



OpenText Investor Presentation

February 6, 2025

NASDAQ: OTEX | TSX: OTEX

Safe Harbor and IP Statement

This presentation contains forward-looking statements or information (forward-looking statements) within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), Section 27A of the U.S. Securities Act of 1933, as amended, and other applicable securities laws of the United States and Canada, and is subject to the safe harbors created by those provisions. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. Certain statements in this presentation, including statements about Open Text Corporation (“OpenText” or “the Company”) on growth, profitability and future of Information Management, including achieving total growth, competitive advantage, margin expansion and free cash flow, and delivering upper quartile capital returns; customer benefits from products; timing of next generation platform; focus on operational discipline, efficiency and margin expansion; executing the Company’s capital allocation strategy, including expected return to shareholders; achieving Fiscal 2025 financial targets; level of performance through the fiscal year; cloud bookings, demand, scale and revenue growth; future organic growth initiatives and deployment of capital; innovation fueled by cloud, AI and security technologies; executing on targets and aspirations; future revenues, operating expenses, margins, free cash flows, interest expense and capital expenditures; market share of our products; innovation road map; intention to maintain a dividend program, including any targeted annualized dividend; expected size and timing of the share repurchase plan, including execution thereof; future tax rates; renewal rates; new platform and product offerings, including OpenText AI products, and associated benefits to customers; internal automation and AI leverage, including our AI strategy, vision and growth; strategy to build shareholder value; projected financial information; and other matters, which may contain words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “may”, “could”, “would”, “might”, “will” and variations of these words or similar expressions are intended to identify forward-looking statements or information under applicable securities laws (forward-looking statements). 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 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, such as certain assumptions about the economy, as well as market, financial and operational assumptions. Management's estimates, beliefs and assumptions, including statements regarding future targets and aspirations, are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change and are not considered guidance. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Future declarations of dividends are also subject to the final determination and discretion of the Board of Directors, and an annualized dividend has not been approved or declared by the Board. Forward-looking statements involve known and unknown risks and uncertainties such as those relating to: all statements regarding the expected future financial position, results of operations, revenues, expenses, margins, cash flows, dividends, share buybacks, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management, including any anticipated synergy benefits; incurring unanticipated costs, delays or difficulties; and our ability to develop, protect and maintain our intellectual property and proprietary technology and to operate without infringing on the proprietary rights of others. We rely on a combination of copyright, patent, trademark and trade secret laws, non-disclosure agreements and other contractual provisions to establish and maintain our proprietary rights, which are important to our success. From time to time, we may also enforce our intellectual property rights through litigation in line with our strategic and business objectives.

The actual results that OpenText achieves may differ materially from any forward-looking statements. For additional information with respect to risks and other factors which could occur, see the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission (SEC) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Further, readers should note that we may announce information using our website, press releases, securities law filings, public conference calls, webcasts and the social media channels identified on the Investors section of our website (<https://investors.opentext.com>). Such social media channels may include the Company's or our CEO's blog, X, formerly known as Twitter, account or LinkedIn account. The information posted through such channels may be material. Accordingly, readers should monitor such channels in addition to our other forms of communication. In addition, certain non-GAAP forward-looking measures have not been reconciled to their corresponding GAAP measure due to the high variability and difficulty in making accurate forecasts and projections of such information.

Items in tables throughout this presentation may not add due to rounding. Percentages presented are calculated based on the underlying amounts.

Building Shareholder Value: Our Four Point Strategy

1 Live the OpenText Business System

- Relentless focus on execution

2 Accelerate Cloud Growth

- Competitive differentiation in Information Management
- Grow consumption in Private Cloud, SaaS, Security and AI
- Market coverage expansion internationally and mid-market

3 Powerful A-EBITDA and Free Cash Flows Generation

- Margin expansion (both gross margin and A-EBITDA)
- A technology-enabled business through Data, Automation and AI
- Completed Micro Focus integration, lower interest and special charges

4 Disciplined Capital Allocation

- Invest to accelerate cloud growth
- Primary: Return of Capital to shareholders via dividends and buybacks
- Additional: Our additional Free Cash Flows will be allocated to the highest return of capital across dividends, buybacks, debt reduction or M&A

For the next 3 years expect to grow annually:

- A-EBITDA Margin⁽¹⁾
- A-EPS⁽¹⁾
- Free Cash Flows⁽¹⁾⁽²⁾
- Return of Capital⁽³⁾

1. Please refer to "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.

2. After a one-time cash tax payable related to AMC divestiture.

3. Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.

Mid-Year F'25 Update

Q2 F'25 Performance

- A-EBITDA Margin of 37.6%, up 70 bps y/y, and up over 300 bps excluding AMC
- Free Cash Flows of \$307M, up 0.4% y/y
- Repurchased and retired 2.2M common shares for \$66M
- Record Enterprise Cloud Bookings of \$250M

Expanded RPO Disclosure

- Expanded view into RPO (e.g. Cloud and CS)
- New Cloud cRPO metric
- Please refer to the Supplemental RPO Disclosure on the OpenText Investor Relations website

F'25 Targets

- Maintaining F'25 Cloud Revenue Target Range
- Maintaining F'25 A-EBITDA Margin⁽¹⁾ Target Range
- Increasing F'25 Free Cash Flows⁽¹⁾ Target Range
- Lowering F'25 Revenue Targets

F'25 Strong Capital Returns

- \$570M+ in expected capital return⁽²⁾, up 37% y/y
 - \$300M share repurchase plan, up 100% y/y
 - Increase annualized dividends per share from \$1.00 to \$1.05, estimated \$270M⁽³⁾

1. 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.
2. Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.
3. Total value of cash dividends paid is based on estimated common shares outstanding at the end of each fiscal quarter.

Q2 F'25 Financials

OpenText Reported


\$ in millions except A-EPS	Q2 F'25	Q2 F'24	% change
Cloud Revenue	\$462	\$450	2.7%
ARR Revenue ⁽¹⁾	\$1,053	\$1,146	(8.1)%
Total Revenue	\$1,335	\$1,535	(13.1)%
A-EBITDA ⁽²⁾	\$501	\$566	(11.4)%
Free Cash Flows ⁽²⁾	\$307	\$305	0.4%
A-EPS ⁽²⁾	\$1.11	\$1.24	(10.5)%
	Q2 F'25	Q2 F'24	% change
Enterprise Cloud Bookings ⁽³⁾	\$250	\$235	6.1%
ARR % of Revenue ⁽¹⁾	79%	75%	
A-EBITDA % of Revenue ⁽²⁾	37.6%	36.9%	
Cloud Net Renewal Rate ⁽⁴⁾	95%		
Off-Cloud Net Renewal Rate ⁽⁴⁾	92%		

OpenText ex-AMC

\$ in millions	Q2 F'25	Q2 F'24	% change
Cloud Revenue	\$462	\$450	2.7%
ARR Revenue ⁽¹⁾	\$1,053	\$1,062	(0.8)%
Total Revenue	\$1,335	\$1,404	(4.9)%
ARR % of Revenue ⁽¹⁾	79%	76%	

1. Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.
2. 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.
3. Enterprise cloud bookings is the total value from cloud services and subscription contracts entered into with our enterprise-based customers in the fiscal year that are new, committed and incremental to our existing contracts.
4. Net Renewal Rate excludes Carbonite and Zix. The Net Renewal Rate includes changes in renewed contract values driven by volume and consumption and excludes the impacts from shifts from off-cloud to cloud.

Q2 F'25 Customer Wins

Analytics	Application Automation	Business Network	Content	Content	IT Operations Management
 <p>Bosch is a global leader in engineering and technology solutions, with a strong focus on delivering innovative products across various sectors.</p>	 <p>ST Micro is a global semiconductor company that creates and delivers technology such as microchips, which are embedded in the most advanced innovations.</p>	 <p>BASF Catalysts is a current subsidiary of BASF SE. BASF SE is a global German multinational and the world's largest chemical producer, employing over 100,000 people worldwide.</p>	 <p>GWC is a leading provider of logistics and supply chain solutions in the State of Qatar. Offers the full spectrum of high-quality solutions to a variety of industry verticals.</p>	 <p>Ergon is a family of companies built to serve industries essential to global manufacturing and infrastructure. For seven decades, Ergon have been delivering innovative products and service solutions.</p>	 <p>Aeven, (part of Novo Nordisk IT), provides digital solutions, including IT infrastructure, cloud services, cybersecurity, and SAP implementation.</p>

Products & Services

eDocs Legal Tech	Core Application Quality Management & Functional Testing, Professional Services	Business Network Cloud Enterprise	Documentum Content Management, xECM, Content Aviator	Content Management for SAP	AI Operations Management (Operations Bridge)
------------------	---	-----------------------------------	--	----------------------------	--

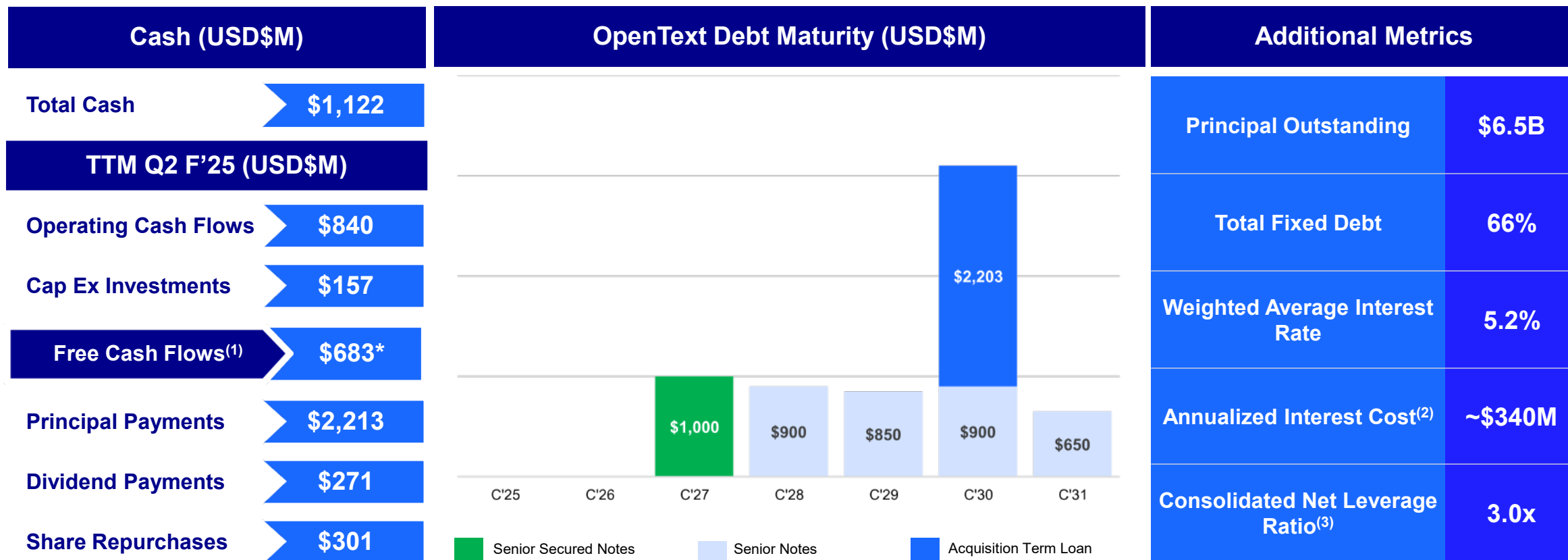
Solutions

Faced with the challenge of managing a high volume of legal documents across a dispersed environment, the implementation allowed them to achieve centralized control, enhance collaboration, and improve document security and compliance.	OpenText's solution supports ST's current business needs and the fast-changing industry with technical expertise and API library. It offers the right features, scalability, and a solid roadmap to support their development and strategic market presence.	BASF Catalysts utilizes OpenText's solution to migrate the traffic to a cloud-based platform. The solution provides a highly scalable solution that supports their service quality requirements and potential future EDI consolidations, reducing operational costs.	GWC is utilizing OpenText's cloud solutions, offering customers in the records management sector cutting-edge technology for information management. GWC will also leverage xECM and Aviator to implement an AI-driven information management system.	Ergon was looking for an integrated SAP Solution with a trusted partner. OpenText provides a centralized solution for compliant document and records management. xECM is ideal with project documentation integrated with SAP Enterprise Portfolio and Project Management.	Aeven faced challenges in maintaining consistent IT performance in a distributed environment. The offering provided a centralized platform for monitoring and incident management. It enhanced service reliability, reduced operational costs and ensure business continuity.
--	--	--	---	--	---



Cash Flows and Debt Maturity Profile

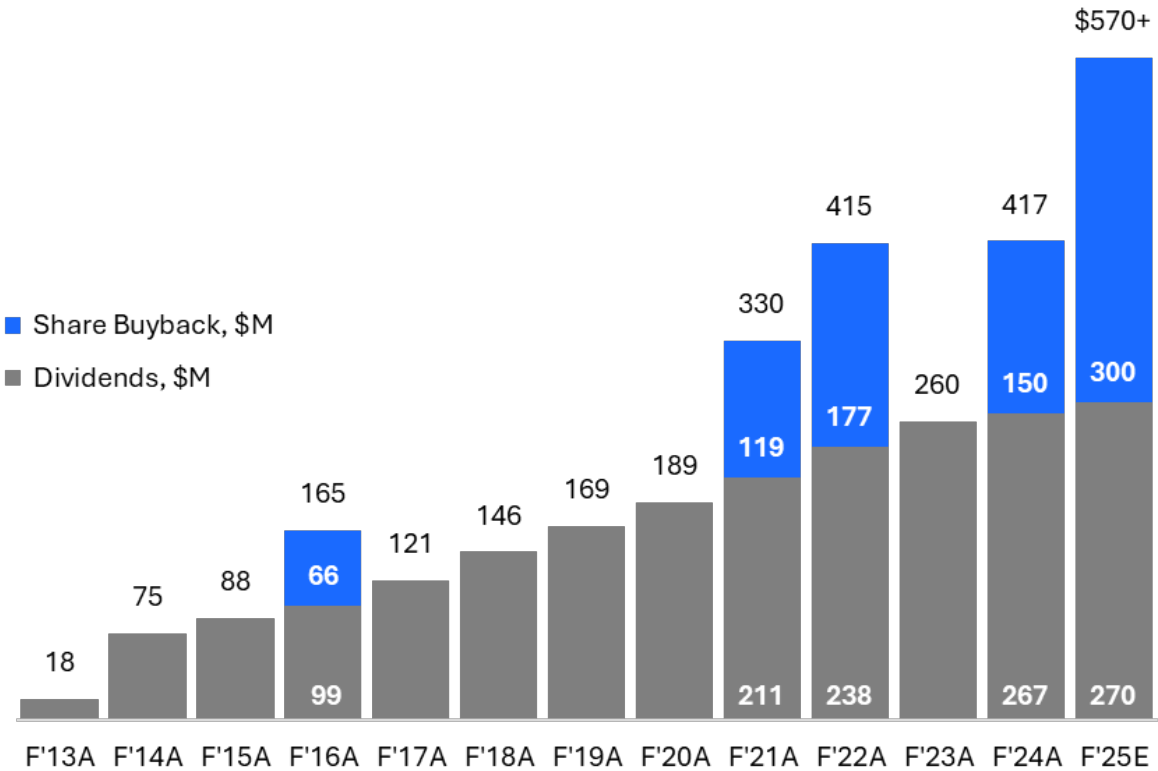
As of December 31, 2024



*Inclusive of one-time tax payment related to the AMC divestiture.

1. 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.
2. Estimates based on the repayment of debt as outlined in this presentation and a SOFR rate assumption as of report date.
3. As of December 31, 2024, the consolidated Net Leverage Ratio, as calculated using the bank covenant methodology, was 2.5x. Excluding the gain from the divestiture of the AMC business, the consolidated Net Leverage Ratio was 3.0x. As of June 30, 2024, the consolidated Net Leverage Ratio, as calculated using bank covenant methodology, was 2.3x.

Disciplined Capital Allocation



- 1 Decade+ track record of growing capital return
- 2 F'25 to be a record year of capital return⁽¹⁾: \$570m+. In Fiscal 2025, we purchased and canceled \$151 million of common shares. We purchased \$301 million of common shares over the past three quarters
- 3 Primary allocation of 50% of TTM Cash flows for dividends and buyback⁽²⁾
- 4 As the Company gets more efficient, capital return expands
- 5 Expect continued annual growth, y/y, for our dividends and buyback

1. In F'25, expectations targeting dividends and share buybacks at rate of over 90% of TTM Free Cash Flows.
 2. Please refer to "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.

F'25 Revenue Target – Lowered by \$130M

Item	Description	Amount
Certain Products	ADM, ITOM In License, CS, PS	(\$70)M
FX	GBP, EUR	(\$35)M
DXC	Change in Partner Relationship	(\$25)M
		(\$130)M

- For further information, see:
 - <https://dxc.com/us/en/newsroom/11242021>
 - <https://www.opentext.com/partners/dxc>

1 **\$70M lower in certain products**, primarily ADM and ITOM, holding back our growth and impacting license, CS, and professional services revenue. We have strong initiatives from Sales, Marketing, and Renewals organizations to increase growth.

- Titanium X
- Top 5,000 customers using Observability Cloud (ITOM)
- Top of Market and Top Industries (ADM)
- We remain confident in ADM and ITOM product groups and see this headwind as short term

2 **\$35M FX headwind**: Strengthening of USD versus EUR and GBP.

FX rates movement over 7 quarters¹

	Q1 F'24	Q2 F'24	Q3 F'24	Q4 F'24	Q1 F'25	Q2 F'25	Q3 F'25 ²
GBP	1.27	1.24	1.27	1.26	1.3	1.28	1.24
EUR	1.09	1.08	1.09	1.08	1.1	1.07	1.04

GBP and EUR lowest in 7 quarters

3 **\$25M DXC**: In the last phase of Micro Focus integration, the unlimited deployment model with DXC was terminated creating headwinds for license and support in 2H F'25. DXC remains a partner of OpenText.

- Partners remain strong multipliers for us:
 - SAP, expansion with Google to full AI stack, Microsoft including Co-Pilot and Security, Salesforce for Content, Security and ITOM, Guidewire for Content and Amazon commerce platform for Business Network

F'25 Targets⁽¹⁾

Primary Metrics	F'24 As Reported	F'24 As Reported ex-AMC	F'25 Targets Prior	F'25 Targets Updated
Cloud Revenue	\$1.82B	\$1.82B	\$1.85B to \$1.90B	No change
Annual Recurring Revenue ⁽²⁾	\$4.53B	\$4.25B	\$4.25B to \$4.30B	\$4.17B to \$4.22B
Total Revenue ⁽³⁾	\$5.77B	\$5.33B	\$5.30B to \$5.40B	\$5.17B to \$5.27B
A-EBITDA Margin % ⁽⁴⁾	34.1%		33% to 34%	No change
Free Cash Flows ⁽⁴⁾	\$808M		\$575M to \$625M	\$600M to \$650M
Dividends ⁽⁵⁾	\$267M		\$270M	No change
Share Buyback	\$150M		\$300M	No change

Key Highlights

- **Cloud growth:**
 - 2% to 5% (No change)
- **Total Revenue growth ex-AMC:**
 - -3% to -1% (prior Constant to 1%)
- **Return to total growth in Q4**
- **Free Cash Flows⁽⁴⁾ growth:**
 - Increased to \$600M to \$650M
 - Inclusive of one-time tax payment related to the AMC divestiture
- **Strong Return of Capital⁽⁶⁾:**
 - Highest in company history

1. Projected as of February 6, 2025. This model is not guidance.

2. Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.

3. Currencies will fluctuate. Assumes foreign exchange headwind of approximately \$35M.

4. 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.

5. Total value of cash dividends paid is based on estimated common shares outstanding at the end of each fiscal quarter.

6. Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.

F'25 Supporting Metrics⁽¹⁾

Additional Metrics	F'24 as Reported	F'25 Targets ⁽¹⁾ Prior	F'25 Targets ⁽¹⁾ Updated
Enterprise Cloud Bookings ⁽²⁾	\$701M / 33% Growth	25% Growth	20% to 25% Growth
Gross Margin ⁽³⁾	77.3%	76% to 77%	No change
R&D ⁽³⁾	14.3%	14% to 16%	No change
Sales & Marketing ⁽³⁾	19.4%	18% to 20%	No change
General & Administrative ⁽³⁾	9.5%	7% to 9%	No change
Depreciation	2.3%	2% to 3%	No change
Total Operating Expense ⁽³⁾	45.4%	46% to 47%	No change
Net Interest Expense & Other	\$516M	\$370M to \$390M	\$330M to \$350M
Capital Expenditures	\$159M	\$140M to \$160M	No change
Adjusted Tax Rate ⁽⁴⁾	14%	Mid-20s	No change
Year-End Share Count ⁽⁵⁾	269M	263M to 265M	No change

- **Enterprise Cloud Bookings** drive Cloud revenue growth
- **Renewal rate** driven by product innovation and best practices
- **Strong expansion of Cloud margins**
- **Continued investments** at global scale:
 - Innovation
 - Go-to-market
- **Operational strength & efficiency** higher than before Micro Focus acquisition
- **Net Interest** expense reflects \$2B de-lever during F'24

1. Projected as of February 6, 2025. This model is not guidance. Percentages represent a percentage of total reported revenue, unless otherwise indicated.
2. Enterprise cloud bookings is the total value from cloud services and subscription contracts entered into in the fiscal year that are new, committed and incremental to our existing contracts, entered into with our enterprise-based customers.
3. Non-GAAP data. 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.
4. Please refer to historical filings, including our Forms 10-K and 10-Q, regarding the company's adjusted tax rate.
5. Represents shares outstanding (estimated for F'25) at the end of the fiscal year including the expected effect of calculated dilutive securities. Please also see "Effect of dilutive securities" under Note 24 to our Fiscal 2024 Consolidated Financial Statements on Form 10-K.

Q3 F'25 Quarterly Factors

Externalities

- Tariffs
- US Dollar Strength
- Currency Fluctuations
- Lower European GDP growth
- Geopolitical

Company Specific

Expect Q3 Revenues:

- Total revenues of \$1,260M to \$1,300M
- Year-over-year comparable impacted by the divestiture of AMC
- ARR⁽¹⁾ of \$1,025M to \$1,045M

Expect Q3 A-EBITDA⁽²⁾:

- Margin of 29.0% to 30.0%

With FX impact:

- FX headwind of ~\$20M on Revenue, ~\$5M on A-EBITDA

We manage our business annually and quarters will vary

Product and Strategy



About OpenText

Our Vision

To be the best information management company in the world

Our Belief

Information elevates every individual & organization to be their best

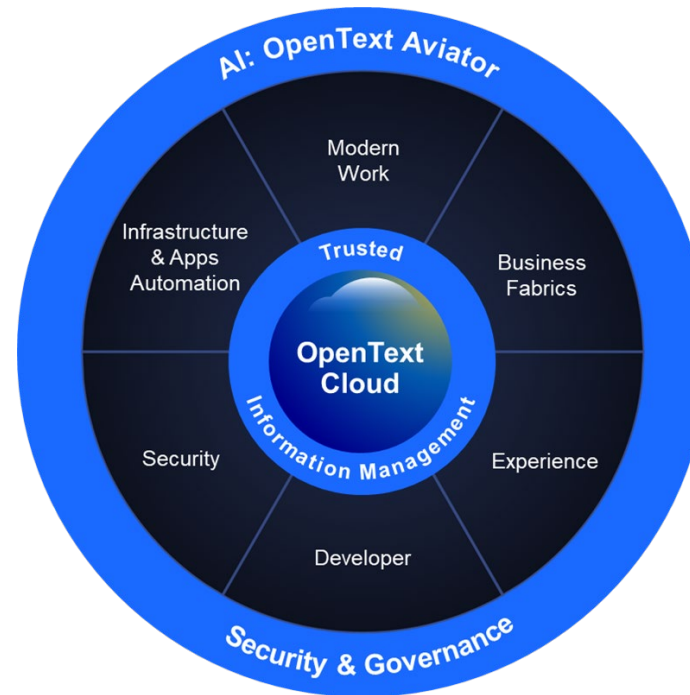
Our Purpose

We sit at the center of connected ecosystems, the internet of clouds, and we play a critical role as our customers adopt cloud, security, and AI



Information Management

\$200B+ TAM⁽¹⁾



Driving Customer Transformations
Business Clouds | Business AI | Business Technology

\$5.3B⁽²⁾ F'24 Revenues

120,000+⁽³⁾ Enterprise Customers

21,800⁽⁴⁾ Employees

Strategic Partners



180 Countries of Operations



1. Total addressable market estimates (dollars in US\$ billions) based on market reports from independent industry analysis firms including Gartner and IDC.
 2. F'24 Revenues excluding AMC.
 3. Internal company estimates as of July 2024.
 4. Number of OpenText employees as of December 31, 2024.

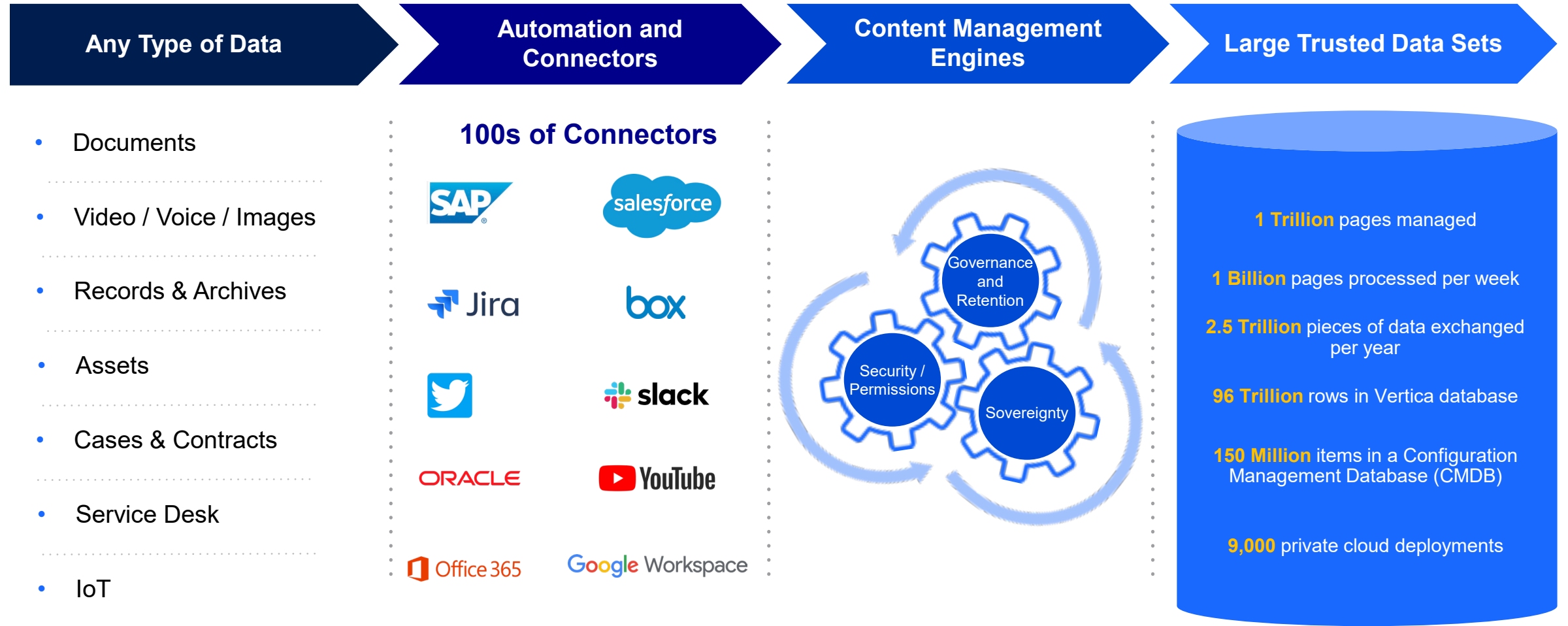
We Make the Software that Manages Some of the World's Largest Information Repositories



Source: internal company estimates as of July 2024

We Do What No Other Software Company Can

Information Automation and Content Management



Better Positioned Than Our Competitors⁽¹⁾

Named a LEADER in all markets by industry analysts

Content Cloud



Experience Cloud



AI Cloud



IT Operations Cloud



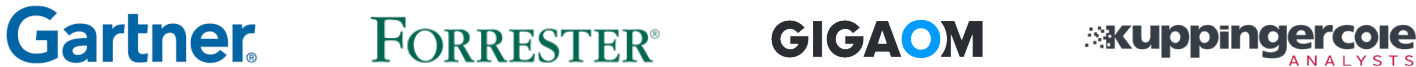
Business Network Cloud



Application Development Management



Security Cloud



1. Based on market reports from independent industry analysis firms.

Accelerate Cloud Growth

Competitive Differentiation in Information Management

Strong Investment in R&D

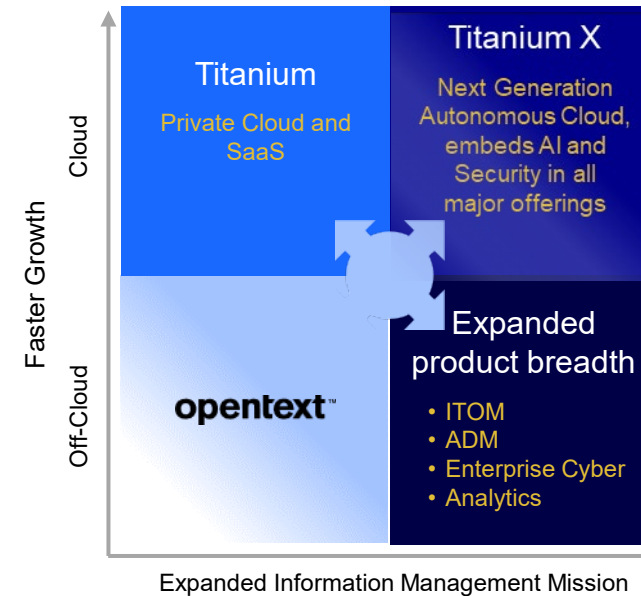
F'25 R&D:

- 14% to 16% of Revenue

Investment focused on:

- **Business Clouds**
 - SaaS
 - Private
- **Business AI**
 - Aviator™
 - Earn Your Wings
- **Business Technology**
 - Security
 - IOT

Expand Market Coverage



Grow Consumption

SaaS

Security

AI

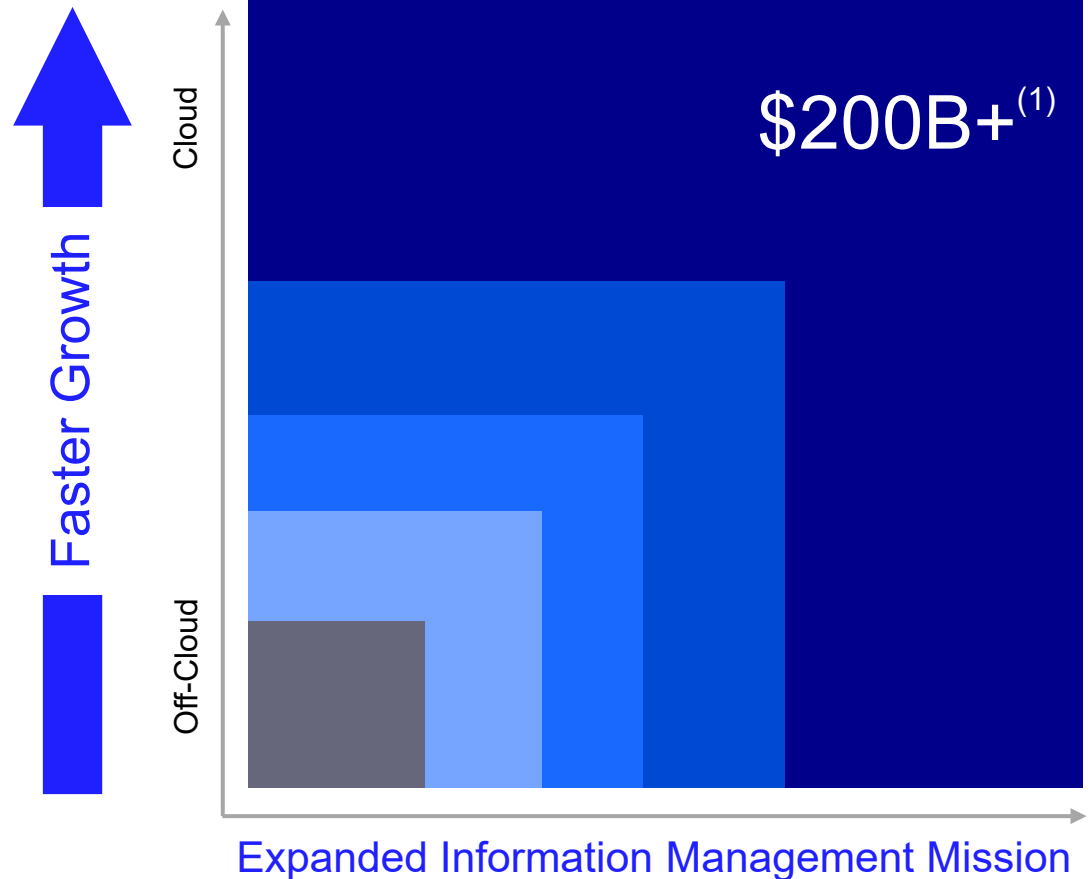
Private Cloud

Investments Expand Our Addressable Market

Product Expansion Drives Growth

- Titanium X:** Next Generation Autonomous Cloud
Embeds AI and Security in all major offerings
“Let the Machines Do The Work”
- Titanium:** Standardizes OpenText as a Cloud-first company
- Cloud Editions:** Begins cloudification of all OpenText products
- Business Networks:** Brings first Cloud products to OpenText
- Persistent Off-Cloud needs**

Total Addressable Market



Customer Use Case: Public Cloud SaaS

Customer deployed a scalable cloud platform to digitize workflows and optimize content management processes



As a leading equipment rental provider in Europe, Loxam helps construction and civil engineering companies keep large-scale projects running on schedule. They needed a modern content management platform that would help to accelerate our document upload, search and retrieval processes. They also aimed to implement more environmentally sustainable workflows.

Solution

Products Deployed:

- OpenText™ Core on Public Cloud SaaS

Services Provided:

- Professional Services
- Learning Services

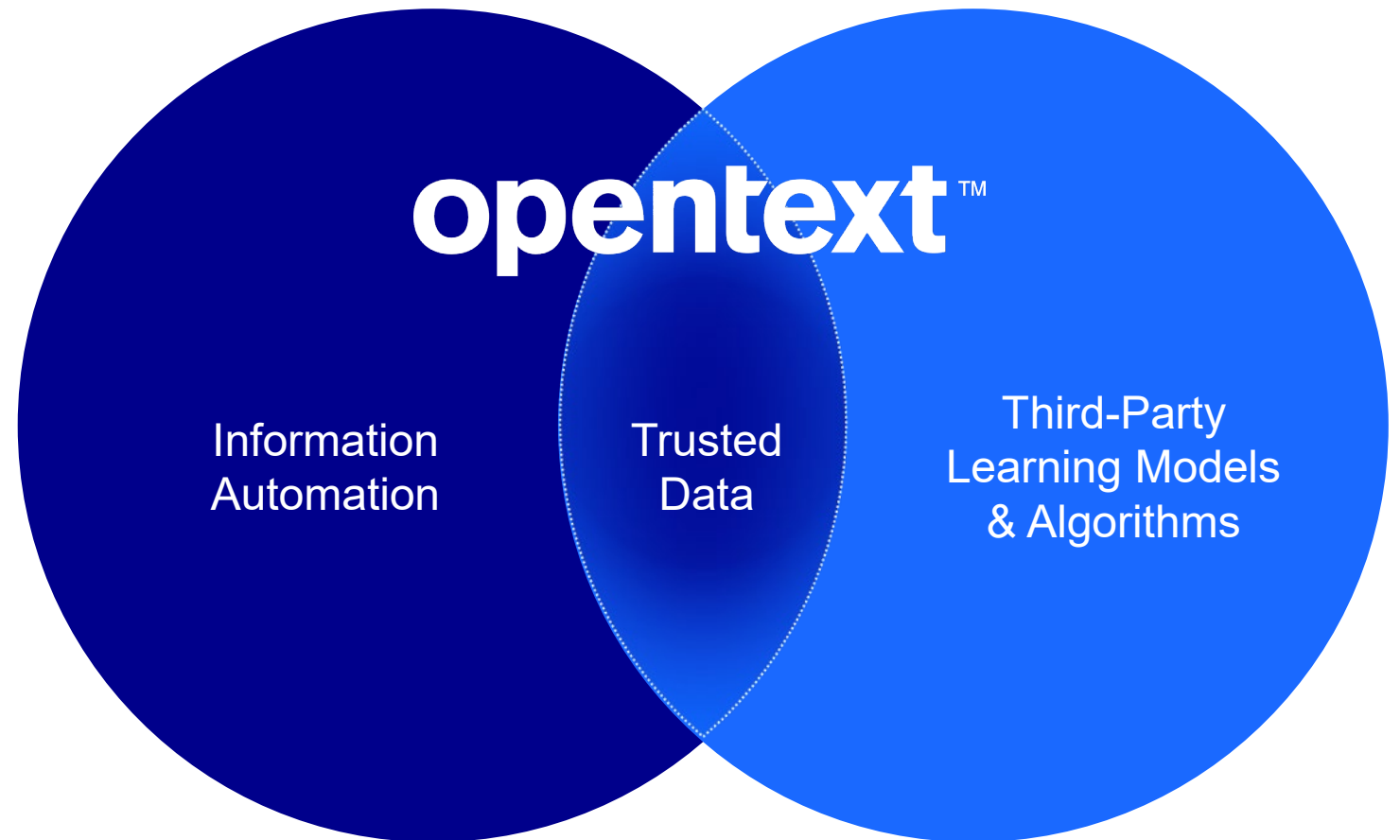
- Deployed a secure, scalable SaaS solution to manage content
- Harnessed APIs to update content store and integrate with ERP systems
- Organized content to help users surface relevant information

Results

- Loxam has 4 categories, 5 million folders, and 800,000 workspaces
- **Improved customer service and productivity**
- Enable over 3,500 business users to access key documents
- Time saved on loading and retrieving documents
- **Enhanced sustainability** with paperless workflows
- **Increased revenues** with faster equipment servicing

Information Management is Essential for AI Disruption

OpenText is the trusted partner for global organizations that generate massive volumes of documents and transactions



OpenText AI Products

Content Aviator	Experience Aviator	DevOps Aviator
Service Management Aviator	Search Aviator	Mapping Aviator
eDiscovery Aviator	Application Security Aviator	Cybersecurity Aviator
Observability Aviator	IT Discovery Aviator	Trading Grid Aviator
Thrust APIs Aviator	App Developer Aviator	Automation Center Aviator

Aviator™ squadron
is fully available



- Business AI for the Enterprise
- **Your data** and your Intellectual Property
- **Bring your own language model**
- Available in:
 - OpenText Private Cloud
 - Google Cloud Platform
- Advancing every **90 days**
- **15 Aviators, 100+ Agents** embedded everywhere

Customer Use Case: Aviator™ for IT Operations

Customer improves efficiency and the user experience by applying advanced automation to service requests



SICK AG, a leading global sensor manufacturer with a 12,000 employee workforce, recognized the need to replace its outdated service management platform. The goal was to enhance user experience, reduce manual processes, and support diverse global departments through advanced automation and streamlined collaboration - ultimately driving greater efficiency and scalability across the entire organization.

Solution

Products Deployed

- OpenText™ Service Management (SMAX) with OpenText IT Operations Aviator
- Centralized SMAX Portal: Deployed an enterprise service portal accessible to thousands of users
- Automation & User Experience: Leveraged advanced automation to reduce manual tasks and boost productivity
- AI-Driven Innovation: OpenText IT Operations Aviator (private LLM) for deeper knowledge access and faster resolution
- Flexible Licensing: Streamlined onboarding with a cost-effective, scalable licensing model

Results

- **14,000+ monthly requests processed** - 90% directly through the portal
- **25% of requests fully automated**, reducing manual workloads
- 50% fewer Tier 1 tickets needed, **accelerating resolution times by 20%**
- **110,000+ assets managed** in a single source of truth
- Enhanced collaboration through best-practice sharing across departments

OpenText Business System

- Help customers transform through Information Management
- Be a trusted advisor solving complex problems
- Deliver results
- Build shareholder value

An OpenTexter Always ...

- **Puts customers first**
Customers talk, we listen. Be the trusted advisor.
Customer value and engagement is in every conversation.
- **Innovates**
We debate, align and act. We focus on customer-driven value and business impact. Our values are reflected in our software.
- **Cares about people**
Treat people with dignity and respect. We value the individual.
Welcome each individual's heritage, differences and unique qualities.
We value diversity of individual and idea.
- **Helps teams succeed**
Best teams win. We place team goals over personal goals.
We are a learning organization and learn from each other.
- **Strives for exceptional performance**
Think long-term. Align on goals and performance expectations.
Problem solvers. Deliver regardless of the challenges.

Building Shareholder Value: Our Four Point Strategy

1 Live the OpenText Business System

- Relentless focus on execution

2 Accelerate Cloud Growth

- Competitive differentiation in Information Management
- Grow consumption in Private Cloud, SaaS, Security and AI
- Market coverage expansion internationally and mid-market

3 Powerful A-EBITDA and Free Cash Flows Generation

- Margin expansion (both gross margin and A-EBITDA)
- A technology-enabled business through Data, Automation and AI
- Completed Micro Focus integration, lower interest and special charges

4 Disciplined Capital Allocation

- Invest to accelerate cloud growth
- Primary: Return of Capital to shareholders via dividends and buybacks
- Additional: Our additional Free Cash Flows will be allocated to the highest return of capital across dividends, buybacks, debt reduction or M&A

For the next 3 years expect to grow annually:

- A-EBITDA Margin⁽¹⁾
- A-EPS⁽¹⁾
- Free Cash Flows⁽¹⁾⁽²⁾
- Return of Capital⁽³⁾

1. Please refer to "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.

2. After a one-time cash tax payable related to AMC divestiture.

3. Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.



opentext™

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

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

Free Cash Flows is calculated as GAAP-based cash flows provided by operating activities less purchase of property and equipment.

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 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.

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. Information reconciling certain forward-looking GAAP measures to Non-GAAP measures related to F'25 targets and F'27 aspirations, including adjusted EBITDA is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations.

F'27 Aspirations⁽¹⁾

F'27 Aspirations	
Cloud Services and Subscriptions growth	7% to 9%
Total Organic Revenue ⁽²⁾ growth	2% to 4%
Total Revenue	\$5.7B to \$5.9B
A-EBITDA Margin % ⁽³⁾	36% to 38%
Free Cash Flows ⁽³⁾	\$1.2B to \$1.3B
Supporting Metrics	
Enterprise Cloud Bookings ⁽⁴⁾ growth	20%+
Annual Recurring Revenues ⁽⁵⁾	80%
Adjusted Tax Rate ⁽⁶⁾	Low-to-mid 20s

1. Aspirations as of October 31, 2024. This model is not guidance.

2. Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first-year post acquisition and excludes the contribution of divested companies in the prior period for one year preceding divestiture.

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.

4. Enterprise cloud bookings is the total value from cloud services and subscription contracts entered into with our enterprise-based customers in the fiscal year that are new, committed and incremental to our existing contracts.

5. Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.

6. Please refer to historical filings, including our Forms 10-K and 10-Q, regarding the company's adjusted tax rate.

Powerful A-EBITDA and Free Cash Flows⁽¹⁾ Generation

- Margin expansion
- A technology-enabled business through Data, Automation and AI

F'27E⁽²⁾

\$1.2B to \$1.3B

20%+ FCF as a percent of Revenue

F'24

\$808M

14% FCF as a percent of Revenue

Lower interest charges

Lower special charges

Completed Micro Focus integration

OpenText ex-AMC^{(1),(2)}

\$ in millions	F'25 Actual		F'24 Actual					F'23 Actual				
	Q1	Q2	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Cloud	457	462	451	450	455	465	1,821	405	409	435	452	1,700
Customer Support	595	591	614	612	606	599	2,430	311	310	518	622	1,760
License	126	189	129	248	158	161	696	60	105	117	195	477
Professional Services	91	93	99	94	95	95	384	67	64	90	100	322
Total Revenue	1,269	1,335	1,293	1,404	1,314	1,320	5,330	843	888	1,161	1,368	4,260

F'24 Annual Metrics

Organic Growth⁽¹⁾ y/y % change

As Reported	F'24	F'23
Cloud	1.7%	1.5%
ARR ⁽²⁾	0.6%	(0.8%)
Total	0.8%	(2.0%)
In CC ⁽³⁾		
Cloud	1.5%	3.9%
ARR ⁽²⁾	0.1%	2.3%
Total	0.3%	1.2%

F'24 Total Revenue

Information Management	% of Total Revenue
Content Management	40%
Cybersecurity	20%
Business Network	10%
IT Operations Management (ITOM)	10%
Application Automation ⁽⁴⁾	15%
Analytics	5%
Total Revenue	\$5.77B

1. Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first-year post acquisition and excludes the contribution of divested companies in the prior period for one year preceding divestiture.
2. Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.
3. Constant currency is defined as the current period reported revenues represented at the prior comparative period's foreign exchange rate.
4. The Application Automation Cloud included our AMC business prior to the AMC Divestiture on May 1, 2024. During Fiscal 2024, the AMC business comprised approximately 45% of the Application Automation Cloud.

Summary of Quarterly Results with Constant Currency

(In millions U.S. dollars, except per share data)	Q2 F'25	Q2 F'24	\$ Change	% Change	Q2 F'25 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	\$462.3	\$450.1	\$12.2	2.7 %	\$459.9	2.2 %
Customer support	590.6	695.8	(105.2)	(15.1) %	585.2	(15.9) %
Total annual recurring revenues**	\$1,052.9	\$1,145.9	\$(93.0)	(8.1) %	\$1,045.2	(8.8) %
License	188.9	289.2	(100.3)	(34.7) %	188.3	(34.9) %
Professional service and other	92.7	99.8	(7.1)	(7.1) %	91.2	(8.6) %
Total revenues	\$1,334.5	\$1,534.9	\$(200.4)	(13.1) %	\$1,324.7	(13.7) %
GAAP-based operating income	\$295.8	\$253.9	\$41.9	16.5 %	N/A	N/A
Non-GAAP-based operating income ⁽¹⁾	\$469.6	\$532.9	\$(63.3)	(11.9) %	\$464.9	(12.8) %
GAAP-based net income, attributable to OpenText	\$229.9	\$37.7	\$192.2	510.1 %	N/A	N/A
GAAP-based EPS, diluted	\$0.87	\$0.14	\$0.73	521.4 %	N/A	N/A
Non-GAAP-based EPS, diluted ^{(1) (2)}	\$1.11	\$1.24	\$(0.13)	(10.5) %	\$1.09	(12.1) %
Adjusted EBITDA ⁽¹⁾	\$501.5	\$566.3	\$(64.8)	(11.4) %	\$496.6	(12.3) %
Operating cash flows	\$348.0	\$350.7	\$(2.7)	(0.8) %	N/A	N/A
Free cash flows ⁽¹⁾	\$306.7	\$305.4	\$1.3	0.4 %	N/A	N/A

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

⁽²⁾ For periods prior to Fiscal 2025, this is reflective of the amount of net tax benefit arising from the internal reorganization assumed to be allocable to the period based on the forecasted utilization period. Please also see Note 14 to the Company's Fiscal 2018 Consolidated Financial Statements on Form 10-K.

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 Year to Date Results with Constant Currency

(In millions U.S. dollars, except per share data)	F'25 YTD	F'24 YTD	\$ Change	% Change	F'25 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	\$919.3	\$901.1	\$18.2	2.0 %	\$918.6	1.9 %
Customer support	1,186.1	1,393.5	(207.4)	(14.9) %	1,183.2	(15.1) %
Total annual recurring revenues**	\$2,105.4	\$2,294.6	\$(189.2)	(8.2) %	\$2,101.8	(8.4) %
License	314.7	462.3	(147.5)	(31.9) %	314.2	(32.0) %
Professional service and other	183.4	203.5	(20.1)	(9.9) %	181.9	(10.6) %
Total revenues	\$2,603.5	\$2,960.3	\$(356.8)	(12.1) %	\$2,597.9	(12.2) %
GAAP-based operating income	\$502.0	\$466.8	\$35.3	7.6 %	N/A	N/A
Non-GAAP-based operating income ⁽¹⁾	\$881.3	\$993.7	\$(112.4)	(11.3) %	\$875.1	(11.9) %
GAAP-based net income, attributable to OpenText	\$314.2	\$118.6	\$195.7	165.0 %	N/A	N/A
GAAP-based EPS, diluted	\$1.18	\$0.44	\$0.74	168.2 %	N/A	N/A
Non-GAAP-based EPS, diluted ^{(1) (2)}	\$2.03	\$2.25	\$(0.22)	(9.8) %	\$2.02	(10.4) %
Adjusted EBITDA ⁽¹⁾	\$945.3	\$1,061.1	\$(115.8)	(10.9) %	\$938.9	(11.5) %
Operating cash flows	\$270.2	\$397.8	\$(127.6)	(32.1) %	N/A	N/A
Free cash flows ⁽¹⁾	\$189.6	\$315.0	\$(125.4)	(39.8) %	N/A	N/A

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

⁽²⁾ For periods prior to Fiscal 2025, this is reflective of the amount of net tax benefit arising from the internal reorganization assumed to be allocable to the period based on the forecasted utilization period. Please also see Note 14 to the Company's Fiscal 2018 Consolidated Financial Statements on Form 10-K.

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 | Q2 F'25

(In '000's U.S. dollars, except per share data)	Three Months Ended December 31, 2024					Non-GAAP % of Total Revenue
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	
Cost of revenues						
Cloud services and subscriptions	\$ 172,288		\$ (2,796)	(1)	\$ 169,492	
Customer support	62,656		(1,139)	(1)	61,517	
Professional service and other	68,041		(1,273)	(1)	66,768	
Amortization of acquired technology-based intangible assets	47,203		(47,203)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	977,976	73.3%	52,411	(3)	1,030,387	77.2%
Operating expenses						
Research and development	180,727		(7,656)	(1)	173,071	
Sales and marketing	273,929		(11,223)	(1)	262,706	
General and administrative	99,356		(6,274)	(1)	93,082	
Amortization of acquired customer-based intangible assets	81,048		(81,048)	(2)	—	
Special charges (recoveries)	15,238		(15,238)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	295,799		173,850	(5)	469,649	
Other income (expense), net	68,615		(68,615)	(6)	—	
Provision for income taxes	50,893		41,755	(7)	92,648	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	229,862		63,480	(8)	293,342	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.87		\$ 0.24	(8)	\$ 1.11	

Reconciliation of Selected Non-GAAP Measures | Q2 F'25

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.
Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective on our ongoing business and operating results.
- 6 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 18% and a Non-GAAP-based tax rate of approximately 24%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and "book to return" adjustments for tax return filings and tax assessments. Beginning in Fiscal 2025, net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 have been fully utilized and are no longer included. In arriving at our Non-GAAP-based tax rate of approximately 24%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- 7 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended December 31, 2024	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 229,862	\$ 0.87
Add:		
Amortization	128,251	0.49
Share-based compensation	30,361	0.11
Special charges (recoveries)	15,238	0.06
Other (income) expense, net	(68,615)	(0.26)
GAAP-based provision for income taxes	50,893	0.19
Non-GAAP-based provision for income taxes	(92,648)	(0.35)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 293,342</u>	<u>\$ 1.11</u>

Reconciliation of Selected Non-GAAP Measures | F'25 YTD

(In '000's U.S. dollars, except per share data)	Six Months Ended December 31, 2024					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	\$ 347,545		\$ (4,982)	(1)	\$ 342,563	
Customer support	125,230		(2,481)	(1)	122,749	
Professional service and other	134,956		(2,587)	(1)	132,369	
Amortization of acquired technology-based intangible assets	94,447		(94,447)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,888,334	72.5%	104,497	(3)	1,992,831	76.5%
Operating expenses						
Research and development	371,420		(15,823)	(1)	355,597	
Sales and marketing	519,811		(20,538)	(1)	499,273	
General and administrative	206,086		(13,508)	(1)	192,578	
Amortization of acquired customer-based intangible assets	162,552		(162,552)	(2)	—	
Special charges (recoveries)	62,374		(62,374)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	502,041		379,292	(5)	881,333	
Other income (expense), net	32,960		(32,960)	(6)	—	
Provision for income taxes	52,776		118,448	(7)	171,224	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	314,230		227,884	(8)	542,114	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 1.18		\$ 0.85	(8)	\$ 2.03	

Reconciliation of Selected Non-GAAP Measures | F'25 YTD

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.
Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective on our ongoing business and operating results.
- 6 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 14% and a Non-GAAP-based tax rate of approximately 24%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Beginning in Fiscal 2025, net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 have been fully utilized and are no longer included. In arriving at our Non-GAAP-based tax rate of approximately 24%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- 7
- 8 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Six months ended December 31, 2024	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 314,230	\$ 1.18
Add:		
Amortization	256,999	0.96
Share-based compensation	59,919	0.22
Special charges (recoveries)	62,374	0.23
Other (income) expense, net	(32,960)	(0.12)
GAAP-based provision for income taxes	52,776	0.20
Non-GAAP-based provision for income taxes	(171,224)	(0.64)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 542,114</u>	<u>\$ 2.03</u>

Reconciliation of Selected Non-GAAP Measures | Q2 F'24

(In '000's U.S. dollars, except per share data)	Three Months Ended December 31, 2023					Non-GAAP % of Total Revenue
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	
COST OF REVENUES						
Cloud services and subscriptions	\$ 180,148		\$ (3,609)	(1)	\$ 176,539	
Customer support	73,374		(1,128)	(1)	72,246	
Professional service and other	75,459		(1,756)	(1)	73,703	
Amortization of acquired technology-based intangible assets	70,784		(70,784)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,129,120	73.6%	77,277	(3)	1,206,397	78.6%
Operating expenses						
Research and development	212,855		(12,767)	(1)	200,088	
Sales and marketing	287,628		(13,227)	(1)	274,401	
General and administrative	173,264		(7,688)	(1)	165,576	
Amortization of acquired customer-based intangible assets	113,925		(113,925)	(2)	—	
Special charges (recoveries)	54,166		(54,166)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	253,867		279,050	(5)	532,917	
Other income (expense), net	(68,784)		68,784	(6)	—	
Provision for income taxes	8,054		47,054	(7)	55,108	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	37,675		300,780	(8)	338,455	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.14		\$ 1.10	(8)	\$ 1.24	

Reconciliation of Selected Non-GAAP Measures | Q2 F'24

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.
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.
- 6 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 18% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- 8 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended December 31, 2023	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 37,675	\$ 0.14
Add:		
Amortization	184,709	0.68
Share-based compensation	40,175	0.15
Special charges (recoveries)	54,166	0.20
Other (income) expense, net	68,784	0.24
GAAP-based provision for income taxes	8,054	0.03
Non-GAAP-based provision for income taxes	(55,108)	(0.20)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 338,455</u>	<u>\$ 1.24</u>

Reconciliation of Selected Non-GAAP Measures | F'24 YTD

(In '000's U.S. dollars, except per share data)	Six Months Ended December 31, 2023					Non-GAAP % of Total Revenue
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	
COST OF REVENUES						
Cloud services and subscriptions	\$ 351,560		\$ (6,600)	(1)	\$ 344,960	
Customer support	148,388		(2,186)	(1)	146,202	
Professional service and other	155,381		(3,638)	(1)	151,743	
Amortization of acquired technology-based intangible assets	147,608		(147,608)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	2,147,538	72.5%	160,032	(3)	2,307,570	78.0%
Operating expenses						
Research and development	439,086		(24,501)	(1)	414,585	
Sales and marketing	567,635		(25,034)	(1)	542,601	
General and administrative	304,475		(15,311)	(1)	289,164	
Amortization of acquired customer-based intangible assets	234,117		(234,117)	(2)	—	
Special charges (recoveries)	67,960		(67,960)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	466,759		526,955	(5)	993,714	
Other income (expense), net	(48,614)		48,614	(6)	—	
Provision for income taxes	18,406		81,367	(7)	99,773	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	118,576		494,202	(8)	612,778	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.44		\$ 1.81	(8)	\$ 2.25	

Reconciliation of Selected Non-GAAP Measures | F'24 YTD

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.
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.
- 6 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 13% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- 8 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Six Months Ended December 31, 2023	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 118,576	\$ 0.44
Add:		
Amortization	381,725	1.40
Share-based compensation	77,270	0.29
Special charges (recoveries)	67,960	0.25
Other (income) expense, net	48,614	0.16
GAAP-based provision for income taxes	18,406	0.07
Non-GAAP-based provision for income taxes	(99,773)	(0.36)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 612,778</u>	<u>\$ 2.25</u>

Reconciliation of Adjusted EBITDA and Free Cash Flows

(In '000's U.S. dollars)	Q2 F'25		Q2 F'24	
GAAP-based net income, attributable to OpenText	\$	229,862	\$	37,675
Add:				
Provision for income taxes		50,893		8,054
Interest and other related expense, net		83,615		139,292
Amortization of acquired technology-based intangible assets		47,203		70,784
Amortization of acquired customer-based intangible assets		81,048		113,925
Depreciation		31,879		33,415
Share-based compensation		30,361		40,175
Special charges (recoveries)		15,238		54,166
Other (income) expense, net		(68,615)		68,784
Adjusted EBITDA	\$	<u>501,484</u>	\$	<u>566,270</u>
Total revenue	\$	1,334,500	\$	1,534,868
GAAP-based net income margin		17.2 %		2.5 %
Adjusted EBITDA margin (% of total revenue)		37.6 %		36.9 %
(In '000's U.S. dollars)	Q2 F'25		Q2 F'24	
GAAP-based cash flows provided by operating activities	\$	347,992	\$	350,653
Add:				
Capital expenditures ⁽¹⁾		(41,269)		(45,240)
Free cash flows	\$	<u>306,723</u>	\$	<u>305,413</u>

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

Reconciliation of Adjusted EBITDA and Free Cash Flows

(In '000's U.S. dollars)	F'15	F'16	F'17	F'18	F'19	F'20	F'21	F'22	F'23	F'24
Adjusted EBITDA										
GAAP-based net income, attributable to OpenText	\$ 234,327	\$ 284,477	\$1,025,659	\$ 242,224	\$ 285,501	\$ 234,225	\$ 310,672	\$ 397,090	\$ 150,379	\$ 465,090
Add:										
Provision for (recovery of) income taxes	31,638	6,282	(776,364)	143,826	154,937	110,837	339,906	118,752	70,767	264,012
Interest and other related expense, net	54,620	76,363	120,892	138,540	136,592	146,378	151,567	157,880	329,428	516,180
Amortization of acquired technology-based intangible assets	81,002	74,238	130,556	185,868	183,385	205,717	218,796	198,607	223,184	243,922
Amortization of acquired customer-based intangible assets	108,239	113,201	150,842	184,118	189,827	219,559	216,544	217,105	326,406	432,404
Depreciation	50,906	54,929	64,318	86,943	97,716	89,458	85,265	88,241	107,761	131,599
Share-based compensation	22,047	25,978	30,507	27,594	26,770	29,532	51,969	69,556	130,302	140,079
Special charges (recoveries)	12,823	34,846	63,618	29,211	35,719	100,428	1,748	46,873	169,159	135,305
Other (income) expense, net	28,047	1,423	(15,743)	(17,973)	(10,156)	11,946	(61,434)	(29,118)	(34,469)	(358,391)
Adjusted EBITDA	<u>\$ 623,649</u>	<u>\$ 671,737</u>	<u>\$ 794,285</u>	<u>\$1,020,351</u>	<u>\$1,100,291</u>	<u>\$1,148,080</u>	<u>\$1,315,033</u>	<u>\$1,264,986</u>	<u>\$1,472,917</u>	<u>\$1,970,200</u>
Total revenue	\$1,851,917	\$1,824,228	\$2,291,057	\$2,815,241	\$2,868,755	\$3,109,736	\$3,386,115	\$3,493,844	\$4,484,980	\$5,769,577
GAAP-based net income margin	12.7 %	15.6 %	44.8 %	8.6 %	10.0 %	7.5 %	9.2 %	11.4 %	3.4 %	8.1 %
Adjusted EBITDA margin (% of total revenue)	33.7 %	36.8 %	34.7 %	36.2 %	38.4 %	36.9 %	38.8 %	36.2 %	32.8 %	34.1 %
Free Cash Flows										
GAAP-based cash flows provided by operating activities ⁽¹⁾	\$ 522,055	\$ 523,663	\$ 440,353	\$ 708,081	\$ 876,278	\$ 954,536	\$ 876,120	\$ 981,810	\$ 779,205	\$ 967,691
Add:										
Capital expenditures ⁽²⁾	(77,046)	(70,009)	(79,592)	(105,318)	(63,837)	(72,709)	(63,675)	(93,109)	(123,832)	(159,295)
Free cash flows	<u>\$ 445,009</u>	<u>\$ 453,654</u>	<u>\$ 360,761</u>	<u>\$ 602,763</u>	<u>\$ 812,441</u>	<u>\$ 881,827</u>	<u>\$ 812,445</u>	<u>\$ 888,701</u>	<u>\$ 655,373</u>	<u>\$ 808,396</u>

⁽¹⁾ Effective July 1, 2018, we adopted ASU No. 2016-18 using the retrospective method. Fiscal years 2015-2020 have been adjusted retrospectively to conform to current period presentation.

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