

# OpenText Quarterly Shareholder Letter

For the third quarter ended March 31, 2022 (Q3, FY'22)

May 4, 2022

## Dear Shareholders

It remains a volatile world with the war in Ukraine, massive refugee crisis in Europe, goods and wage inflation, ongoing supply chain challenges, Covid-19 on the rise in China, and we remain in a global pandemic. These macro events have made it clear that the need for Information Management and digitalization has never been greater. This acceleration in information-led transformations is evident in OpenText's discussions with customers, partners, in our performance, and in our sales pipeline.

The best answer for organizations facing inflation is digitalization; the best answer to supply chain disruption is digitalization; and the best way to manage wage inflation is digitalization. By digitalization I mean taking all forms of work and making them machine-readable, and when machine-readable, using the information and learnings to have people and computers get smarter, go faster, and ultimately, gain an information advantage. In our experience, the transformations that yield the best results are those transformations that are information-led. And the best solution to help organizations gain an information-led transformation is the OpenText Cloud.

We are optimistic and believe in the transformative nature of innovation and technology. Information Management is essential to power and protect organizations of all sizes, as they elevate themselves to their fullest potential. Our mission remains to deliver Information Management - at scale, in the cloud, for organizations of all sizes.

Our OpenText offices are open. We have begun to return to our physical workplaces where we are better together and human collaboration is irreplicable. In June, we plan to host our annual OpenText World Europe conference live from Munich, and we will bring our employees together in person at our company kickoff in July. I hope you can join us at OpenText World Europe on June 21-22.

May the one that brings peace, bring peace for all.

We are each privileged, not because of our economic upbringing, but rather, because we were raised in environments that allowed us to be optimistic. And I have never been more optimistic about our future, reinforced by a strong Q3, robust expectations for Q4, and our confidence to be in our expected range of 3% to 4% total revenue growth for Fiscal 2022.

OpenText's strong third-quarter performance, amidst challenging global macro-dynamics, reflects the strength, durability and resiliency of the OpenText business model. Our cloud strategy is working, and we are seeing the results of our efforts as we help our customers to digitize, transform and grow. We continue to invest in talent, innovation, and technology to drive our growth strategy and we are well positioned to grow and extend our leadership in the \$92 billion Information Management market.



Adoption of our Cloud Editions products continues to grow, reflecting our strong track record of investing in market-leading innovations to create superior customer value. Our Total Growth Strategy is a proven model, creating long-term shareholder value through Total Growth (organic and acquired), capital efficiency and profitability.

We ended the third quarter with demonstrable momentum behind the OpenText growth engine.

Key-highlights in the quarter include the following results compared to Y/Y:

## Quarter Highlights

### Q3 Financial Results

- Record Q3 total revenues of \$882.3 million, up 5.9% as reported, up 8.0% in Constant Currency<sup>(1)</sup> (CC)
- Fifth consecutive quarter of organic growth<sup>(2)</sup>
- Record Annual Recurring Revenues<sup>(3)</sup> (ARR) of \$734.5 million, up 6.2% as reported, up 8.1% in CC and accounting for 83% of total revenues
- Record Cloud revenues of \$401.9 million, up 13.0% as reported and up 14.3% in CC
- Cloud revenues, at 45.6% of total revenues, is our largest revenue line and our leading growth opportunity
- Another quarter of double-digit Y/Y enterprise cloud bookings growth
- Continued investment in talent and technology to drive our future growth strategy
- GAAP-based net income of \$74.7 million or 8.5% of total revenues. Adjusted EBITDA (A-EBITDA)<sup>(4)</sup> of \$284.5 million or 32.2% of total revenues, continuing our track record of upper quartile profitability
- Operating cash flows (OCF) of \$323.6 million or 36.7% of total revenues. Free cash flows (FCF)<sup>(4)</sup> of \$306.0 million or 34.7% of total revenues

### Outlook

- There is no change to our FY'22 total revenues growth target of 3%-4% and our FY'22 Cloud revenues growth target of 8%-10%
- We expect total revenue growth to be closer to 3%. Please recall, the Euro was trading 1.2 to the US Dollar approximately a year ago, and as I write this letter, it is trading at 1.05, more than a 10% decline
- We are providing demonstrable progress towards our FY'24 organic growth aspirations of 2%-4%

### Balance Sheet and Capital Allocation

- We have a solid balance sheet and strong capital deployment strategy with 33% of TTM 12-month FCF targeted towards share buybacks and dividends. Our buyback strategy is intended to hold our share count constant over time. Our dividend strategy is to return approximately 20% of TTM 12-month FCF to shareholders
- We repurchased and canceled 1.0 million of OpenText common shares during the quarter for total consideration of \$45.1 million under our share repurchase plans
- The Board of Directors declared a cash dividend of \$0.2209 per common share payable on June 24, 2022, to shareholders of record on June 3, 2022

(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) Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first-year post acquisition.

(3) Annual recurring revenues is defined as the sum of Cloud services and subscriptions revenue and Customer support revenue.

(4) Please see Appendix for "Use of Non-GAAP Financial Measures" and "Reconciliation of selected GAAP-based measures to non-GAAP-based measures" for additional information on non-GAAP financial measures and a reconciliation to the most comparable GAAP measure.

## Third Quarter FY'22 Results (March 31, 2022)

For the three months ended March 31, 2022, OpenText delivered another strong quarter including record revenues for Q3, record ARR, record Cloud revenues and double-digit year-over-year TTM enterprise cloud bookings growth. Our results were supported by 94% Customer Support renewals and 93% Cloud renewals (excluding Carbonite and Zix).

Total Revenues (in millions)		Annual Recurring Revenues (in millions)		Cloud Revenues (in millions)	
Reported	Constant Currency	Reported	Constant Currency	Reported	Constant Currency
<b>\$882.3</b>	<b>\$899.4</b>	<b>\$734.5</b>	<b>\$747.7</b>	<b>\$401.9</b>	<b>\$406.6</b>
▲ 5.9%	▲ 8.0%	▲ 6.2%	▲ 8.1%	▲ 13.0%	▲ 14.3%

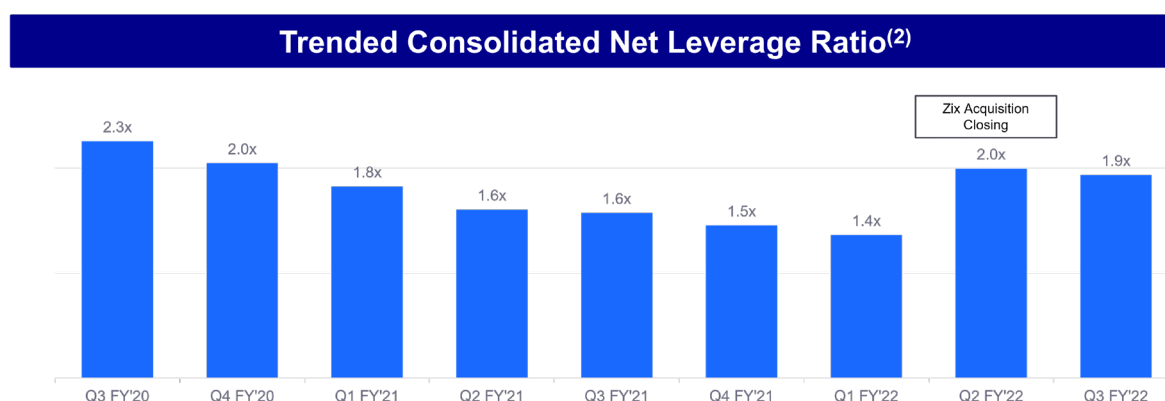
# 83% Annual Recurring Revenues

## Consistent Track Record of Strong Profitability and Free Cash Flows<sup>(1)</sup>

For the three months ended March 31, 2022, OpenText reported net income of \$74.7 million and net income margin of 8.5%. OpenText generated \$323.6 million of OCF or 36.7% of total revenues and \$306.0 million of FCF<sup>(1)</sup> or 34.7% of total revenues. Our cash conversion cycle remained very healthy.

## Resilient Balance Sheet

We finished the quarter with \$1.6 billion of cash and a net leverage ratio of 1.9x (excluding restricted cash). Our cash flow engine and financial discipline remain strong. During the quarter, we paid approximately \$59.1 million in dividends, and under our share repurchase plans, we repurchased and canceled 1.0 million shares for a total consideration of \$45.1 million.



(1) Please see Appendix for "Use of Non-GAAP Financial Measures" and "Reconciliation of selected GAAP-based measures to non-GAAP-based measures" for additional information on non-GAAP financial measures and a reconciliation to the most comparable GAAP measure.

(2) Consolidated Net Leverage Ratio (pro forma) is calculated using bank covenant methodology.

## 2022 Investor Day

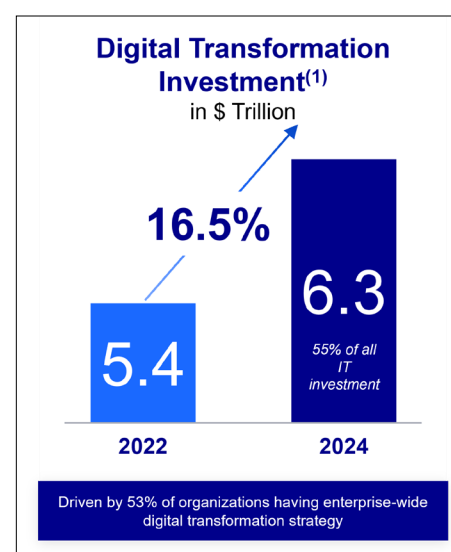
In March we held our annual Investor Day and I encourage shareholders to view the presentation materials in the “Events & Presentations” section of our investor website. In case you were unable to attend, here are some salient points.

At Investor Day, we highlighted:

- Our Information Management total addressable market has increased to \$92 billion<sup>(1)</sup>. This includes additional segmentation between enterprise and Small and Medium-Sized Business (SMB)
- Multiple GROW with OpenText initiatives including our Summit program which focuses on growing our largest customers through our fantastic direct sales and global account teams
- We are seeing strong double-digit growth in bookings from our first tranche of global accounts and expect similar results as the expanded investments made in our coverage matures
- We continue to transition our significant and valuable install base to the cloud
- We have boosted our combined renewal rate (off-cloud + cloud) from 91% to 94% over the past 5 years demonstrating resiliency during significant social, political, and economic macro events
- In enterprise, we attained Global 10K (G10K) account coverage of 66%, on track to reach full coverage of 80%+ by end of CY'23
- We introduced the goal of doubling our international sales capacity and revenue, led by the cloud
- We now have 2,000+ employees focused on SMB, including 500+ product & engineering experts
- We highlighted Microsoft's New Commerce Experience program, which is providing us with an opportunity to engage and grow our MSP partners in new ways. We are pleased with the early feedback and results
- We sized our M&A pipeline at >\$20B comprised of over 1,200 companies tracked by submarket
- Over the next 5 years (FY'21 to FY'26), OpenText expects to invest \$2.2 billion in R&D with 80%+ of future investments to be in cloud-based technology
- Our product roadmap will create compelling cloud solutions that drive growth. Future development will also include more public cloud applications, deeper integrations into our partner clouds, such as integrating into Google Workspace, into Microsoft Office and M365, and deeper integration into SAP and other partners

## Information-Led Transformation is Driving Demand

Looking ahead to the next 18 months, global businesses will continue to invest and own their digital capabilities to drive digital transformation – from modern work, customer experiences, supply chains, and security. OpenText solutions help organizations be future-oriented and create simplicity. The pace of rising compliance measures and labor costs has reinvigorated the attention on process automation and the need for information-led transformations. We expect these trends to continue as businesses face new challenges including inflation, the global competition for talent, ongoing economic volatility and growing cyber threats such as Log4J and geo-political uncertainty.



(1) Source: Individual market reports from International Data Corporation (IDC).

## Cloud Editions Positions OpenText for Continued Growth

OpenText Cloud Editions supports over 3,000 private cloud customers, 11 million public cloud subscribers and more than 1 million trading partners to fuel growth and deliver next level cloud experiences for enterprises and SMBs. We have advanced our engineering processes to deliver a major product release every 90 days because our customers need easy end-to-end integrations in multi-cloud environments that keep evolving. As the leaders in Information Management, OpenText focuses our cloud innovation roadmap on enabling customers to find the right fit for them – whether that is off-cloud, private cloud, public cloud, or via APIs.

Moreover, cybersecurity continues to be the top concern for many customers. OpenText continues to strengthen the security protocols of our cloud infrastructure and cloud offerings with multi-layered protection. The charge regarding business transformation tools and solutions and this battle rhythm has enabled us to rapidly bring compelling value to our customers. On March 2, 2022, we announced Cloud Editions 22.1, which introduced innovations that digitally empower teams to increase their productivity, optimize supply chains, and deliver personalized customer experiences at scale — all while increasing security and reducing risk.

## Accelerating Our Investments

Over the next five years, OpenText plans to invest approximately \$2.2 billion in R&D with 80% of that spending dedicated to advancing innovation across our clouds. As we accelerate our efforts in the cloud, we will continue to deliver robust innovation, driving public cloud solutions, self-service capabilities and co-innovate with our partners like SAP, Google, Microsoft and Amazon. Our development team of 4,500+ is delivering new release enhancements and business value to our customers every 90 days.

- New cloud platform and innovations across our clouds
- On track to reach 80% coverage (full coverage) of the G10K by end of CY'23
- Growing top customers and ecosystems through our Summit Program
- Specific programs targeting competitive replacements
- Dedicated, centralized services and renewals
- Goal of doubling international sales coverage
- New markets in the cloud: APIs, MDR as a service
- Strategic partnerships with hyper-scalers: Microsoft Azure, Google and Amazon AWS
- Partners: large strategic ecosystem including SAP, Microsoft, Salesforce and Global Systems Integrators (SIs)

## Our Culture is Centered on Our Customers

Our OpenText culture is truly customer-centered, and our performance continues to be driven by our focus on our customers' priorities and commitment to outstanding execution. Our five purpose-driven cloud platforms offer end-to-end solutions to enable delivery of personalized customer experiences at scale — all while increasing security and reducing risk.

With over 75,000 enterprise customers and over 800,000 SMB customers, OpenText is the top choice for the world's largest organizations to help them accelerate their information-led transformations. We have the scale, expertise and breadth of our cloud solutions to provide the highest possible value for the largest organizations in the world. Forty of the 50 largest global supply chains are OpenText customers. Our top priority is to be the navigator for our customers' cloud journeys.

We have a number of customer success stories to highlight this quarter:

**Booz Allen Hamilton**, an American management and information technology consulting firm, selected OpenText PLM Managed Services to strengthen its ability to provide client information across more domains and departments.

**Ecopetrol**, a Fortune Global 500 company, the leading petroleum company in Colombia and one of the main petroleum companies in Latin America, migrated all their content from IBM P8 to OpenText Extended ECM.

**Société Générale**, a French multinational investment bank and financial services company, extended its archiving capabilities with OpenText InfoArchive to support the merger of its retail banks.

**Elephant Insurance**, a US auto insurance carrier and a subsidiary of UK leading insurer, Admiral Group, selected OpenText Exstream to generate, personalize and deliver omnichannel communications for their claims, policy and billing services.

**The Philippine National Bureau of Investigation**, a government agency under the Department of Justice, selected OpenText EnCase Forensic and OpenText Tableau to present digital forensic evidence in courts.

Booz | Allen | Hamilton



SINGAPORE  
CUSTOMS




























## Mergers and Acquisitions

We see our M&A capabilities as a strategic competitive advantage and a foundational part of our Total Growth Strategy. The pipeline of opportunities for M&A is growing as valuations in the market become more attractive. We have the capital and leadership bandwidth to pursue our pipeline. Acquisitions enable us to further extend our Information Management leadership supporting our broader growth aspirations. M&A continues to be an important vector to double the company over the next 5 to 7 years and we have the financial strength and flexibility to deploy our M&A strategy at scale for long-term value creation.

## Foundation for Growth

Shaping the company through strategic M&A aligning to key markets and adjacencies

Content Services	       	
Business Network	     	
Digital Experience	    	
Security & Protection	   	
Content Management to Information Management	Evolution from off-cloud to cloud	Market expansion from enterprise to SMB

## Acquisitions Create Foundation for OpenText's SMB Powerhouse Offering

Security remains a high priority for small and medium businesses. The acquisitions of Carbonite in 2019 and Zix in 2021 have provided us with a strong foundation to expand our footprint in the SMB market. The Zix integration is tracking to plan, and I have been very impressed with the talent Zix brings to OpenText, our new MSPs, and the deepening of our strategic relationship with Microsoft.

## We Stand with the People of Ukraine

We stand with the people of Ukraine, whose country is being attacked in an unprovoked war against an independent sovereign nation with a democratically elected government. OpenText has ceased all direct business in Russia and Belarus and with known Russian-owned companies, and this will continue until the war ends and sanctions are lifted. We will continuously monitor the situation and adjust our business practices as required, keeping our employees, customers, and partners informed.

OpenText is proud to be partnering with the United Nations Refugee Agency (UNHCR) and has made a \$100,000 USD donation in support of their ongoing humanitarian efforts in Ukraine. We are also encouraging our employees to contribute to this important cause.

This crisis has wide-ranging impacts on our customers, and we are ready to work quickly to help find solutions to any business disruptions. Protecting customer and partner data is our top priority. We will continue to adopt a proactive and vigilant approach in monitoring cyber-threats. We have a defined Security Incident process to address potential exposure and would immediately advise clients in the event of a breach or data privacy issues.

## Conclusion

OpenText has grown its revenues at a 13.2% compound annual growth rate over the last 5 years through a combination of organic growth and acquisitions. Over that same timeframe, our ARR grew even faster at 15.3% and Cloud revenues grew at 18.6%, leading to higher predictability of our business. In Q3, our ARR was 83% of total revenues.

OpenText continues to accelerate its journey to be the leading Information Management company in the cloud and our position in this market has never been stronger. We will continue to invest in talent, innovation, and technology to drive our growth strategy. As we approach the end of FY'22, our confidence in the durability of our model remains strong. We remain committed to our Total Growth Strategy and creating shareholder value through growth, profitability, and capital efficiency. We are on track to meet our FY'22 targets and longer-term aspirations.

OpenText has never been better positioned to make the most of the opportunities that are ahead of us.



Mark J. Barrenechea  
OpenText CEO & CTO



## Conference Call Information

The public is invited to listen to the earnings conference call today at 5:00 p.m. ET (2:00 p.m. PT) by dialing 1-800-319- 4610 (toll-free) or +1-604-638-5340 (international). Please dial-in 10 minutes ahead of time to ensure proper connection.

Alternatively, a live webcast of the earnings conference call will be available on the Investor Relations section of the Company's website at <http://investors.opentext.com/investor-events-and-presentations>.

A replay of the call will be available beginning May 4, 2022, at 7:00 p.m. ET through 11:59 p.m. on May 18, 2022, and can be accessed by dialing 1-855-669-9658 (toll-free) or +1-604-674-8052 (international) and using passcode 8697 followed by the number sign.

Please see Appendix below for our uses of non-GAAP based financial measures and a reconciliation of U.S. GAAP-based financial measures used in this Shareholder Letter, to Non-GAAP-based financial measures. Refer to our Form 10-Q or press release for a discussion of our financial results for the three and nine months ended March 31, 2022.

Note: All dollar amounts in this Appendix are in thousands of U.S. Dollars unless otherwise indicated.

## About OpenText

OpenText, The Information Company™, enables organizations to gain insight through market leading information management solutions, powered by OpenText Cloud Editions. For more information about OpenText (NASDAQ: OTEX, TSX: OTEX) visit [opentext.com](http://opentext.com).

## Cautionary Statement Regarding Forward-Looking Statements

This Letter contains 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 other applicable securities laws of the United States and 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,” “might,” “will” and variations of these words or similar expressions, we do so to identify forward-looking statements or information under applicable securities laws. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements, and are based on our current estimates, beliefs and assumptions, including management’s perception of historical trends, current conditions and expected future developments, as well as its expectations, forecasts and projections about the operating environment, economies and markets in which we operate. Management’s estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. These forward-looking statements involve known and unknown risks and uncertainties, such as those relating to the duration and severity of the COVID-19 pandemic, including any new strains or resurgences, as well as our ability to develop, protect and maintain our intellectual property and proprietary technology and to operate without infringing on the proprietary rights of others. The actual results that we achieve may differ materially from any forward-looking statements, which speak only as of the date made. We undertake no obligation to revise or publicly release the results of any revisions to these forward-looking statements. For additional information with respect to risks and other factors which could materially affect our business, financial condition, operating results and prospects, including these forward-looking statements, see our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings we make with the Securities and Exchange Commission and other securities regulators. For these reasons, we caution you not to place undue reliance upon any forward-looking statements.

**For more information, please contact:**

**Harry E. Blount**

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## APPENDIX

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

	March 31, 2022 (unaudited)	June 30, 2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,633,702	\$ 1,607,306
Accounts receivable trade, net of allowance for credit losses of \$16,439 as of March 31, 2022 and \$22,151 as of June 30, 2021	429,877	438,547
Contract assets	25,481	25,344
Income taxes recoverable	20,781	32,312
Prepaid expenses and other current assets	122,616	98,551
Total current assets	2,232,457	2,202,060
Property and equipment	227,830	233,595
Operating lease right of use assets	217,684	234,532
Long-term contract assets	20,049	19,222
Goodwill	5,265,189	4,691,673
Acquired intangible assets	1,181,266	1,187,260
Deferred tax assets	717,345	796,738
Other assets	257,301	208,894
Long-term income taxes recoverable	43,518	35,362
<b>Total assets</b>	<b>\$ 10,162,639</b>	<b>\$ 9,609,336</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 404,545	\$ 423,592
Current portion of long-term debt	10,000	10,000
Operating lease liabilities	59,182	58,315
Deferred revenues	936,750	852,629
Income taxes payable	7,483	17,368
Total current liabilities	1,417,960	1,361,904
Long-term liabilities:		
Accrued liabilities	16,631	28,830
Pension liability	76,364	74,511
Long-term debt	4,210,582	3,578,859
Long-term operating lease liabilities	203,101	224,453
Long-term deferred revenues	90,736	98,989
Long-term income taxes payable	35,206	34,113
Deferred tax liabilities	56,208	108,224
Total long-term liabilities	4,688,828	4,147,979
Shareholders' equity:		
Share capital and additional paid-in capital		
270,231,166 and 271,540,755 Common Shares issued and outstanding at March 31, 2022 and June 30, 2021, respectively; authorized Common Shares: unlimited	2,010,146	1,947,764
Accumulated other comprehensive income	17,266	66,238
Retained earnings	2,151,369	2,153,326
Treasury stock, at cost (2,776,420 and 1,567,664 shares at March 31, 2022 and June 30, 2021, respectively)	(124,033)	(69,386)
Total OpenText shareholders' equity	4,054,748	4,097,942
Non-controlling interests	1,103	1,511
Total shareholders' equity	4,055,851	4,099,453
<b>Total liabilities and shareholders' equity</b>	<b>\$ 10,162,639</b>	<b>\$ 9,609,336</b>

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Revenues:				
Cloud services and subscriptions	\$ 401,947	\$ 355,845	\$ 1,123,422	\$ 1,047,285
Customer support	332,514	335,915	1,002,626	999,806
License	80,641	76,299	263,663	252,170
Professional service and other	67,181	64,872	201,679	193,327
Total revenues	882,283	832,931	2,591,390	2,492,588
Cost of revenues:				
Cloud services and subscriptions	136,020	123,729	377,928	354,235
Customer support	31,763	30,953	90,914	89,815
License	3,196	2,810	10,906	9,601
Professional service and other	56,693	50,321	161,459	143,521
Amortization of acquired technology-based intangible assets	46,564	53,453	152,333	165,581
Total cost of revenues	274,236	261,266	793,540	762,753
Gross profit	608,047	571,665	1,797,850	1,729,835
Operating expenses:				
Research and development	117,730	110,071	321,517	304,212
Sales and marketing	180,955	158,687	491,133	438,984
General and administrative	88,137	71,548	231,127	190,502
Depreciation	22,370	21,961	65,535	64,244
Amortization of acquired customer-based intangible assets	56,215	54,156	160,764	164,075
Special charges (recoveries)	11,031	2,846	20,592	(1,404)
Total operating expenses	476,438	419,269	1,290,668	1,160,613
Income from operations	131,609	152,396	507,182	569,222
Other income (expense), net	24,392	8,283	29,137	16,417
Interest and other related expense, net	(40,238)	(37,333)	(117,538)	(114,017)
Income before income taxes	115,763	123,346	418,781	471,622
Provision for income taxes	41,041	31,818	123,757	342,121
Net income for the period	\$ 74,722	\$ 91,528	\$ 295,024	\$ 129,501
Net (income) loss attributable to non-controlling interests	(41)	(38)	(130)	(112)
Net income attributable to OpenText	\$ 74,681	\$ 91,490	\$ 294,894	\$ 129,389
Earnings per share—basic attributable to OpenText	\$ 0.28	\$ 0.34	\$ 1.09	\$ 0.47
Earnings per share—diluted attributable to OpenText	\$ 0.28	\$ 0.33	\$ 1.08	\$ 0.47
Weighted average number of Common Shares outstanding—basic (in '000's)	270,693	272,832	271,623	272,414
Weighted average number of Common Shares outstanding—diluted (in '000's)	271,211	273,924	272,439	273,312

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Net income for the period	\$ 74,722	\$ 91,528	\$ 295,024	\$ 129,501
Other comprehensive income (loss)—net of tax:				
Net foreign currency translation adjustments	(13,073)	(12,568)	(44,512)	36,142
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss) - net of tax expense (recovery) effect of \$233 and \$246 for the three months ended March 31, 2022 and 2021, respectively; (\$158) and \$1,302 for the nine months ended March 31, 2022 and 2021, respectively	648	681	(334)	3,608
(Gain) loss reclassified into net income - net of tax (expense) recovery effect of \$79 and (\$399) for the three months ended March 31, 2022 and 2021, respectively; (\$24) and (\$682) for the nine months ended March 31, 2022 and 2021, respectively	219	(1,108)	(86)	(1,892)
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss) - net of tax expense (recovery) effect of (\$579) and \$944 for the three months ended March 31, 2022 and 2021, respectively; (\$811) and (\$413) for the nine months ended March 31, 2022 and 2021, respectively	(2,033)	344	(4,517)	(2,342)
Amortization of actuarial (gain) loss into net income - net of tax (expense) recovery effect of \$66 and \$95 for the three months ended March 31, 2022 and 2021, respectively; \$134 and \$275 for the nine months ended March 31, 2022 and 2021, respectively	156	249	477	733
Total other comprehensive income (loss) net, for the period	(14,083)	(12,402)	(48,972)	36,249
Total comprehensive income	60,639	79,126	246,052	165,750
Comprehensive (income) loss attributable to non-controlling interests	(41)	(38)	(130)	(112)
Total comprehensive income attributable to OpenText	\$ 60,598	\$ 79,088	\$ 245,922	\$ 165,638

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

	Three Months Ended March 31, 2022							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
<b>Balance as of December 31, 2021</b>	<b>271,006</b>	<b>\$1,990,913</b>	<b>(1,476)</b>	<b>\$ (67,966)</b>	<b>\$2,174,467</b>	<b>\$ 31,349</b>	<b>\$ 1,062</b>	<b>\$4,129,825</b>
Issuance of Common Shares								
Under employee stock option plans	53	1,863	—	—	—	—	—	1,863
Under employee stock purchase plans	172	7,003	—	—	—	—	—	7,003
Share-based compensation	—	16,748	—	—	—	—	—	16,748
Purchase of treasury stock	—	—	(1,300)	(56,067)	—	—	—	(56,067)
Repurchase of Common Shares	(1,000)	(6,381)	—	—	(38,702)	—	—	(45,083)
Dividends declared (\$0.2209 per Common Share)	—	—	—	—	(59,077)	—	—	(59,077)
Other comprehensive income (loss) - net	—	—	—	—	—	(14,083)	—	(14,083)
Net income for the period	—	—	—	—	74,681	—	41	74,722
<b>Balance as of March 31, 2022</b>	<b>270,231</b>	<b>\$2,010,146</b>	<b>(2,776)</b>	<b>\$ (124,033)</b>	<b>\$2,151,369</b>	<b>\$ 17,266</b>	<b>\$ 1,103</b>	<b>\$4,055,851</b>

	Three Months Ended March 31, 2021							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
<b>Balance as of December 31, 2020</b>	<b>272,589</b>	<b>\$1,889,857</b>	<b>(1,101)</b>	<b>\$ (47,555)</b>	<b>\$2,093,076</b>	<b>\$ 66,476</b>	<b>\$ 1,393</b>	<b>\$4,003,247</b>
Issuance of Common Shares								
Under employee stock option plans	219	8,270	—	—	—	—	—	8,270
Under employee stock purchase plans	165	6,421	—	—	—	—	—	6,421
Share-based compensation	—	12,357	—	—	—	—	—	12,357
Purchase of treasury stock	—	—	(490)	(22,977)	—	—	—	(22,977)
Issuance of treasury stock	—	(1,146)	23	1,146	—	—	—	—
Dividends declared (\$0.2008 per Common Share)	—	—	—	—	(54,519)	—	—	(54,519)
Other comprehensive income (loss) - net	—	—	—	—	—	(12,402)	—	(12,402)
Net income for the period	—	—	—	—	91,490	—	38	91,528
<b>Balance as of March 31, 2021</b>	<b>272,973</b>	<b>\$1,915,759</b>	<b>(1,568)</b>	<b>\$ (69,386)</b>	<b>\$2,130,047</b>	<b>\$ 54,074</b>	<b>\$ 1,431</b>	<b>\$4,031,925</b>

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

	Nine Months Ended March 31, 2022							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
<b>Balance as of June 30, 2021</b>	<b>271,541</b>	<b>\$1,947,764</b>	<b>(1,568)</b>	<b>\$ (69,386)</b>	<b>\$2,153,326</b>	<b>\$ 66,238</b>	<b>\$ 1,511</b>	<b>\$4,099,453</b>
Issuance of Common Shares								
Under employee stock option plans	905	31,128	—	—	—	—	—	31,128
Under employee stock purchase plans	595	24,913	—	—	—	—	—	24,913
Share-based compensation	—	45,091	—	—	—	—	—	45,091
Purchase of treasury stock	—	—	(1,700)	(75,660)	—	—	—	(75,660)
Issuance of treasury stock	—	(21,013)	492	21,013	—	—	—	—
Repurchase of Common Shares	(2,810)	(17,879)	—	—	(118,238)	—	—	(136,117)
Dividends declared (\$0.6627 per Common Share)	—	—	—	—	(178,613)	—	—	(178,613)
Other comprehensive income (loss) - net	—	—	—	—	—	(48,972)	—	(48,972)
Distribution to non-controlling interest	—	142	—	—	—	—	(538)	(396)
Net income for the period	—	—	—	—	294,894	—	130	295,024
<b>Balance as of March 31, 2022</b>	<b>270,231</b>	<b>\$2,010,146</b>	<b>(2,776)</b>	<b>\$ (124,033)</b>	<b>\$2,151,369</b>	<b>\$ 17,266</b>	<b>\$ 1,103</b>	<b>\$4,055,851</b>

	Nine Months Ended March 31, 2021							
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total
	Shares	Amount	Shares	Amount				
<b>Balance as of June 30, 2020</b>	<b>271,863</b>	<b>\$1,851,777</b>	<b>(622)</b>	<b>\$ (23,608)</b>	<b>\$2,159,396</b>	<b>\$ 17,825</b>	<b>\$ 1,319</b>	<b>\$4,006,709</b>
Adoption of ASU 2016-13 - cumulative effect, net	—	—	—	—	(2,450)	—	—	(2,450)
Issuance of Common Shares								
Under employee stock option plans	743	23,768	—	—	—	—	—	23,768
Under employee stock purchase plans	367	13,974	193	6,690	—	—	—	20,664
Share-based compensation	—	38,619	—	—	—	—	—	38,619
Purchase of treasury stock	—	—	(1,455)	(64,847)	—	—	—	(64,847)
Issuance of treasury stock	—	(12,379)	316	12,379	—	—	—	—
Dividends declared (\$0.5762 per Common Share)	—	—	—	—	(156,288)	—	—	(156,288)
Other comprehensive income (loss) - net	—	—	—	—	—	36,249	—	36,249
Net income for the period	—	—	—	—	129,389	—	112	129,501
<b>Balance as of March 31, 2021</b>	<b>272,973</b>	<b>\$1,915,759</b>	<b>(1,568)</b>	<b>\$ (69,386)</b>	<b>\$2,130,047</b>	<b>\$ 54,074</b>	<b>\$ 1,431</b>	<b>\$4,031,925</b>



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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Cash flows from operating activities:				
Net income for the period	\$ 74,722	\$ 91,528	\$ 295,024	\$ 129,501
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	125,149	129,570	378,632	393,900
Share-based compensation expense	16,748	12,357	45,091	38,619
Pension expense	1,868	1,550	4,883	4,670
Amortization of debt issuance costs	1,482	1,141	3,936	3,395
Loss on extinguishment of debt	—	—	27,413	—
Loss on sale and write down of property and	58	1,026	96	1,979
Deferred taxes	22,440	447	43,332	80,844
Share in net (income) loss of equity investees	(27,746)	(11,765)	(59,103)	(20,020)
Changes in operating assets and liabilities:				
Accounts receivable	17,241	54,345	68,428	87,072
Contract assets	(8,463)	(8,842)	(27,208)	(29,035)
Prepaid expenses and other current assets	(4,501)	(10,494)	(15,722)	(2,528)
Income taxes	(14,011)	(286,435)	(11,235)	(117,594)
Accounts payable and accrued liabilities	42,891	9,211	(65,738)	(27,327)
Deferred revenue	76,335	81,247	25,642	62,600
Other assets	(386)	2,232	16,527	765
Operating lease assets and liabilities, net	(270)	(3,546)	(128)	(26,910)
Net cash provided by operating activities	323,557	63,572	729,870	579,931
Cash flows from investing activities:				
Additions of property and equipment	(17,590)	(13,311)	(54,937)	(36,267)
Purchase of Zix Corporation, net of cash acquired	(18,602)	—	(856,175)	—
Purchase of Bricata Inc.	—	—	(17,927)	—
Purchase of XMedius	—	—	—	444
Purchase of Dynamic Solutions Group Inc.	—	—	—	(371)
Other investing activities	(651)	(648)	(3,922)	(2,018)
Net cash used in investing activities	(36,843)	(13,959)	(932,961)	(38,212)
Cash flows from financing activities:				
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	10,788	16,603	56,476	45,780
Proceeds from long-term debt and Revolver	—	—	1,500,000	—
Repayment of long-term debt and Revolver	(2,500)	(2,500)	(857,500)	(607,500)
Debt extinguishment costs	—	—	(24,969)	—
Debt issuance costs	(1,812)	—	(17,159)	—
Repurchase of Common Shares	(45,083)	—	(136,117)	—
Purchase of treasury stock	(56,067)	(22,977)	(75,660)	(64,847)
Distribution to non-controlling interest	—	—	(396)	—
Payments of dividends to shareholders	(59,077)	(54,519)	(178,613)	(156,288)
Net cash provided by (used in) financing activities	(153,751)	(63,393)	266,062	(782,855)
Foreign exchange gain (loss) on cash held in foreign currencies	(11,207)	(11,218)	(36,920)	22,553
Increase (decrease) in cash, cash equivalents and restricted cash during the period	121,756	(24,998)	26,051	(218,583)
Cash, cash equivalents and restricted cash at beginning of the period	1,514,095	1,503,678	1,609,800	1,697,263
Cash, cash equivalents and restricted cash at end of the period	\$ 1,635,851	\$ 1,478,680	\$ 1,635,851	\$ 1,478,680

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

<b>Reconciliation of cash, cash equivalents and restricted cash:</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Cash and cash equivalents	\$ 1,633,702	\$ 1,475,626
Restricted cash <sup>(1)</sup>	2,149	3,054
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 1,635,851</b>	<b>\$ 1,478,680</b>

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

### ***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. Reconciliations of Non-GAAP financial measures for future periods are not provided as the Company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliations.

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 our return to office planning, that have resulted in costs associated with reductions in headcount, consolidation of leased facilities and related costs, all which are recorded under the Company's "Special charges (recoveries)" caption on the Consolidated Statements of Income. Each restructuring activity is a discrete event based on a unique set of business objectives or circumstances, and each differs in terms of its operational implementation, business impact and scope, and the size of each restructuring plan can vary significantly from period to period. Therefore, the Company believes that the exclusion of these special charges (recoveries) will also better aid readers of financial statements in the understanding and comparability of the Company's operating results and underlying operational trends.

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

The following charts provide unaudited reconciliations of U.S. GAAP-based financial measures to Non-GAAP-based financial measures for the following periods presented.

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures  
for the three months ended March 31, 2022**

*(In thousands, except for per share data)*

	Three Months Ended March 31, 2022					
	GAAP-based Measures	GAAP-based Measures % of Total Revenue	Adjustments	Note	Non-GAAP- based Measures	Non-GAAP- based Measures % of Total Revenue
<b>Cost of revenues</b>						
Cloud services and subscriptions	\$ 136,020		\$ (1,268)	(1)	\$ 134,752	
Customer support	31,763		(501)	(1)	31,262	
Professional service and other	56,693		(907)	(1)	55,786	
Amortization of acquired technology-based intangible assets	46,564		(46,564)	(2)	—	
<b>GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)</b>	608,047	68.9%	49,240	(3)	657,287	74.5%
<b>Operating expenses</b>						
Research and development	117,730		(4,350)	(1)	113,380	
Sales and marketing	180,955		(5,761)	(1)	175,194	
General and administrative	88,137		(3,961)	(1)	84,176	
Amortization of acquired customer-based intangible assets	56,215		(56,215)	(2)	—	
Special charges (recoveries)	11,031		(11,031)	(4)	—	
<b>GAAP-based income from operations / Non-GAAP- based income from operations</b>	131,609		130,558	(5)	262,167	
Other income (expense), net	24,392		(24,392)	(6)	—	
Provision for income taxes	41,041		(9,971)	(7)	31,070	
<b>GAAP-based net income / Non-GAAP-based net income, attributable to OpenText</b>	74,681		116,137	(8)	190,818	
<b>GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText</b>	\$ 0.28		\$ 0.42	(8)	\$ 0.70	

- (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 35% 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 March 31, 2022	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 74,681	\$ 0.28
Add:		
Amortization	102,779	0.38
Share-based compensation	16,748	0.06
Special charges (recoveries)	11,031	0.04
Other (income) expense, net	(24,392)	(0.09)
GAAP-based provision for income taxes	41,041	0.15
Non-GAAP-based provision for income taxes	(31,070)	(0.12)
Non-GAAP-based net income, attributable to OpenText	\$ 190,818	\$ 0.70

**Reconciliation of Adjusted EBITDA**

	Three Months Ended March 31, 2022
GAAP-based net income, attributable to OpenText	\$ 74,681
Add:	
Provision for income taxes	41,041
Interest and other related expense, net	40,238
Amortization of acquired technology-based intangible assets	46,564
Amortization of acquired customer-based intangible assets	56,215
Depreciation	22,370
Share-based compensation	16,748
Special charges (recoveries)	11,031
Other (income) expense, net	(24,392)
Adjusted EBITDA	\$ 284,496
GAAP-based net income margin	8.5 %
Adjusted EBITDA margin	32.2 %

**Reconciliation of Free cash flows**

	Three Months Ended March 31, 2022
GAAP-based cash flows provided by operating activities	\$ 323,557
Add:	
Capital expenditures <sup>(1)</sup>	(17,590)
Free cash flows	\$ 305,967

<sup>(1)</sup> Defined as “Additions of property and equipment” in the Condensed Consolidated Statements of Cash Flows.

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures**  
**for the nine months ended March 31, 2022**  
*(In thousands, except for per share data)*

	Nine Months Ended March 31, 2022				
	GAAP-based Measures	GAAP-based Measures % of Total Revenue	Adjustments	Note	Non-GAAP-based Measures % of Total Revenue
<b>Cost of revenues</b>					
Cloud services and subscriptions	\$ 377,928		\$ (3,072)	(1)	\$ 374,856
Customer support	90,914		(1,631)	(1)	89,283
Professional service and other	161,459		(2,275)	(1)	159,184
Amortization of acquired technology-based intangible assets	152,333		(152,333)	(2)	—
<b>GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)</b>	<b>1,797,850</b>	<b>69.4%</b>	<b>159,311</b>	<b>(3)</b>	<b>1,957,161 75.5%</b>
<b>Operating expenses</b>					
Research and development	321,517		(9,936)	(1)	311,581
Sales and marketing	491,133		(15,377)	(1)	475,756
General and administrative	231,127		(12,800)	(1)	218,327
Amortization of acquired customer-based intangible assets	160,764		(160,764)	(2)	—
Special charges (recoveries)	20,592		(20,592)	(4)	—
<b>GAAP-based income from operations / Non-GAAP-based income from operations</b>	<b>507,182</b>		<b>378,780</b>	<b>(5)</b>	<b>885,962</b>
Other income (expense), net	29,137		(29,137)	(6)	—
Provision for income taxes	123,757		(16,178)	(7)	107,579
<b>GAAP-based net income / Non-GAAP-based net income, attributable to OpenText</b>	<b>294,894</b>		<b>365,821</b>	<b>(8)</b>	<b>660,715</b>
<b>GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText</b>	<b>\$ 1.08</b>		<b>\$ 1.35</b>	<b>(8)</b>	<b>\$ 2.43</b>

- (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 30% 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:

	Nine Months Ended March 31, 2022	
		Per share diluted
GAAP-based net income, attributable to OpenText	\$ 294,894	\$ 1.08
Add:		
Amortization	313,097	1.15
Share-based compensation	45,091	0.17
Special charges (recoveries)	20,592	0.08
Other (income) expense, net	(29,137)	(0.11)
GAAP-based provision for income taxes	123,757	0.45
Non-GAAP-based provision for income taxes	(107,579)	(0.39)
Non-GAAP-based net income, attributable to OpenText	\$ 660,715	\$ 2.43

**Reconciliation of Adjusted EBITDA**

	Nine Months Ended March 31, 2022	
GAAP-based net income, attributable to OpenText	\$	294,894
Add:		
Provision for income taxes		123,757
Interest and other related expense, net		117,538
Amortization of acquired technology-based intangible assets		152,333
Amortization of acquired customer-based intangible assets		160,764
Depreciation		65,535
Share-based compensation		45,091
Special charges (recoveries)		20,592
Other (income) expense, net		(29,137)
Adjusted EBITDA	\$	951,367
GAAP-based net income margin		11.4 %
Adjusted EBITDA margin		36.7 %

**Reconciliation of Free cash flows**

	Nine Months Ended March 31, 2022	
GAAP-based cash flows provided by operating activities	\$	729,870
Add:		
Capital expenditures <sup>(1)</sup>		(54,937)
Free cash flows	\$	674,933

<sup>(1)</sup> Defined as “Additions of property and equipment” in the Condensed Consolidated Statements of Cash Flows.



**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures  
for the three months ended December 31, 2021**

*(In thousands, except for per share data)*

	Three Months Ended December 31, 2021					
	GAAP-based Measures	GAAP-based Measures % of Total Revenue	Adjustments	Note	Non-GAAP- based Measures	Non-GAAP- based Measures % of Total Revenue
<b>Cost of revenues</b>						
Cloud services and subscriptions	\$ 122,129		\$ (897)	(1)	\$ 121,232	
Customer support	29,668		(409)	(1)	29,259	
Professional service and other	53,041		(647)	(1)	52,394	
Amortization of acquired technology-based intangible assets	52,602		(52,602)	(2)	—	
<b>GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)</b>	615,618	70.2%	54,555	(3)	670,173	76.4%
<b>Operating expenses</b>						
Research and development	103,622		(2,652)	(1)	100,970	
Sales and marketing	163,938		(5,006)	(1)	158,932	
General and administrative	71,513		(4,798)	(1)	66,715	
Amortization of acquired customer-based intangible assets	52,665		(52,665)	(2)	—	
Special charges (recoveries)	9,217		(9,217)	(4)	—	
<b>GAAP-based income from operations / Non-GAAP- based income from operations</b>	192,884		128,893	(5)	321,777	
Other income (expense), net	(25,037)		25,037	(6)	—	
Provision for income taxes	39,266		148	(7)	39,414	
<b>GAAP-based net income / Non-GAAP-based net income, attributable to OpenText</b>	88,298		153,782	(8)	242,080	
<b>GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText</b>	\$ 0.32		\$ 0.57	(8)	\$ 0.89	

- (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 31% 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 December 31, 2021	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 88,298	\$ 0.32
Add:		
Amortization	105,267	0.39
Share-based compensation	14,409	0.05
Special charges (recoveries)	9,217	0.03
Other (income) expense, net	25,037	0.09
GAAP-based provision for income taxes	39,266	0.15
Non-GAAP-based provision for income taxes	(39,414)	(0.14)
Non-GAAP-based net income, attributable to OpenText	\$ 242,080	\$ 0.89

**Reconciliation of Adjusted EBITDA**

	Three Months Ended December 31, 2021
GAAP-based net income, attributable to OpenText	\$ 88,298
Add:	
Provision for income taxes	39,266
Interest and other related expense, net	40,245
Amortization of acquired technology-based intangible assets	52,602
Amortization of acquired customer-based intangible assets	52,665
Depreciation	21,779
Share-based compensation	14,409
Special charges (recoveries)	9,217
Other (income) expense, net	25,037
Adjusted EBITDA	\$ 343,518
GAAP-based net income margin	10.1 %
Adjusted EBITDA margin	39.2 %

**Reconciliation of Free cash flows**

	Three Months Ended December 31, 2021
GAAP-based cash flows provided by operating activities	\$ 216,644
Add:	
Capital expenditures <sup>(1)</sup>	(10,635)
Free cash flows	\$ 206,009

<sup>(1)</sup> Defined as “Additions of property and equipment” in the Condensed Consolidated Statements of Cash Flows.

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures**  
**for the three months ended March 31, 2021**  
*(In thousands, except for per share data)*

	Three Months Ended March 31, 2021					
	GAAP-based Measures	GAAP-based Measures % of Total Revenue	Adjustments	Note	Non-GAAP-based Measures	Non-GAAP-based Measures % of Total Revenue
<b>Cost of revenues</b>						
Cloud services and subscriptions	\$ 123,729		\$ (505)	(1)	\$ 123,224	
Customer support	30,953		(464)	(1)	30,489	
Professional service and other	50,321		(684)	(1)	49,637	
Amortization of acquired technology-based intangible assets	53,453		(53,453)	(2)	—	
<b>GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)</b>	571,665	68.6 %	55,106	(3)	626,771	75.2 %
<b>Operating expenses</b>						
Research and development	110,071		(2,146)	(1)	107,925	
Sales and marketing	158,687		(4,580)	(1)	154,107	
General and administrative	71,548		(3,978)	(1)	67,570	
Amortization of acquired customer-based intangible assets	54,156		(54,156)	(2)	—	
Special charges (recoveries)	2,846		(2,846)	(4)	—	
<b>GAAP-based income from operations / Non-GAAP-based income from operations</b>	152,396		122,812	(5)	275,208	
Other income (expense), net	8,283		(8,283)	(6)	—	
Provision for income taxes	31,818		1,485	(7)	33,303	
<b>GAAP-based net income / Non-GAAP-based net income, attributable to OpenText</b>	91,490		113,044	(8)	204,534	
<b>GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText</b>	\$ 0.33		\$ 0.42	(8)	\$ 0.75	

- (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 26% 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 March 31, 2021	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 91,490	\$ 0.33
Add:		
Amortization	107,609	0.39
Share-based compensation	12,357	0.05
Special charges (recoveries)	2,846	0.01
Other (income) expense, net	(8,283)	(0.03)
GAAP-based provision for income taxes	31,818	0.12
Non-GAAP-based provision for income taxes	(33,303)	(0.12)
Non-GAAP-based net income, attributable to OpenText	\$ 204,534	\$ 0.75

**Reconciliation of Adjusted EBITDA**

	Three Months Ended March 31, 2021
GAAP-based net income, attributable to OpenText	\$ 91,490
Add:	
Provision for income taxes	31,818
Interest and other related expense, net	37,333
Amortization of acquired technology-based intangible assets	53,453
Amortization of acquired customer-based intangible assets	54,156
Depreciation	21,961
Share-based compensation	12,357
Special charges (recoveries)	2,846
Other (income) expense, net	(8,283)
Adjusted EBITDA	\$ 297,131
GAAP-based net income margin	11.0 %
Adjusted EBITDA margin	35.7 %

**Reconciliation of Free cash flows**

	Three Months Ended March 31, 2021
GAAP-based cash flows provided by operating activities	\$ 63,572
Add:	
Capital expenditures <sup>(1)</sup>	(13,311)
Free cash flows	\$ 50,261

<sup>(1)</sup> Defined as “Additions of property and equipment” in the Condensed Consolidated Statements of Cash Flows.

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures  
for the nine months ended March 31, 2021**

*(In thousands, except for per share data)*

	Nine Months Ended March 31, 2021					
	GAAP-based Measures	GAAP-based Measures % of Total Revenue	Adjustments	Note	Non-GAAP- based Measures	Non-GAAP- based Measures % of Total Revenue
<b>Cost of revenues</b>						
Cloud services and subscriptions	\$ 354,235		\$ (2,484)	(1)	\$ 351,751	
Customer support	89,815		(1,405)	(1)	88,410	
Professional service and other	143,521		(1,867)	(1)	141,654	
Amortization of acquired technology-based intangible assets	165,581		(165,581)	(2)	—	
<b>GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)</b>	1,729,835	69.4 %	171,337	(3)	1,901,172	76.3 %
<b>Operating expenses</b>						
Research and development	304,212		(7,195)	(1)	297,017	
Sales and marketing	438,984		(13,594)	(1)	425,390	
General and administrative	190,502		(12,074)	(1)	178,428	
Amortization of acquired customer-based intangible assets	164,075		(164,075)	(2)	—	
Special charges (recoveries)	(1,404)		1,404	(4)	—	
<b>GAAP-based income from operations / Non-GAAP- based income from operations</b>	569,222		366,871	(5)	936,093	
Other income (expense), net	16,417		(16,417)	(6)	—	
Provision for income taxes	342,121		(227,030)	(7)	115,091	
<b>GAAP-based net income / Non-GAAP-based net income, attributable to OpenText</b>	129,389		577,484	(8)	706,873	
<b>GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText</b>	\$ 0.47		\$ 2.12	(8)	\$ 2.59	

- (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 73% 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 nine months ended March 31, 2021 includes an income tax provision charge from IRS settlements 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 three months ended December 31, 2020.

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

	Nine Months Ended March 31, 2021	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 129,389	\$ 0.47
Add:		
Amortization	329,656	1.21
Share-based compensation	38,619	0.14
Special charges (recoveries)	(1,404)	(0.01)
Other (income) expense, net	(16,417)	(0.06)
GAAP-based provision for income taxes	342,121	1.26
Non-GAAP-based provision for income taxes	(115,091)	(0.42)
Non-GAAP-based net income, attributable to OpenText	\$ 706,873	\$ 2.59

**Reconciliation of Adjusted EBITDA**

	Nine Months Ended March 31, 2021
GAAP-based net income, attributable to OpenText	\$ 129,389
Add:	
Provision for income taxes	342,121
Interest and other related expense, net	114,017
Amortization of acquired technology-based intangible assets	165,581
Amortization of acquired customer-based intangible assets	164,075
Depreciation	64,244
Share-based compensation	38,619
Special charges (recoveries)	(1,404)
Other (income) expense, net	(16,417)
Adjusted EBITDA	\$ 1,000,225
GAAP-based net income margin	5.2 %
Adjusted EBITDA margin	40.1 %

**Reconciliation of Free cash flows**

	Nine Months Ended March 31, 2021
GAAP-based cash flows provided by operating activities	\$ 579,931
Add:	
Capital expenditures <sup>(1)</sup>	(36,267)
Free cash flows	\$ 543,664

<sup>(1)</sup> Defined as “Additions of property and equipment” in the Condensed Consolidated Statements of Cash Flows.