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TechnologyOne clarifies its effective tax rate in response to the ATO's Corporate Tax Transparency Report

Technology One Limited (ASX:TNE) has issued this update after the Report released by the Australian Tax Office (ATO) listed TechnologyOne as one of the companies in Australia with an effective tax rate of less than 30 per cent.

The company's Executive Chairman, Adrian Di Marco, said that TechnologyOne's effective tax rate would have been 30 per cent, had a legitimate Research & Development (R&D) tax offset not been applied.

"Our reduced tax is simply the result of our extensive R&D program of \$41million, which underpins our innovation and creativity programs, and which delivers our continuing long term success," Mr Di Marco said.

"We are doing exactly what the Federal Government wants Australian companies to do. We are being innovative, creative, undertaking R&D, and claiming a legitimate R&D tax credit that we are entitled to claim.

"It is disappointing to see what the ATO has done, as it is both confusing and misleading."

Mr Di Marco said TechnologyOne is committed to its ongoing investment in Australian innovation and R&D. TechnologyOne is one of Australia's largest R&D software companies, with its state-of-the art R&D facility located in Brisbane. It invests 19 per cent of revenue into R&D each year, which equated to more than \$41 million last financial year.

"As a high performing company, our investment in R&D is critical for us to continue to innovate and deliver software that is at the forefront of technology, in order to remain a market leader in the competitive technology industry," Mr Di Marco said.

"Our state-of-the-art R&D centre and specific programs are designed to foster collaboration, creativity and innovation to provide the platform for our future growth. Our R&D investment also funds employment in Australia, and generates export income from key overseas markets.

"As a result, TechnologyOne receives significant R&D tax offsets to encourage our ongoing investment in fostering a diverse and vibrant ICT industry in Australia."

Mr Di Marco said TechnologyOne maintained strong corporate governance, and its tax was in line with the ATO's requirements.

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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. We create solutions that transform business and make life simple for our customers. We do this by providing powerful, deeply integrated enterprise software that is incredibly easy to use. Over 1,000 leading corporations, government departments and statutory authorities are powered by our software.

We participate in only eight key markets: government, local government, financial services, education, health and community services, asset intensive, project intensive and corporate. For these markets we develop, market, sell, implement, support and run our preconfigured solutions, which reduce time, cost and risk for our customers.

For 28 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology. Today, our software is available on the TechnologyOne Cloud and across smart mobile devices.

For further information please visit: [TechnologyOneCorp.com](https://www.TechnologyOneCorp.com)