

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
ASSETS		
Cash and cash equivalents	\$ 443,357	\$ 1,283,757
Short-term investments	—	11,839
Accounts receivable trade, net of allowance for doubtful accounts of \$6,319 as of June 30, 2017 and \$6,740 as of June 30, 2016	445,812	285,904
Income taxes recoverable	32,683	31,752
Prepaid expenses and other current assets	81,625	59,021
Total current assets	1,003,477	1,672,273
Property and equipment	227,418	183,660
Goodwill	3,416,749	2,325,586
Acquired intangible assets	1,472,542	646,240
Deferred tax assets	1,215,712	241,161
Other assets	93,763	53,697
Deferred charges	42,344	22,776
Long-term income taxes recoverable	8,557	8,751
Total assets	<u><u>\$ 7,480,562</u></u>	<u><u>\$ 5,154,144</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 342,120	\$ 257,450
Current portion of long-term debt	182,760	8,000
Deferred revenues	570,328	373,549
Income taxes payable	31,835	32,030
Total current liabilities	1,127,043	671,029
Long-term liabilities:		
Accrued liabilities	50,338	29,848
Deferred credits	5,283	8,357
Pension liability	58,627	61,993
Long-term debt	2,387,057	2,137,987
Deferred revenues	61,678	37,461
Long-term income taxes payable	162,493	149,041
Deferred tax liabilities	94,724	79,231
Total long-term liabilities	2,820,200	2,503,918
Shareholders' equity:		
Share capital		
264,059,567 and 242,809,354 Common Shares issued and outstanding at June 30, 2017 and June 30, 2016, respectively; authorized Common Shares: unlimited	1,439,850	817,788
Additional paid-in capital	173,604	147,280
Accumulated other comprehensive income	48,800	46,310
Retained earnings	1,897,624	992,546
Treasury stock, at cost (1,101,612 shares at June 30, 2017 and 1,267,294 at June 30, 2016, respectively)	(27,520)	(25,268)
Total OpenText shareholders' equity	3,532,358	1,978,656
Non-controlling interests	961	541
Total shareholders' equity	3,533,319	1,979,197
Total liabilities and shareholders' equity	<u><u>\$ 7,480,562</u></u>	<u><u>\$ 5,154,144</u></u>

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

	Year Ended June 30,		
	2017	2016	2015
Revenues:			
License	\$ 369,144	\$ 283,710	\$ 294,266
Cloud services and subscriptions	705,495	601,018	605,309
Customer support	981,102	746,409	731,797
Professional service and other	235,316	193,091	220,545
Total revenues	2,291,057	1,824,228	1,851,917
Cost of revenues:			
License	13,632	10,296	12,899
Cloud services and subscriptions	300,255	244,021	237,310
Customer support	122,753	89,861	94,456
Professional service and other	195,195	155,584	172,742
Amortization of acquired technology-based intangible assets	130,556	74,238	81,002
Total cost of revenues	762,391	574,000	598,409
Gross profit	1,528,666	1,250,228	1,253,508
Operating expenses:			
Research and development	281,680	194,057	196,491
Sales and marketing	444,838	344,235	373,610
General and administrative	170,438	140,397	162,728
Depreciation	64,318	54,929	50,906
Amortization of acquired customer-based intangible assets	150,842	113,201	108,239
Special charges	63,618	34,846	12,823
Total operating expenses	1,175,734	881,665	904,797
Income from operations	352,932	368,563	348,711
Other income (expense), net	15,743	(1,423)	(28,047)
Interest and other related expense, net	(119,124)	(76,363)	(54,620)
Income before income taxes	249,551	290,777	266,044
Provision for income taxes	(776,364)	6,282	31,638
Net income for the period	\$ 1,025,915	\$ 284,495	\$ 234,406
Net (income) loss attributable to non-controlling interests	(256)	(18)	(79)
Net income attributable to OpenText	\$ 1,025,659	\$ 284,477	\$ 234,327
Earnings per share—basic attributable to OpenText	\$ 4.04	\$ 1.17	\$ 0.96
Earnings per share—diluted attributable to OpenText	\$ 4.01	\$ 1.17	\$ 0.95
Weighted average number of Common Shares outstanding—basic	253,879	242,926	244,184
Weighted average number of Common Shares outstanding—diluted	255,805	244,076	245,914
Dividends declared per Common Share	\$ 0.4770	\$ 0.4150	\$ 0.3588

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, 2017	
	2017	2016
Revenues:		
License	\$ 123,497	\$ 86,126
Cloud services and subscriptions	183,638	156,624
Customer support	287,804	192,969
Professional service and other	68,615	48,084
Total revenues	<u>663,554</u>	<u>483,803</u>
Cost of revenues:		
License	3,388	3,106
Cloud services and subscriptions	79,588	64,889
Customer support	35,224	25,237
Professional service and other	58,028	41,546
Amortization of acquired technology-based intangible assets	43,288	17,994
Total cost of revenues	<u>219,516</u>	<u>152,772</u>
Gross profit	<u>444,038</u>	<u>331,031</u>
Operating expenses:		
Research and development	81,301	53,747
Sales and marketing	129,541	95,815
General and administrative	47,499	33,330
Depreciation	17,190	14,931
Amortization of acquired customer-based intangible assets	42,594	29,637
Special charges	19,461	10,092
Total operating expenses	<u>337,586</u>	<u>237,552</u>
Income from operations	<u>106,452</u>	<u>93,479</u>
Other income (expense), net	11,178	409
Interest and other related expense, net	<u>(32,372)</u>	<u>(21,902)</u>
Income before income taxes	85,258	71,986
Provision for (recovery of) income taxes	39,000	(14,347)
Net income for the period	<u>\$ 46,258</u>	<u>\$ 86,333</u>
Net (income) loss attributable to non-controlling interests	(121)	57
Net income attributable to OpenText	<u>\$ 46,137</u>	<u>\$ 86,390</u>
Earnings per share—basic attributable to OpenText	<u>\$ 0.17</u>	<u>\$ 0.36</u>
Earnings per share—diluted attributable to OpenText	<u>\$ 0.17</u>	<u>\$ 0.35</u>
Weighted average number of Common Shares outstanding—basic	<u>263,938</u>	<u>242,648</u>
Weighted average number of Common Shares outstanding—diluted	<u>265,818</u>	<u>244,040</u>
Dividends declared per Common Share	<u>\$ 0.1320</u>	<u>\$ 0.1150</u>

As a result of the two-for-one share split, effected January 24, 2017 by way of a share sub-division, all current and historical period per share data and number of Common Shares outstanding in these Condensed Consolidated Financial Statements are presented on a post share split basis.

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

	Year Ended June 30,		
	2017	2016	2015
Net income for the period	\$ 1,025,915	\$ 284,495	\$ 234,406
Other comprehensive income—net of tax:			
Net foreign currency translation adjustments	(4,756)	(3,318)	15,690
Unrealized gain (loss) on cash flow hedges:			
Unrealized gain (loss) - net of tax expense (recovery) effect of \$34, (\$928) and (\$2,188) for the year ended June 30, 2017, 2016 and 2015, respectively	95	(2,574)	(6,064)
(Gain) loss reclassified into net income - net of tax recovery effect of \$67, \$1,065 and \$2,059 for the year ended June 30, 2017, 2016 and 2015, respectively	186	2,956	5,710
Actuarial gain (loss) relating to defined benefit pension plans:			
Actuarial gain (loss) - net of tax expense (recovery) effect of \$840, (\$1,612) and (\$1,422) for the year ended June 30, 2017, 2016 and 2015, respectively	6,216	(3,374)	(3,302)
Amortization of actuarial loss into net income - net of tax recovery effect of \$241, \$132 and \$89 for the year ended June 30, 2017, 2016 and 2015, respectively	565	347	357
Unrealized net gain (loss) on marketable securities - net of tax effect of nil for the year ended June 30, 2017, 2016 and 2015, respectively	184	445	(12)
Unrealized gain on marketable securities - net of tax effect of nil for the year ended June 30, 2017, 2016 and 2015, respectively	—	—	1,906
Release of unrealized gain on marketable securities - net of tax effect of nil for the year ended June 30, 2017, 2016 and 2015, respectively	—	—	(1,906)
Total other comprehensive income (loss), net, for the period	2,490	(5,518)	12,379
Total comprehensive income	1,028,405	278,977	246,785
Comprehensive (income) loss attributable to non-controlling interests	(256)	(18)	(79)
Total comprehensive income attributable to OpenText	<u>\$ 1,028,149</u>	<u>\$ 278,959</u>	<u>\$ 246,706</u>

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

	Year Ended June 30,		
	2017	2016	2015
Cash flows from operating activities:			
Net income for the period	\$ 1,025,915	\$ 284,495	\$ 234,406
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	345,715	242,368	240,147
Share-based compensation expense	30,507	25,978	22,047
Excess tax (benefits) on share-based compensation expense	(1,534)	(230)	(1,675)
Pension expense	3,893	4,577	4,796
Amortization of debt issuance costs	5,014	4,678	4,556
Amortization of deferred charges and credits	6,298	9,903	10,525
Loss on sale and write down of property and equipment	784	1,108	1,368
Release of unrealized gain on marketable securities to income	—	—	(3,098)
Deferred taxes	(871,195)	(54,461)	(14,578)
Share in net (income) of equity investees	(5,952)	—	—
Write off of unamortized debt issuance costs	833	—	2,919
Other non-cash charges	1,033	—	—
Changes in operating assets and liabilities:			
Accounts receivable	(126,784)	8,985	43,189
Prepaid expenses and other current assets	(7,766)	316	(3,534)
Income taxes and deferred charges and credits	(1,683)	6,294	2,933
Accounts payable and accrued liabilities	53,490	(5,671)	(22,714)
Deferred revenue	3,484	(4,781)	6,775
Other assets	(22,799)	2,163	(5,031)
Net cash provided by operating activities	<u>439,253</u>	<u>525,722</u>	<u>523,031</u>
Cash flows from investing activities:			
Additions of property and equipment	(79,592)	(70,009)	(77,046)
Proceeds from maturity of short-term investments	9,212	11,297	17,017
Purchase of ECD Business	(1,622,394)	—	—
Purchase of HP Inc. CCM Business	(315,000)	—	—
Purchase of Recommind, Inc.	(170,107)	—	—
Purchase of HP Inc. CEM Business	(7,289)	(152,711)	—
Purchase of ANXe Business Corporation	143	(104,570)	—
Purchase of Daegis Inc., net of cash acquired	—	(22,146)	—
Purchase consideration for prior period acquisitions	—	(13,644)	(327,792)
Other investing activities	(5,937)	(9,393)	(10,574)
Net cash used in investing activities	<u>(2,190,964)</u>	<u>(361,176)</u>	<u>(398,395)</u>
Cash flows from financing activities:			
Excess tax benefits on share-based compensation expense	1,534	230	1,675
Proceeds from issuance of long-term debt	256,875	600,000	800,000
Proceeds from revolver	225,000	—	—
Proceeds from issuance of Common Shares from exercise of stock options	35,593	20,097	15,240
Proceeds from issuance of Common Shares under the public Equity Offering	604,223	—	—
Repayment of long-term debt and revolver	(57,880)	(8,000)	(530,284)
Debt issuance costs	(7,240)	(6,765)	(18,271)
Equity issuance costs	(19,574)	—	—
Common Shares repurchased	—	(65,509)	—
Purchase of treasury stock	(8,198)	(10,627)	(10,126)
Repurchase of non-controlling interest	(208)	—	—
Payments of dividends to shareholders	(120,581)	(99,262)	(87,629)
Net cash provided by financing activities	<u>909,544</u>	<u>430,164</u>	<u>170,605</u>
Foreign exchange gain (loss) on cash held in foreign currencies	1,767	(10,952)	(23,132)
Increase (decrease) in cash and cash equivalents during the period	(840,400)	583,758	272,109
Cash and cash equivalents at beginning of the period	1,283,757	699,999	427,890
Cash and cash equivalents at end of the period	<u>\$ 443,357</u>	<u>\$ 1,283,757</u>	<u>\$ 699,999</u>

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

	Three Months Ended June 30,	
	2017	2016
Cash flows from operating activities:		
Net income for the period	\$ 46,258	\$ 86,333
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	103,071	62,562
Share-based compensation expense	8,134	6,898
Excess tax expense (benefits) on share-based compensation expense	52	27
Pension expense	940	1,118
Amortization of debt issuance costs	1,233	1,208
Amortization of deferred charges and credits	(140)	2,653
Loss on sale and write down of property and equipment	784	—
Deferred taxes	19,049	(38,769)
Share in net (income) loss of equity investees	201	—
Changes in operating assets and liabilities:		
Accounts receivable	(89,689)	(13,167)
Prepaid expenses and other current assets	(1,532)	2,905
Income taxes and deferred charges and credits	(3,253)	3,004
Accounts payable and accrued liabilities	36,969	21,763
Deferred revenue	(3,433)	(17,345)
Other assets	(16,164)	(70)
Net cash provided by operating activities	<u>102,480</u>	<u>119,120</u>
Cash flows from investing activities:		
Additions of property and equipment	(29,521)	(21,112)
Proceeds from maturity of short-term investments	—	2,058
Purchase of HP Inc. CEM Business	—	(152,711)
Purchase of ANXe Business Corporation	—	(104,570)
Other investing activities	(2,924)	(3,269)
Net cash used in investing activities	<u>(32,445)</u>	<u>(279,604)</u>
Cash flows from financing activities:		
Excess tax benefits on share-based compensation expense	(52)	(27)
Proceeds from issuance of long-term debt	—	600,000
Proceeds from issuance of Common Shares from exercise of stock options and ESPP	8,925	8,269
Repayment of long-term debt and revolver	(51,940)	(2,000)
Debt issuance costs	(1,040)	(6,765)
Equity issuance costs	(102)	—
Purchase of treasury stock	(3,953)	—
Repurchase of non-controlling interest	(208)	—
Payments of dividends to shareholders	(34,628)	(27,635)
Net cash provided by (used in) financing activities	<u>(82,998)</u>	<u>571,842</u>
Foreign exchange gain (loss) on cash held in foreign currencies	7,320	(5,006)
Increase (decrease) in cash and cash equivalents during the period	(5,643)	406,352
Cash and cash equivalents at beginning of the period	449,000	877,405
Cash and cash equivalents at end of the period	<u>\$ 443,357</u>	<u>\$ 1,283,757</u>