OPEN TEXT CORPORATION

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

	September 30, 2020	June 30, 2020
ASSETS	(unaudited)	
Cash and cash equivalents	$ 1,845,582	$ 1,692,850
Accounts receivable trade, net of allowance for credit losses of $22,366 as of September 30, 2020 and $20,906 as of June 30, 2020	396,897	466,357
Contract assets	26,236	29,570
Income taxes recoverable	26,869	61,186
Prepaid expenses and other current assets	140,474	136,436
Total current assets	2,436,058	2,386,399
Property and equipment	235,498	244,555
Operating lease right of use assets	196,884	207,869
Long-term contract assets	19,066	15,427
Goodwill	4,682,784	4,672,356
Acquired intangible assets	1,506,407	1,612,564
Deferred tax assets	893,256	911,565
Other assets	161,142	154,467
Long-term income taxes recoverable	30,719	29,620
Total assets	$ 10,161,814	$ 10,234,822
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 313,468	$ 373,314
Current portion of long-term debt	610,000	610,000
Operating lease liabilities	60,447	64,071
Deferred revenues	770,919	812,218
Income taxes payable	29,666	44,630
Total current liabilities	1,784,500	1,904,233
Long-term liabilities:		
Accrued liabilities	42,081	34,955
Pension liability	78,536	73,129
Long-term debt	3,582,923	3,584,311
Long-term operating lease liabilities	207,723	217,165
Long-term deferred revenues	96,180	94,382
Long-term income taxes payable	176,396	171,200
Deferred tax liabilities	125,755	148,738
Total long-term liabilities	4,309,594	4,323,880
Shareholders' equity:		
Share capital and additional paid-in capital		
272,173,923 and 271,863,354 Common Shares issued and outstanding at September 30, 2020 and June 30, 2020, respectively; authorized Common Shares: unlimited	1,872,411	1,851,777
Accumulated other comprehensive income	39,695	17,825
Retained earnings	2,213,053	2,159,396
Treasury stock, at cost (1,393,771 and 622,297 shares at September 30, 2020 and June 30, 2020, respectively)	(58,788)	(23,608)
Total OpenText shareholders' equity	4,066,371	4,005,390
Non-controlling interests	1,349	1,319
Total shareholders' equity	4,067,720	4,006,709
Total liabilities and shareholders' equity	$ 10,161,814	$ 10,234,822

OPEN TEXT CORPORATION

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

	Three Months Ended September 30,	
	2020	2019
Revenues:		
Cloud services and subscriptions	$ 340,986	$ 237,265
Customer support	329,399	312,298
License	68,523	77,898
Professional service and other	65,105	69,427
Total revenues	804,013	696,888
Cost of revenues:		
Cloud services and subscriptions	112,624	102,162
Customer support	29,194	29,387
License	2,489	2,323
Professional service and other	46,581	54,338
Amortization of acquired technology-based intangible assets	58,037	40,298
Total cost of revenues	248,925	228,508
Gross profit	555,088	468,380
Operating expenses:		
Research and development	93,903	81,178
Sales and marketing	132,400	128,618
General and administrative	56,189	51,535
Depreciation	22,003	20,277
Amortization of acquired customer-based intangible assets	54,993	49,158
Special charges (recoveries)	13,244	5,101
Total operating expenses	372,732	335,867
Income from operations	182,356	132,513
Other income (expense), net	2,883	(2,785)
Interest and other related expense, net	(39,089)	(32,210)
Income before income taxes	146,150	97,518
Provision for (recovery of) income taxes	42,744	23,091
Net income for the period	$ 103,406	$ 74,427
Net (income) loss attributable to non-controlling interests	(30)	(26)
Net income attributable to OpenText	$ 103,376	$ 74,401
Earnings per share—basic attributable to OpenText	$ 0.38	$ 0.28
Earnings per share—diluted attributable to OpenText	$ 0.38	$ 0.27
Weighted average number of Common Shares outstanding—basic (in '000's)	271,986	270,013
Weighted average number of Common Shares outstanding—diluted (in '000's)	272,847	271,251

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

	Three Months Ended September 30,	
	2020	**2019**
Net income for the period	$ 103,406	$ 74,427
Other comprehensive income (loss)—net of tax:		
Net foreign currency translation adjustments	22,645	(5,611)
Unrealized gain (loss) on cash flow hedges:		
Unrealized gain (loss) - net of tax expense (recovery) effect of $305 and $(206) for the three months ended September 30, 2020 and 2019, respectively	845	(572)
(Gain) loss reclassified into net income - net of tax (expense) recovery effect of $(56) and $3 for the three months ended September 30, 2020 and 2019, respectively	(156)	8
Actuarial gain (loss) relating to defined benefit pension plans:		
Actuarial gain (loss) - net of tax expense (recovery) effect of $(916) and $(1,249) for the three months ended September 30, 2020 and 2019, respectively	(1,705)	(3,084)
Amortization of actuarial (gain) loss into net income - net of tax (expense) recovery effect of $87 and $146 for the three months ended September 30, 2020 and 2019, respectively	241	231
Total other comprehensive income (loss) net, for the period	21,870	(9,028)
Total comprehensive income	125,276	65,399
Comprehensive (income) loss attributable to non-controlling interests	(30)	(26)
Total comprehensive income attributable to OpenText	$ 125,246	$ 65,373

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

	Three Months Ended September 30, 2020							
	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, 2020	**271,863**	**$1,851,777**	**(622)**	**$ (23,608)**	**$2,159,396**	**$ 17,825**	**$ 1,319**	**$4,006,709**
Adoption of ASU 2016-13 - cumulative effect, net	—	—	—	—	(2,450)	—	—	(2,450)
Issuance of Common Shares								
Under employee stock option plans	311	8,605	—	—	—	—	—	8,605
Under employee stock purchase plans	—	293	193	6,690	—	—	—	6,983
Share-based compensation	—	11,736	—	—	—	—	—	11,736
Purchase of treasury stock	—	—	(965)	(41,870)	—	—	—	(41,870)
Dividends declared ($0.1746 per Common Share)	—	—	—	—	(47,269)	—	—	(47,269)
Other comprehensive income - net	—	—	—	—	—	21,870	—	21,870
Net income for the quarter	—	—	—	—	103,376	—	30	103,406
Balance as of September 30, 2020	**272,174**	**$1,872,411**	**(1,394)**	**$ (58,788)**	**$2,213,053**	**$ 39,695**	**$ 1,349**	**$4,067,720**

	Three Months Ended September 30, 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, 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	184	4,576	—	—	—	—	—	4,576
Under employee stock purchase plans	172	6,008	—	—	—	—	—	6,008
Share-based compensation	—	6,891	—	—	—	—	—	6,891
Purchase of treasury stock	—	—	(300)	(12,424)	—	—	—	(12,424)
Dividends declared ($0.1746 per Common Share)	—	—	—	—	(47,006)	—	—	(47,006)
Other comprehensive income - net	—	—	—	—	—	(9,028)	—	(9,028)
Net income for the quarter	—	—	—	—	74,401	—	26	74,427
Balance as of September 30, 2019	**270,190**	**$1,791,689**	**(1,103)**	**$ (41,190)**	**$2,141,278**	**$ 15,096**	**$ 1,241**	**$3,908,114**

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

	Three Months Ended September 30,	
	2020	**2019**
Cash flows from operating activities:		
Net income for the period	$ 103,406	$ 74,427
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	135,033	109,733
Share-based compensation expense	11,736	6,891
Pension expense	1,505	1,436
Amortization of debt issuance costs	1,112	1,127
Loss on sale and write down of property and equipment	573	—
Deferred taxes	(1,180)	6,244
Share in net (income) loss of equity investees	(6,221)	(682)
Changes in operating assets and liabilities:		
Accounts receivable	74,842	58,431
Contract assets	(9,838)	(7,201)
Prepaid expenses and other current assets	(3,491)	(1,612)
Income taxes	21,032	7,053
Accounts payable and accrued liabilities	(51,429)	(62,979)
Deferred revenue	(41,268)	(61,169)
Other assets	549	5,684
Operating lease assets and liabilities, net	(2,457)	64
Net cash provided by operating activities	233,904	137,447
Cash flows from investing activities:		
Additions of property and equipment	(15,305)	(18,614)
Other investing activities	(2,237)	(2,036)
Net cash used in investing activities	(17,542)	(20,650)
Cash flows from financing activities:		
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	15,839	11,117
Repayment of long-term debt and Revolver	(2,500)	(2,500)
Purchase of treasury stock	(41,870)	(12,424)
Payments of dividends to shareholders	(47,269)	(47,006)
Net cash provided by (used in) financing activities	(75,800)	(50,813)
Foreign exchange gain (loss) on cash held in foreign currencies	10,792	(7,711)
Increase (decrease) in cash, cash equivalents and restricted cash during the period	151,354	58,273
Cash, cash equivalents and restricted cash at beginning of the period	1,697,263	943,543
Cash, cash equivalents and restricted cash at end of the period	$ 1,848,617	$ 1,001,816

Reconciliation of cash, cash equivalents and restricted cash:	**September 30, 2020**	**September 30, 2019**
Cash and cash equivalents	$ 1,845,582	$ 999,298
Restricted cash [1]	3,035	2,518
Total cash, cash equivalents and restricted cash	$ 1,848,617	$ 1,001,816

[1] Restricted cash is classified under the Prepaid expenses and other current assets and Other assets line items on the Condensed Consolidated Balance Sheets