

Chairman Presentation

FY19 Annual General Meeting

Adrian Di Marco

technologyone
Transforming business, making life simpler
Commercial in confidence

Disclosure Statement

TechnologyOne Ltd Annual General Meeting – 25 February 2020

Technology One Ltd (ASX: TNE) today conducted its Annual General Meeting at the Brisbane Convention & Exhibition Centre. These slides have been lodged with the ASX and are also available on the company's website: www.TechnologyOneCorp.com

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Record Net Profit Before Tax \$76.4m

10 consecutive years of Record Profit

Top End of Full Year Guidance of \$76.3m Achieved

*Guidance provided at the H1 Results
presentation...*

**“We see strong continuing growth in 2019
Net Profit Before Tax of \$71.6m to
\$76.3m”**



Very strong result as we completed the transition to a SaaS company and a new accounting standard AASB15

FY19 PBT of \$76.4m



FY18 Comparable
Profit was \$50.8m¹

✓ **Up 50%**



FY18 Reported
Profit was \$66.5m

✓ **Up 15%**

¹ Comparable method restates FY18 applying AASB15. It also assumes non-IFRS proforma capitalisation of R&D costs (50%, \$26m) for the FY18 year and is unaudited. As a SaaS company, R&D costs are capitalised from FY19 onwards, which is the common practice of our SaaS peers. We measure our performance using the comparable method because it is a better reflection of the performance of our business, setting a higher bar for the prior comparable period (FY18) than the statutory reporting. It allows for a 'like for like' comparison of the performance of the business, assuming R&D costs (50%, \$26m) were capitalised in FY18. This takes AASB15 statutory reporting comparative result for FY18 from \$24.8m to \$50.8m.

Our continuing strong growth

**Our global SaaS ERP solution
transforms our customers' business,
and makes life simple for them**

Enabling a digital revolution
Any device, Anywhere, Anytime



SaaS is driving our strong growth

435 enterprise customers on TechnologyOne SaaS
Up 25% from 347 enterprise customers pcp
Target 1000 enterprise customers by 2022



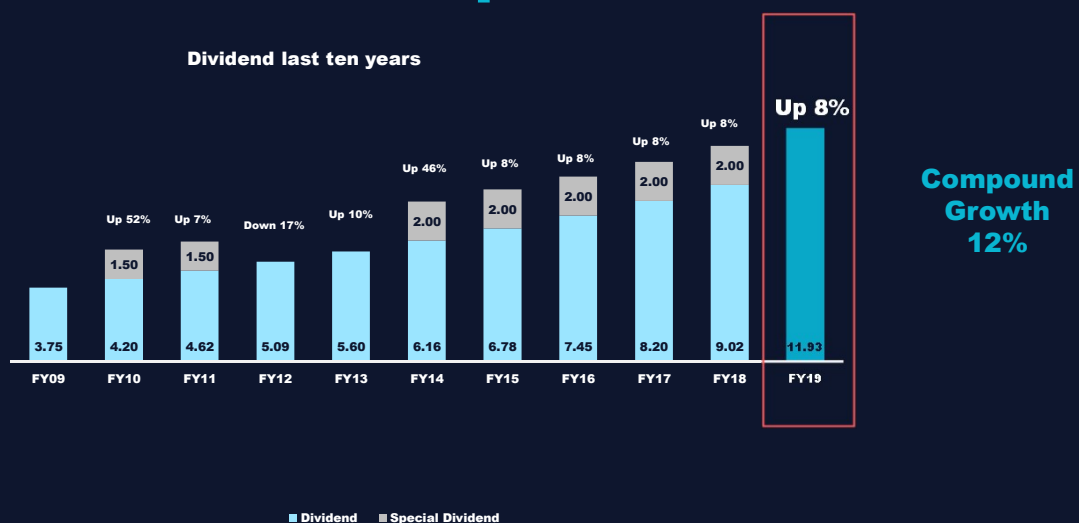
Our SaaS business continues to grow strongly

SaaS ARR¹ \$102m up 44%

¹ARR (Annual Recurring Revenue) was previously referred to as ACV (Annual Contract Value). ARR is a non-IFRS financial measure

Record Dividend up 8%

Dividend last ten years



The Special Dividend is now rolled into the Final Dividend

Silicon Valley? Try Fortitude Valley.

We are an innovation driven business



**Positioned for continuing long
term growth**



Clear Strategy

- ✓Enterprise software
- ✓Deep functionality for the markets we serve
- ✓TechnologyOne Global ERP SaaS solution - mass economies of scale
- ✓Any device, Anywhere, Anytime - enabling a digital revolution
- ✓We are an innovation driven company
- ✓Powerful Subscription Revenue Model



**Total Annual Recurring Revenues
will increase to \$500+m in FY24'
an additional \$300m ARR**

¹Total ARR in FY19 was \$202m

Positioned for continuing growth

Our biggest risk is Execution

Executive Rem key to our success

- ✓ Our executives have low base, driven to achieve thru STI & LTI
- ✓ Profit Before Tax up 50% on FY18 Comparable profit of \$50.8m
- ✓ Profit Before Tax up 15% on FY18 Reported profit of \$66.5m
- ✓ Executive Rem is up 14%
- ✓ Continuing clear alignment between the performance of the business & Rem
- ✓ Continue to improve our Rem Report, to make it simple and clear
- ✓ Future changes
 - ✓ LTI testing based on CAGR , not annual testing
 - ✓ Disclose LTI targets upfront, not retrospectively on vesting

Corporate Governance

Board renewal

Jane Andrews appointed

Sharon Doyle appointed

Cliff Rosenberg appointed

Appointing our 4th independent director in next few months

Corporate Governance

ESG¹ Reporting has been substantially enhanced

¹ESG - Environmental, Social & Governance

technology**one** | foundation

unite | donate | participate

1% Pledge

1% profit | 1% time | 1% product

Our charity partners



OPPORTUNITY
International
AUSTRALIA



**The School
of St Jude**



SOLARBUDDY



Prince's Trust



**The Fred Hollows
Foundation**





Energy Poverty
effects 1.4b people
Kills 4.8m people per year

SolarBuddy



Our Commitment 500,000+ children
and their families from
poverty

Opportunity International Australia

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About TechnologyOne

TechnologyOne (ASX: TNE) is Australia's largest enterprise software company and one of Australia's top 200 ASX-listed companies, with offices across six countries. It provides a global SaaS ERP solution that transforms business and makes life simple for customers. Its deeply integrated enterprise SaaS solution is available on Any device, Anywhere and Anytime and is incredibly easy to use. Over 1,200 leading corporations, government agencies, local councils and universities are powered by its software. For more than 32 years, it has been providing customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.