2019 Half Year Results

Ended 31 March 2019

technologyone
Transforming business, making life simple

21 May 2019 *Commercial in confidence*

Disclosure Statement

TechnologyOne Ltd Half Year Presentation – 21 May 2019

TechnologyOne Ltd (ASX: TNE) today conducted a series of presentations relating to its 2019 Half Year results.

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

Agenda

- ➢ Results
- Significant Achievements
- Outlook for the Full Year
- Long Term Outlook
- Summary

Record H1
Net Profit Before Tax
of $24.5m

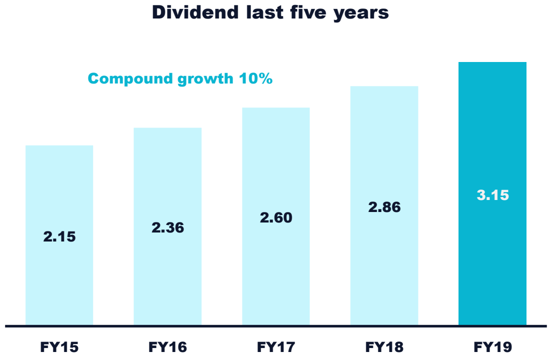

TechnologyOne is a successful SaaS company


Our SaaS business continues to grow strongly
SaaS Fees Recognised $37.5m, up 42%
SaaS Annual Contract Value (ACV) $85.8m up 45%

Dividend up 10%

Given our confidence for the full year, H1 dividend increased

- 3.15 cps, up 10% (75% franked[1])
- Payout ratio of 56%
- Board to consider a special dividend at year end



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

Results Summary

Statutory Reporting based on AASB15[1]

AASB15 Mandatory reporting
This is not how we measure our business because it sets too low a bar
Eg restated FY18 profit of only $10.6m

	H1 FY19	H1 FY18 Statutory[1]	Var $	Var %
Revenue	**$129.3m**	**$123.5m**	**$5.8m**	**5%**
SaaS Fees Recognised	**$37.5m**	**$26.3m**	**$11.2m**	**42%**
On Premise	**$61.8m**	**$66.8m**	**($5.0m)**	**(7%)**
Initial Licence Fees	$11.0m	$15.7m	($4.7m)	(30%)
Annual Licence Fees	$50.8m	$51.1m	($0.3m)	(1%)
Consulting Services	**$29.2m**	**$29.8m**	**($0.6m)**	**(2%)**
Other Revenue	$0.8m	$0.6m	$0.2m	30%
Expenses	**$104.8m**	**$113.0m**	**$8.2m**	**7%**
Variable Expenses	$19.3m	$18.5m	($0.8m)	(4%)
Operating Expenses (Before Capitalisation)	$100.4m	$95.0m	($5.4m)	(6%)
Capitalised Commission Costs	($0.9m)	($0.5m)	$0.4m	80%
Capitalised Development Costs	($14.0m)	-	$14.0m	100%+
Profit Before Tax	**$24.5m**	**$10.6m**	**$13.9m**	**130%**
Profit margin	19%	9%		
Other				
Operating Cash Flow	$7.8m	($9.5m)	$17.3m	100%+
Cash and Cash Equivalents	$68.2m	$57.5m	$10.7m	19%
ARR Recognised	$88.3m	$77.5m	$10.8m	14%
Total ACV pcp	$187.9m	$164.0m	$23.9m	15%
SaaS ACV pcp	$85.8m	$59.3m	$26.5m	45%
Annual Licence ACV pcp	$102.0m	$104.7m	($2.7m)	(3%)
EPS (cents)	5.65	2.59	3.06	100%+
DPS (cents)	3.15	2.86	0.29	10%

1 - AASB 15 has been applied to restate FY18. As a SaaS company R&D is capitalised from FY19 onwards

"Comparable" is how we measure the real performance of the business

FY18 Comparable:
- Applies AASB15 to FY18 results
- Includes non-IFRS proforma Capitalised Development to FY18

This sets a much higher bar to compare H1 FY19 against

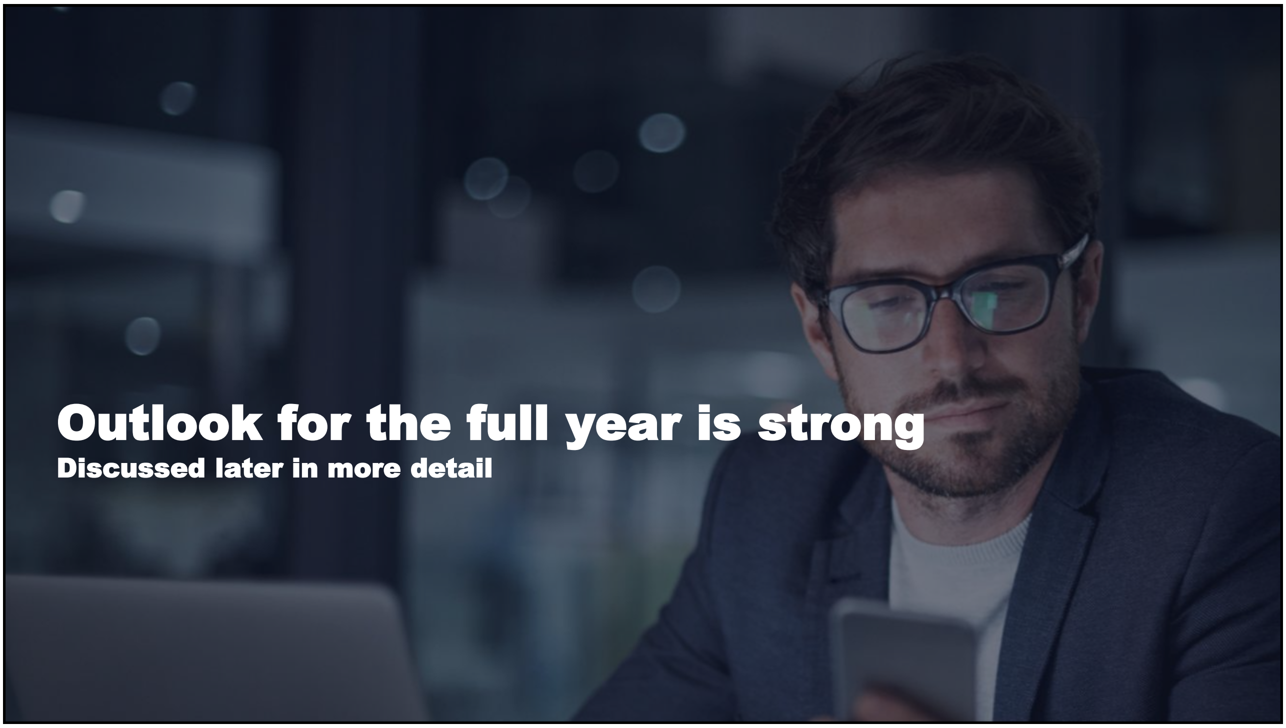
Results Summary

Comparable Reporting[1]

This is how we measure our business
Sets a much higher bar.
Eg Restated FY18 profit of $23.5m v $10.6m under Statutory Reporting

	H1 FY19	H1 FY18 Comparable[1]	Var $	Var %	
Revenue	**$129.3m**	**$123.5m**	**$5.8m**	**5%**	In line with expectations, not indicative of the Full Year results
SaaS Fees Recognised	**$37.5m**	**$26.3m**	**$11.2m**	**42%**	Our SaaS business continues to grow strongly
On Premise	**$61.8m**	**$66.8m**	**($5.0m)**	**(7%)**	
Initial Licence Fees	$11.0m	$15.7m	($4.7m)	(30%)	In line with expectations, reflects transition to SaaS.
Annual Licence Fees	$50.8m	$51.1m	($0.3m)	(1%)	Expected as customers move from On premise to SaaS Platform
Consulting Services	**$29.2m**	**$29.8m**	**($0.6m)**	**(2%)**	Refer slide: Consulting Profit
Other Revenue	$0.8m	$0.6m	$0.2m	33%	
Expenses	**$104.8m**	**$100.1m**	**($4.4m)**	**(5%)**	
Variable Expenses	$19.3m	$18.5m	($0.8m)	(4%)	
Operating Expenses (Before Capitalisation)	$100.4m	$95.0m	($5.4m)	(6%)	
Capitalised Commission Costs	($0.9m)	($0.5m)	$0.4m	80%	As required by AASB15 acquisition costs to match revenue
Capitalised Development Costs	($14.0m)	($12.9m)	$1.1m	8%	Refer slide: Total R&D Expenses The difference between Statutory vs Comparable Reporting
Profit Before Tax	**$24.5m**	**$23.5m**	**$1.0m**	**4%**	In line with expectations, not indicative of the Full Year results
Profit margin	19%	19%			
Other					
Operating Cash Flow	$7.8m	$2.8m	$5.0m	100%+	Refer: Cashflow
Cash and Cash Equivalents	$68.2m	$57.5m	$10.7m	19%	
ARR Recognised	$88.3m	$77.5m	$10.9m	14%	ARR Recognised includes SaaS Fees & On Premise Annual Licence Fees
Total ACV pcp	$187.9m	$164.0m	$23.9m	15%	
SaaS ACV pcp	$85.8m	$59.3m	$26.5m	45%	Our SaaS business continues to grow strongly
Annual Licence ACV pcp	$102.0m	$104.7m	($2.7m)	(3%)	Expected as customers move from On premise to SaaS Platform
EPS (cents)	5.65	5.48	0.17	3%	
DPS (cents)	3.15	2.86	0.29	10%	

[1] Comparable method restates FY18 applying AASB 15. It also includes non-IFRS proforma Capitalised Development costs which are not audited or reviewed. We measure profit and loss and cashflow using the comparable method because it is a better reflection of the performance of our business.



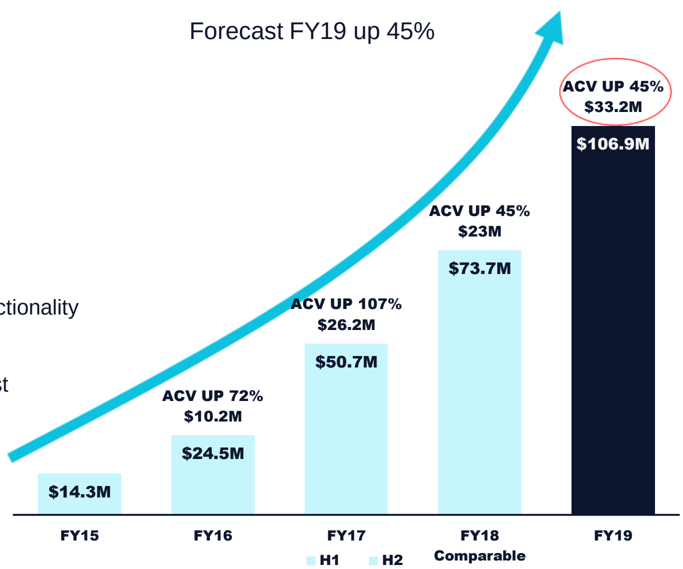
Our SaaS business is growing quickly

Forecast SaaS ACV is growing at 45% per annum

All new business driven by SaaS
Approaching 400 SaaS customers

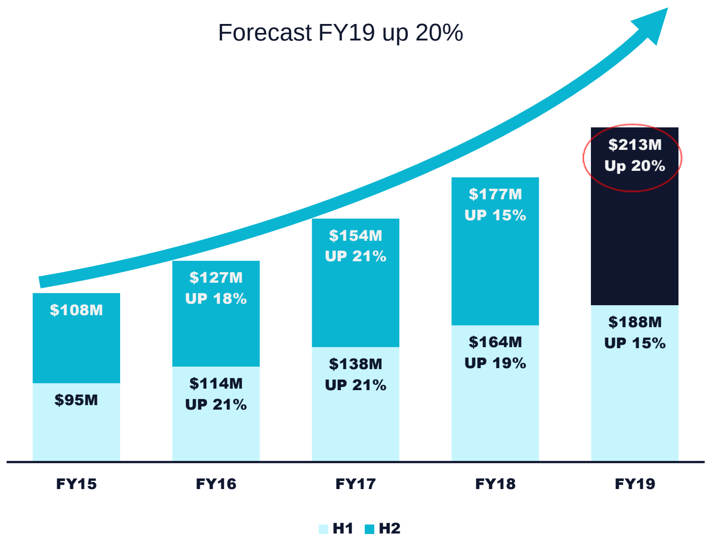
- ✓ One global code line
- ✓ Massive economies of scale
- ✓ Multiple active-active data centres
- ✓ Defence-in-depth security
- ✓ Always on the latest technology
- ✓ Always on the latest release
- ✓ 2 releases each year providing new functionality
- ✓ Fast migration for existing on-premise customers to TechnologyOne SaaS
- ✓ Customers save 30+% on their total cost
- ✓ Take-on additional products quickly

Making life simple for our Customers



Forecast Total ACV[1]

Forecast FY19 up 20%



Note: ACV is as at the end of each half year, H1 and H2

[1] Total ACV = SaaS ACV + On Premise Annual Licence ACV

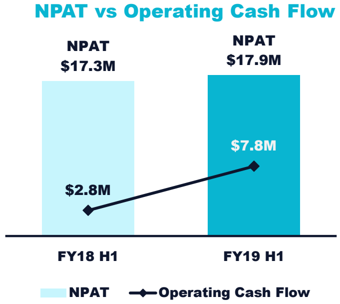
Cash Flow, FY18 Comparable

Operating Cashflow of $7.8m, up $4.9m (174%)

- vs NPAT of $17.9m
- Operating cashflow is skewed to H2
- Significant collections during the first half of FY19

This will improve substantially over full year to align with NPAT

NPAT vs Operating Cash Flow



	Mar-19	Mar-18 Comparable	Var	Var
	$'000	$'000	$'000	%
Profit Before Tax	**24,481**	**23,542**	**939**	**4%**
Depreciation & Amortisation	2,718	2,715	3	0%
Changes in working capital:				
(Increase) / Decrease in Receivables[1]	12,775	(12,057)	24,832	(206%)
(Increase) / Decrease in Prepaid Expenses	647	(1,776)	2,423	136%
Increase / (Decrease) in Payables	(4,000)	3,702	(7,702)	(208%)
Increase / (Decrease) in Unearned Income[2]	(22,757)	(9,162)	(13,595)	(148%)
Increase / (Decrease) in Staff Entitlements	(284)	(73)	211	289%
Net Interest Received	440	340	100	29%
Income Taxes Paid	(6,359)	(4,941)	(1,418)	(29%)
Other	130	557	(427)	(77%)
Operating Cash Flow	**7,791**	**2,847**	**4,944**	**174%**
Payments for Property, Plant & Equipment	(784)	(1,573)	789	50%
Capitalised development costs	(14,005)	(12,350)	(1,655)	13%
Capitalised commission costs	(1,679)	(861)	(818)	95%
Payment for purchase of business[3]	(3,322)	-	(3,322)	100%
Free Cash Flow	**(11,999)**	**(11,937)**	**(62)**	**1%**
Dividends Paid	(25,861)	(23,977)	(1,884)	(8%)
Repayment of Finance Lease	(18)	(3)	(15)	(100%+)
Proceeds from Shares Issued	1,733	64	1,669	100%+
Increase in Cash & Cash equivalents	**(36,145)**	**(35,853)**	**(292)**	**1%**

[1] Significant collections during the H1 FY19 relating to deals closed late FY18 and from remediated UK projects

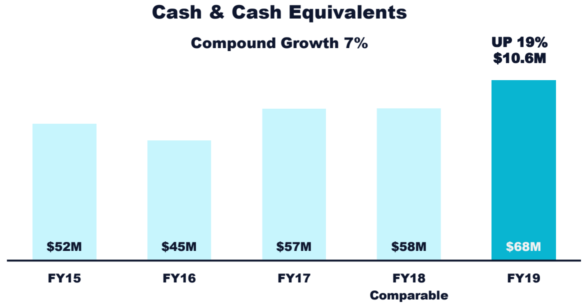
[2] Non-refundable payments received in advance from customers for SaaS fees and on-premise annual licence fees which will be recognised as revenue in future periods

[3] Payments of deferred consideration for acquisitions completed in FY16

Balance Sheet, Statutory*

Cash & Equivalents $68.2m, up $10.6m, 19%

- Net Cash: 32.9 cps vs 29.6 cps
- Net Asset: $75.8m vs $73.1m, up $2.7m
- We have no debt



	Mar-19 $'000	Mar-18 $'000	Var $'000	Var %
Cash & cash equivalents	68,177	57,530	10,647	19%
Prepaid expenses	10,206	9,997	209	2%
Trade and other receivables[1]	50,474	66,956	(16,482)	(25%)
Other current assets	823	534	289	54%
Current tax assets	3,999	3,967	32	1%
Current assets	**133,679**	**138,984**	**(5,305)**	**(4%)**
Property, plant and equipment	11,960	13,164	(1,204)	(9%)
Intangible assets	49,479	48,616	863	2%
Capitalised development	14,005	-	14,005	100%+
Other non-current assets	257	-	257	0%
Deferred tax assets	42,260	33,546	8,714	26%
Non-current assets	**117,961**	**95,326**	**22,635**	**24%**
Total Assets	**251,640**	**234,310**	**17,330**	**7%**
Trade and other payables[2]	45,040	33,593	11,447	34%
Provisions	12,744	11,798	946	8%
Current tax liabilities		327	(327)	(100%)
Unearned revenue[3]	113,655	102,109	11,546	11%
Current liabilities	**171,439**	**147,827**	**23,612**	**16%**
Trade and other payables	-	8,370	(8,370)	(100%)
Provisions	3,389	3,810	(421)	(11%)
Other non-current liabilities	1,040	1,234	(194)	(16%)
Non-current liabilities	**4,429**	**13,414**	**(8,985)**	**(67%)**
Total Liabilities	**175,868**	**161,241**	**14,633**	**9%**
Net Assets	**75,772**	**73,069**	**2,703**	**4%**
Issued capital and reserves	71,326	53,751	17,575	33%
Retained earnings	4,446	19,318	(14,872)	(77%)
Equity	**75,772**	**73,069**	**2,703**	**4%**

[1] Significant collections during H1 FY19 relating to deals closed late FY18 and from remediated UK projects

[2] Includes contingent consideration payable of $8.4m in respect of an acquisition which was included in non-current trade & other payables in FY18

[3] Non-refundable payments received in advance from customers for SaaS fees and on-premise annual licence fees which will be recognised as revenue in future periods

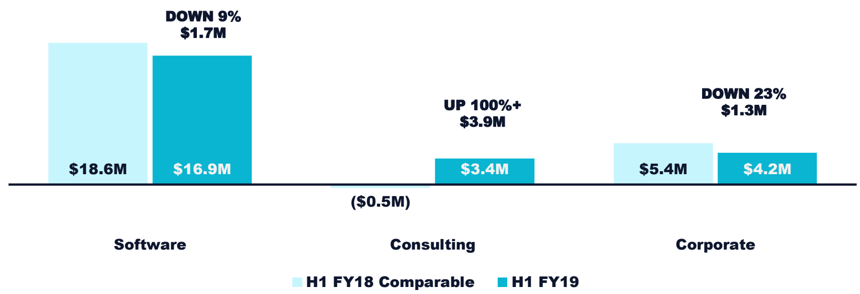
*AASB 15 has been applied to restate FY18. As a SaaS company, R&D is capitalised from FY19 onwards

Profit by Segment Analysis[1]

Net Profit Before Tax $24.5m, up 4% $1.0m

As a SaaS company we now manage our business in 3 operating segments:

- The **Software Segment** consolidates Sales, R&D, SaaS Platform and Support. This segment also includes capitalised development costs.
- The **Consulting Segment** is responsible for implementation of our software and remains unchanged.
- The **Corporate Segment** includes the corporate functions and remains unchanged.



1) Software : Impacted by timing of On Premise - Initial Licences ($4.7m less than H1FY18) and investments for growth
2) Consulting: Has returned to profit growth. Refer slide: Consulting Profit
3) Corporate: Investments for growth

[1] Comparable method restates FY18 applying AASB 15. It also includes non-IFRS proforma Capitalised Development costs which are not audited or reviewed. We measure profit and loss and cashflow using the comparable method because it is a better reflection of the performance of our business.

Results Analysis and Key Metrics, FY18 Comparable

H1 2019 v H1 2018 Comparable	2019	2018	Var%
Revenue excl interest	**128,847**	**123,244**	**5%**
Expenses (excl R&D, interest, D & A)	**89,007**	**84,555**	**(5%)**
EBITDAR	**39,840**	**38,689**	**3%**
EBITDAR Margin	31%	31%	
R&D Expenditure (after capitalisation)	13,803	13,132	(5%)
R&D as % of Total Revenue[1]	22%	21%	
EBITDA	**26,037**	**25,557**	**2%**
EBITDA Margin	20%	21%	
Depreciation	1,812	2,090	13%
Amortisation	184	265	31%
EBIT	**24,041**	**23,202**	**4%**
Net Interest Income	440	340	29%
Profit Before Tax	**24,481**	**23,542**	**4%**
Net Profit Before Tax Margin	**19%**	**19%**	

H1 2019 v H1 2018 Comparable	2019	2018	Var%
EPS (cents)	**5.65**	**5.48**	**3%**
Dividends (cents)			
Standard	3.15	2.86	**10%**
Special	-	-	
Total dividends paid (cents)	**3.15**	**2.86**	**10%**
Dividend Payout Ratio	**56%**	**52%**	
ROE	**24%**	**24%**	
Adjusted ROE [2, 3]	76%	55%	
Balance Sheet ($'000s)			
Net Assets[2]	75,772	73,069	4%
Cash & Cash Equivalents	68,177	57,530	19%
Operating cash flows	7,791	2,847	100%+
Debt/Equity[3]	0.00%	0.02%	

R&D is a significant expenditure we incur today, to build the platform for our continuing strong growth in the future

[1]R&D as % of total revenue based on R&D expenditure before capitalisation
[2]Adjusted for net cash above required working capital, which was assumed at $16m
[3]Compared to FY18 Statutory reports restated for AASB15

Agenda

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- ➢ Significant Achievements
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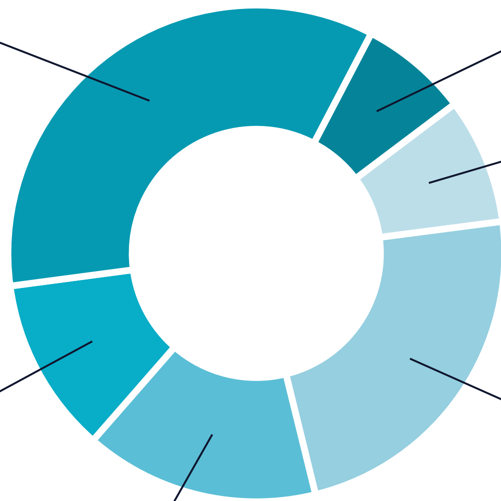
Vertical Market Analysis

ACV of $188m

99% customer retention across all markets



Our APAC market penetration in any single vertical does not exceed 15%. Significant room to grow in future years.

*Other includes Financial, Corporate vertical markets

389 enterprise customers on TechnologyOne SaaS
Up 39% from 280 enterprise customers pcp

Target 1000 enterprise customers by 2022

Significant investment for future growth

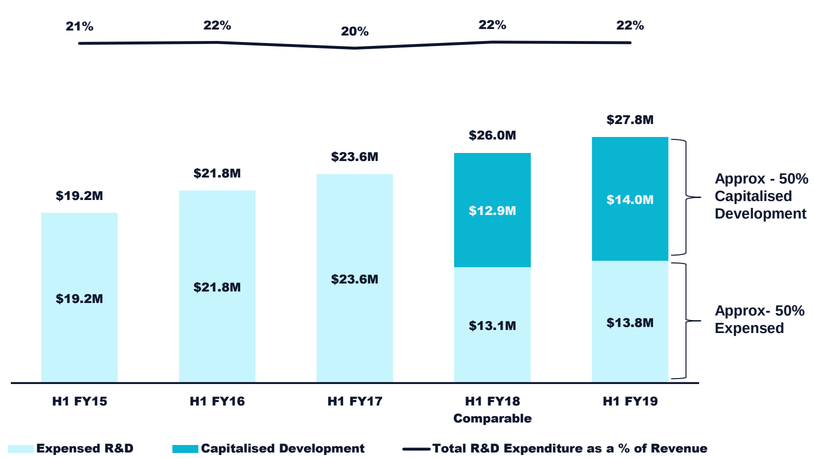
R&D investment of $27.8m[1], 22% of Revenue

[1]R&D expenditure before capitalisation

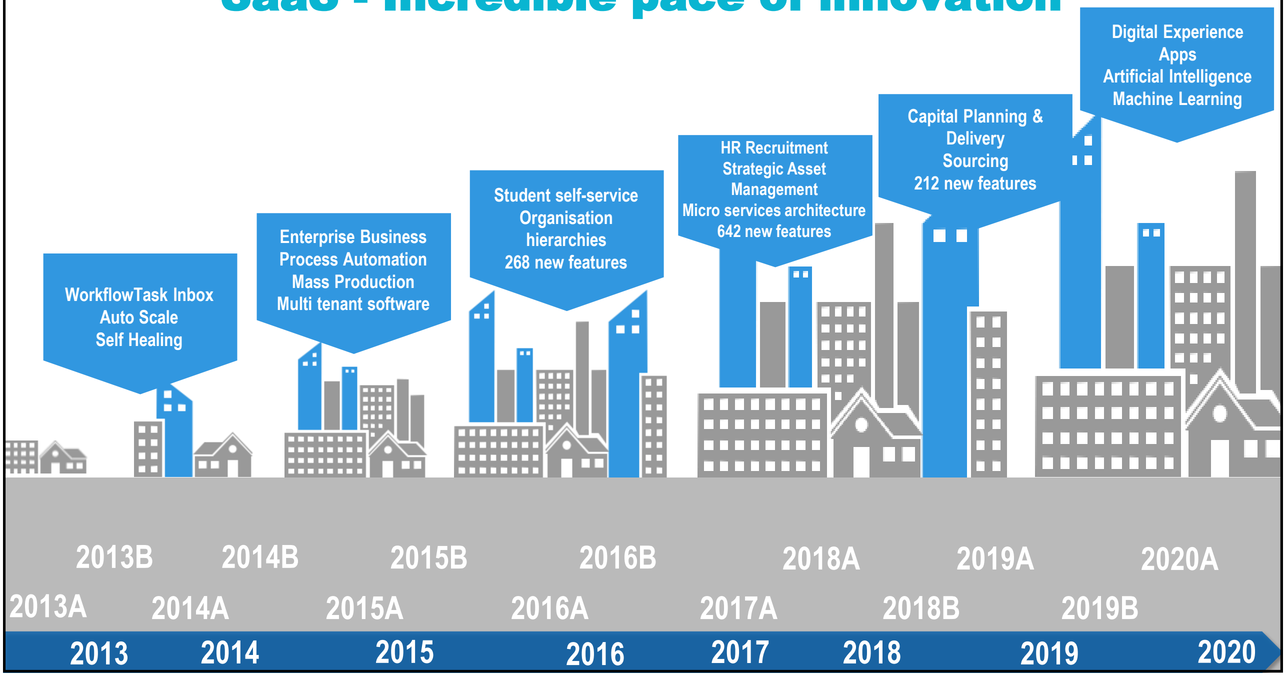
R&D Expenditure up 7%

Tracking to full year target of 8%

- ✓ $200m invested in R&D over the last 5 years to maintain our leadership in innovation
- ✓ We continue to extend our SaaS platform
- ✓ Delivered 2018B to the market, with 240 product enhancements across our enterprise suite
- ✓ Delivering on AI and machine learning
- ✓ Delivering our new generation DXP – Digital Experience Apps
- ✓ Under development is 2019A release for mid 2019
- ✓ We expense maintenance and research
- ✓ We capitalise development based on actual activities



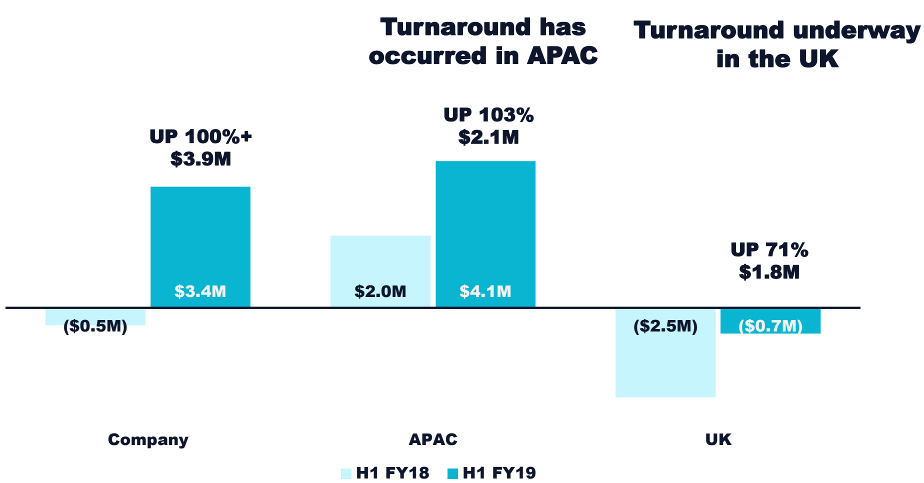
SaaS - Incredible pace of innovation



Consulting Profit of $3.4m, up 100%+

Turnaround driven by:

- ✓ New leadership
- ✓ Two focussed divisions – New Projects and Applications Managed Services for our existing customers
- ✓ Improvement in systems and processes
- ✓ Improvements in culture
- ✓ Disciplined use of new implementation methodology
- ✓ Significant reduction in UK Red Projects



United Kingdom

Significant investment for future growth

UK loss $0.9m vs loss $3.2m restated pcp

- Consulting loss of $0.7m vs loss of $2.5m pcp. This has turned around substantially
- Customer First Strategy
    - Red projects have been addressed and majority of customers live
    - Reference-ability has improved
- 4 new customers signed in the half
- Momentum is building
- Pipeline is strong

We see significant upside in the UK in the coming years

Total addressable market in the UK is 3 x APAC

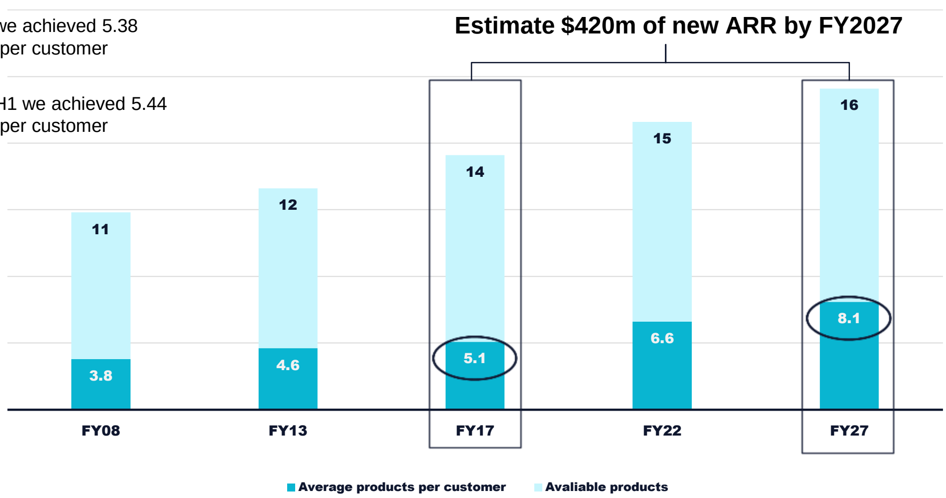
Focus on Existing Customers

Harvest substantial growth in our customer base

Illustrative model only
Not to be used as guidance

In FY18 we achieved 5.38 products per customer

In FY19 H1 we achieved 5.44 products per customer



In FY17, customers had on average 40% of our 14 products

For the products they have, they have on average only 60% of the modules

If we were to add one more product to our customer base, this will generate additional $140+m of revenue per year recurring[1]. In FY17, on average, our customers had 5.1 out of 14 products. We expect this to increase to an average of 8.1 products per customer by FY27 which will generate $420m ARR

1 Based on 1,000 SaaS Customers

Agenda

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FY18 Full Year Restatement

Statutory reporting

AASB15 Mandatory reporting
This is not how we measure our business because it sets too low a bar
Eg restated FY18 profit of only $24.8m

As Reported[1] $'m	FY18	Restated[2]	FY18	Impact
Initial Licences (incl 5 year subscription)	65.3	On Premise – Initial Licences	28.7	(36.6)
Annual Licences	139.6	On Premise – Annual licences	103.0	(36.6)
SaaS Platform	29.0	SaaS fees	58.1	29.1
Consulting	63.2	Consulting	63.2	
Other Income	1.5	Other Income	1.5	
Revenue	**298.6**	**Revenue**	**254.5**	**(44.1)**
Expenses (excluding R&D)	178.1	Expenses (excluding R&D)	175.6	2.0
R&D Expenses	54.0	R&D Expenses	54.0	
Capitalised Development	-	Capitalised Development	-	-
Expenses	**232.1**	**Expenses**	**229.7**	**28.0**
Net Profit Before Tax	**66.5**	**Net Profit Before Tax**	**24.8**	**(41.7)**
profit margin %	*22%*	*profit margin %*	*10%*	

- $28.7m (44% of total) of Initial Licence fees was sold to on premise customers and is now reported as On Premise - Initial Licence Fees
- $36.6m (56% of total) of Initial Licence fees was sold as high quality recurring revenue, and is now reported in SaaS fees

- High quality recurring revenue for on-premise customers only
- Transfers to SaaS Fees as customers transition from on premise to SaaS
- Previously recognised annually upfront as Annual Licence Fees, revenue now recognised daily

SaaS Fees incorporates SaaS Initial Licence, SaaS Annual Licence and SaaS Platform. This high quality recurring revenue is now recognised daily and includes:
- SaaS Initial Licence fees - previously recognised upfront as Initial Licences for its term (eg 5yrs), revenue now recognised daily
- SaaS Annual Licence - previously recognised annually upfront as Annual Licences, revenue now recognised daily
- SaaS Platform fees – no change, revenue recognised daily

As required by AASB15, acquisition costs (commission) to match revenue

Does not include capitalised development

[1] As reported in FY18
[2] Statutory basis includes restated revenue under AASB 15 and does not include capitalised development costs

FY18 Full Year Restatement

Comparable Reporting

This is how we measure our business
Sets a much higher bar.
Eg Restated FY18 profit of $50.8m v $24.8 under Statutory Reporting

As Reported[1] $'m	FY18	Restated[2]	FY18	Impact
Initial Licences (incl 5 year subscription)	65.3	On Premise – Initial Licences	28.7	(36.6)
Annual Licences	139.6	On Premise – Annual licences	103.0	(36.6)
SaaS Platform	29.0	SaaS fees	58.1	29.1
Consulting	63.2	Consulting	63.2	
Other Income	1.5	Other Income	1.5	
Revenue	**298.6**	**Revenue**	**254.5**	**(44.1)**
Expenses (excluding R&D)	178.1	Expenses (excluding R&D)	175.6	2.5
R&D Expenses	54.0	R&D Expenses	54.0	
Capitalised Development	-	Capitalised Development	(26.0)	26.0
Expenses	**232.1**	**Expenses**	**203.7**	**28.0**
Net Profit Before Tax	**66.5**	**Net Profit Before Tax**	**50.8**	**(15.7)**
profit margin %	*22%*	*profit margin %*	*20%*	

- $28.7m (44% of total) of Initial Licence fees was sold to on premise customers and is now reported as On Premise - Initial Licence Fees
- **$36.6m (56% of total) of Initial Licence fees was sold as high quality recurring revenue, and is now reported in SaaS fees**

- High quality recurring revenue for on-premise customers only
- Transfers to SaaS Fees as customers transition from on premise to SaaS
- Previously recognised annually upfront as Annual Licence Fees, revenue now recognised daily

SaaS Fees incorporates SaaS Initial Licence, SaaS Annual Licence and SaaS Platform. This high quality recurring revenue is now recognised daily and includes:
- SaaS Initial Licence fees - previously recognised upfront as Initial Licences for its term (eg 5yrs), revenue now recognised daily
- SaaS Annual Licence - previously recognised annually upfront as Annual Licences, revenue now recognised daily
- SaaS Platform fees – no change, revenue recognised daily

As required by AASB15, acquisition costs (commission) to match revenue

Proforma capitalised development. Assumed 40-60% capitalised. Amortised over 3-7 years

[1] As reported in FY18
[2] Comparable method restates FY18 applying AASB 15. It also includes non-IFRS proforma Capitalised Development costs which is not audited or reviewed.

Outlook for 2019 Full Year

We expect to see strong continuing growth in 2019

Net Profit Before Tax of $71.6m to $76.3m

Up 189% to 208% on FY18 Statutory profit[1] of $24.8m
Up 41% to 50% on FY18 Comparable profit[2] of $50.8m

[1]AASB 15 has been applied to restate FY18. As a SaaS company development costs are capitalised from FY19 onwards
[2]Comparable method restates FY18 applying AASB 15 and non-IFRS proforma Capitalised Development costs. We measure profit and loss and cashflow using the comparable method because it is a better reflection of the performance of our business

This is a strong result as we transition our business

This positions us for strong growth going forward

Outlook for 2019 Full Year

Assumptions

- The pipeline remains strong for the second half
- SaaS ACV of $107m, up 45% (vs $73.7m pcp)
- Total ACV[1] of $213m, up 20% (vs $177m pcp)
- Total Consulting Profit of $10m, up 66% (vs $6m pcp)
- Total Expenses up 7% for the Full Year (vs up 5% at the end of Half 1)
    - Operating expenses up 4%
    - R&D expense up 8%
- United Kingdom loss of $1m
- No new acquisitions in the second half

[1] Total ACV = SaaS ACV + On Premise Annual Licence ACV

Agenda

✓ Results

✓ Significant Achievements

✓ Outlook for the Full Year

➢ Long Term Outlook

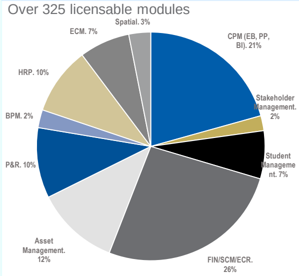
- Summary

Foundations for long term growth

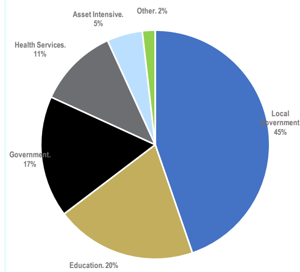
Diversified revenue streams

14 Licensable products[1]

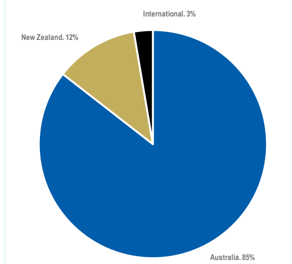
Over 325 licensable modules



6 Vertical markets



Diversified geographies[2]



Strong, very loyal customer base

- Provides mission critical solution – 'sticky customer base'
- 75+% of our revenue is now recurring[3]
- 99%+ customer retention rate

1 Based on FY18 Licence Fees
2 Based on FY18 Licence Fee Revenue
3 Total Revenue less consulting, the majority of which is locked in with sales

Focus on Existing Customers

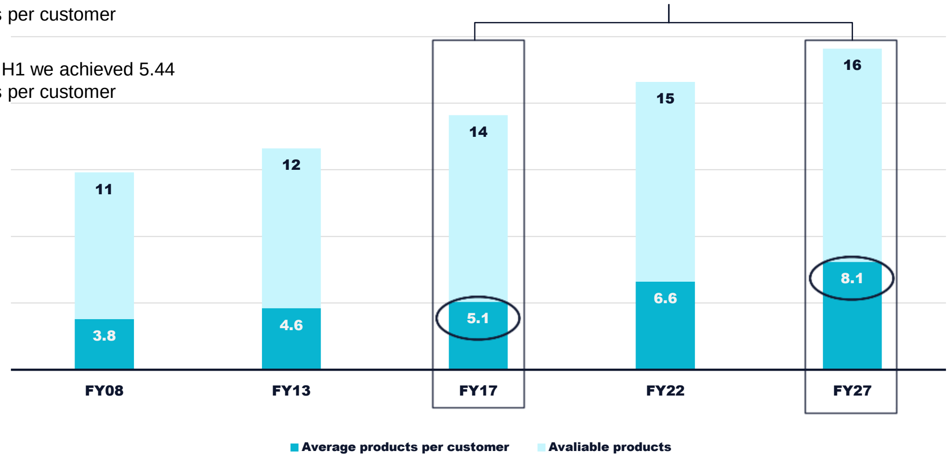
Harvest substantial growth in our customer base

Illustrative model only
Not to be used as guidance

In FY18 we achieved 5.38 products per customer

In FY19 H1 we achieved 5.44 products per customer

Estimate $420m of new ARR by FY2027



In FY17, customers had on average 40% of our 14 products

For the products they have, they have on average only 60% of the modules

If we were to add one more product to our customer base, this will generate additional $140+m of revenue per year recurring[1]. In FY17, on average, our customers had 5.1 out of 14 products. We expect this to increase to an average of 8.1 products per customer by FY27 which will generate $420m ARR

1 Based on 1,000 SaaS Customers

Continuing growth in APAC

Our APAC market penetration in any single vertical does not exceed 15%. Significant room to grow in future years

- ✓ Local Government
- ✓ Education
- ✓ Government
- ✓ Health & Community Services
- ✓ Asset & Project Intensive Industries
- ✓ Financial Services & Corporates

Continuing growth in the UK

The UK market is 3x the size of Australian market for our enterprise system

Approaching critical mass over the next 2 years

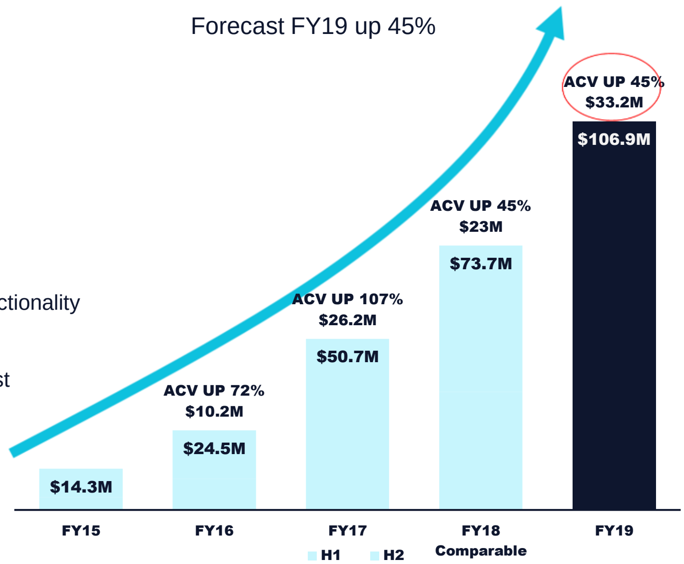
The UK is returning to growth in 2019

Our SaaS business is growing quickly
Forecast SaaS ACV is growing at 45% per annum

All new business driven by SaaS
Approaching 400 SaaS customers

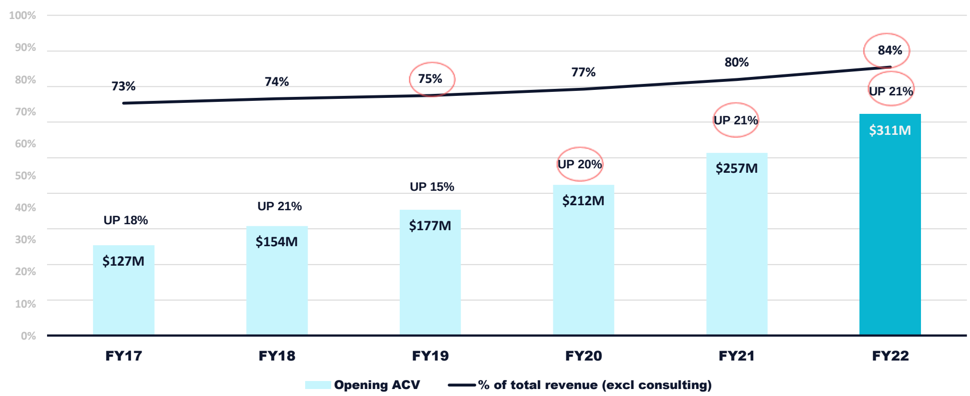
- ✓ One global code line
- ✓ Massive economies of scale
- ✓ Multiple active-active data centres
- ✓ Defence-in-depth security
- ✓ Always on the latest technology
- ✓ Always on the latest release
- ✓ 2 releases each year providing new functionality
- ✓ Fast migration for existing on-premise customers to TechnologyOne SaaS
- ✓ Customers save 30+% on their total cost
- ✓ Take-on additional products quickly

Making life simple for our Customers



Recurring Revenue is increasing as a percent of Revenue
This improves the predictability and quality of our business

(% Revenue excl. Consulting)



Total ACV as a % of Revenue will be 84% by FY22
Total ACV is growing at approx. 20% per annum

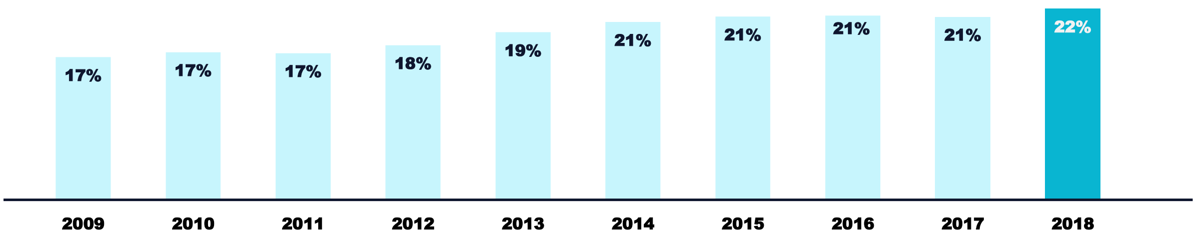
FY19: ACV at start of year is $177m, 75% of total Revenue
FY22: ACV at start of year is $311m, 84% of total Revenue

Illustrative model only
Not to be used as guidance

Profit margin to continue to improve to 25% in the next few years, and then continue to 30%

Focus is to substantially improve PBT margins

Net Profit Margin Before Tax

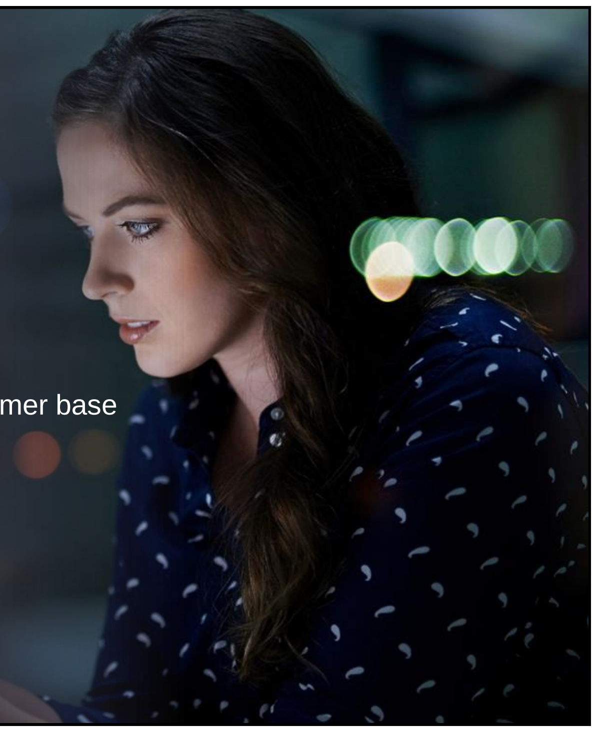


Focus is to substantially improve PBT margins through:

- SaaS Platform margin increasing to 30+%
- Controlled R&D expenditure growth to 8% per annum
- Harvest substantial growth in our customer base. If we were to add one more product to our customer base, this will generate $140+m of revenue per year recurring
- UK returning to growth

Positioned well for the future and to continue to double in size every 5 years

- ✓ Substantial future growth in our existing customer base
- ✓ Continuing growth in APAC
- ✓ Continuing growth in the UK
- ✓ SaaS continues to grow strongly



Agenda

✓Results
✓Significant Achievements
✓Outlook for the Full Year
✓Long Term Outlook
➢Summary

H1 FY19 Summary

- ✓ Record profit, revenue, SaaS Fees, SaaS ACV
- ✓ Profit $24.5m, up 130% on FY18 statutory profit
- ✓ Profit $24.5m, up 4% on FY18 comparable profit
- ✓ SaaS Fees Recognised of $37.5m, up 42%
- ✓ SaaS ACV of $85.8m up 45%
- ✓ Total ACV of $188m, up 15%
- ✓ Interim dividend up 10%
- ✓ Total Consulting profit $3.4m, up 100+%
- ✓ Consulting UK loss $716k vs $2.5m loss, improvement of 71%
- ✓ UK overall loss of $932k vs $3.2m loss, improvement of 65%
- ✓ Strong growth for FY19 with Profit Before Tax of $71.6m to $76.3m

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Transforming business, making life simple