OPEN TEXT CORPORATION

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

	March 31, 2020	June 30, 2019
ASSETS	(unaudited)	
Cash and cash equivalents	$ 1,452,570	$ 941,009
Accounts receivable trade, net of allowance for doubtful accounts of $18,301 as of March 31, 2020 and $17,011 as of June 30, 2019	459,348	463,785
Contract assets	27,057	20,956
Income taxes recoverable	59,930	38,340
Prepaid expenses and other current assets	112,073	97,238
Total current assets	2,110,978	1,561,328
Property and equipment	258,892	249,453
Operating lease right of use assets	243,611	—
Long-term contract assets	14,225	15,386
Goodwill	4,678,686	3,769,908
Acquired intangible assets	1,731,781	1,146,504
Deferred tax assets	921,643	1,004,450
Other assets	171,107	148,977
Long-term income taxes recoverable	31,149	37,969
Total assets	$ 10,162,072	$ 7,933,975
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 324,890	$ 329,903
Current portion of long-term debt	610,000	10,000
Operating lease liability	68,871	—
Deferred revenues	819,273	641,656
Income taxes payable	31,711	33,158
Total current liabilities	1,854,745	1,014,717
Long-term liabilities:		
Accrued liabilities	14,634	49,441
Pension liability	67,438	75,239
Long-term debt	3,585,684	2,604,878
Long-term operating lease liability	205,789	—
Deferred revenues	92,341	46,974
Long-term income taxes payable	184,459	202,184
Deferred tax liabilities	158,805	55,872
Total long-term liabilities	4,309,150	3,034,588
Shareholders' equity:		
Share capital and additional paid-in capital		
271,634,149 and 269,834,442 Common Shares issued and outstanding at March 31, 2020 and June 30, 2019, respectively; authorized Common Shares: unlimited	1,839,150	1,774,214
Accumulated other comprehensive income	9,466	24,124
Retained earnings	2,180,339	2,113,883
Treasury stock, at cost (847,369 shares at March 31, 2020 and 802,871 shares at June 30, 2019, respectively)	(32,066)	(28,766)
Total OpenText shareholders' equity	3,996,889	3,883,455
Non-controlling interests	1,288	1,215
Total shareholders' equity	3,998,177	3,884,670
Total liabilities and shareholders' equity	$ 10,162,072	$ 7,933,975

OPEN TEXT CORPORATION

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
Revenues:				
License	$ 81,055	$ 98,721	$ 297,048	$ 308,364
Cloud services and subscriptions	339,463	238,607	825,068	665,923
Customer support	322,865	310,762	950,671	932,667
Professional service and other	71,296	71,056	210,337	214,580
Total revenues	814,679	719,146	2,283,124	2,121,534
Cost of revenues:				
License	2,544	2,692	7,917	10,219
Cloud services and subscriptions	127,565	103,873	333,371	280,274
Customer support	32,151	31,844	91,326	93,582
Professional service and other	56,526	56,626	164,468	169,452
Amortization of acquired technology-based intangible assets	63,401	44,596	145,998	140,439
Total cost of revenues	282,187	239,631	743,080	693,966
Gross profit	532,492	479,515	1,540,044	1,427,568
Operating expenses:				
Research and development	108,184	84,905	269,645	238,128
Sales and marketing	166,234	132,244	432,162	378,619
General and administrative	68,828	51,833	174,958	154,955
Depreciation	24,820	25,028	65,809	72,716
Amortization of acquired customer-based intangible assets	59,943	48,832	160,561	140,627
Special charges (recoveries)	9,406	796	24,579	33,487
Total operating expenses	437,415	343,638	1,127,714	1,018,532
Income from operations	95,077	135,877	412,330	409,036
Other income (expense), net	(18,923)	5,065	(19,736)	6,965
Interest and other related expense, net	(41,263)	(35,607)	(105,849)	(103,751)
Income before income taxes	34,891	105,335	286,745	312,250
Provision for (recovery of) income taxes	8,891	32,542	78,800	98,628
Net income for the period	$ 26,000	$ 72,793	$ 207,945	$ 213,622
Net (income) loss attributable to non-controlling interests	(35)	(31)	(112)	(104)
Net income attributable to OpenText	$ 25,965	$ 72,762	$ 207,833	$ 213,518
Earnings per share—basic attributable to OpenText	$ 0.10	$ 0.27	$ 0.77	$ 0.80
Earnings per share—diluted attributable to OpenText	$ 0.10	$ 0.27	$ 0.77	$ 0.79
Weighted average number of Common Shares outstanding—basic	271,221	268,991	270,559	268,511
Weighted average number of Common Shares outstanding—diluted	272,202	270,030	271,643	269,606

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2019	2020	2019
Net income for the period	$ 26,000	$ 72,793	$ 207,945	$ 213,622
Other comprehensive income (loss)—net of tax:				
Net foreign currency translation adjustments	(15,484)	3,189	(16,220)	(3,749)
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss) - net of tax expense (recovery) effect of ($1,276) and $222 for the three months ended March 31, 2020 and 2019, respectively; ($1,181) and ($274) for the nine months ended March 31, 2020 and 2019, respectively	(3,539)	615	(3,278)	(760)
(Gain) loss reclassified into net income - net of tax (expense) recovery effect of $121 and $124 for the three months ended March 31, 2020 and 2019, respectively; $98 and $425 for the nine months ended March 31, 2020 and 2019, respectively	337	346	273	1,179
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss) - net of tax expense (recovery) effect of $1,495 and ($1,177) for the three months ended March 31, 2020 and 2019, respectively; $1,554 and ($1,390) for the nine months ended March 31, 2020 and 2019, respectively	3,309	(4,785)	3,923	(5,109)
Amortization of actuarial (gain) loss into net income - net of tax (expense) recovery effect of $203 and $78 for the three months ended March 31, 2020 and 2019, respectively; $446 and $223 for the nine months ended March 31, 2020 and 2019, respectively	153	82	644	212
Total other comprehensive income (loss) net, for the period	(15,224)	(553)	(14,658)	(8,227)
Total comprehensive income	10,776	72,240	193,287	205,395
Comprehensive (income) loss attributable to non-controlling interests	(35)	(31)	(112)	(104)
Total comprehensive income attributable to OpenText	$ 10,741	$ 72,209	$ 193,175	$ 205,291

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

	Three Months Ended March 31, 2020							
	Common Shares and Additional Paid in Capital		Treasury Stock					
	Shares	Amount	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total
Balance as of December 31, 2019	**270,609**	**$ 1,803,663**	**(847)**	**$ (32,066)**	**$ 2,201,653**	**$ 24,690**	**$ 1,292**	**$ 3,999,232**
Issuance of Common Shares								
Under employee stock option plans	886	23,414	—	—	—	—	—	23,414
Under employee stock purchase plans	139	5,217	—	—	—	—	—	5,217
Share-based compensation	—	6,856	—	—	—	—	—	6,856
Dividends declared ($0.1746 per Common Share)	—	—	—	—	(47,279)	—	—	(47,279)
Other comprehensive income (loss) - net	—	—	—	—	—	(15,224)	—	(15,224)
Non-controlling interest	—	—	—	—	—	—	(39)	(39)
Net income for the period	—	—	—	—	25,965	—	35	26,000
Balance as of March 31, 2020	**271,634**	**$ 1,839,150**	**(847)**	**$ (32,066)**	**$ 2,180,339**	**$ 9,466**	**$ 1,288**	**$ 3,998,177**

	Three Months Ended March 31, 2019							
	Common Shares and Additional Paid in Capital		Treasury Stock					
	Shares	Amount	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total
Balance as of December 31, 2018	**268,569**	**$ 1,731,299**	**(817)**	**$ (29,241)**	**$ 2,056,831**	**$ 25,971**	**$ 1,152**	**$ 3,786,012**
Issuance of Common Shares								
Under employee stock option plans	544	11,661	—	—	—	—	—	11,661
Under employee stock purchase plans	161	4,447	—	—	—	—	—	4,447
Share-based compensation	—	6,712	—	—	—	—	—	6,712
Purchase of treasury stock	—	—	(52)	(1,965)	—	—	—	(1,965)
Issuance of treasury stock	—	(2,308)	62	2,308	—	—	—	—
Dividends declared ($0.1518 per Common Share)	—	—	—	—	(40,735)	—	—	(40,735)
Other comprehensive income - net	—	—	—	—	—	(553)	—	(553)
Net income for the period	—	—	—	—	72,762	—	31	72,793
Balance as of March 31, 2019	**269,274**	**$ 1,751,811**	**(807)**	**$ (28,898)**	**$ 2,088,858**	**$ 25,418**	**$ 1,183**	**$ 3,838,372**

	Nine Months Ended March 31, 2020							
	Common Shares and Additional Paid in Capital		Treasury Stock					
	Shares	Amount	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total
Balance as of June 30, 2019	**269,834**	**$ 1,774,214**	**(803)**	**$ (28,766)**	**$ 2,113,883**	**$ 24,124**	**$ 1,215**	**$ 3,884,670**
Issuance of Common Shares								
Under employee stock option plans	1,301	34,773	—	—	—	—	—	34,773
Under employee stock purchase plans	499	17,757	—	—	—	—	—	17,757
Share-based compensation	—	21,530	—	—	—	—	—	21,530
Purchase of treasury stock	—	—	(300)	(12,424)	—	—	—	(12,424)
Issuance of treasury stock	—	(9,124)	256	9,124	—	—	—	—
Dividends declared ($0.5238 per Common Share)	—	—	—	—	(141,377)	—	—	(141,377)
Other comprehensive income (loss) - net	—	—	—	—	—	(14,658)	—	(14,658)
Non-controlling interest	—	—	—	—	—	—	(39)	(39)
Net income for the period	—	—	—	—	207,833	—	112	207,945
Balance as of March 31, 2020	**271,634**	**$ 1,839,150**	**(847)**	**$ (32,066)**	**$ 2,180,339**	**$ 9,466**	**$ 1,288**	**$ 3,998,177**

	Nine Months Ended March 31, 2019							
	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, 2018	**267,651**	**$ 1,707,073**	**(691)**	**$ (18,732)**	**$ 1,994,235**	**$ 33,645**	**$ 1,037**	**$ 3,717,258**
Adoption of ASU 2016-16 - cumulative effect	—	—	—	—	(26,780)	—	—	(26,780)
Adoption of Topic 606 - cumulative effect	—	—	—	—	29,786	—	—	29,786
Issuance of Common Shares								
Under employee stock option plans	1,100	25,832	—	—	—	—	—	25,832
Under employee stock purchase plans	523	15,712	—	—	—	—	—	15,712
Share-based compensation	—	20,152	—	—	—	—	—	20,152
Purchase of treasury stock	—	—	(726)	(26,499)	—	—	—	(26,499)
Issuance of treasury stock	—	(16,333)	610	16,333	—	—	—	—
Dividends declared ($0.4554 per Common Share)	—	—	—	—	(121,901)	—	—	(121,901)
Other comprehensive income - net	—	—	—	—	—	(8,227)	—	(8,227)
Non-controlling interest	—	(625)	—	—	—	—	42	(583)
Net income for the period	—	—	—	—	213,518	—	104	213,622
Balance as of March 31, 2019	**269,274**	**$ 1,751,811**	**(807)**	**$ (28,898)**	**$ 2,088,858**	**$ 25,418**	**$ 1,183**	**$ 3,838,372**

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2020	2019	2020	2019
Cash flows from operating activities:				
Net income for the period	$ 26,000	$ 72,793	$ 207,945	$ 213,622
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	148,164	118,456	372,368	353,782
Share-based compensation expense	6,856	6,712	21,530	20,152
Pension expense	1,428	1,158	4,323	3,412
Amortization of debt issuance costs	1,227	1,077	3,503	3,234
Loss on extinguishment of debt	17,854	—	17,854	—
Loss on sale and write down of property and equipment	—	10	—	9,438
Deferred taxes	2,543	2,398	36,711	11,307
Share in net (income) loss of equity investees	(4,527)	(2,789)	(6,475)	(10,652)
Changes in operating assets and liabilities:				
Accounts receivable	83,590	19,229	86,188	52,777
Contract assets	(9,006)	(15,472)	(26,665)	(28,872)
Prepaid expenses and other current assets	(6,854)	(13,027)	(7,355)	(495)
Income taxes	(33,717)	3,682	(34,608)	21,006
Accounts payable and accrued liabilities	(9,028)	(896)	(42,263)	(30,644)
Deferred revenue	102,373	93,285	38,280	24,134
Other assets	5,079	(619)	7,436	4,300
Operating lease assets and liabilities, net	(2,381)	—	(4,486)	—
Net cash provided by operating activities	329,601	285,997	674,286	646,501
Cash flows from investing activities:				
Additions of property and equipment	(16,793)	(16,968)	(55,005)	(50,432)
Purchase of XMedius	(73,335)	—	(73,335)	—
Purchase of Carbonite, Inc., net of cash and restricted cash acquired	(88,458)	—	(1,305,097)	—
Purchase of Dynamic Solutions Group Inc.	—	—	(4,149)	—
Purchase of Catalyst Repository Systems Inc.	—	(70,800)	—	(70,800)
Purchase of Liaison Technologies, Inc.	—	641	—	(310,644)
Purchase of Guidance Software, Inc., net of cash acquired	—	—	—	(2,279)
Other investing activities	(5,803)	(1,831)	(11,344)	(8,204)
Net cash used in investing activities	(184,389)	(88,958)	(1,448,930)	(442,359)
Cash flows from financing activities:				
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	29,990	17,811	53,107	42,097
Proceeds from long-term debt and Revolver	2,400,000	—	3,150,000	—
Repayment of long-term debt and revolver	(1,706,131)	(2,500)	(1,711,131)	(7,500)
Debt extinguishment costs	(11,248)	—	(11,248)	—
Debt issuance costs	(17,191)	—	(18,170)	(322)
Purchase of Treasury Stock	—	(1,965)	(12,424)	(26,499)
Purchase of non-controlling interest	—	—	—	(583)
Payments of dividends to shareholders	(47,279)	(40,735)	(141,377)	(121,901)
Net cash provided by (used in) financing activities	648,141	(27,389)	1,308,757	(114,708)
Foreign exchange gain (loss) on cash held in foreign currencies	(15,989)	1,992	(20,060)	(3,909)
Increase (decrease) in cash, cash equivalents and restricted cash during the period	777,364	171,642	514,053	85,525
Cash, cash equivalents and restricted cash at beginning of the period	680,232	597,874	943,543	683,991
Cash, cash equivalents and restricted cash at end of the period	$ 1,457,596	$ 769,516	$ 1,457,596	$ 769,516

Reconciliation of cash, cash equivalents and restricted cash:	March 31, 2020	March 31, 2019
Cash and cash equivalents	1,452,570	765,224
Restricted cash included in Other assets	5,026	4,292
Total Cash, cash equivalents and restricted cash	$ 1,457,596	$ 769,516