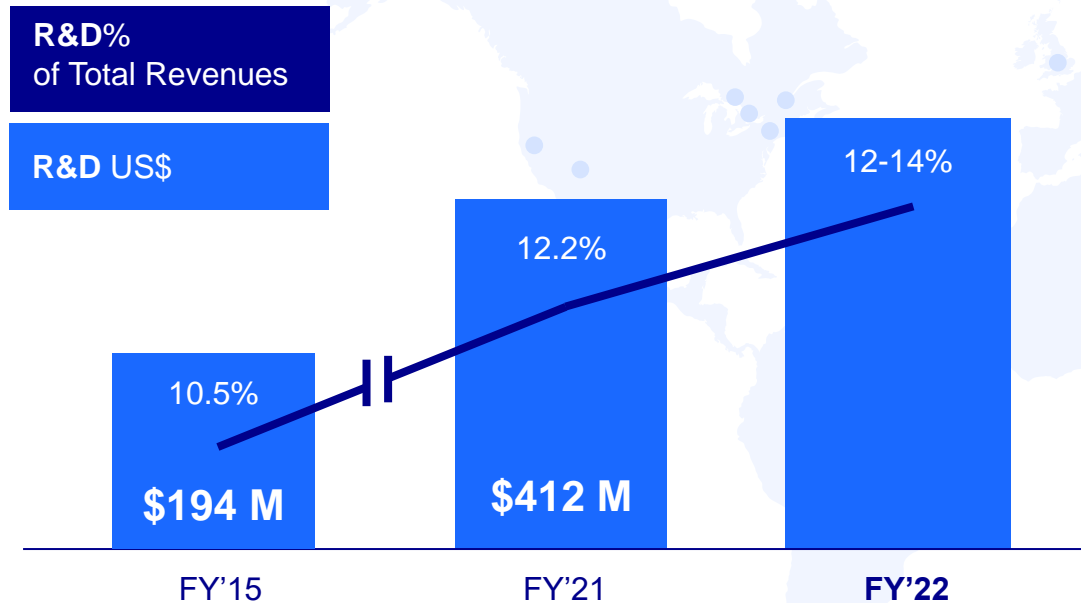


All OpenText software launched as a service with APIs

Investing in Future Organic Growth

Research & Development

(\$ and in % of Total Revenues)^{(1),(2)}



\$2.2B+ investment in R&D over the next 5 years

Sales & Marketing

Enterprise Sales Goal

- Full coverage of G10K by end of CY'23

SMB/C Goal

- Grow SMB/C partners – RMMs, MSPs

Customer Engagement

- Increased investment in Digital Zone

Scalable, High-Velocity, Low-Friction Business Model

Product is built for:

- Self-service
- Upsell
- Cross-sell
- Renew

New Customer Engagement Model:

- Pre-sales – demand creation automation
- Self-sell – upsell, cross-sell
- Post-sales – renewal automation

Digitization and Automation:

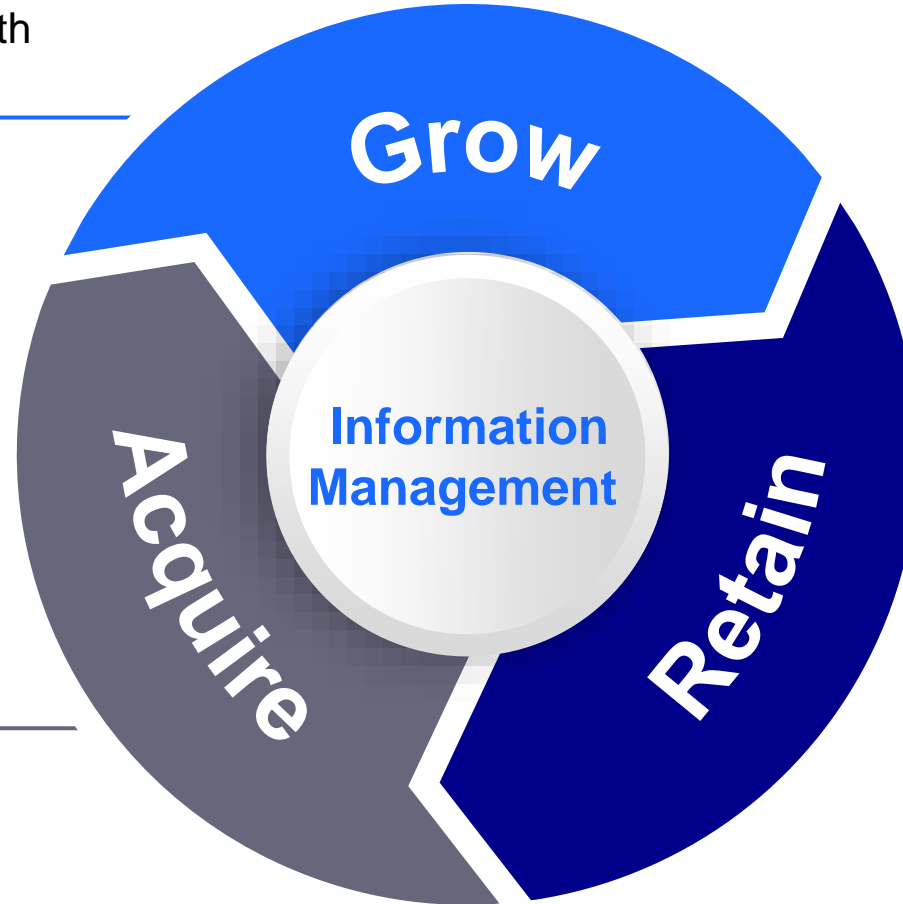
- Automate DevOps
- Automate routine R&D



*Removing friction from
all company processes*

Total Growth Strategy

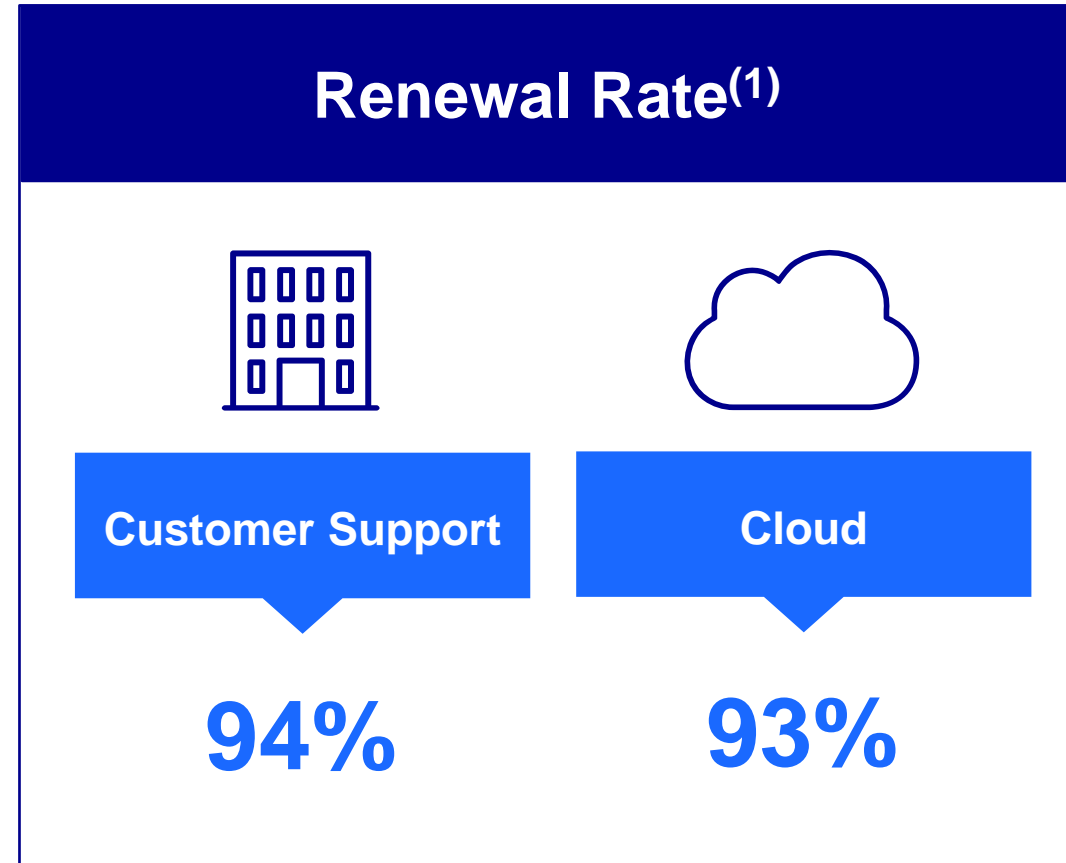
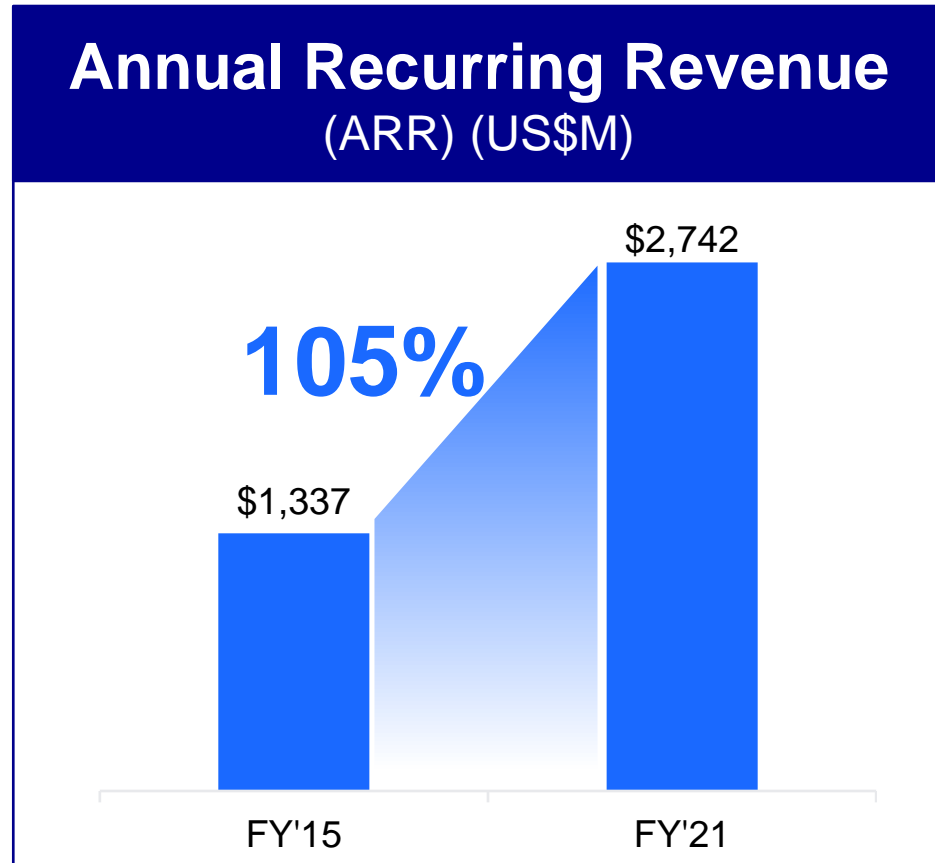
- Growing sales breadth and depth
 - Product innovation
-



- Drives future organic growth
 - Long-term competitive gains
 - High cash returns
-

- 81% ARR⁽¹⁾
 - 94% Customer support renewals⁽²⁾
 - 93% Cloud renewals⁽²⁾
-

Sustainable Growth Through Retention and Upgrades



Customer satisfaction is a foundation for future growth

Strategic M&A: Foundation for Our Business



Various
HP Assets



2014

2016

2017

2019



opentext™ | Cloud
Business Network



opentext™ | Cloud
Experience



opentext™ | Cloud
Content



opentext™ | Cloud
Security & Protection

OpenText Cloud Editions

Acquisition Philosophy: Carbonite Case Study

We are:

- Patient and disciplined
- Growth & returns-based metrics

Target characteristics:

- IM market leadership
- Significant ARR
- Channel at scale
- Cross-sell/upsell opportunities

M&A Framework:

- In-house expertise in diligence & integration
- Driver of future organic growth

Carbonite Case Study

Acquired

- 12/24/19 for 2.8x revenue⁽¹⁾

Strategic Rationale

- Critical mass in Security & Protection
- Scaled SMB channel

Revenue Synergies

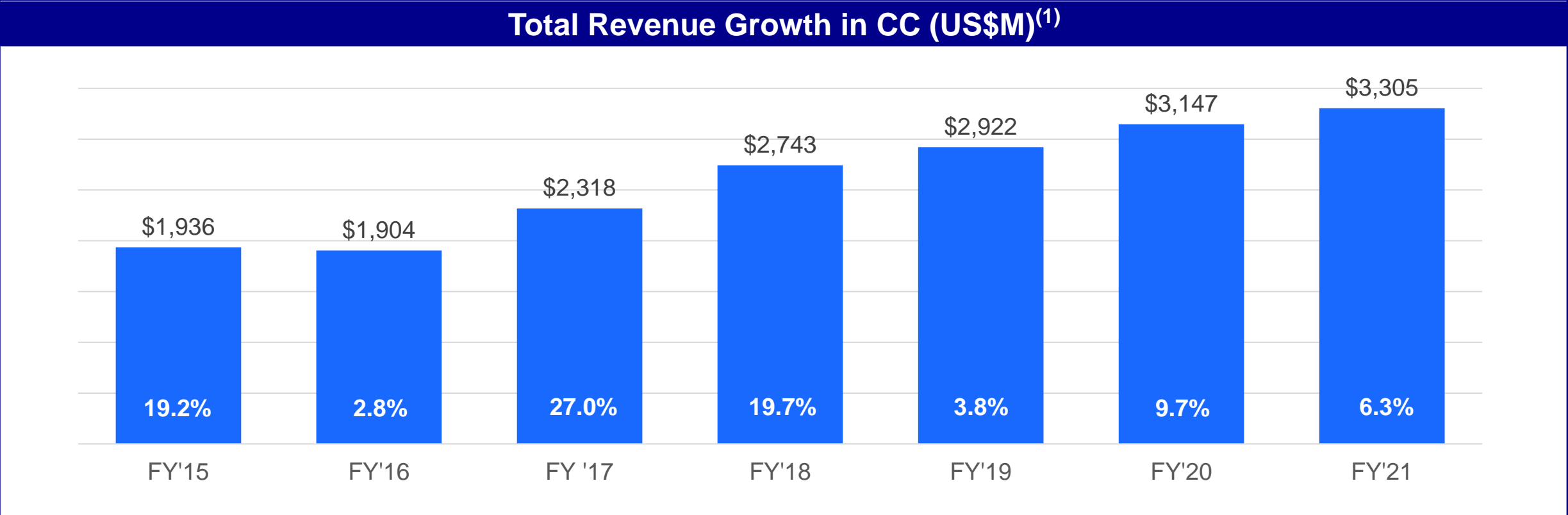
- Strong growth prospects
- Cross-sell opportunities
- Increased corporate ARR

Expense Synergies

- Increased cloud margins
- On target model in <12 months

Improved cash conversion cycle

Proven Track Record of Growth

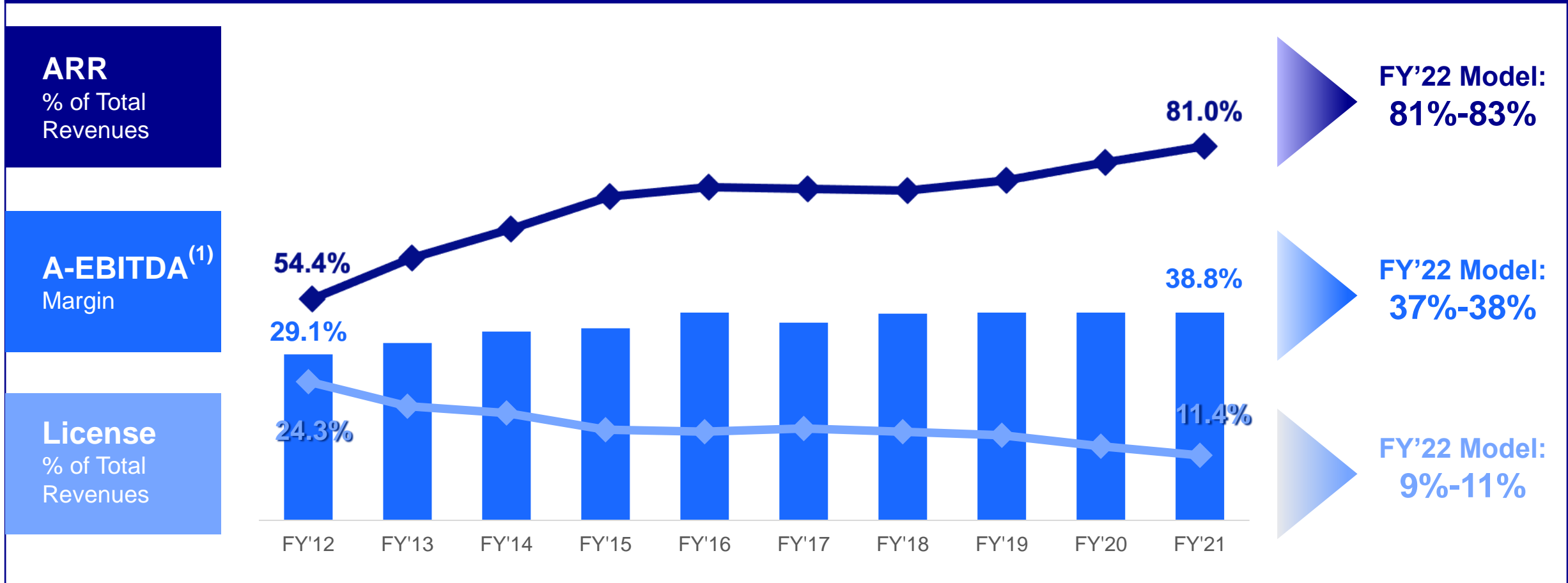


7 Consecutive Years of Y/Y Growth in CC⁽¹⁾

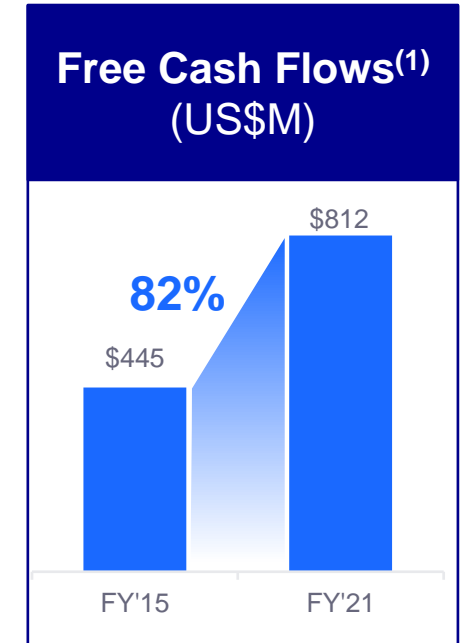
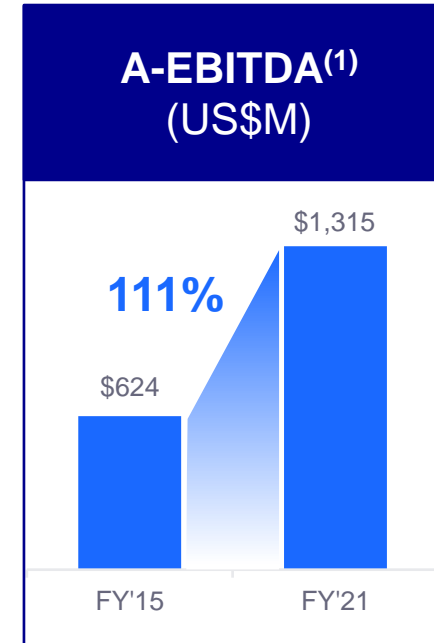
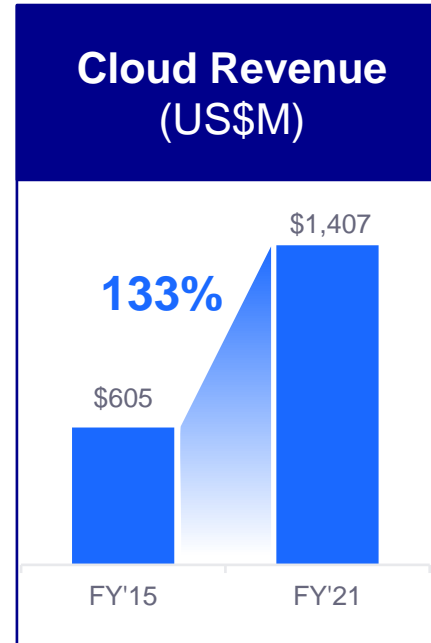
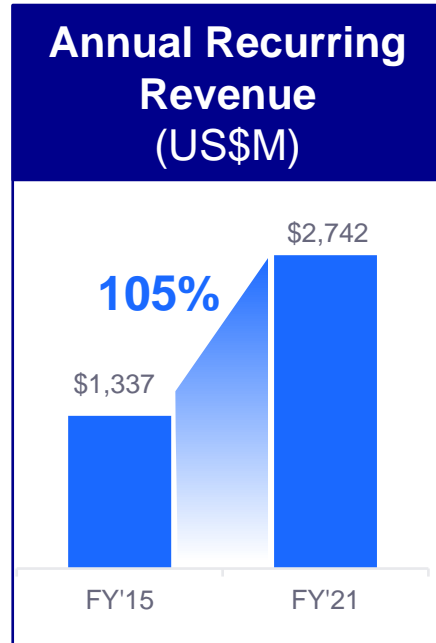
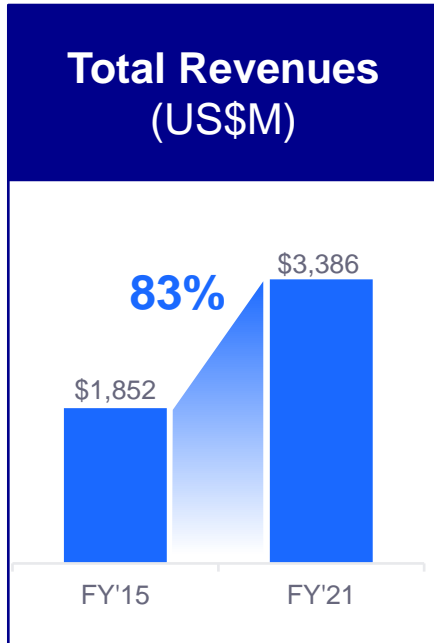
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Proven Durable Business Model

Growing ARR and Upper Quartile Margin^{(1),(2)}



Strong Track Record of Financial Performance

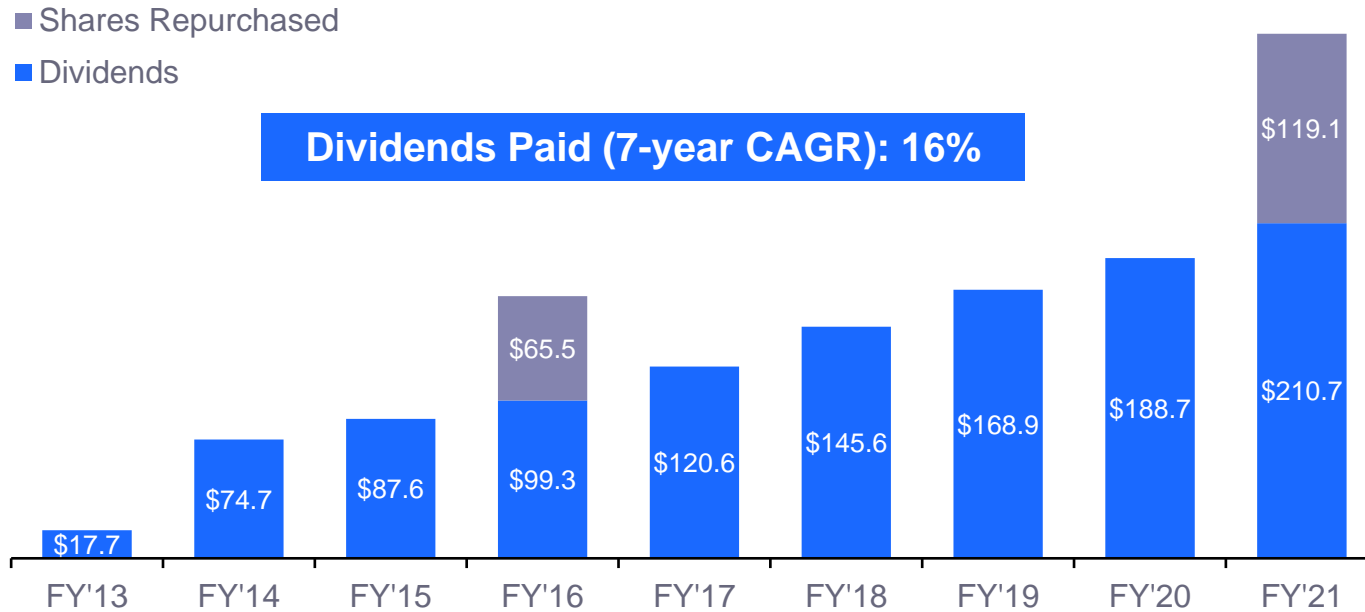


Upper quartile A-EBITDA margin

Strong Track Record of Shareholder Returns

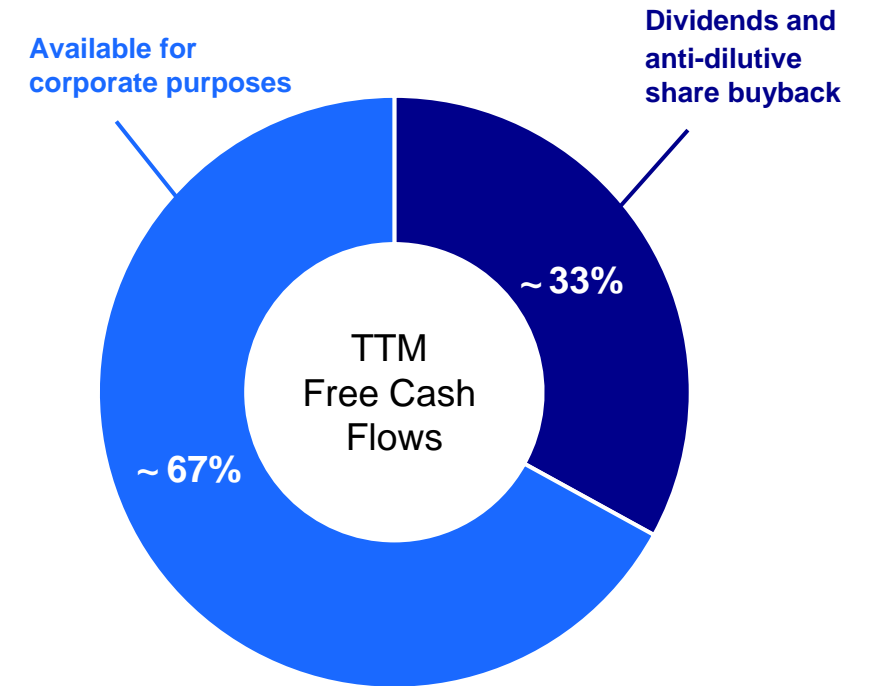
New!

Dividends Paid and Shares Repurchased (US\$M)



Approx. \$1.3 billion returned to shareholders since FY'13

Target Capital Allocation Strategy⁽¹⁾



Corporate Citizenship Reflects our Culture

Progress We've Made:

- Adopted GRI sustainability reporting standards
- New ED&I department, mandate and initiatives
- Enhanced Human Rights Statement
- Expanded Supplier Code of Conduct
- Updated priority topics to guide our ESG strategy

Where We're Going:

- Continue to implement reporting best practices
- Invest in initiatives to increase disclosures
- Establish additional goals and targets

2nd Corporate Citizenship Report published



OpenText Global Gender Profile

Women make up:

- 29%** of OpenText's **global workforce**
- 25%** of OpenText's **management roles**
- 33%** of OpenText's **board members**



**\$1 MILLION
DONATION**



**65 FOOD
BANKS**



**4 MILLION
MEALS**



**21
COUNTRIES**

We Strive To Do The Right Thing



Our Customers

Rapid Radiology and OpenText Accelerate Diagnostic Results to Help Improve Patient Care

Jun 25, 2020



OpenText Enters Agreement to Serve as the Platform of Choice for EIM for the U.S. NIH

Aug 6, 2020



Our Communities

OpenText Donates US \$1M to Global Food Banks

Dec 11, 2020



OpenText Provides 4 Million Meals for 58 Communities in 21 Countries Worldwide

Dec 11, 2020



Our Beliefs

Improving Accessibility for Individuals with Visual Impairments

Nov 18, 2020



OpenText CEO Issues Call for Corporate Social Responsibility

Jul 15, 2019



Southern Alberta Internet Child Exploitation Unit
Customer Reference



Our Employees

OpenText rolls out Covid-19 vaccination drive for 3,000 employees and their dependents in India

June 19, 2021



OpenText Products Enhance Global Sustainability

 **opentext**™ | Cloud
Content

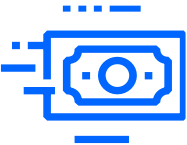
 **opentext**™ | Cloud
Business Network

 **opentext**™ | Cloud
Experience

 **opentext**™ | Cloud
Security & Protection

Paperless Workflows	✓	✓	✓	
Ethical Supply Chain		✓		
Data Privacy and Protection	✓			✓

opentext | Trading Grid™



Digitizes 26 billion transactions per year



Paper reduction saves 5.1 million trees



Paper reduction saves GHG emissions of 725,000 tonnes of CO₂e

Executive Leadership Team (ELT)



Mark J. Barrenechea
CEO and CTO



Madhu Ranganathan
EVP,
CFO



Muhi Majzoub
EVP,
Chief Product Officer



Gordon Davies
EVP,
CLO & Corporate
Development



Ted Harrison
EVP,
Enterprise Sales



James McGourlay
EVP,
International Sales



Prentiss Donohue
EVP,
SMB & Consumer
Sales



Kristina Lengyel
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Customer Solutions



Paul Duggan
EVP,
Worldwide Renewals



Brian Sweeney
EVP,
CHRO



Doug Parker
SVP,
Corporate
Development



Renee McKenzie
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CIO



Lou Blatt
SVP,
CMO

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Appendix

Appendix A

Use of Non-GAAP Financial Measures

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

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

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

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

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

The Company does not acquire businesses on a predictable cycle, and therefore believes that the presentation of Non-GAAP measures, which in certain cases adjust for the impact of amortization of intangible assets and the related tax effects that are primarily related to acquisitions, will provide readers of financial statements with a more consistent basis for comparison across accounting periods and be more useful in helping readers understand the Company's operating results and underlying operational trends. Additionally, the Company has engaged in various restructuring activities over the past several years, primarily due to acquisitions and most recently in response to the COVID-19 pandemic, that have resulted in costs associated with reductions in headcount, consolidation of leased facilities and related costs, all which are recorded under the Company's "Special Charges (recoveries)" caption on the Consolidated Statements of Income. Each restructuring activity is a discrete event based on a unique set of business objectives or circumstances, and each differs in terms of its operational implementation, business impact and scope, and the size of each restructuring plan can vary significantly from period to period. Therefore, the Company believes that the exclusion of these special charges (recoveries) will also better aid readers of financial statements in the understanding and comparability of the Company's operating results and underlying operational trends.

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

See historical filings, including the Company's Annual Reports on Form 10-K, for reconciliations of certain Non-GAAP measures to GAAP measures. The following charts provide (unaudited) reconciliations of U.S. GAAP-based financial measures to Non-GAAP-based financial measures for the following periods presented.

Organic Growth

	Fiscal 2021		
In US\$ billions (unless indicated otherwise)	Reported	FX Headwind / (Tailwind)	CC ⁽¹⁾
Total Revenues	\$3.39	(\$0.08)	\$3.30
Less: Revenues from acquisitions ⁽²⁾	\$0.26		\$0.26
Organic revenues	\$3.13		\$3.05
Growth (decline) in organic revenues over prior year ⁽³⁾	0.5%		(2.1)%
Annual Recurring Revenues	\$2.74	(\$0.05)	\$2.69
Less: Revenues from acquisitions ⁽²⁾	\$0.24		\$0.24
Organic revenues	\$2.50		\$2.45
Growth (decline) in organic revenues over prior year ⁽³⁾	2.7%		0.5%
Cloud Revenues	\$1.41	(\$0.02)	\$1.39
Less: Revenues from acquisitions ⁽²⁾	\$0.21		\$0.21
Organic revenues	\$1.20		\$1.18
Growth (decline) in organic revenues over prior year ⁽³⁾	3.2%		1.8%
Customer Support Revenues	\$1.33	(\$0.04)	\$1.30
Less: Revenues from acquisitions ⁽²⁾	\$0.03		\$0.03
Organic revenues	\$1.30		\$1.27
Growth (decline) in organic revenues over prior year ⁽³⁾	2.3%		(0.6)%

1. Constant currency is defined as the current period reported revenues represented at the prior comparative period's foreign exchange rate.
2. Revenues from acquisitions refers to those revenues recognized during Fiscal 2021 from acquired businesses within one year of acquisition date.
3. Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first year post acquisition.

Summary of Quarterly Results with Constant Currency

(In millions, except per share data)	Q4 FY'21	Q4 FY'20	\$ Change	% Change	Q4 FY'21 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	\$360.2	\$332.6	\$27.5	8.3 %	\$352.7	6.0 %
Customer support	334.3	324.9	9.3	2.9 %	319.1	(1.8) %
Total annual recurring revenues**	\$694.4	\$657.5	\$36.9	5.6 %	\$671.8	2.2 %
License	132.5	105.8	26.7	25.3 %	124.6	17.8 %
Professional service and other	66.6	63.3	3.3	5.2 %	63.0	(0.4) %
Total revenues	\$893.5	\$826.6	\$66.9	8.1 %	\$859.4	4.0 %
GAAP-based operating income	\$171.7	\$91.2	\$80.5	88.2 %	N/A	N/A
Non-GAAP-based operating income ⁽¹⁾	\$293.9	\$293.8	\$0.1	— %	\$285.7	(2.7) %
GAAP-based net income, attributable to OpenText	\$181.3	\$26.4	\$154.9	586.9 %	N/A	N/A
GAAP-based EPS, diluted	\$0.66	\$0.10	\$0.56	560.0 %	N/A	N/A
Non-GAAP-based EPS, diluted ⁽¹⁾⁽²⁾	\$0.80	\$0.80	\$—	— %	\$0.78	(2.5) %
Adjusted EBITDA ⁽¹⁾	\$314.8	\$317.4	(\$2.6)	(0.8) %	\$306.3	(3.5) %
Operating cash flows	\$296.2	\$280.3	\$15.9	5.7 %	N/A	N/A
Free cash flows ⁽¹⁾	\$268.8	\$262.5	\$6.2	2.4 %	N/A	N/A

⁽¹⁾ See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation.

⁽²⁾ Please also see note 14 to the Company's Fiscal 2018 Consolidated Financial Statements on Form 10-K. Reflective of the amount of net tax benefit arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period.

Note: Individual line items in table may be adjusted by non-material amounts to enable totals to align to published financial statements.

*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.

** Annual recurring revenue is defined as the sum of Cloud services and subscriptions revenue and Customer support revenue.

Summary of Annual Results with Constant Currency

(In millions, except per share data)	FY'21	FY'20	\$ Change	% Change	FY'21 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	\$1,407.4	\$1,157.7	\$249.8	21.6 %	\$1,389.7	20.0 %
Customer support	1,334.1	1,275.6	58.5	4.6 %	1,297.0	1.7 %
Total annual recurring revenues**	\$2,741.5	\$2,433.3	\$308.2	12.7 %	\$2,686.6	10.4 %
License	384.7	402.9	(18.1)	(4.5) %	368.1	(8.6) %
Professional service and other	259.9	273.6	(\$13.7)	(5.0) %	250.0	(8.6) %
Total revenues	\$3,386.1	\$3,109.7	\$276.4	8.9 %	\$3,304.8	6.3 %
GAAP-based operating income	\$740.9	\$503.5	\$237.4	47.1 %	N/A	N/A
Non-GAAP-based operating income ⁽¹⁾	\$1,230.0	\$1,058.8	\$171.2	16.2 %	\$1,193.9	12.8 %
GAAP-based net income, attributable to OpenText	\$310.7	\$234.2	\$76.4	32.6 %	N/A	N/A
GAAP-based EPS, diluted	\$1.14	\$0.86	\$0.28	32.6 %	N/A	N/A
Non-GAAP-based EPS, diluted ⁽¹⁾⁽²⁾	\$3.39	\$2.89	\$0.50	17.3 %	\$3.28	13.5 %
Adjusted EBITDA ⁽¹⁾	\$1,315.0	\$1,148.1	\$167.0	14.5 %	\$1,278.2	11.3 %
Operating cash flows	\$876.1	\$954.5	(\$78.4)	(8.2) %	N/A	N/A
Free cash flows ⁽¹⁾	\$812.4	\$881.8	(\$69.4)	(7.9) %	N/A	N/A

⁽¹⁾ See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation.

⁽²⁾ Please also see note 14 to the Company's Fiscal 2018 Consolidated Financial Statements on Form 10-K. Reflective of the amount of net tax benefit arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period.

Note: Individual line items in table may be adjusted by non-material amounts to enable totals to align to published financial statements.

*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.

** Annual recurring revenue is defined as the sum of Cloud services and subscriptions revenue and Customer support revenue.

Reconciliation of Selected Non-GAAP Measures | Q4 FY'21

Three Months Ended June 30, 2021

(In '000's USD, except per share data)

	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	\$ 127,583		\$ (935)	(1)	\$ 126,648	
Customer support	32,938		(505)	(1)	32,433	
Professional service and other	53,662		(698)	(1)	52,964	
Amortization of acquired technology-based intangible assets	53,215		(53,215)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	621,814	69.6%	55,353	(3)	677,167	75.8%
Operating expenses						
Research and development	117,235		(2,664)	(1)	114,571	
Sales and marketing	183,237		(4,718)	(1)	178,519	
General and administrative	73,019		(3,830)	(1)	69,189	
Amortization of acquired customer-based intangible assets	52,469		(52,469)	(2)	—	
Special charges (recoveries)	3,152		(3,152)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	171,681		122,186	(5)	293,867	
Other income (expense), net	45,017		(45,017)	(6)	—	
Provision for (recovery of) income taxes	(2,215)		38,099	(7)	35,884	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	181,283		39,070	(8)	220,353	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.66		\$ 0.14	(8)	\$ 0.80	

Reconciliation of Selected Non-GAAP Measures | Q4 FY'21

FOOTNOTES

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

	Three Months Ended June 30, 2021	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 181,283	\$ 0.66
Add:		
Amortization	105,684	0.39
Share-based compensation	13,350	0.05
Special charges (recoveries)	3,152	0.01
Other (income) expense, net	(45,017)	(0.16)
GAAP-based provision for (recovery of) income taxes	(2,215)	(0.02)
Non-GAAP-based provision for income taxes	(35,884)	(0.13)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 220,353</u>	<u>\$ 0.80</u>

Reconciliation of Selected Non-GAAP Measures | FY'21

Year Ended June 30, 2021

(In '000's USD, except per share data)

	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	\$ 481,818		\$ (3,419)	(1)	\$ 478,399	
Customer support	122,753		(1,910)	(1)	120,843	
Professional service and other	197,183		(2,565)	(1)	194,618	
Amortization of acquired technology-based intangible assets	218,796		(218,796)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	2,351,649	69.4%	226,690	(3)	2,578,339	76.1%
Operating expenses						
Research and development	421,447		(9,859)	(1)	411,588	
Sales and marketing	622,221		(18,312)	(1)	603,909	
General and administrative	263,521		(15,904)	(1)	247,617	
Amortization of acquired customer-based intangible assets	216,544		(216,544)	(2)	—	
Special charges (recoveries)	1,748		(1,748)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	740,903		489,057	(5)	1,229,960	
Other income (expense), net	61,434		(61,434)	(6)	—	
Provision for (recovery of) income taxes	339,906		(188,931)	(7)	150,975	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	310,672		616,554	(8)	927,226	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 1.14		\$ 2.25	(8)	\$ 3.39	

Reconciliation of Selected Non-GAAP Measures | FY'21

FOOTNOTES

- 1 Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- 2 Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- 3 GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
- 4 Adjustment relates to the exclusion of special charges (recoveries) from our Non-GAAP-based operating expenses as special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
- 5 GAAP-based and Non-GAAP-based income from operations stated in dollars.
- 6 Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
- 7 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 52% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense. The GAAP-based tax provision rate for the year ended June 30, 2021 includes the income tax provision charge from the IRS Settlement partially offset by a tax benefit from the release of unrecognized tax benefits due to the conclusion of relevant tax audits that was recognized during the second quarter of Fiscal 2021.
- 8 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2021	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 310,672	\$ 1.14
Add:		
Amortization	435,340	1.59
Share-based compensation	51,969	0.19
Special charges (recoveries)	1,748	0.01
Other (income) expense, net	(61,434)	(0.22)
GAAP-based provision for (recovery of) income taxes	339,906	1.23
Non-GAAP-based provision for income taxes	(150,975)	(0.55)
Non-GAAP-based net income, attributable to OpenText	\$ 927,226	\$ 3.39

Reconciliation of Selected Non-GAAP Measures | Q4 FY'20

Three Months Ended June 30, 2020

(In '000's USD, except per share data)

	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	\$ 116,569		\$ (490)	(1)	\$ 116,079	
Customer support	32,568		(310)	(1)	32,258	
Professional service and other	48,435		(377)	(1)	48,058	
Amortization of acquired technology-based intangible assets	59,719		(59,719)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	565,917	68.5%	60,896	(3)	626,813	75.8%
Operating expenses						
Research and development	100,766		(1,590)	(1)	99,176	
Sales and marketing	152,882		(2,575)	(1)	150,307	
General and administrative	62,574		(2,660)	(1)	59,914	
Amortization of acquired customer-based intangible assets	58,998		(58,998)	(2)	—	
Special charges (recoveries)	75,849		(75,849)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	91,199		202,568	(5)	293,767	
Other income (expense), net	7,790		(7,790)	(6)	—	
Provision for (recovery of) income taxes	32,037		3,416	(7)	35,453	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	26,392		191,362	(8)	217,754	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.10		\$ 0.70	(8)	\$ 0.80	

Reconciliation of Selected Non-GAAP Measures | Q4 FY'20

FOOTNOTES

- 1 Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- 2 Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- 3 GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
- 4 Adjustment relates to the exclusion of special charges (recoveries) from our Non-GAAP-based operating expenses as special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
- 5 GAAP-based and Non-GAAP-based income from operations stated in dollars.
- 6 Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
- 7 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 55% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- 8 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended June 30, 2020	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 26,392	\$ 0.10
Add:		
Amortization	118,717	0.44
Share-based compensation	8,002	0.03
Special charges (recoveries)	75,849	0.28
Other (income) expense, net	(7,790)	(0.03)
GAAP-based provision for (recovery of) income taxes	32,037	0.12
Non-GAAP-based provision for income taxes	(35,453)	(0.14)
Non-GAAP-based net income, attributable to OpenText	\$ 217,754	\$ 0.80

Reconciliation of Selected Non-GAAP Measures | FY'20

Year Ended June 30, 2020

(In '000's USD, except per share data)

	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	\$ 449,940		\$ (1,642)	(1)	\$ 448,298	
Customer support	123,894		(1,207)	(1)	122,687	
Professional service and other	212,903		(1,294)	(1)	211,609	
Amortization of acquired technology-based intangible assets	205,717		(205,717)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	2,105,961	67.7%	209,860	(3)	2,315,821	74.5%
Operating expenses						
Research and development	370,411		(5,309)	(1)	365,102	
Sales and marketing	585,044		(9,335)	(1)	575,709	
General and administrative	237,532		(10,745)	(1)	226,787	
Amortization of acquired customer-based intangible assets	219,559		(219,559)	(2)	—	
Special charges (recoveries)	100,428		(100,428)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	503,529		555,236	(5)	1,058,765	
Other income (expense), net	(11,946)		11,946	(6)	—	
Provision for (recovery of) income taxes	110,837		16,897	(7)	127,734	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	234,225		550,285	(8)	784,510	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.86		\$ 2.03	(8)	\$ 2.89	

Reconciliation of Selected Non-GAAP Measures | FY'20

FOOTNOTES

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

	Year Ended June 30, 2020	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 234,225	\$ 0.86
Add:		
Amortization	425,276	1.56
Share-based compensation	29,532	0.11
Special charges (recoveries)	100,428	0.37
Other (income) expense, net	11,946	0.04
GAAP-based provision for (recovery of) income taxes	110,837	0.41
Non-GAAP-based provision for income taxes	(127,734)	(0.46)
Non-GAAP-based net income, attributable to OpenText	\$ 784,510	\$ 2.89

Reconciliation of Adjusted EBITDA and Free Cash Flows

(In '000's USD)	FY'21	Q4 FY'21	FY'20	Q4 FY'20
GAAP-based net income, attributable to OpenText	\$ 310,672	\$ 181,283	\$ 234,225	\$ 26,392
Add:				
Provision for (recovery of) income taxes	339,906	(2,215)	110,837	32,037
Interest and other related expense, net	151,567	37,550	146,378	40,529
Amortization of acquired technology-based intangible assets	218,796	53,215	205,717	59,719
Amortization of acquired customer-based intangible assets	216,544	52,469	219,559	58,998
Depreciation	85,265	21,021	89,458	23,649
Share-based compensation	51,969	13,350	29,532	8,002
Special charges (recoveries)	1,748	3,152	100,428	75,849
Other (income) expense, net	(61,434)	(45,017)	11,946	(7,790)
Adjusted EBITDA	\$ 1,315,033	\$ 314,808	\$ 1,148,080	\$ 317,385
Total revenue	\$ 3,386,115	\$ 893,527	\$ 3,109,736	\$ 826,612
GAAP-based net income margin	9.2 %	20.3 %	7.5 %	3.2 %
Adjusted EBITDA margin (% of total revenue)	38.8 %	35.2 %	36.9 %	38.4 %
(In '000's USD)	FY'21	Q4 FY'21	FY'20	Q4 FY'20
GAAP-based cash flows provided by operating activities	\$ 876,120	\$ 296,189	\$ 954,536	\$ 280,250
Add:				
Capital expenditures ⁽¹⁾	(63,675)	(27,408)	(72,709)	(17,704)
Free cash flows	\$ 812,445	\$ 268,781	\$ 881,827	\$ 262,546

⁽¹⁾ Defined as "Additions of property and equipment" in the Consolidated Statements of Cash Flows.

Reconciliation of Adjusted EBITDA and Free Cash Flows

FY'11-FY'20

(In '000's USD)	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20
Adjusted EBITDA										
GAAP-based net income, attributable to OpenText	\$ 123,203	\$ 125,174	\$ 148,520	\$ 218,125	\$ 234,327	\$ 284,477	\$ 1,025,659	\$ 242,224	\$ 285,501	\$ 234,225
Add:										
Provision for (recovery of) income taxes	12,931	12,171	29,690	58,461	31,638	6,282	(776,364)	143,826	154,937	110,837
Interest and other related expense, net	8,452	15,564	16,982	27,934	54,620	76,363	120,892	138,540	136,592	146,378
Amortization of acquired technology-based intangible assets	68,048	84,572	93,610	69,917	81,002	74,238	130,556	185,868	183,385	205,717
Amortization of acquired customer-based intangible assets	38,966	53,326	68,745	81,023	108,239	113,201	150,842	184,118	189,827	219,559
Depreciation	22,116	21,587	24,496	35,237	50,906	54,929	64,318	86,943	97,716	89,458
Share-based compensation	11,308	18,097	15,575	19,906	22,047	25,978	30,507	27,594	26,770	29,532
Special charges (recoveries)	15,576	24,523	24,034	31,314	12,823	34,846	63,618	29,211	35,719	100,428
Other (income) expense, net	6,019	(3,549)	2,473	(3,941)	28,047	1,423	(15,743)	(17,973)	(10,156)	11,946
Adjusted EBITDA	\$ 306,619	\$ 351,465	\$ 424,125	\$ 537,976	\$ 623,649	\$ 671,737	\$ 794,285	\$ 1,020,351	\$ 1,100,291	\$ 1,148,080
Free Cash Flows										
GAAP-based cash flows provided by operating activities ⁽¹⁾	\$ 223,221	\$ 266,490	\$ 318,502	\$ 417,096	\$ 522,055	\$ 523,663	\$ 440,353	\$ 708,081	\$ 876,278	\$ 954,536
Add:										
Capital expenditures ⁽²⁾	(36,662)	(25,828)	(23,107)	(42,268)	(77,046)	(70,009)	(79,592)	(105,318)	(63,837)	(72,709)
Free cash flows	\$ 186,559	\$ 240,662	\$ 295,395	\$ 374,828	\$ 445,009	\$ 453,654	\$ 360,761	\$ 602,763	\$ 812,441	\$ 881,827
GAAP-based net income margin										
Total revenue	\$ 1,033,303	\$ 1,207,473	\$ 1,363,336	\$ 1,624,699	\$ 1,851,917	\$ 1,824,228	\$ 2,291,057	\$ 2,815,241	\$ 2,868,755	\$ 3,109,736
GAAP-based net income margin	11.9 %	10.4 %	10.9 %	13.4 %	12.7 %	15.6 %	44.8 %	8.6 %	10.0 %	7.5 %
Adjusted EBITDA margin (% of total revenue)	29.7 %	29.1 %	31.1 %	33.1 %	33.7 %	36.8 %	34.7 %	36.2 %	38.4 %	36.9 %

⁽¹⁾ Effective July 1, 2018, we adopted ASU No. 2016-18 using the retrospective method. As a result, certain prior period comparative figures above have been adjusted to conform to current period presentation. Fiscal years 2014-2020 have been adjusted retrospectively per ASU 2016-18 while fiscal years 2011-2013 are presented prior to adoption of ASU 2016-18.

⁽²⁾ Defined as "Additions of property & equipment" in the Consolidated Statements of Cash Flows