



Third Quarter Fiscal Year 2025
Financial Results

April 30, 2025

NASDAQ/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 delivering long term margin and earnings growth, reinvestment in growth products and margin improvement and efficiency; achieving total revenue growth, competitive advantage through innovation, and operational excellence through delivering upper quartile margins, free cash flow, earnings and capital return; customer benefits from products; A-EBITDA expansion; executing the Company’s capital allocation strategy, including expected return to shareholders; level of performance through the fiscal year; new bookings, demand, scale and revenue growth; expansion and execution of Business Optimization Plan and other savings initiatives, including timing, costs, savings, associated benefits thereof and potential adjustments of amounts thereto; innovation fueled by cloud, AI and security technologies; executing on targets and aspirations; future acquisition or divestitures and associated strategy; future revenues, operating expenses, margins, free cash flows, interest expense and capital expenditures; net leverage and savings targets and timing thereof; 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 reinvestment therein 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. References to analyst or consensus information is being provided for informational purposes only and does not, nor should be considered to be an, endorsement of any analyst report or analyst estimates and the Company is not responsible for such analyst reports or estimates or the consensus information which is derived from such reports or estimates.



Mark J. Barrenechea
OpenText CEO & CTO

Focus Today

OpenText is Distinct

- Designed to perform across business cycles
- Critically significant to companies across industries and geographies

Refreshed Product Cycle

- New product cycle, entering new market areas such as Security
- Partnerships across SAP, MSFT, Google keep getting stronger
- Customers focused on gaining control in a time of disruption

Strategic Priorities

1. Competitive Advantage

- Leading with AI First, Business Cloud Suites, new Data Cloud, and new Security

2. Total Revenue Growth

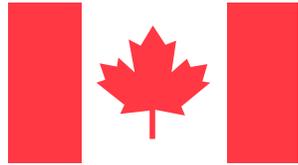
- We expect to return to total revenue organic growth in F'26

3. Operational Excellence

- Focused on delivering upper quartile margins, FCF⁽¹⁾, earnings, and capital return⁽²⁾

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. Capital return 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.

Who is OpenText?



31M Public cloud users

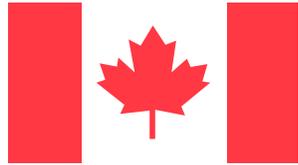
120K+ Enterprise customers in
180 countries

Nearly 35 years of expertise, with over
20,000 employees incl 7,000+ engineers
& 3,400+ patents

- One of the largest software companies in the world
- #1 and growing in Content Management - our biggest market
- Deployed in 98% of all Fortune 500 companies
- Benefiting hundreds of millions of people every day
- Strong bottom-line operator
- Long track record of A-EBITDA⁽¹⁾ expansion
- Proven earnings and FCF⁽¹⁾ performance
- Acquiring and divesting to ensure optimal long-term total shareholder return

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.

What Does OpenText Do?



**Titanium X platform (CE 25.2)
helps organizations empower their
knowledge workers**

- Information Management products are anchored in enterprise content, data and process automation
- Secure and compliant content management to meet industry standards
- Single source of truth for content management across various business applications
- Unlock the value of that information through 15 Aviator AI products and 100+ AI Agents
- OpenText Cloud: 74 Data Centers, 49 cloud landing zones, 99.99% uptime

OpenText is Used by Millions

You might have benefited from [OpenText](#) already today:



Where did you get the milk in your morning coffee or cereal?

- Dairy Farmers of America – Content Cloud
- Kellanova – Application Automation Cloud



Did you read the morning news using cellular data?

- Avatel Telecom – IT Operations Management Cloud



How did you process family payments?

- Royal Bank of Canada – Business Network Cloud



Did you stop for gas?

- Western Midstream – Content Cloud



Did you see a doctor or take medicine?

- Quantum Health – Content Cloud
- Pikeville Medical Center – Content Cloud

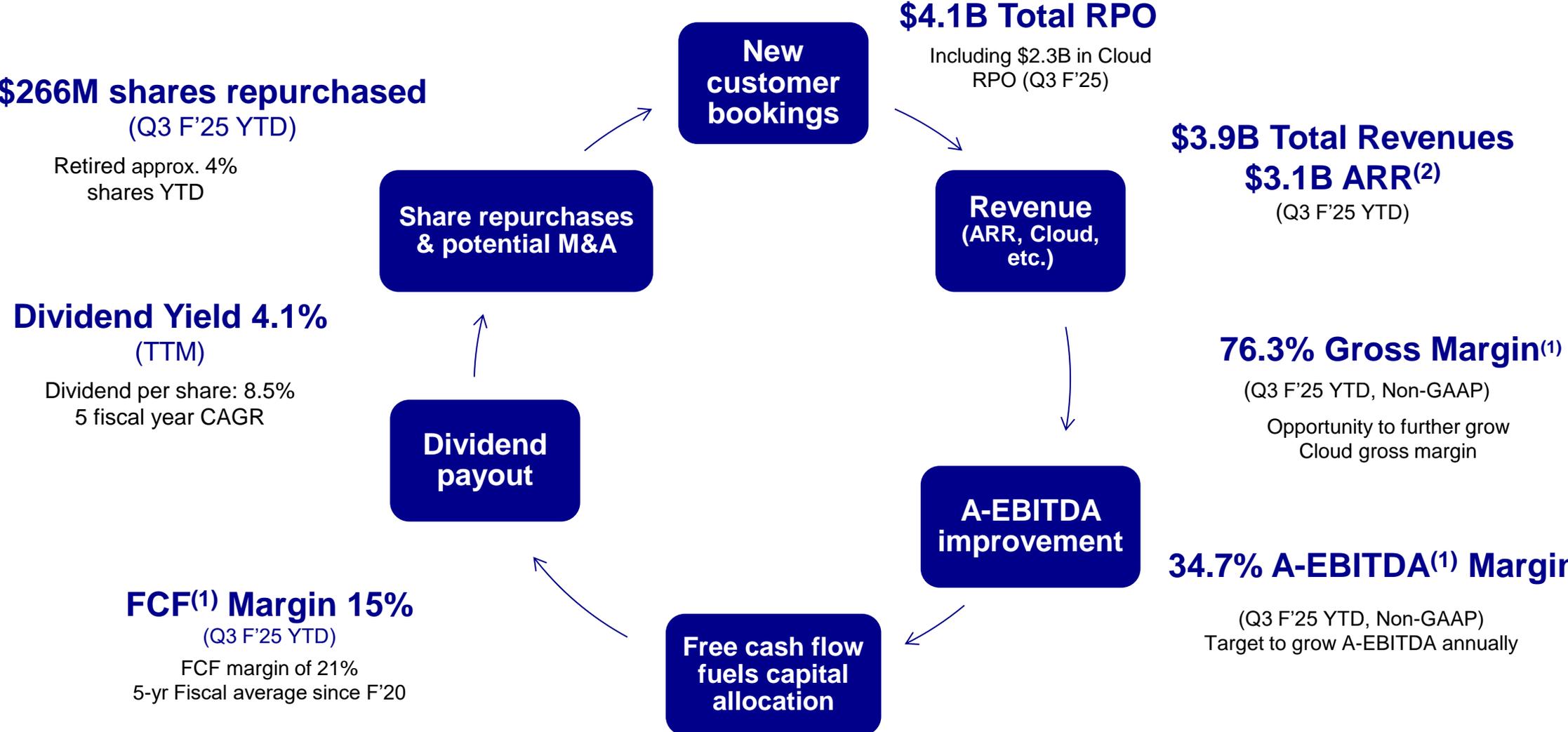


Or as simple as, turning on your lights, turning on your TV, or watching a streaming movie?

- Sky Italia – Application Automation Cloud
- Salt River Project (SRP) – Content Cloud



How We Create Shareholder Value

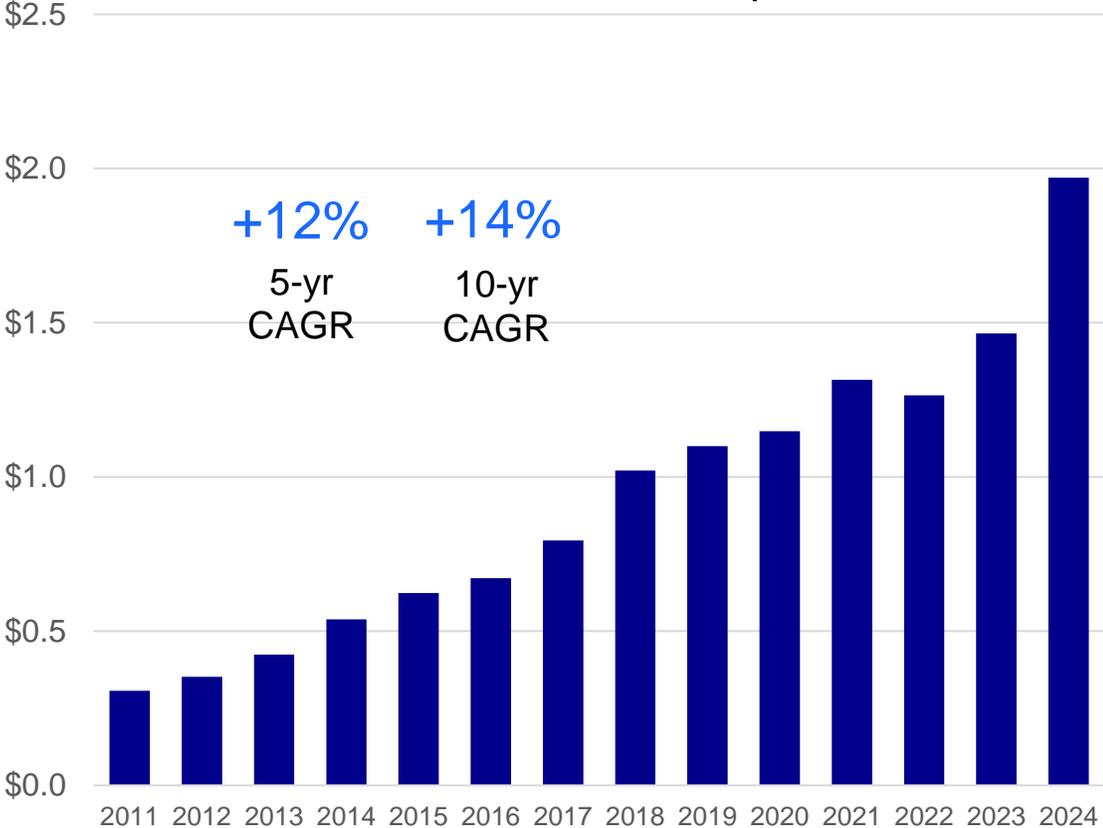


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2. Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.

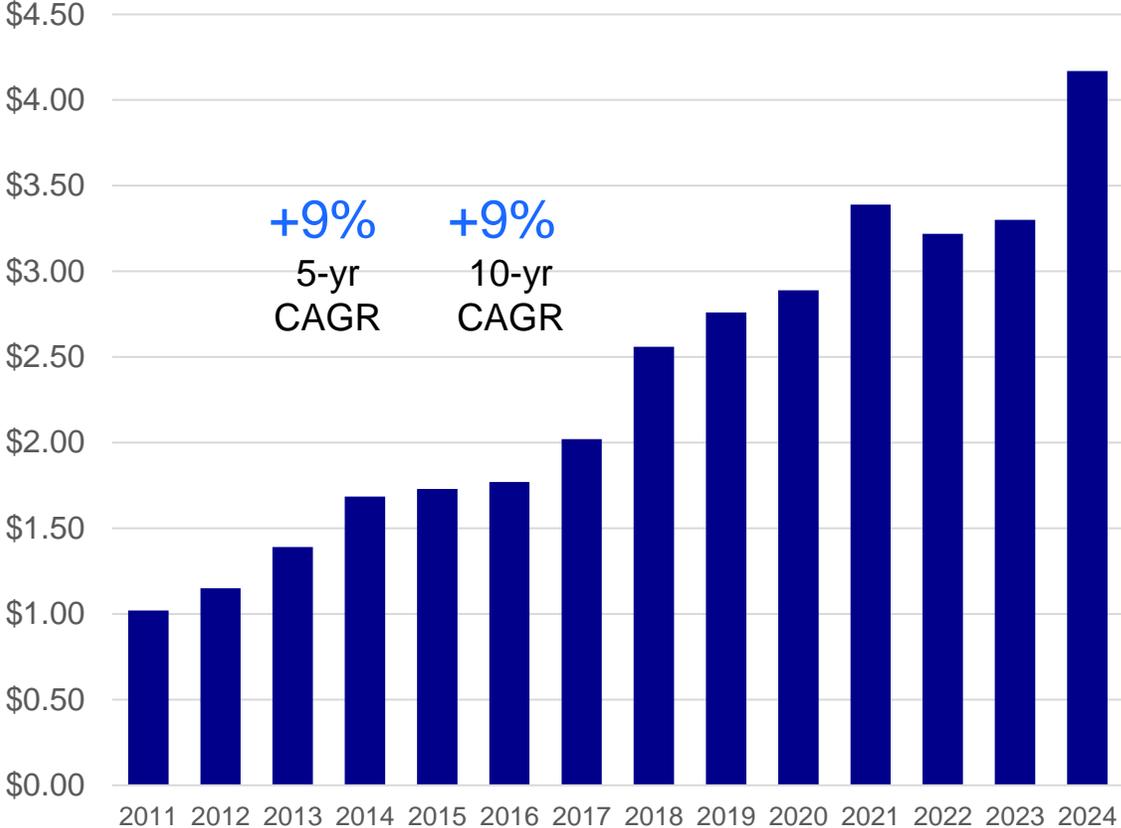
Resilience and Growth

OpenText has demonstrated resiliency and growth during key global economic events

OTEX A-EBITDA⁽¹⁾ US\$ Billion



OTEX A-EPS⁽¹⁾ US\$



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Titanium X: Cloud Editions 25.2

OpenText Next Generation Business Solutions

Business AI

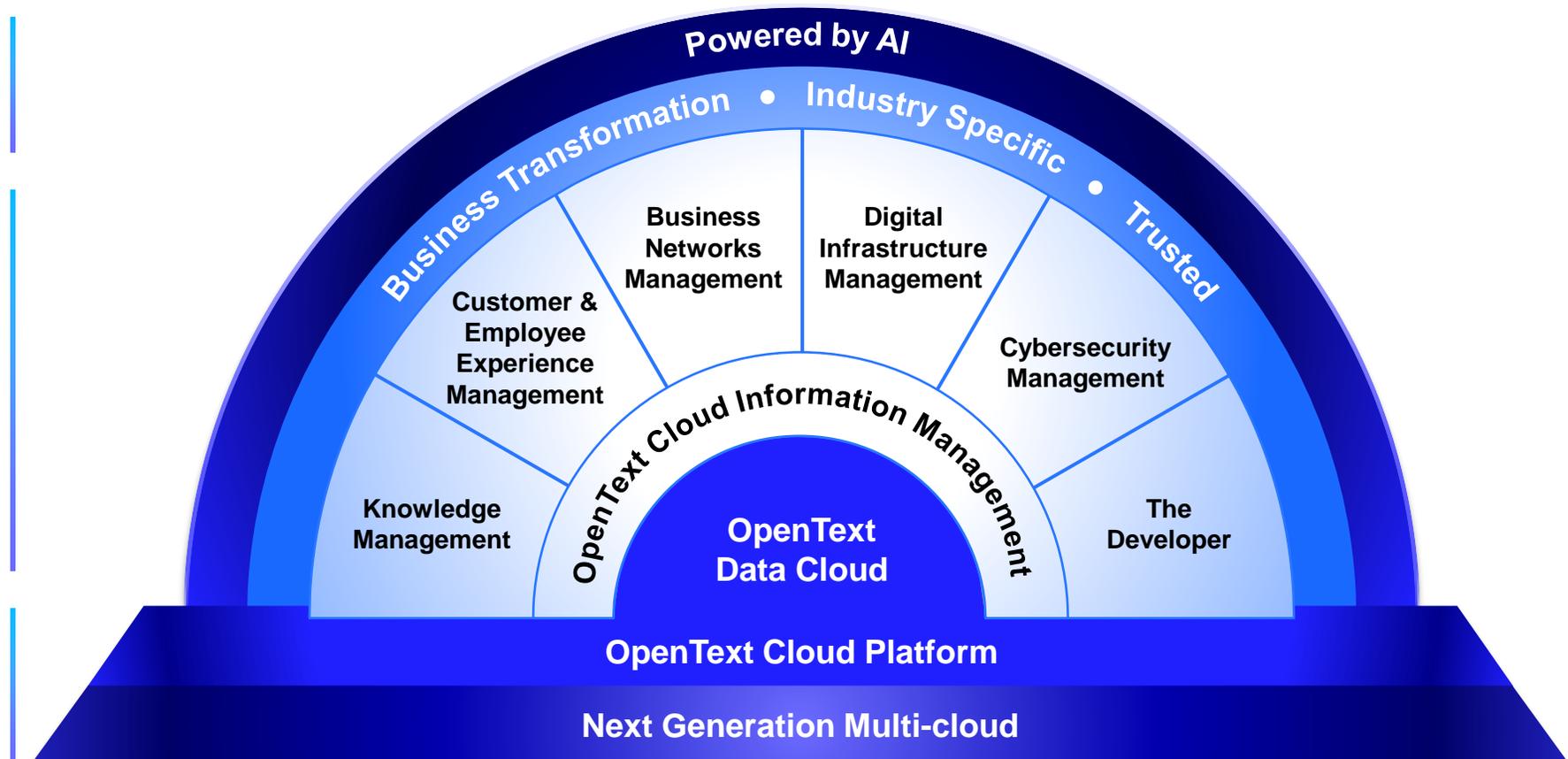
For the digital knowledge worker

Business Clouds

For the human knowledge worker

Business Technology

For all knowledge workers



Key Quarter Financial Highlights

Key Financials	Q3 F'25	Y/Y % Change	In Constant Currency ⁽³⁾	
			Q3 F'25	Y/Y % Change
Total Revenues	\$1,254M	-13.3%	\$1,275M	-11.9%
Annual Recurring Revenues ⁽¹⁾ / % of Rev	\$1,030M / 82.1%	-10.1% / +290 bps	\$1,046M / 82.0%	-8.7% / +280 bps
Cloud Revenue	\$463M	+1.8%	\$468M	+3.0%
GAAP Gross Margin / Non-GAAP Gross Margin ⁽²⁾	71.6% / 75.7%	-140 bps / -100 bps	N/A / 75.6%	N/A / -110 bps
A-EBITDA Margin ⁽²⁾	31.5%	-50 bps	31.2%	-80 bps
GAAP EPS / A-EPS ⁽²⁾	\$0.35 / \$0.82	-2.8% / -12.8%	N/A / \$0.83	N/A / -11.7%
Free Cash Flows ⁽²⁾	\$374M	+7.4%	N/A	N/A

Additional Metrics	Q3 F'25	Y/Y % Change
Enterprise Cloud Bookings ⁽⁴⁾	\$151M	-8.4%
Cloud RPO	\$2.3B	N/A
Cloud cRPO	51%	N/A
# of Cloud Deals >\$1M	32	+14%
Dividends Paid	\$68M	+1%
Common Shares Repurchased	\$115M	N/A
Cloud Net Renewal Rate ⁽⁵⁾	96%	N/A
Off-Cloud Net Renewal Rate ⁽⁵⁾	90%	N/A

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3. Constant currency is defined as the current period reported revenues represented at the prior comparative period's foreign exchange rate.
4. After fourth quarter of Fiscal 2025, Enterprise Cloud Bookings will no longer be reported since Cloud RPO and cRPO are disclosed.
5. 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.

Q3 F'25 Customer Wins



Analytics Product:

Analytics Database (Vertica)

- Criteo needed a sustainable data platform that can process exponentially growing data volumes
- Our solution provides unequalled levels of performance, reliability, and scale when it comes to real time data analytics
- Supports data growth and delivers the performance, scalability and resilience at a sustainable TCO



Cybersecurity Product:

Static Application Security Testing (SAST)

- Looking for a scalable and reliable AppSec solution to fully integrate application security testing into their development lifecycle
- Wanting to ensure that the development teams are well equipped to find and fix vulnerabilities early in the development process.



Business Network Product:

B2B Integration Enterprise

- Seamless extension to their internal resource ensuring that new customers and regions can be on-boarded swiftly and efficiently
- They increase the available capacity to move faster in integrating their North and Central American acquisitions
- Selected OpenText to minimize customer disruption and support their ambitious growth plans



Application Automation Products:

- 1) Application Quality Management
- 2) Enterprise Performance Engineering
- 3) Functional Testing & Functional Testing Lab for Mobile and Web

- The solution provides JTI with the agility and resources needed to successfully execute their strategic projects over the next 3 years
- Leveraging trusted SAP technology supports stability and confidence in their core business operations
- A centralized, strategic approach with a single vendor simplifies application management, enhancing efficiency and coordination across projects



Content Product:

Core Archive solution for SAP Document and Date Archiving

- OpenText solution offers One Service Level Agreement (SLA)
- High Performance Archive solution
- Business Case positive with OT Core Archive



ITOM Product:

Core Service Management Express (SMAX Express SaaS)

- AVATEL has leveraged the platform to manage incidents across their entire customer base
- The system has streamlined operations by automating requests across 80 different departments
- As the company acquired dozens of new businesses, SMAX provided the agility needed to integrate diverse service management processes, facilitating smooth transitions and supporting continuous growth

Business Optimization Plan and Other Savings Initiatives



- **Original announcement (July 2024):** Represented actions taken post-AMC divestiture to support business growth to the Cloud and realize Micro Focus synergies
- **Expansion announcement (April 2025):** Includes expansion of previously announced Business Optimization Plan and other savings initiatives
- **>2x return** on benefit vs. cost
- **\$200M of additional costs** to complete final phase of the Business Optimization Plan, bringing the combined plan to ~\$260M
- **\$490M to \$550M total annualized savings:** Expanded Business Optimization Plan along with other savings initiatives, when fully implemented, will generate, an increase of \$340M to \$400M on an annualized basis

F'25 Targets⁽¹⁾

Revenue Metrics	F'25 Targets Prior	F'25 Targets Updated
Cloud Revenue	\$1.85B to \$1.90B	\$1.84B to \$1.86B
Annual Recurring Revenue ⁽²⁾	\$4.17B to \$4.22B	\$4.15B to \$4.19B
Total Revenue	\$5.17B to \$5.27B	\$5.10B to \$5.17B
Enterprise Cloud Bookings Growth	20% to 25%	10% to 15%

Key Highlights

- F'25 targets would be on track absent recent demand disruption
- **Cloud growth target:**
 - 1% to 2% (prior 2% to 5%)
- **Total Revenue growth target ex-AMC :**
 - -4% to -3% (prior -3% to -1%)
 - Foreign exchange headwind approximately \$20M

Margin/Return Metrics	F'25 Targets
A-EBITDA Margin % ⁽³⁾	33% to 34%
Free Cash Flows ⁽³⁾	\$600M to \$650M
Dividends ⁽⁴⁾	\$270M
Share Buyback	\$450M

Key Highlights

- **Remains on track:**
 - A-EBITDA margin, Free Cash Flows, Return of Capital⁽⁵⁾ targets
- **Free Cash Flows⁽³⁾ growth:**
 - Inclusive of one-time tax payment related to the AMC divestiture
- **Expected Year-end Share Count⁽⁶⁾:**
 - 257M to 259M (prior 263M to 265M)

1. Projected as of April 30, 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. 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. Total value of cash dividends paid is based on estimated common shares outstanding at the end of each fiscal quarter.
 5. 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.
 6. 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.

Strategic Focus

1. Competitive Advantage Through Innovation

- Leading with AI First, Business Cloud Suites, new Data Cloud, and new Security
- Titanium X brings road map strength with Cloud Editions 25.2
- Efficiency gains, local deployments for a new digital workforce

2. Total Revenue Growth

- New product cycle, entering new market areas such as Security
- Partnerships across SAP, MSFT, Google keep getting stronger
- Customers focused on gaining control in a time of disruption
- We expect to return to total revenue organic growth in F'26

3. Operational Excellence

- Upper quartile margins, FCF⁽¹⁾, earnings, and capital return⁽²⁾
- AI First, plus expansion of our Business Optimization, means \$1B savings target over 10 years
- Strive for the next milestone of generating \$1B+ a year in FCF⁽¹⁾

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Chadwick Westlake

OpenText Executive Vice President, CFO

F'26 And Medium-Term Aspirations to Growth

- **Re-framing** our Targets and Aspirations
- **Simplifying** and focusing on key performance metrics
- **Transparency** into what matters most: cloud growth, margin, earnings, FCF
- Will introduce **Medium-term Aspirations** for these metrics when we report F'25 year-end in August

Example Key Metrics
Cloud Revenue (Growth)
RPO / cRPO
Annual Recurring Revenue ⁽¹⁾ (% of Total Rev.)
Non-GAAP Gross Margin ⁽²⁾
A-EBITDA Margin ⁽²⁾
A-EPS ⁽²⁾
Free Cash Flows ⁽²⁾
Operating Leverage

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Bookings

Enterprise Cloud Bookings	
Q3 F'25	\$151M -8.4% Y/Y
Q3 F'25 TTM	\$714M +4.4% Y/Y
F'25 Target	10% to 15%

Total RPO and cRPO Q3 F'25	
Total RPO cRPO	\$4.1B 63%
Cloud RPO cRPO	\$2.3B 51%

- **Enterprise Cloud Bookings⁽¹⁾:**
 - Q3 F'25 down Y/Y due to:
 - Macro disruption, customers delaying their business decisions
 - Areas of strength in enterprise cloud bookings, especially in our Content cloud verticals such as Financial Services and Technology
- **Total RPO and cRPO:**
 - Introduced in Q2 F'25⁽²⁾
 - Y/Y comparisons available for Q4 F'25
 - Expect to retire Enterprise Cloud Bookings metric after Q4 F'25

1. 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 renew, committed and incremental to our existing contracts.

2. Refer to "Supplemental RPO Disclosure" posted on February 6, 2025 on our [OpenText Investor Relations website](#)

OpenText's Six Business Clouds

Outperform (>50% of Revenue)			Perform (FCF ⁽¹⁾ & Long-term Growth)			
Content Services	Cybersecurity Enterprise (~10% of revenue)	Cybersecurity SMB (~10% of revenue)	Business Network	IT Operations (ITOM)	Application Automation (ADM)	Analytics
#1 enterprise leader with AI-enabled content management solutions	End-to-end suite of solutions: threat detection, IAM, data encryption etc.	Flexible and scalable solutions	A secure B2B integration platform	Cut the cost & complexity of IT Operations	AI-driven DevOps automation, testing, & quality	Real-time analytics on a smarter data platform
 	 		 	 	 	 

Customers

A-EBITDA Margin Performance

	A-EBITDA ⁽¹⁾ Margin	Y/Y
Q3 F'25	31.5%	Approx. -50 bps
Q3 F'25 YTD	34.7%	Approx. +20 bps
F'25 Target	33% to 34%	

- Q3 F'25 Y/Y down approximately 50 bps; expense actions and improving operations partially offset lower revenue
- Excluding AMC, Q3 F'25 A-EBITDA margin up Y/Y

Disciplined Capital Allocation

Our Capital Allocation Strategy

Flexible: Allocate capital to the highest return scenario and thus reserve flexibility in our strategy.

Primary: 50% of TTM Free Cash Flows⁽¹⁾ for 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.

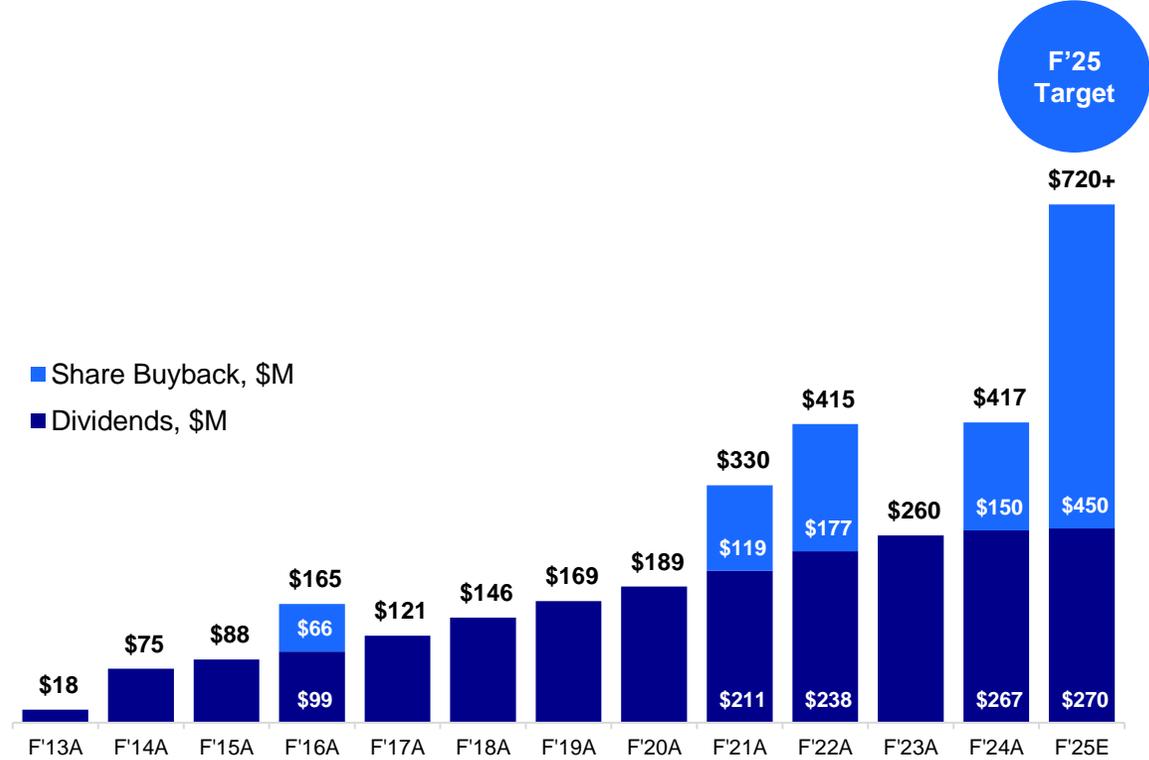
M&A Strategy

Our M&A and divestiture strategy is to focus on small & medium cloud companies that will benefit from our global scale, distribution, cloud operations and integration excellence.

Net Leverage Target

We are targeting consolidated net leverage of 2.5x to 3x over the medium term.

Track Record of Capital Return⁽²⁾ Growth



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A-EPS Performance

A-EPS⁽¹⁾ Q3 F'25	\$0.82 -12.8% Y/Y
Consensus A-EPS⁽²⁾ Q3 F'25	\$0.76
Beat / (Miss)	\$0.06

- **Repurchased and retired:**
 - Q3 F'25: 4.4M common shares for \$115M
 - TTM basis: 14.3M common shares for \$416M
- **Common Shares Outstanding:**
 - Q3 F'25: 260M, -4.7% Y/Y

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2. LSEG Consensus, as of April 29, 2025.



Why Invest in **OpenText** Today?

Why You Should Invest

- Significant current trading discount to peer multiples (platform to 2x current value)
- Resilient and steady high cash flow generating business model
- Opportunity to participate in the grow engine we are building with over \$200B in Total Addressable Market (TAM)⁽¹⁾
- Pivoting to new Titanium X product cycle and well positioned in AI
- Delivering on growth, enhanced transparency/visibility

Why You Should Hold Your Investment

- World class install base, loyal customers
- #1 player in Content Cloud. Moats around our strongest businesses
- Significant cash generator with scale and efficiency to reinvest in our fast-growing businesses
- Capital allocation of consistent dividend payment and increased share buyback program in F'25

Management Q&A

The image is a composite background. On the left, a large, reddish-orange planet with dark spots, likely Mars, is shown in a three-quarter view. On the right, a view of Earth's horizon from space is visible, showing the blue atmosphere and dark landmasses. The top right corner features a soft gradient from green to yellow, with some faint, abstract shapes.

Appendix



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

\$ in millions	F'25 Actual			F'24 Actual					F'23 Actual				
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Cloud	457	462	463	451	450	455	465	1,821	405	409	435	452	1,700
Customer Support	595	591	567	614	612	606	599	2,430	311	310	518	622	1,760
License	126	189	138	129	248	158	161	696	60	105	117	195	477
Professional Services	91	93	86	99	94	95	95	384	67	64	90	100	322
Total Revenue	1,269	1,335	1,254	1,293	1,404	1,314	1,320	5,330	843	888	1,161	1,368	4,260

1. For more information, please see, "Divestiture of AMC Business" discussion included as part of "Results of Operations" included in the company's Form 10-K for the year ended June 30, 2024.

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

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.

Summary of Quarterly Results with Constant Currency

(In millions U.S. dollars, except per share data)	Q3 F'25	Q3 F'24	\$ Change	% Change	Q3 F'25 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	\$462.6	\$454.5	\$8.1	1.8 %	\$468.1	3.0 %
Customer support	567.4	691.4	(124.1)	(17.9) %	578.1	(16.4) %
Total annual recurring revenues**	\$1,030.0	\$1,146.0	\$(116.0)	(10.1) %	\$1,046.2	(8.7) %
License	138.4	200.4	(62.0)	(30.9) %	141.1	(29.6) %
Professional service and other	86.0	100.8	(14.8)	(14.7) %	88.1	(12.6) %
Total revenues	\$1,254.4	\$1,447.1	\$(192.8)	(13.3) %	\$1,275.4	(11.9) %
GAAP-based operating income	\$209.1	\$227.1	\$(18.0)	(7.9) %	N/A	N/A
Non-GAAP-based operating income ⁽¹⁾	\$362.8	\$431.6	\$(68.8)	(15.9) %	\$365.6	(15.3) %
GAAP-based net income, attributable to OpenText	\$92.8	\$98.3	\$(5.5)	(5.6) %	N/A	N/A
Non-GAAP-based net income attributable to OpenText ⁽¹⁾	\$215.8	\$257.0	\$(41.3)	(16.0) %	\$218.3	(15.1) %
GAAP-based EPS, diluted	\$0.35	\$0.36	\$(0.01)	(2.8) %	N/A	N/A
Non-GAAP-based EPS, diluted ^{(1) (2)}	\$0.82	\$0.94	\$(0.12)	(12.8) %	\$0.83	(11.7) %
Adjusted EBITDA ⁽¹⁾	\$395.3	\$463.7	\$(68.4)	(14.8) %	\$398.0	(14.2) %
Operating cash flows	\$402.2	\$384.7	\$17.5	4.6 %	N/A	N/A
Free cash flows ⁽¹⁾	\$373.8	\$348.2	\$25.7	7.4 %	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	\$1,381.9	\$1,355.6	\$26.3	1.9 %	\$1,386.6	2.3 %
Customer support	1,753.5	2,084.9	(331.5)	(15.9) %	1,761.4	(15.5) %
Total annual recurring revenues**	\$3,135.4	\$3,440.5	\$(305.1)	(8.9) %	\$3,148.0	(8.5) %
License	453.1	662.6	(209.5)	(31.6) %	455.3	(31.3) %
Professional service and other	269.4	304.3	(34.9)	(11.5) %	270.0	(11.3) %
Total revenues	\$3,857.9	\$4,407.4	\$(549.6)	(12.5) %	\$3,873.3	(12.1) %
GAAP-based operating income	\$711.1	\$693.8	\$17.3	2.5 %	N/A	N/A
Non-GAAP-based operating income ⁽¹⁾	\$1,244.2	\$1,425.3	\$(181.2)	(12.7) %	\$1,240.7	(13.0) %
GAAP-based net income, attributable to OpenText	\$407.0	\$216.9	\$190.2	87.7 %	N/A	N/A
Non-GAAP-based net income attributable to OpenText ⁽¹⁾	\$757.9	\$869.8	\$(111.9)	(12.9) %	\$755.7	(13.1) %
GAAP-based EPS, diluted	\$1.53	\$0.80	\$0.73	91.3 %	N/A	N/A
Non-GAAP-based EPS, diluted ^{(1) (2)}	\$2.85	\$3.19	\$(0.34)	(10.7) %	\$2.85	(10.8) %
Adjusted EBITDA ⁽¹⁾	\$1,340.5	\$1,524.8	\$(184.3)	(12.1) %	\$1,336.8	(12.3) %
Operating cash flows	\$672.4	\$782.5	\$(110.0)	(14.1) %	N/A	N/A
Free cash flows ⁽¹⁾	\$563.4	\$663.2	\$(99.7)	(15.0) %	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 | Q3 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 of our ongoing business and operating results.
- 6 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 10% 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 March 31, 2025	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 92,805	\$ 0.35
Add:		
Amortization	126,882	0.49
Share-based compensation	23,000	0.09
Special charges (recoveries)	3,854	0.01
Other (income) expense, net	26,578	0.10
GAAP-based provision for income taxes	10,842	0.04
Non-GAAP-based provision for income taxes	(68,162)	(0.26)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 215,799</u>	<u>\$ 0.82</u>

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

(In '000's U.S. dollars, except per share data)	Nine Months Ended March 31, 2025					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	\$ 521,731		\$ (6,828)	(1)	\$ 514,903	
Customer support	186,963		(3,293)	(1)	183,670	
Professional service and other	200,443		(3,509)	(1)	196,934	
Amortization of acquired technology-based intangible assets	141,646		(141,646)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	2,786,588	72.2%	155,276	(3)	2,941,864	76.3%
Operating expenses						
Research and development	568,753		(20,560)	(1)	548,193	
Sales and marketing	779,913		(27,380)	(1)	752,533	
General and administrative	321,804		(21,349)	(1)	300,455	
Amortization of acquired customer-based intangible assets	242,235		(242,235)	(2)	—	
Special charges (recoveries)	66,228		(66,228)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	711,131		533,028	(5)	1,244,159	
Other income (expense), net	6,382		(6,382)	(6)	—	
Provision for income taxes	63,618		175,768	(7)	239,386	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	407,035		350,878	(8)	757,913	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 1.53		\$ 1.32	(8)	\$ 2.85	

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 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Nine months ended March 31, 2025	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 407,035	\$ 1.53
Add:		
Amortization	383,881	1.44
Share-based compensation	82,919	0.31
Special charges (recoveries)	66,228	0.25
Other (income) expense, net	(6,382)	(0.02)
GAAP-based provision for income taxes	63,618	0.24
Non-GAAP-based provision for income taxes	(239,386)	(0.90)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 757,913</u>	<u>\$ 2.85</u>

Reconciliation of Selected Non-GAAP Measures | Q3 F'24

(In '000's U.S. dollars, except per share data)	Three Months Ended March 31, 2024					Non-GAAP % of Total Revenue
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	
COST OF REVENUES						
Cloud services and subscriptions	\$ 186,400		\$ (3,292)	(1)	\$ 183,108	
Customer support	74,639		(1,149)	(1)	73,490	
Professional service and other	75,455		(1,458)	(1)	73,997	
Amortization of acquired technology-based intangible assets	48,094		(48,094)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,055,774	73.0%	53,993	(3)	1,109,767	76.7%
Operating expenses						
Research and development	226,521		(10,799)	(1)	215,722	
Sales and marketing	303,750		(12,260)	(1)	291,490	
General and administrative	145,924		(7,084)	(1)	138,840	
Amortization of acquired customer-based intangible assets	100,841		(100,841)	(2)	—	
Special charges (recoveries)	19,561		(19,561)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	227,068		204,538	(5)	431,606	
Other income (expense), net	9,950		(9,950)	(6)	—	
Provision for income taxes	6,028		35,824	(7)	41,852	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	98,285		158,764	(8)	257,049	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.36		\$ 0.58	(8)	\$ 0.94	

Reconciliation of Selected Non-GAAP Measures | Q3 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. 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 of our ongoing business and operating results.
- 6 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 6% 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.
- 7
- 8 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended March 31, 2024	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 98,285	\$ 0.36
Add:		
Amortization	148,935	0.55
Share-based compensation	36,042	0.13
Special charges (recoveries)	19,561	0.07
Other (income) expense, net	(9,950)	(0.04)
GAAP-based provision for income taxes	6,028	0.02
Non-GAAP-based provision for income taxes	(41,852)	(0.15)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 257,049</u>	<u>\$ 0.94</u>

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

(In '000's U.S. dollars, except per share data)	Nine Months Ended March 31, 2024					Non-GAAP % of Total Revenue
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	
COST OF REVENUES						
Cloud services and subscriptions	\$ 537,960		\$ (9,892)	(1)	\$ 528,068	
Customer support	223,027		(3,335)	(1)	219,692	
Professional service and other	230,836		(5,096)	(1)	225,740	
Amortization of acquired technology-based intangible assets	195,702		(195,702)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	3,203,312	72.7%	214,025	(3)	3,417,337	77.5%
Operating expenses						
Research and development	665,608		(35,300)	(1)	630,307	
Sales and marketing	871,384		(37,294)	(1)	834,091	
General and administrative	450,399		(22,395)	(1)	428,004	
Amortization of acquired customer-based intangible assets	334,958		(334,958)	(2)	—	
Special charges (recoveries)	87,521		(87,521)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	693,827		731,493	(5)	1,425,320	
Other income (expense), net	(38,664)		38,664	(6)	—	
Provision for income taxes	24,434		117,191	(7)	141,625	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	216,861		652,966	(8)	869,827	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	\$ 0.80		\$ 2.39	(8)	\$ 3.19	

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. 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 of our ongoing business and operating results.
- 6 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 10% 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.
- 7 Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Nine Months Ended March 31, 2024	
	Per share diluted	
GAAP-based net income, attributable to OpenText	\$ 216,861	\$ 0.80
Add:		
Amortization	530,660	1.95
Share-based compensation	113,312	0.42
Special charges (recoveries)	87,521	0.32
Other (income) expense, net	38,664	0.13
GAAP-based provision for income taxes	24,434	0.09
Non-GAAP-based provision for income taxes	(141,625)	(0.52)
Non-GAAP-based net income, attributable to OpenText	<u>\$ 869,827</u>	<u>\$ 3.19</u>

Reconciliation of Adjusted EBITDA and Free Cash Flows

(In '000's U.S. dollars)	Q3 F'25		Q3 F'24	
GAAP-based net income, attributable to OpenText	\$	92,805	\$	98,285
Add:				
Provision for income taxes		10,842		6,028
Interest and other related expense, net		78,816		132,663
Amortization of acquired technology-based intangible assets		47,199		48,094
Amortization of acquired customer-based intangible assets		79,683		100,841
Depreciation		32,474		32,109
Share-based compensation		23,000		36,042
Special charges (recoveries)		3,854		19,561
Other (income) expense, net		26,578		(9,950)
Adjusted EBITDA	\$	<u>395,251</u>	\$	<u>463,673</u>
Total revenue	\$	1,254,363	\$	1,447,131
GAAP-based net income margin		7.4 %		6.8 %
Adjusted EBITDA margin (% of total revenue)		31.5 %		32.0 %
(In '000's U.S. dollars)				
GAAP-based cash flows provided by operating activities	\$	402,241	\$	384,697
Add:				
Capital expenditures ⁽¹⁾		(28,412)		(36,537)
Free cash flows	\$	<u>373,829</u>	\$	<u>348,160</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.



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