OPEN TEXT CORPORATION

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

	June 30, 2020	June 30, 2019
ASSETS		
Cash and cash equivalents	$ 1,692,850	$ 941,009
Accounts receivable trade, net of allowance for doubtful accounts of $20,906 as of June 30, 2020 and $17,011 as of June 30, 2019	466,357	463,785
Contract assets	29,570	20,956
Income taxes recoverable	61,186	38,340
Prepaid expenses and other current assets	136,436	97,238
Total current assets	2,386,399	1,561,328
Property and equipment	244,555	249,453
Operating lease right of use assets	207,869	—
Long-term contract assets	15,427	15,386
Goodwill	4,672,356	3,769,908
Acquired intangible assets	1,612,564	1,146,504
Deferred tax assets	911,565	1,004,450
Other assets	154,467	148,977
Long-term income taxes recoverable	29,620	37,969
Total assets	$ 10,234,822	$ 7,933,975
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 373,314	$ 329,903
Current portion of long-term debt	610,000	10,000
Operating lease liabilities	64,071	—
Deferred revenues	812,218	641,656
Income taxes payable	44,630	33,158
Total current liabilities	1,904,233	1,014,717
Long-term liabilities:		
Accrued liabilities	34,955	49,441
Pension liability	73,129	75,239
Long-term debt	3,584,311	2,604,878
Long-term operating lease liabilities	217,165	—
Deferred revenues	94,382	46,974
Long-term income taxes payable	171,200	202,184
Deferred tax liabilities	148,738	55,872
Total long-term liabilities	4,323,880	3,034,588
Shareholders' equity:		
Share capital and additional paid-in capital		
271,863,354 and 269,834,442 Common Shares issued and outstanding at June 30, 2020 and June 30, 2019, respectively; authorized Common Shares: unlimited	1,851,777	1,774,214
Accumulated other comprehensive income	17,825	24,124
Retained earnings	2,159,396	2,113,883
Treasury stock, at cost (622,297 shares at June 30, 2020 and 802,871 shares at June 30, 2019, respectively)	(23,608)	(28,766)
Total OpenText shareholders' equity	4,005,390	3,883,455
Non-controlling interests	1,319	1,215
Total shareholders' equity	4,006,709	3,884,670
Total liabilities and shareholders' equity	$ 10,234,822	$ 7,933,975

OPEN TEXT CORPORATION

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

	Three Months Ended June 30,	
	2020	2019
Revenues:		
License	$ 105,803	$ 119,728
Cloud services and subscriptions	332,618	241,889
Customer support	324,915	315,248
Professional service and other	63,276	70,356
Total revenues	826,612	747,221
Cost of revenues:		
License	3,404	4,128
Cloud services and subscriptions	116,569	103,719
Customer support	32,568	30,761
Professional service and other	48,435	55,183
Amortization of acquired technology-based intangible assets	59,719	42,946
Total cost of revenues	260,695	236,737
Gross profit	565,917	510,484
Operating expenses:		
Research and development	100,766	83,708
Sales and marketing	152,882	139,416
General and administrative	62,574	52,954
Depreciation	23,649	25,000
Amortization of acquired customer-based intangible assets	58,998	49,200
Special charges (recoveries)	75,849	2,232
Total operating expenses	474,718	352,510
Income from operations	91,199	157,974
Other income (expense), net	7,790	3,191
Interest and other related expense, net	(40,529)	(32,841)
Income before income taxes	58,460	128,324
Provision for (recovery of) income taxes	32,037	56,309
Net income	$ 26,423	$ 72,015
Net (income) loss attributable to non-controlling interests	(31)	(32)
Net income attributable to OpenText	$ 26,392	$ 71,983
Earnings per share—basic attributable to OpenText	$ 0.10	$ 0.27
Earnings per share—diluted attributable to OpenText	$ 0.10	$ 0.27
Weighted average number of Common Shares outstanding—basic	271,717	269,446
Weighted average number of Common Shares outstanding—diluted	272,367	270,652

OPEN TEXT CORPORATION

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

	Year Ended June 30,		
	2020	2019	2018
Revenues:			
License	$ 402,851	$ 428,092	$ 437,512
Cloud services and subscriptions	1,157,686	907,812	828,968
Customer support	1,275,586	1,247,915	1,232,504
Professional service and other	273,613	284,936	316,257
Total revenues	3,109,736	2,868,755	2,815,241
Cost of revenues:			
License	11,321	14,347	13,693
Cloud services and subscriptions	449,940	383,993	364,160
Customer support	123,894	124,343	133,889
Professional service and other	212,903	224,635	253,389
Amortization of acquired technology-based intangible assets	205,717	183,385	185,868
Total cost of revenues	1,003,775	930,703	950,999
Gross profit	2,105,961	1,938,052	1,864,242
Operating expenses:			
Research and development	370,411	321,836	322,909
Sales and marketing	585,044	518,035	529,141
General and administrative	237,532	207,909	205,227
Depreciation	89,458	97,716	86,943
Amortization of acquired customer-based intangible assets	219,559	189,827	184,118
Special charges (recoveries)	100,428	35,719	29,211
Total operating expenses	1,602,432	1,371,042	1,357,549
Income from operations	503,529	567,010	506,693
Other income (expense), net	(11,946)	10,156	17,973
Interest and other related expense, net	(146,378)	(136,592)	(138,540)
Income before income taxes	345,205	440,574	386,126
Provision for (recovery of) income taxes	110,837	154,937	143,826
Net income	$ 234,368	$ 285,637	$ 242,300
Net (income) loss attributable to non-controlling interests	(143)	(136)	(76)
Net income attributable to OpenText	$ 234,225	$ 285,501	$ 242,224
Earnings per share—basic attributable to OpenText	$ 0.86	$ 1.06	$ 0.91
Earnings per share—diluted attributable to OpenText	$ 0.86	$ 1.06	$ 0.91
Weighted average number of Common Shares outstanding—basic	270,847	268,784	266,085
Weighted average number of Common Shares outstanding—diluted	271,817	269,908	267,492

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

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

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

	Common Shares and Additional Paid in Capital		Treasury Stock					
	Shares	Amount	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interests	Total
Balance as of June 30, 2017	**264,060**	**$1,613,454**	**(1,102)**	**$ (27,520)**	**$1,897,624**	**$ 48,800**	**$ 961**	**$ 3,533,319**
Issuance of Common Shares								
Under employee stock option plans	2,870	54,355	—	—	—	—	—	54,355
Under employee stock purchase plans	721	20,458	—	—	—	—	—	20,458
Share-based compensation	—	27,594	—	—	—	—	—	27,594
Issuance of treasury stock	—	(8,788)	411	8,788	—	—	—	—
Dividends declared ($0.5478 per Common Share)	—	—	—	—	(145,613)	—	—	(145,613)
Other comprehensive income - net	—	—	—	—	—	(15,155)	—	(15,155)
Net income for the year	—	—	—	—	242,224	—	76	242,300
Balance as of June 30, 2018	**267,651**	**$1,707,073**	**(691)**	**$ (18,732)**	**$1,994,235**	**$ 33,645**	**$ 1,037**	**$ 3,717,258**
Issuance of Common Shares								
Under employee stock option plans	1,472	35,626	—	—	—	—	—	35,626
Under employee stock purchase plans	711	21,835	—	—	—	—	—	21,835
Share-based compensation	—	26,770	—	—	—	—	—	26,770
Purchase of treasury stock	—	—	(726)	(26,499)	—	—	—	(26,499)
Issuance of treasury stock	—	(16,465)	614	16,465	—	—	—	—
Dividends declared ($0.6300 per Common Share)	—	—	—	—	(168,859)	—	—	(168,859)
Cumulative effect of ASU 2016-16	—	—	—	—	(26,780)	—	—	(26,780)
Cumulative effect of Topic 606	—	—	—	—	29,786	—	—	29,786
Other comprehensive income - net	—	—	—	—	—	(9,521)	—	(9,521)
Non-controlling interest	—	(625)	—	—	—	—	42	(583)
Net income for the year	—	—	—	—	285,501	—	136	285,637
Balance as of June 30, 2019	**269,834**	**$1,774,214**	**(803)**	**$ (28,766)**	**$2,113,883**	**$ 24,124**	**$ 1,215**	**$ 3,884,670**
Issuance of Common Shares								
Under employee stock option plans	1,530	41,282	—	—	—	—	—	41,282
Under employee stock purchase plans	499	17,757	—	—	—	—	—	17,757
Share-based compensation	—	29,532	—	—	—	—	—	29,532
Purchase of treasury stock	—	—	(300)	(12,424)	—	—	—	(12,424)
Issuance of treasury stock	—	(11,008)	481	17,582	—	—	—	6,574
Dividends declared ($0.6984 per Common Share)	—	—	—	—	(188,712)	—	—	(188,712)
Other comprehensive income - net	—	—	—	—	—	(6,299)	—	(6,299)
Non-controlling interest	—	—	—	—	—	—	(39)	(39)
Net income for the year	—	—	—	—	234,225	—	143	234,368
Balance as of June 30, 2020	**271,863**	**$1,851,777**	**(622)**	**$ (23,608)**	**$2,159,396**	**$ 17,825**	**$ 1,319**	**$ 4,006,709**

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

	Three Months Ended June 30,	
	2020	2019
Cash flows from operating activities:		
Net income for the period	$ 26,423	$ 72,015
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	142,366	117,146
Share-based compensation expense	8,002	6,618
Pension expense	1,479	1,212
Amortization of debt issuance costs	1,130	1,096
Accelerated amortization of right of use assets	36,864	—
Loss on sale and write down of property and equipment	9,714	—
Deferred taxes	14,677	36,118
Share in net (income) loss of equity investees	(2,225)	(3,016)
Changes in operating assets and liabilities:		
Accounts receivable	(1,689)	22,731
Contract assets	(13,636)	(8,751)
Prepaid expenses and other current assets	458	(324)
Income taxes	(478)	6,285
Accounts payable and accrued liabilities	72,876	8,912
Deferred revenue	(12,974)	(25,961)
Other assets	(6,309)	(4,304)
Operating lease assets and liabilities, net	3,572	—
Net cash provided by operating activities	280,250	229,777
Cash flows from investing activities:		
Additions of property and equipment	(17,704)	(13,405)
Other investing activities	(2,783)	(8,762)
Net cash used in investing activities	(20,487)	(22,167)
Cash flows from financing activities:		
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	13,493	15,792
Repayment of long-term debt and Revolver	(2,500)	(2,500)
Debt issuance costs	(3,636)	—
Payments of dividends to shareholders	(47,335)	(46,958)
Net cash provided by (used in) financing activities	(39,978)	(33,666)
Foreign exchange gain (loss) on cash held in foreign currencies	19,882	83
Increase (decrease) in cash, cash equivalents and restricted cash during the period	239,667	174,027
Cash, cash equivalents and restricted cash at beginning of the period	1,457,596	769,516
Cash, cash equivalents and restricted cash at end of the period	$ 1,697,263	$ 943,543

Reconciliation of cash, cash equivalents and restricted cash:	June 30, 2020	June 30, 2019
Cash and cash equivalents	$ 1,692,850	$ 941,009
Restricted cash included in Other assets	4,413	2,534
Total Cash, cash equivalents and restricted cash	$ 1,697,263	$ 943,543

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

	Year Ended June 30,		
	2020	2019	2018
Cash flows from operating activities:			
Net income for the period	$ 234,368	$ 285,637	$ 242,300
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	514,734	470,928	456,929
Share-based compensation expense	29,532	26,770	27,594
Pension expense	5,802	4,624	3,738
Amortization of debt issuance costs	4,633	4,330	4,646
Amortization of deferred charges and credits	—	—	4,242
Accelerated amortization of right of use assets	36,864	—	—
Loss on extinguishment of debt	17,854	—	—
Loss on sale and write down of property and equipment	9,714	9,438	2,234
Release of unrealized gain on marketable securities to income	—	—	(841)
Deferred taxes	51,388	47,425	89,736
Share in net (income) loss of equity investees	(8,700)	(13,668)	(5,965)
Write off of unamortized debt issuance costs	—	—	155
Changes in operating assets and liabilities:			
Accounts receivable	84,499	75,508	(22,566)
Contract assets	(40,301)	(37,623)	—
Prepaid expenses and other current assets	(6,897)	(819)	(7,274)
Income taxes and deferred charges and credits	(35,086)	27,291	(31,323)
Accounts payable and accrued liabilities	30,613	(21,732)	(91,650)
Deferred revenue	25,306	(1,827)	35,629
Other assets	1,127	(4)	497
Operating lease assets and liabilities, net	(914)	—	—
Net cash provided by operating activities	954,536	876,278	708,081
Cash flows from investing activities:			
Additions of property and equipment	(72,709)	(63,837)	(105,318)
Purchase of XMedius	(73,335)	—	—
Purchase of Carbonite, Inc., net of cash and restricted cash acquired	(1,305,097)	—	—
Purchase of Dynamic Solutions Group Inc.	(4,149)	—	—
Purchase of Catalyst Repository Systems Inc.	—	(70,800)	—
Purchase of Liaison Technologies, Inc.	—	(310,644)	—
Purchase of Hightail, Inc., net of cash acquired	—	—	(20,535)
Purchase of Guidance Software, Inc., net of cash acquired	—	(2,279)	(229,275)
Purchase of Covisint Corporation, net of cash acquired	—	—	(71,279)
Other investing activities	(14,127)	(16,966)	(18,034)
Net cash used in investing activities	(1,469,417)	(464,526)	(444,441)
Cash flows from financing activities:			
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	66,600	57,889	75,935
Proceeds from long-term debt and Revolver	3,150,000	—	1,200,000
Repayment of long-term debt and Revolver	(1,713,631)	(10,000)	(1,149,620)
Debt extinguishment costs	(11,248)	—	—
Debt issuance costs	(21,806)	(322)	(4,375)
Purchase of Treasury Stock	(12,424)	(26,499)	—
Purchase of non-controlling interest	—	(583)	—
Payments of dividends to shareholders	(188,712)	(168,859)	(145,613)
Net cash provided by (used in) financing activities	1,268,779	(148,374)	(23,673)
Foreign exchange gain (loss) on cash held in foreign currencies	(178)	(3,826)	(2,186)
Increase (decrease) in cash, cash equivalents and restricted cash during the period	753,720	259,552	237,781
Cash, cash equivalents and restricted cash at beginning of the period	943,543	683,991	446,210
Cash, cash equivalents and restricted cash at end of the period	$ 1,697,263	$ 943,543	$ 683,991

Reconciliation of cash, cash equivalents and restricted cash:	June 30, 2020	June 30, 2019	June 30, 2018
Cash and cash equivalents	$ 1,692,850	$ 941,009	$ 682,942
Restricted cash included in Other assets and Prepaid	4,413	2,534	1,049
Total Cash, cash equivalents and restricted cash	$ 1,697,263	$ 943,543	$ 683,991