

H1 profit up 130%, driven by SaaS Annual Contract Value up 45%

BRISBANE, 21 May 2019 - Australia's largest enterprise Software as a Service (SaaS) company, TechnologyOne (ASX:TNE) today announced its financial results for the half-year ended 31 March 2019, showing continuing strong growth with profit up 130% underpinned by the fast growth of the TechnologyOne enterprise SaaS solution.

Key results were as follows:

- Net Profit Before Tax of \$24.5m, up 130%
- Revenue of \$129.3m, up 5%
- Expenses of \$104.8m, down 7%
- SaaS Fees Recognised of \$37.5m, up 42%
- SaaS Annual Contract Value (ACV) of \$85.8m, up 45%
- Operating Cashflow of \$7.8m, up 100+%
- Cash and Cash Equivalents of \$68.2m, up 19%
- Dividend of 3.15cps, up 10%
- R&D expenditure (before capitalisation) of \$27.8m, up 7%, which is 22% of revenue

FY18 Statutory Report restated to apply AASB15

TechnologyOne CEO Mr Edward Chung said: "I am pleased to announce that we have delivered our 10th year of record profit, record revenue and record SaaS fees.

"TechnologyOne is on track to deliver continuing strong growth with net profit before tax over the full year of \$71.6m to \$76.3m.

"Today, TechnologyOne is a successful SaaS company. Our results clearly show we have a strong SaaS growth engine. Our SaaS Fees Recognised were up 42% to \$37.5m. We increased the number of large-scale enterprise SaaS customers by 39% to 389 (compared to 280 at 31 March 2018). These customers have hundreds of thousands of users, making ours the largest multi-tenanted ERP SaaS offering in Australia. Our SaaS ACV is growing very fast, up 45%.

"Our SaaS offering is delivering a compelling value proposition for our customers providing them 'any device, anytime access from anywhere around the globe', defence-in-depth security as well as a simple and cost-effective way to run their enterprise. This allows our customers to innovate and meet the challenges ahead with greater agility and speed, without having to worry about underlying technologies. We take care of everything for our customers, making life simple for them. The

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economies of scale that we are delivering to our customers are unprecedented in the enterprise space.

“We continue to dominate in the local government sector. We have more than 300 council customers and are continuing to grow fast. TechnologyOne also continues to see strong growth in Government.

“We continued to invest strongly in the UK and have seen strong momentum in the first half, with new customers acquired, and the UK loss reducing from \$3.2m to \$900k for the half-year. We see significant growth opportunities for the coming years.

“We will continue to grow quickly, and like we have in the past 32 years, we expect to double in size again in the next 5 years,” Mr Chung said.

TechnologyOne Executive Chairman, Mr Adrian Di Marco said “TechnologyOne has consistently delivered strong and growing results since listing on the ASX in 1999. Our ability to deliver these results for 20 years has not relied on riding the cycle of the economy but it is because of our clear vision and strategy.

“Our ability to successfully undertake large-scale cutting-edge R&D and to successfully commercialise it has underpinned our success. There are few companies in Australia that come close to the level of creativity and innovation as TechnologyOne. We continue to invest in new exciting ideas and innovation including Artificial Intelligence and Machine Learning, which we will ship in our 2019A release in the first half of 2019.

“2019 is a transition year to AASB15 and reporting as a SaaS company. Over the last few years we have made the transition to a SaaS company, reengineering our business, systems and processes, and retrained our entire organisation. This has been a significant and very complex undertaking.

“These strong results and the successful transition to become a SaaS company would not have been possible without the talented and committed people who make up TechnologyOne, led by our CEO, Edward Chung.

“In light of the Company’s strong results, and our confidence going forward, the dividend for the half year has increased to 3.15 cents per share, up 10% on the prior year,” Mr Di Marco said.

Further information

This market release should be read in conjunction with the TechnologyOne Investor Presentation and the TechnologyOne Financial Report attached to the Appendix 4D. All documents are available on the ASX Announcement platform.

Results teleconference

TechnologyOne will present the 2019 half year results to analysts on a conference call on Tuesday 21 May at 11am AEST. Details will be provided to invited attendees. You can register for the webcast at TechnologyOneCorp.com/about-us/shareholders.

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Media Enquiries

Lisa Watson
Corporate Communications Manager
P: +61 7 3167 7991
M: +61 401 203 284
E: Lisa_Watson@technologyonecorp.com

Cathy Hellyer
Executive Assistant
P: +61 7 3167 7996
M: +61 437 286 014
E: Cathy_Hellyer@technologyonecorp.com

About TechnologyOne

TechnologyOne (ASX: TNE) is Australia's largest enterprise Software as a Service (SaaS) company and one of Australia's top 200 ASX-listed companies, with offices across six countries. Our enterprise SaaS solution transforms business and makes life simple for our customers by providing powerful, deeply integrated enterprise software that is incredibly easy to use. Over 1,200 leading corporations, government departments and statutory authorities are powered by our software.

Our global SaaS solution provides deep functionality for the markets we serve: local government, government, education, health and community services, asset intensive industries and financial services. For these markets we invest significant funds each year in R&D. We also take complete responsibility to market, sell, implement, support and run our solutions for our customers, which reduce time, cost and risk.

For over 30 years, we have been providing our customers with enterprise software that evolves and adapts to new and emerging technologies, allowing our customers to focus on their business and not technology.

For further information, please visit: TechnologyOneCorp.com