

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

ASSETS	December 31, 2018 (unaudited)	June 30, 2018
Cash and cash equivalents	\$ 595,069	\$ 682,942
Accounts receivable trade, net of allowance for doubtful accounts of \$16,256 as of December 31, 2018 and \$9,741 as of June 30, 2018	482,289	487,956
Contract assets	13,607	—
Income taxes recoverable	39,388	55,623
Prepaid expenses and other current assets	82,188	101,059
Total current assets	1,212,541	1,327,580
Property and equipment	246,726	264,205
Long-term contract assets	11,804	—
Goodwill	3,732,669	3,580,129
Acquired intangible assets	1,284,299	1,296,637
Deferred tax assets	1,085,272	1,122,729
Other assets	124,414	111,267
Deferred charges	—	38,000
Long-term income taxes recoverable	31,678	24,482
<b>Total assets</b>	<b>\$ 7,729,403</b>	<b>\$ 7,765,029</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 282,870	\$ 302,154
Current portion of long-term debt	10,000	10,000
Deferred revenues	572,915	644,211
Income taxes payable	45,680	38,234
Total current liabilities	911,465	994,599
Long-term liabilities:		
Accrued liabilities	53,023	52,827
Deferred credits	—	2,727
Pension liability	65,265	65,719
Long-term debt	2,607,706	2,610,523
Deferred revenues	45,538	69,197
Long-term income taxes payable	172,641	172,241
Deferred tax liabilities	87,753	79,938
Total long-term liabilities	3,031,926	3,053,172
Shareholders' equity:		
Share capital and additional paid-in capital		
268,569,471 and 267,651,084 Common Shares issued and outstanding at December 31, 2018 and June 30, 2018, respectively; authorized Common Shares: unlimited	1,731,299	1,707,073
Accumulated other comprehensive income	25,971	33,645
Retained earnings	2,056,831	1,994,235
Treasury stock, at cost (816,704 shares at December 31, 2018 and 690,336 shares at June 30, 2018, respectively)	(29,241)	(18,732)
Total OpenText shareholders' equity	3,784,860	3,716,221
Non-controlling interests	1,152	1,037
Total shareholders' equity	3,786,012	3,717,258
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,729,403</b>	<b>\$ 7,765,029</b>

**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,	
	2018	2017	2018	2017
<b>Revenues:</b>				
License	\$ 132,756	\$ 135,244	\$ 209,643	\$ 213,475
Cloud services and subscriptions	219,233	208,121	427,316	401,974
Customer support	310,354	308,070	621,905	603,474
Professional service and other	72,888	82,970	143,524	156,169
Total revenues	735,231	734,405	1,402,388	1,375,092
<b>Cost of revenues:</b>				
License	3,655	4,587	7,527	7,547
Cloud services and subscriptions	88,698	90,485	176,401	174,619
Customer support	31,273	33,117	61,738	65,887
Professional service and other	56,030	64,886	112,826	124,314
Amortization of acquired technology-based intangible assets	48,366	47,128	95,843	91,088
Total cost of revenues	228,022	240,203	454,335	463,455
Gross profit	507,209	494,202	948,053	911,637
<b>Operating expenses:</b>				
Research and development	75,753	80,123	153,223	157,697
Sales and marketing	126,193	129,151	246,375	251,766
General and administrative	52,198	48,954	103,122	97,856
Depreciation	23,834	22,071	47,688	40,949
Amortization of acquired customer-based intangible assets	45,919	46,268	91,795	90,057
Special charges	9,380	715	32,691	18,746
Total operating expenses	333,277	327,282	674,894	657,071
Income from operations	173,932	166,920	273,159	254,566
Other income (expense), net	378	5,547	1,900	15,771
Interest and other related expense, net	(33,613)	(34,404)	(68,144)	(68,215)
Income before income taxes	140,697	138,063	206,915	202,122
Provision for (recovery of) income taxes	36,236	53,146	66,086	80,515
Net income for the period	\$ 104,461	\$ 84,917	\$ 140,829	\$ 121,607
Net (income) loss attributable to non-controlling interests	(29)	194	(73)	100
Net income attributable to OpenText	\$ 104,432	\$ 85,111	\$ 140,756	\$ 121,707
Earnings per share—basic attributable to OpenText	\$ 0.39	\$ 0.32	\$ 0.52	\$ 0.46
Earnings per share—diluted attributable to OpenText	\$ 0.39	\$ 0.32	\$ 0.52	\$ 0.46
Weighted average number of Common Shares outstanding—basic	268,524	265,504	268,276	265,153
Weighted average number of Common Shares outstanding—diluted	269,400	266,857	269,396	266,549

**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,	
	2018	2017	2018	2017
Net income for the period	\$ 104,461	\$ 84,917	\$ 140,829	\$ 121,607
Other comprehensive income (loss)—net of tax:				
Net foreign currency translation adjustments	(3,418)	(1,446)	(6,938)	(540)
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss) - net of tax expense (recovery) effect of (\$677) and (\$60) for the three months ended December 31, 2018 and 2017, respectively; (\$496) and \$403 for the six months ended December 31, 2018 and 2017, respectively	(1,877)	(168)	(1,375)	1,117
(Gain) loss reclassified into net income - net of tax (expense) recovery effect of \$169 and (\$141) for the three months ended December 31, 2018 and 2017, respectively; \$301 and (\$428) for the six months ended December 31, 2018 and 2017, respectively	467	(391)	833	(1,188)
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss) - net of tax expense (recovery) effect of (\$519) and (\$153) for the three months ended December 31, 2018 and 2017, respectively; (\$213) and (\$236) for the six months ended December 31, 2018 and 2017, respectively	(1,521)	(48)	(324)	(163)
Amortization of actuarial (gain) loss into net income - net of tax (expense) recovery effect of \$72 and \$43 for the three months ended December 31, 2018 and 2017, respectively; \$145 and \$85 for the six months ended December 31, 2018 and 2017, respectively	64	56	130	112
Release of unrealized gain on marketable securities - net of tax effect of nil	—	—	—	(617)
Total other comprehensive income (loss) net, for the period	(6,285)	(1,997)	(7,674)	(1,279)
Total comprehensive income	98,176	82,920	133,155	120,328
Comprehensive (income) loss attributable to non-controlling interests	(29)	194	(73)	100
Total comprehensive income attributable to OpenText	\$ 98,147	\$ 83,114	\$ 133,082	\$ 120,428

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

	Six Months Ended December 31, 2018							Total
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	
	Shares	Amount	Shares	Amount				
<b>Balance as of June 30, 2018</b>	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	494	12,431	—	—	—	—	—	12,431
Under employee stock purchase plans	187	5,569	—	—	—	—	—	5,569
Share-based compensation	—	6,555	—	—	—	—	—	6,555
Purchase of treasury stock	—	—	(304)	(11,719)	—	—	—	(11,719)
Issuance of treasury stock	—	(70)	3	70	—	—	—	—
Dividends declared (\$0.1518 per Common Share)	—	—	—	—	(40,466)	—	—	(40,466)
Other comprehensive income - net	—	—	—	—	—	(1,389)	—	(1,389)
Non-controlling interest	—	(625)	—	—	—	—	42	(583)
Net income for the quarter	—	—	—	—	36,324	—	44	36,368
<b>Balance as of September 30, 2018</b>	<b>268,332</b>	<b>\$ 1,730,933</b>	<b>(992)</b>	<b>\$ (30,381)</b>	<b>\$ 1,993,099</b>	<b>\$ 32,256</b>	<b>\$ 1,123</b>	<b>\$ 3,727,030</b>
Issuance of Common Shares								
Under employee stock option plans	62	1,740	—	—	—	—	—	1,740
Under employee stock purchase plans	175	5,696	—	—	—	—	—	5,696
Share-based compensation	—	6,885	—	—	—	—	—	6,885
Purchase of treasury stock	—	—	(370)	(12,815)	—	—	—	(12,815)
Issuance of treasury stock	—	(13,955)	545	13,955	—	—	—	—
Dividends declared (\$0.1518 per Common Share)	—	—	—	—	(40,700)	—	—	(40,700)
Other comprehensive income - net	—	—	—	—	—	(6,285)	—	(6,285)
Net income for the quarter	—	—	—	—	104,432	—	29	104,461
<b>Balance as of December 31, 2018</b>	<b>268,569</b>	<b>\$ 1,731,299</b>	<b>(817)</b>	<b>\$ (29,241)</b>	<b>\$ 2,056,831</b>	<b>\$ 25,971</b>	<b>\$ 1,152</b>	<b>\$ 3,786,012</b>

	Six Months Ended December 31, 2017							Total
	Common Shares and Additional Paid in Capital		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interests	
	Shares	Amount	Shares	Amount				
<b>Balance as of June 30, 2017</b>	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	1,048	16,154	—	—	—	—	—	16,154
Under employee stock purchase plans	180	4,837	—	—	—	—	—	4,837
Share-based compensation	—	8,235	—	—	—	—	—	8,235
Issuance of treasury stock	—	(178)	9	178	—	—	—	—
Dividends declared (\$0.1320 per Common Share)	—	—	—	—	(35,017)	—	—	(35,017)
Other comprehensive income - net	—	—	—	—	—	718	—	718
Net income for the quarter	—	—	—	—	36,596	—	94	36,690
<b>Balance as of September 30, 2017</b>	<b>265,288</b>	<b>\$ 1,642,502</b>	<b>(1,093)</b>	<b>\$ (27,342)</b>	<b>\$ 1,899,203</b>	<b>\$ 49,518</b>	<b>\$ 1,055</b>	<b>\$ 3,564,936</b>
Issuance of Common Shares								
Under employee stock option plans	145	\$ 3,374	—	\$ —	\$ —	\$ —	\$ —	\$ 3,374
Under employee stock purchase plans	193	5,275	—	—	—	—	—	5,275
Share-based compensation	—	7,158	—	—	—	—	—	7,158
Issuance of treasury stock	—	(8,092)	379	8,092	—	—	—	—
Dividends declared (\$0.1320 per Common Share)	—	—	—	—	(34,811)	—	—	(34,811)
Other comprehensive income - net	—	—	—	—	—	(1,997)	—	(1,997)
Net income for the year	—	—	—	—	85,111	—	(194)	84,917
<b>Balance as of December 31, 2017</b>	<b>265,626</b>	<b>\$ 1,650,217</b>	<b>(714)</b>	<b>\$ (19,250)</b>	<b>\$ 1,949,503</b>	<b>\$ 47,521</b>	<b>\$ 861</b>	<b>\$ 3,628,852</b>

**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,	
	2018	2017	2018	2017
Cash flows from operating activities:				
Net income for the period	\$ 104,461	\$ 84,917	\$ 140,829	\$ 121,607
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	118,119	115,467	235,326	222,094
Share-based compensation expense	6,885	7,158	13,440	15,393
Pension expense	1,109	834	2,254	1,869
Amortization of debt issuance costs	1,079	1,234	2,157	2,532
Amortization of deferred charges and credits	—	1,117	—	2,234
Loss on sale and write down of property and equipment	1,639	—	9,428	163
Release of unrealized gain on marketable securities to income	—	—	—	(841)
Deferred taxes	1,140	38,427	8,909	44,374
Share in net (income) loss of equity investees	(5,491)	(316)	(7,863)	196
Changes in operating assets and liabilities:				
Accounts receivable	(40,327)	(54,620)	33,548	(49,458)
Contract assets	(8,054)	—	(13,400)	—
Prepaid expenses and other current assets	2,800	(2,575)	12,532	(5,383)
Income taxes and deferred charges and credits	4,763	(7,565)	17,324	1,583
Accounts payable and accrued liabilities	10,253	(8,023)	(29,748)	(72,499)
Deferred revenue	(11,748)	(10,366)	(69,151)	(48,846)
Other assets	2,475	497	4,919	(1,586)
Net cash provided by operating activities	<u>189,103</u>	<u>166,186</u>	<u>360,504</u>	<u>233,432</u>
Cash flows from investing activities:				
Additions of property and equipment	(8,969)	(25,488)	(33,464)	(55,937)
Purchase of Liaison Technologies, Inc.	(311,285)	—	(311,285)	—
Purchase of Guidance Software, net of cash acquired	—	(8,510)	(2,279)	(229,275)
Purchase of Covisint Corporation, net of cash acquired	—	—	—	(71,279)
Other investing activities	(5,369)	(3,855)	(6,373)	(8,061)
Net cash used in investing activities	<u>(325,623)</u>	<u>(37,853)</u>	<u>(353,401)</u>	<u>(364,552)</u>
Cash flows from financing activities:				
Proceeds from issuance of long-term debt and revolver	—	—	—	200,000
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	6,159	7,797	24,286	29,622
Repayment of long-term debt and revolver	(2,500)	(1,940)	(5,000)	(3,880)
Debt issuance costs	—	—	(322)	—
Purchase of treasury stock	(12,815)	—	(24,534)	—
Repurchase of non-controlling interest	—	—	(583)	—
Payments of dividends to shareholders	(40,700)	(34,811)	(81,166)	(69,828)
Net cash provided by (used in) financing activities	<u>(49,856)</u>	<u>(28,954)</u>	<u>(87,319)</u>	<u>155,914</u>
Foreign exchange gain (loss) on cash held in foreign currencies	(6,329)	(216)	(5,901)	7,546
Increase (decrease) in cash, cash equivalents and restricted cash during the period	(192,705)	99,163	(86,117)	32,340
Cash, cash equivalents and restricted cash at beginning of the period	790,579	379,387	683,991	446,210
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 597,874</u>	<u>\$ 478,550</u>	<u>\$ 597,874</u>	<u>\$ 478,550</u>

**Reconciliation of cash, cash equivalents and restricted cash:**

	December 31, 2018	December 31, 2017
Cash and cash equivalents	595,069	476,014
Restricted cash included in Other assets	2,805	2,536
Total Cash, cash equivalents and restricted cash	<u>\$ 597,874</u>	<u>\$ 478,550</u>