



OpenText Reports Fourth Quarter and Fiscal Year 2020 Financial Results

8/6/2020

Record Cloud, Record Annual Recurring Revenues (ARR) and Record Operating Cash Flows

Declares Cash Dividend of \$0.1746 Per Common Share

WATERLOO, Ontario, Aug. 6, 2020 /PRNewswire/ --

Fiscal 2020 Fourth Quarter Highlights Y/Y

| Total Revenues | | Annual Recurring Revenues | | Cloud Revenues | |
|----------------|-------------------|---------------------------|-------------------|----------------|-------------------|
| (in millions) | | (in millions) | | (in millions) | |
| Reported | Constant Currency | Reported | Constant Currency | Reported | Constant Currency |
| \$826.6 | \$838.2 | \$657.5 | \$665.9 | \$332.6 | \$335.7 |
| +10.6% | +12.2% | +18.0% | +19.5% | +37.5% | +38.8% |

Annual Recurring Revenues represents 80% of Total Revenues

- Operating Cash Flows of \$280.3 million in the quarter, up 22.0% Y/Y
- GAAP net income of \$26.4 million, down 63.3% Y/Y
- Adjusted EBITDA of \$317.4 million, up 11.8%, margin of 38.4%, up 40 basis points Y/Y
- GAAP diluted EPS of \$0.10, down 63.0% Y/Y
- Non-GAAP diluted EPS of \$0.80, up 11.1%, and \$0.80 in constant currency, up 11.1% Y/Y

Fiscal 2020 Annual Highlights Y/Y

| Total Revenues (in millions) | | Annual Recurring Revenues (in millions) | | Cloud Revenues (in millions) | |
|---------------------------------|----------------------|--|----------------------|---------------------------------|----------------------|
| Reported | Constant Currency | Reported | Constant Currency | Reported | Constant Currency |
| \$3,109.7 | \$3,146.8 | \$2,433.3 | \$2,459.5 | \$1,157.7 | \$1,165.8 |
| +8.4% | +9.7% | +12.9% | +14.1% | +27.5% | +28.4% |

Annual Recurring Revenues represents 78% of Total Revenues

- Record Operating Cash Flows of \$954.5 million for the year, up 8.9% Y/Y
- GAAP net income of \$234.2 million, down 18.0% Y/Y
- Adjusted EBITDA of \$1,148.1 million, up 4.3%, margin of 36.9%, down 150 basis points Y/Y
- GAAP diluted EPS of \$0.86, down 18.9% Y/Y
- Non-GAAP diluted EPS of \$2.89, up 4.7%, and \$2.94 in constant currency, up 6.5% Y/Y

Open Text Corporation (NASDAQ: OTEX), (TSX: OTEX), "The Information Company," today announced its financial results for the fourth quarter and year ended June 30, 2020.

"Fiscal 2020 was a pivotal year for OpenText, highlighting that digital technologies are the key to business resilience. Businesses that build digital capabilities will recover faster and emerge stronger from this pandemic," said Mark J. Barrenechea, OpenText CEO & CTO. "OpenText delivered a record \$3.15 billion in total revenues, up 9.7% year-over-year, a record \$1.17 billion in cloud revenues, up 28.4% year-over-year and a record \$2.46 billion in Annual Recurring Revenues, up 14.1% year-over-year, representing 78% of total revenues – all in constant currency. These record annual results were delivered against the backdrop of a major global pandemic, demonstrating the durability and resilience of our customers and our business."

Barrenechea added, "I am very proud of the OpenText team and our many accomplishments in Fiscal 2020, including the launch of OpenText Cloud Editions, the acquisitions of Carbonite, Inc. and XMedius, expansion of our Information Management platform into the small and medium business market and valuable expanded partnerships with Google, Amazon and Microsoft. Our commitment to our customers has been unwavering throughout this global crisis as we accelerate their digital transformation, ensuring their systems and processes can handle the changing reality of today, while continuing to develop solutions for the problems of tomorrow."

"On behalf of OpenText, we commend the brave women and men serving on the front lines of the pandemic, keeping us healthy, safe and productive," said Barrenechea. "Looking ahead to Fiscal 2021, we are well positioned to weather the short-term challenges ahead, build a stronger and better company, and gain market share."

"OpenText demonstrated strong Q4 and Fiscal 2020 results that reflect the excellence of our people and operating framework. The durability of our business model and the discipline of OpenText was especially effective as we achieved these results amid the challenge of a global pandemic," said OpenText EVP and CFO, Madhu Ranganathan.

"In Fiscal 2020, we generated in constant currency \$1.16 billion of adjusted EBITDA, \$954.5 million in Operating Cash Flows and deployed \$1,379.0 million of capital to acquire Carbonite, Inc. and XMedius. The integration of Carbonite remains on track to be on our operating model by the end of Fiscal 2021. With \$1.7 Billion in cash as of June 30, 2020 and a net leverage ratio of 2.0x, we are well positioned to drive Total Growth, including both organically and through M&A."

Financial Highlights for Q4 Fiscal 2020 with Year Over Year Comparisons

| <u>Summary of Quarterly Results</u> | | | | | | |
|--|---------|---------|-----------|----------------|----------------|-----------------|
| (in millions except per share data) | Q4 FY20 | Q4 FY19 | \$ Change | % Change (Y/Y) | Q4 FY20 in CC* | % Change in CC* |
| Revenues: | | | | | | |
| Cloud services and subscriptions | \$332.6 | \$241.9 | \$90.7 | 37.5 % | \$335.7 | 38.8 % |
| Customer support | 324.9 | 315.2 | 9.7 | 3.1 % | 330.2 | 4.7 % |
| Total annual recurring revenues** | \$657.5 | \$557.1 | \$100.4 | 18.0 % | \$665.9 | 19.5 % |
| License | 105.8 | 119.7 | (13.9) | (11.6) % | 107.4 | (10.3) % |
| Professional service and other | 63.3 | 70.4 | (7.1) | (10.1) % | 64.9 | (7.7) % |
| Total revenues | \$826.6 | \$747.2 | \$79.4 | 10.6 % | \$838.2 | 12.2 % |
| GAAP-based operating income | \$91.2 | \$158.0 | (\$66.8) | (42.3) % | N/A | N/A |
| Non-GAAP-based operating income (1) | \$293.8 | \$259.0 | \$34.8 | 13.4 % | \$294.8 | 13.9 % |
| GAAP-based EPS, diluted | \$0.10 | \$0.27 | (\$0.17) | (63.0) % | N/A | N/A |
| Non-GAAP-based EPS, diluted (1)(2) | \$0.80 | \$0.72 | \$0.08 | 11.1 % | \$0.80 | 11.1 % |
| GAAP-based net income attributable to OpenText | \$26.4 | \$72.0 | (\$45.6) | (63.3) % | N/A | N/A |
| Adjusted EBITDA (1) | \$317.4 | \$283.9 | \$33.4 | 11.8 % | \$318.3 | 12.1 % |
| Operating cash flows | \$280.3 | \$229.8 | \$50.5 | 22.0 % | N/A | N/A |

| <u>Summary of Annual Results</u> | | | | | | |
|-------------------------------------|-----------|---------|-----------|----------------|-------------|-----------------|
| (in millions except per share data) | FY20 | FY19 | \$ Change | % Change (Y/Y) | FY20 in CC* | % Change in CC* |
| Revenues: | | | | | | |
| Cloud services and subscriptions | \$1,157.7 | \$907.8 | \$249.9 | 27.5 % | \$1,165.8 | 28.4 % |

| | | | | | | |
|--|-----------|-----------|----------|----------|-----------|---------|
| Customer support | 1,275.6 | 1,247.9 | 27.7 | 2.2 % | 1,293.7 | 3.7 % |
| Total annual recurring revenues** | \$2,433.3 | \$2,155.7 | \$277.5 | 12.9 % | \$2,459.5 | 14.1 % |
| License | 402.9 | 428.1 | (25.2) | (5.9) % | 408.7 | (4.5) % |
| Professional service and other | 273.6 | 284.9 | (11.3) | (4.0) % | 278.6 | (2.2) % |
| Total revenues | \$3,109.7 | \$2,868.8 | \$241.0 | 8.4 % | \$3,146.8 | 9.7 % |
| GAAP-based operating income | \$503.5 | \$567.0 | (\$63.5) | (11.2) % | N/A | N/A |
| Non-GAAP-based operating income (1) | \$1,058.8 | \$1,002.7 | \$56.1 | 5.6 % | \$1,074.8 | 7.2 % |
| GAAP-based EPS, diluted | \$0.86 | \$1.06 | (\$0.20) | (18.9) % | N/A | N/A |
| Non-GAAP-based EPS, diluted (1)(2) | \$2.89 | \$2.76 | \$0.13 | 4.7 % | \$2.94 | 6.5 % |
| GAAP-based net income attributable to OpenText | \$234.2 | \$285.5 | (\$51.3) | (18.0) % | N/A | N/A |
| Adjusted EBITDA (1) | \$1,148.1 | \$1,100.3 | \$47.8 | 4.3 % | \$1,163.4 | 5.7 % |
| Operating cash flows | \$954.5 | \$876.3 | \$78.3 | 8.9 % | N/A | N/A |

(1) Please see note 2 "Use of Non-GAAP Financial Measures" below

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

Note: Individual line items in tables 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.

Dividend Program

As part of our quarterly, non-cumulative cash dividend program, the Board declared on August 5, 2020 a cash dividend of \$0.1746 per common share. The record date for this dividend is September 4, 2020 and the payment date is September 25, 2020. OpenText believes strongly in returning value to its shareholders and intends to maintain its dividend program. Any future declarations of dividends and the establishment of future record and payment dates are all subject to the final determination and discretion of the Board of Directors.

Quarterly Business Highlights

- Key customer wins in the quarter included AIA Thailand, Amway, Arch Resources, Asahi Intecc, Becton Dickinson and Company, Doosan Babcock, iCare Insurance and Care NSW, Leonardo Group, Merck KGaA, Michelin, National Institute of Allergy and Infectious Diseases & the National Institutes of Health Office of Management, Panasonic Corporation, Rapid Radiology, Rivian Automotive, Southwest Gas, US Defense Health Agency and Williams Companies

- OpenText extends Content Services technology for Microsoft Teams
- New Webroot® DNS Protection delivers privacy and security
- OpenText receives 2020 SAP® Pinnacle Award SAP Solution Extensions Partner of the Year
- OpenText recognized as overall leader in 2020 Aspire Customer Communications Management leaderboard
- OpenText Named a leader in IDC MarketScope for Customer Communications Management

Summary of Quarterly Results

| | Q4 FY20 | Q3 FY20 | Q4 FY19 | % Change (Q4 FY20 vs Q3 FY20) | | % Change (Q4 FY20 vs Q4 FY19) | |
|------------------------------------|---------|---------|---------|-------------------------------------|-----|-------------------------------------|-----|
| Revenue (millions) | \$826.6 | \$814.7 | \$747.2 | 1.5 | % | 10.6 | % |
| GAAP-based gross margin | 68.5 % | 65.4 % | 68.3 % | 310 | bps | 20 | bps |
| GAAP-based EPS, diluted | \$0.10 | \$0.10 | \$0.27 | — | % | (63.0) | % |
| Non-GAAP-based gross margin (1) | 75.8 % | 73.3 % | 74.2 % | 250 | bps | 160 | bps |
| Non-GAAP-based EPS, diluted (1)(2) | \$0.80 | \$0.61 | \$0.72 | 31.1 | % | 11.1 | % |

Summary of Annual Results

| | FY20 | FY19 | % Change | |
|------------------------------------|-----------|-----------|----------|-----|
| Revenue (millions) | \$3,109.7 | \$2,868.8 | 8.4 | % |
| GAAP-based gross margin | 67.7 % | 67.6 % | 10 | bps |
| GAAP-based EPS, diluted | \$0.86 | \$1.06 | (18.9) | % |
| Non-GAAP-based gross margin (1) | 74.5 % | 74.1 % | 40 | bps |
| Non-GAAP-based EPS, diluted (1)(2) | \$2.89 | \$2.76 | 4.7 | % |

(1) Please see note 2 "Use of Non-GAAP Financial Measures" below

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

Conference Call Information

The public is invited to listen to the earnings conference call today at 5:00 p.m. ET (2:00 p.m. PT) by dialing 1-800-319-4610 (toll-free) or +1-604-638-5340 (international). Please dial-in 10 minutes ahead of time to ensure proper connection. Alternatively, a live webcast of the earnings conference call will be available on the Investor Relations section of the Company's website at <http://investors.opentext.com/investor-events-and-presentations>.

A replay of the call will be available beginning August 6, 2020 at 7:00 p.m. ET through 11:59 p.m. on August 20, 2020 and can be accessed by dialing 1-855-669-9658 (toll-free) or +1-604-674-8052 (international) and using passcode 4814 followed by the number sign.

Please see below note (2) for a reconciliation of U.S. GAAP-based financial measures used in this press release, to non-U.S. GAAP-based financial measures. Additionally, "off-cloud" is a term we use to describe license transactions.

OpenText Investor Day 2020

OpenText will host a virtual Investor Day on Thursday, November 12, 2020. The virtual conference will include an annual strategic update with formal presentations by the OpenText executive team. Further details will be provided closer to the event date. Investors and Analysts are invited to pre-register by contacting investors@opentext.com.

About OpenText

OpenText, The Information Company™, enables organizations to gain insight through market leading information management solutions, on-premises or in the cloud. For more information about OpenText (NASDAQ: OTEX, TSX: OTEX) visit opentext.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this press release, including statements about the focus of Open Text Corporation ("OpenText" or "the Company") in our fiscal year ending June 30, 2021 (Fiscal 2021) on growth, the financial and operational impact of COVID-19 and associated preemptive measures and restructuring plans, anticipated benefits of our partnerships and next generation product lines, the strength of our operating framework and balance sheet flexibility, continued investments in product innovation, go-to-market and strategic acquisitions, M&A continuing to be our leading growth contributor, our capital allocation strategy, creating value through investments in broader Information Management capabilities, the Company's presence in the cloud and in growth markets, expected growth in our revenue lines, total growth from acquisitions, innovation and organic initiatives, the focus on recurring revenues, improving operational efficiency, expanding cash flow and strengthening the business, adjusted operating income and cash flow, its financial condition, the adjusted operating margin target range, results of operations and earnings, announced acquisitions, ongoing tax matters, the integration of the acquired businesses, declaration of quarterly dividends, future tax rates, new platform and product offerings, scaling OpenText to new levels in Fiscal 2021 and beyond, and other matters, 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 considered forward-looking statements or information under applicable securities laws. In addition, any information or statements that refer to expectations, beliefs, plans, projections,

objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking, and 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 are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Such forward-looking statements involve known and unknown risks, uncertainties and other factors and assumptions that may cause the actual results, performance or achievements to differ materially. Such factors include, but are not limited to: (i) the future performance, financial and otherwise, of OpenText; (ii) the ability of OpenText to bring new products and services to market and to increase sales; (iii) the strength of the Company's product development pipeline; (iv) the Company's growth and profitability prospects; (v) the estimated size and growth prospects of the Information Management market including expected growth in the Artificial Intelligence market; (vi) the Company's competitive position in the Information Management market and its ability to take advantage of future opportunities in this market; (vii) the benefits of the Company's products and services to be realized by customers; (viii) the demand for the Company's products and services and the extent of deployment of the Company's products and services in the Information Management marketplace; (ix) downward pressure on our share price and dilutive effect of future sales or issuances of equity securities (including in connection with future acquisitions); (x) the Company's financial condition and capital requirements; and (xi) statements about the impact of product releases. The risks and uncertainties that may affect forward-looking statements include, but are not limited to: (i) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (ii) the potential for the incurrence of or assumption of debt in connection with acquisitions and the impact on the ratings or outlooks of rating agencies on the Company's outstanding debt securities; (iii) the possibility that the Company may be unable to meet its future reporting requirements under the U.S. Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, or applicable Canadian securities regulation; (iv) the risks associated with bringing new products and services to market; (v) failure to comply with privacy laws and regulations that are extensive, open to various interpretations and complex to implement including General Data Protection Regulation (GDPR) and Country by Country Reporting (CBCR); (vi) fluctuations in currency exchange rates; (vii) delays in the purchasing decisions of the Company's customers; (viii) the competition the Company faces in its industry and/or marketplace; (ix) the final determination of litigation, tax audits (including tax examinations in the United States and elsewhere) and other legal proceedings; (x) potential exposure to greater than anticipated tax liabilities or expenses, including with respect to changes in Canadian, U.S. or international tax regimes including tax reform legislation enacted through the Tax Cuts and Jobs Act in the United States; (xi) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (xii) the continuous commitment of the Company's customers; and (xiii) demand for the Company's products and services. 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.

OTEX-F

For more information, please contact:

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

| | June 30, 2020 | June 30, 2019 |
|--|---------------|------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,692,850 | \$ 941,009 |
| Accounts receivable trade, net of allowance for doubtful accounts of \$20,906 as of June 30, 2020 and \$17,011 as of June 30, 2019 | 466,357 | 463,785 |
| Contract assets | 29,570 | 20,956 |
| Income taxes recoverable | 61,186 | 38,340 |
| Prepaid expenses and other current assets | 136,436 | 97,238 |
| Total current assets | 2,386,399 | 1,561,328 |
| Property and equipment | 244,555 | 249,453 |
| Operating lease right of use assets | 207,869 | — |
| Long-term contract assets | 15,427 | 15,386 |
| Goodwill | 4,672,356 | 3,769,908 |
| Acquired intangible assets | 1,612,564 | 1,146,504 |
| Deferred tax assets | 911,565 | 1,004,450 |
| Other assets | 154,467 | 148,977 |
| Long-term income taxes recoverable | 29,620 | 37,969 |

| | | |
|--|----------------------|---------------------|
| Total assets | \$ 10,234,822 | \$ 7,933,975 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 373,314 | \$ 329,903 |
| Current portion of long-term debt | 610,000 | 10,000 |
| Operating lease liabilities | 64,071 | — |
| Deferred revenues | 812,218 | 641,656 |
| Income taxes payable | 44,630 | 33,158 |
| Total current liabilities | <u>1,904,233</u> | <u>1,014,717</u> |
| Long-term liabilities: | | |
| Accrued liabilities | 34,955 | 49,441 |
| Pension liability | 73,129 | 75,239 |
| Long-term debt | 3,584,311 | 2,604,878 |
| Long-term operating lease liabilities | 217,165 | — |
| Deferred revenues | 94,382 | 46,974 |
| Long-term income taxes payable | 171,200 | 202,184 |
| Deferred tax liabilities | 148,738 | 55,872 |
| Total long-term liabilities | <u>4,323,880</u> | <u>3,034,588</u> |
| Shareholders' equity: | | |
| Share capital and additional paid-in capital | | |
| 271,863,354 and 269,834,442 Common Shares issued and outstanding at June 30, 2020 and June 30, 2019, respectively; authorized Common Shares: unlimited | 1,851,777 | 1,774,214 |
| Accumulated other comprehensive income | 17,825 | 24,124 |
| Retained earnings | 2,159,396 | 2,113,883 |
| Treasury stock, at cost (622,297 shares at June 30, 2020 and 802,871 shares at June 30, 2019, respectively) | (23,608) | (28,766) |
| Total OpenText shareholders' equity | <u>4,005,390</u> | <u>3,883,455</u> |
| Non-controlling interests | 1,319 | 1,215 |
| Total shareholders' equity | <u>4,006,709</u> | <u>3,884,670</u> |
| Total liabilities and shareholders' equity | <u>\$ 10,234,822</u> | <u>\$ 7,933,975</u> |

(Unaudited)

| | Three Months Ended June 30, | |
|---|-----------------------------|------------|
| | 2020 | 2019 |
| Revenues: | | |
| License | \$ 105,803 | \$ 119,728 |
| Cloud services and subscriptions | 332,618 | 241,889 |
| Customer support | 324,915 | 315,248 |
| Professional service and other | 63,276 | 70,356 |
| Total revenues | 826,612 | 747,221 |
| Cost of revenues: | | |
| License | 3,404 | 4,128 |
| Cloud services and subscriptions | 116,569 | 103,719 |
| Customer support | 32,568 | 30,761 |
| Professional service and other | 48,435 | 55,183 |
| Amortization of acquired technology-based intangible assets | 59,719 | 42,946 |
| Total cost of revenues | 260,695 | 236,737 |
| Gross profit | 565,917 | 510,484 |
| Operating expenses: | | |
| Research and development | 100,766 | 83,708 |
| Sales and marketing | 152,882 | 139,416 |
| General and administrative | 62,574 | 52,954 |
| Depreciation | 23,649 | 25,000 |
| Amortization of acquired customer-based intangible assets | 58,998 | 49,200 |
| Special charges (recoveries) | 75,849 | 2,232 |
| Total operating expenses | 474,718 | 352,510 |
| Income from operations | 91,199 | 157,974 |
| Other income (expense), net | 7,790 | 3,191 |
| Interest and other related expense, net | (40,529) | (32,841) |
| Income before income taxes | 58,460 | 128,324 |
| Provision for (recovery of) income taxes | 32,037 | 56,309 |
| Net income | \$ 26,423 | \$ 72,015 |
| Net (income) loss attributable to non-controlling interests | (31) | (32) |
| Net income attributable to OpenText | \$ 26,392 | \$ 71,983 |
| Earnings per share—basic attributable to OpenText | \$ 0.10 | \$ 0.27 |

| | | |
|--|---------|---------|
| Earnings per share—diluted attributable to OpenText | \$ 0.10 | \$ 0.27 |
| Weighted average number of Common Shares outstanding—basic | 271,717 | 269,446 |
| Weighted average number of Common Shares outstanding—diluted | 272,367 | 270,652 |

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

| | Year Ended June 30, | | |
|---|---------------------|------------|------------|
| | 2020 | 2019 | 2018 |
| Revenues: | | | |
| License | \$ 402,851 | \$ 428,092 | \$ 437,512 |
| Cloud services and subscriptions | 1,157,686 | 907,812 | 828,968 |
| Customer support | 1,275,586 | 1,247,915 | 1,232,504 |
| Professional service and other | 273,613 | 284,936 | 316,257 |
| Total revenues | 3,109,736 | 2,868,755 | 2,815,241 |
| Cost of revenues: | | | |
| License | 11,321 | 14,347 | 13,693 |
| Cloud services and subscriptions | 449,940 | 383,993 | 364,160 |
| Customer support | 123,894 | 124,343 | 133,889 |
| Professional service and other | 212,903 | 224,635 | 253,389 |
| Amortization of acquired technology-based intangible assets | 205,717 | 183,385 | 185,868 |
| Total cost of revenues | 1,003,775 | 930,703 | 950,999 |
| Gross profit | 2,105,961 | 1,938,052 | 1,864,242 |
| Operating expenses: | | | |
| Research and development | 370,411 | 321,836 | 322,909 |
| Sales and marketing | 585,044 | 518,035 | 529,141 |
| General and administrative | 237,532 | 207,909 | 205,227 |
| Depreciation | 89,458 | 97,716 | 86,943 |
| Amortization of acquired customer-based intangible assets | 219,559 | 189,827 | 184,118 |
| Special charges (recoveries) | 100,428 | 35,719 | 29,211 |
| Total operating expenses | 1,602,432 | 1,371,042 | 1,357,549 |
| Income from operations | 503,529 | 567,010 | 506,693 |

| | | | |
|--|------------|------------|------------|
| Other income (expense), net | (11,946) | 10,156 | 17,973 |
| Interest and other related expense, net | (146,378) | (136,592) | (138,540) |
| Income before income taxes | 345,205 | 440,574 | 386,126 |
| Provision for (recovery of) income taxes | 110,837 | 154,937 | 143,826 |
| Net income | \$ 234,368 | \$ 285,637 | \$ 242,300 |
| Net (income) loss attributable to non-controlling interests | (143) | (136) | (76) |
| Net income attributable to OpenText | \$ 234,225 | \$ 285,501 | \$ 242,224 |
| Earnings per share—basic attributable to OpenText | \$ 0.86 | \$ 1.06 | \$ 0.91 |
| Earnings per share—diluted attributable to OpenText | \$ 0.86 | \$ 1.06 | \$ 0.91 |
| Weighted average number of Common Shares outstanding—basic | 270,847 | 268,784 | 266,085 |
| Weighted average number of Common Shares outstanding—diluted | 271,817 | 269,908 | 267,492 |

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

| | Year Ended June 30, | | |
|--|---------------------|------------|------------|
| | 2020 | 2019 | 2018 |
| Net income for the period | \$ 234,368 | \$ 285,637 | \$ 242,300 |
| Other comprehensive income (loss)—net of tax: | | | |
| Net foreign currency translation adjustments | (7,784) | (3,882) | (9,582) |
| Unrealized gain (loss) on cash flow hedges: | | | |
| Unrealized gain (loss) - net of tax expense (recovery) effect of (\$599), \$6 and (\$171) for the year ended June 30, 2020, 2019 and 2018, respectively | (1,662) | 16 | (476) |
| (Gain) loss reclassified into net income - net of tax (expense) recovery effect of \$355, \$539 and (\$489) for the year ended June 30, 2020, 2019 and 2018, respectively | 985 | 1,494 | (1,357) |
| Actuarial gain (loss) relating to defined benefit pension plans: | | | |
| Actuarial gain (loss) - net of tax expense (recovery) effect of \$1,219, (\$2,004) and (\$1,846) for the year ended June 30, 2020, 2019 and 2018, respectively | 1,245 | (7,421) | (3,383) |
| Amortization of actuarial (gain) loss into net income - net of tax (expense) recovery effect of \$520, \$292 and \$183 for the year ended June 30, 2020, 2019 and 2018, respectively | 917 | 272 | 260 |
| Release of unrealized gain on marketable securities - net of tax effect of nil for the year ended June 30, 2020, 2019, and 2018 respectively | — | — | (617) |
| Total other comprehensive income (loss) net, for the period | (6,299) | (9,521) | (15,155) |
| Total comprehensive income | 228,069 | 276,116 | 227,145 |
| Comprehensive (income) loss attributable to non-controlling interests | (143) | (136) | (76) |
| Total comprehensive income attributable to OpenText | \$ 227,926 | \$ 275,980 | \$ 227,069 |

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

| | Common Shares and Additional Paid in Capital | | Treasury Stock | | Retained | Accumulated Other | Non- Controlling Interests | Total |
|--|---|--------------|----------------|-------------|--------------|-------------------------|----------------------------------|--------------|
| | Shares | Amount | Shares | Amount | Earnings | Comprehensive Income | | |
| Balance as of June 30, 2017 | 264,060 | \$ 1,613,454 | (1,102) | \$ (27,520) | \$ 1,897,624 | \$ 48,800 | \$ 961 | \$ 3,533,319 |
| Issuance of Common Shares | | | | | | | | |
| Under employee stock option plans | 2,870 | 54,355 | — | — | — | — | — | 54,355 |
| Under employee stock purchase plans | 721 | 20,458 | — | — | — | — | — | 20,458 |
| Share-based compensation | — | 27,594 | — | — | — | — | — | 27,594 |
| Issuance of treasury stock | — | (8,788) | 411 | 8,788 | — | — | — | — |
| Dividends declared (\$0.5478 per Common Share) | — | — | — | — | (145,613) | — | — | (145,613) |
| Other comprehensive income - net | — | — | — | — | — | (15,155) | — | (15,155) |
| Net income for the year | — | — | — | — | 242,224 | — | 76 | 242,300 |
| Balance as of June 30, 2018 | 267,651 | \$ 1,707,073 | (691) | \$ (18,732) | \$ 1,994,235 | \$ 33,645 | \$ 1,037 | \$ 3,717,258 |
| Issuance of Common Shares | | | | | | | | |
| Under employee stock option plans | 1,472 | 35,626 | — | — | — | — | — | 35,626 |
| Under employee stock purchase plans | 711 | 21,835 | — | — | — | — | — | 21,835 |
| Share-based | | ----- | | | | | 13 | ----- |

| | | | | | | | | |
|--|----------------|---------------------|--------------|--------------------|---------------------|------------------|-----------------|---------------------|
| compensation | — | 26,770 | — | — | — | — | — | 26,770 |
| Purchase of treasury stock | — | — | (726) | (26,499) | — | — | — | (26,499) |
| Issuance of treasury stock | — | (16,465) | 614 | 16,465 | — | — | — | — |
| Dividends declared (\$0.6300 per Common Share) | — | — | — | — | (168,859) | — | — | (168,859) |
| Cumulative effect of ASU 2016-16 | — | — | — | — | (26,780) | — | — | (26,780) |
| Cumulative effect of Topic 606 | — | — | — | — | 29,786 | — | — | 29,786 |
| Other comprehensive income - net | — | — | — | — | — | (9,521) | — | (9,521) |
| Non-controlling interest | — | (625) | — | — | — | — | 42 | (583) |
| Net income for the year | — | — | — | — | 285,501 | — | 136 | 285,637 |
| Balance as of June 30, 2019 | 269,834 | \$ 1,774,214 | (803) | \$ (28,766) | \$ 2,113,883 | \$ 24,124 | \$ 1,215 | \$ 3,884,670 |
| Issuance of Common Shares | | | | | | | | |
| Under employee stock option plans | 1,530 | 41,282 | — | — | — | — | — | 41,282 |
| Under employee stock purchase plans | 499 | 17,757 | — | — | — | — | — | 17,757 |
| Share-based compensation | — | 29,532 | — | — | — | — | — | 29,532 |
| Purchase of treasury stock | — | — | (300) | (12,424) | — | — | — | (12,424) |
| Issuance of treasury stock | — | (11,008) | 481 | 17,582 | — | — | — | 6,574 |
| Dividends declared (\$0.6984 per Common Share) | — | — | — | — | (188,712) | — | — | (188,712) |
| Other comprehensive income - net | — | — | — | — | — | (6,299) | — | (6,299) |
| Non-controlling interest | — | — | — | — | — | — | (39) | (39) |
| Net income for the year | — | — | — | — | 234,225 | — | 143 | 234,368 |
| Balance as of June 30, 2020 | 271,863 | \$ 1,851,777 | (622) | \$ (23,608) | \$ 2,159,396 | \$ 17,825 | \$ 1,319 | \$ 4,006,709 |

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

| | Three Months Ended June 30, | |
|---|-----------------------------|-----------|
| | 2020 | 2019 |
| Cash flows from operating activities: | | |
| Net income for the period | \$ 26,423 | \$ 72,015 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| | 142,366 | 117,146 |
| Depreciation and amortization of intangible assets | 8,002 | 6,618 |
| Share-based compensation expense | 1,479 | 1,212 |
| Pension expense | 1,130 | 1,096 |
| Amortization of debt issuance costs | 36,864 | — |
| Accelerated amortization of right of use assets | 9,714 | — |
| Loss on sale and write down of property and equipment | 14,677 | 36,118 |
| Deferred taxes | (2,225) | (3,016) |
| Share in net (income) loss of equity investees | | |
| Changes in operating assets and liabilities: | | |
| | (1,689) | 22,731 |
| Accounts receivable | (13,636) | (8,751) |
| Contract assets | 458 | (324) |
| Prepaid expenses and other current assets | (478) | 6,285 |
| Income taxes | 72,876 | 8,912 |
| Accounts payable and accrued liabilities | (12,974) | (25,961) |
| Deferred revenue | (6,309) | (4,304) |
| Other assets | 3,572 | — |
| Operating lease assets and liabilities, net | | |
| Net cash provided by operating activities | 280,250 | 229,777 |
| Cash flows from investing activities: | | |
| | (17,704) | (13,405) |
| Additions of property and equipment | (2,783) | (8,762) |
| Other investing activities | | |
| Net cash used in investing activities | (20,487) | (22,167) |
| Cash flows from financing activities: | | |

| | | |
|---|---------------------|-------------------|
| | 13,493 | 15,792 |
| Proceeds from issuance of Common Shares from exercise of stock options and ESPP | (2,500) | (2,500) |
| Repayment of long-term debt and revolver | (3,636) | — |
| Debt issuance costs | (47,335) | (46,958) |
| Payments of dividends to shareholders | | |
| Net cash provided by (used in) financing activities | <u>(39,978)</u> | <u>(33,666)</u> |
| Foreign exchange gain (loss) on cash held in foreign currencies | <u>19,882</u> | <u>83</u> |
| Increase (decrease) in cash, cash equivalents and restricted cash during the period | 239,667 | 174,027 |
| Cash, cash equivalents and restricted cash at beginning of the period | 1,457,596 | 769,516 |
| Cash, cash equivalents and restricted cash at end of the period | <u>\$ 1,697,263</u> | <u>\$ 943,543</u> |
| Reconciliation of cash, cash equivalents and restricted cash: | June 30, 2020 | June 30, 2019 |
| Cash and cash equivalents | <u>1,692,850</u> | <u>941,009</u> |
| Restricted cash included in Other assets | 4,413 | 2,534 |
| Total Cash, cash equivalents and restricted cash | <u>\$ 1,697,263</u> | <u>\$ 943,543</u> |

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

| | Year Ended June 30, | | |
|---|---------------------|------------|------------|
| | 2020 | 2019 | 2018 |
| Cash flows from operating activities: | | | |
| Net income for the period | \$ 234,368 | \$ 285,637 | \$ 242,300 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization of intangible assets | 514,734 | 470,928 | 456,929 |
| Share-based compensation expense | 29,532 | 26,770 | 27,594 |
| Pension expense | 5,802 | 4,624 | 3,738 |
| Amortization of debt issuance costs | 4,633 | 4,330 | 4,646 |
| Amortization of deferred charges and credits | — | — | 4,242 |
| Accelerated amortization of right of use assets | 36,864 | — | — |
| Loss on extinguishment of debt | 17,854 | — | — |
| Loss on sale and write down of property and equipment | 9,714 | 9,438 | 2,234 |
| Release of unrealized gain on marketable securities to income | — | — | (841) |
| | 51,388 | 47,425 | 89,736 |

| | | | |
|---|-------------|-----------|-------------|
| Deferred taxes | (8,700) | (13,668) | (5,965) |
| Share in net (income) loss of equity investees | — | — | 155 |
| Write off of unamortized debt issuance costs | | | |
| Changes in operating assets and liabilities: | | | |
| | 84,499 | 75,508 | (22,566) |
| Accounts receivable | (40,301) | (37,623) | — |
| Contract assets | (6,897) | (819) | (7,274) |
| Prepaid expenses and other current assets | (35,086) | 27,291 | (31,323) |
| Income taxes and deferred charges and credits | 30,613 | (21,732) | (91,650) |
| Accounts payable and accrued liabilities | 25,306 | (1,827) | 35,629 |
| Deferred revenue | 1,127 | (4) | 497 |
| Other assets | (914) | — | — |
| Operating lease assets and liabilities, net | | | |
| Net cash provided by operating activities | 954,536 | 876,278 | 708,081 |
| Cash flows from investing activities: | | | |
| | (72,709) | (63,837) | (105,318) |
| Additions of property and equipment | (73,335) | — | — |
| Purchase of XMedius | (1,305,097) | — | — |
| Purchase of Carbonite, Inc., net of cash and restricted cash acquired | (4,149) | — | — |
| Purchase of Dynamic Solutions Group Inc. | — | (70,800) | — |
| Purchase of Catalyst Repository Systems Inc. | — | (310,644) | — |
| Purchase of Liaison Technologies, Inc. | — | — | (20,535) |
| Purchase of Hightail, Inc., net of cash acquired | — | (2,279) | (229,275) |
| Purchase of Guidance Software, Inc., net of cash acquired | — | — | (71,279) |
| Purchase of Covisint Corporation, net of cash acquired | (14,127) | (16,966) | (18,034) |
| Other investing activities | | | |
| Net cash used in investing activities | (1,469,417) | (464,526) | (444,441) |
| Cash flows from financing activities: | | | |
| | 66,600 | 57,889 | 75,935 |
| Proceeds from issuance of Common Shares from exercise of stock options and ESPP | 3,150,000 | — | 1,200,000 |
| Proceeds from long-term debt and revolver | (1,713,631) | (10,000) | (1,149,620) |
| Repayment of long-term debt and revolver | | | |
| Debt extinguishment costs | (11,248) | — | — |
| | (21,806) | (322) | (4,375) |
| Debt issuance costs | (12,424) | (26,499) | — |
| Purchase of Treasury Stock | — | (583) | — |
| Purchase of non-controlling interest | (188,712) | (168,859) | (145,613) |
| Payments of dividends to shareholders | | | |
| Net cash provided by (used in) financing activities | 1,268,779 | (148,374) | (23,673) |
| Foreign exchange gain (loss) on cash held in foreign currencies | (178) | (3,826) | (2,186) |

| | | | |
|---|------------------|------------------|---------------|
| Increase (decrease) in cash, cash equivalents and restricted cash during the period | 753,720 | 259,552 | 237,781 |
| Cash, cash equivalents and restricted cash at beginning of the period | 943,543 | 683,991 | 446,210 |
| Cash, cash equivalents and restricted cash at end of the period | \$ 1,697,263 | \$ 943,543 | \$ 683,991 |
| | | | |
| Reconciliation of cash, cash equivalents and restricted cash: | June 30, 2020 | June 30, 2019 | June 30, 2018 |
| Cash and cash equivalents | 1,692,850 | 941,009 | 682,942 |
| Restricted cash included in Other assets and Prepaid | 4,413 | 2,534 | 1,049 |
| Total Cash, cash equivalents and restricted cash | \$ 1,697,263 | \$ 943,543 | \$ 683,991 |

Notes

- (1) All dollar amounts in this press release are in U.S. Dollars unless otherwise indicated.

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

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

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

Adjusted earnings (loss) before interest, taxes, depreciation and amortization (Adjusted EBITDA) is consistently calculated as GAAP-based net income, attributable to OpenText, excluding interest income (expense), provision for income taxes, depreciation and amortization of acquired intangible assets, other income (expense), share-based compensation and Special charges (recoveries).

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

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

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

Reconciliation of selected GAAP-based measures to Non-GAAP-based measures
for the three months ended June 30, 2020.

(In thousands except for per share amounts)

| | Three Months Ended June 30, 2020 | | | | | |
|--|----------------------------------|---|-------------|------|----------------------------|---|
| | GAAP-based Measures | GAAP-based Measures % of Total Revenue | Adjustments | Note | Non-GAAP-based Measures | Non-GAAP-based Measures % of Total Revenue |
| Cost of revenues | | | | | | |
| Cloud services and subscriptions | \$ 116,569 | | \$ (490) | (1) | \$ 116,079 | |
| Customer support | 32,568 | | (310) | (1) | 32,258 | |
| Professional service and other | 48,435 | | (377) | (1) | 48,058 | |
| Amortization of acquired technology-based intangible assets | 59,719 | | (59,719) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 565,917 | 68.5 % | 60,896 | (3) | 626,813 | 75.8 % |
| Operating expenses | | | | | | |
| Research and development | 100,766 | | (1,590) | (1) | 99,176 | |
| Sales and marketing | 152,882 | | (2,575) | (1) | 150,307 | |
| General and administrative | 62,574 | | (2,660) | (1) | 59,914 | |
| Amortization of acquired customer-based intangible assets | 58,998 | | (58,998) | (2) | — | |
| Special charges (recoveries) | 75,849 | | (75,849) | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 91,199 | | 202,568 | (5) | 293,767 | |
| Other income (expense), net | 7,790 | | (7,790) | (6) | — | |

| | | | | |
|---|---------|---------|-----|---------|
| Provision for (recovery of) income taxes | 32,037 | 3,416 | (7) | 35,453 |
| GAAP-based net income / Non-GAAP-based net income, attributable to OpenText | 26,392 | 191,362 | (8) | 217,754 |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | \$ 0.10 | \$ 0.70 | (8) | \$ 0.80 |

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

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

| | | |
|---|------------|---------|
| Non-GAAP-based provision for income taxes | (35,453) | (0.14) |
| Non-GAAP-based net income, attributable to OpenText | \$ 217,754 | \$ 0.80 |

Reconciliation of Adjusted EBITDA

| | Three Months Ended June 30, 2020 | |
|---|----------------------------------|---------|
| GAAP-based net income, attributable to OpenText | \$ | 26,392 |
| Add: | | |
| Provision for (recovery of) income taxes | | 32,037 |
| Interest and other related expense, net | | 40,529 |
| Amortization of acquired technology-based intangible assets | | 59,719 |
| Amortization of acquired customer-based intangible assets | | 58,998 |
| Depreciation | | 23,649 |
| Share-based compensation | | 8,002 |
| Special charges (recoveries) | | 75,849 |
| Other (income) expense, net | | (7,790) |
| Adjusted EBITDA | \$ | 317,385 |

Reconciliation of selected GAAP-based measures to Non-GAAP-based measures

for the year ended June 30, 2020.

(In thousands except for per share amounts)

| Year Ended June 30, 2020 | | | | | |
|--------------------------|--|-------------|------|-------------------------|--|
| GAAP-based Measures | GAAP-based Measures % of Total Revenue | Adjustments | Note | Non-GAAP-based Measures | Non-GAAP-based Measures % of Total Revenue |

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

- (1) Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- (2) Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- (3) GAAP-based and Non-GAAP-based gross profit stated in dollars, and gross margin stated as a percentage of total revenue.
- (4) Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
- (5) GAAP-based and Non-GAAP-based income from operations stated in dollars.
- (6) Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 32% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and

other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.

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

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

Reconciliation of Adjusted EBITDA

| | Year Ended June 30, 2020 | |
|---|--------------------------|---------|
| GAAP-based net income, attributable to OpenText | \$ | 234,225 |
| Add: | | |
| Provision for (recovery of) income taxes | | 110,837 |
| Interest and other related expense, net | | 146,378 |
| Amortization of acquired technology-based intangible assets | | 205,717 |
| Amortization of acquired customer-based intangible assets | | 219,559 |
| Depreciation | | 89,458 |
| Share-based compensation | | 29,532 |
| Special charges (recoveries) | | 100,428 |

| | | |
|-----------------------------|----|-----------|
| Other (income) expense, net | | 11,946 |
| Adjusted EBITDA | \$ | 1,148,080 |

Reconciliation of selected GAAP-based measures to Non-GAAP-based measures

for the three months ended March 31, 2020.

(In thousands except for per share amounts)

| | Three Months Ended March 31, 2020 | | | | |
|--|-----------------------------------|---|-------------|------|---|
| | GAAP-based Measures | GAAP-based Measures % of Total Revenue | Adjustments | Note | Non-GAAP-based Measures % of Total Revenue |
| Cost of revenues | | | | | |
| Cloud services and subscriptions | \$ 127,565 | | \$ (398) | (1) | \$ 127,167 |
| Customer support | 32,151 | | (284) | (1) | 31,867 |
| Professional service and other | 56,526 | | (328) | (1) | 56,198 |
| Amortization of acquired technology-based intangible assets | 63,401 | | (63,401) | (2) | — |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 532,492 | 65.4 % | 64,411 | (3) | 596,903 73.3 % |
| Operating expenses | | | | | |
| Research and development | 108,184 | | (1,243) | (1) | 106,941 |
| Sales and marketing | 166,234 | | (2,261) | (1) | 163,973 |
| General and administrative | 68,828 | | (2,342) | (1) | 66,486 |
| Amortization of acquired customer-based intangible assets | 59,943 | | (59,943) | (2) | — |
| Special charges (recoveries) | 9,406 | | (9,406) | (4) | — |
| GAAP-based income from operations / Non-GAAP-based income from operations | 95,077 | | 139,606 | (5) | 234,683 |
| Other income (expense), net | (18,923) | | 18,923 | (6) | — |
| Provision for (recovery of) income taxes | 8,891 | | 18,188 | (7) | 27,079 |
| GAAP-based net income / Non-GAAP- | | | | | |

| | | | | |
|---|---------|---------|-----|---------|
| based net income, attributable to OpenText | 25,965 | 140,341 | (8) | 166,306 |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | \$ 0.10 | \$ 0.51 | (8) | \$ 0.61 |

-
- (1) Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- (2) Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- (3) GAAP-based and Non-GAAP-based gross profit stated in dollars, and gross margin stated as a percentage of total revenue.
- (4) Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
- (5) GAAP-based and Non-GAAP-based income from operations stated in dollars.
- (6) Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 25% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- (8) Reconciliation of GAAP-based net income to Non-GAAP-based net income:

| | Three Months Ended March 31, 2020 | |
|---|-----------------------------------|---------|
| | Per share diluted | |
| GAAP-based net income, attributable to OpenText | \$ 25,965 | \$ 0.10 |
| Add: | | |
| Amortization | 123,344 | 0.45 |
| Share-based compensation | 6,856 | 0.03 |
| Special charges (recoveries) | 9,406 | 0.03 |
| Other (income) expense, net | 18,923 | 0.07 |
| GAAP-based provision for (recovery of) income taxes | 8,891 | 0.03 |
| Non-GAAP-based provision for income taxes | (27,079) | (0.10) |
| Non-GAAP-based net income, attributable to OpenText | \$ 166,306 | \$ 0.61 |

Reconciliation of Adjusted EBITDA

Three Months Ended March 31, 2020

| | | |
|---|----|---------|
| GAAP-based net income, attributable to OpenText | \$ | 25,965 |
| Add: | | |
| Provision for (recovery of) income taxes | | 8,891 |
| Interest and other related expense, net | | 41,263 |
| Amortization of acquired technology-based intangible assets | | 63,401 |
| Amortization of acquired customer-based intangible assets | | 59,943 |
| Depreciation | | 24,820 |
| Share-based compensation | | 6,856 |
| Special charges (recoveries) | | 9,406 |
| Other (income) expense, net | | 18,923 |
| Adjusted EBITDA | \$ | 259,468 |

Reconciliation of selected GAAP-based measures to Non-GAAP-based measures

for the three months ended June 30, 2019.

(In thousands except for per share amounts)

Three Months Ended June 30, 2019

| | GAAP- based Measures | GAAP- based Measures % of Total Revenue | Adjustments | Note | Non-GAAP- based Measures | Non- GAAP- based Measures % of Total Revenue |
|----------------------------------|----------------------------|---|-------------|------|--------------------------------|---|
| Cost of revenues | | | | | | |
| Cloud services and subscriptions | \$ 103,719 | | \$ (75) | (1) | \$ 103,644 | |

| | | | | | | |
|---|---------|--------|----------|-----|---------|--------|
| Customer support | 30,761 | | (361) | (1) | 30,400 | |
| Professional service and other | 55,183 | | (434) | (1) | 54,749 | |
| Amortization of acquired technology-based intangible assets | 42,946 | | (42,946) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 510,484 | 68.3 % | 43,816 | (3) | 554,300 | 74.2 % |
| Operating expenses | | | | | | |
| Research and development | 83,708 | | (1,323) | (1) | 82,385 | |
| Sales and marketing | 139,416 | | (2,006) | (1) | 137,410 | |
| General and administrative | 52,954 | | (2,419) | (1) | 50,535 | |
| Amortization of acquired customer-based intangible assets | 49,200 | | (49,200) | (2) | — | |
| Special charges (recoveries) | 2,232 | | (2,232) | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 157,974 | | 100,996 | (5) | 258,970 | |
| Other income (expense), net | 3,191 | | (3,191) | (6) | — | |
| Provision for (recovery of) income taxes | 56,309 | | (24,651) | (7) | 31,658 | |
| GAAP-based net income / Non-GAAP-based net income, attributable to OpenText | 71,983 | | 122,456 | (8) | 194,439 | |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | \$ 0.27 | | \$ 0.45 | (8) | \$ 0.72 | |

-
- (1) Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
- (2) Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
- (3) GAAP-based and Non-GAAP-based gross profit stated in dollars, and gross margin stated as a percentage of total revenue.
- (4) Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
- (5) GAAP-based and Non-GAAP-based income from operations stated in dollars.
- (6) Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 44% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.

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

| | Three Months Ended June 30, 2019 | |
|---|----------------------------------|---------|
| | Per share diluted | |
| GAAP-based net income, attributable to OpenText | \$ 71,983 | \$ 0.27 |
| Add: | | |
| Amortization | 92,146 | 0.34 |
| Share-based compensation | 6,618 | 0.02 |
| Special charges (recoveries) | 2,232 | 0.01 |
| Other (income) expense, net | (3,191) | (0.01) |
| GAAP-based provision for (recovery of) income taxes | 56,309 | 0.21 |
| Non-GAAP-based provision for income taxes | (31,658) | (0.12) |
| Non-GAAP-based net income, attributable to OpenText | \$ 194,439 | \$ 0.72 |

Reconciliation of Adjusted EBITDA

| | Three Months Ended June 30, 2019 | |
|---|----------------------------------|---------|
| GAAP-based net income, attributable to OpenText | \$ 71,983 | |
| Add: | | |
| Provision for (recovery of) income taxes | | 56,309 |
| Interest and other related expense, net | | 32,841 |
| Amortization of acquired technology-based intangible assets | | 42,946 |
| Amortization of acquired customer-based intangible assets | | 49,200 |
| Depreciation | | 25,000 |
| Share-based compensation | | 6,618 |
| Special charges (recoveries) | | 2,232 |
| Other (income) expense, net | | (3,191) |
| Adjusted EBITDA | \$ 283,938 | |

Reconciliation of selected GAAP-based measures to Non-GAAP-based measures

for the year ended June 30, 2019.

(In thousands except for per share amounts)

Year Ended June 30, 2019

| | GAAP-based Measures | GAAP-based Measures % of Total Revenue | Adjustments | Note | Non-GAAP-based Measures | Non-GAAP-based Measures % of Total Revenue |
|---|---------------------|--|-------------|------|-------------------------|--|
| Cost of revenues | | | | | | |
| Cloud services and subscriptions | \$ 383,993 | | \$ (948) | (1) | \$ 383,045 | |
| Customer support | 124,343 | | (1,242) | (1) | 123,101 | |
| Professional service and other | 224,635 | | (1,764) | (1) | 222,871 | |
| Amortization of acquired technology-based intangible assets | 183,385 | | (183,385) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 1,938,052 | 67.6 % | 187,339 | (3) | 2,125,391 | 74.1 % |
| Operating expenses | | | | | | |
| Research and development | 321,836 | | (4,991) | (1) | 316,845 | |
| Sales and marketing | 518,035 | | (7,880) | (1) | 510,155 | |
| General and administrative | 207,909 | | (9,945) | (1) | 197,964 | |
| Amortization of acquired customer-based intangible assets | 189,827 | | (189,827) | (2) | — | |
| Special charges (recoveries) | 35,719 | | (35,719) | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 567,010 | | 435,701 | (5) | 1,002,711 | |
| Other income (expense), net | 10,156 | | (10,156) | (6) | — | |
| Provision for (recovery of) income taxes | 154,937 | | (33,680) | (7) | 121,257 | |
| GAAP-based net income / Non-GAAP-based net income, attributable to OpenText | 285,501 | | 459,225 | (8) | 744,726 | |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | \$ 1.06 | | \$ 1.70 | (8) | \$ 2.76 | |

-
- (1) Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
 - (2) Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
 - (3) GAAP-based and Non-GAAP-based gross profit stated in dollars, and gross margin stated as a percentage of total revenue.
 - (4) Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
 - (5) GAAP-based and Non-GAAP-based income from operations stated in dollars.
 - (6) Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
 - (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 35% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
 - (8) Reconciliation of GAAP-based net income to Non-GAAP-based net income:

| | Year Ended June 30, 2019 | |
|---|--------------------------|---------|
| | Per share diluted | |
| GAAP-based net income, attributable to OpenText | \$ 285,501 | \$ 1.06 |
| Add: | | |
| Amortization | 373,212 | 1.38 |
| Share-based compensation | 26,770 | 0.10 |
| Special charges (recoveries) | 35,719 | 0.13 |
| Other (income) expense, net | (10,156) | (0.04) |
| GAAP-based provision for (recovery of) income taxes | 154,937 | 0.57 |
| Non-GAAP-based provision for income taxes | (121,257) | (0.44) |
| Non-GAAP-based net income, attributable to OpenText | \$ 744,726 | \$ 2.76 |

Reconciliation of Adjusted EBITDA

| | Year Ended June 30, 2019 | |
|---|--------------------------|-----------|
| GAAP-based net income, attributable to OpenText | \$ | 285,501 |
| Add: | | |
| Provision for (recovery of) income taxes | | 154,937 |
| Interest and other related expense, net | | 136,592 |
| Amortization of acquired technology-based intangible assets | | 183,385 |
| Amortization of acquired customer-based intangible assets | | 189,827 |
| Depreciation | | 97,716 |
| Share-based compensation | | 26,770 |
| Special charges (recoveries) | | 35,719 |
| Other (income) expense, net | | (10,156) |
| Adjusted EBITDA | \$ | 1,100,291 |

(3) The following tables provide a composition of our major currencies for revenue and expenses, expressed as a percentage, for the three months and year ended June 30, 2020 and 2019:

| Currencies | Three Months Ended June 30, 2020 | | Three Months Ended June 30, 2019 | |
|------------|----------------------------------|----------------|----------------------------------|----------------|
| | % of Revenue | % of Expenses* | % of Revenue | % of Expenses* |
| EURO | 22 % | 13 % | 24 % | 15 % |
| GBP | 4 % | 5 % | 6 % | 6 % |
| CAD | 3 % | 8 % | 3 % | 9 % |
| USD | 63 % | 57 % | 58 % | 53 % |
| Other | 8 % | 17 % | 9 % | 17 % |
| Total | 100 % | 100 % | 100 % | 100 % |
| | Year Ended June 30, 2020 | | Year Ended June 30, 2019 | |

| Currencies | % of Revenue | % of Expenses* | % of Revenue | % of Expenses* |
|------------|--------------|----------------|--------------|----------------|
| EURO | 22 % | 14 % | 24 % | 15 % |
| GBP | 5 % | 6 % | 6 % | 6 % |
| CAD | 3 % | 9 % | 4 % | 10 % |
| USD | 61 % | 55 % | 58 % | 51 % |
| Other | 9 % | 16 % | 8 % | 18 % |
| Total | 100 % | 100 % | 100 % | 100 % |

* Expenses include all cost of revenues and operating expenses included within the Consolidated Statements of Income, except for amortization of intangible assets, share-based compensation and Special charges (recoveries).

View original content: <http://www.prnewswire.com/news-releases/opentext-reports-fourth-quarter-and-fiscal-year-2020-financial-results-301107994.html>

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