

TECHNOLOGY ONE LIMITED

ABN 84 010 487 180

APPENDIX 4D

For the half-year ended 31 March 2021
(compared to the half-year ended 31 March 2020)

Information should be read in conjunction with the most recent Annual Report and Half-Year Financial Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				2021	2020
Results				\$'000	\$'000
Revenue from ordinary activities	Up	5%	to	144,341	137,985
Profit from ordinary activities after tax attributable to members	Up	48%	to	28,201	19,051
Net profit for the period attributable to members	Up	48%	to	28,201	19,051

			Amounts per security	Franked amount per security
Dividends			Cents	Cents
Current period				
Interim dividend			3.82	2.29
Final dividend			N/A	N/A
Previous corresponding period (**)				
Interim dividend			3.47	2.08
Final dividend			9.41	5.65

The Record date for determining entitlements to the dividend is 4 June 2021.

** Year ended 30 September 2020

Brief explanation of any of the figures reported above

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' report and the consolidated financial statements for the half-year ended 31 March 2021.

Earnings per share	Current period	Previous corresponding period
	2021 Cents	2020 Cents
Basic EPS	8.80	5.98
Diluted EPS	8.75	5.93
Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	320,644,215	318,340,347
Weighted average fully diluted number of shares used in the calculation of the diluted EPS	322,426,782	321,033,258

	Current period	Previous corresponding period
NTA backing	31 March 2021 Cents	31 March 2020 Cents
Net tangible asset backing per ordinary share ¹	9.16	4.38

¹ The right-of-use asset and related lease liabilities under AASB 16 Leases are included in the NTA calculations above.

Dividend Payable

The dividend is payable on 12 June 2021.

Dividend Reinvestment Plan

There is no dividend reinvestment plan in operation.

Total dividend per security (interim)	Current period Cents	Previous period Cents
Ordinary securities	3.82	3.47

Interim dividend on all securities	Current period	Previous corresponding period
	\$'000	\$'000
Total	12,274	11,058

Earnings per Security

The Earnings per Security (EPS) increase is similar to our net profit after tax increase. Refer to the Directors' Report in the attached half-year Financial Report for additional detail.

Returns to Shareholders

The dividend for the half-year has increased by 10% on the previous corresponding period.

Results of Segments

Refer to the attached half-year Financial Report.

Trends in performance

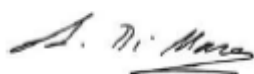
Refer to the attached half-year Financial Report.

Any other Significant Information

N/A.

COMPLIANCE STATEMENT

This report is based on the attached half-year Financial Report which has been reviewed.



Adrian Di Marco
Executive Chairman
Date: 25 May 2021

Technology One Limited
Financial Report
for the half-year ended 31 March 2021

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Group or Technology One) consisting of Technology One Limited and the entities it controlled for the half-year ended 31 March 2021.

Directors

The following persons were directors of Technology One Limited for the half-year and up to the date of this report:

Adrian Di Marco - Executive Chairman
Ron McLean - Non-executive Director
John Mactaggart - Non-executive Director
Richard Anstey - Non-executive Director
Dr Jane Andrews - Non-executive Director
Sharon Doyle – Non-executive Director
Clifford Rosenberg – Non-executive Director
Peter Ball – Non-executive director
Pat O'Sullivan –Deputy Chair and Lead Independent Director (appointed 2 March 2021)
Kevin Blinco - Non-executive Director (resigned 23 February 2021)

Stephen Kennedy is the Group Company Secretary. Paul Jobbins is the Company Secretary.

Principal activities

The principal activity of the Group during the half-year was the development, marketing, sales, implementation and support of fully integrated enterprise business software solutions, including:

- Technology One Enterprise Asset Management
- Technology One Financials
- Technology One Human Resource & Payroll
- Technology One Enterprise Budgeting
- Technology One Supply Chain
- Technology One Property & Rating
- Technology One Student Management
- Technology One Business Intelligence
- Technology One Enterprise Content Management
- Technology One Performance Planning
- Technology One Spatial
- Technology One Enterprise Cash Receipting
- Technology One Stakeholder Management
- Technology One Business Process Management

Review of operations

The financial results for the half-year ended 31 March 2021 show continuing growth, with profit after tax up 48% underpinned by continuing strong demand for the TechnologyOne Global SaaS ERP solution.

Key results were as follows:

- Profit after tax of \$28.2m, up 48%
- Profit before tax of \$37.3m, up 44%
- SaaS Annual Recurring Revenue (ARR)¹ of \$155.8m, up 41%
- Revenue from our SaaS and Continuing Business of \$140.6m, up 7%
- Total Revenue of \$144.3m, up 5%
- Expenses of \$107.4m, down 5%
- Cash and cash equivalents of \$100.1m, up 20% from 31 March 2020
- Cash Flow Generation² of (\$2.9m) as expected, and will be strong over the full year
- Interim dividend of 3.82cps, up 10%
- R&D expenditure (before capitalisation) of \$34.6m, up 14%, which is 24% of revenue

1 ARR represents future contracted annual recurring revenue at period end. This is a non-IFRS financial measure and is unaudited

2 Cash Flow Generation is Cash flow from operating activities less capitalised development costs, capitalised commissions and lease payments. This is a non-IFRS financial measure and is unaudited.

We have delivered our 12th year of record first half profit and revenue and record SaaS fees.

Our profit after tax for the half is up 48%. Our SaaS Annual Recurring Revenue (ARR) is up 41% as we increased the number of large-scale enterprise SaaS customers by 21% to 576. Our SaaS business continues to grow strongly.

Our Global SaaS ERP is the future of enterprise software. It provides our enterprise customers a mission critical solution to run their entire business on any device, anywhere at anytime. It also allows them to innovate and meet the challenges ahead with greater agility and speed, without having to worry about underlying technologies. This makes life simple for them.

Momentum in the Federal Government sector continues with our Global SaaS ERP, chosen by the Australian Department of Agriculture, Water and the Environment to streamline and modernise their business. In addition, TechnologyOne and the NZ Ministry of Business, Innovation and Employment announced a new procurement framework which will pave the way for 20+ NZ government agencies to transition to SaaS.

The UK has continued to improve, with profit before tax of \$500k for the half-year. We see significant growth opportunities in the coming years. TechnologyOne is on track to deliver continuing strong growth over the full year in the UK.

For the half-year, expenses were down 5%, but not to the detriment of R&D which was up 14% before capitalisation. The primary driver for lower expenses in the first half is the significant efficiencies we are delivering as we gain scale on our SaaS platform. As we continue to win more customers and our SaaS platform continues to scale globally, our margin will continue to grow even further.

Our significant R&D investment is extending the functionality and capabilities of our Global SaaS ERP solution including our new and exciting Local Government Digital Experience Platform (LG DXP). LG DXP, will revolutionise how residents interact with councils. The initial feedback from our group of early adopters has been excellent and we believe our DXP strategy will create an additional long-term platform for future growth.

Cash flow generation² is typically negative in the first half, however will be strong over the full year. This will be covered in more detail in the Half Year Results Presentation.

Our results are due to the continuing strong demand for our Global SaaS ERP solution. Today 85%+ of our revenue is recurring subscription revenue¹.

Guidance

As in previous years, our first half result is not necessarily indicative of our full year result. As such, TechnologyOne will provide full year guidance with our Half Year Results Presentation.

COVID-19 assessment

Our Global SaaS ERP solution provides our enterprise customers a mission critical solution to run their entire business on any device, anywhere at anytime. It has undoubtedly helped not only our customers, but also our own operations during this challenging period, ensuring that COVID-19 has had no material impact on the Group to date.

As is required, Management has considered the future potential impact of COVID-19 in performing the Group's impairment assessments and in establishing the expected credit loss on financial assets. As a result, no adjustments were made to the Group's net assets.

Operating cash flow

Operating cash flow decreased from a \$25.3m inflow for the half-year ended 31 March 2020 to a \$18.6m inflow for the half-year ended 31 March 2021. Operating Cash Flow is typically lower in the first half, however, will be strong over the full year. This will be covered in more detail in the Half Year Results Presentation.

Dividends

In light of the Company's strong results, and our confidence going forward, the dividend for the half year has increased to 3.82 cents per share, up 10% on the prior year.

Dividends paid to members during the period were as follows

	2021	2020
	\$'000	\$'000
Final dividend for the year ended 30 September 2020 of 9.41 cents (2019 – 8.78 cents) per fully paid share paid in December 2020	30,235	27,930
	<hr/> 30,235	<hr/> 27,930

Matters subsequent to the end of the financial year

On 25 May 2021, the directors of Technology One Limited declared an interim dividend on ordinary shares of 3.82 cents per share in respect of the 2021 financial year. The total amount of the dividend is \$12.3m and is 60% franked.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

¹ 85%+ of total revenue excluding consulting, based on opening ARR

² Cash Flow Generation is Cash flow from operating activities less capitalised development costs, capitalised commissions and lease payments. This is a non-IFRS financial measure and is unaudited.

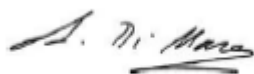
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.



Adrian Di Marco
Executive Chairman

Brisbane
25 May 2021

Technology One Limited
Consolidated income statement
For the half-year ended 31 March 2021

	Notes	31-Mar-21 \$'000	31-Mar-20 \$'000
Revenue - SaaS and continuing business		140,579	131,789
Revenue - Legacy licence business		3,762	6,196
Revenue from contracts with customers	3	144,341	137,985
Variable costs		(8,706)	(7,141)
Variable customer SaaS costs		(13,126)	(10,312)
Total variable costs		(21,832)	(17,453)
Occupancy costs		(935)	(1,934)
Corporate costs		(7,848)	(9,758)
Depreciation and amortisation	4	(11,792)	(8,390)
Computer and communication costs		(4,010)	(3,461)
Marketing costs		(3,184)	(2,960)
Employee costs		(55,235)	(66,203)
Share-based payments	8	(1,803)	(1,556)
Finance expense		(742)	(743)
Total operating costs		(85,549)	(95,005)
Other income	3	329	413
Profit before income tax		37,289	25,940
Income tax expense		(9,088)	(6,889)
Profit for the half-year		28,201	19,051
		Cents	Cents
Basic earnings per share		8.80	5.98
Diluted earnings per share		8.75	5.93

The above Consolidated income statement should be read in accordance with the accompanying notes.

Technology One Limited
Consolidated statement of comprehensive income
For the half-year ended 31 March 2021

	31-Mar-21 \$'000	31-Mar-20 \$'000
Profit for the half-year (from previous page)	28,201	19,051
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	171	430
Other comprehensive income for the half-year, net of tax	171	430
Total comprehensive income for the half-year	28,372	19,481

The above Consolidated statement of comprehensive income should be read in accordance with the accompanying notes.

Technology One Limited
Consolidated statement of financial position
As at 31 March 2021

	Notes	31-Mar-21 \$'000	30-Sep-20 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		100,132	125,244
Prepayments		11,691	10,851
Trade and other receivables		28,983	37,396
Contract assets		25,394	22,051
Other current assets		1,557	397
Current tax assets		11,452	8,077
Contract acquisition costs		3,247	2,956
Total current assets		182,456	206,972
Non-current assets			
Property, plant and equipment		7,675	8,969
Right-of-use assets		21,110	23,786
Intangible assets		38,589	37,986
Capitalised development	5	75,374	62,556
Deferred tax assets		24,392	28,605
Contract acquisition costs		6,990	7,035
Total non-current assets		174,130	168,937
Total assets		356,586	375,909
LIABILITIES			
Current liabilities			
Trade and other payables		33,358	37,123
Provisions		14,957	20,548
Deferred revenue	6	124,033	144,148
Lease liability		1,729	2,148
Total current liabilities		174,077	203,967
Non-current liabilities			
Provisions		1,994	2,430
Other non-current liabilities		131	147
Lease liability		26,757	27,197
Total non-current liabilities		28,882	29,774
Total liabilities		202,959	233,741
Net assets		153,627	142,168
EQUITY			
Contributed equity		50,512	40,551
Other reserves		49,284	63,524
Retained Earnings		53,831	38,093
Total equity		153,627	142,168

The above Consolidated statement of financial position should be read in accordance with the accompanying notes.

Technology One Limited
Consolidated statement of changes in equity
For the half year ended 31 March 2021

	Note	Contributed equity	Retained earnings	Dividend reserve	FOREX reserve	Share option reserve	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2020		40,551	38,093	30,046	2,136	31,342	142,168
Profit for the period		-	28,201	-	-	-	28,201
Exchange differences on translation of reserves		-	-	-	171	-	171
Total comprehensive income for the half-year		-	28,201	-	171	-	28,372
Dividends paid		-	-	(30,235)	-	-	(30,235)
Transfer to dividends reserve		-	(12,463)	12,463	-	-	-
Exercise of share options		9,961	-	-	-	-	9,961
Share based payments	8	-	-	-	-	1,803	1,803
Tax impact of share trust		-	-	-	-	1,558	1,558
		9,961	(12,463)	(17,772)	-	3,361	(16,913)
Balance at 31 March 2021		50,512	53,831	12,274	2,307	34,703	153,627
Balance at 1 October 2019		35,302	16,078	27,905	1,850	25,722	106,857
AASB 16 opening adjustment		-	199	-	-	-	199
Adjusted opening balance		35,302	16,277	27,905	1,850	25,722	107,056
Profit for the period		-	19,051	-	-	-	19,051
Exchange differences on translation of reserves		-	-	-	430	-	430
Total comprehensive income for the half-year		-	19,051	-	430	-	19,481
Dividends paid		-	-	(27,930)	-	-	(27,930)
Transfer to dividends reserve		-	(11,083)	11,083	-	-	-
Exercise of share options		4,383	-	-	-	-	4,383
Share based payments		-	-	-	-	1,556	1,556
Tax impact of share trust		-	-	-	-	851	851
		4,383	(11,083)	(16,847)	-	2,407	(21,140)
Balance at 31 March 2020		39,685	24,245	11,058	2,280	28,129	105,397

The above Consolidated statement of changes in equity should be read in accordance with the accompanying notes.

Technology One Limited
Consolidated statement of cash flows
For the half year ended 31 March 2021

Notes	31-Mar-21 \$'000	31-Mar-20 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	142,983	149,786
Payments to suppliers and employees (inclusive of GST)	(117,109)	(118,266)
Interest received	133	234
Income taxes paid	(6,692)	(5,722)
Interest paid	(742)	(743)
Net cash inflow / (outflow) from operating activities	18,573	25,289
Cash flows from investing activities		
Payments of contingent consideration	-	(223)
Payments for property, plant and equipment	(550)	(1,783)
Development expenditures and purchase of intangibles	(21,089)	(18,228)
Net cash inflow / (outflow) from investing activities	(21,639)	(20,234)
Cash flows from financing activities		
Proceeds from exercise of share options	9,472	4,382
Principal repayments of lease liabilities	(1,283)	(2,784)
Dividends paid to shareholders	(30,235)	(27,930)
Net cash inflow / (outflow) from financing activities	(22,046)	(26,332)
Net increase / (decrease) in cash and cash equivalents	(25,112)	(21,277)
Cash and cash equivalents at the beginning of the period	125,244	105,046
Cash and cash equivalents at the end of period	100,132	83,769

The above Consolidated statement of cash flows should be read in accordance with the accompanying notes.

1. Basis of preparation

(a) Corporate information

The financial report of Technology One Limited (the Company) for the half-year ended 31 March 2021 was authorised for issue in accordance with a resolution of directors on 25 May 2021.

Technology One Limited (the Company) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

This condensed interim financial report for the half-year reporting period ended 31 March 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full-year financial report. It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 September 2020 and considered together with any public announcements made by Technology One Limited during the half-year ended 31 March 2021 in accordance with the continuous disclosure obligations of the ASX listing rules and Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim financial period.

Certain comparative items have been reclassified in the financial statements to align with the 31 March 2021 disclosures.

At 31 March 2021, the statement of financial position shows a current liability balance of \$174m (30 September 2020: \$204m) which is predominately attributable to the deferred revenue balance in current liabilities. As deferred revenue represents payments received or receivable in advance from customers for SaaS Fees and Annual Licence Fees which will be recognised as revenue from contracts with customers in future periods, and not a future cash outflow, this balance does not impact the Group's ability to meet its short-term obligations as and when they fall due.

2. Segment information

The Group's chief operating decision maker, being the Chief Executive Officer, makes financial decisions and allocates resources based on the information received from the Group's internal management system. Sales are attributed to an operating segment based on the type of product or service provided to the customer.

Segment information is prepared in conformity with the accounting policies of the Group as discussed in note 1 in the annual report ending 30 September 2020 and Accounting Standard AASB 8 Operating Segments.

The Group's reportable segments are:

- Software – incorporates Sales and Marketing, Product and SaaS Platform.
- Consulting – responsible for services in relation to our software.
- Corporate – includes all corporate functions.

Intersegment revenues/expenses are where one operating segment has been charged for the use of another's expertise.

Royalties are a mechanism whereby each segment pays or receives funding for their contribution to the ongoing success of TechnologyOne. For example, Software pays Corporate for the use of corporate services.

The chief operating decision maker views each segment's performance based on revenue post royalties and profit before tax. No reporting or reviews are made of segment assets, liabilities and cash flows and as such this is not measured or reported by segment.

Half Year 2021	Software	Consulting	Corporate	Total
	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers				
SaaS fees*	68,818	-	-	68,818
Annual licence fees*	41,606	-	-	41,606
Consulting services*	-	30,351	-	30,351
Initial licence fees**	3,566	-	-	3,566
Other income	197	-	132	329
Intersegment revenue	(385)	402	(17)	-
Net royalty	(27,480)	(3,114)	30,594	-
Total revenue	86,322	27,639	30,709	144,670
Expenses				
Total external expenses	(62,861)	(21,501)	(23,019)	(107,381)
Profit before tax	23,461	6,138	7,690	37,289
Income tax expense				(9,088)
Profit for the half-year				28,201

Technology One Limited
Notes to the consolidated financial statements
31 March 2021

Half Year 2020	Software	Consulting	Corporate	Total
	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers				
SaaS fees*	51,053	-	-	51,053
Annual licence fees*	51,258	-	-	51,258
Consulting services*	-	30,223	-	30,223
Initial licence fees**	5,451	-	-	5,451
Other income	163	-	250	413
Intersegment revenue	(683)	762	(79)	-
Net royalty	(26,287)	(3,183)	29,470	-
Total revenue	80,955	27,802	29,641	138,398
Expenses				
Total external expenses	(64,936)	(22,748)	(24,774)	(112,458)
Profit before tax	16,019	5,054	4,867	25,940
Income tax expense				(6,889)
Profit for the half-year				19,051

*Recognised over time / as services are rendered

**Recognised at a point in time

3. Revenue

	2021	2020
	\$'000	\$'000
Revenue from contracts with customers		
SaaS fees*	68,818	51,053
Annual licence fees*	41,410	50,513
Consulting services*	30,351	30,223
Revenue - SaaS and continuing business	140,579	131,789
Initial licence fees**	3,566	5,451
Annual licence fees associated with initial licence fees ¹	196	745
Revenue - Legacy licence business	3,762	6,196
Total revenue from contracts with customers	144,341	137,985
Other income	\$'000	\$'000
Foreign exchange gains / (losses)	(1)	6
Interest received	133	234
Other	197	173
Total other income	329	413
Total revenue	144,670	138,398

*Recognised over time / as services are rendered

**Recognised at a point in time

¹ This represents revenue on annual licence fees recognised from the date the associated initial licence is delivered until the end of that first financial year post delivery.

4. Expenses

	2021	2020
	\$'000	\$'000
Occupancy costs	(935)	(1,934)
Depreciation of plant and equipment	(1,841)	(1,939)
Amortisation of right-of-use assets	(2,534)	(3,030)
Amortisation of contract acquisition	(1,526)	(1,126)
Amortisation of capitalised development	(5,673)	(2,159)
Amortisation of other intangibles	(218)	(136)
Depreciation and Amortisation	(11,792)	(8,390)
Finance expense	(742)	(743)

5. Capitalised development

	Software under development \$'000	Software - in use \$'000	Total \$'000
Period ended 31 March 2021			
Opening net book amount as at 30 September 2020	26,983	35,573	62,556
Additions	18,491	-	18,491
Transfers to software - in use	(17,661)	17,661	-
Amortisation charge	-	(5,673)	(5,673)
Closing net book amount at 31 March 2021	27,813	47,561	75,374
Cost	27,813	59,891	87,704
Accumulated amortisation	-	(12,330)	(12,330)
Net book amount	27,813	47,561	75,374

	Software under development \$'000	Software - in use \$'000	Total \$'000
Period ended 31 March 2020			
Opening net book amount as at 30 September 2019	23,825	7,765	31,590
Additions	15,352	-	15,352
Transfers to software - in use	(15,975)	15,975	-
Amortisation charge	-	(2,159)	(2,159)
Closing net book amount at 31 March 2020	23,202	21,581	44,783
Cost	23,202	24,295	47,497
Accumulated amortisation	-	(2,714)	(2,714)
Net book amount	23,202	21,581	44,783

6. Deferred revenue

	2021	2020
	\$'000	\$'000
Deferred revenue	124,033	144,148
Total deferred revenue	124,033	144,148

Deferred revenue represents payments received or receivable in advance from customers for SaaS Fees and Annual Licence Fees which will be recognised as revenue in future periods, generally over the next 12 months. These amounts are a contract liability under AASB15. These amounts are enforceable, generally non-refundable when paid in accordance with the contract and do not result in a future cash outflow. The operating costs to deliver the services are not significant. These amounts were previously referred to as prepaid subscription revenue.

7. Fair value

At 31 March 2021, the Group did not hold any assets or liabilities at fair value through the profit and loss.

The carrying value of current trade and other receivables, deferred revenue and trade payables are assumed to approximate their fair value due to their short-term nature.

8. Share-based payments

Options are granted to employees at the discretion of the Board based on the option plan approved by the Board.

TechnologyOne issues options with up to 25% discount on the volume weighted average price for the 10 days prior to the grant date.

The options typically vest if the employee remains employed at the vesting date. For executive key management personnel (KMP) they must remain employed at the vesting date and meet certain performance-based vesting conditions.

The period available between vesting date and expiry date of each option is five years.

Each option entitles the holder to purchase one share. Fair values of options granted as part of remuneration are based on values determined using the Black-Scholes option pricing model.

The fair value of options granted during the year was between \$1.77 and \$2.66 (2020: \$1.55 and \$2.45).

The fair value of the options granted during the six months ended 31 March 2021 was estimated using the following assumptions:

Dividend yield (%)	1.60%
Expected volatility (%)	33.54%
Risk-free interest rate (%)	0.10%
Expected life of share options (years)	3.3
Share price (\$)	8.07

At 31 March 2021, a total of 4,793,858 options (September 2020 – 5,562,106) were granted to employees.

The weighted average share price at the date of exercise of options exercised during the period ended 31 March 2021 was \$4.94 (30 September 2020 - \$3.60).

The weighted average remaining contractual life of share options outstanding at the end of the period was 6.0 years (30 September 2020 - 6.0 years).

For the six-month period ended 31 March 2021, the Group has recognised \$1.8m of share-based payment expense in the consolidated income statement (31 March 2020: \$1.6m).

9. Critical accounting estimates

The Group has considered whether there is any additional critical accounting estimates to be disclosed within this interim set of Financial Statements that were not required at 30 September 2020.

Critical accounting estimates – COVID-19

Although to date there has been no noticeable changes to the Group's performance due to COVID-19, management have considered the potential impact of COVID-19 in performing the Group's impairment assessments and in establishing the expected credit loss on financial assets. As a result, no adjustments were made to the Group's assets.

10. Events occurring after the reporting period

On 25 May 2021, the directors of Technology One Limited declared an interim dividend on ordinary shares of 3.82 cents per share in respect of the 2021 financial year. The total amount of the dividend is \$12.3m and is 60% franked.

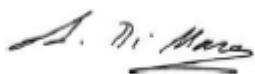
No other matters or circumstances have arisen since the half-year end which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

In accordance with a resolution of the directors of Technology One Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 8 to 18 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2021 and of its performance for the half-year ended on that date.
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the board



Adrian Di Marco
Executive Chairman

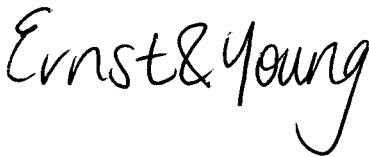
Brisbane
25 May 2021

Auditor's Independence Declaration to the Directors of Technology One Limited

As lead auditor for the review of the half-year financial report of Technology One Limited for the half-year ended 31 March 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Technology One Limited and the entities it controlled during the financial period.



Ernst & Young



Alison de Groot
Partner
25 May 2021



Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

**Building a better
working world**

Independent Auditor's Review Report to the Members of Technology One Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Technology One Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position of the Group as at 31 March 2021 and of its consolidated financial performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 March 2021 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Alison de Groot
Partner
Brisbane
25 May 2021

Jennifer Barker
Partner
Brisbane
25 May 2021