2022 Half Year Results

Ended 31 March 2022

technologyone
Transforming business, making life simple

24 May 2022
Commercial in confidence

1

Disclosure Statement

TechnologyOne Ltd Half Year Presentation – 24 May 2022

TechnologyOne Ltd (ASX: TNE) today conducted a series of presentations relating to its 2022 Half Year results.

These slides have been lodged with the ASX and are also available on the company's website: **www.TechnologyOneCorp.com**

The information contained in this presentation is of a general nature and has been prepared by TechnologyOne in good faith. TechnologyOne makes no representation or warranty, either express or implied, in relation to the accuracy or completeness of the information. This presentation may also contain certain 'forward looking statements' which may include indications of, and guidance on financial position, strategies, management objectives and performance. Such forward looking statements are based on current expectations and beliefs and are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of TechnologyOne. TechnologyOne advises that no assurance can be provided that actual outcomes will not differ materially from those expressed in this presentation.

This presentation includes the following measures used by the Directors and management in assessing the on-going performance and position of TechnologyOne: EBITDAR, EBITDA, EBIT, ARR, Churn, Cash Flow Generation. These measures are non-IFRS under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by the Australian Securities and Investment Commission and have not been audited or reviewed.

All information reported is inclusive of Scientia unless otherwise advised.

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Agenda

- Results
- Significant Achievements
- Outlook for Full Year
- Long Term Outlook

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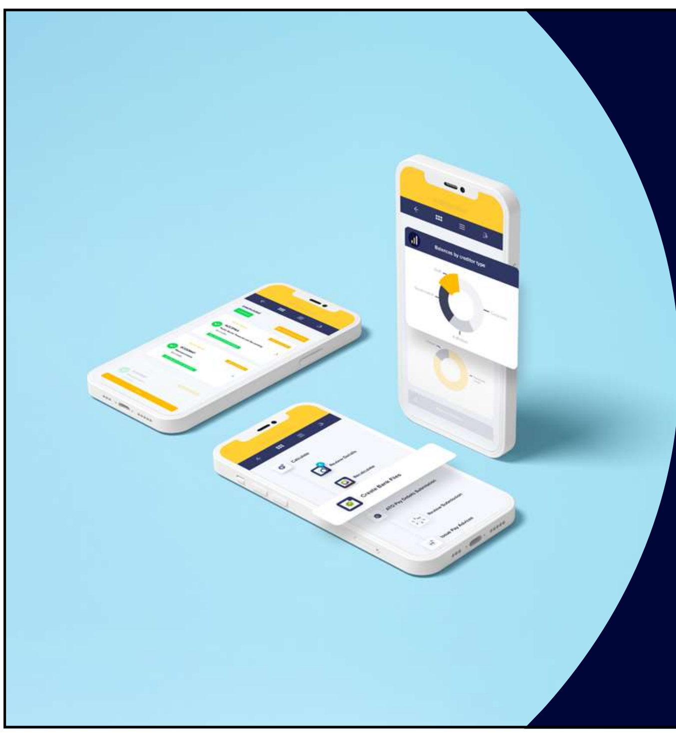

Our SaaS business continues to grow strongly

SaaS ARR $225.1m up 44%

4

714 Enterprise customers on TechnologyOne SaaS up 24% from 576 enterprise customers pcp

5

SaaS and Continuing Business Revenue of $169.5m, up 21%

This is now 97%+ of our business

6

Record H1 Profit

Net Profit After Tax of $33.2m up 18%

Net Profit Before Tax of $42.6m up 14%

Note: Our half year results are not indicative of the full year

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SaaS continues to drive our growth

Outlook for FY22 is strong

Discussed later in more detail

8

Over the last 35 years the business has continued to grow strongly during challenging economic environments

9

Interim Dividend up 10%

We remain confident about the outlook for the full year

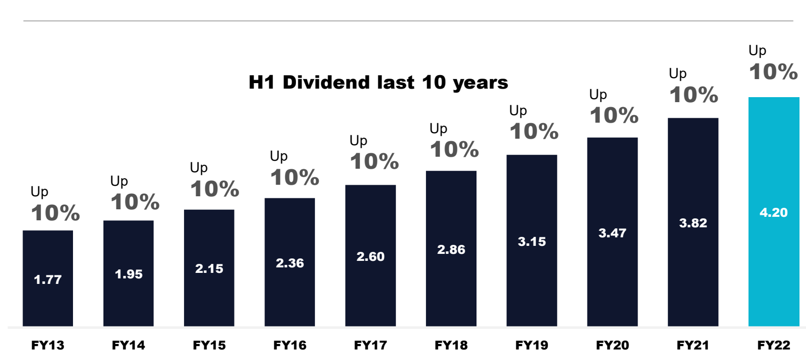
Half 1 4.20 cps,
up 10% (60% franked[1])

Payout ratio of

41%

Compound Growth

10%



Notes:
- [1] Dividends are not fully franked as a result of tax benefits from the R&D Tax Concession and the TechnologyOne Share Trust
- We have continuously paid a dividend since 1996 (through Dot-Com and GFC)
- The Board considers the payment of a Special Dividend at the end of each year taking into consideration franking credits and other factors
- The Board continues to consider other Capital Management initiatives including acquisitions

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H1 Results Summary

	H1 FY22 $'000	H1 FY21 $'000	VAR $'000	VAR %	
Revenue – SaaS & Continuing Business	**169,480**	**140,579**	**28,901**	**21%**	In line with expectations.
SaaS Fees Recognised[1]	96,249	68,818	27,431	40%	Our SaaS business continues to grow strongly.
Annual Licence Fees [1]	39,084	41,410	(2,327)	(6%)	As expected - our strategy to move customers from On-premise to SaaS.
Consulting Services	34,148	30,351	3,797	13%	Refer Appendix A.
Revenue - Legacy Licence Business	**2,515**	**3,762**	**(1,248)**	**(33%)**	In line with expectations, as we pro-actively move our customers to SaaS.
Legacy Licence Fees	2,433	3,566	(1,133)	(32%)	
Associated Annual Licence Fees[1]	82	196	(114)	(58%)	
Other Revenue	459	329	130	40%	
Total Revenue	**172,454**	**144,670**	**27,784**	**19%**	In line with expectations.
Total Expenses	**129,884**	**107,381**	**22,503**	**21%**	In line with expectations from Scientia acquisition. Expense growth and revenue growth will align for the full year.
Variable Costs (excl capitalisation)	28,296	23,606	4,690	20%	
Capitalised Costs - Commission (net of amortisation)	(1,633)	(248)	(1,385)	(100%+)	As required by AASB15.
Operating Costs (excl capitalisation)	114,590	96,841	17,749	18%	
Capitalised Costs - Development	(11,369)	(12,818)	1,449	11%	Refer slide: R&D Disciplined and Transparent.
Capitalisation	*(22,062)*	*(18,491)*	*(3,571)*	*(19%)*	
Amortisation	*10,693*	*5,673*	*5,021*	*89%*	
Profit Before Tax	**42,570**	**37,289**	**5,280**	**14%**	In line with expectations.
Profit Before Tax Margin	*25%*	*26%*			In line with expectations from Scientia acquisition. Margin will improve for the full year. Refer slide 17.
Profit After Tax	**33,191**	**28,201**	**4,990**	**18%**	In line with expectations. Lower effective tax rate due to higher R&D tax incentive.
Other					
Cash Flow Generation[2]	1,579	(2,974)	4,553	100%+	In line with expectations Refer: Cash flow.
Cash and Cash Equivalents	116,368	100,132	16,236	16%	
ARR Recognised[1]	135,414	110,424	24,990	23%	ARR Recognised includes SaaS Fees & On-premise Annual Licence Fees.
Total Annual Recurring Revenue (ARR)	**288,476**	**233,708**	**54,768**	**23%**	
SaaS ARR	**225,096**	**155,838**	69,258	**44%**	Our SaaS business continues to grow strongly.
Annual Licence ARR	63,380	77,870	(14,491)	(19%)	Expected as customers move from On-premise to SaaS.

[1] ARR Recognised includes SaaS Fees recognised & Annual Licence Fees
[2] Cash Flow Generation is Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments. Refer: Cash Flow

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H1 FY22 Profit Growth up 16% (Excl. Scientia)

Our underlying business has continued to grow very strongly

	TechOne (excl Scientia)		Scientia	TechOne (incl Scientia)	
	H1 FY22	PCP %	H1 FY22	H1 FY22	PCP %
Revenue – SaaS & Continuing Business	**159,958**	**14%**	**9,523**	**169,480**	**21%**
SaaS fees recognised	96,123	40%	126	96,249	40%
Annual licence fees	31,819	(23%)	7,265	39,084	(6%)
Consulting	32,016	5%	2,132	34,148	13%
Revenue - Legacy licence business	**2,467**	**(34%)**	**48**	**2,515**	**(33%)**
Other Revenue	412	25%	47	459	40%
Total Revenue	**162,839**	**13%**	**9,615**	**172,454**	**19%**
Total Expenses	**120,888**	**13%**	**8,996**	**129,884**	**21%**
Variable costs (inc capitalisation)	26,611	11%	*52*	26,663	11%
Operating costs (inc capitalisation)	94,278	13%	*8,944*	103,221	24%
Profit before tax	**41,951**	**12%**	**619**	**42,570**	**14%**
Margin	*26%*	*0%*	*6%*	*25%*	*(1%)*
Tax	*9,224*	2%	*155*	*9,379*	3%
Profit after tax	**32,726**	**16%**	**464**	**33,191**	**18%**
Other Metrics					
Cash flow generation	1,640	155%	(61)	1,579	100%+
Cash and cash equivalents	115,009	15%	1,359	116,368	16%
Annual Recurring Revenue					
ARR recognised	128,023	16%	7,391	135,414	23%
Total Annual Recurring Revenue (ARR)	**276,204**	**18%**	**12,272**	**288,476**	**23%**
SaaS ARR	**222,100**	**43%**	**2,996**	**225,096**	**44%**
Annual licence ARR	54,104	(31%)	9,276	63,380	(19%)

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Scientia Expands our Enterprise Solution

for OneEducation

- ✓ Acquired at the end of 2021
- ✓ A strategic product - mission critical functionality
- ✓ Provides deeper functionality in our Higher Education vertical market
- ✓ Higher Education is a key global vertical market
- ✓ In a key growth region - UK
- ✓ Demonstrates our deep commitment to both Higher Education and the UK

- ✓ Not acquired for earnings, but we see good opportunities from this acquisition
- ✓ TNE PBT margin will remain flat this year 31%, then increase to 35% over the coming years
- ✓ Short term we are investing to move the product to our SaaS platform, and integrate it into our enterprise suite.
- ✓ This will be followed by a complete rewrite and reengineering of the product onto our SaaS architecture.

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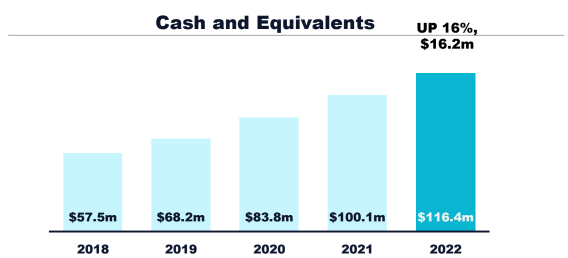
Balance Sheet Strong

Cash & Equivalents $116.4m, up 16%

- Net Cash: 36.0 cps vs 31.2 cps, up 16%
- Net Assets: $197.8m vs $153.6m, up $44.2m, up 29%
- We have no debt



	Mar-22 $'000	Mar-21 $'000	Var $'000	Var %
Cash & cash equivalents	116,368	100,132	16,236	16%
Prepaid expenses	15,975	11,691	4,284	37%
Trade and other receivables[1]	33,570	28,983	4,587	16%
Contract assets	24,392	24,653	(261)	(1%)
Other current assets	213	1,557	(1,344)	(86%)
Current tax assets	4,233	11,452	(7,219)	(63%)
Contract acquisition costs	5,285	3,247	2,038	63%
Current assets	**200,036**	**181,715**	**18,321**	**10%**
Property, plant and equipment	7,599	7,675	(76)	(1%)
Right-of-use assets	21,268	21,110	158	1%
Intangible assets[2]	62,035	38,589	23,445	61%
Capitalised development[3]	111,775	75,374	36,402	48%
Deferred tax assets	14,738	24,392	(9,654)	(40%)
Contract assets	3,137	741	2,396	100%
Contract acquisition costs	10,920	6,990	3,930	56%
Non-current assets	**231,472**	**174,871**	**56,601**	**32%**
Total Assets	**431,508**	**356,586**	**74,922**	**21%**
Trade and other payables	30,453	33,358	(2,905)	(9%)
Provisions	16,384	14,957	1,427	10%
Contingent consideration[4]	7,118	-	7,118	100%
Deferred revenue[5]	138,219	124,033	14,186	11%
Current tax liability	-	-	-	-
Lease liability[6]	6,842	1,729	5,113	100%
Current liabilities	**199,016**	**174,077**	**24,939**	**14%**
Provisions[7]	7,318	1,994	5,324	100%
Other non-current liabilities	105	131	(26)	(20%)
Lease liability	27,279	26,757	522	2%
Non-current liabilities	**34,702**	**28,882**	**5,820**	**20%**
Total Liabilities	**233,718**	**202,959**	**30,759**	**15%**
Net Assets	**197,790**	**153,627**	**44,163**	**29%**
Issued capital	57,203	50,512	6,691	13%
Other reserves	55,139	49,284	5,855	12%
Retained earnings	85,448	53,831	31,617	59%
Equity	**197,790**	**153,627**	**44,163**	**29%**

[1] Trade and other receivables increase relates to new deals signed late in the period

[2] Increase due to acquisition of Scientia

[3] Increase represents development activities capitalised during the period, less amounts amortised

[4] Contingent consideration for acquisition of Scientia, dependent on achieving earnout targets

[5] This amount represents cash received/receivable in advance of revenue recognition for SaaS fees and annual licence fees

[6] Cash rent abatement ended April 2022

[7] Provision for civil employment case of $5.2m was paid out in H1 FY21 and subsequently returned in H2 FY21 when we won the appeal. Case is pending the retrial

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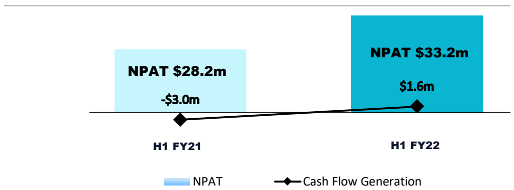
Cash Flow

Cash Flow Generation of $1.6m, up $4.6m

- ✓ Vs NPAT of $33.2m
- ✓ Strong and disciplined cash collection

NPAT versus Cash Flow Generation



We expect strong full year Cash Flow Generation

	H1 FY22 $'000	H1 FY21 $'000	Var $'000	Var %
Profit Before Tax	42,569	37,289	5,280	14%
Depreciation & Amortisation[1]	17,870	11,792	6,078	52%
Share based payments and other non-cash items	2,564	2,514	50	2%
Changes in working capital:				
(Increase) / Decrease in Trade and other receivables[2]	17,537	8,413	9,124	100%
(Increase) / Decrease in Contract assets[3]	(1,722)	(3,343)	1,621	48%
(Increase) / Decrease in Prepaid expenses	(2,545)	(840)	(1,705)	(100%)
Increase / (Decrease) in Payables	(14,467)	(8,080)	(6,387)	(79%)
Increase / (Decrease) in Deferred revenue[4]	(25,207)	(20,115)	(5,092)	(25%)
Increase / (Decrease) in Staff entitlements	(292)	(596)	304	51%
Net Interest Paid[5]	(718)	(609)	(109)	(18%)
Income Taxes Paid	(7,270)	(6,692)	(578)	(9%)
Other	25	(1,160)	1,184	100%
Operating Cash Flow	**28,344**	**18,573**	**9,771**	**53%**
Capitalised development costs	(22,062)	(18,490)	(3,572)	(19%)
Capitalised commission costs	(4,355)	(1,774)	(2,581)	(100%)
Payments of lease liabilities[6]	(348)	(1,283)	935	73%
▶ **Cash Flow Generation**	**1,579**	**(2,974)**	**4,553**	**100%**
Payments for property, plant & equipment	(1,507)	(550)	(957)	(100%)
Payment for purchase of business	-	-	-	-
Payments for other intangible assets	(912)	(825)	(87)	(11%)
Free Cash Flow	**(840)**	**(4,349)**	**3,509**	**81%**
Dividends paid	(32,492)	(30,235)	(2,257)	(7%)
Proceeds from shares issued	5,488	9,472	(3,984)	(42%)
Cash from acquisition	1,359	-	1,359	100%
Increase in Cash & Cash equivalents	**(26,485)**	**(25,112)**	**(1,373)**	**(5%)**
Cash at beginning of the period	142,853	125,244	17,609	14%
Cash & Cash equivalents at end of period	**116,368**	**100,132**	**16,236**	**16%**

[1] Depreciation & amortisation includes amortisation of Right of Use Asset under AASB16 Leases of $2.6m. It also includes amortisation of capitalised commissions $2.7m, capitalised development of $10.7m, $1.3m for depreciation of plant and equipment and $0.6m for amortisation of acquired intangible assets

[2] Decrease in FY22 Trade and Other Receivables represents inflows from large invoicing to customers late in FY21

[3] Extended payment terms provided to some customers typically with large implementations or term licences for on-premise customers

[4] Payments received in advance from customers for SaaS fees and on-premise annual licence fees which will be recognised as revenue in future periods.

[5] Includes interest expense related to lease liabilities recognised under AASB16 Leases

[6] Payments for leases recognised under AASB16 Leases. Cash rent abatement ended April 2022

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Cash Flow Generation for the Full Year

As previously disclosed in H1 FY21

We expect full year Cash Flow Generation will be 85% to 90% of NPAT in FY22

Due to the recent commencement of R&D capitalisation in FY19

Full year Cash Flow Generation will progressively grow to match NPAT again in FY24 onwards

In FY24 capitalisation and amortisation will closely align

Cash Flow Generation is Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments. Refer: Cash Flow

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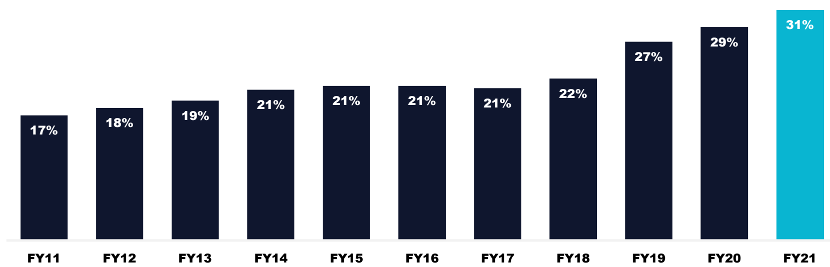
Profit margin to improve to 35%
in the next few years

FY21 Profit Before Tax Margin was 31%

Driven by the significant economies of scale from our single instance global SaaS ERP solution



FY20 Profit Before Tax excludes a one-off increase in provision of $3.6m as a result of a civil employment case

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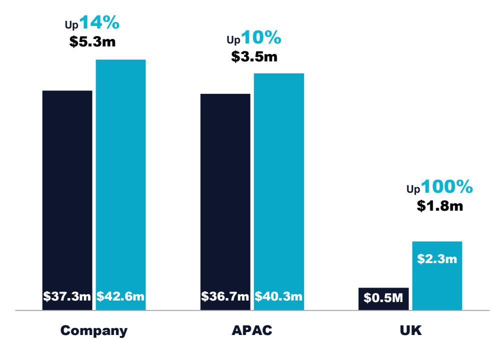
H1 FY22 Profit by Segment
Profit Before Tax $42.6m, up 14% $5.3m

Operating segment analysis ■ H1 FY21 ■ H1 FY22

Operating segment analysis

Half Year Profit in line with expectations and not indicative of the Full Year results
1. Software Profit up 26%: Driven by strong SaaS growth.
2. Consulting Profit up 10%: continues to execute well
3. Corporate Profit down 19%: Driven by Scientia acquisition, legal and restructuring costs

Geographic segment analysis ■ H1 FY21 ■ H1 FY22



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Results Analysis and Key Metrics, H1 FY22

	H1 FY22	H1 FY21	Var
	$'000	$'000	%
Revenue excl interest	**172,362**	**144,537**	**19%**
Expenses (excl R&D, interest, D & A)	**91,775**	**78,697**	**17%**
EBITDAR	**80,587**	**65,840**	**22%**
EBITDAR Margin	47%	46%	
R&D Expenditure (before capitalisation)	41,494	34,640	20%
R&D as % of Total Revenue[1]	24%	24%	
EBITDA	**61,158**	**49,690**	**23%**
EBITDA Margin	35%	34%	
Depreciation	1,279	1,841	(30%)
Amortisation	16,591	9,951	67%
EBIT	**43,288**	**37,898**	**14%**
Net Interest Expense	(718)	(609)	18%
Profit Before Tax	**42,570**	**37,289**	**14%**
Profit Before Tax Margin	25%	26%	
Profit After Tax	**33,191**	**28,201**	**18%**

	H1 FY22	H1 FY21	Var
	$'000	$'000	%
EPS (cents)	**10.29**	**8.80**	**17%**
Dividend (cents per share)			
Interim dividend	4.20	3.82	10%
Dividend Payout Ratio	41%	44%	
ROE	**16%**	**18%**	
Balance Sheet			
Net Assets	197,790	153,627	29%
Cash & Cash Equivalents	116,368	100,132	16%
Cash Flow Generation[2]	1,579	(2,974)	100%

Full year ROE will be 40%+

[1] R&D as % of total revenue based on R&D expenditure before capitalisation
[2] Cash Flow Generation is Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments

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Agenda

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Continuing strong demand

TechnologyOne Global SaaS ERP Solution

Transforming business, making life simple

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Total ERP Solution

Financials
Business Analytics
Student Management
Human Resources & Payroll
Performance Planning
Property & Rating
Strategic Asset Management
Syllabus Plus Enterprise
Enterprise Asset Management
Spatial
Enterprise Cash Receipting
Enterprise Budgeting
Enterprise Content Management
Corporate Performance Management
Supply Chain Management

POWER OF A SINGLE INTEGRATED SOLUTION

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Our SaaS business is growing strongly
SaaS ARR is growing at 44%

- One global codeline
- Massive economies of scale
- 2 releases each year providing new functionality
- 8 active data centres
- Defence-in-depth security

- Always on the latest release
- Always on the latest technology
- Fast migration for existing on-premise customers
- Customers save 30%+ on their total cost
- Take-on additional products quickly

> "From our staff to our students, the shift to TechnologyOne SaaS has given everyone at La Trobe University a richer experience and we now have the opportunity to innovate. We moved to SaaS to gain access to a more robust and secure platform, minimise out ages and maintenance that come with an on-premise solution, and deliver a cloud-first, mobile-first experience to our students."
>
> **Stuart Hildyard - La Trobe University**

Compelling value proposition of TechnologyOne Enterprise SaaS

Making life simple for our customers

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Market focus

Local Government	Education	Government	Asset and Project Intensive	Health and Community services	Corporate and Financial services
Industry	Industry	Industry	Industry	Industry	Industry

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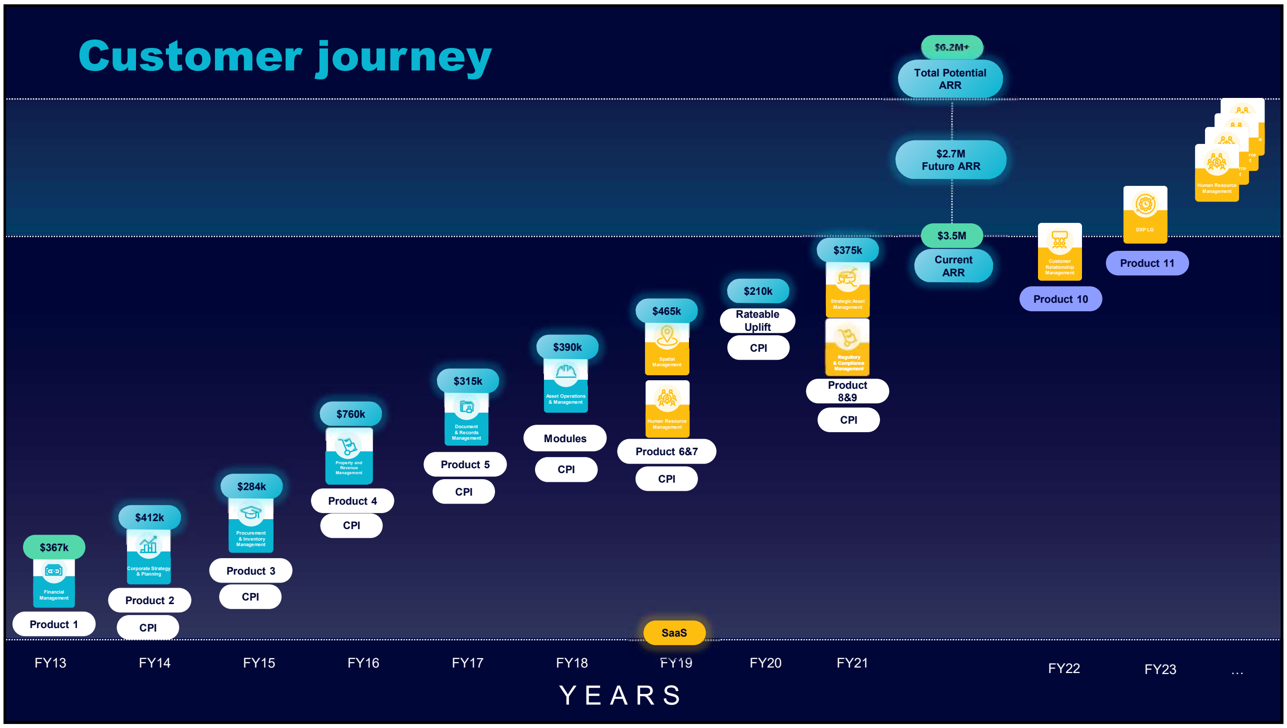

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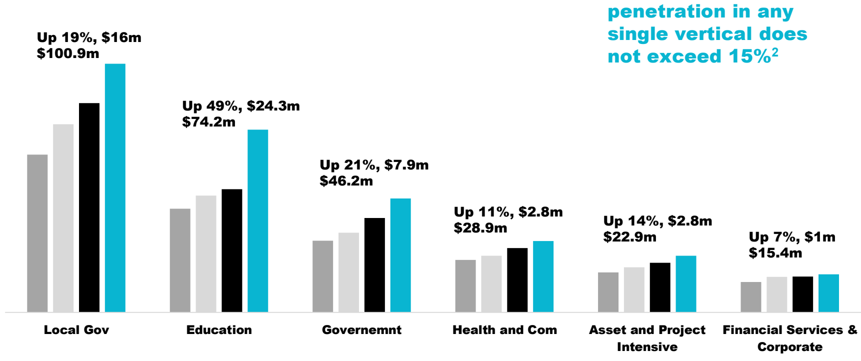
All verticals performed strongly

Significant room to grow in future years

Vertical Market Analysis

ARR of $288.5m[1], Up 23% | From $233.7m, H1 FY21

Our APAC market penetration in any single vertical does not exceed 15%[2]



[1] Balance is as at 31 March 2022 and growth is for the 12 months from 31 March 2021
[2] Based on our existing customers and their use of TechnologyOne products and modules as a percentage of total addressable market.

SWINBURNE

MORNINGTON PENINSULA Shire

Royal Conservatoire of Scotland

Derby City Council

MINISTRY OF JUSTICE Tāhū o te Ture

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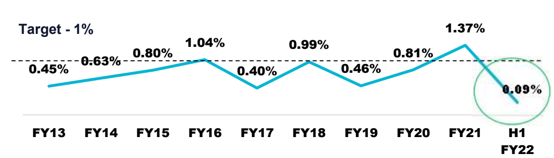
99% customer retention across all markets

Customer Churn 10 years
Based on Total ARR[1]



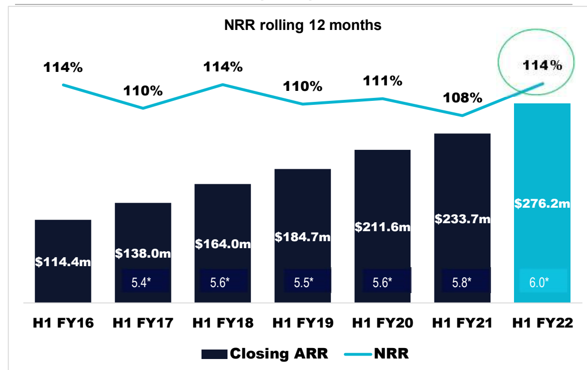
[1] Total ARR = SaaS ARR + On-premise Annual Licence ARR
H1 FY22 represents churn for the 6 months to 31 March 2022

Net Revenue Retention

Strong expansion performance of 114%

- Our Global SaaS ERP is very broad with 300+ modules
- Significant opportunity in our existing customer base
- Frictionless – open licence, all modules available on SaaS
- Predictable, non-competitive transactional sales
- Low cost selling to existing customers

Net Revenue Retention (NRR) – excludes Scientia



Calculation of Net Revenue Retention
(Opening ARR + New ARR to existing customers - Lost ARR from existing customer) / Opening ARR
= Net Revenue Retention
* Products per customer

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United Kingdom
Significant investment for future growth

Completing "customer first/remediation" phase, and focus is now on growth

H1 FY22

UK profit of $2.3m v profit of $0.5m pcp, an improvement of 100%+
Consulting profit of $0.7m vs $0.2m, 100%+ improvement

ARR of $17.6m up 100%+
Scientia contribution of $7.9m

New leadership is working well

Happy and referenceable customers

Outlook

UK Student Management & HRP Regionalisation
5 live HRP customers
Student Management go-live, on schedule for late 2022

Integration of Scientia Underway
Provides additional brand recognition, customers and scale in the UK

Pipeline is strong for FY22
Many new logos and increasing ARR

We see significant upside in the UK in the coming years
Total addressable market in the UK is 3 x APAC

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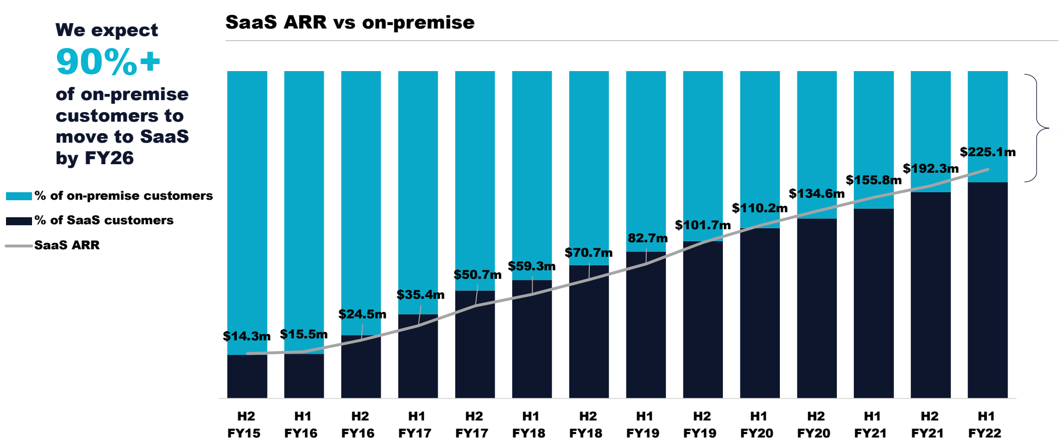
$142m ARR Runway moving on-premise to SaaS by FY24

We expect
90%+
of on-premise customers to move to SaaS by FY26



$142m+
SaaS ARR from Existing on-premise customers

Includes additional ~$20m SaaS ARR runway from existing on-premise customers of Scientia
Total Scientia SaaS ARR included in H1 FY22 is $3.0m

Does not include ARR from additional product penetration or new Customers

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R&D Significant Investment for future growth

R&D investment of

$41.5m[1]

24% of Revenue

UP **20%**

Current

- $500m+ invested in R&D over the last 10 years to maintain our leadership in innovation
- We provide 2 releases per year
- Delivered 2022A to the market, with 468 product enhancements across our enterprise suite
- Under development is the 2022B release, for late 2022
- We continue to extend our SaaS platform
- Delivering on Artificial Intelligence and machine learning
- Delivering our new generation DXP *Digital Experience Apps*

Future

dxp For Local Government

dxp For Student

R&D growth will revert to 8% over the next few years

[1]R&D expenditure before capitalisation and includes Scientia of $1.8m

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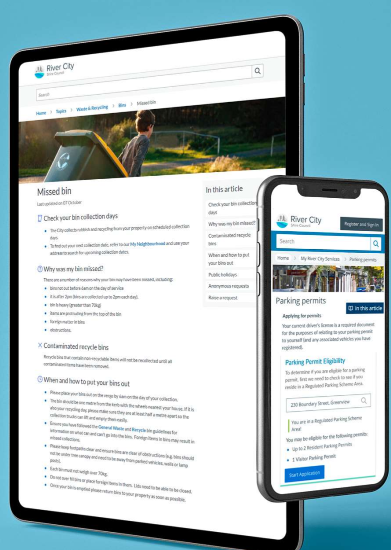

DXP 2.0

Ready to launch

- LG DXP will be launch early in H2
- Student DXP – Research Continuing

"DXP Knowledge Base is user friendly, requires little to no training and has reshaped how Moreton Bay Regional Council collates, centralises and shares knowledge across a diverse and geographically separated organisation.

- Loretta Libke, Moreton Bay Regional Council

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H1 FY22 Summary

- Record H1 profit and revenue, record SaaS ARR
- Revenue for our SaaS and continuing business of $169.5m, up 21%
- Profit Before Tax of $42.6m, up 14%
- Cash and Cash Equivalents of $116.4m, up 16%[1]
- SaaS ARR of $225.1m, up 44%
- Total revenue up 19%
- Profit before tax margin of 25%
- Consulting profit of $6.7m, up 10%
- Total ARR of $288.5m, up 23%
- Profit After Tax of $33.2m, up 18%
- UK profit $2.3m, up 100%+

We will continue to double in size every 5 years

ON TRACK TO ACHIEVE $500m+ ARR BY FY26

1 From 31 March 2021

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Our People

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Agenda

- Results
- Significant Achievements
- Outlook for Full Year
- Long Term Outlook

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Outlook for 2022 Full Year

"War, COVID-19 and floods have all interrupted the supply of certain goods, leading to price increases. But these interruptions and price increases have proved more long-lasting than expected…" (SMH May 7,2022)

Over the past 35 years we have continued to grow strongly in challenging environments.

We expect to do so again.

- The markets we serve such as Local Government, Higher Education and Government are resilient
- TechnologyOne provides mission critical software which powers our customer's operations
- Customers turn to our Global SaaS ERP to save 30%+ and streamline their business
- Our subscription revenue contracts pass on CPI

We will continue to benefit from improving margins because of the significant economies of scale from our single instance Global SaaS ERP solution

We will continue to double in size every 5 years

On Track to achieve $500m+ ARR by FY26

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Outlook for 2022 Full Year

We expect to see strong continuing growth

Net Profit Before Tax growth of 10% to 15%

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Outlook for 2022 Full Year

SaaS ARR growth of 40%+

SaaS ARR growth, which is a key indicator of the strength of the company's offering in the market, is expected to be up 40%+

As we continue to aggressively grow our SaaS business, we continue to reduce our legacy licence fees, down to approximately $12m (v $18m pcp). This is an integral part of our strategy to focus on growing our SaaS business and our recurring revenue base

On Track to achieve $500m+ ARR by FY26

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Agenda

- Results
- Significant Achievements
- Outlook for Full Year
- Long Term Outlook

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Positioned well for the future

and to continue doubling in size every 5 years

- SaaS continues to grow strongly
- Harvest substantial opportunities in our customer base
- Continuing growth in APAC
- Continuing growth in the UK
- Profit margins to grow to 35%, through significant economies of scale

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Total Annual Recurring Revenues will increase to $500m+ in FY26[1]

[1]Total ARR end of H1 FY22 was $288m

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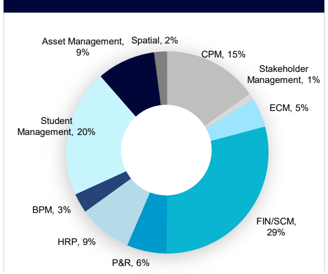
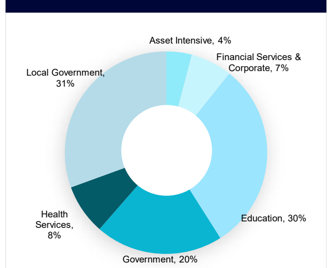
Drivers for long term growth

Diversified revenue streams

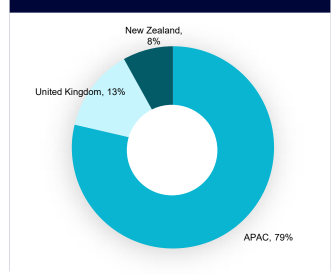
Increase Product Penetration
15 Licensable products[1]
Over 350 licensable modules



Increase Market Penetration
6 Vertical markets



Expand Geographies
APAC & UK



Strong, very loyal customer base

- PROVIDES MISSION CRITICAL SOLUTION – 'STICKY CUSTOMER BASE'
- 99%+ CUSTOMER RETENTION RATE
- 90%+ OF OUR REVENUE IS NOW RECURRING[2]
- TECHNOLOGYONE GLOBAL SAAS ERP SOLUTION

1 Based on Revenue
2 Total Revenue less consulting

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Appendixes

- Appendix A – Consulting Profit
- Appendix B – R&D Disciplined and Transparent
- Appendix C – Long History of Strong Cash Flow Generation
- Appendix D – Glossary

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Appendix A: H1 Consulting Profit of $6.7m

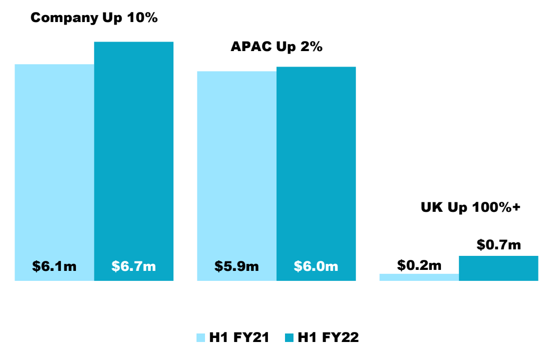
Our AMS business for our existing customers is also moving to recurring revenue.
Now have $22m locked in recurring revenue not included in our total ARR

Consulting is responsible for services in relation to our software

Two focussed divisions

- New Projects
- Applications Managed Services (AMS) for existing customers

Disciplined use of implementation methodology



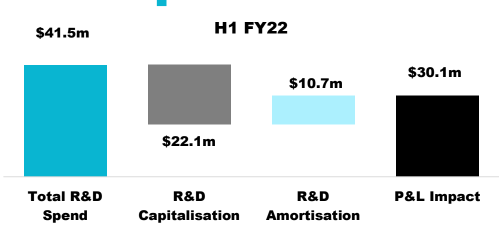
Appendix B: R&D Disciplined and Transparent

Highly Disciplined approach to R&D.
We expense only maintenance and research.
We capitalise development based on actual timesheets for eligible projects.
Capitalisation and amortisation is independently audited along with Financial Statements

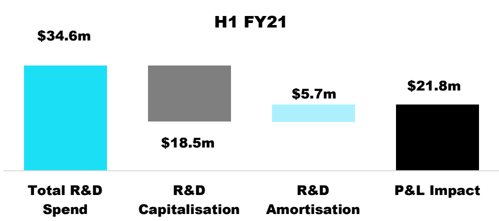
Because we are a SaaS ERP provider, we expect the norm to be as follows:

- The expected range of capitalisation is 50-55%.
- The expected Amortisation is 5 years

If we vary from this we will provide detailed reasons why.



H1 FY22	
$41.5m	R&D investment before capitalisation
($22.1m)	53% capitalised development (in line with expected 54% for full yr)
$10.7m	Amortisation commenced in H2 FY19
$30.1m	**Net expense through P&L, up 38% $8m on pcp**



H1 FY21	
$34.6m	R&D investment before capitalisation
($18.5m)	53% capitalised development (and 54% over full yr)
$5.7m	Amortisation commenced in H2 FY19
$21.8m	**Net expense through P&L**

Appendix B:
R&D Disciplined & Transparent (continue)

	R&D Investment	Software Development - Capitalised	Percent Capitalised	Amortisation Expense	Amortisation Period	Net Expense through P&L
	($'000)	($'000)	%	($'000)	Years	($'000)
FY19	60,083	32,145	53%	555	5	28,493
FY20	68,102	37,069	54%	6,103	5	37,136
FY21	77,005	41,858	54%	13,429	5	48,576
	($'000)	($'000)	%	($'000)	Years	($'000)
H1 FY21	34,640	18,490	53%	5,673	5	21,823
H1 FY22	41,494	22,062	53%	10,693	5	30,127

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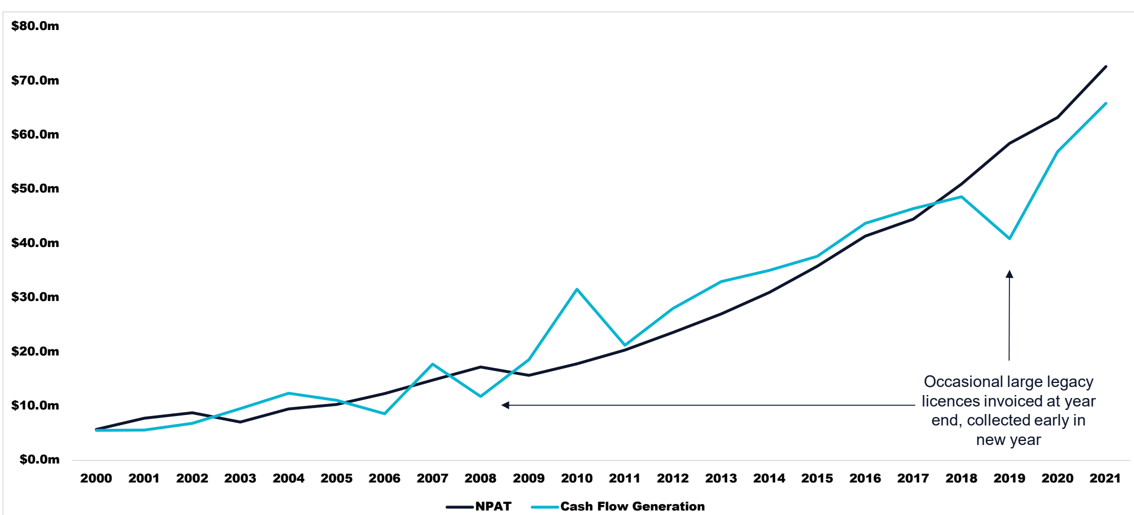
Appendix C: Long history of strong cash flow generation

Cash Flow Generation[2] will continue to grow as NPAT[1] grows



[1] This graph shows previously reported NPAT to FY18 and has not been restated for AASB15

[2] Cash flow generation is operating cash flow from operations less capitalised development costs, capitalised commissions and lease payments

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Appendix D: Glossary

APAC	Asia Pacific - Includes Australia, New Zealand, Malaysia and the South Pacific
ARR	Annual recurring revenue
Cash Flow Generation	Cash flow from Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments during the period
Churn	Lost customers
CPS	Cents per share
DXP	Digital Experience Platform
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EBITDAR	Earnings before interest, taxes, depreciation, amortisation, and research and development costs
EPS	Earnings per share
ILF	Initial licence fees
Legacy Licence Fees	On-premise licence fees / Perpetual licence fees
LG DXP	Local Government Digital Experience Platform
LTV	Lifetime value
NPAT	Net profit after tax
NRR	Net Revenue Retention
PBT	Profit before tax
PCP	Prior Corresponding Period
Profit before tax - Underlying	Profit before tax excluding the impact of increased provision for a civil employment matter
R&D	Research & Development
ROE	Return on equity
SaaS ARR	Annual recurring revenue relating to customers on the software as a service platform

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