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# Investor Presentation

NASDAQ: OTEX | TSX: OTEX

February 3, 2022

# Safe Harbor and IP Statement

This presentation contains forward-looking statements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other applicable securities laws of the United States and Canada. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. When we use words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “may,” “could,” “would,” “will” and variations of these words or similar expressions, we do so to identify forward-looking statements. In addition, any statements that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements, and are based on our current estimates, beliefs and assumptions, including management’s perception of historical trends, current conditions and expected future developments, as well as its expectations, forecasts and projections about the operating environment, economies and markets in which we operate. These forward-looking statements involve known and unknown risks and uncertainties, such as those relating to the duration and severity of the COVID-19 pandemic, including any new strains or resurgences, as well as our ability to develop, protect and maintain our intellectual property and proprietary technology and to operate without infringing on the proprietary rights of others. The actual results that we achieve may differ materially from any forward-looking statements, which speak only as of the date made. We undertake no obligation to revise or publicly release the results of any revisions to these forward-looking statements. For additional information with respect to risks and other factors which could materially affect our business, financial condition, operating results and prospects, including these forward-looking statements, see our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings we make with the Securities and Exchange Commission and other securities regulators. For these reasons, we caution you not to place undue reliance upon any forward-looking statements.

# Q2 Fiscal 2022 Financial Results

# Q2 Fiscal 2022 Financial Highlights

## with Y/Y comparisons

**Reflects continued investments in talent, innovation and go-to-market to drive organic growth**

| Q2 FY'22 | | |
|---|---|---|
| **Total Revenues** | **$876.8M** | ▲ **2.5%**<br>▲ **2.7%** in CC[1] |
| **ARR[2]** | **$699.8M**<br>**80%**<br>of total revenues | ▲ **2.2%**<br>▲ **2.3%** in CC |
| **Cloud Revenues** | **$364.9M** | ▲ **4.1%**<br>▲ **4.2%** in CC |
| **A-EBITDA[3]** | **$343.5M**<br>**39.2%** (margin) | ▼ **(4.8)%**<br>▼ **(3.6)%** in CC |
| **Non-GAAP Earnings Per Share[3]** | **$0.89** | ▼ **(6.3)%**<br>▼ **(5.3)%** in CC |
| **Free Cash Flows[3]** | **$206.0M** | ▼ **(25.0)%** |

| Trailing Twelve Months (TTM) Ending Q2 FY'22 | | |
|---|---|---|
| **Total Revenues** | **$3.44B** | ▲ **4.1%**<br>▲ **2.0%** in CC |
| **ARR[2]** | **$2.78B**<br>**81%**<br>of total revenues | ▲ **3.8%**<br>▲ **2.0%** in CC |
| **Cloud Revenues** | **$1.44B** | ▲ **5.4%**<br>▲ **4.2%** in CC |
| **A-EBITDA[3]** | **$1.28B**<br>**37.2%** (margin) | ▼ **(0.1)%**<br>▼ **(1.5)%** in CC |
| **Non-GAAP Earnings Per Share[3]** | **$3.27** | ▲ **0.6%**<br>▼ **(0.9)%** in CC |
| **Free Cash Flows[3]**<br>(Includes IRS settlement payment of $299.6M) | **$688.0M** | ▼ **(35.6)%** |

1. CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.
2. Annual recurring revenue (ARR) is defined as the sum of cloud services and subscriptions revenue and customer support revenue.
3. Please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation and "Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.

# Q2 FY'22 Customer Wins

## Content Services

NOVARTIS

**Novartis Pharmaceuticals** is one of the largest global pharmaceutical companies, bringing innovative medicines to market to enhance health outcomes for patients.

**Products:** OpenText Cognitive Capture

**Business Purpose:** To capture, digitize and analyze content using AI and content analytics in their business processes.

## Content Services

**Volkswagen** is one of the largest motor vehicle manufacturers, headquartered in Germany.

**Products:** OpenText Extended ECM for SAP Solutions

**Business Purpose:** To accelerate their digital transformation and provide an excellent digital user experience.

## Business Network

BD

**Becton Dickinson** is a global medical technology company advancing the world of health by improving medical discovery, diagnostics and the delivery of care.

**Products:** OpenText Managed Services

**Business Purpose:** Managed Services to support BD's sophisticated global supply chain.

## Digital Experience

Pill Pack by amazon pharmacy

**PillPack, Inc.** is an American online pharmacy which is a subsidiary of Amazon.com.

**Products:** OpenText XM Cloud Service

**Business Purpose:** To attain reliable service with outstanding support.

AAA The Auto Club Group

Kimberly-Clark

HYUNDAI

CNX

B|BRAUN SHARING EXPERTISE

Lids

BNY MELLON | PERSHING

US Army Corps of Engineers®

Raytheon Intelligence & Space

National Food Industries

REYNOLDS A BETTER TOMORROW

Hawaiian Electric

metasource.

# Q3 FY'22 Quarterly Factors

## Externalities

- Continued pandemic effects
- Geopolitical
- Inflation, supply chain and labor shortages
- Lack of continued US stimulus

## Company Specific(1)

- Expect Q3 Revenue Y/Y:
  - Total Revenue up mid-high single-digit
  - ARR up mid single-digit
  - Includes FX headwind between $20 million to $25 million
- A-EBITDA margin % down 450 to 500 bps Y/Y:
  - Integration of Zix acquisition
  - Higher investments in talent for continued support of our growth ambitions
  - Typical calendar year reset of higher benefits expense

**Our business is annual, and quarters will vary**

1. All comments include FX impact.

# FY'22 OpenText Total Growth Strategy[1]

| FY'21 Actual[1] | | FY'22 Prior[2] | FY'22 New[3] |
|---|---|---|---|
| $1,407.4 | Cloud | 3%-4% | 8% - 10% |
| $1,334.1 | Customer Support | Constant to slightly up | Constant |
| $2,741.5 | ARR | Low single-digit | Low mid single-digit |
| $384.7 | License | Decline mid single-digit | Constant |
| $259.9 | Professional Services | Constant | Mid single-digit |
| $3,386.1 | Total Revenues | 1%-2% | 3% - 4% |
| | New M&A | Additive | Additive |

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1. All dollars in USD million.
2. As of November 4, 2021.
3. As of February 3, 2022.

# FY’22 Target Model

| | Fiscal 2021 Actuals | Previous Fiscal 2022[3] | New<br>Revised Fiscal 2022[3,4] |
|---|---|---|---|
| **Revenue Type:** | | | |
| Cloud Services and Subscriptions | 41.6% | 41% - 43% | 42% - 44% |
| Customer Support | 39.4% | 39% - 41% | 37% - 39% |
| Annual Recurring Revenue (ARR) | 81.0% | 81% - 83% | 81% - 83% |
| License | 11.4% | 9% - 11% | 9% - 11% |
| Professional Services and Other | 7.7% | 7% - 9% | 7% - 9% |
| **Non-GAAP Gross Margin:** | | | |
| Cloud Services and Subscriptions | 66.0% | 65% - 67% | 65% - 67% |
| Customer Support | 90.9% | 91% - 92% | 91% - 92% |
| License | 96.4% | 96% - 98% | 96% - 98% |
| Professional Services and Other | 25.1% | 23% - 24% | 23% - 24% |
| **Non-GAAP Gross Margin[1]** | **76.1%** | **75% - 77%** | **75% - 77%** |
| **Non-GAAP Operating Expenses:** | | | |
| Research & Development | 12.2% | 12% - 14% | 12% - 14% |
| Sales & Marketing | 17.8% | 18% - 20% | 18% - 20% |
| General & Admin | 7.3% | 7% - 9% | 7% - 9% |
| Depreciation | 2.5% | 2% - 4% | 2% - 4% |
| Total Operating Expenses | | | 42% - 44% |
| **A-EBITDA Margin[1]** | **38.8%** | **37% - 38%** | 35.5% - 36.5% |
| Interest and Other Related Expense (USD millions) | $151.6 | $147 - $152 | $156 - $161 |
| Adjusted Tax Rate[2] | 14% | 14% | 14% |
| **Capital Expenditures (USD millions)** | **$63.7** | **$80 - $90** | **$80 - $90** |

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. Please refer to historical filings, including our Forms 10-K and 10-Q, regarding the company’s adjusted tax rate.
3. This model is not guidance.
4. Reflects the acquisition of Zix Corporation. Bricata acquisition impact is immaterial and not included.

# Our Financial Aspirations

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

**M&A will be additive**

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

**Target Capital Allocation Strategy: 33% TTM FCF via dividends & buyback[3]**

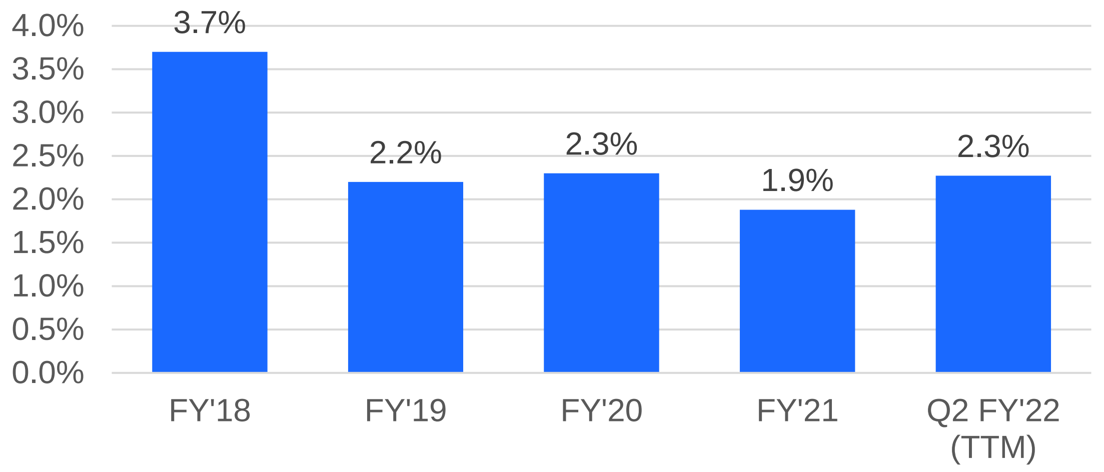
1. Revenue % are year-over-year comparisons.
2. Please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation and "Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
3. Strategy subject to change based on acquisition opportunities or other corporate purposes. Corporate purposes may include acquisitions, debt repayment, share repurchases, or other initiatives.

# Strong Liquidity and Cash Position

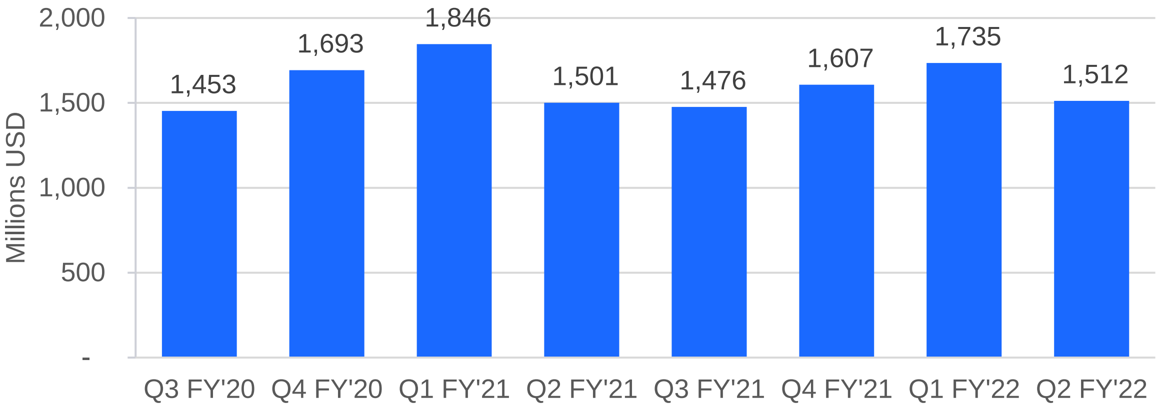
## Current Liquidity (US$)

**Total Cash & Committed Liquidity[(1)]** **$2.3B**

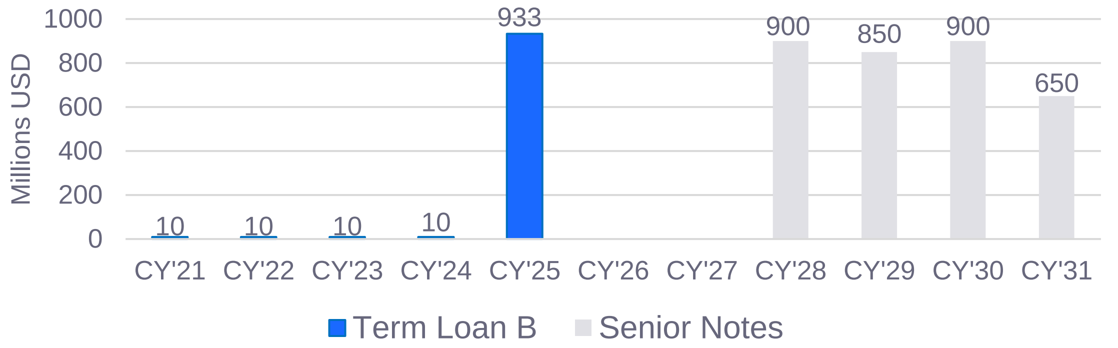
## Capital Expenditures as % of Total Revenue




## Total Cash & Cash Equivalents




## Debt Maturity Profile[(2)]

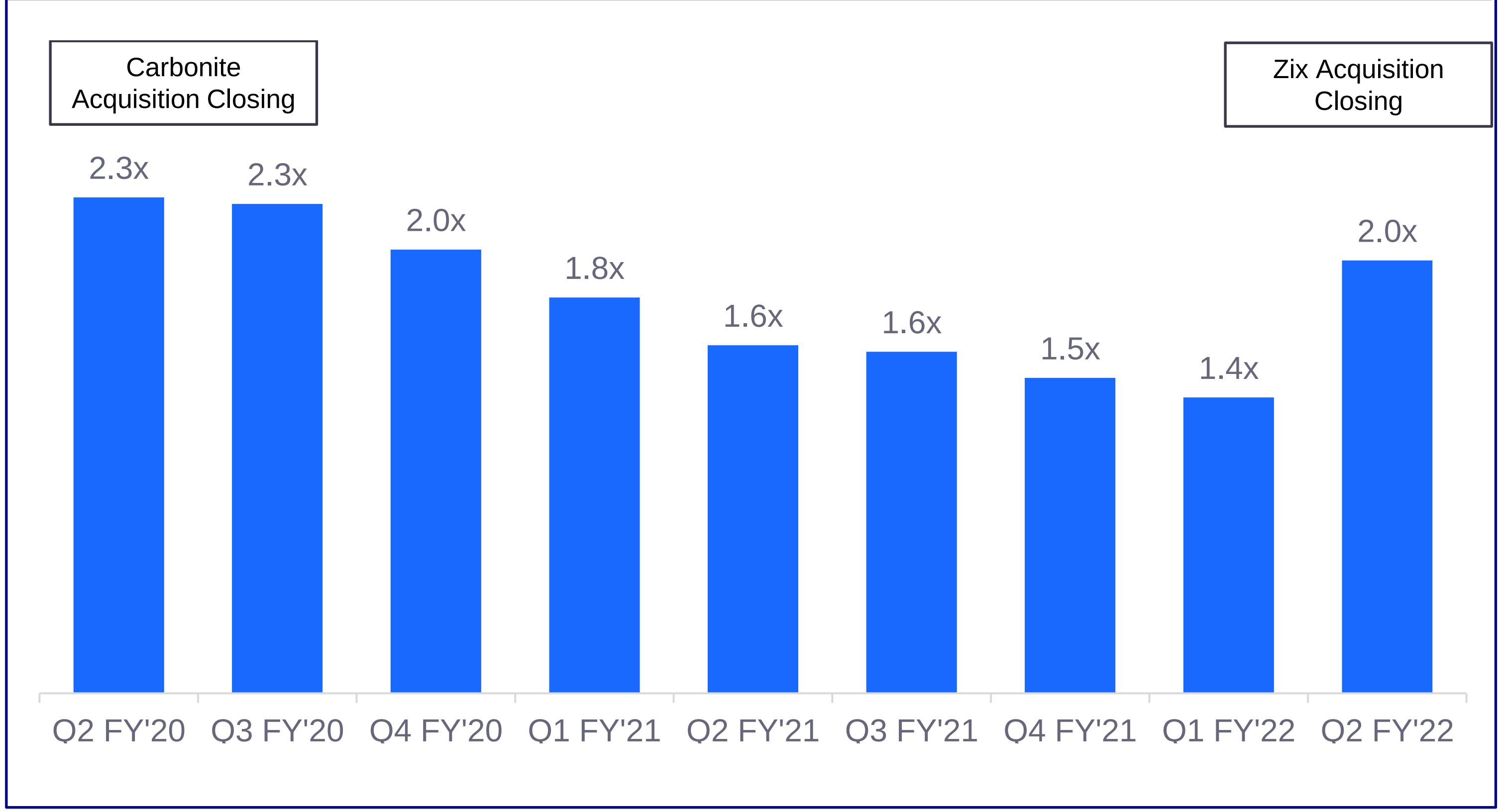



1. Excludes restricted cash. Includes Cash and the Undrawn Revolver of $750m as of December 31, 2021.
2. Undrawn Revolving Credit Facility of $750m matures in October 2024.

# Strong Cash Flows and Balance Sheet

| TTM Q2 FY'22 (US$M) | |
|---|---|
| Operating Cash Flows[2] | $766 |
| Less: CapEx | $78 |
| **Free Cash Flows[2]** | **$688** |
| Less: Principal[3] | $10 |
| Less: Dividends | $228 |
| Less: Share Buyback | $210 |
| Cash Generated for Corporate Purposes[2],[4] | $240 |

## Trended Consolidated Net Leverage Ratio[1]




1. Consolidated Net Leverage Ratio (pro forma) is calculated using bank covenant methodology.
2. Includes IRS settlement payment of $299.6m in FY'21.
3. Excludes redemption of $850m Snr. Notes 2026 in Q2F22. As of December 31, 2021, we had no outstanding balance under the Revolver.
4. Corporate purposes may include acquisitions, debt repayment, share repurchases, or other initiatives.

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# Strategy

# Be Digital

## GROW with OpenText

Information in the right hands knows no bounds.

Growing ideas further, faster, wider.

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

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# 2022 INVESTOR DAY

Tuesday, March 1, 2022 | Virtual

# OpenText Snapshot

## Leader in Large Growing Addressable Market with Marquee Customer Base

**$84B**
Total Addressable Market growing 8%

**89**
of the **Top 100** companies

**24**
of the **30 largest** supply chains

**75K**
Enterprise Customers

**470K**
SMB Customers

## Track Record of Growth, Profitability and Capital Efficiency

**12%**
Revenue CAGR (FY'13-FY'21)

**81%**
Annual Recurring Revenue (FY'21)

**38.8%**
A-EBITDA[1] margin % (FY'21)

**10.8%**
FCF/Avg Invested Capital (FY'21)[1],[2]

## Target Capital Allocation Strategy[3]

**~33%**
TTM FCF

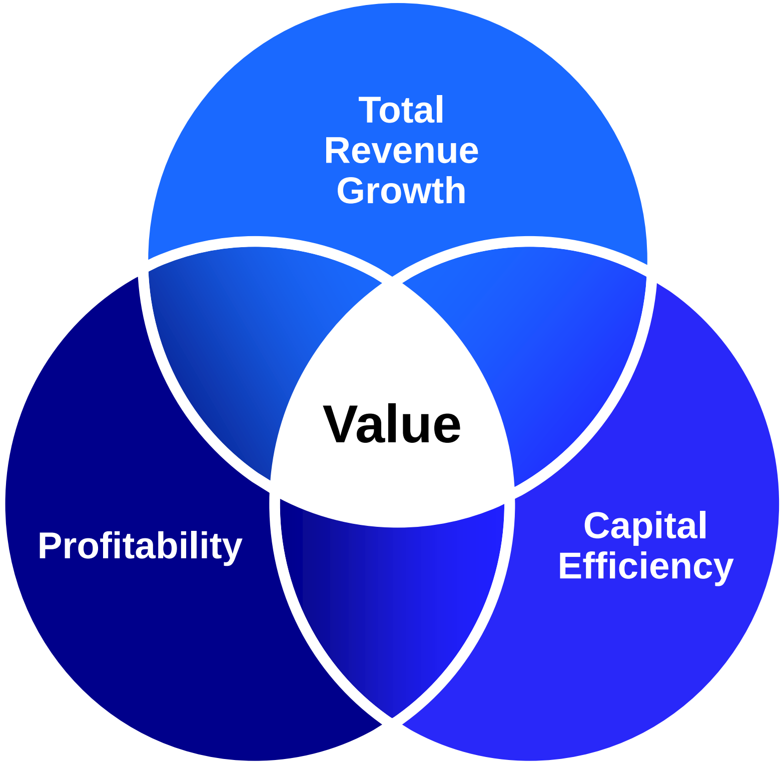
Dividend Growth

Anti-dilutive Share Buyback

**~67%**
TTM FCF Available for Corporate Purposes Including M&A

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. Includes IRS settlement payment of $299.6M. FCF/Average Invested Capital is calculated as FCF expressed as percent of average invested capital for the two most recent comparative fiscal year ends. Invested Capital is defined by and sourced by Bloomberg. Please refer to Bloomberg definition code RX215
3. Strategy subject to change based on acquisition opportunities or other corporate purposes. Corporate purposes may include acquisitions, debt repayment, share repurchases, or other initiatives.

# How We Create Value

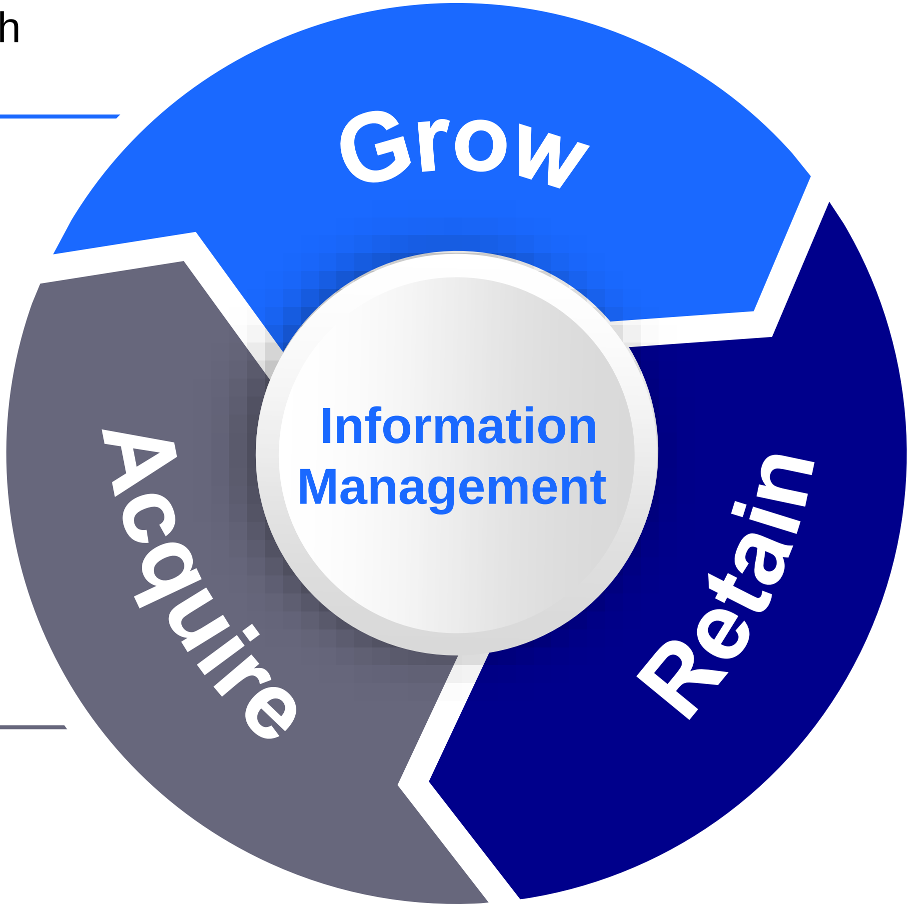



| | Model | Value Creation |
|---|---|---|
| **Total Revenue Growth** | • Organic growth<br>• Acquired growth<br>• High recurring revenues | 12% Total Revenue CAGR (FY'13 to FY'21) |
| **Profitability** | • Upper quartile A-EBITDA margin<br>• Growing free cash flows | 39% A-EBITDA (FY'21)[1] |
| **Capital Efficiency** | • Free cash flows return greater than cost of capital<br>• 33% of TTM FCF towards dividends and anti-dilutive share buyback | 10.8% FCF/Avg Invested Capital[1],[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. For the year ended June 30, 2021. Includes IRS settlement payment of $299.6M. FCF/Average Invested Capital is calculated as FCF expressed as percent of average invested capital for the two most recent comparative fiscal year ends. Invested Capital is defined by and sourced by Bloomberg. Please refer to Bloomberg definition code RX215.

# Total Growth Strategy

- Growing sales breadth and depth
- Product innovation




- 80% ARR(1)
- 94% Customer support renewals(2)
- 93% Cloud renewals(2)

- Drives organic growth
- Gain market share
- High free cash flow returns

1. ARR as a percentage of Total Revenues for the quarter ended December 31, 2021.
2. For the quarter ended December 31, 2021. Excludes Carbonite.

# Large and Growing Addressable Market

| Information Management[1] | CY21E to CY24E CAGR | | Information-led Transformation | OpenText Cloud |
|---|---|---|---|---|
| Content | $24B | +11% | Master Modern Work | opentext™ \| Cloud Content |
| Business Network | $20B | +7% | Digitize Supply Chains | opentext™ \| Cloud Business Network |
| Digital Experience | $21B | +7% | Power Modern Experiences | opentext™ \| Cloud Experience |
| Security & Protection | $19B | +6% | Strengthen Cyber Resilience | opentext™ \| Cloud Security & Protection |
| Total | **$84B** | **+8%** | | |

1. Source: Individual market reports from IDC.

# Marquee Customer Base

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

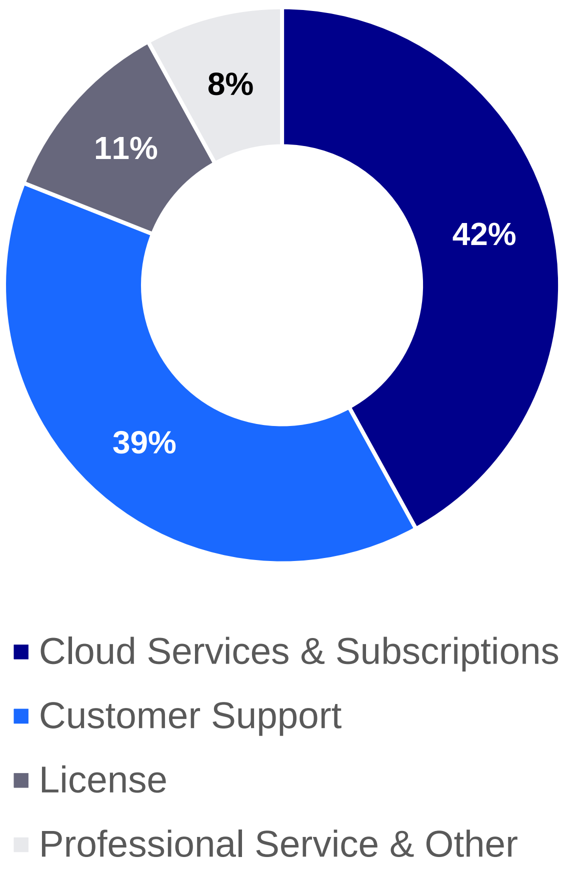
| Life Sciences | Financial | Consumer Goods | Technology | Manufacturing | Telecom |
|---|---|---|---|---|---|
| 10 of top 10 | 8 of top 10 | 10 of top 10 | 10 of top 10 | 10 of top 10 | 8 of top 10 |

**Great foundation for growth**

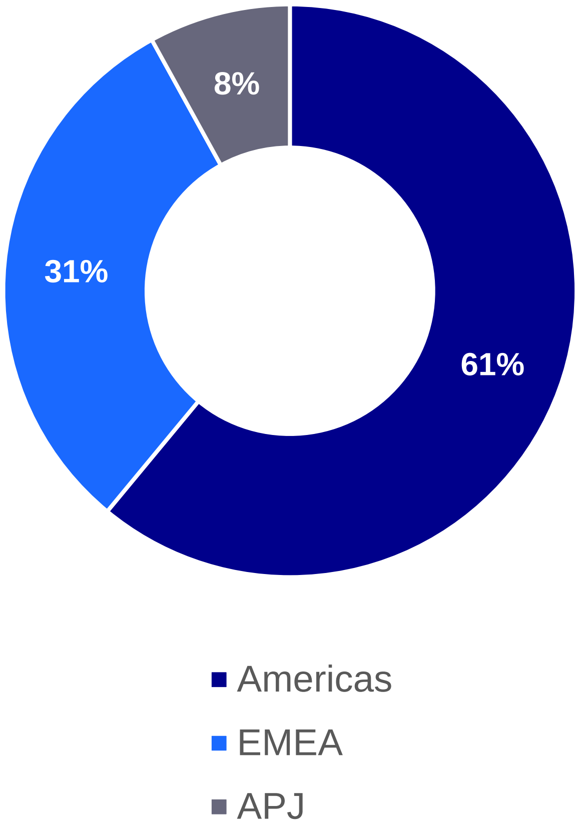
1. The top 100 is based on the Forbes Global 2000 listing (2019).

# FY’21 Revenue Breakdown

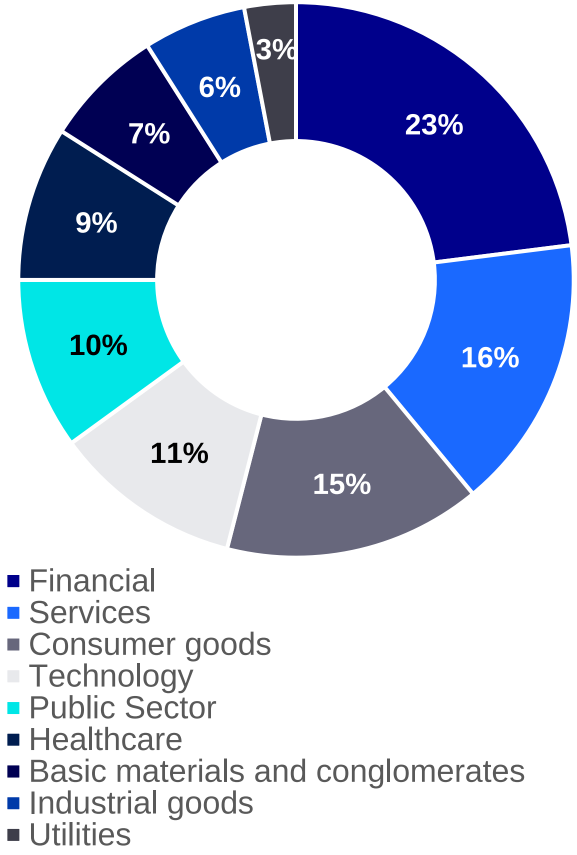
## Total Revenue Mix




## Total Revenue by Geography




## ARR by Industry

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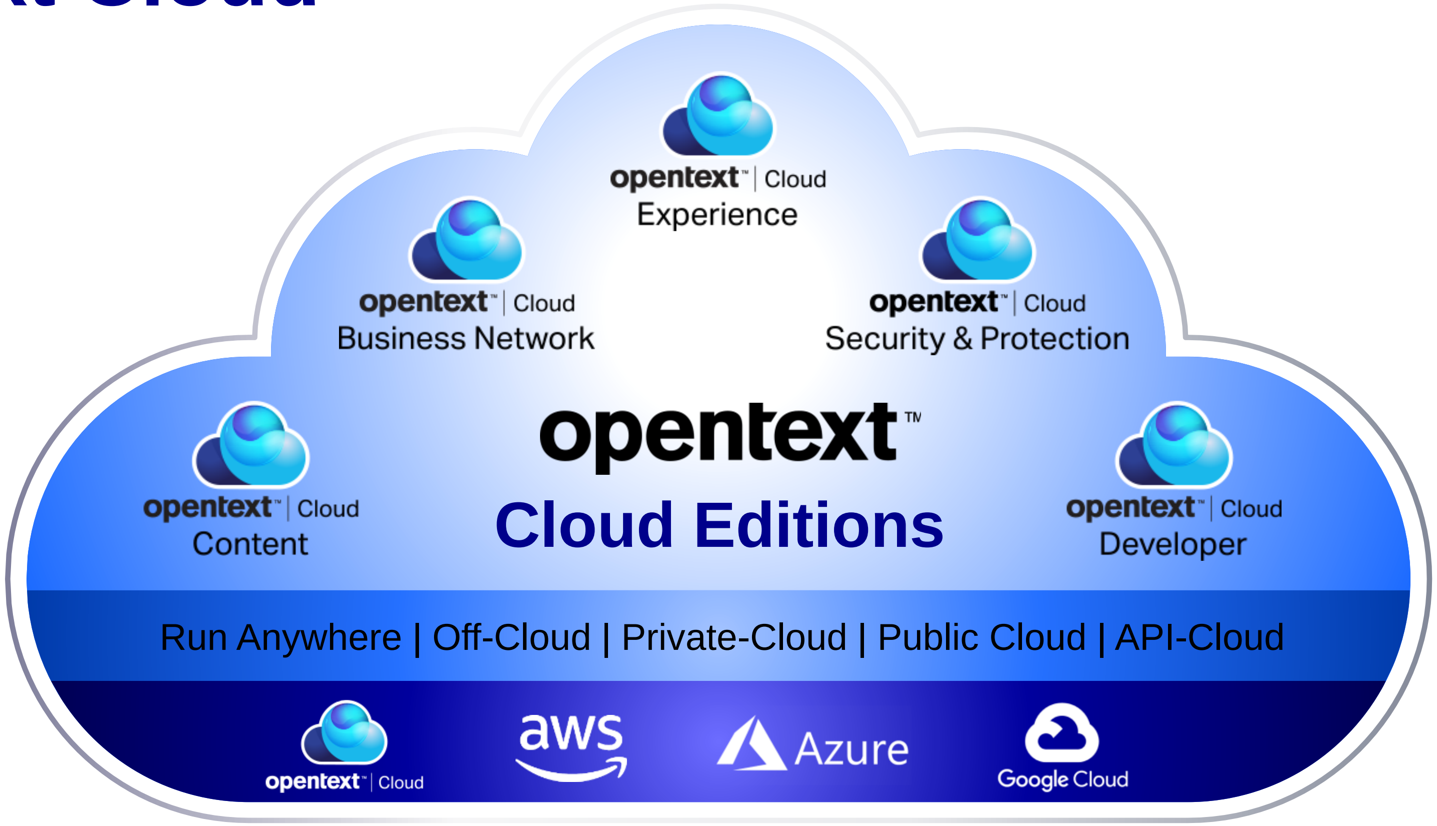
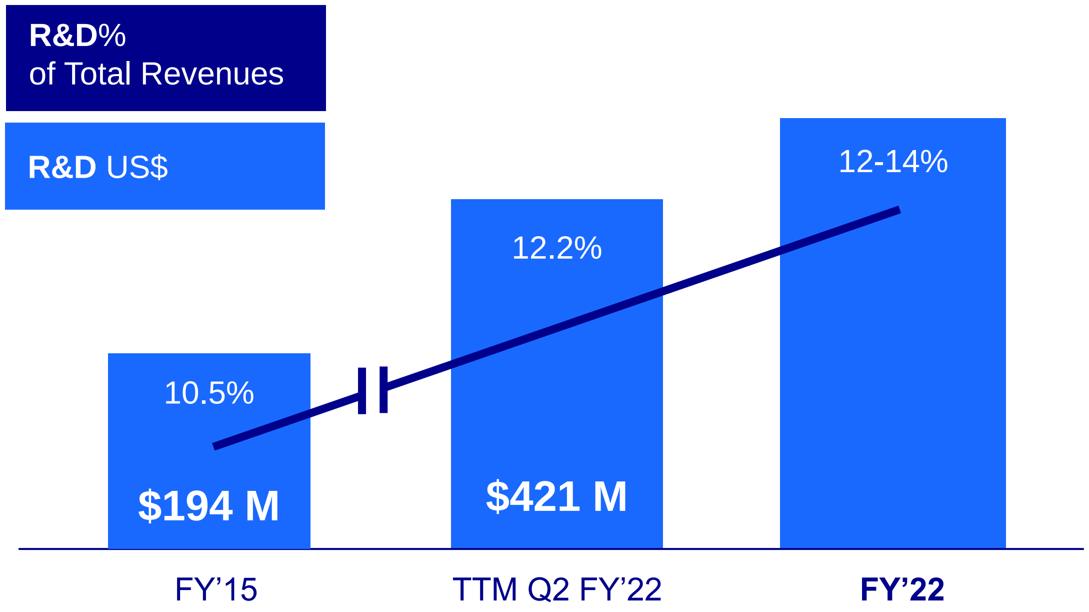
# The OpenText Cloud




| **Public cloud** | **Private-cloud** | **Off-cloud** | **API-cloud** |
|---|---|---|---|
| 11 million subscribers | 3,000+ customers | 75,000+ customers | 1 Trillion calls/year |

# Investing in Organic Growth

## Research & Development
($ and in % of Total Revenues)(1),(2)




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

## Sales & Marketing

### Enterprise Sales Goal

- Full coverage of G10K by end of CY'23

### SMB/C Goal

- Grow SMB/C partners – RMMs, MSPs

### Customer Engagement

- Increased investment in Digital Zone

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. Refers to non-GAAP R&D expense. Refer to note 1 of our Fiscal 2019 10-K for details on the impact of recently adopted accounting standards on prior period results.

# GROW with OpenText – Our Growth Plan

**GROW**
our Strategic Accounts

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

**GROW**
our Cloud Editions

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

**GROW**
our Selling Capacity

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

**GROW**
our Ecosystem

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

# Comprehensive Go-to-Market

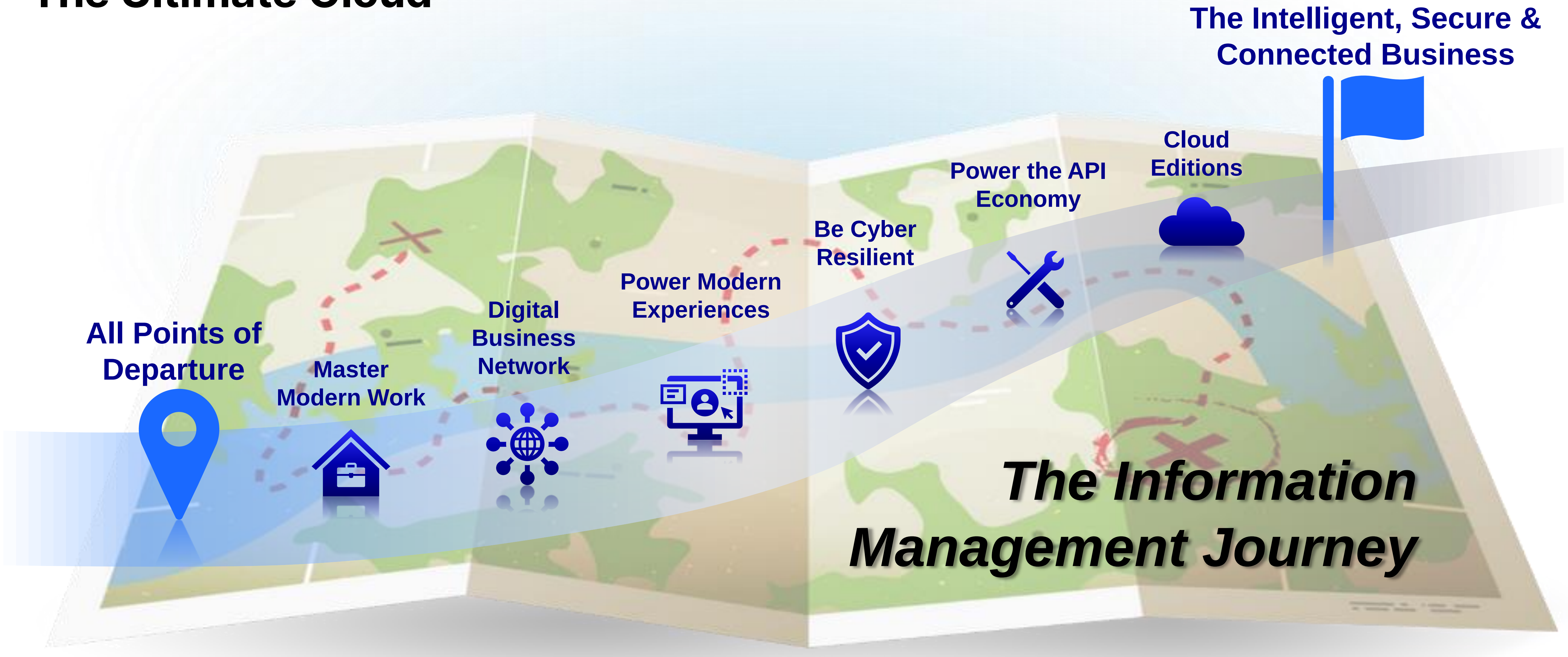
Cross-sell and upsell

| Enterprise Solutions | | SMB/C Solutions |
|---|---|---|
| Direct | Strategic Partners | Channel Partners |
| 2,000+ Field Facing Professionals | Microsoft, aws, Google Cloud, SAP | ~23,000 MSP Partners |

OpenText Digital Zone

# GROW with opentext™

## The Ultimate Cloud™



# Scalable, High-Velocity, Frictionless Business Model

**Product is built for:**
- Self-service
- Upsell
- Cross-sell
- Renew

**New Customer Engagement Model:**
- Pre-sales – demand creation automation
- Self-sell – upsell, cross-sell
- Post-sales – renewal automation

**Digitization and Automation:**
- Automate DevOps
- Automate routine R&D

Product Design

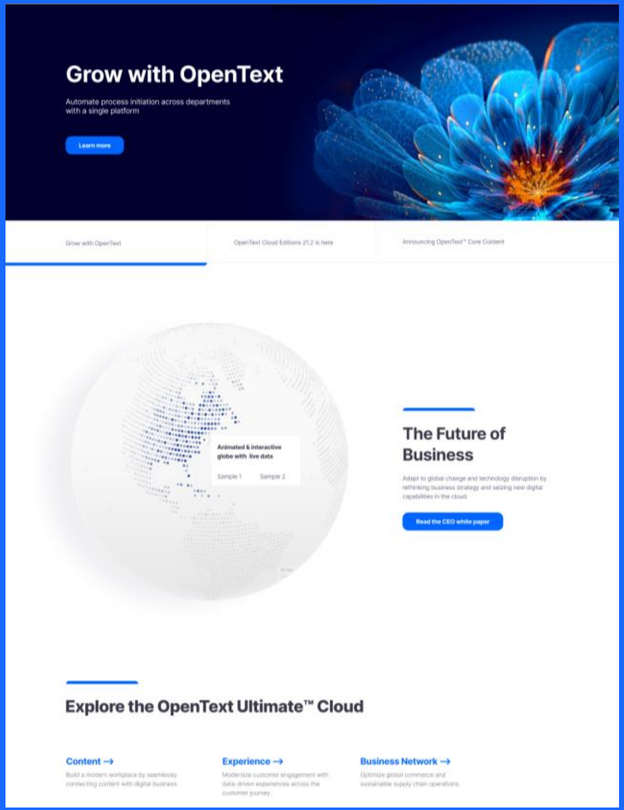
Digital Zone

Digitization & Automation

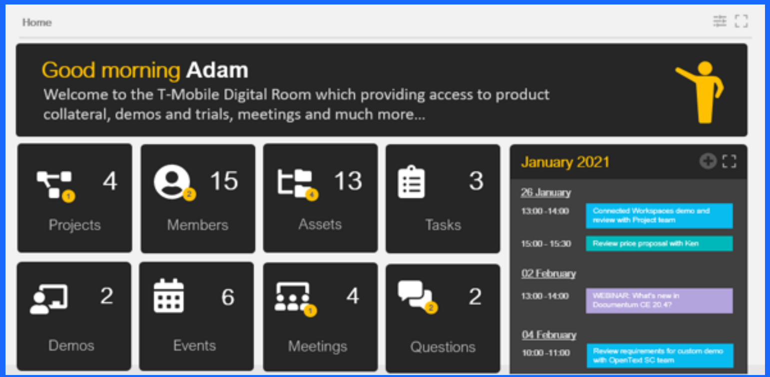
***Removing friction from all company processes***

# OpenText Digital Zone

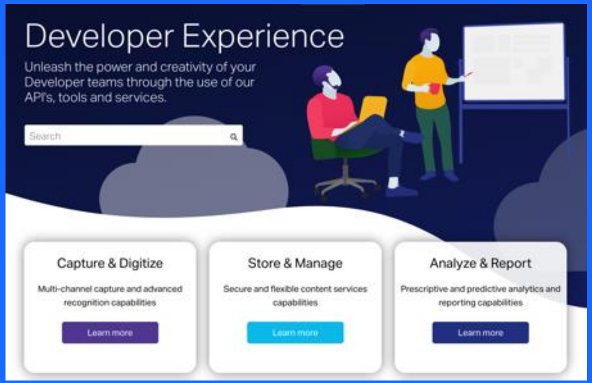
## A strategic investment in frictionless customer engagement



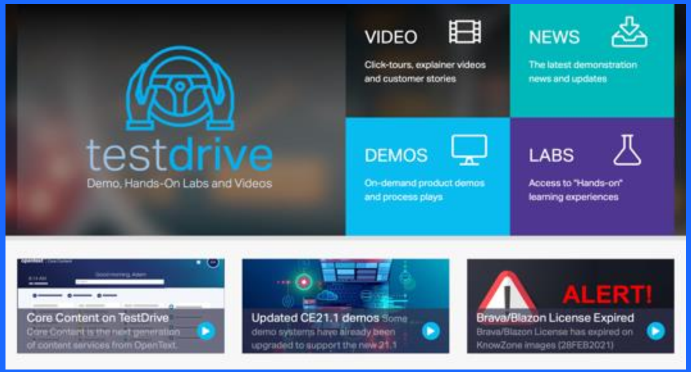

New opentext.com



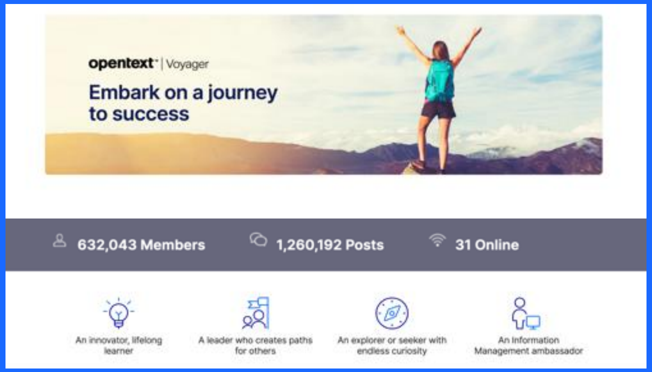

Digital Room




Developer




Test-Drive




Communities

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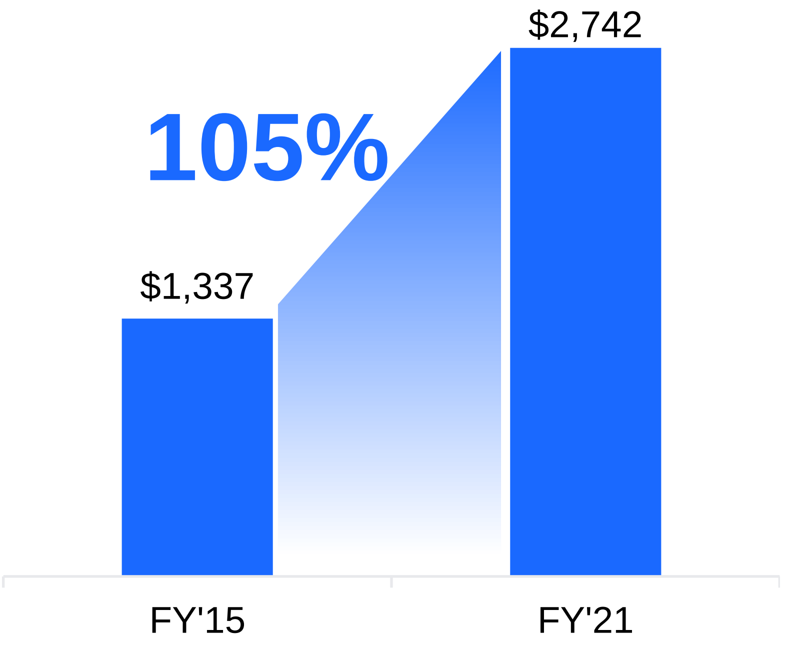
# GROW with OpenText:
## Acquiring growth

| M&A Strategy | Key Drivers |
|---|---|
| High adjacency within Information Management | ✓ |
| Expands market presence, customer base, technology position | ✓ |
| Contributes to organic growth | ✓ |
| On operating model in 12 months | ✓ |
| Free Cash Flows, returns-based, 5-7 year payback | ✓ |

# Sustainable Growth Through Retention and Upgrades

## Annual Recurring Revenue
(ARR) (US$M)




## Renewal Rate(1)

**Cloud**

93%

**Customer Support**

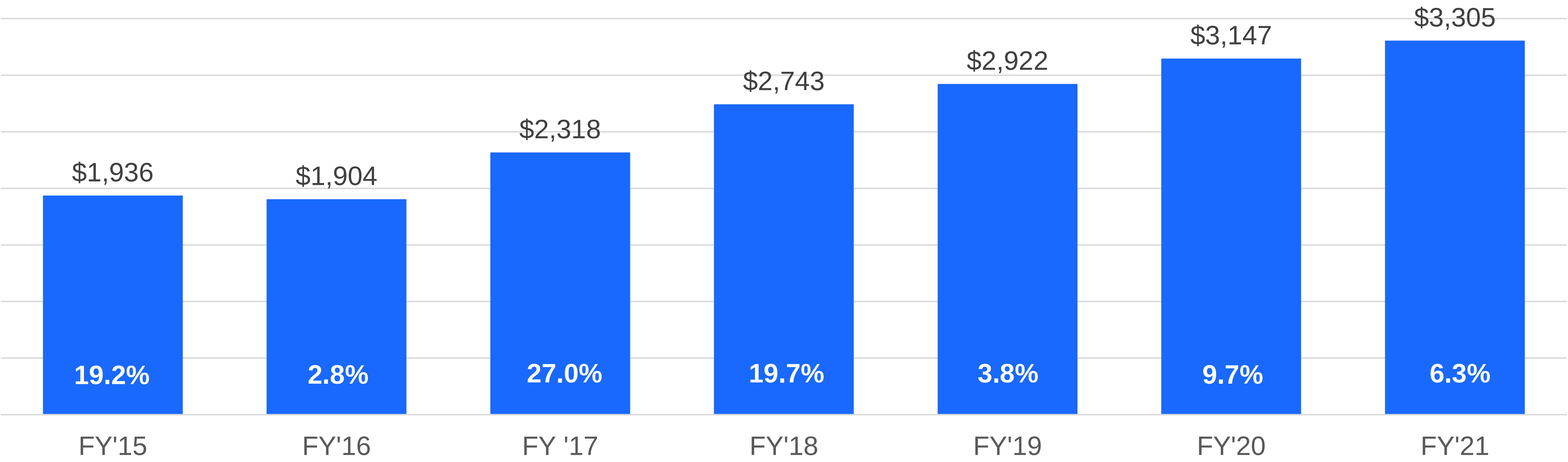
94%

**Customer satisfaction is a foundation for growth**

1. For the quarter ended December 31, 2021. Excludes Carbonite.

# Proven Track Record of Growth

## Total Revenue Growth in CC (US$M)[1]

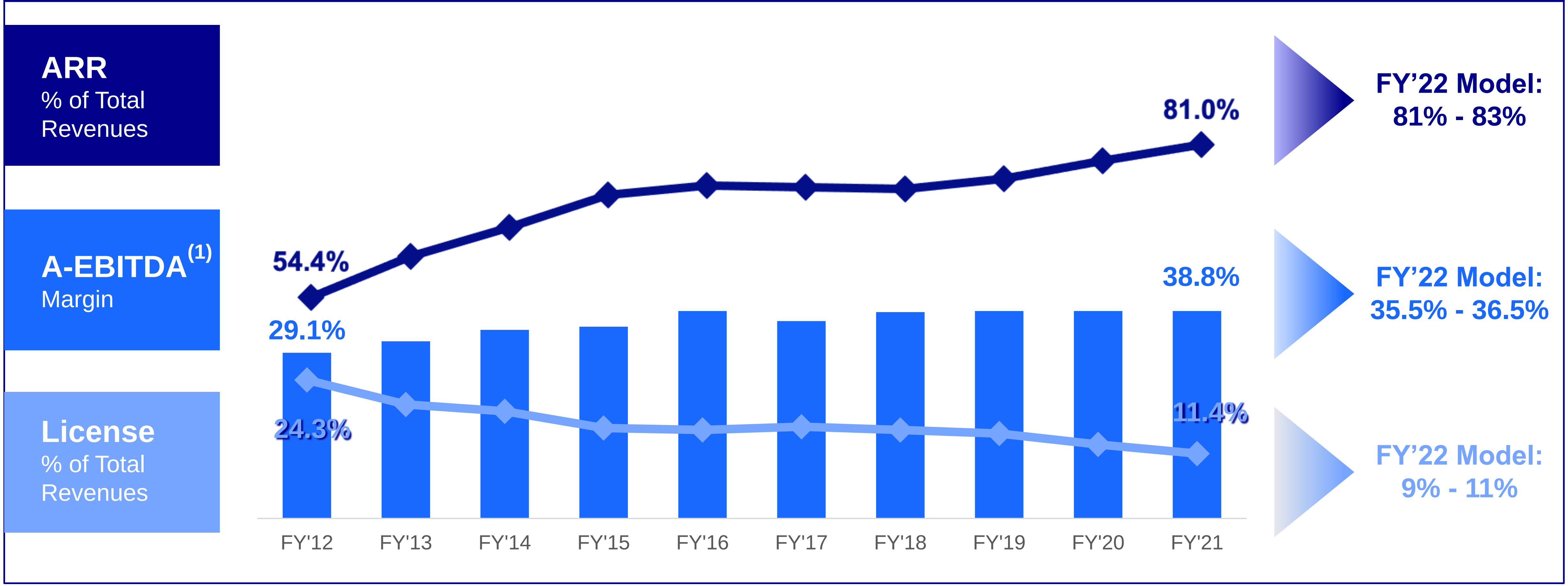



**7** Consecutive Years of Y/Y Growth in CC[1]

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

# Proven Durable Business Model

## Growing ARR and Upper Quartile Margin[(1),(2)]

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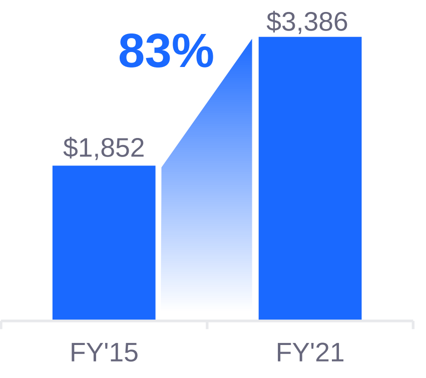
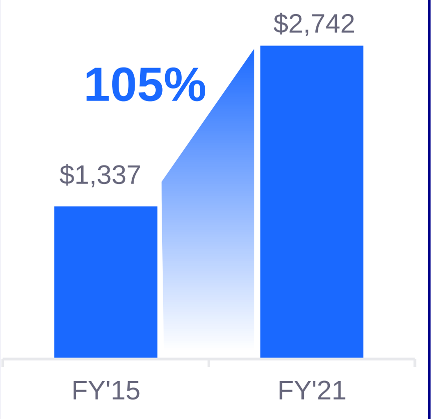
2. Refer to note 1 of our Fiscal 2019 10-K for details on the impact of recently adopted accounting standards on prior period results.

# Strong Track Record of Financial Performance

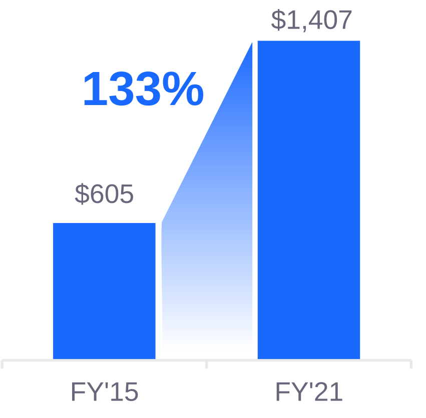
**Total Revenues**
(US$M)



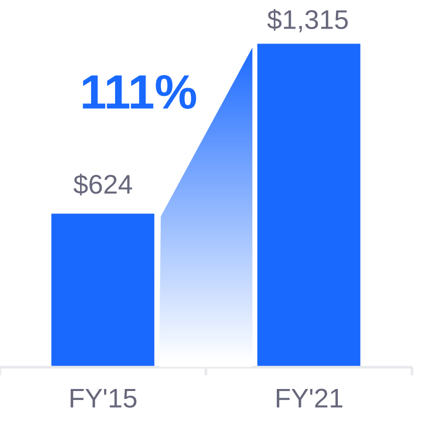

**Annual Recurring Revenue**
(US$M)



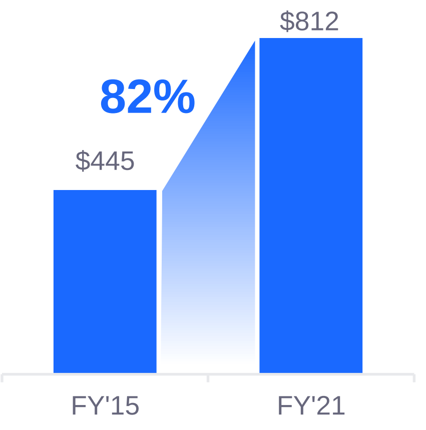

**Cloud Revenue**
(US$M)




**A-EBITDA[(1)]**
(US$M)




**Free Cash Flows[(1)]**
(US$M)




## Upper Quartile A-EBITDA Margin

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.

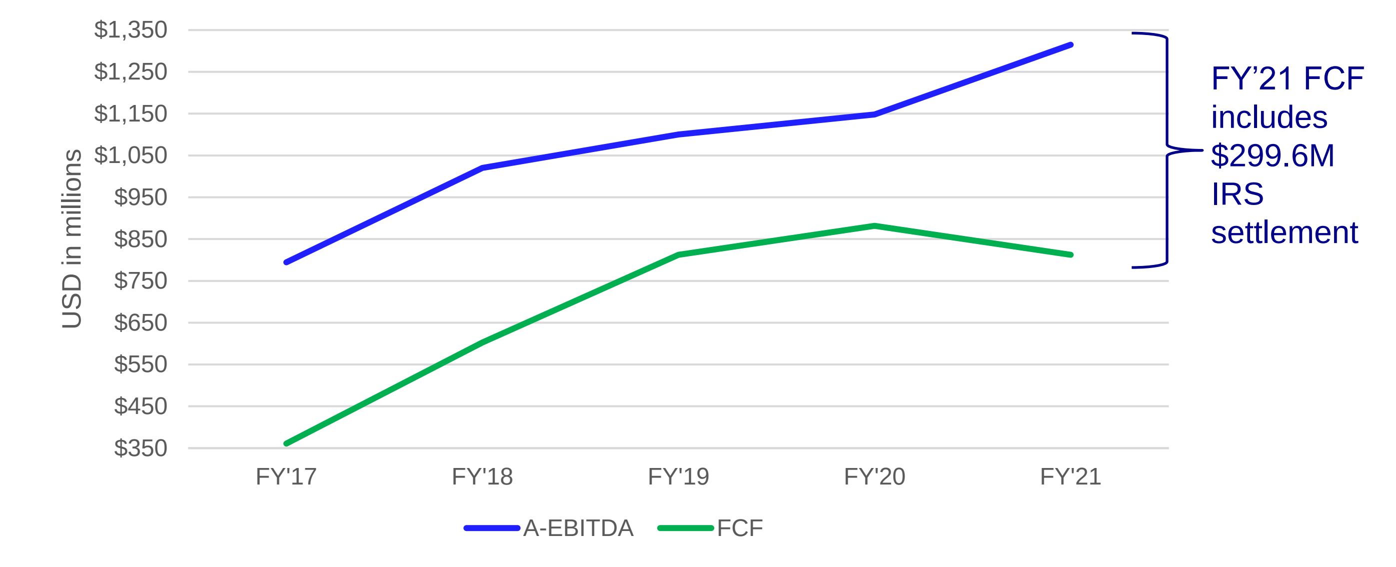
# Proven Track Record of Value Creation

We run a disciplined Free Cash Flows(1) return business

| | FY'19 | FY'20 | FY'21 |
|---|---|---|---|
| **FCF/Revenue(2)** | 28.3% | 28.4% | 24.0% |
| **FCF/Avg Total Assets(3)** | 10.4% | 9.7% | 8.2% |
| **FCF/Avg Invested Capital(4)** | 14.8% | 13.2% | 10.8% |
| **WACC(5)** | 6.5% | 6.0% | 7.4% |

We measure our Free Cash Flows returns annually

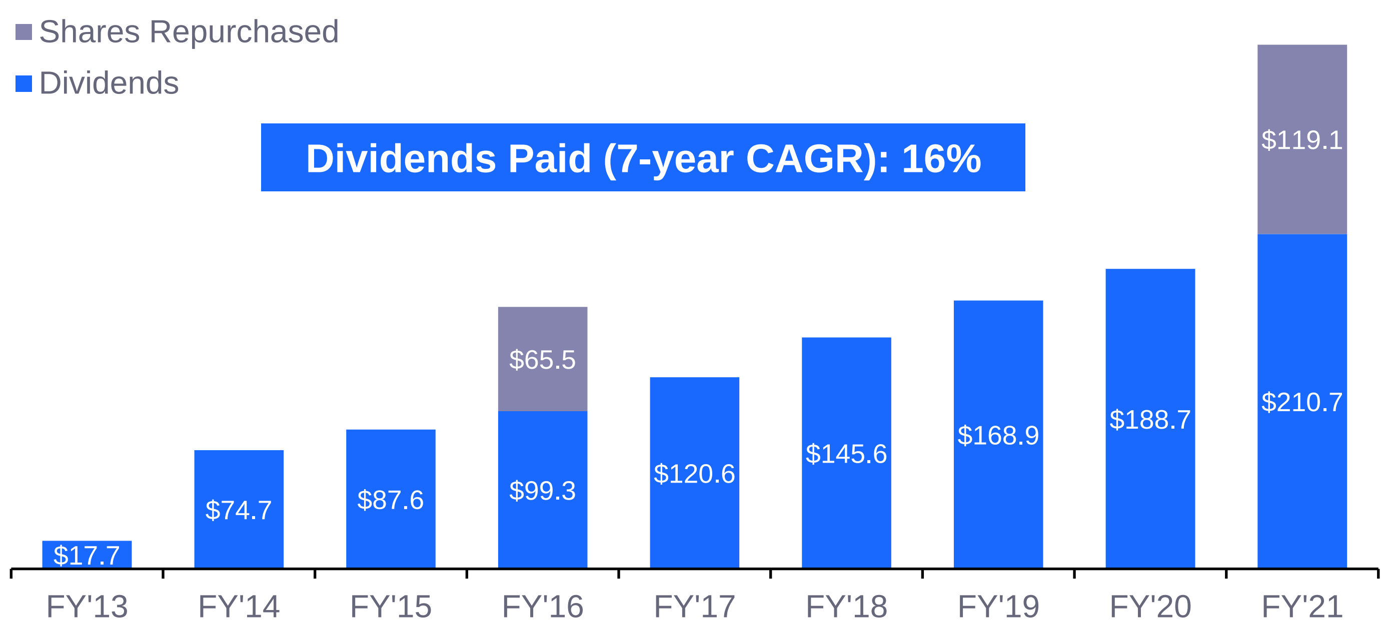
## A-EBITDA and FCF Trends




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. FCF/Revenue is calculated as FCF expressed as percentage of total revenue.
3. FCF/Average Total Assets is calculated as FCF expressed as percent of average assets for the two most recent comparative fiscal year ends.
4. FCF/Average Invested Capital is calculated as FCF expressed as percent of average invested capital for the two most recent comparative fiscal year ends. Invested Capital is defined by and sourced by Bloomberg. Please refer to Bloomberg definition code RX215.
5. Weighted Average Cost of Capital (WACC) is defined by and sourced from Bloomberg. Please refer to Bloomberg definition code VM011.

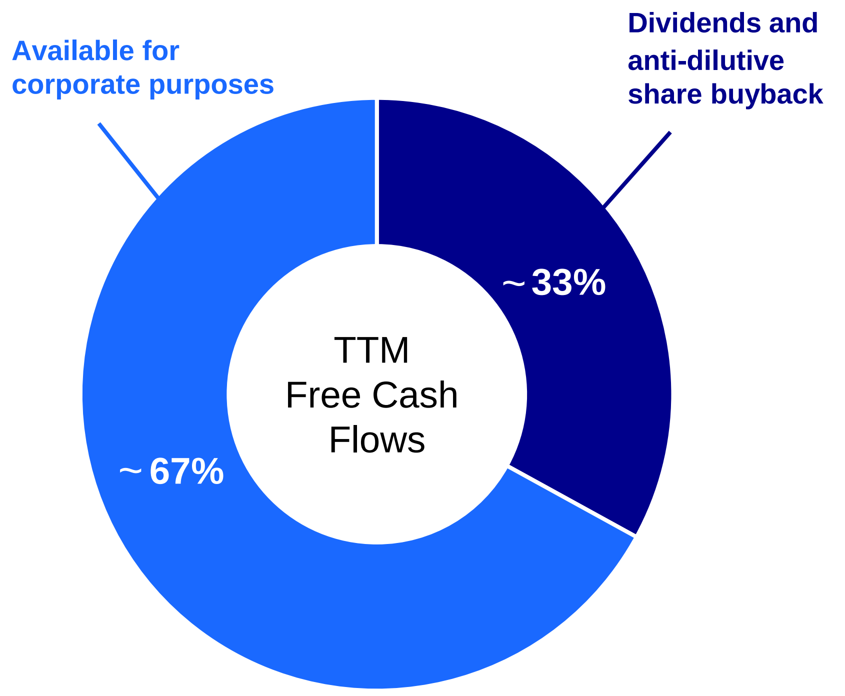
# Strong Track Record of Shareholder Returns

## Dividends Paid and Shares Repurchased (US$M)




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

## Target Capital Allocation Strategy[1]




1. Strategy subject to change based on acquisition opportunities or other corporate purposes. Corporate purposes may include acquisitions, debt repayment, share repurchases, or other initiatives.

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# The OpenText Zero Initiative

## The Future of Growth is both inclusive and sustainable

opentext™
ZERO
Initiative

### Zero Barriers

By 2030:

- Advancing Equality, Diversity and Inclusion
    - Majority diverse
    - 50/50 key roles
    - 40% female in leadership positions
- Creating and enhancing education opportunities
- Tackling the hunger crisis in our communities

### Zero Waste

We are committing to zero waste from OpenText operations by 2030

### Zero Emissions

We are committing to a science-based emissions reduction target of 50% reduction by 2030, and Net-Zero by 2040

# Corporate Citizenship Reflects our Culture

**Progress We've Made:**

- Adopted GRI sustainability reporting standards
- New ED&I department, mandate and initiatives
- Enhanced Human Rights Statement
- Expanded Supplier Code of Conduct

**Where We're Going:**

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

2nd Corporate Citizenship Report published


OpenText Global Gender Profile
Women make up:

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

**Canada's Most Admired Corporate Cultures**

**Canada's Top Employers for Young People**

**Waterloo Area's Top Employers**

**Canada's Best Employers for Recent Graduates**

# We Strive To Do The Right Thing


## Our Customers

**Rapid Radiology and OpenText Accelerate Diagnostic Results to Help Improve Patient Care**
Jun 25, 2020
AITHORITY

**OpenText Enters Agreement to Serve as the Platform of Choice for EIM for the U.S. NIH**
Aug 6, 2020
NIH National Institute of Mental Health

## Our Communities

**OpenText Donates US $1M to Global Food Banks**
Dec 11, 2020
CBC

**OpenText Provides 4 Million Meals for 58 Communities in 21 Countries Worldwide**
Dec 11, 2020
TORONTO STAR

## Our Beliefs

**Improving Accessibility for Individuals with Visual Impairments**
Nov 18, 2020
BrailleWorks

**OpenText CEO Issues Call for Corporate Social Responsibility**
Jul 15, 2019
COMMUNITECHNEWS

**Southern Alberta Internet Child Exploitation Unit**
Customer Reference
ALERT

## Our Employees

**OpenText rolls out Covid-19 vaccination drive for 3,000 employees and their dependents in India**
June 19, 2021
ET HRWorld

# OpenText Products Enhance Global Sustainability

| | opentext Cloud Content | opentext Cloud Business Network | opentext Cloud Experience | opentext Cloud Security & Protection |
|---|---|---|---|---|
| Paperless Workflows | ✓ | ✓ | ✓ | |
| Ethical Supply Chain | | ✓ | | |
| Data Privacy and Protection | ✓ | | | ✓ |

opentext | Trading Grid™

Digitizes 26 billion transactions per year

Paper reduction saves 5.1 million trees

Paper reduction saves GHG emissions of 725,000 tonnes of $CO_2e$

# Executive Leadership Team (ELT)

**Mark J. Barrenechea**

CEO and CTO

**Madhu Ranganathan**

EVP,
CFO

**Muhi Majzoub**

EVP,
Chief Product Officer

**Ted Harrison**

EVP,
Enterprise Sales

**Kristina Lengyel**

EVP,
Customer Solutions

**James McGourlay**

EVP,
International Sales

**Prentiss Donohue**

EVP,
SMB & Consumer Sales

**Sandy Ono**

EVP,
CMO

**Paul Duggan**

EVP,
Worldwide Renewals

**Renee McKenzie**

SVP,
CIO

**Doug Parker**

EVP,
Corporate Development

**Brian Sweeney**

EVP,
CHRO

**Michael Acedo**

SVP,
CLO & Corporate Secretary

**Gordon Davies**

EVP,
Special Adviser to CEO

opentext™

# Thank you

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**opentext.com**

# Appendix

# Appendix A

## Use of Non-GAAP Financial Measures

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

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

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

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

The Company does not acquire businesses on a predictable cycle, and therefore believes that the presentation of Non-GAAP measures, which in certain cases adjust for the impact of amortization of intangible assets and the related tax effects that are primarily related to acquisitions, will provide readers of financial statements with a more consistent basis for comparison across accounting periods and be more useful in helping readers understand the Company’s operating results and underlying operational trends. Additionally, the Company has engaged in various restructuring activities over the past several years, primarily due to acquisitions and most recently in response to the COVID-19 pandemic, that have resulted in costs associated with reductions in headcount, consolidation of leased facilities and related costs, all which are recorded under the Company’s “Special charges (recoveries)” caption on the Consolidated Statements of Income (Loss). 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.

# Summary of Quarterly Results with Constant Currency

| (In millions U.S. dollars, except per share data) | Q2 FY'22 | Q2 FY'21 | $ Change | % Change | Q2 FY'22 in CC* | % Change in CC* |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| Cloud services and subscriptions | $364.9 | $350.5 | $14.4 | 4.1 % | $365.0 | 4.2 % |
| Customer support | 334.9 | 334.5 | 0.4 | 0.1 % | 335.4 | 0.3 % |
| **Total annual recurring revenues**** | **$699.8** | **$684.9** | **$14.8** | **2.2 %** | **$700.4** | **2.3 %** |
| License | 109.5 | 107.3 | 2.1 | 2.0 % | 110.5 | 3.0 % |
| Professional service and other | 67.5 | 63.4 | 4.2 | 6.6 % | 67.8 | 7.0 % |
| **Total revenues** | **$876.8** | **$855.6** | **$21.2** | **2.5 %** | **$878.8** | **2.7 %** |
| GAAP-based operating income | $192.9 | $234.5 | ($41.6) | (17.7) % | N/A | N/A |
| Non-GAAP-based operating income [1] | $321.8 | $340.5 | ($18.7) | (5.5) % | $326.1 | (4.2) % |
| GAAP-based net income (loss), attributable to OpenText | $88.3 | ($65.5) | $153.8 | 234.9 % | N/A | N/A |
| GAAP-based earnings (loss) per share (EPS), diluted | $0.32 | ($0.24) | $0.56 | 233.3 % | N/A | N/A |
| Non-GAAP-based EPS, diluted [1][2] | $0.89 | $0.95 | ($0.06) | (6.3) % | $0.90 | (5.3) % |
| Adjusted EBITDA [1] | $343.5 | $360.8 | ($17.2) | (4.8) % | $347.8 | (3.6) % |
| Operating cash flows | $216.6 | $282.5 | ($65.8) | (23.3) % | N/A | N/A |
| Free cash flows [1] | $206.0 | $274.8 | ($68.8) | (25.0) % | N/A | N/A |

[1] See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation.
[2] Please also see note 14 to the Company's Fiscal 2018 Consolidated Financial Statements on Form 10-K. Reflective of the amount of net tax benefit arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period.

Note: Individual line items in table may be adjusted by non-material amounts to enable totals to align to published financial statements.
*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.
** Annual recurring revenue is defined as the sum of Cloud services and subscriptions revenue and Customer support revenue.

# Summary of Year to Date Results with Constant Currency

| (In millions U.S. dollars, except per share data) | FY'22 YTD | FY'21 YTD | $ Change | % Change | FY'22 YTD in CC* | % Change in CC* |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| Cloud services and subscriptions | $721.5 | $691.4 | $30.0 | 4.3 % | $718.2 | 3.9 % |
| Customer support | 670.1 | 663.9 | 6.2 | 0.9 % | 663.9 | — % |
| **Total annual recurring revenues**** | **$1,391.6** | **$1,355.3** | **$36.3** | **2.7 %** | **$1,382.1** | **2.0 %** |
| License | 183.0 | 175.9 | 7.2 | 4.1 % | 183.0 | 4.1 % |
| Professional service and other | 134.5 | 128.5 | $6.0 | 4.7 % | 133.4 | 3.9 % |
| **Total revenues** | **$1,709.1** | **$1,659.7** | **$49.5** | **3.0 %** | **$1,698.5** | **2.3 %** |
| GAAP-based operating income | $375.6 | $416.8 | ($41.3) | (9.9) % | N/A | N/A |
| Non-GAAP-based operating income (1) | $623.8 | $660.9 | ($37.1) | (5.6) % | $625.9 | (5.3) % |
| GAAP-based net income, attributable to OpenText | $220.2 | $37.9 | $182.3 | 481.1 % | N/A | N/A |
| GAAP-based EPS, diluted | $0.81 | $0.14 | $0.67 | 478.6 % | N/A | N/A |
| Non-GAAP-based EPS, diluted (1)(2) | $1.72 | $1.84 | ($0.12) | (6.5) % | $1.73 | (6.0) % |
| Adjusted EBITDA (1) | $666.9 | $703.1 | ($36.2) | (5.2) % | $668.8 | (4.9) % |
| Operating cash flows | $406.3 | $516.4 | ($110.0) | (21.3) % | N/A | N/A |
| Free cash flows (1) | $369.0 | $493.4 | ($124.4) | (25.2) % | N/A | N/A |

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

Note: Individual line items in table may be adjusted by non-material amounts to enable totals to align to published financial statements.
*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.
** Annual recurring revenue is defined as the sum of Cloud services and subscriptions revenue and Customer support revenue.

# Reconciliation of Selected Non-GAAP Measures | Q2 FY'22

| (In '000's U.S. dollars, except per share data) | Three Months Ended December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | GAAP | GAAP % of Total Revenue | Adjustments | FN | Non-GAAP | Non-GAAP % of Total Revenue |
| **COST OF REVENUES** | | | | | | |
| Cloud services and subscriptions | $ 122,129 | | $ (897) | (1) | $ 121,232 | |
| Customer support | 29,668 | | (409) | (1) | 29,259 | |
| Professional service and other | 53,041 | | (647) | (1) | 52,394 | |
| Amortization of acquired technology-based intangible assets | 52,602 | | (52,602) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 615,618 | 70.2% | 54,555 | (3) | 670,173 | 76.4% |
| **Operating expenses** | | | | | | |
| Research and development | 103,622 | | (2,652) | (1) | 100,970 | |
| Sales and marketing | 163,938 | | (5,006) | (1) | 158,932 | |
| General and administrative | 71,513 | | (4,798) | (1) | 66,715 | |
| Amortization of acquired customer-based intangible assets | 52,665 | | (52,665) | (2) | — | |
| Special charges (recoveries) | 9,217 | | (9,217) | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 192,884 | | 128,893 | (5) | 321,777 | |
| Other income (expense), net | (25,037) | | 25,037 | (6) | — | |
| Provision for (recovery of) income taxes | 39,266 | | 148 | (7) | 39,414 | |
| GAAP-based net income / Non-GAAP-based net income, attributable to OpenText | 88,298 | | 153,782 | (8) | 242,080 | |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | $ 0.32 | | $ 0.57 | (8) | $ 0.89 | |

# Reconciliation of Selected Non-GAAP Measures | Q2 FY'22

## FOOTNOTES

1 Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.

2 Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.

3 GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.

4 Adjustment relates to the exclusion of special charges (recoveries) from our Non-GAAP-based operating expenses as special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.

5 GAAP-based and Non-GAAP-based income from operations stated in dollars.

6 Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.

7 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 31% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.

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

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

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# Reconciliation of Selected Non-GAAP Measures | FY'22 YTD

| (In '000's U.S. dollars, except per share data) | Six Months Ended December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | GAAP | GAAP % of Total Revenue | Adjustments | FN | Non-GAAP | Non-GAAP % of Total Revenue |
| **COST OF REVENUES** | | | | | | |
| Cloud services and subscriptions | $ 241,908 | | $ (1,804) | (1) | $ 240,104 | |
| Customer support | 59,151 | | (1,130) | (1) | 58,021 | |
| Professional service and other | 104,766 | | (1,368) | (1) | 103,398 | |
| Amortization of acquired technology-based intangible assets | 105,769 | | (105,769) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 1,189,803 | 69.6% | 110,071 | (3) | 1,299,874 | 76.1% |
| **Operating expenses** | | | | | | |
| Research and development | 203,787 | | (5,586) | (1) | 198,201 | |
| Sales and marketing | 310,178 | | (9,616) | (1) | 300,562 | |
| General and administrative | 142,990 | | (8,839) | (1) | 134,151 | |
| Amortization of acquired customer-based intangible assets | 104,549 | | (104,549) | (2) | — | |
| Special charges (recoveries) | 9,561 | | (9,561) | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 375,573 | | 248,222 | (5) | 623,795 | |
| Other income (expense), net | 4,745 | | (4,745) | (6) | — | |
| Provision for (recovery of) income taxes | 82,716 | | (6,207) | (7) | 76,509 | |
| GAAP-based net income / Non-GAAP-based net income, attributable to OpenText | 220,213 | | 249,684 | (8) | 469,897 | |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | $ 0.81 | | $ 0.91 | (8) | $ 1.72 | |

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# Reconciliation of Selected Non-GAAP Measures | FY'22 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. |
| 6 | Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results. |
| 7 | Adjustment relates to differences between the GAAP-based tax provision rate of approximately 27% 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: |

| | Six Months Ended December 31, 2021 | | | |
|---|---|---|---|---|
| | | | | Per share diluted |
| GAAP-based net income, attributable to OpenText | $ | 220,213 | $ | 0.81 |
| Add: | | | | |
| Amortization | | 210,318 | | 0.77 |
| Share-based compensation | | 28,343 | | 0.10 |
| Special charges (recoveries) | | 9,561 | | 0.04 |
| Other (income) expense, net | | (4,745) | | (0.02) |
| GAAP-based provision for (recovery of) income taxes | | 82,716 | | 0.30 |
| Non-GAAP-based provision for income taxes | | (76,509) | | (0.28) |
| Non-GAAP-based net income, attributable to OpenText | $ | 469,897 | $ | 1.72 |

# Reconciliation of Selected Non-GAAP Measures | Q2 FY'21

| (In '000's U.S. dollars, except per share data) | Three Months Ended December 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | GAAP | GAAP % of Total Revenue | Adjustments | FN | Non-GAAP | Non-GAAP % of Total Revenue |
| **COST OF REVENUES** | | | | | | |
| Cloud services and subscriptions | $ 117,882 | | $ (1,143) | (1) | $ 116,739 | |
| Customer support | 29,668 | | (499) | (1) | 29,169 | |
| Professional service and other | 46,619 | | (666) | (1) | 45,953 | |
| Amortization of acquired technology-based intangible assets | 54,091 | | (54,091) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 603,082 | 70.5% | 56,399 | (3) | 659,481 | 77.1% |
| **Operating expenses** | | | | | | |
| Research and development | 100,238 | | (2,707) | (1) | 97,531 | |
| Sales and marketing | 147,897 | | (4,957) | (1) | 142,940 | |
| General and administrative | 62,765 | | (4,554) | (1) | 58,211 | |
| Amortization of acquired customer-based intangible assets | 54,926 | | (54,926) | (2) | — | |
| Special charges (recoveries) | (17,494) | | 17,494 | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 234,470 | | 106,049 | (5) | 340,519 | |
| Other income (expense), net | 5,251 | | (5,251) | (6) | — | |
| Provision for (recovery of) income taxes | 267,559 | | (225,150) | (7) | 42,409 | |
| GAAP-based net income (loss) / Non-GAAP-based net income, attributable to OpenText | (65,477) | | 325,948 | (8) | 260,471 | |
| GAAP-based earnings (loss) per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | $ (0.24) | | $ 1.19 | (8) | $ 0.95 | |

# Reconciliation of Selected Non-GAAP Measures | Q2 FY'21

## FOOTNOTES

1 Adjustment relates to the exclusion of share-based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.

2 Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.

3 GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.

4 Adjustment relates to the exclusion of special charges (recoveries) from our Non-GAAP-based operating expenses as special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.

5 GAAP-based and Non-GAAP-based income from operations stated in dollars.

6 Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.

7 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 132% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense. The GAAP-based tax provision rate for the three months ended December 31, 2020 includes an income tax provision charge from the Internal Revenue Service (IRS) settlement partially offset by a tax benefit from the release of unrecognized tax benefits due to the conclusion of relevant tax audits.

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

| | Three Months Ended December 31, 2020 | | | |
|---|---|---|---|---|
| | | | | Per share diluted* |
| GAAP-based net loss, attributable to OpenText | $ | (65,477) | $ | (0.24) |
| Add: | | | | |
| Amortization | | 109,017 | | 0.40 |
| Share-based compensation | | 14,526 | | 0.05 |
| Special charges (recoveries) | | (17,494) | | (0.06) |
| Other (income) expense, net | | (5,251) | | (0.02) |
| GAAP-based provision for (recovery of) income taxes | | 267,559 | | 0.98 |
| Non-GAAP-based provision for income taxes | | (42,409) | | (0.16) |
| Non-GAAP-based net income, attributable to OpenText | $ | 260,471 | $ | 0.95 |

*Weighted average number of Common Shares - diluted (in thousands) used in the calculation of Non-GAAP-based earnings per share for the three months ended December 31, 2020 were 273,183.

# Reconciliation of Selected Non-GAAP Measures | FY'21 YTD

| (In '000's U.S. dollars, except per share data) | Six Months Ended December 31, 2020 | | | | | |
|---|---|---|---|---|---|---|
| | GAAP | GAAP % of Total Revenue | Adjustments | FN | Non-GAAP | Non-GAAP % of Total Revenue |
| **COST OF REVENUES** | | | | | | |
| Cloud services and subscriptions | $ 230,506 | | $ (1,979) | (1) | $ 228,527 | |
| Customer support | 58,862 | | (941) | (1) | 57,921 | |
| Professional service and other | 93,200 | | (1,183) | (1) | 92,017 | |
| Amortization of acquired technology-based intangible assets | 112,128 | | (112,128) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 1,158,170 | 69.8% | 116,231 | (3) | 1,274,401 | 76.8% |
| **Operating expenses** | | | | | | |
| Research and development | 194,141 | | (5,049) | (1) | 189,092 | |
| Sales and marketing | 280,297 | | (9,014) | (1) | 271,283 | |
| General and administrative | 118,954 | | (8,096) | (1) | 110,858 | |
| Amortization of acquired customer-based intangible assets | 109,919 | | (109,919) | (2) | — | |
| Special charges (recoveries) | (4,250) | | 4,250 | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 416,826 | | 244,059 | (5) | 660,885 | |
| Other income (expense), net | 8,134 | | (8,134) | (6) | — | |
| Provision for (recovery of) income taxes | 310,303 | | (228,515) | (7) | 81,788 | |
| GAAP-based net income / Non-GAAP-based net income, attributable to OpenText | 37,899 | | 464,440 | (8) | 502,339 | |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | $ 0.14 | | $ 1.70 | (8) | $ 1.84 | |

# Reconciliation of Selected Non-GAAP Measures | FY'21 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.

6 Adjustment relates to the exclusion of other income (expense) from our Non-GAAP-based operating expenses as other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.

7 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 89% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense. The GAAP-based tax provision rate for the six months ended December 31, 2020 includes an income tax provision charge from the IRS settlement partially offset by a tax benefit from the release of unrecognized tax benefits due to the conclusion of relevant tax audits.

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

| | Six Months Ended December 31, 2020 | | | |
|---|---|---|---|---|
| | | | | Per share diluted |
| GAAP-based net income, attributable to OpenText | $ | 37,899 | $ | 0.14 |
| Add: | | | | |
| Amortization | | 222,047 | | 0.81 |
| Share-based compensation | | 26,262 | | 0.10 |
| Special charges (recoveries) | | (4,250) | | (0.02) |
| Other (income) expense, net | | (8,134) | | (0.03) |
| GAAP-based provision for (recovery of) income taxes | | 310,303 | | 1.14 |
| Non-GAAP-based provision for income taxes | | (81,788) | | (0.30) |
| Non-GAAP-based net income, attributable to OpenText | $ | 502,339 | $ | 1.84 |

# Reconciliation of Adjusted EBITDA and Free Cash Flows

| (In '000's U.S. dollars) | Q2 FY'22 | Q2 FY'21 | FY'22 YTD | FY'21 YTD |
|---|---|---|---|---|
| GAAP-based net income (loss), attributable to OpenText | $ 88,298 | $ (65,477) | $ 220,213 | $ 37,899 |
| Add: | | | | |
| Provision for (recovery of) income taxes | 39,266 | 267,559 | 82,716 | 310,303 |
| Interest and other related expense, net | 40,245 | 37,595 | 77,300 | 76,684 |
| Amortization of acquired technology-based intangible assets | 52,602 | 54,091 | 105,769 | 112,128 |
| Amortization of acquired customer-based intangible assets | 52,665 | 54,926 | 104,549 | 109,919 |
| Depreciation | 21,779 | 20,280 | 43,165 | 42,283 |
| Share-based compensation | 14,409 | 14,526 | 28,343 | 26,262 |
| Special charges (recoveries) | 9,217 | (17,494) | 9,561 | (4,250) |
| Other (income) expense, net | 25,037 | (5,251) | (4,745) | (8,134) |
| Adjusted EBITDA | $ 343,518 | $ 360,755 | $ 666,871 | $ 703,094 |
| | | | | |
| Total revenue | $ 876,799 | $ 855,644 | $ 1,709,107 | $ 1,659,657 |
| GAAP-based net income (loss) margin | 10.1% | (7.7)% | 12.9% | 2.3 % |
| Adjusted EBITDA margin (% of total revenue) | 39.2% | 42.2% | 39.0% | 42.4% |

| (In '000's U.S. dollars) | Q2 FY'22 | Q2 FY'21 | FY'22 YTD | FY'21 YTD |
|---|---|---|---|---|
| GAAP-based cash flows provided by operating activities | $ 216,644 | $ 282,455 | $ 406,313 | $ 516,359 |
| Add: | | | | |
| Capital expenditures (1) | (10,635) | (7,651) | (37,347) | (22,956) |
| Free cash flows | $ 206,009 | $ 274,804 | $ 368,966 | $ 493,403 |

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

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# Reconciliation of Adjusted EBITDA and Free Cash Flows

| (In '000's U.S. dollars) | FY'12 | FY'13 | FY'14 | FY'15 | FY'16 | FY'17 | FY'18 | FY'19 | FY'20 | FY'21 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Adjusted EBITDA** | | | | | | | | | | |
| GAAP-based net income, attributable to OpenText | $ 125,174 | $ 148,520 | $ 218,125 | $ 234,327 | $ 284,477 | $ 1,025,659 | $ 242,224 | $ 285,501 | $ 234,225 | $ 310,672 |
| Add: | | | | | | | | | | |
| Provision for (recovery of) income taxes | 12,171 | 29,690 | 58,461 | 31,638 | 6,282 | (776,364) | 143,826 | 154,937 | 110,837 | 339,906 |
| Interest and other related expense, net | 15,564 | 16,982 | 27,934 | 54,620 | 76,363 | 120,892 | 138,540 | 136,592 | 146,378 | 151,567 |
| Amortization of acquired technology-based intangible assets | 84,572 | 93,610 | 69,917 | 81,002 | 74,238 | 130,556 | 185,868 | 183,385 | 205,717 | 218,796 |
| Amortization of acquired customer-based intangible assets | 53,326 | 68,745 | 81,023 | 108,239 | 113,201 | 150,842 | 184,118 | 189,827 | 219,559 | 216,544 |
| Depreciation | 21,587 | 24,496 | 35,237 | 50,906 | 54,929 | 64,318 | 86,943 | 97,716 | 89,458 | 85,265 |
| Share-based compensation | 18,097 | 15,575 | 19,906 | 22,047 | 25,978 | 30,507 | 27,594 | 26,770 | 29,532 | 51,969 |
| Special charges (recoveries) | 24,523 | 24,034 | 31,314 | 12,823 | 34,846 | 63,618 | 29,211 | 35,719 | 100,428 | 1,748 |
| Other (income) expense, net | (3,549) | 2,473 | (3,941) | 28,047 | 1,423 | (15,743) | (17,973) | (10,156) | 11,946 | (61,434) |
| Adjusted EBITDA | $ 351,465 | $ 424,125 | $ 537,976 | $ 623,649 | $ 671,737 | $ 794,285 | $ 1,020,351 | $ 1,100,291 | $ 1,148,080 | $ 1,315,033 |
| | | | | | | | | | | |
| Total revenue | $ 1,207,473 | $ 1,363,336 | $ 1,624,699 | $ 1,851,917 | $ 1,824,228 | $ 2,291,057 | $ 2,815,241 | $ 2,868,755 | $ 3,109,736 | $ 3,386,115 |
| GAAP-based net income margin | 10.4% | 10.9% | 13.4% | 12.7% | 15.6% | 44.8% | 8.6% | 10.0% | 7.5% | 9.2% |
| Adjusted EBITDA margin (% of total revenue) | 29.1% | 31.1% | 33.1% | 33.7% | 36.8% | 34.7% | 36.2% | 38.4% | 36.9% | 38.8% |
| | | | | | | | | | | |
| **Free Cash Flows** | | | | | | | | | | |
| GAAP-based cash flows provided by operating activities (1) | $ 266,490 | $ 318,502 | $ 417,096 | $ 522,055 | $ 523,663 | $ 440,353 | $ 708,081 | $ 876,278 | $ 954,536 | $ 876,120 |
| Add: | | | | | | | | | | |
| Capital expenditures (2) | (25,828) | (23,107) | (42,268) | (77,046) | (70,009) | (79,592) | (105,318) | (63,837) | (72,709) | (63,675) |
| Free cash flows | $ 240,662 | $ 295,395 | $ 374,828 | $ 445,009 | $ 453,654 | $ 360,761 | $ 602,763 | $ 812,441 | $ 881,827 | $ 812,445 |

(1) Effective July 1, 2018, we adopted ASU No. 2016-18 using the retrospective method. Fiscal years 2014-2020 have been adjusted retrospectively to conform to current period presentation while fiscal years 2012-2013 are presented prior to adoption of ASU 2016-18.
(2) Defined as "Additions of property & equipment" in the Consolidated Statements of Cash Flows

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