

ORACLE CORPORATION
CONSOLIDATED BALANCE SHEETS
As of May 31, 2020 and 2019

| (in millions, except per share data) | May 31, | |
|---|------------|------------|
| | 2020 | 2019 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 37,239 | \$ 20,514 |
| Marketable securities | 5,818 | 17,313 |
| Trade receivables, net of allowances for doubtful accounts of \$409 and \$371 as of May 31, 2020 and May 31, 2019, respectively | 5,551 | 5,134 |
| Prepaid expenses and other current assets | 3,532 | 3,425 |
| Total current assets | 52,140 | 46,386 |
| Non-current assets: | | |
| Property, plant and equipment, net | 6,244 | 6,252 |
| Intangible assets, net | 3,738 | 5,279 |
| Goodwill, net | 43,769 | 43,779 |
| Deferred tax assets | 3,252 | 2,696 |
| Other non-current assets | 6,295 | 4,317 |
| Total non-current assets | 63,298 | 62,323 |
| Total assets | \$ 115,438 | \$ 108,709 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Notes payable, current | \$ 2,371 | \$ 4,494 |
| Accounts payable | 637 | 580 |
| Accrued compensation and related benefits | 1,453 | 1,628 |
| Deferred revenues | 8,002 | 8,374 |
| Other current liabilities | 4,737 | 3,554 |
| Total current liabilities | 17,200 | 18,630 |
| Non-current liabilities: | | |
| Notes payable and other borrowings, non-current | 69,226 | 51,673 |
| Income taxes payable | 12,463 | 13,295 |
| Other non-current liabilities | 3,832 | 2,748 |
| Total non-current liabilities | 85,521 | 67,716 |
| Commitments and contingencies | | |
| Oracle Corporation stockholders' equity: | | |
| Preferred stock, \$0.01 par value—authorized: 1.0 shares; outstanding: none | — | — |
| Common stock, \$0.01 par value and additional paid in capital—authorized: 11,000 shares; outstanding: 3,067 shares and 3,359 shares as of May 31, 2020 and May 31, 2019, respectively | 26,486 | 26,909 |
| Accumulated deficit | (12,696) | (3,496) |
| Accumulated other comprehensive loss | (1,716) | (1,628) |
| Total Oracle Corporation stockholders' equity | 12,074 | 21,785 |
| Noncontrolling interests | 643 | 578 |
| Total equity | 12,717 | 22,363 |
| Total liabilities and equity | \$ 115,438 | \$ 108,709 |

See notes to consolidated financial statements.

ORACLE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended May 31, 2020, 2019 and 2018

| (in millions, except per share data) | Year Ended May 31, | | |
|--|--------------------|-----------|-----------|
| | 2020 | 2019 | 2018 |
| Revenues: | | | |
| Cloud services and license support | \$ 27,392 | \$ 26,707 | \$ 26,222 |
| Cloud license and on-premise license | 5,127 | 5,855 | 5,772 |
| Hardware | 3,443 | 3,704 | 3,994 |
| Services | 3,106 | 3,240 | 3,395 |
| Total revenues | 39,068 | 39,506 | 39,383 |
| Operating expenses: | | | |
| Cloud services and license support(1) | 4,006 | 3,782 | 3,606 |
| Hardware(1) | 1,116 | 1,360 | 1,576 |
| Services(1) | 2,816 | 2,853 | 2,878 |
| Sales and marketing(1) | 8,094 | 8,509 | 8,433 |
| Research and development | 6,067 | 6,026 | 6,084 |
| General and administrative | 1,181 | 1,265 | 1,282 |
| Amortization of intangible assets | 1,586 | 1,689 | 1,620 |
| Acquisition related and other | 56 | 44 | 52 |
| Restructuring | 250 | 443 | 588 |
| Total operating expenses | 25,172 | 25,971 | 26,119 |
| Operating income | 13,896 | 13,535 | 13,264 |
| Interest expense | (1,995) | (2,082) | (2,025) |
| Non-operating income, net | 162 | 815 | 1,185 |
| Income before provision for income taxes | 12,063 | 12,268 | 12,424 |
| Provision for income taxes | 1,928 | 1,185 | 8,837 |
| Net income | \$ 10,135 | \$ 11,083 | \$ 3,587 |
| Earnings per share: | | | |
| Basic | \$ 3.16 | \$ 3.05 | \$ 0.87 |
| Diluted | \$ 3.08 | \$ 2.97 | \$ 0.85 |
| Weighted average common shares outstanding: | | | |
| Basic | 3,211 | 3,634 | 4,121 |
| Diluted | 3,294 | 3,732 | 4,238 |

(1) Exclusive of amortization of intangible assets, which is shown separately.

See notes to consolidated financial statements.

ORACLE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2020, 2019 and 2018

| (in millions) | Year Ended May 31, | | |
|---|--------------------|-----------|-----------|
| | 2020 | 2019 | 2018 |
| Cash flows from operating activities: | | | |
| Net income | \$ 10,135 | \$ 11,083 | \$ 3,587 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation | 1,382 | 1,230 | 1,165 |
| Amortization of intangible assets | 1,586 | 1,689 | 1,620 |
| Allowances for doubtful accounts receivable | 245 | 190 | 146 |
| Deferred income taxes | (851) | (1,191) | (847) |
| Stock-based compensation | 1,590 | 1,653 | 1,607 |
| Other, net | 239 | 157 | (27) |
| Changes in operating assets and liabilities, net of effects from acquisitions: | | | |
| (Increase) decrease in trade receivables, net | (690) | (272) | 267 |
| Decrease (increase) in prepaid expenses and other assets | 665 | 261 | (258) |
| Decrease in accounts payable and other liabilities | (496) | (102) | (260) |
| (Decrease) increase in income taxes payable | (444) | (453) | 8,150 |
| (Decrease) increase in deferred revenues | (222) | 306 | 236 |
| Net cash provided by operating activities | 13,139 | 14,551 | 15,386 |
| Cash flows from investing activities: | | | |
| Purchases of marketable securities and other investments | (5,731) | (1,400) | (25,282) |
| Proceeds from maturities of marketable securities and other investments | 4,687 | 12,681 | 20,372 |
| Proceeds from sales of marketable securities | 12,575 | 17,299 | 2,745 |
| Acquisitions, net of cash acquired | (124) | (363) | (1,724) |
| Capital expenditures | (1,564) | (1,660) | (1,736) |
| Net cash provided by (used for) investing activities | 9,843 | 26,557 | (5,625) |
| Cash flows from financing activities: | | | |
| Payments for repurchases of common stock | (19,240) | (36,140) | (11,347) |
| Proceeds from issuances of common stock | 1,588 | 2,155 | 2,402 |
| Shares repurchased for tax withholdings upon vesting of restricted stock-based awards | (665) | (503) | (506) |
| Payments of dividends to stockholders | (3,070) | (2,932) | (3,140) |
| Proceeds from borrowings, net of issuance costs | 19,888 | — | 12,443 |
| Repayments of borrowings | (4,500) | (4,500) | (9,800) |
| Other, net | (133) | (136) | (34) |
| Net cash used for financing activities | (6,132) | (42,056) | (9,982) |
| Effect of exchange rate changes on cash and cash equivalents | (125) | (158) | 57 |
| Net increase (decrease) in cash and cash equivalents | 16,725 | (1,106) | (164) |
| Cash and cash equivalents at beginning of period | 20,514 | 21,620 | 21,784 |
| Cash and cash equivalents at end of period | \$ 37,239 | \$ 20,514 | \$ 21,620 |
| Non-cash investing and financing activities: | | | |
| Fair values of stock awards assumed in connection with acquisitions | \$ — | \$ 8 | \$ 3 |
| Change in unsettled repurchases of common stock | \$ (40) | \$ (140) | \$ 154 |
| Change in unsettled investment purchases | \$ — | \$ — | \$ (303) |
| Supplemental schedule of cash flow data: | | | |
| Cash paid for income taxes | \$ 3,218 | \$ 2,901 | \$ 1,562 |
| Cash paid for interest | \$ 1,972 | \$ 2,059 | \$ 1,910 |

See notes to consolidated financial statements.