
cia
SaaS+
cia
unstoppable simplicity
dxp
cia live
2023
Half Year
Results
Ended 31 March 2023
technologyone
Transforming business, making life simple
23 May 2023
Commercial in confidence

Disclosure Statement

TechnologyOne Ltd Half Year Presentation – 23 May 2023

TechnologyOne Ltd (ASX: TNE) today conducted a series of presentations relating to its 2023 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 stated. The comparative Balance Sheet for March FY22 has been updated to include finalised balances for the acquisition of Scientia.

Agenda.

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

Clear Strategy

ERP software – Mission critical products
In 2008, we had 11 products, in 2023, we have 16 products and over 400 modules.

Deepest functionality for the markets we serve
Mission critical products which power our customers

Global SaaS Solution – One Global Code Line
Our SaaS customers unlock significant benefits

Any device anywhere anytime
Delivered our 4th Generation ERP, CiA

Power of one – One Vendor, One Experience
Solution as a Service

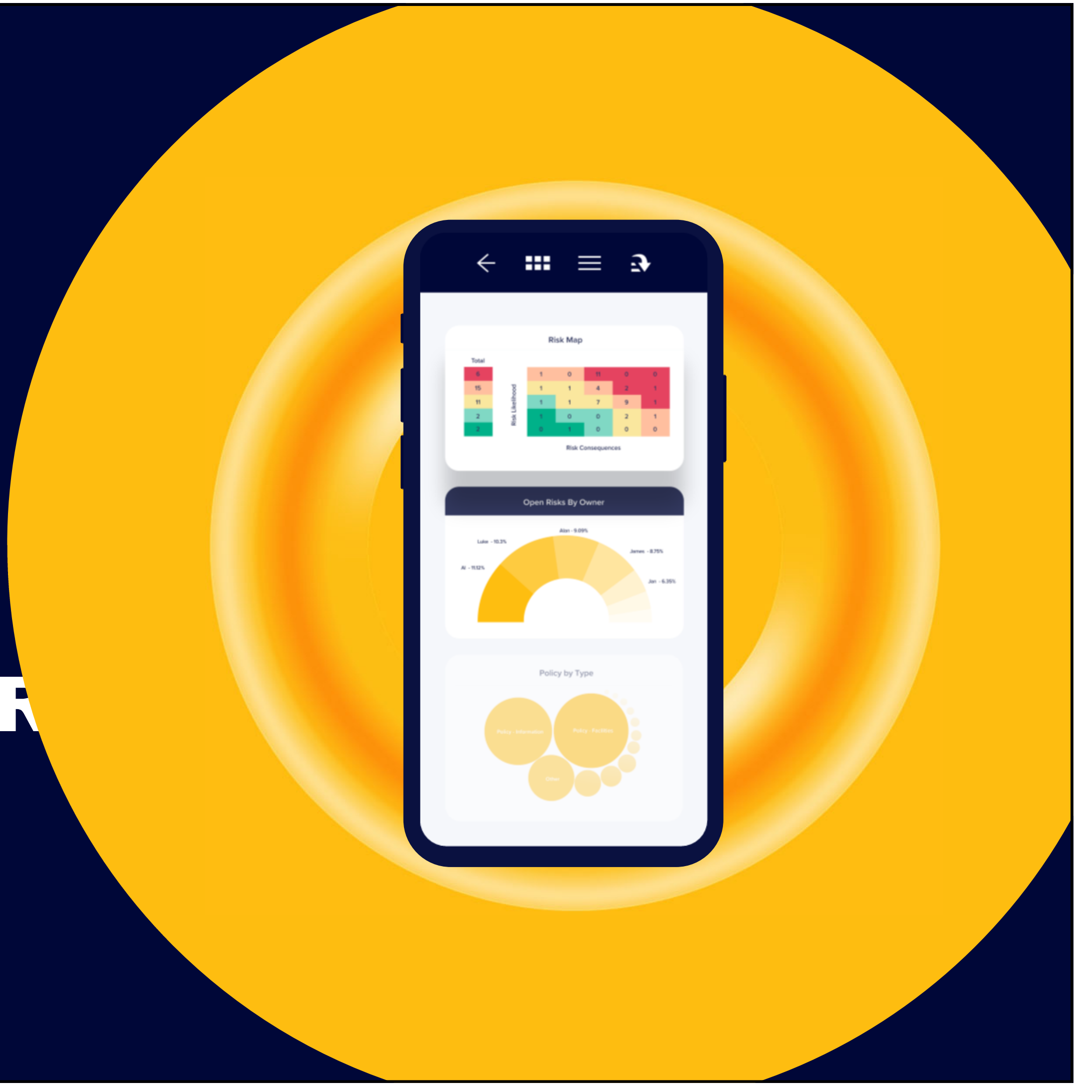
Innovation Driven Company
Leveraging new and emerging technology in each generation of product

SaaS ARR growth of 40%

Record SaaS ARR $316.3m

Total ARR Growth of 22%

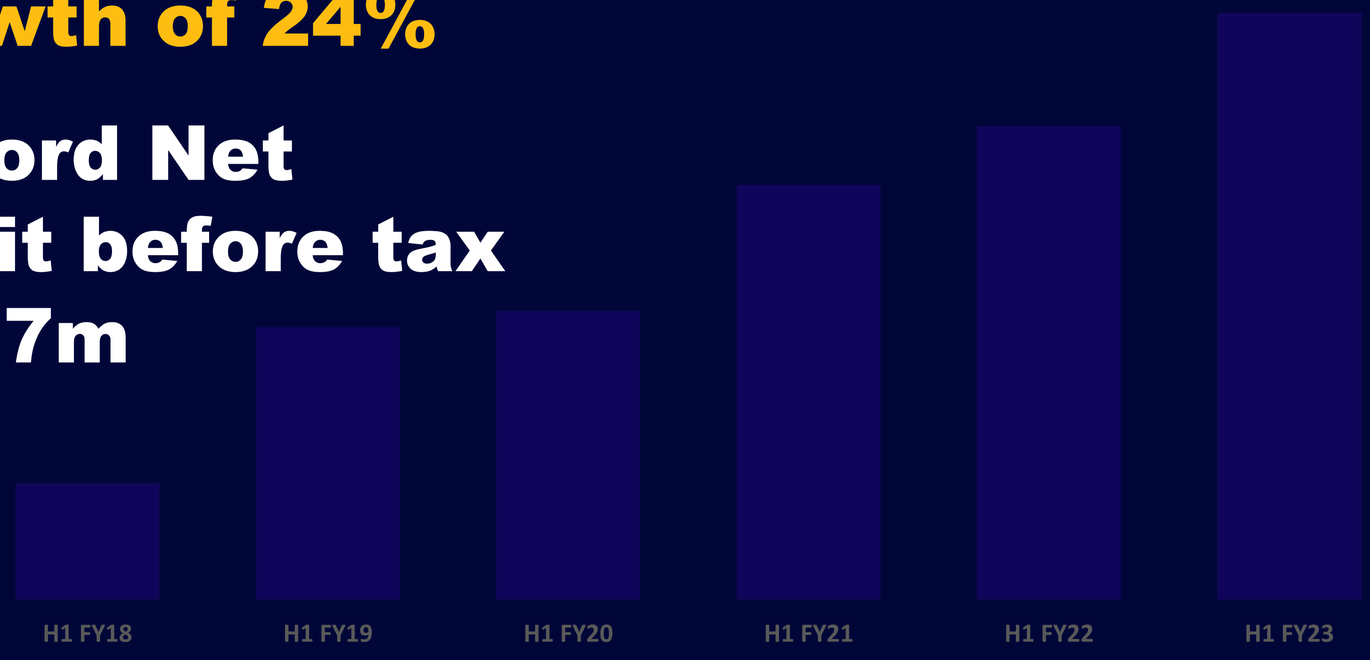
Record Total ARR $350.6m



Surpass $500m+ ARR by FY26

Net Profit Before Tax Growth of 24%

Record Net Profit before tax $52.7m



SaaS is the foundation of our growth

Outlook for FY23 is strong

Discussed later in more detail

Agenda.

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Interim Dividend up 10%

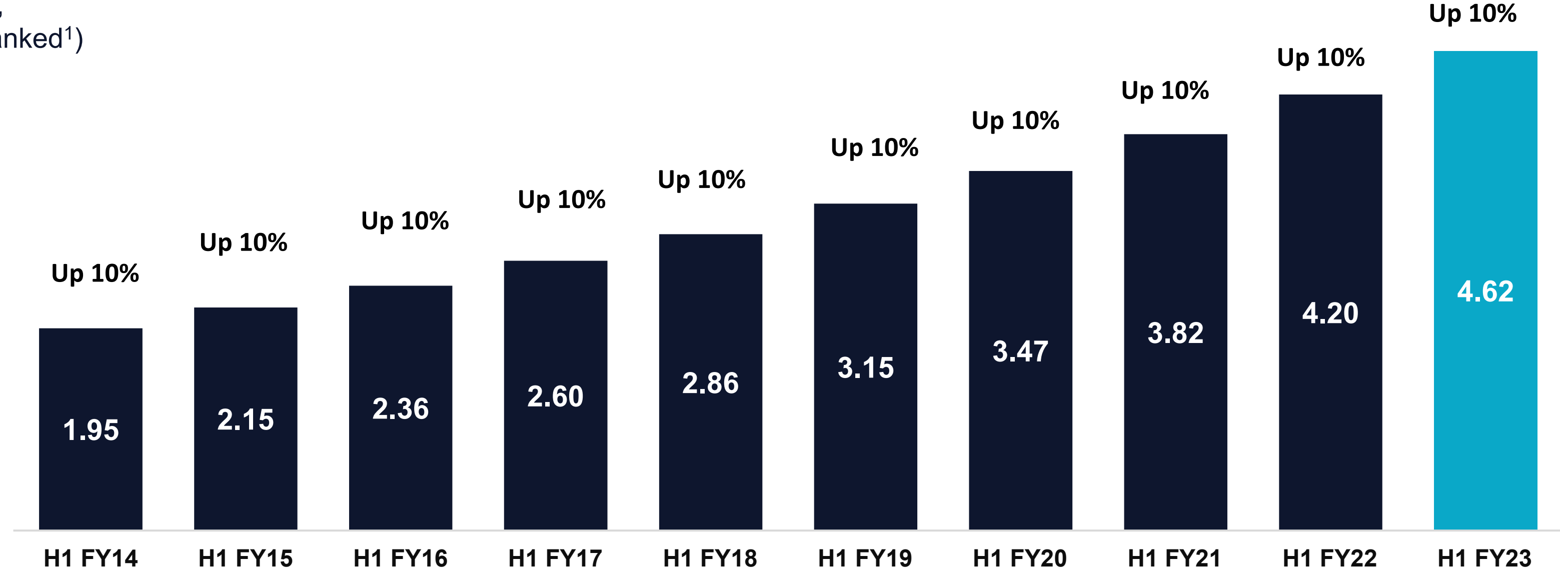
Confidence in the outlook
Retaining significant fire power to invest in growth

Half 1 4.62 cps,
up 10% (60% franked[1])

Payout Ratio of
36%

Compound Growth of
10%

H1 Dividend last 10 years



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

H1 Results Summary

Exceeded ARR targets (highest quality revenue). End of legacy licence business

	H1 FY23 $'000	H1 FY22 $'000	VAR $'000	VAR %	
Revenue – SaaS & Continuing Business	**200,037**	**169,480**	**30,557**	**18%**	In line with expectations
SaaS Fees Recognised[1]	145,005	96,249	48,756	51%	Our SaaS business continues to grow strongly
Annual Licence Fees [1]	21,284	39,084	(17,800)	(46%)	As expected, our strategy to move customers from On-premise to SaaS
Consulting Services	33,748	34,148	(400)	(1%)	Refer Appendix A
Revenue - Legacy Licence Business	**968**	**2,515**	**(1,547)**	**(61%)**	We accelerated reduction in legacy licence fees (lower quality revenue)
Legacy Licence Fees	895	2,433	(1,538)	(63%)	
Associated Annual Licence Fees[1]	73	82	(9)	(11%)	
Other Revenue	9,297	459	8,838	100%+	$7.4m relates to the reversal of contingent consideration (earnout). Refer to Appendix F
Total Revenue	**210,302**	**172,454**	**37,848**	**22%**	Exceeded ARR targets (highest quality revenue) enabling us to drive legacy licence fees down faster (lower quality)
Variable Costs (excl capitalisation)	37,110	28,296	8,814	31%	
Capitalised Costs - Commission (net of amortisation)	(3,126)	(1,633)	(1,493)	91%	As required by AASB15
Operating Costs (excl capitalisation)	133,194	114,590	18,604	16%	$6.8m due to the derecognition of acquired intangible assets Refer to Appendix F
Capitalised Costs - Development	(9,624)	(11,369)	1,745	(15%)	
Capitalisation	*(25,701)*	*(22,062)*	*(3,639)*	*16%*	
Amortisation	*16,077*	*10,693*	*5,384*	*50%*	
Total Expenses	**157,555**	**129,884**	**27,671**	**21%**	In line with expectations
Profit Before Tax	**52,747**	**42,570**	**10,177**	**24%**	In line with expectations
Profit Before Tax Margin	*25.1%*	*24.7%*			
Profit After Tax	**41,281**	**33,191**	**8,090**	**24%**	In line with expectations, reflects new R&D tax incentives
Other					
Cash Flow Generation[2]	1,329	1,579	(250)	(16%)	As expected, with strong Cash Flow Generation by year end
Cash and Cash Equivalents	139,130	116,368	22,762	20%	
ARR Recognised[1]	166,363	135,414	30,949	23%	ARR Recognised includes SaaS Fees & On-Premise Licence Fees
Total Annual Recurring Revenue (ARR)	**350,571**	**288,476**	**62,095**	**22%**	
SaaS ARR	**316,254**	**225,096**	**91,158**	**40%**	Our SaaS business continues to grow strongly
Annual Licence ARR	34,316	63,380	(29,064)	(46%)	Expected as customers move from On-premise to SaaS

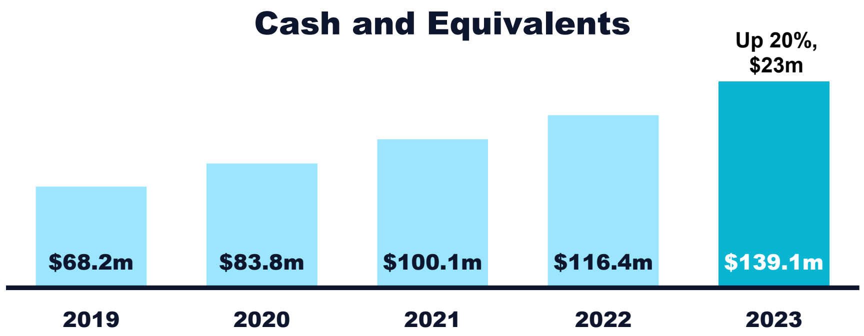
[1] ARR Recognised includes SaaS Fees recognised & Annual Licence Fees

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

Balance Sheet Strong

Cash & Equivalents $139.1m, up 20%

- Net Cash: 43.0 cps vs 36.0 cps, up 19%
- Net Assets: $253.5m vs $198.3m, up $55.2m, up 28%
- We have no debt



	Mar-23 $'000	Mar-22 $'000	Var $'000	Var %
Cash & cash equivalents	139,130	116,368	22,762	20%
Prepaid expenses[1]	24,106	15,975	8,131	51%
Trade and other receivables[2]	46,793	33,570	13,223	39%
Contract assets	24,040	24,392	(352)	(1%)
Other current assets	2,017	213	1,804	100%+
Current tax assets	6,922	4,233	2,689	64%
Contract acquisition costs[3]	7,399	5,285	2,114	40%
Current assets	**250,407**	**200,036**	**50,371**	**25%**
Property, plant and equipment	10,080	7,599	2,481	33%
Right-of-use assets	23,640	21,268	2,372	11%
Intangible assets	59,105	59,721	(616)	(1%)
Capitalised development[4]	131,475	111,757	19,718	18%
Deferred tax assets	9,264	18,035	(8,771)	(49%)
Contract assets	4,613	3,137	1,476	47%
Contract acquisition costs[3]	16,296	10,920	5,376	49%
Non-current assets	**254,473**	**232,437**	**22,036**	**9%**
Total Assets	**504,880**	**432,473**	**72,407**	**17%**
Trade and other payables[5]	41,409	30,778	10,631	35%
Provisions	21,039	16,384	4,655	28%
Contingent consideration[6]	-	7,118	(7,118)	(100%)+
Deferred revenue[7]	151,396	138,358	13,038	9%
Lease liability	8,146	6,842	1,304	19%
Current liabilities	**221,990**	**199,480**	**22,510**	**11%**
Provisions	2,433	7,318	(4,885)	(67%)
Other non-current liabilities	81	105	(24)	(23%)
Lease liability	26,918	27,279	(361)	(1%)
Non-current liabilities	**29,432**	**34,702**	**(5,270)**	**(15%)**
Total Liabilities	**251,422**	**234,182**	**17,240**	**7%**
Net Assets	**253,458**	**198,291**	**55,167**	**28%**
Issued capital	64,918	57,203	7,715	13%
Other Reserves	62,822	55,567	7,255	13%
Retained Earnings	125,718	85,521	40,197	47%
Equity	**253,458**	**198,291**	**55,167**	**28%**

[1] Increase expected as more customers move to SaaS.

[2] Increase relates to new deals signed late in the period.

[3] Increase in line with strong SaaS ARR growth.

[4] Increase represents development activities capitalised during the period; less amounts amortised.

[5] Increase relates to invoices from creditors (notably office fit-out) received late in the quarter.

[6] Reduction relates to reversal of contingent consideration payable (refer to appendix F).

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

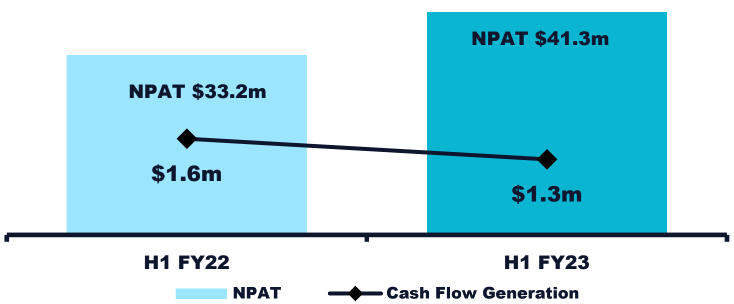
Cash Flow

Cash Flow Generation will be strong for full year

H1 Cash Flow Generation of $1.3m, lineball

- ✓ CFG is weighted to the second half
- ✓ CFG to NPAT Ratio in H1 as expected and not indicative of the full year
- ✓ Cash Flow Generation will progressively grow to match NPAT again from FY24 onwards

NPAT versus Cash Flow Generation



	H1 FY23 $'000	H1 FY22 $'000	Var $'000	Var %
Profit Before Tax	52,747	42,570	10,177	24%
Depreciation & Amortisation[1]	25,480	17,870	7,610	43%
Share based payments and other non-cash items	2,378	2,564	(186)	(7%)
Changes in working capital:				
(Increase) / Decrease in Trade and other Receivables[2]	10,474	17,637	(7,163)	(41%)
(Increase) / Decrease in Contract assets[3]	(2,233)	(1,722)	(511)	(30%)
(Increase) / Decrease in Prepaid Expenses	(3,727)	(2,545)	(1,182)	(46%)
Increase / (Decrease) in Deferred Revenue[4]	(32,612)	(25,207)	(7,405)	(29%)
Increase / (Decrease) in Payables[5]	(7,193)	(14,568)	7,375	51%
Increase / (Decrease) in Staff Entitlements	260	(292)	552	100%+
Net Interest Received[6]	584	(718)	1,302	100%+
Income Taxes Paid	(7,294)	(7,270)	(24)	(0%)
Other	(1,417)	25	(1,442)	(100%+)
Operating Cash Flow	**37,447**	**28,344**	9,103	32%
Capitalised development costs	(25,701)	(22,062)	(3,639)	(16%)
Capitalised commission costs	(6,703)	(4,355)	(2,348)	(54%)
Payments of lease liabilities[7]	(3,714)	(348)	(3,366)	(100%+)
Cash Flow Generation	**1,329**	**1,579**	(250)	(16%)
Payments for property, plant & equipment	(2,946)	(1,507)	(1,439)	(95%)
Payments for other intangible assets	(775)	(911)	136	15%
Free Cash Flow	**(2,392)**	**(840)**	(1,552)	(100%+)
Proceeds from shares issued	7,267	5,488	1,779	32%
Dividends paid	(41,610)	(32,492)	(9,118)	(28%)
Net cash flow from financing activities	**(34,343)**	**(27,004)**	(7,339)	(27%)
Decrease in Cash & Cash equivalents	**(36,735)**	**(27,844)**	(8,891)	(32%)
Cash at the beginning of the financial year	175,865	144,212	31,653	**22%**
Closing cash	**139,130**	**116,368**	22,762	20%

[1] The increase is due to the capitalisation of development assets and contract acquisition costs.

[2] Decrease in FY23 Trade and other receivables impacted by new deals signed late in the period.

[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.

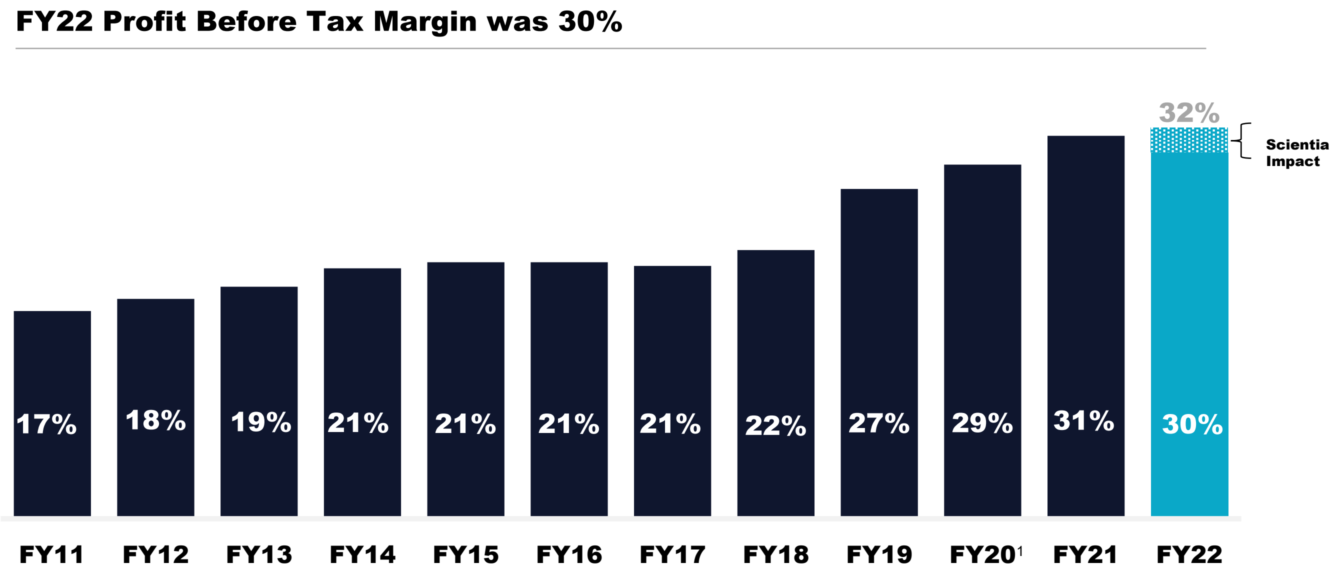
[5] Decrease due to timing of creditors and office fit-out costs.

[6] Includes interest expense related to lease liabilities recognised under AASB16 Leases offset by higher interest revenue on cash balances.

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

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

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



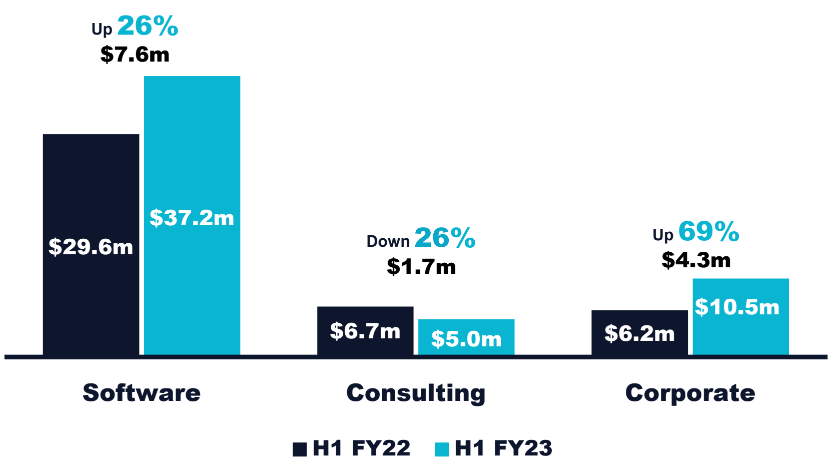
Profit margin excluding Scientia was 32%, compared to 31% PCP
Group Profit margin was impacted by the Scientia acquisition
Profit margin to improve to 35% in the next few years

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

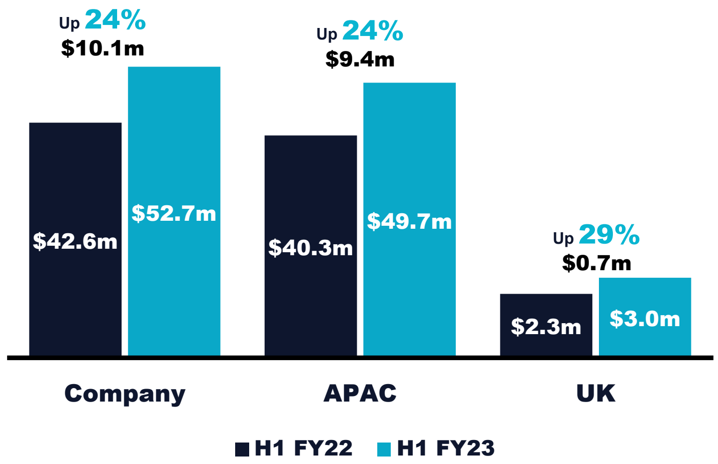
H1 FY23 Profit by Segment

Profit Before Tax $52.7m, up 24% $10.1m

Operating segment analysis



Geographic segment analysis



H1 FY23 Profit in line with expectations and not indicative of the Full Year results

- Software Profit up 26%, driven by strong SaaS growth.
- Consulting Profit down 26% from last year, as expected due to the introduction of SaaS+.
- Corporate Profit up 69%, due to increased royalties generated by strong product sales, plus additional interest revenue received, in line with expectations.

Results Analysis and Key Metrics, H1 FY23

	H1 FY23	H1 FY22	Var
	$'000	$'000	%
Revenue excl interest[1]	**208,710**	**172,362**	**21%**
Expenses (excl R&D, interest, D & A)[2]	**107,378**	**91,775**	**17%**
EBITDAR	**101,332**	**80,587**	**26%**
EBITDAR Margin	49%	47%	
R&D Expenditure (before capitalisation)	49,388	41,494	19%
R&D as % of Total Revenue[3]	24%	24%	
R&D Capitalisation	25,701	22,062	16%
EBITDA	**77,644**	**61,158**	**27%**
EBITDA Margin	37%	35%	
Depreciation	1,369	1,279	7%
Amortisation	24,111	16,591	45%
EBIT	**52,164**	**43,288**	**21%**
Net Interest Income / (Expense)	584	(718)	100%+
Profit Before Tax	**52,747**	**42,570**	**24%**
Profit Before Tax Margin	25%	25%	
Profit After Tax	**41,281**	**33,191**	**24%**

	H1 FY23	H1 FY22	Var
	$'000	$'000	%
EPS (cents)	**12.73**	**10.29**	**24%**
Dividend (cents per share)			
Interim dividend	4.62	4.20	**10%**
Dividend Payout Ratio	36%	41%	
ROE	**16%**	**16%**	
Balance Sheet			
Net Assets	253,458	198,291	**28%**
Cash & Cash Equivalents	139,130	116,368	**20%**
Cash Flow Generation[4]	1,329	1,579	**(16%)**

Full year ROE will be ~40%

[1] Revenue includes a gain of $7.4m due to the reversal of contingent consideration (earnout) related to Scientia
[2] Expenses includes derecognition of acquired intangible assets of $6.8m related to Scientia
[3] R&D as % of total revenue based on R&D expenditure before capitalisation
[4] Cash Flow Generation is Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments

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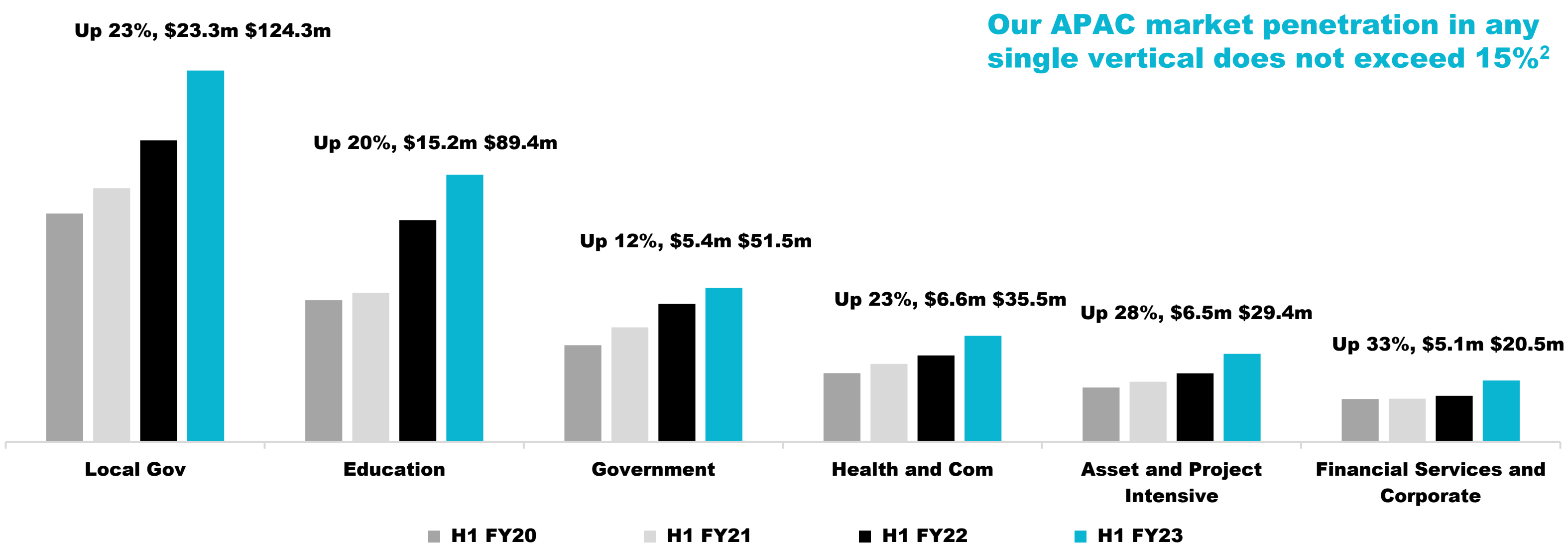
All verticals performed strongly

Significant room to grow in future years

Vertical Market Analysis

ARR of $350.6m[1], Up 22% | From $288.5m, H1 FY22

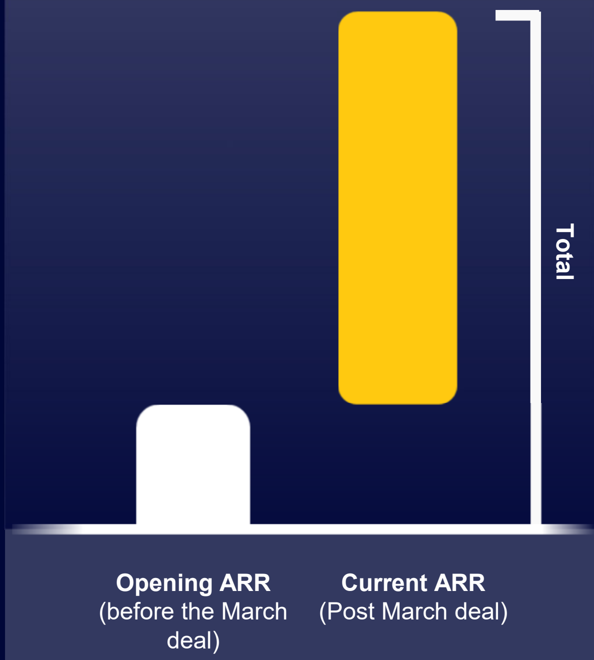


[1] Balance is at 31 March 2023 and growth is for the 12 months from 31 March 2022
[2] Based on our existing customers and their use of TechnologyOne products and modules as a percentage of total addressable market.

London Business School

"the product and SaaS+ is "revolutionary" and will help us move into the 21st century."

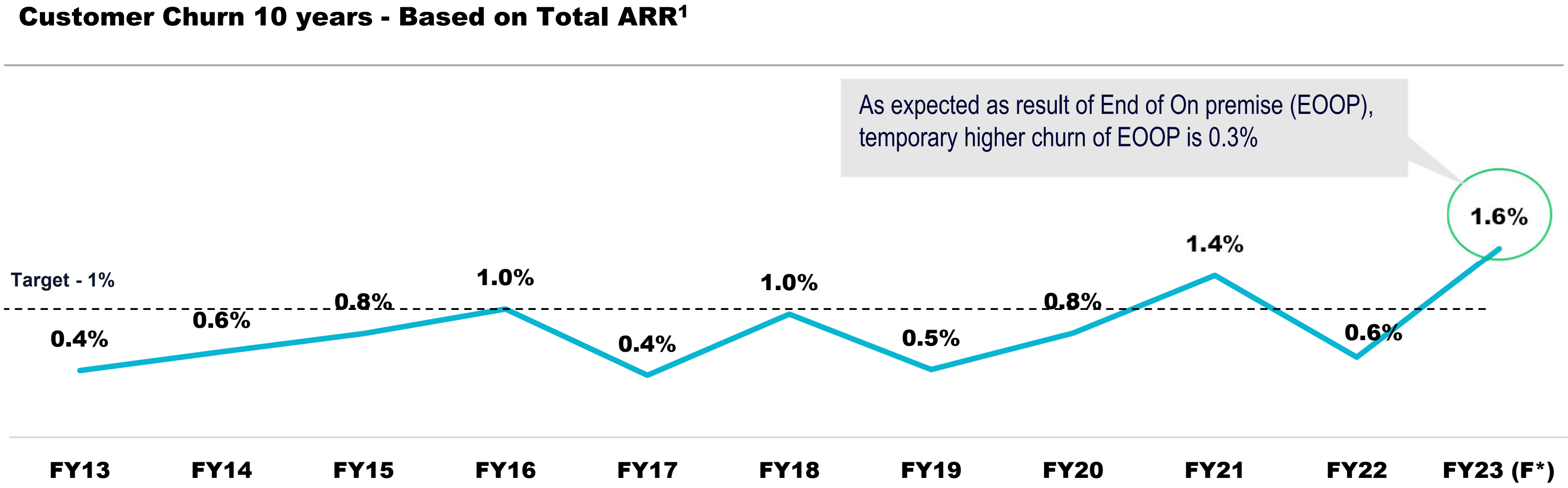
CITY OF PARRAMATTA



TAFE VICTORIA

- Asset & Fleet Booking
- Maintenance Scheduling
- eContractorWork
- Physical Asset Register
- Work Billing
- Work Requests
- Work Schedule & Dispatch

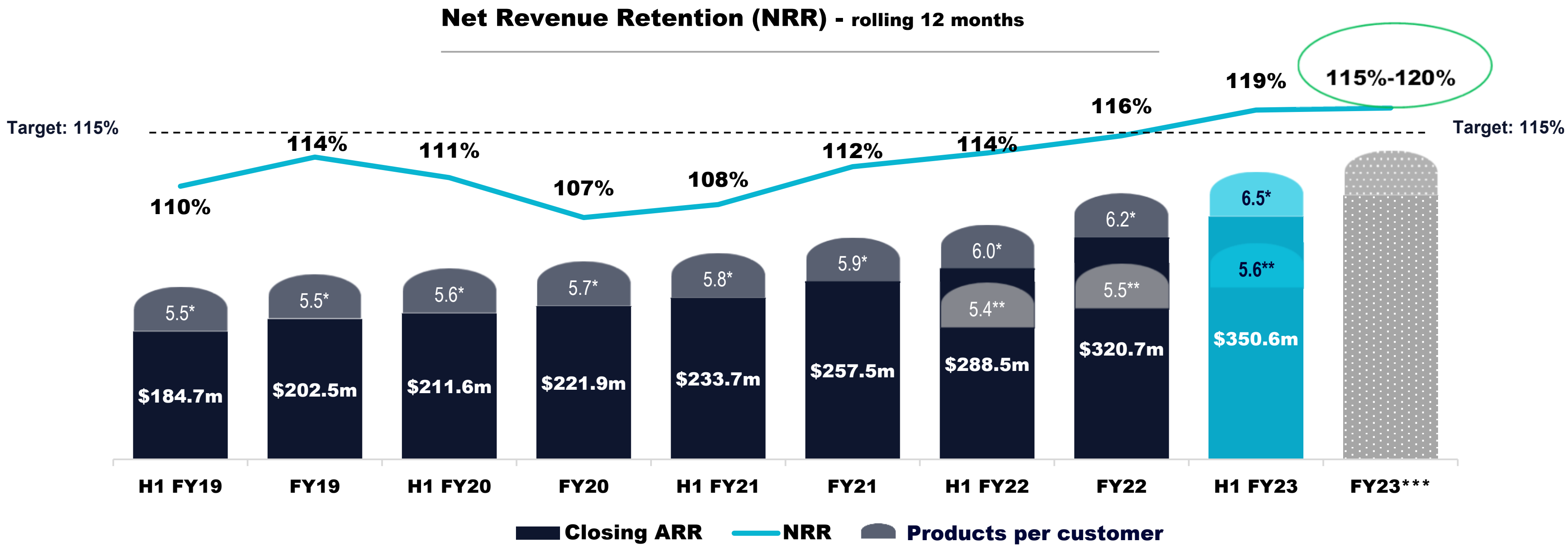
~99% customer retention



[1] Total ARR = SaaS ARR + On Premise Annual Licence ARR
* FY23 full year forecast

Full year Net Revenue Retention is expected to be 115% - 120%

- Significant opportunity in our existing customer base
- Our Global SaaS ERP is very broad with 400+ modules
- Frictionless – open licence, all modules available on SaaS
- Predictable, non-competitive transactional sales
- Low cost selling to existing customers



Calculation of Net Revenue Retention
(Opening ARR + New ARR from existing customers - Lost ARR from existing customers + CPI impacts + foreign currency impacts) / Opening ARR = Net Revenue Retention
- *Products per customer
- **Product per customer including Timetable and Scheduling
- *** Estimated FY23 full year

United Kingdom

Significant investment for future growth

UK ARR up 20% to $21.2m

120 People

- Sales
- Marketing
- Finance
- Legal
- R&D

15 Products

Financials
SAM
Student Management
HR & Payroll
Property & Rating
Corporate performance management
Enterprise Content Management
Supply Chain Management
Spatial
Business analytics
Performance Planning
Enterprise budget
Enterprise Cash receipting
Enterprise Asset Management
Timetableling & scheduling

Scientia
A technologyone COMPANY

157 Customers

R&D Significant Investment for future growth

R&D investment of

$49.4m[1]

24.0%

of Revenue

UP 19.0%

R&D investment of $49.4m up 19%

Two major software releases a year we focus on customer evolution

First CTO

Build an app faster without having to code

dxp

Simplicity, in the hands of your customers.

SaaS+
Solution as a Service

24.0% of revenue

Continuous R&D staff investment

[1] R&D expenditure before capitalisation

H1 FY23 Summary

Record H1 profit and revenue, record SaaS ARR

SaaS ARR up 40%
to $316.3m

Revenue – SaaS & Continuing Business up 18%
to $200.0m

Profit After Tax up 24%
to $41.3m

Profit Before Tax up 24%
to $52.7m

Profit before tax margin of 25%

UK ARR up 20%
to $21.2m

Cash and Cash Equivalents up 20%
to $139.1m

Surpass $500m+ ARR by FY26

Total ARR up 22%
to $350.6m

NRR of 119%
v 114% pcp

Cash Flow Generation $1.3m

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Outlook for 2023 Full Year

We expect to see strong continuing growth

Net Profit Before Tax growth of 10% to 15%

Outlook for FY23

Strong SaaS ARR growth of ~40%

Investments in talent, UK growth and new initiatives such as SaaS+ (Solution as a Service)

Planned Legacy Licence fee reduction from $10m to $2m ($8m reduction)

"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

Surpass $500m+ ARR by FY26

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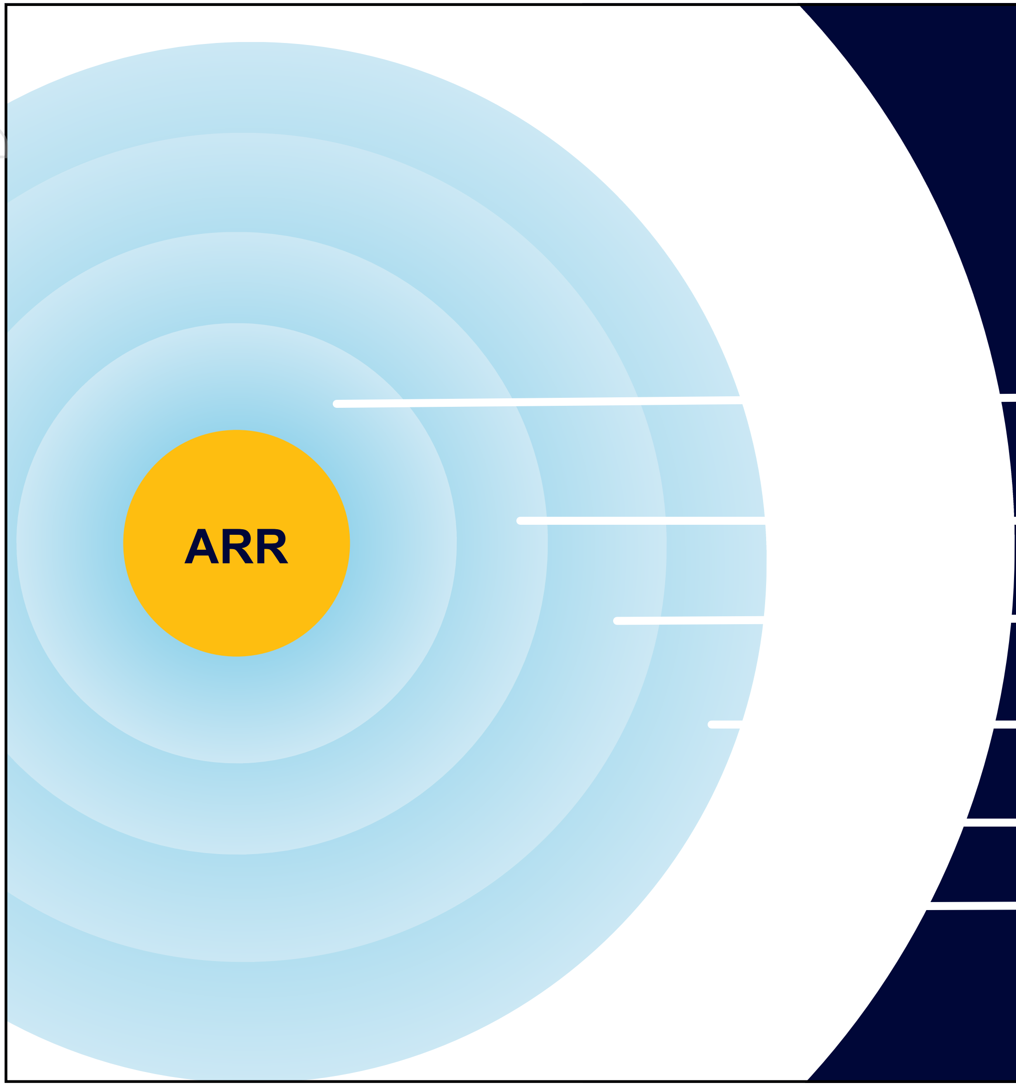
Surpass $500m+ ARR by FY26

Continue to double in size every 5 years


SaaS+
Solution as a Service
SaaS+ lifts ARR by 40%
The Highland Council
Comhairle na Gàidhealtachd
London Business School
qnmu
Queensland Nurses & Midwives' Union
50 Royal Northern College of Music
Town of Cambridge
University of Hertfordshire UH
Edinburgh Leisure
The Biggest Club in Town
Royal Conservatoire of Scotland



Continue to double in size every 5 years

- Strong Net Revenue Retention (NRR) of 115-120%
- $2b of ARR whitespace in our APAC customer base
- R&D over next 5 years doubles APAC ARR whitespace from $2b to $4b
- Solution as a Service is a gamechanger, lifts ARR by 40%
- Strategic acquisitions (e.g. Scientia Timetabling and Scheduling)
- Continuing growth in new logos in APAC
- Continuing growth in the UK
- Profit margins to grow to 35%+, through significant economies of scale

technologyone

transforming business, making life simple

Appendices

- Appendix A – Consulting Profit
- Appendix B – R&D Disciplined and Transparent
- Appendix C – Long History of Strong Cash Flow Generation
- Appendix D – SaaS Customers and SaaS ARR
- Appendix E – Drivers for Long Term Growth
- Appendix F – Scientia Acquisition accounting impacts
- Appendix G – Balance Sheet including Scientia adjustments
- Appendix H – Glossary

Appendix A: H1 FY23 Consulting Profit of $5.0m

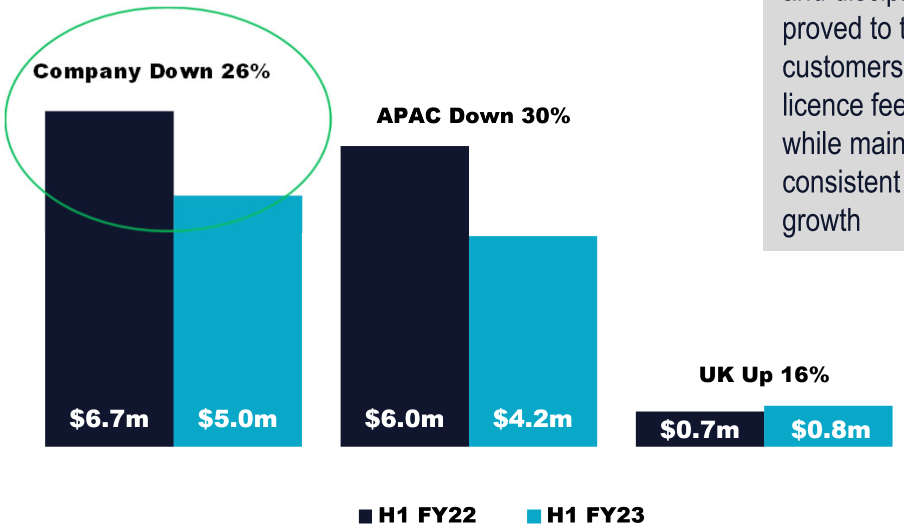
Profit as planned as we make the careful and strategic transition from traditional consulting to SaaS+

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



Leveraging the method and disciplines we proved to transition customers from legacy licence fee to SaaS, while maintaining consistent strong profit growth

The AMS business for our existing customers is also moving to recurring revenue. Now have $24m locked in recurring revenue not included in our total ARR

Appendix B:
R&D Disciplined and Transparent

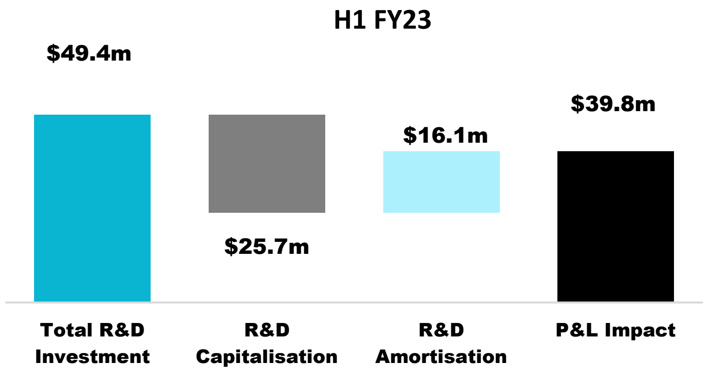
Highly Disciplined approach to R&D

We expense maintenance and research.
We only capitalise development based on actual timesheets for eligible projects.
Capitalisation and amortisation are independently audited along with Financial Statements.

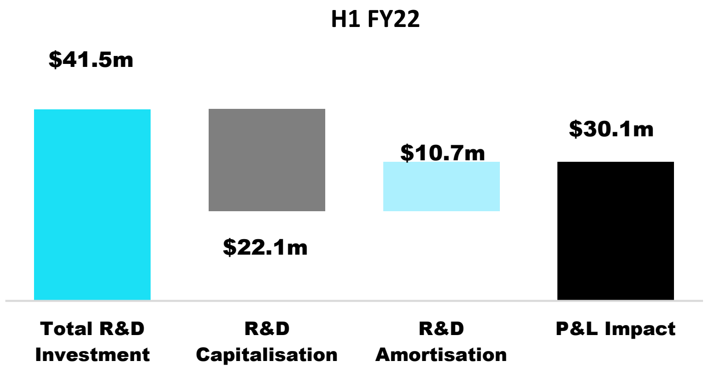
Because we are a SaaS ERP provider, we expect the norm to be as follows:

- The expected range of capitalisation is 50-55%
- Five year amortisation period

If we vary from this we will provided detailed reasons.

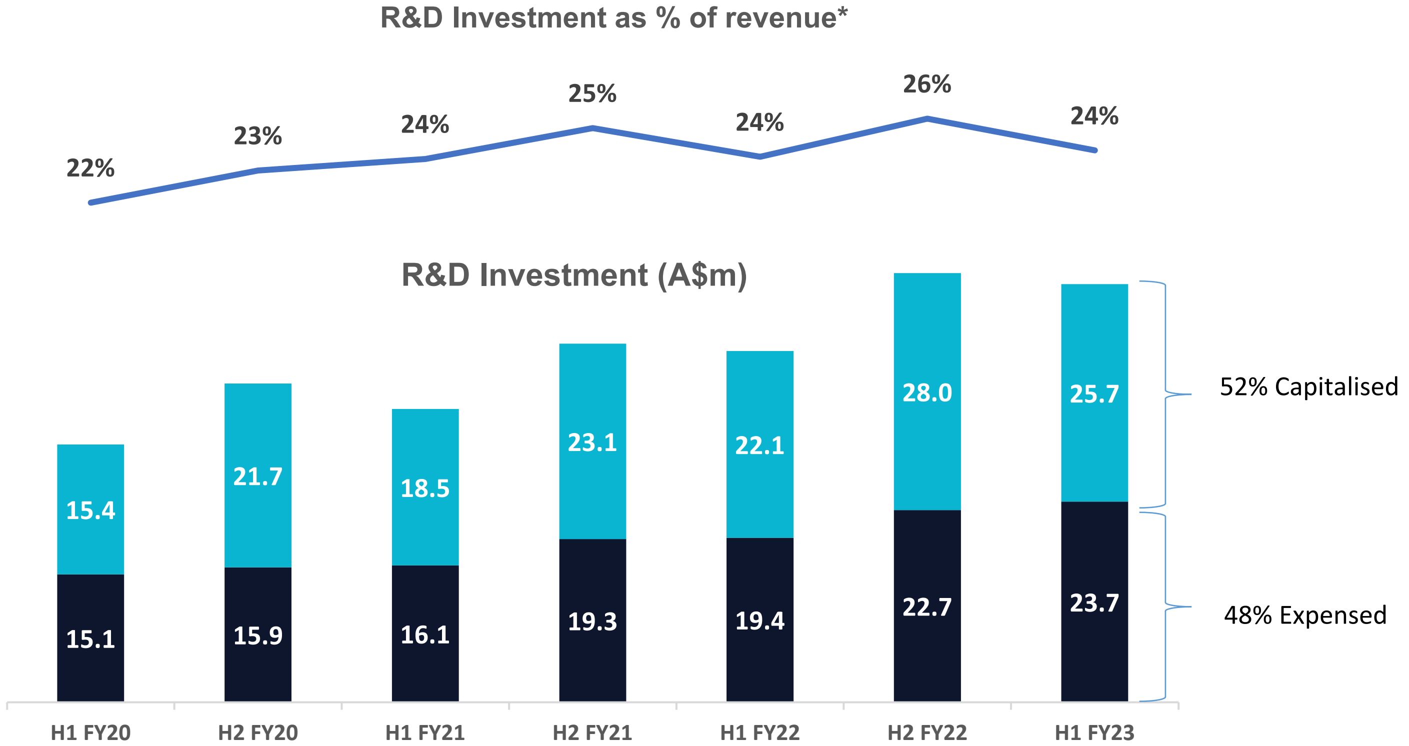


H1 FY23	
$49.4m	R&D investment before capitalisation, (up 19%)
($25.7m)	52.0% capitalised, (in line with expected 54% for full yr)
$16.1m	Amortisation commenced in H2 FY19
$39.8m	**Net expense through P&L, up 32% ($9.7m) on pcp**



H1 FY22	
$41.5m	R&D investment before capitalisation
($22.1m)	53% capitalised
$10.7m	Amortisation commenced in H2 FY19
$30.1m	**Net expense through P&L**

Appendix B:
R&D Disciplined & Transparent



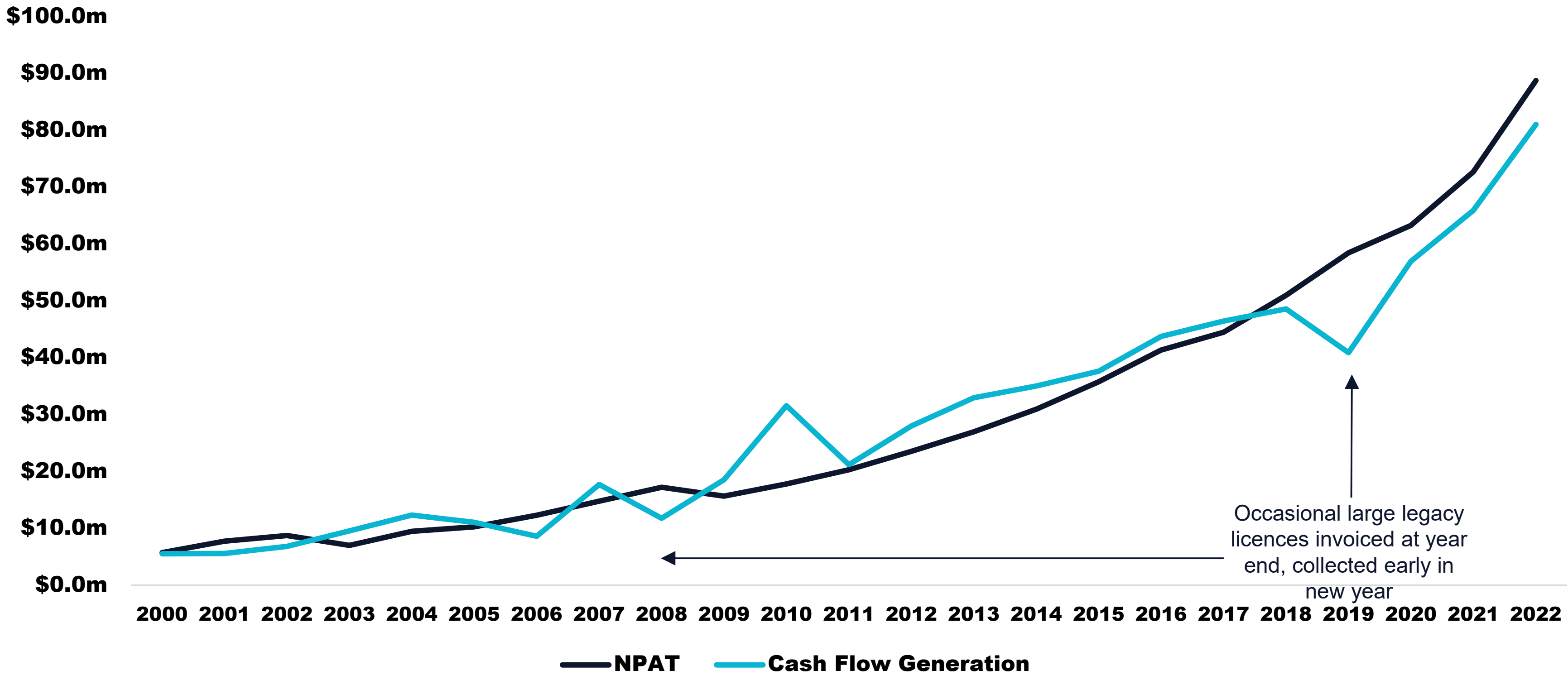
* H1 FY23 revenue excludes one off contingent consideration write-off of $7.4m

Appendix B:
R&D Disciplined & Transparent

	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	53.5%	555	5	28,493
FY20	68,102	37,069	54.4%	6,103	5	37,136
FY21	77,005	41,858	54.4%	13,429	5	48,576
FY22	92,197	50,060	54.3%	23,400	5	65,537
	($'000)	($'000)	%	($'000)	Years	($'000)
H1 FY22	41,494	22,062	53.2%	10,693	5	30,125
H1 FY23	49,388	25,701	52.0%	16,077	5	39,764

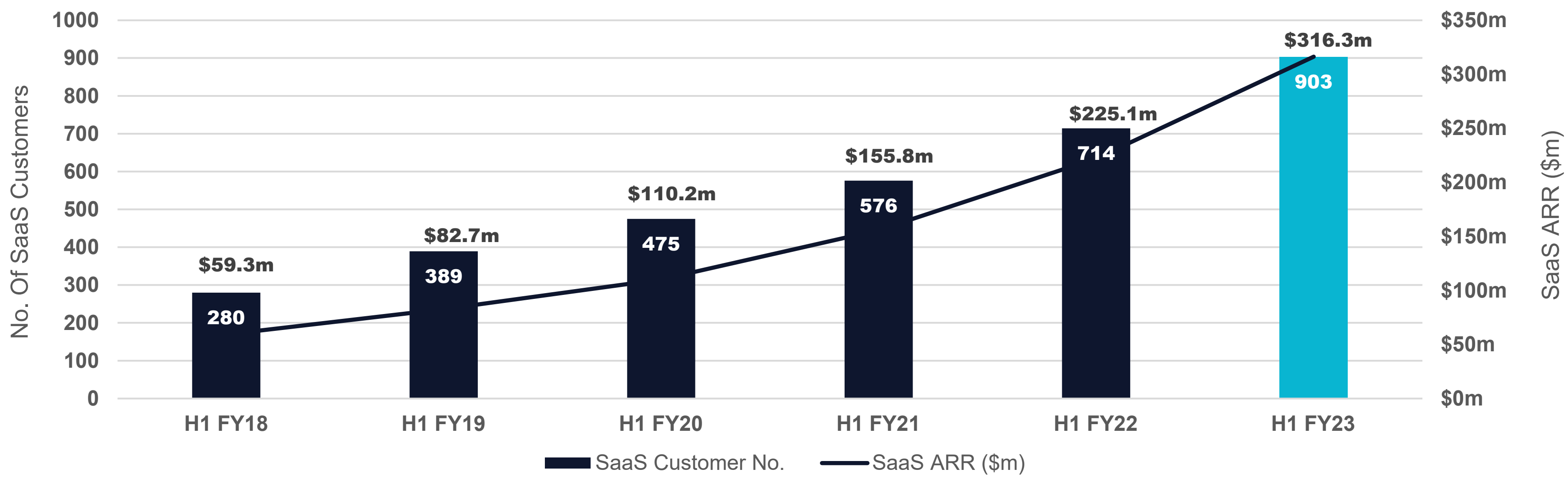
Appendix C: Long history of strong cash flow generation

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



[1] Cash flow generation is operating cash flow from operations less capitalised development costs, capitalised commissions and lease payments
[2] This graph shows previously reported NPAT to FY18 and has not been restated for AASB15

Appendix D: SaaS Customers and SaaS ARR

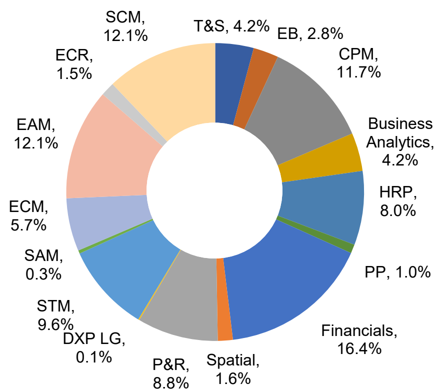


	H1 FY18	H1 FY19	H1 FY20	H1 FY21	H1 FY22	H1 FY23
YoY SaaS ARR Growth	41%	39%	33%	41%	44%	40%
SaaS ARR per Customer ($m)	$0.21m	$0.21m	$0.23m	$0.27m	$0.32m	$0.35m

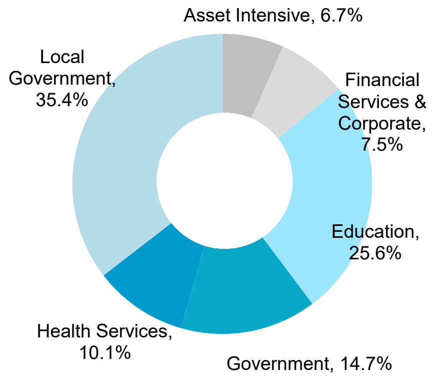
Appendix E: Drivers for long term growth

Diversified revenue streams

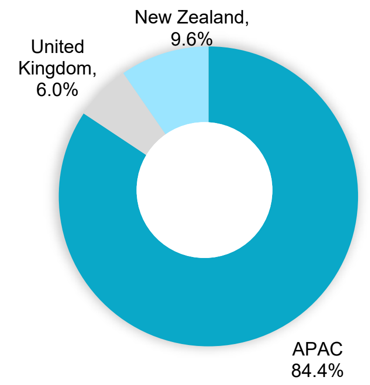
Increase Product Penetration
16 Licensable products[1]
Over 400+ licensable modules



Increase Market Penetration
6 Vertical markets[1]



Expand Geographies
APAC & UK[1]



Strong, very loyal customer base

- PROVIDES MISSION CRITICAL SOLUTION – 'STICKY CUSTOMER BASE'
- 99%+ CUSTOMER RETENTION RATE
- 98%+ OF OUR REVENUE IS NOW RECURRING[2]
- TECHNOLOGYONE GLOBAL SAAS ERP SOLUTION

1 Based on total ARR
2 Total revenue less consulting and reversal of contingent consideration

Appendix F: Scientia Acquisition accounting impacts

Scientia was an excellent acquisition.

- ✓ A world class Timetable and Scheduling product, with a broad customer base and strong cash flows.
- ✓ The acquisition has opened the opportunity to sell our ERP (primary focus is Student Management) into the ~100 acquired Scientia customers in the UK alone
- ✓ Further enhances our Student DXP offering which is in development.

The sellers did not achieve their aggressive earnout targets, but exceed our business case on many facets

- contingent consideration reversed ($7.4m gain)
- acquired intangible assets were derecognised ($6.8m expense)

	TechOne Reported (incl acquisition accounting impacts)				Scientia (acquisition accounting impacts)			TechOne (excl acquisition accounting impacts)			
	H1 FY23	H1 FY22	Var $	PCP %	H1 FY23	H1 FY22	Var $	H1 FY23	H1 FY22	Var $	PCP %
Total Revenue	210,302	172,454	37,847	22%	7,378	-	7,378	202,924	172,454	30,470	18%
Total Expenses	157,555	129,884	27,669	21%	6,767	-	6,767	150,788	129,884	20,904	16%
Profit before tax	52,747	42,570	10,178	24%	611	-	611	52,136	42,570	9,566	22%

Reversal of contingent consideration

Derecognition of acquired intangible assets

Appendix G: Balance Sheet including Scientia adjustments

March FY22 Balance Sheet has been adjusted for the finalisation of acquisition accounting for Scientia.

	Reported	Adjusted	
	Mar-22	**Mar-22**	**Var**
	$'000	**$'000**	**$'000**
Cash & cash equivalents	116,368	116,368	-
Prepaid expenses	15,975	15,975	-
Trade and other receivables	33,570	33,570	-
Contract assets	24,392	24,392	-
Other current assets	213	213	-
Current tax assets	4,233	4,233	-
Contract acquisition costs	5,285	5,285	-
Current assets	**200,036**	**200,036**	**-**
Property, plant and equipment	7,599	7,599	-
Right-of-use assets	21,268	21,268	-
Intangible assets	62,035	59,721	(2,314)
Capitalised development	111,775	111,757	(18)
Deferred tax assets	14,738	18,035	3,297
Contract assets	3,137	3,137	-
Contract acquisition costs	10,920	10,920	-
Non-current assets	**231,472**	**232,437**	**965**
Total Assets	**431,508**	**432,473**	**-**
Trade and other payables	30,453	30,778	325
Provisions	16,384	16,384	-
Contingent consideration	7,118	7,118	-
Deferred revenue	138,219	138,358	139
Lease liability	6,842	6,842	-
Current liabilities	**199,016**	**199,480**	**464**
Provisions	7,318	7,318	-
Other non-current liabilities	105	105	-
Lease liability	27,279	27,279	-
Non-current liabilities	**34,702**	**34,702**	**-**
Total Liabilities	**233,718**	**234,182**	**464**
Net Assets	**197,790**	**198,291**	**501**
Issued capital	57,203	57,203	-
Other Reserves	55,133	55,567	434
Retained Earnings	85,454	85,521	67
Equity	**197,790**	**198,291**	**342**

Appendix H: Glossary

Annual Licence ARR	Annual Recurring Revenue relating to annual licence fees for On-premise customers
APAC	Asia Pacific - Includes Australia, New Zealand, Malaysia and the South Pacific
ARR	Annual Recurring Revenue
Cash Flow Generation (CFG)	Cash flow from Operating Cash Flow less capitalised development costs, capitalised commission costs and lease payments
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
Legacy Licence Fees	On-premise licence fees / Perpetual licence fees
LG DXP	Local Government Digital Experience Platform
NPAT	Net Profit After Tax
NRR	Net Revenue Retention
PBT	Profit Before Tax
PCP	Prior Corresponding Period
R&D	Research & Development
ROE	Return on Equity
R4Q	Rolling Four (4) Quarters
SaaS ARR	Annual Recurring Revenue relating to customers on SaaS

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