

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 6, 2025

Open Text Corporation

(Exact name of Registrant as specified in its charter)

Canada
(State or Other Jurisdiction
of Incorporation)

0-27544
(Commission
File Number)

98-0154400
(IRS Employer
Identification No.)

275 Frank Tompa Drive, Waterloo, Ontario, Canada N2L 0A1
(Address of principal executive offices)

(519) 888-7111
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--------------------------------|--------------------------|--|
| Common stock without par value | OTEX | NASDAQ Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."

On February 6, 2025, Open Text Corporation (the "Company") issued a press release announcing its financial results for the quarter ended December 31, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

The information in this Item 2.02 and the exhibits attached hereto are furnished to, but not "filed" with, the Securities and Exchange Commission ("SEC") and shall not be deemed to be incorporated by reference into any of the Company's filings with the SEC under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 8.01 Other Events

The following information is filed pursuant to Item 8.01 "Other Events".

Cash Dividends

Pursuant to the Company's dividend policy, the Board of Directors of the Company has declared a dividend of \$0.2625 per Common Share, payable on March 21, 2025, to the shareholders of the Company of record on March 7, 2025.

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.

The declaration, payment and amount of any future dividends will be made pursuant to the Company's dividend policy and is subject to final determination each quarter by the Board of Directors in its discretion based on a number of factors that it deems relevant, including the Company's financial position, results of operations, available cash resources, cash requirements and alternative uses of cash that the Board of Directors may conclude would be in the best interest of the shareholders of the Company. Payment of dividends is also subject to relevant contractual limitations, including those in the Company's existing credit agreements. Accordingly, there can be no assurance that any future dividends will be equal or similar in amount to any dividends previously paid or that the Board of Directors will not decide to reduce, suspend or discontinue the payment of dividends in the future.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|----------------------|---|
| 99.1 | Press release of financial results issued by Open Text Corporation on February 6, 2025. |
| 101.INS | XBRL instance document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL taxonomy extension schema. |
| 101.CAL | Inline XBRL taxonomy extension calculation linkbase. |
| 101.DEF | Inline XBRL taxonomy extension definition linkbase. |
| 101.LAB | Inline XBRL taxonomy extension label linkbase. |
| 101.PRE | Inline XBRL taxonomy extension presentation. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OPEN TEXT CORPORATION

February 6, 2025

By: /s/ MADHU RANGANATHAN

Madhu Ranganathan
President, Chief Financial Officer and Corporate Development

Exhibit Index

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OpenText Reports Second Quarter Fiscal Year 2025 Financial Results

*Total Revenues of \$1.335B, 16 Consecutive Quarters of Cloud Organic Growth
Delivers Net Income Margin of 17%, Robust Adjusted EBITDA Margin of 37.6%
GAAP EPS of \$0.87, Non-GAAP EPS of \$1.11
Operating Cash Flows of \$348M and Free Cash Flows of \$307M*

Fiscal 2025 Second Quarter Highlights

| Total Revenues (in millions) | Annual Recurring Revenues (in millions) | Cloud Revenues (in millions) |
|---------------------------------|--|---------------------------------|
| \$1,335 | \$1,053 | \$462 |
| (13.1)% | (8.1)% | +2.7% |

Annual Recurring Revenues represent **79%** of Total Revenues

“OpenText’s Q2 results demonstrate the strength of our operating model, delivering \$501 million of adjusted EBITDA, and 37.6% adjusted EBITDA margin, and generating \$307 million of Free Cash Flows (FCF). The Company’s top priorities remain total growth, competitive advantage, margin expansion and FCF, while producing upper quartile capital returns,” said Mark J. Barrenechea, OpenText CEO & CTO.

Mr. Barrenechea added: “By helping customers adapt to the new world of multi-cloud, we are making their businesses more resilient and future-ready. Our next generation platform Titanium X (Cloud Editions 25.2) is on target for Q4 delivery. With Titanium X as our foundation, we are empowering organizations to seamlessly integrate cloud, security, and AI, helping them adapt and thrive in this dynamic ecosystem.”

Mark J. Barrenechea, OpenText CEO & CTO

“OpenText generated solid adjusted EBITDA margin this quarter, reflecting our continued focus on operational discipline, efficiency and margin expansion,” said Madhu Ranganathan, OpenText President, CFO & Corporate Development. “Our initiatives to drive efficiencies across the business and our execution in the second half of fiscal 2025 will put us in a position to deliver a strong fiscal 2026.”

Madhu Ranganathan, OpenText President & CFO

Waterloo, ON, February 6, 2025 - Open Text Corporation (NASDAQ: OTEX), (TSX: OTEX), today announced its financial results for the second quarter ended December 31, 2024.

Second Quarter Financial Highlights Y/Y

- Total revenues of \$1.335 billion, down 13.1% Y/Y or down 4.9% when adjusted for the AMC divestiture
- Annual recurring revenues (ARR) of \$1.053 billion, down 8.1% Y/Y or down 0.8% when adjusted for the AMC divestiture
- Cloud revenues of \$462 million, up 2.7% Y/Y
- Quarterly enterprise cloud bookings⁽¹⁾ of \$250 million, up 6.1% Y/Y
- Operating cash flows of \$348 million and free cash flows⁽²⁾ of \$307 million
- GAAP-based net income of \$230 million, up 510.1% Y/Y
- Adjusted EBITDA⁽²⁾ of \$501 million, margin of 37.6%
- GAAP-based diluted earnings per share (EPS) of \$0.87, Non-GAAP-based diluted EPS⁽²⁾ of \$1.11
- Returned \$134 million of capital to shareholders consisting of \$68 million of dividends and \$66 million of share repurchases

⁽¹⁾ Enterprise cloud bookings is defined as the total value from cloud services and subscription contracts, entered into in the period that are new, committed and incremental to our existing contracts, entered into with our enterprise based customers.

⁽²⁾ Please see Note 2 “Use of Non-GAAP Financial Measures” to the condensed consolidated financial statements below.

Financial Highlights for Q2 Fiscal 2025 with Year Over Year Comparisons

| Summary of Quarterly Results | | | | | | |
|--|-----------------|-----------------|------------------|-----------------|------------------------|------------------------|
| (In millions, except per share data) | Q2 FY'25 | Q2 FY'24 | \$ Change | % Change | Q2 FY'25 in CC* | % Change in CC* |
| Revenues: | | | | | | |
| Cloud services and subscriptions | \$462 | \$450 | \$12 | 2.7 % | \$460 | 2.2 % |
| Customer support | \$591 | \$696 | (\$105) | (15.1) % | \$585 | (15.9) % |
| Total annual recurring revenues** | \$1,053 | \$1,146 | (\$93) | (8.1)% | \$1,045 | (8.8)% |
| License | \$189 | \$289 | (\$100) | (34.7) % | \$188 | (34.9) % |
| Professional service and other | \$93 | \$100 | (\$7) | (7.1) % | \$91 | (8.6) % |
| Total revenues | \$1,335 | \$1,535 | (\$200) | (13.1)% | \$1,325 | (13.7)% |
| GAAP-based operating income | \$296 | \$254 | \$42 | 16.5 % | N/A | N/A |
| Non-GAAP-based operating income ⁽¹⁾ | \$470 | \$533 | (\$63) | (11.9) % | \$465 | (12.8) % |
| GAAP-based net income attributable to OpenText | \$230 | \$38 | \$192 | 510.1 % | N/A | N/A |
| GAAP-based EPS, diluted | \$0.87 | \$0.14 | \$0.73 | 521.4 % | N/A | N/A |
| Non-GAAP-based EPS, diluted ⁽¹⁾⁽²⁾ | \$1.11 | \$1.24 | (\$0.13) | (10.5) % | \$1.09 | (12.1) % |
| Adjusted EBITDA ⁽¹⁾ | \$501 | \$566 | (\$65) | (11.4) % | \$497 | (12.3) % |
| Operating cash flows | \$348 | \$351 | (\$3) | (0.8) % | N/A | N/A |
| Free cash flows ⁽¹⁾ | \$307 | \$305 | \$1 | 0.4 % | N/A | N/A |

| Summary of YTD Results | | | | | | |
|--|------------------|------------------|------------------|-----------------|-------------------------|------------------------|
| (In millions, except per share data) | FY'25 YTD | FY'24 YTD | \$ Change | % Change | FY'25 YTD in CC* | % Change in CC* |
| Revenues: | | | | | | |
| Cloud services and subscriptions | \$919 | \$901 | \$18 | 2.0 % | \$919 | 1.9 % |
| Customer support | \$1,186 | \$1,393 | (\$207) | (14.9) % | \$1,183 | (15.1) % |
| Total annual recurring revenues** | \$2,105 | \$2,295 | (\$189) | (8.2)% | \$2,102 | (8.4)% |
| License | \$315 | \$462 | (\$148) | (31.9) % | \$314 | (32.0) % |
| Professional service and other | \$183 | \$203 | (\$20) | (9.9) % | \$182 | (10.6) % |
| Total revenues | \$2,604 | \$2,960 | (\$357) | (12.1)% | \$2,598 | (12.2)% |
| GAAP-based operating income | \$502 | \$467 | \$35 | 7.6 % | N/A | N/A |
| Non-GAAP-based operating income ⁽¹⁾ | \$881 | \$994 | (\$112) | (11.3) % | \$875 | (11.9) % |
| GAAP-based net income attributable to OpenText | \$314 | \$119 | \$196 | 165.0 % | N/A | N/A |
| GAAP-based EPS, diluted | \$1.18 | \$0.44 | \$0.74 | 168.2 % | N/A | N/A |
| Non-GAAP-based EPS, diluted ⁽¹⁾⁽²⁾ | \$2.03 | \$2.25 | (\$0.22) | (9.8) % | \$2.02 | (10.4) % |
| Adjusted EBITDA ⁽¹⁾ | \$945 | \$1,061 | (\$116) | (10.9) % | \$939 | (11.5) % |
| Operating cash flows | \$270 | \$398 | (\$128) | (32.1) % | N/A | N/A |
| Free cash flows ⁽¹⁾ | \$190 | \$315 | (\$125) | (39.8) % | N/A | N/A |

⁽¹⁾ Please see Note 2 "Use of Non-GAAP Financial Measures" to the condensed consolidated financial statements below.

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

Note: Items in tables may not add due to rounding. Percentages presented are calculated based on the underlying amounts.

*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

As part of our quarterly, non-cumulative cash dividend program, the Board declared on February 5, 2025, a cash dividend of \$0.2625 per common share. The record date for this dividend is March 7, 2025 and the payment date is March 21, 2025. 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.

Share Repurchase

OpenText also announced that in the second quarter of Fiscal 2025, it repurchased \$66 million of common shares for cancellation under its share repurchase plan (the Fiscal 2025 Repurchase Plan). In Fiscal 2025, \$151 million of common shares have been repurchased for cancellation. Under the Fiscal 2025 Repurchase Plan, for the period commencing August 7, 2024 until August 6, 2025, OpenText intends to purchase for cancellation in open market transactions, from time to time, up to \$300 million of its issued and outstanding common shares, subject to a maximum of 21,179,064 common shares.

Quarterly Business Highlights

- Key customer wins in the quarter include: Aeven, Anglian Water Services, BASF Catalysts, Bosch, Cencor, Domcura MLP, Ergon, Frost Bank, GWC Qatar, H3C, Linde, MAN Energy Solutions, Mott MacDonald, Sky Italia, ST Microelectronics, Tucson Medical Center, University Health System, Wandera
- OpenText World 2024 unites industry leaders to tackle AI and information management, elevate human potential with robust AI masterclasses
- OpenText launches new Partner Enterprise Learning Subscription
- OpenText expands partner ecosystem access across full OpenText product suite
- OpenText makes multi-cloud work with Cloud Editions 24.4
- OpenText partners with Secure Code Warrior to deliver comprehensive application security and customized developer risk management

Summary of Quarterly Results

| | Q2 FY'25 | Q1 FY'25 | Q2 FY'24 | % Change (Q2 FY'25 vs Q1 FY'25) | % Change (Q2 FY'25 vs Q2 FY'24) |
|---|----------|----------|----------|---------------------------------------|---------------------------------------|
| Revenue (millions) | \$1,335 | \$1,269 | \$1,535 | 5.2 % | (13.1)% |
| GAAP-based gross margin | 73.3 % | 71.7 % | 73.6 % | 160 bps | (30) bps |
| Non-GAAP-based gross margin ⁽¹⁾ | 77.2 % | 75.8 % | 78.6 % | 140 bps | (140) bps |
| GAAP-based EPS, diluted | \$0.87 | \$0.32 | \$0.14 | 171.9 % | 521.4 % |
| Non-GAAP-based EPS, diluted ⁽¹⁾⁽²⁾ | \$1.11 | \$0.93 | \$1.24 | 19.4 % | (10.5)% |

⁽¹⁾ Please see Note 2 "Use of Non-GAAP Financial Measures" to the condensed consolidated financial statements 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

OpenText posted an investor presentation on its Investor Relations website and invites the public to listen to the earnings conference call webcast today at 5:00 p.m. ET (2:00 p.m. PT) from the Investor Relations section of the Company's website at <https://investors.opentext.com>. To join the webcast instantly, use this [webcast link](#). A webcast replay will be available shortly following completion of the live call.

Please see below note (2) for a reconciliation of U.S. GAAP-based financial measures used in this press release to Non-GAAP-based financial measures.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this press release, including statements about Open Text Corporation (“OpenText” or “the Company”) on growth, profitability and future of Information Management, including achieving total growth, competitive advantage, margin expansion and free cash flow, and delivering upper quartile capital returns; customer benefits from products; timing of next generation platform; focus on operational discipline, efficiency and margin expansion; executing the Company’s capital allocation strategy, including expected return to shareholders; achieving Fiscal 2025 financial targets; level of performance through the fiscal year; cloud bookings, demand, scale and revenue growth; future organic growth initiatives and deployment of capital; innovation fueled by cloud, AI and security technologies; future revenues, operating expenses, margins, free cash flows, interest expense and capital expenditures; market share of our products; innovation road map; intention to maintain a dividend program, including any targeted annualized dividend; expected size and timing of the Fiscal 2025 Repurchase Plan, including execution thereof; future tax rates; renewal rates; new platform and product offerings, including OpenText AI products, and associated benefits to customers; internal automation and AI leverage, including our AI strategy, vision and growth; strategy to build shareholder value; and other matters, which may contain words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “may”, “could”, “would”, “might”, “will” and variations of these words or similar expressions are intended to identify forward-looking statements or information under applicable securities laws (forward-looking statements). In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements, and are based on our current expectations, forecasts and projections about the operating environment, economies and markets in which we operate. Forward-looking statements reflect our current estimates, beliefs and assumptions, which are based on management’s perception of historic trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances, such as certain assumptions about the economy, as well as market, financial and operational assumptions. Management’s estimates, beliefs and assumptions, including statements regarding future targets and aspirations, are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change and are not considered guidance. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Future declarations of dividends are also subject to the final determination and discretion of the Board of Directors, and an annualized dividend has not been approved or declared by the Board. Forward-looking statements involve known and unknown risks and uncertainties such as those relating to: all statements regarding the expected future financial position, results of operations, revenues, expenses, margins, cash flows, dividends, share buybacks, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management, including any anticipated synergy benefits; incurring unanticipated costs, delays or difficulties; and our ability to develop, protect and maintain our intellectual property and proprietary technology and to operate without infringing on the proprietary rights of others. We rely on a combination of copyright, patent, trademark and trade secret laws, non-disclosure agreements and other contractual provisions to establish and maintain our proprietary rights, which are important to our success. From time to time, we may also enforce our intellectual property rights through litigation in line with our strategic and business objectives. The actual results that OpenText achieves may differ materially from any forward-looking statements. For additional information with respect to risks and other factors which could occur, see the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission (SEC) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Further, readers should note that we may announce information using our website, press releases, securities law filings, public conference calls, webcasts and the social media channels identified on the Investors section of our website (<https://investors.opentext.com>). Such social media channels may include the Company's or our CEO's blog, X, formerly known as Twitter, account or LinkedIn account. The information posted through such channels may be material. Accordingly, readers should monitor such channels in addition to our other forms of communication.

For more information, please contact:

Greg Secord

Vice President, Global Head of Investor Relations

Open Text Corporation

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About OpenText

OpenText is the leading Information Management software and services company in the world. We help organizations solve complex global problems with a comprehensive suite of Business Clouds, Business AI, and Business Technology. For more information about OpenText (NASDAQ/TSX: OTEX), please visit us at www.opentext.com.

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

| ASSETS | December 31, 2024 (unaudited) | June 30, 2024 |
|--|----------------------------------|----------------------|
| Cash and cash equivalents | \$ 1,122,192 | \$ 1,280,662 |
| Accounts receivable trade, net of allowance for credit losses of \$14,641 as of December 31, 2024 and \$12,108 as of June 30, 2024 | 639,611 | 626,189 |
| Contract assets | 68,487 | 66,450 |
| Income taxes recoverable | 68,004 | 61,113 |
| Prepaid expenses and other current assets | 186,763 | 242,911 |
| Total current assets | 2,085,057 | 2,277,325 |
| Property and equipment, net of accumulated depreciation of \$779,868 as of December 31, 2024 and \$751,174 as of June 30, 2024 | 355,877 | 367,740 |
| Operating lease right of use assets | 211,079 | 219,774 |
| Long-term contract assets | 39,208 | 38,684 |
| Goodwill | 7,483,404 | 7,488,367 |
| Acquired intangible assets | 2,229,087 | 2,486,264 |
| Deferred tax assets | 982,567 | 932,657 |
| Other assets | 296,382 | 298,281 |
| Long-term income taxes recoverable | 49,052 | 96,615 |
| Total assets | \$ 13,731,713 | \$ 14,205,707 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 772,641 | \$ 931,116 |
| Current portion of long-term debt | 35,850 | 35,850 |
| Operating lease liabilities | 74,699 | 76,446 |
| Deferred revenues | 1,452,734 | 1,521,416 |
| Income taxes payable | 65,145 | 235,666 |
| Total current liabilities | 2,401,069 | 2,800,494 |
| Long-term liabilities: | | |
| Accrued liabilities | 38,974 | 46,483 |
| Pension liability, net | 126,909 | 127,255 |
| Long-term debt | 6,348,814 | 6,356,943 |
| Long-term operating lease liabilities | 200,815 | 218,174 |
| Long-term deferred revenues | 159,987 | 162,401 |
| Long-term income taxes payable | 82,310 | 145,644 |
| Deferred tax liabilities | 141,328 | 148,632 |
| Total long-term liabilities | 7,099,137 | 7,205,532 |
| Shareholders' equity: | | |
| Share capital and additional paid-in capital | | |
| 263,727,502 and 267,800,517 Common Shares issued and outstanding at December 31, 2024 and June 30, 2024, respectively; authorized Common Shares: unlimited | 2,275,583 | 2,271,886 |
| Accumulated other comprehensive income (loss) | (75,779) | (69,619) |
| Retained earnings | 2,174,514 | 2,119,159 |
| Treasury stock, at cost (4,225,850 and 3,135,980 shares at December 31, 2024 and June 30, 2024, respectively) | (144,432) | (123,268) |
| Total OpenText shareholders' equity | 4,229,886 | 4,198,158 |
| Non-controlling interests | 1,621 | 1,523 |
| Total shareholders' equity | 4,231,507 | 4,199,681 |
| Total liabilities and shareholders' equity | \$ 13,731,713 | \$ 14,205,707 |

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

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|--|------------------------------------|------------------|----------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | |
| Cloud services and subscriptions | \$ 462,306 | \$ 450,091 | \$ 919,330 | \$ 901,105 |
| Customer support | 590,595 | 695,762 | 1,186,085 | 1,393,475 |
| License | 188,923 | 289,238 | 314,736 | 462,264 |
| Professional service and other | 92,676 | 99,777 | 183,354 | 203,453 |
| Total revenues | <u>1,334,500</u> | <u>1,534,868</u> | <u>2,603,505</u> | <u>2,960,297</u> |
| Cost of revenues: | | | | |
| Cloud services and subscriptions | 172,288 | 180,148 | 347,545 | 351,560 |
| Customer support | 62,656 | 73,374 | 125,230 | 148,388 |
| License | 6,336 | 5,983 | 12,993 | 9,822 |
| Professional service and other | 68,041 | 75,459 | 134,956 | 155,381 |
| Amortization of acquired technology-based intangible assets | 47,203 | 70,784 | 94,447 | 147,608 |
| Total cost of revenues | <u>356,524</u> | <u>405,748</u> | <u>715,171</u> | <u>812,759</u> |
| Gross profit | <u>977,976</u> | <u>1,129,120</u> | <u>1,888,334</u> | <u>2,147,538</u> |
| Operating expenses: | | | | |
| Research and development | 180,727 | 212,855 | 371,420 | 439,086 |
| Sales and marketing | 273,929 | 287,628 | 519,811 | 567,635 |
| General and administrative | 99,356 | 173,264 | 206,086 | 304,475 |
| Depreciation | 31,879 | 33,415 | 64,050 | 67,506 |
| Amortization of acquired customer-based intangible assets | 81,048 | 113,925 | 162,552 | 234,117 |
| Special charges (recoveries) | 15,238 | 54,166 | 62,374 | 67,960 |
| Total operating expenses | <u>682,177</u> | <u>875,253</u> | <u>1,386,293</u> | <u>1,680,779</u> |
| Income from operations | <u>295,799</u> | <u>253,867</u> | <u>502,041</u> | <u>466,759</u> |
| Other income (expense), net | 68,615 | (68,784) | 32,960 | (48,614) |
| Interest and other related expense, net | (83,615) | (139,292) | (167,897) | (281,056) |
| Income before income taxes | 280,799 | 45,791 | 367,104 | 137,089 |
| Provision for income taxes | 50,893 | 8,054 | 52,776 | 18,406 |
| Net income for the period | <u>\$ 229,906</u> | <u>\$ 37,737</u> | <u>\$ 314,328</u> | <u>\$ 118,683</u> |
| Net (income) attributable to non-controlling interests | (44) | (62) | (98) | (107) |
| Net income attributable to OpenText | <u>\$ 229,862</u> | <u>\$ 37,675</u> | <u>\$ 314,230</u> | <u>\$ 118,576</u> |
| Earnings per share—basic attributable to OpenText | <u>\$ 0.87</u> | <u>\$ 0.14</u> | <u>\$ 1.18</u> | <u>\$ 0.44</u> |
| Earnings per share—diluted attributable to OpenText | <u>\$ 0.87</u> | <u>\$ 0.14</u> | <u>\$ 1.18</u> | <u>\$ 0.44</u> |
| Weighted average number of Common Shares outstanding—basic (in '000's) | <u>265,099</u> | <u>271,568</u> | <u>266,252</u> | <u>271,373</u> |
| Weighted average number of Common Shares outstanding—diluted (in '000's) | <u>265,193</u> | <u>272,141</u> | <u>266,505</u> | <u>272,019</u> |

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

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|---|------------------------------------|-----------|----------------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income for the period | \$ 229,906 | \$ 37,737 | \$ 314,328 | \$ 118,683 |
| Other comprehensive income (loss)—net of tax: | | | | |
| Net foreign currency translation adjustments | 1,167 | (15,796) | (4,023) | (30,379) |
| Unrealized gain (loss) on cash flow hedges: | | | | |
| Unrealized gain (loss) - net of tax ⁽¹⁾ | (4,188) | 1,522 | (3,534) | (319) |
| (Gain) loss reclassified into net income - net of tax ⁽²⁾ | 1,010 | 328 | 1,272 | 337 |
| Unrealized gain (loss) on available-for-sale financial assets: | | | | |
| Unrealized gain (loss) - net of tax ⁽³⁾ | 436 | 450 | 684 | 229 |
| Actuarial gain (loss) relating to defined benefit pension plans: | | | | |
| Actuarial gain (loss) - net of tax ⁽⁴⁾ | — | (91) | (1,045) | (110) |
| Amortization of actuarial (gain) loss into net income - net of tax ⁽⁵⁾ | 252 | 113 | 486 | 302 |
| Total other comprehensive loss net, for the period | (1,323) | (13,474) | (6,160) | (29,940) |
| Total comprehensive income | 228,583 | 24,263 | 308,168 | 88,743 |
| Comprehensive income attributable to non-controlling interests | (44) | (62) | (98) | (107) |
| Total comprehensive income attributable to OpenText | \$ 228,539 | \$ 24,201 | \$ 308,070 | \$ 88,636 |

- (1) Net of tax expense (recovery) of \$(1,510) and \$549 for the three months ended December 31, 2024 and 2023, respectively; \$(1,274) and \$(115) for the six months ended December 31, 2024 and 2023, respectively.
- (2) Net of tax expense (recovery) of \$364 and \$118 for the three months ended December 31, 2024 and 2023, respectively; \$458 and \$121 for the six months ended December 31, 2024 and 2023, respectively.
- (3) Net of tax expense (recovery) of \$18 and \$119 for the three months ended December 31, 2024 and 2023, respectively; \$225 and \$60 for the six months ended December 31, 2024 and 2023, respectively.
- (4) Net of tax expense (recovery) of \$— and \$91 for the three months ended December 31, 2024 and 2023, respectively; \$(43) and \$110 for the six months ended December 31, 2024 and 2023, respectively.
- (5) Net of tax expense (recovery) of \$92 and \$50 for the three months ended December 31, 2024 and 2023, respectively; \$184 and \$125 for the six months ended December 31, 2024 and 2023, respectively.

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

Three Months Ended December 31, 2024

| | Common Shares and Additional Paid in Capital | | Treasury Stock | | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interests | Total |
|--|--|---------------------|----------------|---------------------|---------------------|--|---------------------------|---------------------|
| | Shares | Amount | Shares | Amount | | | | |
| Balance as of September 30, 2024 | 265,546 | \$ 2,290,191 | (3,900) | \$ (145,646) | \$ 2,065,221 | \$ (74,456) | \$ 1,577 | \$ 4,136,887 |
| Issuance of Common Shares | | | | | | | | |
| Under employee stock option plans | 65 | 1,739 | — | — | — | — | — | 1,739 |
| Under employee stock purchase plans | 330 | 9,308 | — | — | — | — | — | 9,308 |
| Share-based compensation | — | 30,355 | — | — | — | — | — | 30,355 |
| Purchase of treasury stock | — | — | (1,363) | (40,013) | — | — | — | (40,013) |
| Issuance of treasury stock | — | (39,906) | 1,037 | 41,227 | — | — | — | 1,321 |
| Repurchase of Common Shares | (2,213) | (16,104) | — | — | (50,990) | — | — | (67,094) |
| Dividends declared (\$0.2625 per Common Share) | — | — | — | — | (69,579) | — | — | (69,579) |
| Other comprehensive income (loss) - net | — | — | — | — | — | (1,323) | — | (1,323) |
| Net income for the period | — | — | — | — | 229,862 | — | 44 | 229,906 |
| Balance as of December 31, 2024 | 263,728 | \$ 2,275,583 | (4,226) | \$ (144,432) | \$ 2,174,514 | \$ (75,779) | \$ 1,621 | \$ 4,231,507 |

Three Months Ended December 31, 2023

| | Common Shares and Additional Paid in Capital | | Treasury Stock | | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interests | Total |
|--|--|---------------------|----------------|---------------------|---------------------|--|---------------------------|---------------------|
| | Shares | Amount | Shares | Amount | | | | |
| Balance as of September 30, 2023 | 271,228 | \$ 2,216,921 | (4,753) | \$ (196,119) | \$ 2,062,107 | \$ (70,025) | \$ 1,374 | \$ 4,014,258 |
| Issuance of Common Shares | | | | | | | | |
| Under employee stock option plans | 340 | 11,111 | — | — | — | — | — | 11,111 |
| Under employee stock purchase plans | 287 | 8,370 | — | — | — | — | — | 8,370 |
| Share-based compensation | — | 39,993 | — | — | — | — | — | 39,993 |
| Issuance of treasury stock | — | (14,539) | 353 | 17,030 | (2,491) | — | — | — |
| Dividends declared (\$0.25 per Common Share) | — | — | — | — | (67,648) | — | — | (67,648) |
| Other comprehensive income (loss) - net | — | — | — | — | — | (13,474) | — | (13,474) |
| Net income for the period | — | — | — | — | 37,675 | — | 62 | 37,737 |
| Balance as of December 31, 2023 | 271,855 | \$ 2,261,856 | (4,400) | \$ (179,089) | \$ 2,029,643 | \$ (83,499) | \$ 1,436 | \$ 4,030,347 |

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

| | Six Months Ended December 31, 2024 | | | | | | | |
|--|---|---------------------|----------------|---------------------|----------------------|--|------------------------------|---------------------|
| | Common Shares and Additional Paid in Capital | | Treasury Stock | | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interests | Total |
| | Shares | Amount | Shares | Amount | | | | |
| Balance as of June 30, 2024 | 267,801 | \$ 2,271,886 | (3,136) | \$ (123,268) | \$ 2,119,159 | \$ (69,619) | \$ 1,523 | \$ 4,199,681 |
| Issuance of Common Shares | | | | | | | | |
| Under employee stock option plans | 70 | 1,880 | — | — | — | — | — | 1,880 |
| Under employee stock purchase plans | 719 | 19,171 | — | — | — | — | — | 19,171 |
| Share-based compensation | — | 59,801 | — | — | — | — | — | 59,801 |
| Purchase of treasury stock | — | — | (2,187) | (65,023) | — | — | — | (65,023) |
| Issuance of treasury stock | — | (41,836) | 1,097 | 43,859 | (702) | — | — | 1,321 |
| Repurchase of Common Shares | (4,862) | (35,319) | — | — | (118,256) | — | — | (153,575) |
| Dividends declared (\$0.525 per Common Share) | — | — | — | — | (139,917) | — | — | (139,917) |
| Other comprehensive income (loss) - net | — | — | — | — | — | (6,160) | — | (6,160) |
| Net income for the period | — | — | — | — | 314,230 | — | 98 | 314,328 |
| Balance as of December 31, 2024 | 263,728 | \$ 2,275,583 | (4,226) | \$ (144,432) | \$ 2,174,514 | \$ (75,779) | \$ 1,621 | \$ 4,231,507 |

| | Six Months Ended December 31, 2023 | | | | | | | |
|---|---|---------------------|----------------|---------------------|----------------------|--|------------------------------|---------------------|
| | Common Shares and Additional Paid in Capital | | Treasury Stock | | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interests | Total |
| | Shares | Amount | Shares | Amount | | | | |
| Balance as of June 30, 2023 | 270,903 | \$ 2,176,947 | (3,536) | \$ (151,597) | \$ 2,048,984 | \$ (53,559) | \$ 1,329 | \$ 4,022,104 |
| Issuance of Common Shares | | | | | | | | |
| Under employee stock option plans | 425 | 14,003 | — | — | — | — | — | 14,003 |
| Under employee stock purchase plans | 527 | 17,011 | — | — | — | — | — | 17,011 |
| Share-based compensation | — | 76,997 | — | — | — | — | — | 76,997 |
| Purchase of treasury stock | — | — | (1,400) | (53,085) | — | — | — | (53,085) |
| Issuance of treasury stock | — | (23,102) | 536 | 25,593 | (2,491) | — | — | — |
| Dividends declared (\$0.50 per Common Share) | — | — | — | — | (135,426) | — | — | (135,426) |
| Other comprehensive income (loss) - net | — | — | — | — | — | (29,940) | — | (29,940) |
| Net income for the period | — | — | — | — | 118,576 | — | 107 | 118,683 |
| Balance as of December 31, 2023 | 271,855 | \$ 2,261,856 | (4,400) | \$ (179,089) | \$ 2,029,643 | \$ (83,499) | \$ 1,436 | \$ 4,030,347 |

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

| | Three Months Ended December 31, | | Six Months Ended December 31, | |
|--|------------------------------------|---------------------|----------------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash flows from operating activities: | | | | |
| Net income for the period | \$ 229,906 | \$ 37,737 | \$ 314,328 | \$ 118,683 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization of intangible assets | 160,130 | 218,124 | 321,049 | 449,231 |
| Share-based compensation expense | 30,361 | 40,175 | 59,919 | 77,270 |
| Pension expense | 3,350 | 3,212 | 6,813 | 6,383 |
| Amortization of debt discount and issuance costs | 5,499 | 7,325 | 10,795 | 12,821 |
| Write-off of right of use assets | 1,385 | 6,248 | 1,385 | 10,963 |
| Adjustment to gain on AMC Divestiture | 4,175 | — | 4,175 | — |
| Loss on sale and write down of property and equipment, net | 437 | 1,419 | 439 | 1,877 |
| Deferred taxes | (10,827) | (88,400) | (52,977) | (177,030) |
| Share in net (income) loss of equity investees | (1,538) | 8,482 | (1,993) | 18,178 |
| Changes in financial instruments | (45,549) | 38,117 | (20,614) | 20,222 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | (15,728) | (91,589) | 41,879 | (60,285) |
| Contract assets | (26,097) | (24,061) | (59,946) | (46,627) |
| Prepaid expenses and other current assets | 32,427 | (15,337) | 54,578 | 3,989 |
| Income taxes | (3,218) | 29,136 | (196,727) | 58,733 |
| Accounts payable and accrued liabilities | (20,590) | 76,058 | (128,110) | (48,156) |
| Deferred revenue | 5,124 | 107,974 | (71,407) | (42,502) |
| Other assets | 3,306 | 1,114 | (1,436) | 5,218 |
| Operating lease assets and liabilities, net | (4,561) | (5,081) | (11,964) | (11,194) |
| Net cash provided by operating activities | 347,992 | 350,653 | 270,186 | 397,774 |
| Cash flows from investing activities: | | | | |
| Additions of property and equipment | (41,269) | (45,240) | (80,585) | (82,779) |
| Purchase of Micro Focus, net of cash acquired | — | — | — | (9,272) |
| Adjustment to proceeds from AMC Divestiture | (11,686) | — | (11,686) | — |
| Proceeds from net investment hedge derivative contracts | — | — | 2,519 | 1,966 |
| Other investing activities | 5,535 | (1,229) | 5,892 | (6,783) |
| Net cash used in investing activities | (47,420) | (46,469) | (83,860) | (96,868) |
| Cash flows from financing activities: | | | | |
| Proceeds from issuance of Common Shares from exercise of stock options and ESPP | 8,291 | 17,804 | 17,740 | 29,257 |
| Repayment of long-term debt and Revolver | (8,963) | (186,463) | (17,926) | (372,926) |
| Net change in transition services agreement obligation | 26,233 | — | 21,938 | — |
| Debt issuance costs | (1,066) | (831) | (1,066) | (2,792) |
| Repurchase of Common Shares | (66,003) | — | (153,406) | — |
| Purchase of treasury stock | (40,023) | — | (65,023) | (53,085) |
| Payments of dividends to shareholders | (68,313) | (66,414) | (137,374) | (133,379) |
| Net cash used in financing activities | (149,844) | (235,904) | (335,117) | (532,925) |
| Foreign exchange gain (loss) on cash held in foreign currencies | (28,930) | 15,042 | (9,794) | 3,539 |
| Increase (decrease) in cash, cash equivalents and restricted cash during the period | 121,798 | 83,322 | (158,585) | (228,480) |
| Cash, cash equivalents and restricted cash at beginning of the period | 1,002,410 | 922,150 | 1,282,793 | 1,233,952 |
| Cash, cash equivalents and restricted cash at end of the period | \$ 1,124,208 | \$ 1,005,472 | \$ 1,124,208 | \$ 1,005,472 |

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

| Reconciliation of cash, cash equivalents and restricted cash: | December 31, 2024 | December 31, 2023 |
|--|--------------------------|--------------------------|
| Cash and cash equivalents | \$ 1,122,192 | \$ 1,003,134 |
| Restricted cash ⁽¹⁾ | 2,016 | 2,338 |
| Total cash, cash equivalents and restricted cash | \$ 1,124,208 | \$ 1,005,472 |

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

Notes

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

(2) 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 condensed 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 condensed 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 (recovery of) income taxes, depreciation and amortization of acquired intangible assets, other income (expense), share-based compensation and special charges (recoveries). Adjusted EBITDA margin is calculated as adjusted EBITDA expressed as a percentage of total revenue.

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

The Company does not acquire businesses on a predictable cycle, and therefore believes that the presentation of Non-GAAP measures, which in certain cases adjust for the impact of amortization of intangible assets and the related tax effects that are primarily related to acquisitions, will provide readers of financial statements with a more consistent basis for comparison across accounting periods and be more useful in helping readers understand the Company's operating results and underlying operational trends.

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

In summary, the Company believes the provision of supplemental Non-GAAP measures allow investors to evaluate the operational and financial performance of the Company's core business using the same evaluation measures that management uses, and is therefore a useful indication of OpenText's performance or expected performance of future operations and facilitates period-to-period comparison of operating performance (although prior performance is not necessarily indicative of future performance). As a result, the Company considers it appropriate and reasonable to provide, in addition to U.S. GAAP measures, supplementary Non-GAAP financial measures that exclude certain items from the presentation of its financial results. Information reconciling certain forward-looking GAAP measures to non-GAAP measures related to F'25 targets and F'27 aspirations, including A-EBITDA is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations.

The following charts provide unaudited reconciliations of U.S. GAAP-based financial measures to Non-GAAP-based financial measures for the following periods presented. The Micro Focus Acquisition significantly impacts period-over-period comparability.

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures
for the three months ended December 31, 2024**

(In thousands, except for per share data)

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

- (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. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective of our ongoing business and operating results.

- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 18% and a Non-GAAP-based tax rate of approximately 24% ; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Beginning in Fiscal 2025, net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 have been fully utilized and are no longer included. In arriving at our Non-GAAP-based tax rate of approximately 24%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- (8) Reconciliation of GAAP-based income to Non-GAAP-based net income:

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

Reconciliation of Adjusted EBITDA

| | Three Months Ended December 31, 2024 | |
|---|--------------------------------------|----------------|
| GAAP-based net income, attributable to OpenText | \$ | 229,862 |
| Add: | | |
| Provision for income taxes | | 50,893 |
| Interest and other related expense, net | | 83,615 |
| Amortization of acquired technology-based intangible assets | | 47,203 |
| Amortization of acquired customer-based intangible assets | | 81,048 |
| Depreciation | | 31,879 |
| Share-based compensation | | 30,361 |
| Special charges (recoveries) | | 15,238 |
| Other (income) expense, net | | (68,615) |
| Adjusted EBITDA | <u>\$</u> | <u>501,484</u> |
| GAAP-based net income margin | | 17.2 % |
| Adjusted EBITDA margin | | 37.6 % |

Reconciliation of Free cash flows

| | Three Months Ended December 31, 2024 | |
|--|--------------------------------------|----------------|
| GAAP-based cash flows provided by operating activities | \$ | 347,992 |
| Add: | | |
| Capital expenditures ⁽¹⁾ | \$ | (41,269) |
| Free cash flows | <u>\$</u> | <u>306,723</u> |

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

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures
for the six months ended December 31, 2024**

(In thousands, except for per share data)

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

- (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. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective of our ongoing business and operating results.

- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 14% and a Non-GAAP-based tax rate of approximately 24%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Beginning in Fiscal 2025, net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 have been fully utilized and are no longer included. In arriving at our Non-GAAP-based tax rate of approximately 24%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- (8) Reconciliation of GAAP-based net income to Non-GAAP-based net income:

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

Reconciliation of Adjusted EBITDA

| | Six Months Ended December 31, 2024 | |
|---|------------------------------------|----------------|
| GAAP-based net income, attributable to OpenText | \$ | 314,230 |
| Add: | | |
| Provision for income taxes | | 52,776 |
| Interest and other related expense, net | | 167,897 |
| Amortization of acquired technology-based intangible assets | | 94,447 |
| Amortization of acquired customer-based intangible assets | | 162,552 |
| Depreciation | | 64,050 |
| Share-based compensation | | 59,919 |
| Special charges (recoveries) | | 62,374 |
| Other (income) expense, net | | (32,960) |
| Adjusted EBITDA | <u>\$</u> | <u>945,285</u> |
| GAAP-based net income margin | | 12.1 % |
| Adjusted EBITDA margin | | 36.3 % |

Reconciliation of Free cash flows

| | Six Months Ended December 31, 2024 | |
|--|------------------------------------|----------------|
| GAAP-based cash flows provided by operating activities | \$ | 270,186 |
| Add: | | |
| Capital expenditures ⁽¹⁾ | | (80,585) |
| Free cash flows | <u>\$</u> | <u>189,601</u> |

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

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures
for the three months ended September 30, 2024**
(In thousands, except for per share data)

| | Three Months Ended September 30, 2024 | | | | | |
|--|---------------------------------------|---|----------------|------------|----------------------------|---|
| | 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 | \$ 175,257 | | \$ (2,186) | (1) | \$ 173,071 | |
| Customer support | 62,574 | | (1,342) | (1) | 61,232 | |
| Professional service and other | 66,915 | | (1,314) | (1) | 65,601 | |
| Amortization of acquired technology-based intangible assets | 47,244 | | (47,244) | (2) | — | |
| GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%) | 910,358 | 71.7% | 52,086 | (3) | 962,444 | 75.8% |
| Operating expenses | | | | | | |
| Research and development | 190,693 | | (8,167) | (1) | 182,526 | |
| Sales and marketing | 245,882 | | (9,315) | (1) | 236,567 | |
| General and administrative | 106,730 | | (7,234) | (1) | 99,496 | |
| Amortization of acquired customer-based intangible assets | 81,504 | | (81,504) | (2) | — | |
| Special charges (recoveries) | 47,136 | | (47,136) | (4) | — | |
| GAAP-based income from operations / Non-GAAP-based income from operations | 206,242 | | 205,442 | (5) | 411,684 | |
| Other income (expense), net | (35,655) | | 35,655 | (6) | — | |
| Provision for income taxes | 1,883 | | 76,693 | (7) | 78,576 | |
| GAAP-based net income / Non-GAAP-based net income, attributable to OpenText | 84,368 | | 164,404 | (8) | 248,772 | |
| GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText | \$ 0.32 | | \$ 0.61 | (8) | \$ 0.93 | |

- (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. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 2% and a Non-GAAP-based tax rate of approximately 24%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based

compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Beginning in Fiscal 2025, net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 have been fully utilized and are no longer included. In arriving at our Non-GAAP-based tax rate of approximately 24%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.

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

| | Three Months Ended September 30, 2024 | |
|---|---------------------------------------|-------------------|
| | | Per share diluted |
| GAAP-based net income, attributable to OpenText | \$ 84,368 | \$ 0.32 |
| Add (deduct): | | |
| Amortization | 128,748 | 0.47 |
| Share-based compensation | 29,558 | 0.11 |
| Special charges (recoveries) | 47,136 | 0.18 |
| Other (income) expense, net | 35,655 | 0.13 |
| GAAP-based provision for income taxes | 1,883 | 0.01 |
| Non-GAAP-based provision for income taxes | (78,576) | (0.29) |
| Non-GAAP-based net income, attributable to OpenText | <u>\$ 248,772</u> | <u>\$ 0.93</u> |

Reconciliation of Adjusted EBITDA

| | Three Months Ended September 30, 2024 | |
|---|---------------------------------------|----------------|
| GAAP-based net income, attributable to OpenText | \$ | 84,368 |
| Add (deduct): | | |
| Provision for income taxes | | 1,883 |
| Interest and other related expense, net | | 84,282 |
| Amortization of acquired technology-based intangible assets | | 47,244 |
| Amortization of acquired customer-based intangible assets | | 81,504 |
| Depreciation | | 32,171 |
| Share-based compensation | | 29,558 |
| Special charges (recoveries) | | 47,136 |
| Other (income) expense, net | | 35,655 |
| Adjusted EBITDA | <u>\$</u> | <u>443,801</u> |
| GAAP-based net income margin | | 6.6 % |
| Adjusted EBITDA margin | | 35.0 % |

Reconciliation of Free cash flows

| | Three Months Ended September 30, 2024 | |
|--|---------------------------------------|------------------|
| GAAP-based cash flows provided by operating activities | \$ | (77,806) |
| Add: | | |
| Capital expenditures ⁽¹⁾ | | (39,316) |
| Free cash flows | <u>\$</u> | <u>(117,122)</u> |

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

**Reconciliation of selected GAAP-based measures to Non-GAAP-based measures
for the three months ended December 31, 2023**

(In thousands, except for per share data)

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

- (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. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 18% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based

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

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

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

Reconciliation of Adjusted EBITDA

| | Three Months Ended December 31, 2023 | |
|---|---|----------------|
| GAAP-based net income, attributable to OpenText | \$ | 37,675 |
| Add (deduct): | | |
| Provision for income taxes | | 8,054 |
| Interest and other related expense, net | | 139,292 |
| Amortization of acquired technology-based intangible assets | | 70,784 |
| Amortization of acquired customer-based intangible assets | | 113,925 |
| Depreciation | | 33,415 |
| Share-based compensation | | 40,175 |
| Special charges (recoveries) | | 54,166 |
| Other (income) expense, net | | 68,784 |
| Adjusted EBITDA | <u>\$</u> | <u>566,270</u> |
| GAAP-based net income margin | | 2.5 % |
| Adjusted EBITDA margin | | 36.9 % |

Reconciliation of Free cash flows

| | Three Months Ended December 31, 2023 | |
|--|--------------------------------------|----------|
| GAAP-based cash flows provided by operating activities | \$ | 350,653 |
| Add: | | |
| Capital expenditures ⁽¹⁾ | | (45,240) |
| Free cash flows | \$ | 305,413 |

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

Reconciliation of selected GAAP-based measures to Non-GAAP-based measures for the six months ended December 31, 2023

(In thousands, except for per share data)

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

- (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. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective of our ongoing business and operating results.
- (7) Adjustment relates to differences between the GAAP-based tax provision rate of approximately 13% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based net income. Such excluded items include amortization, share-based compensation, special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and “book to return” adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization that occurred in Fiscal 2017 assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
- (8) Reconciliation of GAAP-based net income to Non-GAAP-based net income:

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

Reconciliation of Adjusted EBITDA

| | Six Months Ended December 31, 2023 | |
|---|------------------------------------|-----------|
| GAAP-based net income, attributable to OpenText | \$ | 118,576 |
| Add: | | |
| Provision for income taxes | | 18,406 |
| Interest and other related expense, net | | 281,056 |
| Amortization of acquired technology-based intangible assets | | 147,608 |
| Amortization of acquired customer-based intangible assets | | 234,117 |
| Depreciation | | 67,506 |
| Share-based compensation | | 77,270 |
| Special charges (recoveries) | | 67,960 |
| Other (income) expense, net | | 48,614 |
| Adjusted EBITDA | \$ | 1,061,113 |
| GAAP-based net income margin | | 4.0 % |
| Adjusted EBITDA margin | | 35.8 % |

Reconciliation of Free cash flows

| | Six Months Ended December 31, 2023 | |
|--|------------------------------------|----------|
| GAAP-based cash flows provided by operating activities | \$ | 397,774 |
| Add: | | |
| Capital expenditures ⁽¹⁾ | | (82,779) |
| Free cash flows | \$ | 314,995 |

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

(3) The following tables provide a composition of our major currencies for revenue and expenses, expressed as a percentage, for the three and six months ended December 31, 2024 and 2023:

| Currencies | Three Months Ended December 31, 2024 | | Three Months Ended December 31, 2023 | |
|------------|--------------------------------------|------------------------------|--------------------------------------|------------------------------|
| | % of Revenue | % of Expenses ⁽¹⁾ | % of Revenue | % of Expenses ⁽¹⁾ |
| EURO | 23 % | 13 % | 23 % | 12 % |
| GBP | 5 % | 7 % | 4 % | 7 % |
| CAD | 3 % | 10 % | 3 % | 9 % |
| USD | 58 % | 46 % | 59 % | 51 % |
| Other | 11 % | 24 % | 11 % | 21 % |
| Total | 100 % | 100 % | 100 % | 100 % |

| Currencies | Six Months Ended December 31, 2024 | | Six Months Ended December 31, 2023 | |
|------------|------------------------------------|------------------------------|------------------------------------|------------------------------|
| | % of Revenue | % of Expenses ⁽¹⁾ | % of Revenue | % of Expenses ⁽¹⁾ |
| EURO | 23 % | 12 % | 22 % | 11 % |
| GBP | 5 % | 7 % | 5 % | 8 % |
| CAD | 3 % | 10 % | 3 % | 10 % |
| USD | 59 % | 48 % | 59 % | 51 % |
| Other | 10 % | 23 % | 11 % | 20 % |
| Total | 100 % | 100 % | 100 % | 100 % |

⁽¹⁾ 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).