

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

<b>ASSETS</b>	<b>December 31, 2017</b> (unaudited)	<b>June 30, 2017</b>
Cash and cash equivalents	\$ 476,014	\$ 443,357
Accounts receivable trade, net of allowance for doubtful accounts of \$8,503 as of December 31, 2017 and \$6,319 as of June 30, 2017	511,969	445,812
Income taxes recoverable	23,861	32,683
Prepaid expenses and other current assets	101,063	81,625
Total current assets	1,112,907	1,003,477
Property and equipment	260,896	227,418
Goodwill	3,578,976	3,416,749
Acquired intangible assets	1,468,378	1,472,542
Deferred tax assets	1,158,836	1,215,712
Other assets	96,612	93,763
Deferred charges	39,204	42,344
Long-term income taxes recoverable	23,412	8,557
<b>Total assets</b>	<b>\$ 7,739,221</b>	<b>\$ 7,480,562</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 318,008	\$ 342,120
Current portion of long-term debt	382,760	182,760
Deferred revenues	557,873	570,328
Income taxes payable	30,084	31,835
Total current liabilities	1,288,725	1,127,043
Long-term liabilities:		
Accrued liabilities	47,379	50,338
Deferred credits	4,005	5,283
Pension liability	62,213	58,627
Long-term debt	2,385,709	2,387,057
Deferred revenues	68,934	61,678
Long-term income taxes payable	176,222	162,493
Deferred tax liabilities	77,182	94,724
Total long-term liabilities	2,821,644	2,820,200
Shareholders' equity:		
Share capital and additional paid-in capital		
265,625,515 and 264,059,567 Common Shares issued and outstanding at December 31, 2017 and June 30, 2017, respectively; authorized Common Shares: unlimited	1,650,217	1,613,454
Accumulated other comprehensive income	47,521	48,800
Retained earnings	1,949,503	1,897,624
Treasury stock, at cost (714,169 shares at December 31, 2017 and 1,101,612 at June 30, 2017, respectively)	(19,250)	(27,520)
Total OpenText shareholders' equity	3,627,991	3,532,358
Non-controlling interests	861	961
Total shareholders' equity	3,628,852	3,533,319
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,739,221</b>	<b>\$ 7,480,562</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,	
	2017	2016	2017	2016
<b>Revenues:</b>				
License	\$ 135,244	\$ 97,764	\$ 213,475	\$ 158,420
Cloud services and subscriptions	208,121	175,061	401,974	344,748
Customer support	308,070	219,656	603,474	429,862
Professional service and other	82,970	50,228	156,169	101,343
Total revenues	<u>734,405</u>	<u>542,709</u>	<u>1,375,092</u>	<u>1,034,373</u>
<b>Cost of revenues:</b>				
License	4,587	2,391	7,547	6,236
Cloud services and subscriptions	90,418	73,150	174,748	143,442
Customer support	33,194	27,349	65,985	53,087
Professional service and other	64,985	40,295	124,444	81,638
Amortization of acquired technology-based intangible assets	47,128	24,848	91,088	47,983
Total cost of revenues	<u>240,312</u>	<u>168,033</u>	<u>463,812</u>	<u>332,386</u>
Gross profit	<u>494,093</u>	<u>374,676</u>	<u>911,280</u>	<u>701,987</u>
<b>Operating expenses:</b>				
Research and development	80,304	64,721	157,933	123,293
Sales and marketing	129,142	102,651	251,964	197,799
General and administrative	48,985	39,914	97,900	78,111
Depreciation	22,071	15,301	40,949	30,571
Amortization of acquired customer-based intangible assets	46,268	33,815	90,057	67,423
Special charges	715	11,117	18,746	23,571
Total operating expenses	<u>327,485</u>	<u>267,519</u>	<u>657,549</u>	<u>520,768</u>
Income from operations	<u>166,608</u>	<u>107,157</u>	<u>253,731</u>	<u>181,219</u>
Other income (expense), net	5,547	(3,558)	15,771	3,141
Interest and other related expense, net	(34,092)	(27,743)	(67,380)	(55,018)
Income before income taxes	<u>138,063</u>	<u>75,856</u>	<u>202,122</u>	<u>129,342</u>
Provision for (recovery of) income taxes	53,146	30,822	80,515	(828,603)
Net income for the period	<u>\$ 84,917</u>	<u>\$ 45,034</u>	<u>\$ 121,607</u>	<u>\$ 957,945</u>
Net (income) loss attributable to non-controlling interests	194	(12)	100	(39)
Net income attributable to OpenText	<u>\$ 85,111</u>	<u>\$ 45,022</u>	<u>\$ 121,707</u>	<u>\$ 957,906</u>
Earnings per share—basic attributable to OpenText	<u>\$ 0.32</u>	<u>\$ 0.18</u>	<u>\$ 0.46</u>	<u>\$ 3.92</u>
Earnings per share—diluted attributable to OpenText	<u>\$ 0.32</u>	<u>\$ 0.18</u>	<u>\$ 0.46</u>	<u>\$ 3.89</u>
Weighted average number of Common Shares outstanding—basic	<u>265,504</u>	<u>245,653</u>	<u>265,153</u>	<u>244,282</u>
Weighted average number of Common Shares outstanding—diluted	<u>266,857</u>	<u>247,501</u>	<u>266,549</u>	<u>246,123</u>
Dividends declared per Common Share	<u>\$ 0.1320</u>	<u>\$ 0.1150</u>	<u>\$ 0.2640</u>	<u>\$ 0.2300</u>

**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,	
	2017	2016	2017	2016
Net income for the period	\$ 84,917	\$ 45,034	\$ 121,607	\$ 957,945
Other comprehensive income (loss) —net of tax:				
Net foreign currency translation adjustments	(1,446)	(11,526)	(540)	(10,307)
Unrealized gain (loss) on cash flow hedges:				
Unrealized gain (loss) - net of tax expense (recovery) effect of (\$60) and (\$252) for the three months ended December 31, 2017 and 2016, respectively; \$403 and (\$380) for the six months ended December 31, 2017 and 2016, respectively	(168)	(698)	1,117	(1,053)
(Gain) loss reclassified into net income - net of tax (expense) recovery effect of (\$141) and (\$33) for the three months ended December 31, 2017 and 2016, respectively; (\$428) and (\$38) for the six months ended December 31, 2017 and 2016, respectively	(391)	(91)	(1,188)	(108)
Actuarial gain (loss) relating to defined benefit pension plans:				
Actuarial gain (loss) - net of tax expense (recovery) effect of (\$153) and \$1,077 for the three months ended December 31, 2017 and 2016, respectively; (\$236) and \$484 for the six months ended December 31, 2017 and 2016, respectively	(48)	2,823	(163)	4,361
Amortization of actuarial (gain) loss into net income - net of tax (expense) recovery effect of \$43 and \$57 for the three months ended December 31, 2017 and 2016, respectively; \$85 and \$119 for the six months ended December 31, 2017 and 2016, respectively	56	134	112	281
Unrealized net gain (loss) on marketable securities - net of tax effect of nil for the three and six months ended December 31, 2017 and 2016, respectively	—	512	—	400
Release of unrealized gain on marketable securities - net of tax effect of nil for the three and six months ended December 31, 2017 and 2016, respectively	—	—	(617)	—
Total other comprehensive income (loss) net, for the period	(1,997)	(8,846)	(1,279)	(6,426)
Total comprehensive income	82,920	36,188	120,328	951,519
Comprehensive (income) loss attributable to non-controlling interests	194	(12)	100	(39)
Total comprehensive income attributable to OpenText	<u>\$ 83,114</u>	<u>\$ 36,176</u>	<u>\$ 120,428</u>	<u>\$ 951,480</u>

**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,	
	2017	2016	2017	2016
<b>Cash flows from operating activities:</b>				
Net income for the period	\$ 84,917	\$ 45,034	\$ 121,607	\$ 957,945
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>				
Depreciation and amortization of intangible assets	115,467	73,964	222,094	145,977
Share-based compensation expense	7,158	7,572	15,393	15,712
Excess tax expense (benefits) on share-based compensation expense	—	(537)	—	(542)
Pension expense	834	871	1,869	2,061
Amortization of debt issuance costs	1,234	1,331	2,532	2,654
Amortization of deferred charges and credits	1,117	2,146	2,234	4,292
Loss on sale and write down of property and equipment	—	—	163	—
Release of unrealized gain on marketable securities to income	—	—	(841)	—
Deferred taxes	38,427	7,591	44,374	(868,233)
Share in net (income) loss of equity investees	(316)	(464)	196	(5,993)
Other non-cash charges	—	—	—	1,033
<b>Changes in operating assets and liabilities:</b>				
Accounts receivable	(54,620)	(15,713)	(49,458)	456
Prepaid expenses and other current assets	(2,575)	13,074	(5,383)	11,885
Income taxes and deferred charges and credits	(7,565)	(12,841)	1,583	(9,620)
Accounts payable and accrued liabilities	(8,023)	6,604	(72,499)	(23,995)
Deferred revenue	(10,366)	(21,633)	(48,846)	(47,742)
Other assets	958	20	(1,269)	(5,420)
Net cash provided by operating activities	<u>166,647</u>	<u>107,019</u>	<u>233,749</u>	<u>180,470</u>
<b>Cash flows from investing activities:</b>				
Additions of property and equipment	(25,488)	(11,609)	(55,937)	(32,274)
Proceeds from maturity of short-term investments	—	—	—	9,212
Purchase of Guidance Software, net of cash acquired	(8,510)	—	(229,275)	—
Purchase of Covisint Corporation, net of cash acquired	—	—	(71,279)	—
Purchase of HP Inc. CCM Business	—	(2,802)	—	(315,000)
Purchase of Recommind, Inc.	—	—	—	(170,107)
Purchase of HP Inc. CEM Business	—	—	—	(7,289)
Purchase consideration for acquisitions completed prior to Fiscal 2017	—	143	—	143
Other investing activities	(3,855)	(440)	(8,061)	(563)
Net cash used in investing activities	<u>(37,853)</u>	<u>(14,708)</u>	<u>(364,552)</u>	<u>(515,878)</u>
<b>Cash flows from financing activities:</b>				
Excess tax (expense) benefits on share-based compensation expense	—	537	—	542
Proceeds from issuance of long-term debt and revolver	—	256,875	200,000	256,875
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	7,797	5,391	29,622	10,701
Proceeds from issuance of Common shares under public Equity Offering	—	604,223	—	604,223
Repayment of long-term debt and revolver	(1,940)	(2,000)	(3,880)	(4,000)
Debt issuance costs	—	(2,825)	—	(4,155)
Equity issuance costs	—	(18,127)	—	(18,127)
Payments of dividends to shareholders	(34,811)	(27,859)	(69,828)	(55,650)
Net cash provided by (used in) financing activities	<u>(28,954)</u>	<u>816,215</u>	<u>155,914</u>	<u>790,409</u>
Foreign exchange gain (loss) on cash held in foreign currencies	(216)	(20,979)	7,546	(16,267)
Increase (decrease) in cash and cash equivalents during the period	99,624	887,547	32,657	438,734
Cash and cash equivalents at beginning of the period	376,390	834,944	443,357	1,283,757
Cash and cash equivalents at end of the period	<u>\$ 476,014</u>	<u>\$ 1,722,491</u>	<u>\$ 476,014</u>	<u>\$ 1,722,491</u>