OPEN TEXT CORPORATION

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

	December 31, 2020	June 30, 2020
ASSETS	(unaudited)	
Cash and cash equivalents	$ 1,500,561	$ 1,692,850
Accounts receivable trade, net of allowance for credit losses of $22,845 as of December 31, 2020 and $20,906 as of June 30, 2020	445,841	466,357
Contract assets	27,460	29,570
Income taxes recoverable	24,517	61,186
Prepaid expenses and other current assets	130,177	136,436
Total current assets	2,128,556	2,386,399
Property and equipment	227,434	244,555
Operating lease right of use assets	235,142	207,869
Long-term contract assets	18,175	15,427
Goodwill	4,696,349	4,672,356
Acquired intangible assets	1,402,928	1,612,564
Deferred tax assets	866,788	911,565
Other assets	164,238	154,467
Long-term income taxes recoverable	29,488	29,620
Total assets	$ 9,769,098	$ 10,234,822
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 348,080	$ 373,314
Current portion of long-term debt	10,000	610,000
Operating lease liabilities	59,874	64,071
Deferred revenues	798,340	812,218
Income taxes payable	320,084	44,630
Total current liabilities	1,536,378	1,904,233
Long-term liabilities:		
Accrued liabilities	28,334	34,955
Pension liability	83,271	73,129
Long-term debt	3,581,565	3,584,311
Long-term operating lease liabilities	227,265	217,165
Long-term deferred revenues	97,083	94,382
Long-term income taxes payable	32,794	171,200
Deferred tax liabilities	179,161	148,738
Total long-term liabilities	4,229,473	4,323,880
Shareholders' equity:		
Share capital and additional paid-in capital		
272,588,542 and 271,863,354 Common Shares issued and outstanding at December 31, 2020 and June 30, 2020, respectively; authorized Common Shares: unlimited	1,889,857	1,851,777
Accumulated other comprehensive income	66,476	17,825
Retained earnings	2,093,076	2,159,396
Treasury stock, at cost (1,101,370 and 622,297 shares at December 31, 2020 and June 30, 2020, respectively)	(47,555)	(23,608)
Total OpenText shareholders' equity	4,001,854	4,005,390
Non-controlling interests	1,393	1,319
Total shareholders' equity	4,003,247	4,006,709
Total liabilities and shareholders' equity	$ 9,769,098	$ 10,234,822

OPEN TEXT CORPORATION

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2020	2019	2020	2019
Revenues:				
Cloud services and subscriptions	$ 350,454	$ 248,340	$ 691,440	$ 485,605
Customer support	334,492	315,508	663,891	627,806
License	107,348	138,095	175,871	215,993
Professional service and other	63,350	69,614	128,455	139,041
Total revenues	855,644	771,557	1,659,657	1,468,445
Cost of revenues:				
Cloud services and subscriptions	117,882	103,644	230,506	205,806
Customer support	29,668	29,788	58,862	59,175
License	4,302	3,050	6,791	5,373
Professional service and other	46,619	53,604	93,200	107,942
Amortization of acquired technology-based intangible assets	54,091	42,299	112,128	82,597
Total cost of revenues	252,562	232,385	501,487	460,893
Gross profit	603,082	539,172	1,158,170	1,007,552
Operating expenses:				
Research and development	100,238	80,283	194,141	161,461
Sales and marketing	147,897	137,310	280,297	265,928
General and administrative	62,765	54,595	118,954	106,130
Depreciation	20,280	20,712	42,283	40,989
Amortization of acquired customer-based intangible assets	54,926	51,460	109,919	100,618
Special charges (recoveries)	(17,494)	10,072	(4,250)	15,173
Total operating expenses	368,612	354,432	741,344	690,299
Income from operations	234,470	184,740	416,826	317,253
Other income (expense), net	5,251	1,972	8,134	(813)
Interest and other related expense, net	(37,595)	(32,376)	(76,684)	(64,586)
Income before income taxes	202,126	154,336	348,276	251,854
Provision for (recovery of) income taxes	267,559	46,818	310,303	69,909
Net income (loss) for the period	$ (65,433)	$ 107,518	$ 37,973	$ 181,945
Net (income) loss attributable to non-controlling interests	(44)	(51)	(74)	(77)
Net income (loss) attributable to OpenText	$ (65,477)	$ 107,467	$ 37,899	$ 181,868
Earnings (loss) per share—basic attributable to OpenText	$ (0.24)	$ 0.40	$ 0.14	$ 0.67
Earnings (loss) per share—diluted attributable to OpenText	$ (0.24)	$ 0.40	$ 0.14	$ 0.67
Weighted average number of Common Shares outstanding—basic (in '000's)	272,433	270,450	272,210	270,232
Weighted average number of Common Shares outstanding—diluted (in '000's)	272,433	271,590	273,019	271,328

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2020	2019	2020	2019
Net income (loss) for the period	$ (65,433)	$ 107,518	$ 37,973	$ 181,945
Other comprehensive income (loss)—net of tax:				
Net foreign currency translation adjustments	26,065	4,875	48,710	(736)
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss) - net of tax expense (recovery) effect of $751 and $301 for the three months ended December 31, 2020 and 2019, respectively; $1,056 and $95 for the six months ended December 31, 2020 and 2019, respectively	2,082	833	2,927	261
(Gain) loss reclassified into net income (loss) - net of tax (expense) recovery effect of ($227) and ($26) for the three months ended December 31, 2020 and 2019, respectively; ($283) and ($23) for the six months ended December 31, 2020 and 2019, respectively	(628)	(72)	(784)	(64)
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss) - net of tax expense (recovery) effect of ($441) and $1,308 for the three months ended December 31, 2020 and 2019, respectively; ($1,357) and $59 for the six months ended December 31, 2020 and 2019, respectively	(981)	3,698	(2,686)	614
Amortization of actuarial (gain) loss into net income (loss) - net of tax (expense) recovery effect of $93 and $97 for the three months ended December 31, 2020 and 2019, respectively; $180 and $243 for the six months ended December 31, 2020 and 2019, respectively	243	260	484	491
Total other comprehensive income (loss) net, for the period	26,781	9,594	48,651	566
Total comprehensive income (loss)	(38,652)	117,112	86,624	182,511
Comprehensive (income) loss attributable to non-controlling interests	(44)	(51)	(74)	(77)
Total comprehensive income (loss) attributable to OpenText	$ (38,696)	$ 117,061	$ 86,550	$ 182,434

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

Three Months Ended December 31, 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 September 30, 2020	**272,174**	**$1,872,411**	**(1,394)**	**$ (58,788)**	**$2,213,053**	**$ 39,695**	**$ 1,349**	**$4,067,720**
Issuance of Common Shares								
Under employee stock option plans	213	6,893	—	—	—	—	—	6,893
Under employee stock purchase plans	202	7,260	—	—	—	—	—	7,260
Share-based compensation	—	14,526	—	—	—	—	—	14,526
Issuance of treasury stock	—	(11,233)	293	11,233	—	—	—	—
Dividends declared ($0.2008 per Common Share)	—	—	—	—	(54,500)	—	—	(54,500)
Other comprehensive income - net	—	—	—	—	—	26,781	—	26,781
Net income (loss) for the quarter	—	—	—	—	(65,477)	—	44	(65,433)
Balance as of December 31, 2020	**272,589**	**$1,889,857**	**(1,101)**	**$ (47,555)**	**$2,093,076**	**$ 66,476**	**$ 1,393**	**$4,003,247**

Three Months Ended December 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 September 30, 2019	**270,190**	**$1,791,689**	**(1,103)**	**$ (41,190)**	**$2,141,278**	**$ 15,096**	**$ 1,241**	**$3,908,114**
Issuance of Common Shares								
Under employee stock option plans	231	6,783	—	—	—	—	—	6,783
Under employee stock purchase plans	188	6,532	—	—	—	—	—	6,532
Share-based compensation	—	7,783	—	—	—	—	—	7,783
Issuance of treasury stock	—	(9,124)	256	9,124	—	—	—	—
Dividends declared ($0.1746 per Common Share)	—	—	—	—	(47,092)	—	—	(47,092)
Other comprehensive income - net	—	—	—	—	—	9,594	—	9,594
Net income for the quarter	—	—	—	—	107,467	—	51	107,518
Balance as of December 31, 2019	**270,609**	**$1,803,663**	**(847)**	**$ (32,066)**	**$2,201,653**	**$ 24,690**	**$ 1,292**	**$3,999,232**

	Six Months Ended December 31, 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	524	15,498	—	—	—	—	—	15,498
Under employee stock purchase plans	202	7,553	193	6,690	—	—	—	14,243
Share-based compensation	—	26,262	—	—	—	—	—	26,262
Purchase of treasury stock	—	—	(965)	(41,870)	—	—	—	(41,870)
Issuance of treasury stock	—	(11,233)	293	11,233	—	—	—	—
Dividends declared ($0.3754 per Common Share)	—	—	—	—	(101,769)	—	—	(101,769)
Other comprehensive income - net	—	—	—	—	—	48,651	—	48,651
Net income for the period	—	—	—	—	37,899	—	74	37,973
Balance as of December 31, 2020	**272,589**	**$1,889,857**	**(1,101)**	**$ (47,555)**	**$2,093,076**	**$ 66,476**	**$ 1,393**	**$4,003,247**

	Six Months Ended December 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, 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	415	11,359	—	—	—	—	—	11,359
Under employee stock purchase plans	360	12,540	—	—	—	—	—	12,540
Share-based compensation	—	14,674	—	—	—	—	—	14,674
Purchase of treasury stock	—	—	(300)	(12,424)	—	—	—	(12,424)
Issuance of treasury stock	—	(9,124)	256	9,124	—	—	—	—
Dividends declared ($0.3492 per Common Share)	—	—	—	—	(94,098)	—	—	(94,098)
Other comprehensive income - net	—	—	—	—	—	566	—	566
Net income for the period	—	—	—	—	181,868	—	77	181,945
Balance as of December 31, 2019	**270,609**	**$1,803,663**	**(847)**	**$ (32,066)**	**$2,201,653**	**$ 24,690**	**$ 1,292**	**$3,999,232**

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,	
	2020	**2019**	**2020**	**2019**
Cash flows from operating activities:				
Net income (loss) for the period	$ (65,433)	$ 107,518	$ 37,973	$ 181,945
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	129,297	114,471	264,330	224,204
Share-based compensation expense	14,526	7,783	26,262	14,674
Pension expense	1,615	1,459	3,120	2,895
Amortization of debt issuance costs	1,142	1,149	2,254	2,276
Loss on sale and write down of property and equipment	380	—	953	—
Deferred taxes	81,577	27,924	80,397	34,168
Share in net (income) loss of equity investees	(2,034)	(1,266)	(8,255)	(1,948)
Changes in operating assets and liabilities:				
Accounts receivable	(42,115)	(55,833)	32,727	2,598
Contract assets	(10,355)	(10,458)	(20,193)	(17,659)
Prepaid expenses and other current assets	11,457	1,111	7,966	(501)
Income taxes	147,809	(7,944)	168,841	(891)
Accounts payable and accrued liabilities	14,891	29,744	(36,538)	(33,235)
Deferred revenue	22,621	(2,924)	(18,647)	(64,093)
Other assets	(2,016)	(3,327)	(1,467)	2,357
Operating lease assets and liabilities, net	(20,907)	(2,169)	(23,364)	(2,105)
Net cash provided by operating activities	282,455	207,238	516,359	344,685
Cash flows from investing activities:				
Additions of property and equipment	(7,651)	(19,598)	(22,956)	(38,212)
Purchase of XMedius	444	—	444	—
Purchase of Carbonite, Inc., net of cash and restricted cash acquired	—	(1,216,639)	—	(1,216,639)
Purchase of Dynamic Solutions Group Inc.	(371)	(4,149)	(371)	(4,149)
Other investing activities	867	(3,505)	(1,370)	(5,541)
Net cash used in investing activities	(6,711)	(1,243,891)	(24,253)	(1,264,541)
Cash flows from financing activities:				
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	13,338	12,000	29,177	23,117
Proceeds from long-term debt and Revolver	—	750,000	—	750,000
Repayment of long-term debt and Revolver	(602,500)	(2,500)	(605,000)	(5,000)
Debt issuance costs	—	(979)	—	(979)
Purchase of treasury stock	—	—	(41,870)	(12,424)
Payments of dividends to shareholders	(54,500)	(47,092)	(101,769)	(94,098)
Net cash provided by (used in) financing activities	(643,662)	711,429	(719,462)	660,616
Foreign exchange gain (loss) on cash held in foreign currencies	22,979	3,640	33,771	(4,071)
Increase (decrease) in cash, cash equivalents and restricted cash during the period	(344,939)	(321,584)	(193,585)	(263,311)
Cash, cash equivalents and restricted cash at beginning of the period	1,848,617	1,001,816	1,697,263	943,543
Cash, cash equivalents and restricted cash at end of the period	$ 1,503,678	$ 680,232	$ 1,503,678	$ 680,232

Reconciliation of cash, cash equivalents and restricted cash:	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 1,500,561	$ 675,403
Restricted cash [1]	3,117	4,829
Total cash, cash equivalents and restricted cash	$ 1,503,678	$ 680,232

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