TECHNOLOGYONE

APPENDIX 4D

For the half year ended 31 March 2018
Technology One Limited ABN 84 010 487 180

Information should be read in conjunction with the most recent Annual Report and Half-Year Financial Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results				$A'000
Revenues from ordinary activities	Up	6%	to	120,362
Profit from ordinary activities after tax attributable to members	Up	1%	to	8,112
Net profit for the period attributable to members	Up	1%	to	8,112

Dividends	Amount per security Cents	Franked amount per security Cents
Current period		
Final dividend	N/A	N/A
Interim dividend	2.86	2.15
Previous corresponding period (**)		
Final dividend	5.60	4.20
Special dividend	2.00	1.50
Interim dividend	2.60	1.95

The Record date for determining entitlements to the current period interim dividend is 1 June 2018. Conduit foreign income of 0.52 cents per share will be paid.

** Year ended 30 September 2017

BRIEF EXPLANATION OF ANY OF THE FIGURES REPORTED ABOVE

Consolidated retained profits	Current period 31 March 2018 A$'000	Previous corresponding period 31 March 2017 $A'000
Retained profits at the beginning of the financial period	**90,681**	**70,160**
Net profit attributable to members	8,112	8,054
Net transfer to reserves	(17,226)	(8,149)
Net transfers from reserves	-	-
Dividends and other equity distributions paid or payable	-	-
Retained profits at the end of the financial period	**81,567**	**70,065**

Profit from ordinary activities after tax attributable to members	Current period 31 March 2018 Cents	Previous corresponding period 31 March 2017 Cents
Basic EPS	2.57	2.57
Diluted EPS	2.55	2.49
Weighted average number of ordinary shares outstanding during the period used in the calculation of Basic EPS	315,505,138	313,363,464

NTA backing	Current period 31 March 2018 Cents	Previous corresponding period 31 March 2017 Cents
Net tangible asset backing per ordinary security	31.21	24.52

Dividend Payable

The dividend is payable on 15 June 2018.

Dividend Reinvestment Plan

There is no dividend reinvestment plan in operation.

Total dividend per security (interim)	Current year Cents	Previous year Cents
Ordinary securities	2.86	2.60

Interim dividend on all securities	Current period $A'000	Previous corresponding period $A'000
Total	9,024	8,149

Control gained over entities having a material effect	
Name of entity	Nil

Loss of control over entities having a material effect	
Name of entity	Nil

Details of associated and joint venture entities	
Name of entity	Nil

Earnings Per Security

The Earnings per Security (EPS) increase is similar to our net profit after tax increase. Refer to the Directors' Report in the attached Half Year Financial Report for additional detail of the movement in net profit after tax.

Returns to Shareholders

The dividend for the half year has increased by 10% on the previous corresponding period.

Results of Segments

Refer to the attached Half Year Financial Report.

Trends in Performance

Refer to the attached Half Year Financial Report.

Any Other Significant Information

N/A.

COMPLIANCE STATEMENT

This report is based on accounts which have been reviewed.

Adrian Di Marco
Chairman
Date: 22 May 2018

Technology One Limited
Financial report
for the half-year ended 31 March 2018

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Company or TechnologyOne) consisting of Technology One Limited and the entities it controlled at the end of the half-year ended 31 March 2018.

Directors

The following persons were directors of Technology One Limited for the half year up to the date of this report:

Adrian Di Marco - Executive Chairman
Ron McLean - Non-executive Director
John Mactaggart - Non-executive Director
Kevin Blinco - Non-executive Director
Richard Anstey - Non-executive Director
Dr Jane Andrews - Non-executive Director
Sharon Doyle - Non-executive Director (appointed 28 February 2018)

Stephen Kennedy is the Group Company Secretary.

Principal activities

The principal activity of the Company during the half-year was the development, marketing, sales, implementation and support of fully integrated enterprise business software solutions, including:

- TechnologyOne Enterprise Asset Management
- TechnologyOne Financials
- TechnologyOne Human Resource & Payroll
- TechnologyOne Enterprise Budgeting
- TechnologyOne Supply Chain
- TechnologyOne Property & Rating
- TechnologyOne Student Management
- TechnologyOne Business Intelligence
- TechnologyOne Enterprise Content Management
- TechnologyOne Performance Planning
- TechnologyOne Spatial
- TechnologyOne Enterprise Cash Receipting
- TechnologyOne Stakeholder Management
- TechnologyOne Business Process Management

Dividends - Technology One Limited

Dividends paid to members during the financial period were as follows:

	2018 $'000	2017 $'000
Final dividend for the year ended 30 September 2017 of 5.60 cents (2016 – 5.09 cents) per fully paid share paid on 14 December 2017	**17,668**	15,947
Special dividend for the year ended 30 September 2017 of 2.00 cents (2016 - 2.00 cents) per fully paid share paid on 14 December 2017	**6,309**	6,267
	23,977	22,214

Review of operations

The Company announced a stronger first half result than originally expected, exceeding previous guidance that the first half would be challenging.

This half TechnologyOne has delivered record revenue, record licence fees and continuing very strong growth in our cloud business. Our cloud first, mobile first strategy is driving our continuing strong results. The market is clearly seeing the benefits of our single instance, mass production, Software as a Service (SaaS) offering has over our competitors.

Highlights of the results were as follows:

- Net Profit Before Tax of $10.4m, up 1%
- Revenue of $120m, up 6%
- Total Expenses of $110m, up 6%
- R&D of $25.6m fully expensed, up 8%
- Total Annual Recurring Revenue of $64.1m, up 14%
- Annual Licence Fees of $51m, up 6%
- Annual SaaS Platform Contract Value of $31m, up 51%
- Initial Licence Fees of $25.9m, up 7%

Total Annual Recurring Revenue includes Annual Licence Fees and Annual SaaS Platform Fee. Annual SaaS Platform Fee was previously called Cloud Services Fee.

TechnologyOne is on track to deliver profit growth of between 10% to 15% over the full year.

Our SaaS business continued to grow very fast with Annual SaaS Platform Contract Value (ACV) up 51% to $31m per annum, and is on track to reach $143m per annum in the next 4 years.

Our cloud also delivered a profit of $3m, up 217%. We have revised the cloud profit for the full year to $7m, up from a previous forecast of $5m. Our single instance, mass production, SaaS offering is gaining momentum and fast becoming a significant engine for growth. Margin for this business is expected to continue to expand because of the mass production architecture to exceed 30% in the coming years.

Our SaaS offering is delivering a compelling value proposition to our customers providing them with new software features, ‘any device, anytime access from anywhere around the globe’, defence in depth security, as well as a simple and cost-effective way to run our enterprise software. This is allowing our customers to innovate and meet the challenges ahead with greater agility and speed, without having to worry about the underlying technologies. We take care of all of this.

TechnologyOne now has 280 large scale enterprise customers, with many tens of thousands of users, making it the largest single instance ERP SaaS offering in Australia.

Total Annual Recurring Revenue is on track to reach $173m this year, representing 55% of our Total Revenue. We are forecasting Total Annual Recurring Revenue to reach $345m in 2022, representing 70% of our Total Revenue.

TechnologyOne Initial Licence Fee was stronger than was originally anticipated in the first half, up 7%. This was unexpected as our sales pipeline was heavily weighted to the second half of the year, but a number of deals closed earlier than expected, and this positions us well for the full year. We continued to dominate the local government and higher education markets.

We also continued to make significant investments in the UK for future growth. We remain confident that the UK is an exciting and large market for our products and will become a significant contributor of profit growth in future years. The investment in the UK was in the expansion of our consulting business.

TechnologyOne also continued to invest heavily in Research and Development, which was $25.6m fully expensed, up 8%. The company plans to invest $54 million dollars in R&D over the full year. This is a significant expenditure for us, and the benefits will be felt by our customers as we roll it out in the future.

TechnologyOne will in the coming months release the next stage of our Digital Strategy, which will build upon the powerful foundations we have created - our mass production SaaS platform and our Ci Anywhere technology. This will enable our customers to embrace the digital revolution that is now gaining momentum, simply and easily to digitally enable each and every stakeholder throughout their organisation be it an employee, customer, supplier, student, rate payer etc. substantially streamlining their business and improving their experience. Artificial Intelligence (AI) and Machine Learning (ML) is an integral part of our Digital Strategy.

Review of operations (continued)

We will now be able to roll out our enterprise system to tens of thousands of stakeholders quickly and easily as has never before been possible to truly enable the digital revolution. This will create the platform for our next stage of growth.

In light of the Company's strong results, the dividend for the first half was increased to 2.86 cents per share, up 10% on the prior year.

Operating cash flow
Operating cash flow decreased from a $2.6m inflow for the half year ended 31 March 2017 to a $10.4m outflow for the half year ended 31 March 2018. The decrease in operating cash flow was primarily due to a few large deals signed in March with $17m received in the first few weeks of April.

Matters subsequent to the end of the financial half-year

On 22 May, the directors of Technology One Limited declared an interim dividend on ordinary shares of 2.86 cents per share (2017: 2.60 cents) in respect of the 2018 financial half-year. The total amount of the dividend is $9.0m and is 75% franked.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

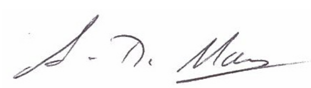
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 17.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.



Adrian Di Marco
Executive Chairman

Brisbane
22 May 2018

Technology One Limited
Consolidated income statement
For the half-year ended 31 March 2018

	Notes	**31 Mar 2018 $'000**	31 Mar 2017 $'000
Revenue	3	**120,362**	113,945
Variable costs		**(9,329)**	(9,085)
Variable customer cloud costs		**(5,643)**	(4,625)
Total variable costs		**(14,972)**	(13,710)
Occupancy costs		**(5,039)**	(3,280)
Corporate costs		**(8,802)**	(8,968)
Depreciation & amortisation		**(2,355)**	(2,098)
Computer & communication costs		**(5,250)**	(5,610)
Marketing costs		**(2,340)**	(3,458)
Employee costs		**(70,456)**	(65,641)
Share-based payments		**(723)**	(808)
Finance expense		**-**	(48)
Total operating costs		**(94,965)**	(89,911)
Profit before income tax		**10,425**	10,324
Income tax expense		**(2,313)**	(2,270)
Profit for the half-year attributable to equity holders of the parent		**8,112**	8,054

	Cents	Cents
Basic earnings per share	**2.57**	2.57
Diluted earnings per share	**2.55**	2.49

The above Consolidated income statement should be read in conjunction with the accompanying notes.

	31 Mar 2018 $'000	31 Mar 2017 $'000
Profit for the half-year attributable to equity holders of the parent (from previous page)	**8,112**	8,054
Other comprehensive income		
Items that may be classified to profit or loss (net of tax):		
Exchange differences on translation of foreign operations	**676**	(558)
Total comprehensive income for the half-year attributable to equity holders of the parent	**8,788**	7,496

The above Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	31 Mar 2018 $'000	30 Sep 2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**57,530**	93,383
Prepayments		**9,997**	8,220
Trade and other receivables		**65,419**	53,262
Earned and unbilled revenue		**14,245**	14,305
Income tax receivable		**3,967**	391
Other current assets		**624**	407
Total current assets		**151,782**	169,968
Non-current assets			
Property, plant and equipment		**13,164**	13,525
Intangible assets		**45,114**	47,549
Earned and unbilled revenue		**17,427**	11,914
Deferred tax assets		**4,729**	5,482
Total non-current assets		**80,434**	78,470
Total assets		**232,216**	248,438
LIABILITIES			
Current liabilities			
Trade and other payables		**41,955**	38,253
Provisions		**11,798**	11,270
Current tax liabilities		**327**	392
Unearned revenue		**29,504**	27,862
Borrowings		**8**	10
Total current liabilities		**83,592**	77,787
Non-current liabilities			
Trade and other payables	4	**-**	8,370
Provisions		**3,809**	3,338
Other non-current liabilities		**1,235**	1,423
Total non-current liabilities		**5,044**	13,131
Total liabilities		**88,636**	90,918
Net assets		**143,580**	157,520
EQUITY			
Contributed equity		**32,216**	32,152
Other reserves		**29,797**	34,687
Retained earnings		**81,567**	90,681
Total equity		**143,580**	157,520

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

Technology One Limited
Consolidated statement of changes in equity
For the half-year ended 31 March 2018

	Contributed equity $'000	Retained earnings $'000	Dividend reserve $'000	FOREX reserve $'000	Share option reserve $'000	Total equity $'000
Balance at 1 October 2017	**32,152**	**90,681**	**15,775**	**(728)**	**19,640**	**157,520**
Profit for the period	-	8,112	-	-	-	8,112
Exchange differences on translation of foreign operations	-	-	-	676	-	676
Total comprehensive income for the half-year	**-**	**8,112**	**-**	**676**	**-**	**8,788**
Dividends paid	-	-	(23,977)	-	-	(23,977)
Transfer to dividend reserve	-	(17,226)	17,226	-	-	-
Exercise of share options	64	-	-	-	-	64
Share based payments	-	-	-	-	723	723
Tax impact of share trust	-	-	-	-	462	462
	64	(17,226)	(6,751)	-	1,185	(22,728)
Balance at 31 March 2018	**32,216**	**81,567**	**9,024**	**(52)**	**20,825**	**143,580**
Balance at 1 October 2016	**29,984**	**70,160**	**22,172**	**(561)**	**16,739**	**138,494**
Profit for the period	-	8,054	-	-	-	8,054
Exchange differences on translation of foreign operations	-	-	-	(558)	-	(558)
Total comprehensive income for the half-year	**-**	**8,054**	**-**	**(558)**	**-**	**7,496**
Dividends paid	-	-	(22,214)	-	-	(22,214)
Transfer to dividend reserve	-	(8,149)	8,149	-	-	-
Exercise of share options	115	-	-	-	-	115
Share-based payments	-	-	-	-	808	808
Tax impact of share trust	-	-	-	-	(50)	(50)
	115	(8,149)	(14,065)	-	758	(21,341)
Balance at 31 March 2017	**30,099**	**70,065**	**8,107**	**(1,119)**	**17,497**	**124,649**

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Technology One Limited
Consolidated statement of cash flows
For the half-year ended 31 March 2018

	Notes	31 Mar 2018 $'000	31 Mar 2017 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**112,079**	125,544
Payments to suppliers and employees (inclusive of GST)		**(116,066)**	(111,324)
Unused prepayments to suppliers		**(1,776)**	(7,627)
Interest received		**340**	350
Income taxes paid		**(4,941)**	(4,522)
Other revenue		**-**	273
Interest paid		**-**	(48)
Net cash (outflow)/inflow from operating activities		**(10,364)**	2,646
Cash flows from investing activities			
Payments for acquisition of subsidiary (net of cash acquired)		**-**	(1,246)
Payments for property, plant and equipment		**(1,573)**	(4,417)
Net cash outflow from investing activities		**(1,573)**	(5,663)
Cash flows from financing activities			
Proceeds from exercise of share options		**64**	115
Finance lease payments		**(3)**	(16)
Dividends paid to Company's shareholders		**(23,977)**	(22,214)
Net cash outflow from financing activities		**(23,916)**	(22,115)
Net decrease in cash and cash equivalents		**(35,853)**	(25,132)
Cash and cash equivalents at the beginning of the financial year		**93,383**	82,588
Cash and cash equivalents at end of period		**57,530**	57,456

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation

(a) *Corporate information*

The financial report of Technology One Limited (the Company or TechnologyOne) for the half-year ended 31 March 2018 was authorised for issue in accordance with a resolution of the directors on 22 May 2018.

Technology One Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

This interim financial report for the half-year reporting period ended 31 March 2018 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 September 2017 and considered together with any public announcements made by Technology One Limited during the half-year ended 31 March 2018 in accordance with the continuous disclosure obligations of the ASX listing rules and the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim financial period.

(b) *New accounting standards and interpretations*

New or amended standards that became applicable for the first time for the 31 March 2018 half-year report did not result in a change to the Company's accounting policies or require retrospective adjustments. Certain new relevant accounting standards and interpretations that have been published but are not effective for the 31 March 2018 interim reporting period are outlined below.

(i) Issued but not yet effective

• AASB 9 Financial Instruments includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010 - 7 to reflect amendments to the accounting for financial liabilities. The effective date of this standard is 1 January 2018 and will be first applied by the Company in the financial year ending 30 September 2019. The Company is in the process of assessing the impact of adopting AASB 9.

• AASB 15 Revenue from Contracts with Customers

IFRS 15 is the international standard for "Revenue from Contracts with Customers". In Australia it is referred to as AASB 15. AASB 15 was issued by the Australian Accounting Standards Board in January 2015 and replaces all revenue recognition requirements, including those as set out in AASB 118 Revenue.

The standard contains a single model that applies to all revenue arising from contracts, unless the contracts are in the scope of other standards (e.g. leases).

The standard comes into effect from 1 January 2018. For TechnologyOne, it applies from the year commencing 1 October 2018 as it is the first full year post commencement of the new standard. So the first reporting year is the year ending 30 September 2019.

The Company's approach on adopting AASB 15

TechnologyOne has taken a strategic approach toward its adoption of IFRS 15. Extensive analysis has been undertaken by the Company of its revenue recognition policies over the past 3+ years. This has not only included consideration of contracts currently on hand but also changes within the Company as the substance of our business continues to transition to a true Software as a Service (SaaS) business. TechnologyOne has also researched other SaaS businesses and has identified best practice accounting treatment.

The combination of the impending adoption of IFRS 15 and the significant changes occurring in our business has required TechnologyOne to:

- Continue to look at all our Accounting practices, not just AASB 15
- Ensure we continue to appropriately recognise revenue, and associated costs
- Ensure we continue reporting numbers that reflect the real performance of the business and the substance of transactions
- Consider the alignment of Profit and Operating cashflow as is currently the case.

1 Basis of preparation (continued)

Timeline for the adoption of IFRS 15 / AASB 15

TechnologyOne is:

- Currently finalising its position in respect of IFRS 15 with its Auditors and Board including areas of change
- Reviewing all its accounting policies in light of IFRS and of our business changing to a true SaaS business
- Building illustrative models for P&L, Balance Sheet and Cashflows to demonstrate any possible impact of adopting IFRS and moving to a true SaaS business

We will be publishing detailed information on our adoption of IFRS in the coming months at a Mid-Year Roadshow.

TechnologyOne' s first reporting year under IFRS will be the year ending 30 September 2019. At this time TechnologyOne will re-state the prior year, as if the standard had always applied.

There is no impact to this financial year (i.e. year ending 30 September 2018) from IFRS 15.

• AASB 16 Leases was issued in February 2016. The standard introduces a single lessee accounting model and requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard removes the clarification of leases as either operating or finance leases for the lessee and effectively treats all leases as finance leases. There are also changes in the accounting over the life of the lease. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, lessor accounting will remain similar to current practice. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16. The Company has not yet assessed how it will be affected by the new standard and has not yet decided when to adopt it.

2 Segment information

The Company's chief operating decision maker, being the Executive Chairman, makes financial decisions and allocates resources based on the information they receive from its internal management system. Sales are attributed to an operating segment based on the type of product or service provided to the customer.

Segment information is prepared in conformity with the accounting policies of the Company as discussed in note 1 in the annual report for the year ended 30 September 2017 and AASB 8 Operating Segments.

The Company's reportable segments are:

- Sales and Marketing - sales of licence fees and customer support to our customers.
- Consulting - implementation, consulting services and custom software development services for large scale, purpose built applications.
- Research & Development (R&D) - the research, development and support of our products.
- Cloud - the delivery of cloud hosting services to our customers.
- Corporate - the aggregation of the corporate services functions' costs and revenue, and corporately-funded projects.

Intersegment revenues/expenses are where one operating segment has been charged for the use of another's expertise.

Royalties are a mechanism whereby each segment pays or receives funding for their contribution to the ongoing success of TechnologyOne. For example, Sales & Marketing pays R&D for the development and support of the products that they have sold, as well as Corporate for the use of corporate services.

Our chief operating decision maker views each segments performance based on revenue post royalties and profit before tax. No reporting or reviews are made of segment assets, liabilities and cash flows and as such this is not measured or reported by segment.

2 Segment information (continued)

Half-year 2018

	Sales & Marketing $'000	Consulting $'000	R&D $'000	Cloud $'000	Corporate $'000	Total $'000
Revenue						
External revenue	76,571	29,810	-	13,395	586	**120,362**
Intersegment revenue	50	(39)	53	(66)	2	**-**
Net royalty	(49,324)	(3,152)	31,051	(1,457)	22,882	**-**
Total revenue	**27,297**	**26,619**	**31,104**	**11,872**	**23,470**	**120,362**
Expenses						
Total external expenses	**25,977**	**27,103**	**25,569**	**8,906**	**22,382**	**109,937**
Profit/(Loss) before tax	1,320	(484)	5,535	2,966	1,088	**10,425**
Income tax expense						(2,313)
Profit for the half-year						**8,112**
R&D expenses (external) as a % of total external revenue			**21%**			

Half-year 2017

	Sales & Marketing $'000	Consulting $'000	R&D $'000	Cloud $'000	Corporate $'000	Total $'000
Revenue						
External revenue	72,013	32,853	29	8,213	837	**113,945**
Intersegment revenue	29	(134)	43	(1)	63	**-**
Net royalty	(47,386)	(3,441)	29,710	(884)	22,001	**-**
Total revenue	**24,656**	**29,278**	**29,782**	**7,328**	**22,901**	**113,945**
Expenses						
Total external expenses	**24,478**	**29,591**	**23,609**	**6,391**	**19,552**	**103,621**
Profit/(Loss) before tax	178	(313)	6,173	937	3,349	**10,324**
Income tax expense						(2,270)
Profit for the half-year						**8,054**
R&D expenses (external) as a % of total external revenue			**21%**			

3 Revenue

	2018 $'000	2017 $'000
Sales revenue		
Software licence fees	**25,860**	24,077
Implementation and consulting services	**27,109**	29,091
Post sales customer support	**50,711**	47,874
Project services	**2,698**	3,764
SaaS platform fees	**13,395**	8,213
Total sales revenue	**119,773**	113,019
Other revenue		
Foreign exchange gains / (losses)	**(21)**	(4)
Rents and sub-lease rentals	**-**	273
Interest received	**340**	350
Other	**270**	307
Total other revenue	**589**	926
Total revenue	**120,362**	113,945

4 Fair Value

At 31 March 2018 the Company did not hold any assets or liabilities at fair value through the profit and loss except as noted below:

a. Contingent consideration of $14.3m (2017: $16.5m) relating to the business combinations of ICON, DMS and JRA as set out in the 2017 annual report is classified as Level 3. The decrease in contingent consideration is due to the finalisation of the ICON earn out arrangement, which was paid in April 2018, subsequent to the half-year end. This is explained below. Other movements are not significant and relate only to interest accretion. The inputs and valuation techniques are consistent with those in the 2017 annual report. The amounts payable under the respective acquisition agreements have been discounted to present value.

   As part of the ICON acquisition an ambitious earn out target was established. ICON partially achieved their earnout target and as a result, the Company has reduced the Contingent Consideration (i.e. the associated liability) by $2.2m, and, following a review of the value of associated Intangible assets, also reduced the carrying value of these assets by $2.2m. This has resulted in a net impact on the P&L of nil.

b. The carrying value of current trade and other receivables, earned and unbilled revenue, unearned revenue and trade payables are assumed to approximate their fair value due to their short-term nature.

5 Events occurring after the reporting period

On 22 May, the directors of Technology One Limited declared an interim dividend on ordinary shares of 2.86 cents per share in respect of the 2018 financial year. The total amount of the dividend is $9.0m and is 75% franked.

No other matter or circumstances have arisen since the half-year end which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

In accordance with a resolution of the directors of Technology One Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2018 and of its performance for the half-year ended on that date.

 (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board

Adrian Di Marco
Executive Chairman

Brisbane
22 May 2018

Ernst & Young
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Auditor's Independence Declaration to the Directors of Technology One Limited

As lead auditor for the review of Technology One Limited for the half-year ended 31 March 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Technology One Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Brad Tozer

Brad Tozer
Partner
22 May 2018

Ernst & Young
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Independent Auditor's Review Report to the Members of Technology One Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Technology One Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 March 2018, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 March 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Brad Tozer

Brad Tozer
Partner
Brisbane
22 May 2018