



technology

# Annual Report.

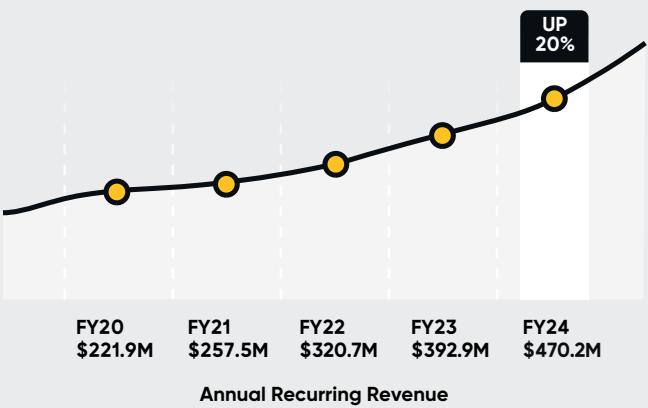
2024



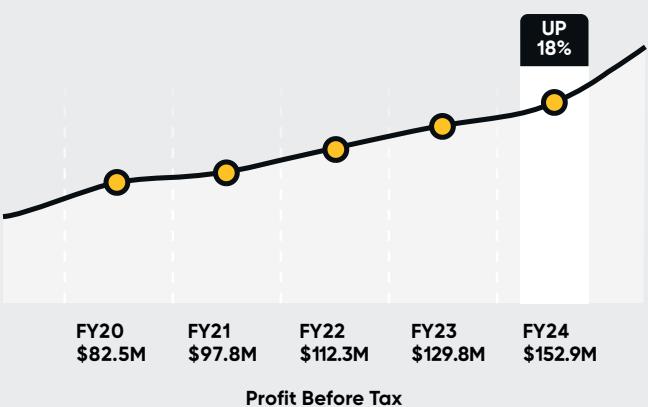
**Mel Gomes**

HEAD OF IT COMMERCIAL  
MANAGEMENT & CONTRACTS

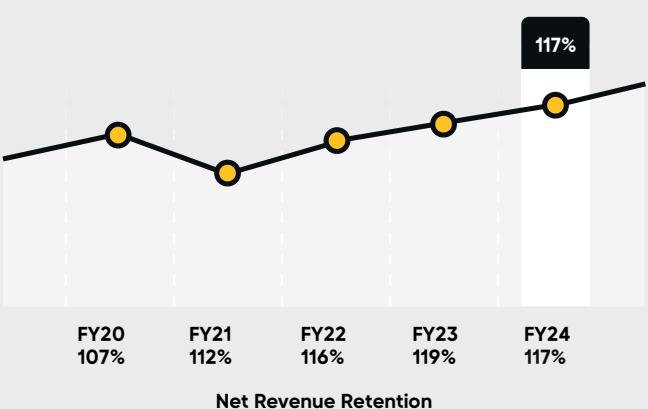
Royal Holloway, University of London



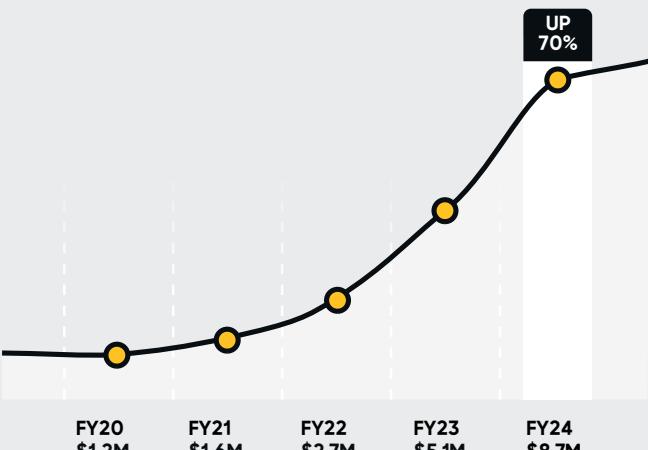
## Annual Recurring Revenue up 20%



## Profit Before Tax up 18%



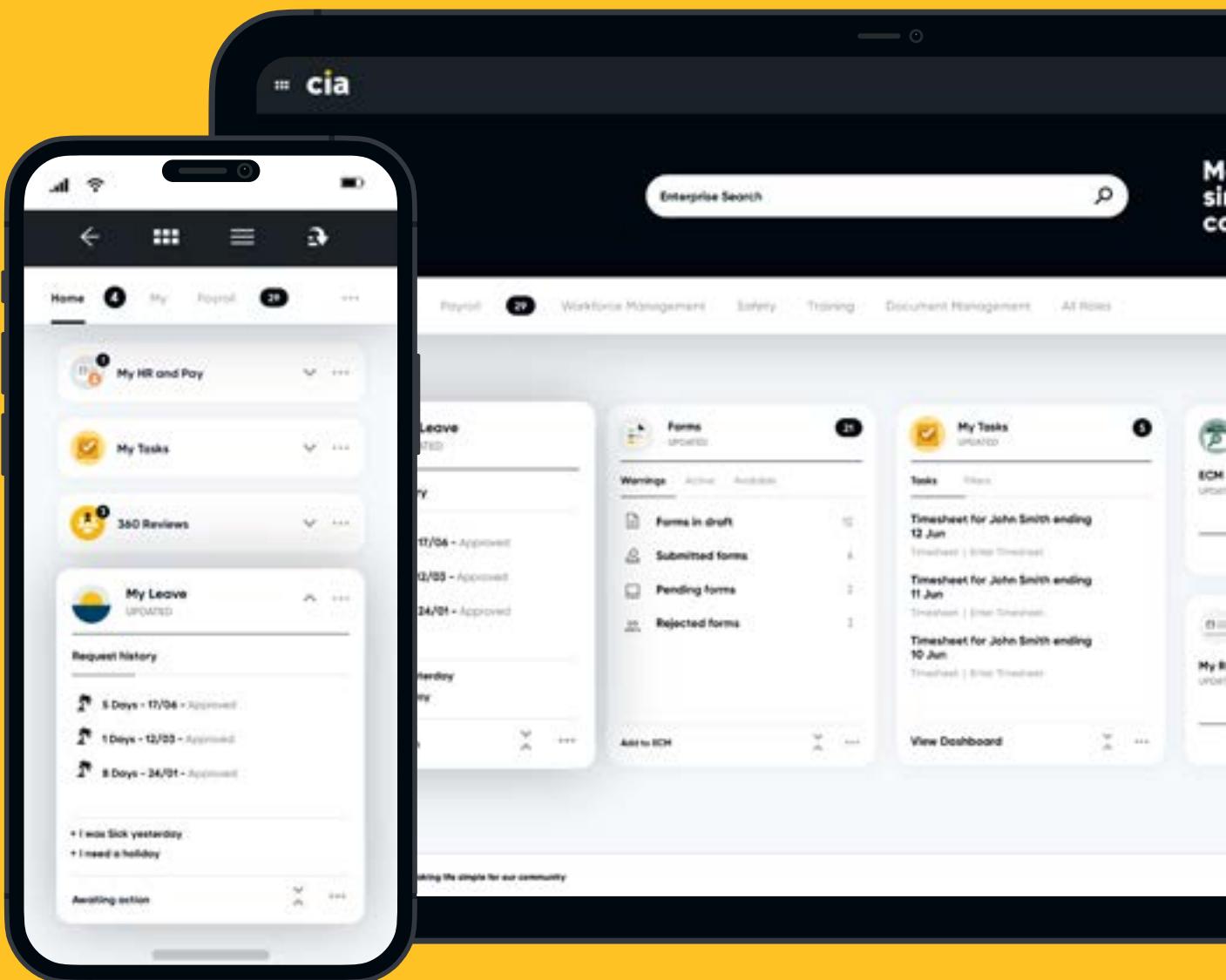
## Net Revenue Retention 117%



## UK Sales Annual Recurring Revenue up 70%

These graphs should be read in conjunction with the financial highlights table on p.15

# Making life simple for our community.





**19 products** strategically focused over key industries.

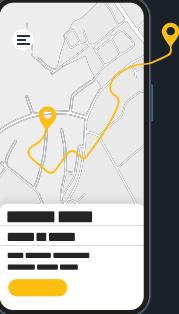




Built on a code base that is set up for future innovation & is highly scalable.



Integrated GPS, AI, camera & machine learning functionality.





Two major software releases a year. We focus on customer evolution.



Best in class, global support providing customers with 24/7 assistance.



Highest level security accreditations in the industry.



An all-inclusive offering specifically tailored for your industry.



500+ modules with over 10,000 capabilities.



## App builder

Build an app faster without having to code.

# UX

One simple intuitive UX focused workplace for everything.

# dxp

Simplicity in the hands of your customers.

# uni

Explore hours of training to help you every day.

# cia live

We take care of the upgrade so you can focus on the future.

# What's inside.

- 6 Our history**
- 8 At a glance**
- 15 Financial highlights**
- 16 Letter to shareholders**
- 26 Our strategy**
- 32 A SaaS+ company**
- 40 Our growth**
- 46 Our operations**
- 56 Our people**
- 64 TechnologyOne Foundation**
- 68 Financial report**

- 70** Directors' report
- 82** Independent auditor's declaration
- 83** Remuneration report
- 125** Financial statements
- 166** Consolidated entity disclosure statement
- 167** Directors' declaration
- 168** Independent auditor's report
- 174** Shareholder information
- 175** Corporate directory



# From one of Australia's first startups to an ASX 100 listed company

**37  
years**

## 1987

Adrian Di Marco founded TechnologyOne in a demountable office at a hide processing plant in an industrial suburb of Brisbane. Becoming one of the first tech start-ups in Australia. Back then, there was no venture capital or private equity, so one of Adrian's previous customers, the Mactaggart Family, provided the funding. The idea was to build a new generation of software where the source code did not need to be customised for each customer, which was then the common practice. The software could be configured for each customer and the configuration sat outside the software. Because all customers used the same software, we could then ship new releases every year, with new features and functionality.

## 1988

Adrian knew that using technology to get a competitive advantage would be the number one factor in our success, so he named the company TechnologyOne. TechnologyOne was one of the earliest developers in the world to use relational database technology.

## 1991

TechnologyOne released its first product, called FinanceOne, using the Oracle relational database technology (RDBMS).

## 1993

TechnologyOne made the decision to shift away from Oracle's RDBMS, to become database independent. That same year, TechnologyOne pivoted from being best-of-breed to become one of the first ERP vendors.

TechnologyOne's vision became a key differentiator, allowing it to deliver a single, integrated enterprise solution, built on a single modern platform, with a consistent look and feel.

## 1995

TechnologyOne software was voted the #1 Software for Financial Management and Accounting by a survey of 3,000 CFOs by MIS magazine. TechnologyOne repeated this win three years in a row. TechnologyOne broke away from the industry 'reseller model' and adopted our unique Power of One model, taking responsibility to build, market, sell, implement and support its software.

## **1996**

With the rise of PCs, TechnologyOne became an early adopter of PCs for enterprise systems, rebuilding its suite of products in a new and emerging technology called client/server. That same year, FinanceOne for Windows was released.

## **1998**

TechnologyOne broke away from the approach taken by global ERP vendors like Oracle and SAP of focusing on all markets, and focused on six vertical markets: Education, Local Government, Government, Health & Community Services, Asset & Project Intensive, and Corporate & Financial Services. This allowed us to build deep functionality out-of-the-box for these markets, to create a significant competitive advantage.

## **1999**

TechnologyOne floated on the Australian Securities Exchange (ASX) in 1999. TechnologyOne was one of the first IT companies to become publicly listed and one of the most successful listings in 1999.

## **2002**

TechnologyOne acquired Proclaim Pty Ltd, for its Property & Rating product extending TechnologyOne's Local Government enterprise solution.

## **2003**

With the emergence of the internet, TechnologyOne became an early adopter, rebuilding our entire ERP system for the internet. TechnologyOne Ci (Connected Intelligence) was released.

## **2006**

TechnologyOne released preconfigured solutions for each of our key vertical markets, dramatically reducing the time, cost, and risks associated with implementing its ERP software.

## **2012**

With the emergence of the cloud, TechnologyOne became an early adopter of the cloud for enterprise software, re-architecting our ERP system. Delivering a multi-tenanted global ERP SaaS system, providing huge economies of scale enabling us to take full responsibility for our customers – building, implementing, and running our software for them. Our customers can easily and seamlessly move from on-premise to the cloud.

## **2014**

TechnologyOne SaaS was released. With the emergence of mobile devices, TechnologyOne rebuilt our ERP systems to provide any device, anywhere, at any time access. One hundred percent of TechnologyOne ERP functionality is available across all devices including mobile phones. The new product Ci Anywhere (CiA) was released in 2014. In the same year, TechnologyOne hit \$1 billion market capitalisation and entered the ASX 200 Index.

## **2015**

TechnologyOne makes three acquisitions: ICON Software, Digital Mapping Solutions and Jeff Roorda & Associates. The acquisitions broadened the breadth and depth of TechnologyOne's enterprise solutions, adding planning, spatial and strategic asset management functionality to our suite of products for Local Government and Higher Education markets. In the same year, Adrian Di Marco was listed on SmartCompany's top 10 most influential people in the Australian IT industry, inducted into the Pearcey Hall of Fame, and named as 2015's top 10 CEOs by AFR Boss magazine.

## **2017**

TechnologyOne launched the TechnologyOne Foundation, committing to raise 500,000 children and their families out of poverty. TechnologyOne is also committed to the 1% Pledge – committing 1% of profit, staff time and products to its Foundation. Adrian Di Marco steps down as CEO but retains Executive Chair position and appoints Chief Executive Officer, Edward Chung, and we finished the year with a market capitalisation of \$1.56 billion.

## **2021**

TechnologyOne made its first international acquisition, Scientia, as part of our strategic focus to deliver the deepest functionality for Higher Education, becoming the only ERP provider in the world to offer this solution to the higher education market, as part of a full enterprise suite.

## **2022**

TechnologyOne partnered with the University of Lincoln to go live with our state-of-the-art Student Management system. Making the University our first UK institution using the internationally trusted system and joining over 100 higher education customers utilising TechnologyOne products in the UK. Adrian Di Marco commenced his retirement, handing the reigns of Non-Executive Chair to Pat O'Sullivan.

## **2023**

TechnologyOne hosted a series of Showcase events across Australia, New Zealand, and the UK which had 1,633 delegates in attendance. In FY23, TechnologyOne also achieved a milestone and became one of Australia's top 100 ASX-listed companies with a market capitalisation of \$4.99 billion and launched their game-changing SaaS Plus strategy which removes the need for traditional, long, complex, risky, and expensive implementations. Aligning with our SaaS Plus strategy, FY23 also saw the completion of moving our on-premise customers to SaaS, with over 70% of customers now realising the benefits of SaaS.

## **2024**

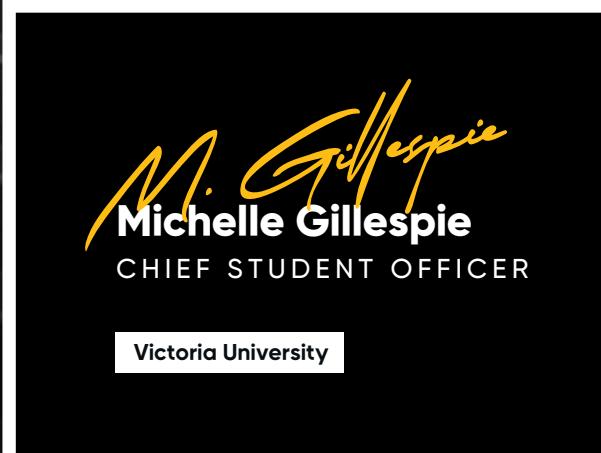
TechnologyOne solidified our SaaS Plus offering in market and became a SaaS Plus company, while committing to deliver ERP in 30 days. In FY24, we hosted two milestone events, Company Kick Off (CKO) and Investor Day. CKO was our biggest ever internal event ever where the global team came together for three days in Brisbane and immersed themselves in the future of TechnologyOne. Our inaugural Investor Day was hosted at our Brisbane HQ and provided attendees with a detailed look at our strategic vision and product suite.

# At a glance

**11 Our finances**

**15 Financial highlights**





**A SaaS+ Company**

**Delivering end-to-end solutions built with customers in mind. Allowing them to focus on the communities they serve. We are disrupting the ERP market with SaaS Plus and it is made possible through the Power of One**

**UP 20%**  
total ARR  
**\$470.2M**

**UP 15%**  
dividend of  
**22.45cps**

**\$128.0M**  
R&D investment up  
14% (25% of revenue)

**UP 19%**  
\$505.6M revenue from  
SaaS & continuing  
business

**UP 24%**  
**\$379.3M**  
net assets

**15 years**  
continued record profit

**30%**  
profit before  
tax margin

**UP 18%**  
\$152.9M profit  
before tax

**UP 70%**  
UK sales ARR \$8.7M

**UP 17%**  
total revenue  
**\$515.5M**

**\$500M**  
**ARR**  
on track to surpass  
by H1 2025

**UP 25%**  
\$278.7M cash and  
cash equivalents

**one code-line,  
one plan,  
one price,  
one point of call.**



#### **Our vision**

As the only company offering a true global Software as a Service (SaaS) ERP solution across the entire enterprise, we are making life simple for our community.

#### **Our difference**

We are the only vendor that develops, sells, implements, supports, and runs a fully integrated suite of enterprise software solutions. Through SaaS Plus, leveraging the Power of One, we deliver a global SaaS ERP solution that spans across the entire enterprise and allows our customers to embrace the digital revolution and an exciting new world of possibilities in a cloud-first, mobile-first world.

#### **Our reach**

TechnologyOne has a global presence throughout Australia, New Zealand, Asia, and the United Kingdom.

#### **Our culture**

At TechnologyOne, we believe in a culture of innovation, creativity, and collaboration, and have created an environment that allows our people to thrive. This culture is built into the fabric of our business, driving high performance, and underpinning our success. Our global team is made up of more than 1,300 passionate individuals. We believe in investing in our people, and we do this with a wide range of initiatives such as O Week, One Talks, MARVEL awards, and leadership courses.

#### **Compelling Customer Experience**

We continue to recognise that our customers are our true north for the decisions we make, the people we employ, and the processes we create. This is why we continue to invest in our Compelling Customer Experience (CCE) program, which provides our people with ongoing development and support in delivering outstanding customer experiences. The program supports and encourages our team members

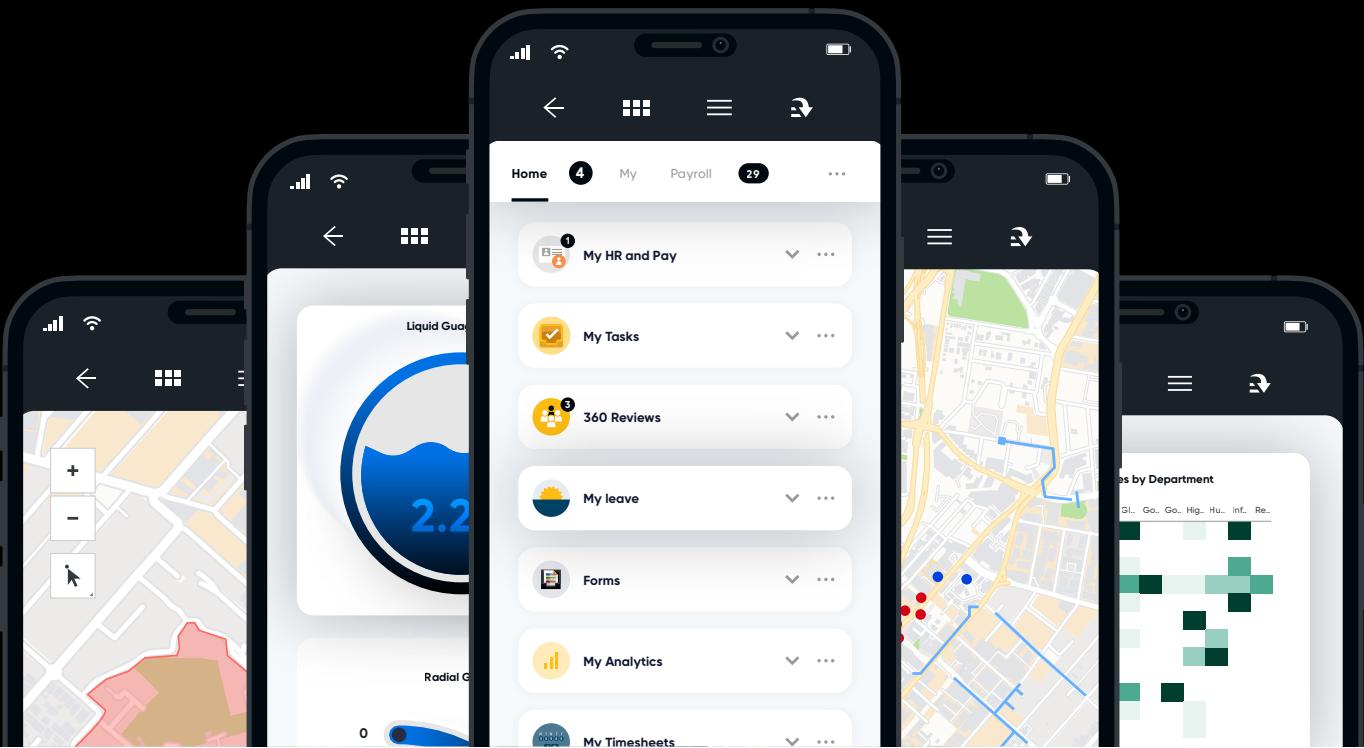
so that they can deliver outstanding customer service every day. Providing a Compelling Customer Experience is fundamental to the way TechnologyOne does business and positions us well to attract customers away from our competitors.

#### **Our market-leading solutions and products**

As the leading supplier of enterprise software solutions for more than 1,300 large-scale companies, and with more than 37 years' success in the business, we have developed a deep understanding of our key markets.

We offer our customers a range of industry-leading preconfigured enterprise solutions. Our solutions streamline implementations, reducing time, cost, and risk for customers. We also offer a comprehensive suite of enterprise software products.

Delivered through a reimagined implementation approach, SaaS Plus, digital transformation is fast, simple, and low risk.



## Our markets

- Local Government
- Education
- Government
- Health and Community Services
- Asset and Project Intensive
- Corporates and Financial Services

## Our preconfigured solutions

- OneCouncil
- OneEducation
- OneGovernment
- OneBase
- OneCouncil UK
- OneEducation UK

## Our products



- App Builder
- Corporate Performance Management
- Enterprise Content Management
- Human Resources & Payroll
- Spatial
- Supply Chain Management
- Enterprise Cash Receipting
- Enterprise Asset Management
- Financials
- Property & Rating
- Student Management
- Business Analytics
- Enterprise Budgeting
- Performance Planning
- Timetabling & Scheduling
- Curriculum



- DxP Local Government
- DxP Student
- DxP Essentials

## Our research & development

We continue to focus our research and development (R&D) efforts on new and emerging technologies, including cloud-based technologies, artificial intelligence, machine learning, and other innovations. Our Australian-owned commercial R&D centre is the largest of its kind, with offshore facilities in Indonesia and Vietnam.

## New ideas, new concepts

We are committed to a continuous cycle of redeveloping our software platform from the ground up. This process leaves no line of code untouched and ensures that we are free to embrace new ideas, concepts, and technologies – rather than needing to retain legacy systems. Over the past 37+ years we have completely redeveloped our software platform four times.

# Financial highlights

SaaS<sup>+</sup>

n. noun. /sæs Plus/

Delivering an end-to-end solution built with the customer in mind so they can focus on the communities they serve (the abbreviation for 'Solution as a Service')

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With SaaS Plus, TechnologyOne takes full responsibility for the solution experience - reducing risk and saving time and money for our customers. **One plan, one price, one point of call.**

	<b>2024</b> \$'000s	<b>2023</b> \$'000s	<b>Growth on last year</b>	<b>15-year compound growth</b>	<b>2022</b> \$'000s	<b>2021</b> \$'000s	<b>2020</b> \$'000s	<b>2019</b> \$'000s	<b>2018**</b> \$'000s Comparable	<b>2017</b> \$'000s	<b>2016</b> \$'000s	<b>2015</b> \$'000s
<b>Revenue - SaaS and Continuing Business</b>	505,603	426,379	<b>19%</b>	-	358,668	293,553	269,774	241,790	221,046	231,151	192,657	175,279
<b>Total Revenue</b>	515,426	441,363	<b>17%</b>	10%	369,391	312,012	299,018	286,164	254,491	273,253	249,018	218,724
<b>Annual Recurring Revenue (ARR)<sup>1</sup></b>	470,178	392,884	<b>20%</b>	-	320,694	257,495	221,908	202,480	173,912	153,896	126,996	108,853
<b>R&amp;D Investment</b>	127,995	111,995	<b>14%</b>	12%	92,197	77,005	68,062	60,124	54,042	49,856	46,009	41,038
<b>Net Profit Before Tax</b>	152,874	129,854	<b>18%</b>	14%	112,320	97,843	82,470	76,389	50,807	58,019	53,240	46,494
<b>Net Profit After Tax</b>	118,014	102,876	<b>15%</b>	14%	88,843	72,691	62,945	58,459	47,681	44,494	41,344	35,785
<b>Earnings Per Share (Cents)</b>	36.24	31.71	<b>14%</b>	14%	27.51	22.64	19.75	18.43	15.10	14.18	13.26	11.57
<b>Total Dividends (cents per share)</b>	22.45	19.52	<b>15%</b>	13%	17.02	13.91	12.88	11.93	11.02	10.20	9.45	8.78
<b>Dividend Payout Ratio</b>	62%	62%	-	-	62%	62%	65%	65%	73%	72%	72%	76%
<b>Cash, Cash equivalents and short-term Investments</b>	278,689	223,265	<b>25%</b>	16%	175,865	144,210	125,244	105,046	104,322	93,383	82,588	75,536
<b>Net Assets</b>	379,262	306,006	<b>24%</b>	13%	239,097	190,234	142,168	106,857	103,480	157,520	138,494	117,940

The table above shows previously reported results to FY17. Results for those years have not been restated for AASB15.

\*Before capitalisation.

\*\*2018 Comparable applies AASB15. It also assumes non-IFRS pro forma capitalisation of R&D costs (50%) for the FY18 year and is unaudited. As a SaaS company, R&D costs are capitalised from FY19 onwards, which is the common practice of our SaaS peers. We measure our performance using the comparable method because it is a better reflection of the performance of our business, setting a higher bar for the prior comparable period (FY18) than the statutory reporting. It allows for a 'like for like' comparison of the performance of the business, assuming R&D costs (50%) were capitalised in FY18. This is the basis used for all comparable reporting throughout this document.

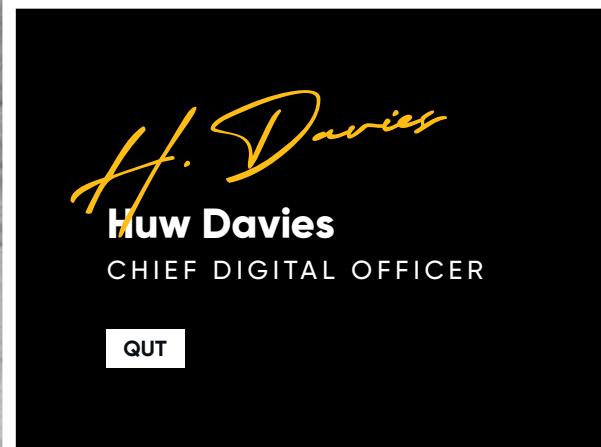
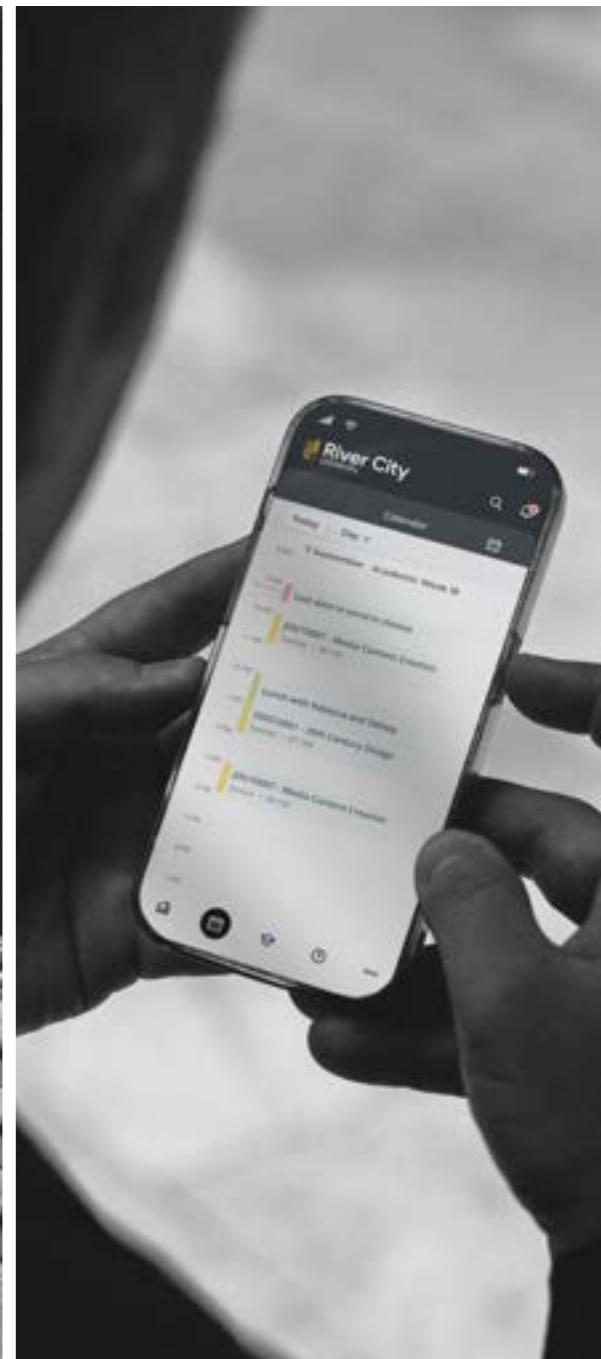
<sup>1</sup>ARR is not an IFRS measure and is unaudited, it represents future contracted annual revenue at year end.

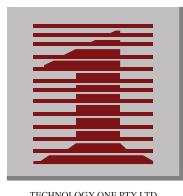
# **Letter to shareholders**

**18 Results summary**

**23 Afterword**







TECHNOLOGY ONE PTY LTD



FINANCE  
ONE



1990

1997

2005



# On behalf of TechnologyOne Limited

**we are pleased to announce our 15th consecutive year of record profit, record revenues, and record SaaS fees. Our global SaaS ERP solution and our game-changing SaaS+ offering is making life simple for our community.**

#### Continuing strong performance

TechnologyOne has consistently delivered strong results since listing on the ASX in 1999. Our ability to deliver these results for over 25 years is due

to our clear vision, strategy, culture and ongoing investment in R&D, which was validated in March 2023 as we entered the ASX 100 index.



2010

2017

2024

# Highlights for the year

**Profit Before Tax, up 18%** – Beating guidance set in May 2024 of 12%-16% profit growth.

**Total Annual Recurring Revenue (ARR), up 20%** –

Driven by the significant value proposition of our global SaaS ERP solution and our game-changing SaaS+ offering.

**We are the world's first SaaS+ ERP company** – We established our visionary SaaS+ offering by combining our mission-critical global SaaS ERP solution and implementation in one single fee, removing the need for traditional, complex, long, risky and expensive consulting implementations to provide faster go-lives and therefore unlocking value for our customers more quickly.

**UK Sales ARR, up 70%** – Our long-term investment in the UK continues to build momentum.

**Net Revenue Retention (NRR) of 117%, above the long-term target of 115%** – Existing customers continue to expand their use of our global SaaS ERP solution to streamline their operations.

**A new long-term target of \$1b+ ARR by FY30** – With \$500m ARR firmly in sight (18 months earlier than the original target date), we have now set our ambitions higher. During our first Investor Day in July 2024 we announced a new long-term target of \$1b+ ARR by FY30.

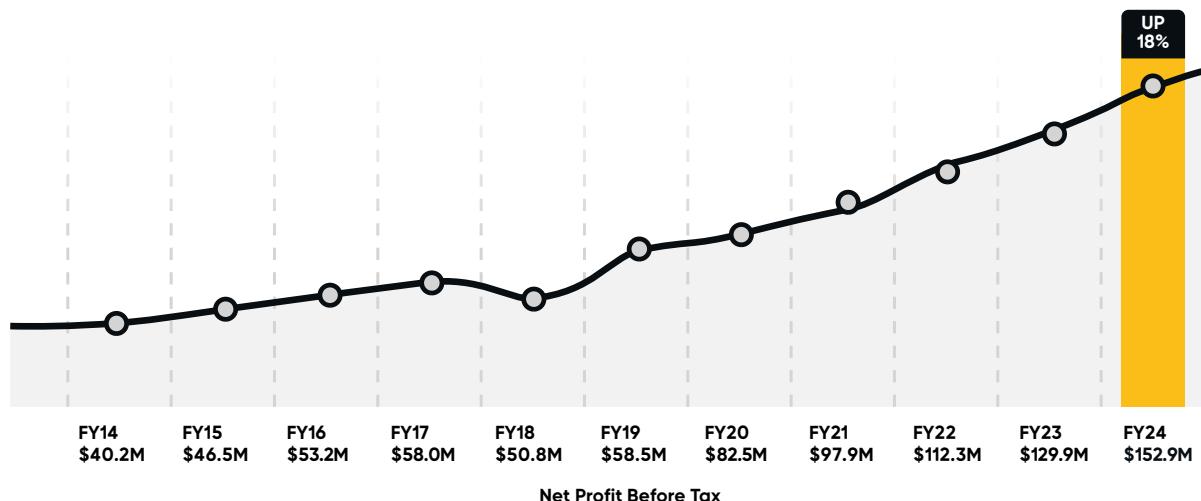
**Building the future, enabling us to continue to double in size every 5 years** – With strong results and a strong sales pipeline, we upheld our ambitious R&D investments to enable us to continue to double in size every five years. These include additional investments in the UK, new products and modules, including DxP, App Builder and SaaS+.

**Strong balance sheet and strong cashflow**

**generation greater than 100% of NPAT** – We delivered strong cashflow generation to NPAT ratio of greater than 100%. With significant cash and investment holdings of \$278.7 million and no debt, our balance sheet retains flexibility and strength for further inorganic growth in the future.

**Acquisition of CourseLoop** – post the period end, we completed the acquisition of CourseLoop. A world-leader in curriculum management, this acquisition complements our suite and provides us with great IP. With the addition of CourseLoop's Curriculum Management, TechnologyOne's OneEducation solution has become the world's first SaaS platform to encompass the entire student lifecycle – from course design to graduation – into a single unified ERP solution.

These points are discussed later in more detail.



# Results summary

**Key results were as follows:**

- Profit Before Tax of **\$152.9m, up 18%**, beating guidance of 12%-16% growth
- Profit After Tax of \$118.0m, **up 15%**
- Total Annual Recurring Revenue (ARR)<sup>1</sup> of \$470.2m, **up 20%**
- On track to **surpass \$500m ARR by H1 FY25**
- Net Revenue Retention (**NRR**) of **117%**, above our long-term target of 115%
- Total Revenue of \$515.4m, **up 17%**
- Revenue from our SaaS and Recurring Business of \$466.3m, **up 19%**
- Expenses of \$362.6m, **up 16%**
- Cash Flow Generation<sup>2</sup> of \$119.0m, **up 14%**
- Cash and Investments of \$278.7m, **up 25%**
- Full Year Dividend of 22.45 cps, **up 16%**
- R&D investment of \$128.0m before capitalisation consistent at 25% of revenue

<sup>1</sup>ARR represents future contracted annual revenue at year end. This is a non-IFRS financial measure and is unaudited.

<sup>2</sup>Cash Flow Generation is cash flow from operating activities less capitalised development costs, capitalised commission costs and lease payments. This is a non-IFRS financial measure and is unaudited.

## Total Annual Recurring Revenue (ARR) up 20%

Adoption of the TechnologyOne global SaaS ERP solution and our SaaS+ offering exceeded our expectations, with customer adoption driving total ARR to \$470.2 million, up 20%.

All of our key verticals performed strongly throughout the year, with our Government vertical growing 41%, up \$22m and Local Government growing 22%, up \$32m.

In Local Government, our team closed over 30 significant deals in FY24. TechnologyOne won a project to transform Penrith Council's core ERP system. Penrith City Council manages around 80,000 rateable properties, is one of Sydney metropolitan's largest Local Government areas and is considered one of the city's fastest growing regions. As a long-time TechnologyOne customer using just some of the OneCouncil functionality, the Council came to market for a best-practice total ERP solution to take them into the 2030s. Their decision to choose TechnologyOne reflects our reputation for delivering robust, future-focused solutions that specifically meet the needs of growing and evolving communities.

## We are the world's first SaaS+ ERP company

Having successfully completed our transition to become a 100% SaaS company, we have pivoted to our next major innovation, becoming the world's first SaaS+ company.

SaaS+ is a game changer in the ERP industry. It is the next logical evolution of SaaS where TechnologyOne delivers the entire outcome faster, with minimal risk and in an annual fee to our customers. SaaS+ delivers faster time to value as we continue to dramatically drive down implementation timeframes, removing the need for traditional, long-drawn-out, risky implementations. Through the 'Power of One', TechnologyOne is the only SaaS ERP provider able to deliver on this compelling proposition as we own all parts of the value chain with deep mission-critical products, industry-specific IP built over 37 years and our highly skilled in-house consulting team.

A traditional implementation of our multinational competitor product undertaken by third-party consulting firms or the big four accounting firms, typically takes thousands of days. During FY24, TechnologyOne set an ambitious goal of delivering ERP in 30 days in the next five years. This goal will totally transform our industry as we deliver what our customers truly need – a solution to streamline their business, not years of traditional, complex and risky consulting implementations. Our OneBase solution presently takes 160 days to implement, and we are hyper-focused on reducing this to 30 days.

Our SaaS+ proposition is resonating with the market. Our shift from traditional new project consulting revenue to SaaS+ revenue will mirror our successful transition from legacy license fees to SaaS revenue, which is now complete. This strategic move enhances our focus on high-quality, recurring revenue.

We are excited about the opportunities these investments will bring to our APAC and UK customers. Importantly, SaaS+ has become the go-to-market sales approach in the UK.

### **UK sales ARR, up 70%**

We have seen our UK business continue its growth trajectory, with UK sales ARR up 70% to \$8.7m and total UK ARR up 31% to \$34.7 million. We delivered a profit of \$2.9 million, down from a profit of \$3.7 million last year; this was expected as we carefully manage our transition to SaaS+, and we have also committed additional investment to ensure future growth. We see significant opportunities in the coming years in this market, which considerably exceeds the size of the APAC market.

We continue to see momentum build in the UK, especially in the Higher Education sector, with the University of Buckingham and the University of Chester both investing in our solutions in FY24.

The University of Chester is a well-established institution with a history dating back to 1839, serving over 15,000 students today. They faced challenges with legacy vendors for Financials and Student Management

that offered no clear path to SaaS and needed more investment in improving their products. They saw TechnologyOne's true SaaS solution with full ERP capabilities, defence-in-depth security and more than \$125 million R&D investment as the clear path to modernise the university. Furthermore, with our SaaS+ design, the implementation risk to the university has been significantly diminished – a critical factor in the University of Chester choosing to partner with us.

Our ERP offering along with the breadth and depth of functionality that we bring to Local Government and Higher Education markets are unique in the UK and our pipeline is growing strongly. We continue to invest in products, sales, marketing and other functionalities in the UK to accelerate our growth.

### **Net Revenue Retention (NRR) of 117%, beating long-term target of 115%**

In FY24, we delivered Net Revenue Retention of 117%, which is industry-leading in the ERP market and above our long-term target of 115%. This gives us confidence that we will continue to double in size every five years.

It's clear that our products and solutions are resonating with the market. Customers continue to take up more TechnologyOne products and modules as they embrace our enterprise vision and the consequent substantial efficiencies and productivity lift.

We focus on signing a new customer with products such as Financials, Property and Rating, or Student Management and then expanding with other products and modules over time. As the only true SaaS ERP vendor in the market, our SaaS customers have all products and modules available at all times and are always on the latest software release. This open licence approach removes the friction from TechnologyOne selling and from our customers taking up new products and modules to streamline their business.

We continue to invest in our products and modules to provide even deeper

mission-critical functionality for the markets we serve. In doing so, we increase our team's available whitespace and runway to sell additional value to our existing customers.

Our SaaS customers continue to take up products and modules faster than we had seen for our on-premise customers. The average ARR from our customers has grown from \$100,000 in FY12 to almost \$400,000 in FY24.

### **A new long-term target of \$1b+ ARR by FY30**

The revenue quality from our latest generation global SaaS ERP solution is exceptionally high, given its recurring contractual nature, combined with our long-term, industry-leading low churn rate of ~1%.

Our ARR stands at 90% of Total Revenue, which means most of our revenue is locked in at the start of the financial year. This positions us well to achieve continuing solid growth in the new year.

Today our total ARR is \$470.2 million, up 20%. During the year we upgraded our medium-term target for the second time to now surpass \$500 million ARR by H1 FY25 (previously, "we will surpass \$500 million ARR by FY25" and before that "we will surpass \$500 million ARR by FY26").

With this target firmly in sight, we have now set our ambitions higher and during our first Investor Day in July 2024, we announced a new long-term target of \$1b+ ARR by FY30. Our significant investments for growth including expanded products and modules, acquisitions, the UK, new products such as DxP and App Builder and SaaS+ underpin this.

### **Building the future, enabling us to continue to double in size every 5 years**

TechnologyOne invested \$128 million in R&D this year, up 14% on the previous corresponding period, an investment that underpins our future platforms for growth.

Our R&D program continues to be at the leading edge of our industry as we embrace new technologies, new concepts, and new paradigms.

Our R&D team is focused on extending the functionality and capabilities of our global SaaS ERP solution, CiA, which increases the whitespace in the verticals we serve.

We continue to invest in new, exciting ideas and innovations, including SaaS+, App Builder and Digital Experience Platform (DxP) for Local Government and Higher Education. Our sixteenth product, DxP Local Government, was released for general adoption and extends our ERP from traditional back-office users to residents.

These investments in R&D and SaaS+ build our future platforms for growth and enable our ability to continue to double in size every five years. As always, we manage this significant investment within our total cost base, continuing to balance strong profit growth with investment for the future.

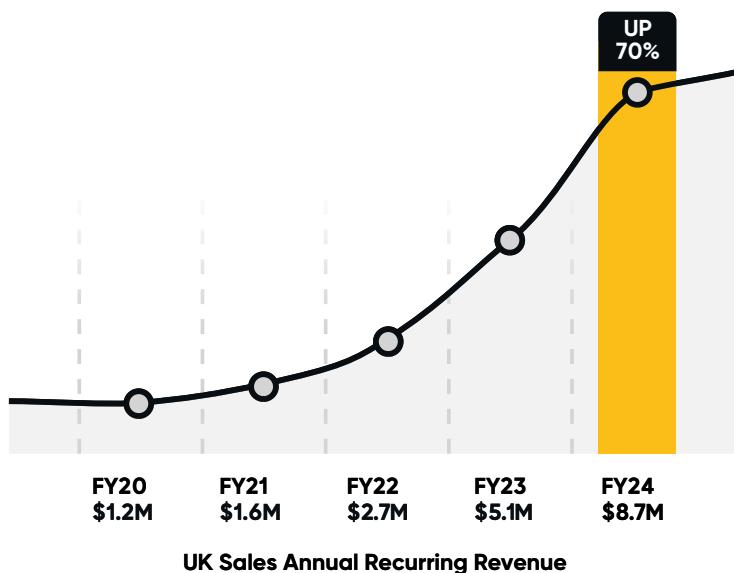
### **Acquisition of CourseLoop**

Post the period end, we acquired CourseLoop, a company servicing the higher education sector. This acquisition forms part of our strategic focus to deliver the deepest functionality for the Higher Education market.

With the addition of CourseLoop's Curriculum Management, TechnologyOne OneEducation has become the world's first SaaS platform to encompass the entire student lifecycle – from course design to graduation – into a single unified ERP solution.

Integrating a Curriculum Management capability with TechnologyOne's market-leading Student Management, Timetabling and Scheduling, Human Resource and Payroll, Enterprise Asset Management and Financials capabilities will provide, for the first time, full visibility across the entire academic cycle.

Curriculum Management will provide Higher Education institutions with data-driven insights via a single source of truth to create courses that meet market demands, what students want to study, are financially sustainable and deliver student success and institutional differentiation.



We are excited about the opportunities this will bring to both our UK and Australian customers in the coming years. The impact on our FY25 group profit will be insignificant, and we expect the acquisition to be EPS accretive in FY26.

### **Profit Before Tax margin improved to 30%**

We generated a Profit Before Tax margin of 30%, compared to 29% in the previous corresponding period. This return to growth in margin includes a negative impact from our careful transition to SaaS+ of \$3.0m. Had we not taken this approach, our profit before tax margin would have been approximately 1% better.

This shift from traditional new project consulting revenue to SaaS+ revenue will have similarities to our successfully completed transition from legacy license fees to SaaS revenue. This strategic move over time removes lower quality, one-off traditional consulting revenue and replaces it with high-quality, recurring revenue. A small headwind to our margin growth in the short term will enable a significant tailwind in the long term on profit before tax margin.

Notwithstanding our strategic shift to SaaS+ and the small headwind to our margin growth in the short term, we see group margins continuing to

improve to 35%+ in the coming years, driven by the significant economies of scale from our single instance multi-tenanted global SaaS ERP solution.

### **Investment in people and culture**

Our people solve incredibly complex business problems for our customers and have delivered our massively broad and deep global SaaS ERP solution. We compete and win against the world's largest multinational software companies, which have R&D teams with tens of thousands of staff.

We continue to succeed because of our consistent strategy, mission, purpose, core beliefs, values, leadership philosophies and Compelling Customer Experience. Post completion of our 24-month refresh of the TechnologyOne Way and Culture Book, which contains a collection of stories that explain to new starters and remind long-timers what makes TechnologyOne special and how we make the impossible possible; we commenced the creation of Playbooks by department. These Playbooks codified the art and science of each of our key disciplines including People Leadership, Sales, Consulting and Research and Development.

During the year, we promoted more than 15 per cent of our people or

<sup>1</sup>Excluding one-off Scientia acquisition accounting impact and the acquisition due diligence costs incurred in FY23.

220 team members across all areas of our business. We continued our focus on diversity and strategies to increase the number of women across the organisation. Women now hold 48% of senior roles against an industry average of 25%. Our overall representation of women across all roles at TechnologyOne is now 39%.

In the second year of what we believe to be Australia's best Employee Share Plan, which provides one free share for every two shares purchased by our employees, 55% of our current team members have become owners of TechnologyOne to share in the growth of our great company.

To continue to double in size every five years, we invest heavily in our leaders through our Leadership Summit. This year, 111 of our leaders attended the Summits which supported their growth, taught them the TechnologyOne Way and equipped them to lead our teams to make the impossible possible. The first cohort graduated in FY23, a second cohort graduating this year and a third started in July 2024.

### **Strong balance sheet and strong cashflow generation greater than 100% of NPAT**

TechnologyOne continues to maintain a strong balance sheet with net assets of \$379.3 million, up 24% and cash and investments of \$278.7 million, up 25%. Cash Flow Generation (CFG) was once again strong at \$119.0 million for the full year, versus a Net Profit After Tax of \$118.0 million; a CFG to NPAT ratio of 101%. This provides us with significant flexibility and strength for future inorganic growth. High levels of recurring revenue, strong cashflow generation, and a strong new business pipeline provide us with confidence in the future. Consequently, we took time to consider our capital management position in FY24. As such, we have taken steps to implement the following actions.

- 1. Dividend Policy Update:** The dividend policy has been revised from a growth target of 8-10% to a payout ratio of 55-65%. This change allows dividend growth to align more closely with net

profit after tax growth, while balancing stability, rewarding shareholders, and maintaining capacity to invest for growth.

- 2. Equity Management Policy:** A new policy has been established to purchase staff-related equity needs on market instead of issuing new shares. This measure aims to reduce dilution and manage the capital base effectively.
- 3. Inorganic growth:** The Acquisition of CourseLoop. This is an important bolt-on acquisition for our Higher Education solution which makes our offering deeper and more unique than any other education software provider in the world.

We emphasise our ongoing commitment to capital management initiatives, reflecting a prudent yet strategic approach to investments for growth while maintaining discipline in execution.

### **Dividend**

Considering the company's strong results, our confidence in the future and the significant capacity in our balance sheet to invest in growth and opportunities that may arise, we have announced our final FY24 dividend of 17.37 cents per share, a payout ratio of 62%.

For the full year, our dividend has increased to 22.45 cents per share, up 15% on the prior year consistent with our Net Profit After Tax growth of 15%.

### **Executive remuneration**

TechnologyOne remains focused on delivering strong growth and our current remuneration structure positions us well to continue to achieve this –in the short and long term – but also to ensure alignment across our Executive KMP.

We continued to execute our strategy, delivering strong results again in FY24. When many businesses have struggled to deliver in uncertain economic and geopolitical times, TechnologyOne has delivered exceptional growth – Total ARR growth of 20%, Net Profit Before Tax growth of 18% and upgraded our

medium-term guidance a second time to surpass \$500 million ARR by H1 FY25.

Our three-year rolling TSR is 115% and annual TSR is 55%. There is a clear alignment between the performance of the business and executive remuneration.

**Refer to the remuneration report for more detail.**

## **Environment, Social, Governance (ESG)**

### **Environment**

TechnologyOne is committed to its ESG obligations beyond just regulatory requirements. We became Carbon Neutral globally and this year is our third-year benchmarking and reporting under the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have made a significant reduction in our Scope 1 and Scope 2 carbon footprint in FY24 by switching to purchasing renewable energy for all locations where it is available.

While the TechnologyOne operations do not have a material impact on the environment, we acknowledge that it is the changing attitude of many that will have a material impact on reducing climate change.

### **Social – TechnologyOne Foundation**

The TechnologyOne Foundation defines who we are as a company and is an important driver of our culture and values.

We are committed to making a difference to underprivileged, disadvantaged and at-risk youths by empowering them to transform their lives and create their own pathways of success. We believe that it is through youth that we can have the greatest impact on the future. We have an ambitious goal of lifting 500,000 children and their families out of poverty by FY31, which we are on track to achieve.

An important part of the TechnologyOne Foundation is supporting great Australians who are doing great work, both locally and internationally, which includes the Fred Hollows Foundation, School of St Jude, Opportunity International, Solar Buddy, and St James College.

The Foundation will continue to grow with TechnologyOne through our commitment to the 1% Pledge – which sees us donate 1% profit, 1% product and 1% time every year. This represents a commitment of more than \$2 million each year. The TechnologyOne Foundation will keep inspiring and defining the core values driving our company and team forward.

**Please refer to the TechnologyOne website for our full Sustainability Report and Corporate Governance Statement.**

#### Governance

Given that TechnologyOne is such a significant R&D and innovation-led business, coupled with our long track record of profitable growth, we continue our cautious and measured approach to the renewal of our Board. This year we welcomed Mr Paul Robson to our Board. Paul is an accomplished senior executive with nearly 30 years of experience in the technology sector, driving growth and innovation across global markets. He is currently the CEO of the Australian-grown accounting software company MYOB.

We would like to recognise John MacTaggart, who, after 37 years of

service as a non-executive director, retired from the company on 21 February 2024. As a former customer of Adrian's, John and his father were the first investors in TechnologyOne before the emergence of VC funding in Australia. They believed in Adrian and TechnologyOne and have supported our strategy, which includes our ambitious and significant R&D agenda and four generations of our ERP, the most recent being our shift to SaaS. We wish him well in his future endeavours.

We also note that Mr Rick Anstey will retire in February 2025 following the AGM after 19 years of service to TechnologyOne.

#### Outlook for full year 2025

The economic outlook and geopolitical issues continue to create uncertainty, but TechnologyOne has seen difficult and challenging economic environments many times in the past 37 years.

We have continued to grow strongly during these times, and we will continue to do so. As we have seen over the last few years, the markets we serve continue to remain resilient, with our mission-critical products providing our customers the opportunity to reduce their costs, streamline their business and improve their efficiencies in such challenging economic times. Our customers report savings of 30%+ by using our global SaaS ERP solution.

The TechnologyOne global SaaS ERP solution and our SaaS+ offering are driving our continuing success. As a result, TechnologyOne's sales pipeline of opportunities for FY25 is strong and this positions us for continuing strong ARR and profit growth in FY25.

We are on track to deliver \$500m ARR by H1 FY25 well ahead of initial targets. We set our ambitions higher with a long-term target of \$1b+ ARR by FY30.

The company will provide further guidance at both the Annual General Meeting and the FY25 first-half results.

\*For more details on these event dates, please see our website.

#### Afterword

To continue to succeed we must continue to innovate and focus on building beautiful software that is incredibly simple and easy for our customers to use. Our software must enable our customers to embrace the exciting future that is possible.

We will continue to earn the right to be the enterprise software partner for our customers by doing just this. At every touchpoint we have worked with our customers, we will strive to make things simpler for them and provide them a great experience.

We have set an ambitious goal to make life simple for our community and we are making this a reality.

This would not be possible without the talented and committed people who make up the TechnologyOne team. We would both like to thank every team member across the globe for their continued efforts and passion for delivering world-leading software solutions for our customers and users. FY24 has been another amazing year for the company, thanks to all of you.

We would also like to thank you, our shareholders, for your continuing support.



**Pat O'Sullivan**  
Chair

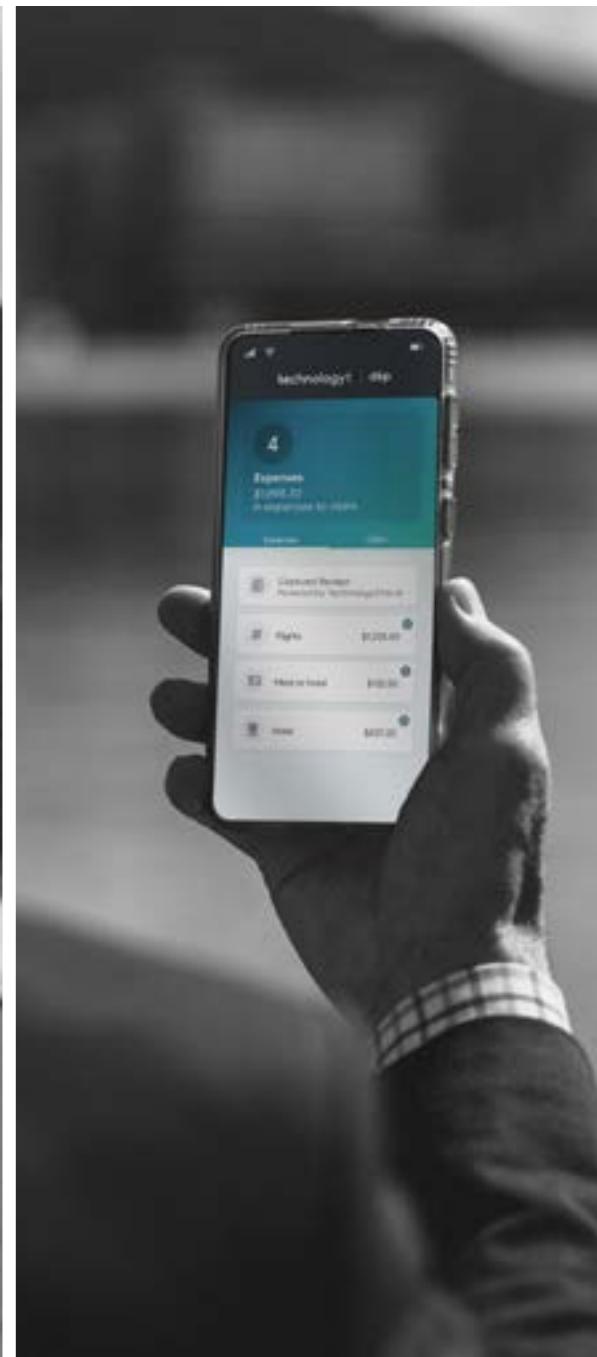
**Edward Chung**  
Chief Executive Officer

# Our strategy

**28 Mission & purpose**

**29 Our core beliefs**





# Our passion is to solve the complex

**Our mission is to better our community, from its citizens to students, by leveraging our team's innovation, drive, and determination.**

Our vision is to build and deliver truly great products and services, making life simple for our community.

Our core beliefs allow us to deliver on this vision.

For close to four decades, TechnologyOne's clear vision, purpose, mission, beliefs, people, and supporting initiatives have underpinned our growth and success.

We know that our customers' experiences define our success. We believe in leadership, not management. We know that our survival depends on our ability to

set ambitious goals, and to lead and inspire our people to achieve great things. As a large, successful company, we also believe it is important to give back to the community. To pay our success forward, this is why we established the TechnologyOne Foundation.

Our core beliefs, dedication to customer experience, leadership model and charitable ethos helped form the TechnologyOne Way more than 37 years ago and continues to define the way we operate.

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## Our core beliefs

**The TechnologyOne Way sets out our mission statement, along with our six core beliefs. Together these guide our business strategy, product development and our brand.**

By clearly defining why we exist and what we believe in, every team member can understand what makes TechnologyOne work – and feel empowered to contribute to its success.



### The Power of One

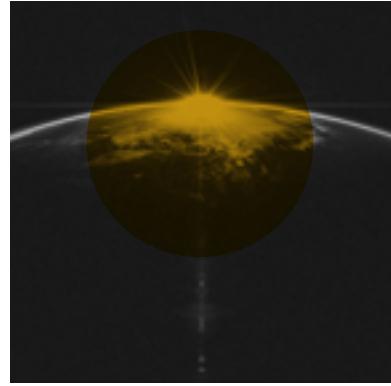
It is what we are known for. We do not accept the normal way of doing things. We have a singular source of vision, development, implementation, sales, and support, and take full responsibility for the complete outcome of the solution experience - not just the software. SaaS Plus leverages the Power of One and is a true symbiotic partnership with our customers – it benefits us both.

### Evolution not revolution

It's rarely the big bang that does it – rather, it's incremental but constant improvement that changes the world. Our enterprise solution adapts and evolves as we embrace new technologies, concepts, and innovation – and we share that with our customers – never leaving them behind.

### We dream big and deliver

We tackle the complex and face the difficult. With one eye on today's challenge and the other on the future, we deliver solutions that stand the test of time. We are the masters of our own destiny and don't follow the established path. We think differently, we work differently, and we embrace it.



### One experience for our customers

With one globally integrated line of code, and a deep understanding of our chosen markets we deliver mission critical software, and a single streamlined experience, reducing cost, time, and risk.

### Market focus & commitment

We are not all things to all people. We have deep industry knowledge of our chosen sectors, but we also have local access & presence. We are members of our communities – ratepayers, students, patients – it's why we feel such a deep connection.

### Tech is the answer

Tech is the way we think. Tech means we can solve the complex. Tech changes the way our customers work. Tech evolves rapidly, inviting new possibilities daily. Tech IS the answer.

# Making life simple for our community

At TechnologyOne, our mission is to better our community, from its citizens to students, by leveraging our team's innovation, drive, and determination.

Our passion is to solve the complex, with simplicity as our compass and our customers as our true north driving our decisions and helping us to build software they can't live without.

Whether streamlining administrative processes for local governments, enhancing educational tools for universities, or optimising business operations,

our solutions aim to be a catalyst for positive change. Through the relentless pursuit of simplicity, we contribute to building a connected and efficient community where our technology becomes an enabler, fostering progress and making daily tasks simpler for everyone.

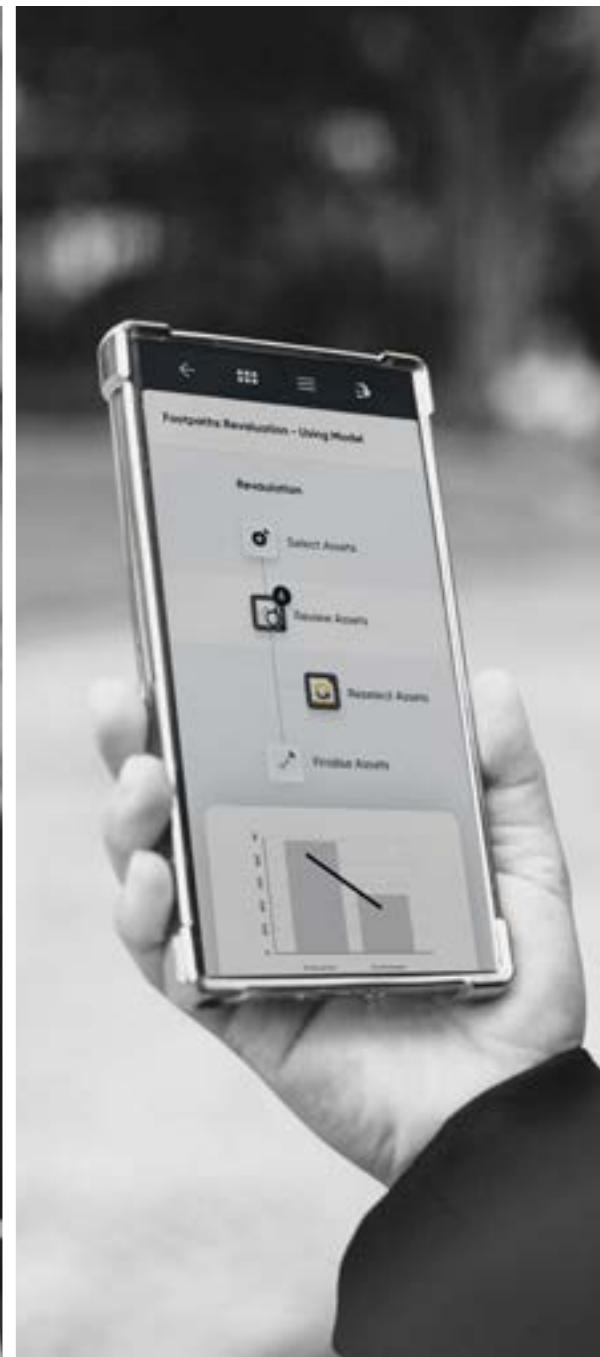
We are committed to continuously deliver outcomes that enrich the very fabric of the communities we live, work and study in.





**A SaaS+  
Company**





# SaaS+

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**Focus on what  
really matters  
and let us  
take care of  
your solution  
experience.**

**SaaS Plus enables our  
customers to digitally  
transform while serving  
their communities.**

All our customers' ERP needs are in one place with Solution as a Service (SaaS Plus). We're leveraging over 37 years of unique domain experience and unwavering commitment to our key markets by taking complete responsibility to deliver outcomes with our best-in-class SaaS ERP.

Delivering an end-to-end solution built with customers in mind. TechnologyOne takes full responsibility for the solution experience – reducing project and organisational risk, while saving time and money for our customers, and removing the need for traditional long, complex, risky, and expensive implementations.

Our all-inclusive offering is specifically tailored for the industries we serve, delivering industry-specific ERP solutions. With our deep industry

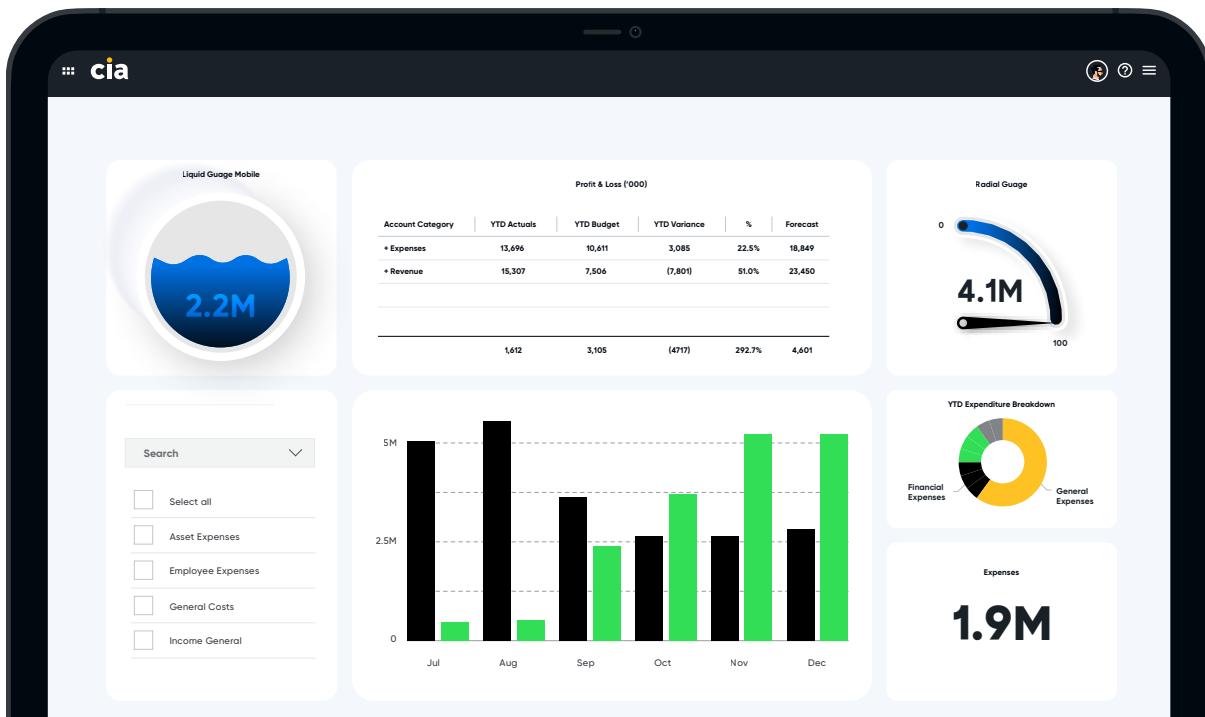
knowledge, we've developed preconfigured solutions that utilise business process architecture, enhance solution documentation and delivery through a reimagined implementation approach.

Harnessing TechnologyOne's unique 'Power of One', SaaS Plus enables fast, simple, and low risk digital transformation, offering end to end software implementation quickly, securely, and efficiently – ensuring there is minimal risk for our customers.

This innovation sets a new industry benchmark and redefines the relationship between technology providers and customers, removing the need for expensive third-party consulting practices and traditional implementations that can be risky, complex and lengthy. SaaS Plus will change the world of ERP solutions and move us forward into the future.



In FY24, TechnologyOne were selected as a winner for Business Innovation in the Australian Business Awards 2024 for our cutting-edge SaaS Plus implementation model. The award recognises organisations that have successfully implemented initiatives that demonstrate leadership and commitment to business innovation.



## Leading SaaS ERP

Our SaaS platform runs on one global code line, allowing us to continuously deliver new innovations to our customers, who benefit from the scale of our investment as an enterprise vendor.

One single global code line, run on thousands of servers, at massive scale, for all customers. Because of this, we gain enormous economies of scale, allowing us to continuously deliver new innovations to customers. Every customer benefits from each dollar we invest, amounting to over \$128 million investment in R&D in FY24. TechnologyOne makes a substantial investment each year in ongoing R&D to continue to improve our software and capitalise on new technologies, concepts, and ideas.

Our solution leads the market because we own, build, run, implement, and support our own software. We take complete responsibility for providing the processing power, software and services, including backup, recovery, upgrade and support services for our SaaS customers. Other ERP providers fail to deliver the same economies of scale and cost efficiencies because they use cloud hosting but handcraft

each customer's environment individually. Our solution delivers the deepest functionality for the markets we serve, comprising 19 products and up to 30 modules per product.

Our global SaaS ERP surpasses best-of-breed products because we offer one partner, one integrated solution, one look and feel, one technology platform and integration out of the box. It's a single instance of software delivered globally, with a mass production line of servers running thousands of customers' organisations that creates cost efficiencies that hosting providers cannot come close to, and a level of service, security, reliability, scalability, and future proofing that would not be otherwise possible.

Our customers are always on the latest technology, with access to two releases of software per year that deliver new features, functionality and concepts, as well as access to the TechnologyOne University for 'just-in-time' training. This is all provided standard, and we guarantee it will be future proof. Our current release, 2024B, redefines efficiency, elevating success for our customers with lightning-fast time to value.

We are now working on the next generation of our SaaS solution, 2025A. The pace at which we are innovating is accelerating, and we are seeing many opportunities to continue to improve the features, speed, security, availability, and scalability of our SaaS solution for our customers.

## Any device, anywhere, at any time

Through our award-winning CiA platform, customers gain access to the full functionality of our enterprise software on any device, anywhere, at any time.

Organisations can embrace iPad, iPhone and Android devices as part of their enterprise solution and our adaptive screen design guarantees a great user experience regardless of the device. Because the experience is tied to the user, not the device, an employee can move seamlessly from one device to another without interrupting their work.

With its incredibly simple design, CiA has created a new standard in enterprise software, giving us a significant competitive advantage. For customers undertaking digital transformations, this is the key to future success.

## Most trusted SaaS ERP provider

We take the privacy and security of our customers' data very seriously and weave this consideration into the fabric of everything we do. We are committed to building the world's most trusted SaaS platform for enterprise software and will continue to make significant investments to that end. That's why, since 2017, we have achieved the highest-level security accreditation of any SaaS ERP vendor operating in Australia.

The foundation of our global SaaS ERP solution is a class-leading security and compliance program designed to give our customers the strongest protection and privacy.

As part of this program, we develop and maintain our security framework, which passes the most stringent external verification, testing and scrutiny.

Customers receive the benefit of these certifications, along with ongoing security and privacy enhancements, at no extra charge.

Standard	TechnologyOne	Infor	Workday	SAP
IRAP (PROTECTED)	✓	—	✓	—
IRAP (OFFICIAL)	✓	—	✓	✓
NZ IRD SPS 13/01	✓	—	—	—
ISO/IEC 27001:2013	✓	✓	✓	✓
ISO/IEC 27017:2015	✓	—	✓	—
ISO/IEC 27018:2014	✓	—	✓	✓
ISAE 3402 SOC1	✓	✓	✓	✓
AT-C 205 SOC2	✓	✓	✓	✓
AT-C 205 SOC3	✓	—	✓	✓
SSAE 18	✓	✓	✓	✓
Cyber Essentials Plus (UK)	✓	—	—	—



### Defence in Depth

Leveraging the Power of One and security intelligence, TechnologyOne offers a differentiated approach to security and compliance. In FY24, our unique approach was affirmed with the award of the first patent in TechnologyOne's 37-year history.

Through state-of-the-art and engineering principles we're protecting our customers with cutting-edge patented security intelligence, simplifying GRC, accelerating audit processes, and ensuring compliance with a single, integrated solution.



### CiA Live

Taking customers from one generation to the next, CiA Live is the simple solution to upgrade business processes from our previous Ci platform to our CIA platform.

When signing up for CiA Live customers don't need to worry about the upgrade process – TechnologyOne has it covered.



### App Builder

A simple no-code offering that further extends the TechnologyOne software and helps solve our customers' business problems quickly and easily.

App Builder allows users to extend our ERP and create applications inside our TechnologyOne ecosystem, with no code and little training, empowering customers to further personalise the software solutions for their business in real-time.



### DxP (Digital Experience Platform)

TechnologyOne's Digital Experience Platform (DxP) extends the power of enterprise software for our customers to reach and interact with their customers. Enabling organisations to digitally transform with our simple, intuitive interface that offers a streamlined customer-centric experience. Leveraging next generation technologies such as Artificial Intelligence (AI) and machine learning (ML), DxP allows open, accessible, and convenient engagements, from anyone, in any way.

It is a smart, frictionless platform that provides tailor-made experiences for customer service, content creation, and communities. TechnologyOne has released DxP Essentials and DxP Local Government and is continuing to work on the development of DxP Student.

## **Our commitment to innovation**

In FY24, we invested over \$128 million in R&D to improve our SaaS offering with new enhancements and innovations.

Running on one global code line allows us to continuously deliver new innovations to our customers, who benefit from the scale of our investment as an enterprise vendor. With each new customer, our solution is enriched with new IP that powers the evolution of our software.

Each customer benefits from the hundreds of millions of dollars that we have invested to date and our commitment to continued investment. We take care of patching and upgrades and offer two major software releases per year.

Our SaaS offering is massively scalable, resilient and fault tolerant.

Our SaaS monitoring platform (Insights) gives us unprecedented visibility of the real-time performance and reliability of our SaaS environments and software. This enables us to analyse, detect and respond to issues faster than ever before. Insights also strengthens our support processes by connecting our development teams directly with customers.

It is through our commitment to innovation that we are now investing in the next generation of apps to make our customers lives even simpler.

With App Builder, DxP, and SaaS Plus we are constantly innovating, and living by our purpose and mission.

All our customers run the same code-line globally, and all processing resources are shared. When we make an improvement to the service, we automatically roll out that improvement to all our customers.

It is a testament to the collective skill of our people and organisational structure that we have achieved such a competitive advantage and level of differentiation in the SaaS market.

**We are an innovation driven company, leveraging new and emerging technology at each generation for our customers. Putting our customers interests at the heart of the innovation cycle, our enterprise solution adapts and evolves as we embrace new technologies, concepts, and innovation – and we share that with our customers. We invest 25% of revenue per year in R&D which equates to over \$1 billion invested into our ERP, solutions, products, and modules.**

Ten years ago, cloud computing revolutionised the world of technology, and today, artificial intelligence (AI) is leading the next wave of transformation. At TechnologyOne, our innovative teams are at the forefront of exploring practical AI applications to deliver value to our customers. While we're just beginning this journey, we're already harnessing the power of AI across our solutions, products, and modules.

For example, DxP Essentials uses AI to process invoice photos, seamlessly triggering expense claims directly to your bank account. Enterprise Asset Management utilises AI-driven image recognition to detect road and footpath defects from garbage truck images. Meanwhile, DxP Local Government uses AI to interpret natural language queries, guiding users to the right content and enhancing the overall customer experience.

This is only the start, we're committed to continually leveraging AI to refine our products, empower our customers, and create connected communities by harnessing the latest technological advancements.



### **TechnologyOne University**

TechnologyOne University is the learning and training hub for our software. Through the power of SaaS, all our customers can receive self-paced learning and comprehensive training on any device, anywhere, at any time.

An innovative digital learning solution, TechnologyOne University gives our customers a dynamic, real-time and up-to-date self-service support and education option that empowers users at all levels.

# Our growth





## Doubling in size every five years

Our ongoing success has been underpinned by the incredible growth of our SaaS business, which doubles in size every 18 months. This is powering the growth of TechnologyOne, which continues to double in size every five years.

We now have over 900 customers on our global SaaS ERP solution, with 54 of those customers taking up our SaaS Plus offering.

Our solution is a clear market leader because we are the only enterprise vendor to offer a true SaaS ERP solution, implemented through our ground-breaking SaaS Plus approach, across the entire enterprise. Unlike many other software providers that use cloud hosting, we own, build, and support our software.

Because other providers handcraft each customer's environment, they cannot offer similar shared benefits or economies of scale.

## Achieving \$1 billion ARR by FY30

TechnologyOne is focused and we are well on track to surpass our strategic goal of reaching \$500 million+ Annual Recurring Revenue (ARR) by 2025. It's because of this that at our inaugural Investor Day we announced that our new strategic goal is now to reach \$1 billion ARR by 2030. To achieve this, we are focused on a number of platforms for growth:

- Driving the growth of our customer base
- Expanding within our vertical markets
- Expanding our product range and depth
- Our SaaS Plus offering and delivering ERP in 30 days
- Growth in the UK, and beyond

We see the UK as a significant growth area, demonstrated by the increased success we have seen in that region over the last five years.

We are also leveraging our unique domain experience and unwavering

commitment to our industries with SaaS Plus. Taking complete responsibility to deliver outcomes with our best-in-class SaaS ERP, with a goal to deliver ERP in 30 days as a SaaS Plus company.

### 1. Driving the growth of our customer base

As an established company with over 37 years of success, we benefit from the investment of more than 1,300+ customers. We draw on these relationships and deep industry knowledge to power our success and bring new customers to TechnologyOne.

We focus and specialise in three large vertical markets, while also servicing health and community services, asset and project intensive industries, and corporates and financial services with our OneBase solution. This enables us to build deep industry knowledge and develop preconfigured solutions that quickly meet our customers' needs.

There is a significant runway for us to expand our customer base across all markets and grow our solution footprint as we add value for customers.

This growth is supported by the vertical alignment of our marketing, sales, product, and consulting teams, and is a testament to the deep industry knowledge and expertise that we have developed in-house across these fields serving our communities.

### 2. Expanding within our vertical markets

We have experienced continued success and expansion within each of our vertical markets. The adoption of our global SaaS ERP and SaaS Plus has also enabled us to further penetrate our key vertical markets.

### Increasing adoption of our products

Our global SaaS ERP solution comprises of 19 products and up to 30 modules per product, delivering the deepest functionality for the markets we serve.

Our solutions are modular by design, providing customers with the flexibility to add new products as their needs increase.

We're constantly enhancing the functionality of our products and delivering new innovations, for the benefit of our customers. This has been key to our 99% customer retention and our continued growth.

Our focus for existing customers is to increase our product footprint, to ensure customers are benefiting from the full depth and breadth of our solution.

### 3. Expanding our product range and depth

We work closely with our customers to ensure we understand their needs, meet their priorities, drive continuous improvement, and provide an increasing range of functions within our enterprise solutions.

Our goal is to build proven practices into our solutions and deliver the best software and services available for our customers. The result is that we continue to extend our product offering by developing additional features and functions – further building on what is already one of the world's most comprehensive enterprise software suites.

By re-engineering all our products for CiA, customers can enjoy the same software functionality across any device, anywhere, at any time.

Through DxP, we are extending the reach of our software from the back-office power users such as accountants, payroll clerks, student administration, and customer service teams, to the front office end users such as employees, ratepayers, and students, making the power of ERP available to your community.

Our sales, marketing, and customer success teams keep customers informed about recent developments and the experience of fellow TechnologyOne customers. This helps customers further improve their technology systems, business processes, and models.

Building on this partnership approach, the TechnologyOne Customer Community has transformed our support experience. As a dynamic group of TechnologyOne experts and customers, the Customer Community provides an opportunity to learn, innovate, and collaborate. It also enables them to share ideas, access knowledge articles, create and manage cases, influence product direction, and keep up to date with industry news.

#### 4. Our SaaS Plus offering and delivering ERP in 30 days

We have taken SaaS to the next level with SaaS Plus. All our customers' ERP needs are in one place with Solution as a Service (SaaS Plus).

We are leveraging our unique domain experience of over 37 years and our unwavering commitment to our industries by taking complete responsibility to deliver outcomes with our best-in-class SaaS ERP.

With SaaS Plus, we take full responsibility for the complete outcome of the solution experience, not just the software, removing the need for traditional, complex, risky and expensive implementations. Through one code-line, one plan, one price, and one point of call.

It's an all-inclusive offering specifically tailored for our customers' industries and delivers all aspects

of our enterprise solution – including implementation. The single yearly fee contains all the costs required to implement, run, support, and upgrade our solutions.

With SaaS Plus we've completely reimaged what digital transformation looks like for the communities that we serve. Drastically decreasing implementation time and improving time to value.

Our communities are now seeing the benefits of TechnologyOne solutions quicker, and through SaaS Plus we're able to build true partnerships, with common goals, common understanding, and a mutual desire to drive value as quickly as possible.

With SaaS Plus we're making the impossible possible with a goal to deliver ERP in 30 days.

In FY24 we have shortened our ERP implementation from 728 days to 180 days, and we're estimated to reach our 30 days goal by FY28.

Our SaaS Plus offering combined with our best-of-breed SaaS ERP solutions are what differentiates us in the market and from our competitors. Through the Power of One, TechnologyOne is the only vendor able to own SaaS Plus. We're making life simple for our communities so they can focus on what really matters, their communities.

#### 5. Growth in the UK, and beyond

Throughout FY24 the UK has seen significant growth, and we have seen increased success in that region over the last five years.

Our team continues to execute our value proposition and strategies in our two industries, Local Government and Higher Education.

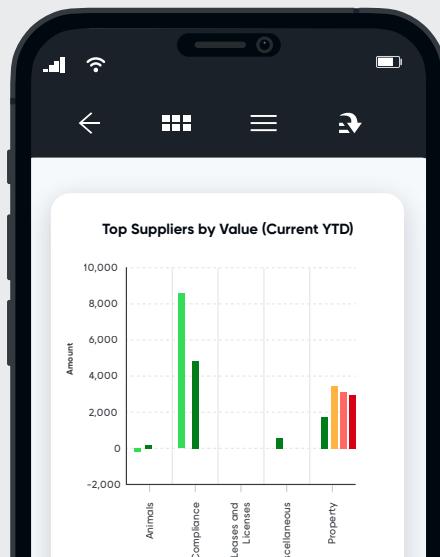
FY24 saw the University of Chester sign onto become a TechnologyOne customer with Financials, a SaaS flip for Timetabling & Scheduling, and our Student Management solution. In Local Government, Islington Council, our first London Borough, have signed up for our Financials product. These are more milestone achievements for our UK offering.

SaaS Plus is also now the UK's primary delivery option with 80 per cent of deals within the UK being sold leveraging our SaaS Plus solution.

We have global locations across Australia, the United Kingdom (UK), New Zealand, the South Pacific and Asia. We have adapted our business to meet the differing needs of customers in each of these regions. We adapt our sales strategies for different regions as we identify new and ongoing customer needs. Soon we will explore opportunities in new geographies, including the US.

## Deepest functionality for the markets we serve

A deep understanding and engagement with our key markets means we can deliver to our customers integrated, preconfigured solutions that provide proven practice, streamlined implementations and reduce time, cost and risk.





# CKO

## Calling all tribes

### 1,200+ people. Three days of action. One future. Together.

Company Kick Off (CKO) is TechnologyOne's largest internal event, bringing our global team together over three days. The event is held every couple of years to give our people an opportunity to immerse themselves in the path to our future.

In FY24, CKO was held in the city of our HQ – Brisbane, Australia and was attended by over 1,200 of our team members from across Australia, New Zealand, the UK, Bali and Malaysia.

The event provided a unique opportunity for our entire global team to come together and unite as a business to understand our future direction, explore the huge possibilities for delivering innovative solutions for our customers, and learn more about

how we are delivering the future of TechnologyOne together.

This milestone event launched our key initiative of delivering ERP in 30 days as well as deep dived into our mission and purpose, core beliefs, SaaS Plus, departmental strategies, and more.

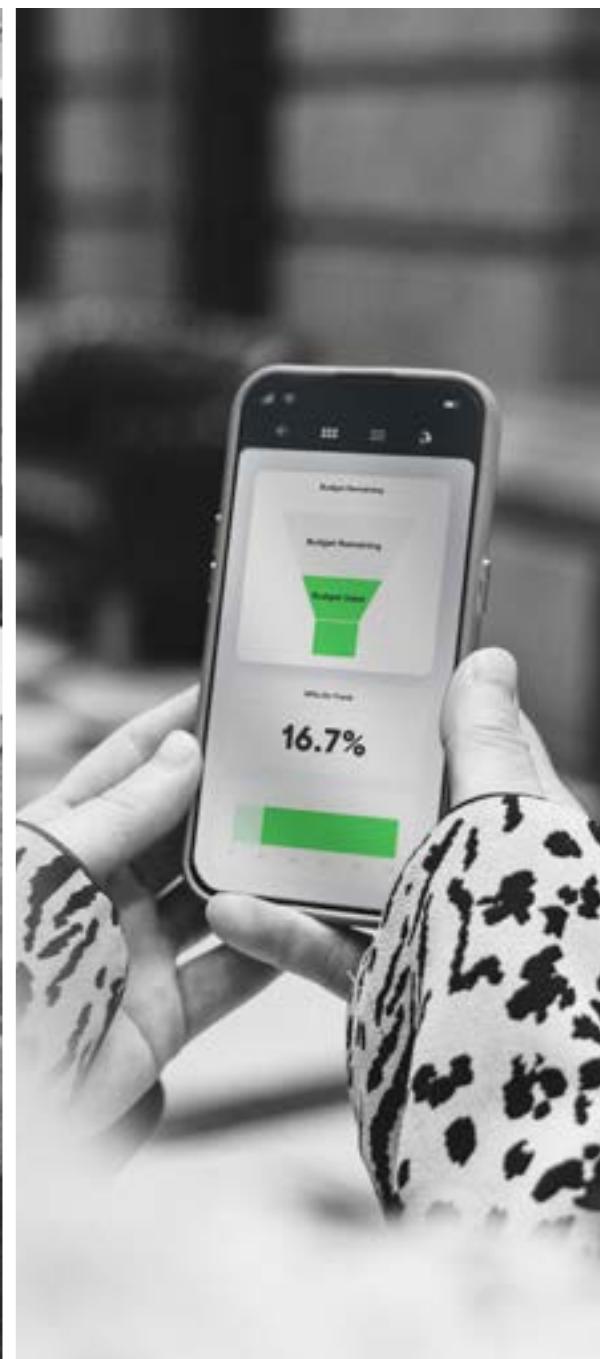
With these educational sessions exploring key initiatives and business leader insights, the three days were broken up with inspiring guest speakers, including surfing legend, Steph Gilmore, wellness coach to the stars, Ben Crowe, and former Olympic champion, Duncan Armstrong, about how to create a winning mindset.

Finally, our team came together at numerous tribal events to celebrate each other, our business success, and what it means to be part of the TechnologyOne team. These events included our MARVEL awards, SRA gala dinner, and a department day.



# **Our operations**







# Stuart MacDonald

**Chief Operating Officer**

**In FY24, TechnologyOne solidified our position as a SaaS Plus company, further differentiating ourselves in market. Focusing on customer-centric initiatives, we have broken new ground and made the impossible possible.**

## SaaS+

We launched Solution as a Service (SaaS Plus) with ambitious goals and made a firm commitment to engage and support our community. This initiative has led to significant market adoption across our key industries. Our customers remain our true north, and their feedback on SaaS Plus affirms that we are on the right track, continuously striving to do what's best for our customers and their communities.

SaaS Plus has also enabled us to streamline internal processes through the implementation of Tribes. Working within these cross-functional teams allows us to achieve our big goals efficiently. Each Tribe is composed of team members from various parts of the business, bringing diverse skill sets and strengths to quickly solve our customers' challenges. This collaborative approach leverages the Power of One, enhancing customer outcomes and accelerating our time to value.

## Growth in the UK

As we focus on the UK market, our commitment to differentiation remains a key strategy with SaaS Plus taking over as our primary delivery model. The team focused on enhancing TechnologyOne's competitive position in the UK through Project Lemonade which focused on brand elevation. Through this work we have seen significant success in the higher education sector, with Student Management and its integration with the TechnologyOne ERP ecosystem underscoring our unique value proposition. This innovation sets us apart from competitors and enhances our referenceability within the region. With our current size and customer base, we are well-equipped to deliver sustained growth and capitalise on emerging opportunities after years of investing in building our UK focus.

## CKO

At the beginning of FY24 we hosted our largest internal event to date, Company Kick Off (CKO). Over three impactful days, this event brought together our global team, fostering a collaborative environment where our team members immersed themselves in our vision for the future and aligned focus with our organisational goals.

During CKO, presentations from all departments provided insights into our clear direction and strategic plan for the next five years. This not only reinforced our commitment to transparency but also ensured that every team member understands their role in driving our success.

This alignment serves as a crucial foundation for our upcoming Showcase events, set to begin in FY25. These events will build upon the momentum generated at CKO, engaging our customers and demonstrating our commitment to growth and innovation.



# Cale Bennett

## Chief Financial Officer

**FY24 was a transformative year in the support functions. In a restructure to support strategic corporate initiatives, Corporate Services and Legal joined the Finance, Risk and Governance teams to create the Finance and Corporate Services team. This has enabled alignment across the teams who support our business to grow and deliver.**

### Supporting our people

Our Employee Share Plan, established in FY23, has enabled approximately 63% of our employees to become shareholders in TechnologyOne. This strong take up is an endorsement of the share plan attractiveness and the faith that our team has in our growth trajectory. We aim to establish a culture of share ownership to continue to drive alignment between staff and shareholders in the success of the business.

### Supporting our business

In FY24, the team continued to drive strong commercial outcomes, proactively managing our resources to ensure bottom line benefits. The finance team have continued to drive exceptional outcomes in working capital management and funds investment, delivering bottom line benefits.

### Showcasing TechnologyOne to the market

We delivered our company's first ever Investor Day in FY24, with more than 80 attendees travelling to our Brisbane HQ to hear the TechnologyOne story. With a mix of long-standing, new, and potential investors and analysts in attendance our team were proud to demonstrate our software and unpack the complex operating environment of our customers. Additionally, we took the opportunity to lay out our strategy to reach \$1 billion ARR by FY30. We also stepped out the SaaS Plus strategy, outlining how this strategy is an all-of-business change driven by thousands of one percent changes across hundreds of modules on our way to implementing our ERP in 30 days. This will unlock faster growth potential and increased margins. While SaaS Plus is a long-term strategy, our entire business is lined up behind it as it delivers a better outcome for our customers in addition to significant benefits for our business.



# Stuart MacDonald

## Acting Executive Vice President - Sales and Marketing

**In FY24, we affirmed our commitment to our customers, they are at the centre of our strategy, emphasizing that our customers are our true north. By deepening our engagement with the community, we reinforced that our products and solutions are not just important but mission-critical to our clients' success.**

### Strength in Local Government and Higher Education

Our continued growth in financially challenged regions serves as a testament to our effective support and innovative solutions, demonstrating our resilience and the value we bring to those markets. Significant strides in the Local Government and Higher Education sectors highlight our strengths and expanding influence in these vital areas.

In Local Government, FY24 saw our team close over 30 major deals and achieve a total contract value of \$32.99m for the sector. Over 300 council customers are experiencing the benefits of our high-quality SaaS ERP products and solutions.

Our largest new customer was Maitland Council, totalling \$1.68m in contract value. Other large customers include Melton Council and Logan Council, which are now unlocking the benefits of our OneCouncil and Property & Rating solutions. With over \$29 million in new business throughout ANZ in FY24 these Local Government customers are just a few examples of councils choosing our market-leading SaaS ERP to digitally transform and make life simple for their communities.

We have continued to see momentum build in the UK, especially in the Higher Education sector, with University of Buckingham and University of Chester both investing in our Student Management product resulting in a combined contract value of over \$1.5 million. Another large customer that has seen the benefits of TechnologyOne's Student Management product is the Liverpool Institute of Performing Arts. It is clear the regionalisation of our Student Management product has made an impact on the UK market and highlighted our unique, industry focused ERP offering.

### SaaS+

The introduction of our SaaS Plus offering has proven transformative, streamlining the sales cycle and enhancing our win rates. This differentiation positions us uniquely in the market and underscores our commitment to innovation.

Our impressive Net Revenue Retention (NRR) further validates our referenceability, reflecting the trust our customers place in our products and solutions.

Looking ahead, we are excited to unveil an upcoming brand refresh that honours our history and provides a platform for our continued growth.



# Chandan Potukuchi

**Chief Technology Officer**

**FY24 saw our Research & Development team make significant strides in delivering faster time to value for our customers while accelerating our investments in innovation and future-proofing our offerings. Based on customer NPS feedback, there has been a dedicated focus to drive a quality first mindset resulting in significant achievements throughout the year.**

## Innovation

The successful implementation of our SaaS Plus initiative has been pivotal, allowing us to embed intelligent features into our software solutions through a bold, timeless architecture designed to support our customers' digital transformation.

Our two major software releases, 2024A and 2024B, were successfully delivered throughout FY24, making history as the fastest adopted releases by customers. Incorporating customer-driven features and improvements and staying true to our mission of leveraging our team's innovation, drive, and determination to better our community.

## Industry collaboration

We are dedicated to co-innovating with industry experts and governing bodies, evolving our value proposition to meet the dynamic needs of the market. Our approach leverages deep industry knowledge and best practices, ensuring we not only enhance our solutions but also give back to the industry through meaningful collaborations. Accelerated co-innovation with industry stakeholders has strengthened our position and enhanced our focus on driving business value and efficiency.

In the spirit of partnership with our customers, we have begun multiple co-innovation Early Adopter programs to engage customers and work with them as we design, build, and deliver smart innovations.

## Quality and performance

As a result of our quality first mindset, there has been a 70% reduction of P0, P1, and P2 issues and a reduction of the age of outstanding customer cases by 63% in the last twelve months. Our focused investment improving our products and solutions has dramatically reduced the incoming performance issues.

Our commitment to quality and performance underpins the foundational effectiveness of our technology stack modernisation efforts. By building resilience into our solutions, we ensure an exceptional customer experience.

As we look forward, we remain steadfast in our commitment to innovation and industry engagement, driving continuous improvement and future innovations that align with our customers' goals.



# Leo Hanna

## Executive Vice President – United Kingdom

**The UK has experienced a remarkable year, demonstrating exceptional growth with a 70% increase in New Annual Recurring Revenue (NARR).**

**Our dedicated team has executed our value propositions and strategies resulting in significant successes. As we continue to focus on building referenceability in the market, we remain committed to delivering value and further growth.**

### Strong growth

The increase in ARR we have achieved in FY24 has been driven by the acquisition of 16 new customers across our key industries, Local Government and Higher Education. This growth is a testament to the effectiveness of our SaaS ERP solutions, which we deliver exclusively through our SaaS Plus model in the UK.

Notably, we celebrated three significant wins in Student Management SaaS Plus, securing contracts with the University of Buckingham, the Liverpool Institute of Performing Arts, and the University of Chester.

In Local Government, several councils transitioned to become TechnologyOne customers, unlocking the full benefits of our SaaS solution. Across both Local Government and Higher Education, we successfully implemented and went live with 28 customers, including partnering with some of the UK's largest local authorities and higher education institutions.

### Brand awareness

Our global team is dedicated to strengthening TechnologyOne's competitive position in the UK evidenced through our partnerships on sector focused research projects which emphasized our commitment to the UK and to the Higher

Education and Local Government sectors therein. We also launched brand awareness and thought-leadership campaigns in our key industries: Partnering with FT Longitude for Local Government to explore the chasm between council budgets and resident expectations. We were also proud to partner with the Higher Education Policy Institute (HEPI) on critical research highlighting the need for students to achieve an acceptable standard of living in the UK. These initiatives positioned us as a valuable, supportive partner for those institutions and aimed to establish TechnologyOne as a leading supplier in market, differentiating us from competitors, and supporting future strategic objectives.

Our efforts have generated substantial discussion within each industry and facilitated high-profile media coverage, reaching over three billion individuals.

### People are our power

I'm pleased to announce that our team continues to grow and be welcomed into our UK-based office. FY24 saw the addition of 25 new UK-based team members. Our on-site team members have now grown from 115 to 140, demonstrating our commitment to the UK, Higher Education, and Local Government markets.



# David Cope

## Executive Vice President – Customer Experience

**FY24 saw the Customer Experience team continue to uphold our core belief in deep market focus and commitment, which remains a key differentiator. Throughout the year, we concentrated on enhancing customer satisfaction and driving growth in both people and skills, to provide a Compelling Customer Experience in every interaction.**

### Integrated methodology

Our SaaS Plus methodology has been refined to accelerate time to value, minimise risk, and solidify positive outcomes for our customers. This innovative approach has led to a significant uptake of SaaS Plus offerings, with 88 customers benefiting from its advantages. The success of SaaS Plus is now mainstream, as evidenced by Metropolitan Memorial Parks going live in a remarkable fourteen weeks. This is clear evidence we are progressing well towards our goal of ERP in 30 days goal.

### Aligning sales to delivery

In the UK market, our efforts have resulted in over a 150% increase in go-lives, increasing from 24 to 37 this year, highlighting the strong alignment that exists between our sales and delivery teams.

The CiA Live initiative had a slow start in terms of delivery; however, with focused course correction we now have more than 90 customers either on, or finished, their CiA journey and realising the full benefits of SaaS.

We also acknowledged the need for improved support services as told to us by our customers through our annual Net Promotor Score (NPS) survey. In response, we dedicated significant efforts to clear the case

backlog and drive down the average case age, resulting in a reduction of case age by more than half. This initiative has been instrumental in providing a more responsive service to our customers and enabling them to focus on improving life for their communities.

### Growth

Throughout the year the Customer Experience team expanded its workforce by 150% globally. This expansion was driven by significant demand across SaaS Plus, CiA Live, and AMS, against which we grew rapidly to ensure responsiveness to customer requests.

As highlighted, AMS has grown significantly across our ERP customers, contributing significantly to our growth story. This year, we launched over 55 new AMS programs, and customer feedback has driven us to tailor our AMS program, adjusting our operating model, and enabling a more flexible use of AMS hours.

Looking ahead, we anticipate that this growth trend will continue and remain a primary focus into FY25, as the team remains committed to delivering exceptional service and meeting the evolving needs of our customers.



# Danielle Windle

## Executive Vice President – People & Culture

In FY24, there was a focus on aligning our teams and building a stronger understanding of what makes the work we do at TechnologyOne unique. To support purposeful delivery, new frameworks and initiatives were introduced, setting the stage for lasting growth and excellence.

### Empowering our people

A key highlight was the launch of the Architectural Curriculum within our Research & Development team. Built on the 70/20/10 learning model, it weaves together formal training, hands-on projects, and collaborative learning to cultivate technical depth and design expertise. Feedback and results have shown promising outcomes, reinforcing how these enhanced skills support individual growth and foster a culture of continuous learning.

### Blending art and science through playbooks

To streamline and enhance execution across all organisational streams, we began development of a comprehensive suite of playbooks. Aimed at integrating the creative, structured, and methodical aspects of our work. These playbooks provide a clear vision and guide consistent, high-quality execution, empowering new and existing team members alike to contribute confidently and with clarity.

### Building a new generation of leaders

Our commitment to leadership development reached new heights with our annual Leadership Summit. In July, approximately 70 leaders from the class of 2024 attended their final Leadership Summit, marking the end of their academy journey. Simultaneously, the FY25 cohort embarked on their academy year, bringing another 70 leaders into our leadership development fold. Looking forward, the Leadership Summit series will not only cater to all levels of leadership but will also include key business influencers, fostering a cohesive leadership community across TechnologyOne.

### RAP endorsed

We launched our first Reconciliation Action Plan reflecting our dedication to fostering stronger relationships between Aboriginal and Torres Strait Islander people and non-Indigenous Australians. As a trusted partner to the Federal Government, this step enhances our commitment to helping customers and communities achieve positive outcomes.

Reflecting on FY24, we see these efforts strengthening our shared understanding of what we do and how we do it. Looking forward, our commitment to alignment and purpose-driven practices will continue to position TechnologyOne for achieving its strategic ambitions and maintaining strong, upward momentum.



# How we get you to ERP in 30 Days

**Tech is the answer  
to solving complex  
challenges.**

With SaaS Plus, we've completely reimagined what digital transformation looks like for the communities that we serve. Drastically decreasing implementation time and improving time to value.

Our communities are now seeing the benefits of TechnologyOne solutions quicker and through SaaS Plus we're able to build true partnerships, with common goals, common understanding, and a mutual desire to drive value as quickly as possible.

**With SaaS Plus we're making the impossible possible.**

# Our people

**58** Culture

**64** Sustainability  
performance  
at a glance

**66** Foundation







# Culture, collaboration and alignment

**At TechnologyOne, we believe in a culture of innovation, creativity, and collaboration, and have created an environment that allows our people to thrive. This culture is built into the fabric of our business, driving high performance and underpinning our success.**

In recent years, we have focused our operating model and business to be a true SaaS business, and pivot away from an on-premise operating model. Now we are transforming into a SaaS Plus business to continue to make life simple for our communities.

## **Employer of Choice**

Our people are a crucial source of our competitive advantage, and we purposefully invest in initiatives that support the recruitment, retention, development, and progression of individual talent within our workforce.

As a nationally recognised Employer of Choice, TechnologyOne is committed to providing an

environment in which our talented people can be innovative, creative, and realise their full potential. This year, TechnologyOne received 6,552 total recruitment applications.

We also value the voices of our team members to help shape our organisation. Our Employee Net Promoter Score (eNPS) surveys provide a channel for our people to be heard, with the results used to influence ongoing enhancements to our initiatives and programs.

## **Extensive onboarding and training**

TechnologyOne hires passionate, talented, and innovative people

who are inspired to think about the future. Our comprehensive onboarding program provides the best possible start for our people in their careers at TechnologyOne. We continue to support our commitment to developing our people and growing their careers by delivering training in leadership, technical, and professional skills development.

This year, we also welcomed 380 new team members who joined TechnologyOne. Our market-leading orientation and onboarding experience enabled us to seamlessly welcome our newest team members to the TechnologyOne family.



## Cultivating a culture of innovation

The innovation and creativity of our team is key to our success.

With a team of more than 400 developers, TechnologyOne runs one of the largest Australian-owned R&D centres for enterprise software. In addition to our R&D centres in Brisbane and Perth, we have offshore R&D centres in Indonesia and Vietnam, allowing us to extend our capability and better support our customers and existing products.

Our developers are leaders in their field who challenge conventional thinking and go beyond the traditional realms of development methodology.

Our state-of-the-art R&D centre and initiatives are designed to foster collaboration, creativity, and innovations that provide the platform for our future growth.

## Collaborative facilities and technology

Our focus over the last few years has been ensuring we can maintain flexibility and provide an environment conducive to learning, collaboration, and in-person collisions that spark

innovation, which is at the heart of our culture.

To support this, we have continued to invest in our physical offices, the refit for our office supports our laser focus on customer outcomes. We know that to solve the complex for our customers and the communities we serve we need to optimise our workspace to enhance collaboration and create space for dedicated customer interactions.

Our spaces are designed to foster creativity and teamwork, with collaborative spaces for team members and graduates to innovate and develop world-class software.

With technology and design being at the forefront of the concept, the Village Green social areas provide spaces in our offices to showcase the ongoing accomplishments and achievements of the company in an environment that reflects our products and values.

This combination of company-led flexible working and in-person collaboration has allowed us to maintain productivity, drive creativity, and honour our Power of One core belief, which is contingent on cross-team engagement.

## People initiatives to drive employee engagement

To continue to double in size every five years, we continue to invest in our leaders through our Leadership Summit. FY24 saw our third Leadership Summit take place with cohort two graduating and cohort three commencing, these summits aim to grow our leaders, teach the TechnologyOne Way, and equip them to continue to lead our teams.

During the year we also undertook numerous wellbeing initiatives for our people. We continued our work with Stephanie Gilmore as our brand ambassador, focused on physical and mental wellbeing. We continued our OneTalks, an event held on the rooftop of our HQ building and streamed live. OneTalks feature a different speaker each week, designed to keep our team up to date on the latest news from across the company, from the people doing the work. We also continued Surprise and Delights, an initiative aimed at ensuring consistent company and leader-led team activities that would drive team reconnection and build excitement.



The Surprise and Delight 'menu' of activities featured team lunches, themed Friday drinks, random acts of kindness and hosted events.

In addition to these initiatives, we continued our investment in existing employee engagement and recognition initiatives, including Hack Days, MARVELs, Town Halls, and Regional Days.

Hack Days provide employees the opportunity to collaborate across functional teams and work on projects that fall outside their normal day-to-day work. These Hack Days are key to driving our culture of innovation and creativity. Our Hack Day has been extended to be a two-day event, which allows us to better engage with team members across the globe, given the various time zones.

Meanwhile, our MARVEL awards celebrate team members who go above and beyond and showcases ordinary people, doing extraordinary things. They are designed to recognise and reward top talent, as part of our achievement-oriented culture. MARVEL stands for Merit, Achievement, Recognition, Values, Excellence, and Leadership.

Categories for the MARVEL awards are centred around our key initiatives.

These include:

- Leader of the Year
- Compelling Customer Experience of the Year
- Emerging Leader of the Year
- Rookie of the Year
- TechnologyOne Superheroes
- Adrian Di Marco Excellence Award

Winners of the MARVELs receive company-wide recognition and are inducted into TechnologyOne's League of Extraordinary People.

Our quarterly Town Hall meetings provide employees with the chance to hear from our CEO and other TechnologyOne executives about company direction and strategy, as well as ask questions directly that are answered in real time. These were complemented by our Regional Days for Sales and Consulting, where these teams discuss strategy and goals, allowing them to strengthen relationships across regions, teams, and projects, and improve engagement across the whole organisation.

### **Graduate program**

Our graduate and intern programs form the foundation of our talent pipeline into the future. Our graduate brand and experience are highly regarded by our peers, competitors,

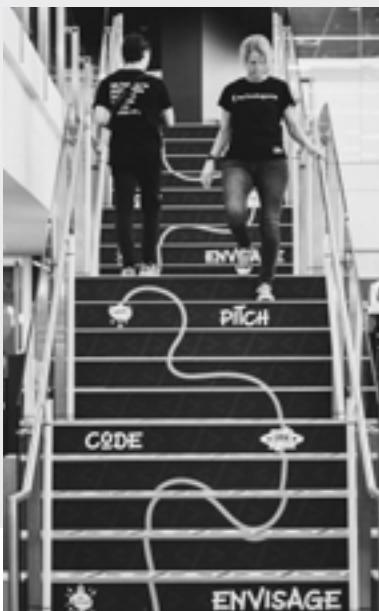
and industry bodies alike. We received a total of 1,091 applications, highlighting the competitive and highly sought-after nature of our program.

Our award-winning graduate program runs across our software, sales, and consulting teams. Our newest graduates work across TechnologyOne with the company's most influential and skilled leaders, who provide them with valuable learning opportunities and experience.

### **Industry partnerships**

We are committed to actively fostering a diverse and vibrant information and communications technology (ICT) industry. We want to create interest around this exciting time in Australia's economy and ensure we are engaging early with Australia's youngest and brightest minds in science, technology, engineering, and maths (STEM) subjects. With a focus on diversity and building exceptional female talent pipelines.

TechnologyOne partners with Women in Technology and Women in Digital to continue to build our recognition and employee value proposition to attract rising female stars to TechnologyOne.



## Equal opportunity

TechnologyOne takes diversity and inclusion seriously. We advocate for equal opportunity for all and are committed to addressing the shortage of female technology professionals in Australia. To help achieve this, we provide equal pay opportunities for men and women and have a zero-tolerance policy for discrimination and harassment.

Recruitment and promotion within TechnologyOne are based on the relevant skills, experience, qualifications, aspirations, potential and aptitude of applicants. Women make up 48% per cent of TechnologyOne's workforce, which is high compared to other technology and software companies globally. However, we are committed to further increasing the representation of women by working with strategic partners to encourage more women to pursue STEM-based careers. In doing so, we play a leading role in growing a more diverse pipeline of future candidates to work in technical fields and at TechnologyOne. Some key programs TechnologyOne supported this year included the Women in Digital and the Queensland Women in Technology Awards.

## Wellbeing initiatives

At TechnologyOne, our people are our power, with a firm belief that in keeping healthy minds, bodies, and finances ensure our Life@TechOne has balance and purpose.

Wellbeing is a key priority for the organisation and consists of three key pillars: Mental, Physical, and Financial.

To support team members' financial wellbeing, we continued to see strong engagement with our Employee Share Plan (ESP). The TechnologyOne ESP is an opt-in scheme established to help foster a culture of shared ownership in the business, offering team members the opportunity to purchase shares in a simple and straightforward way. Information sessions to help educate team members on shares are offered as part of this program.

Getting active positively impacts both physical and mental wellbeing. TechnologyOne offers all team members access to a gym near their local office to help them seamlessly make exercise part of their day-to-day life.

## Sustainability

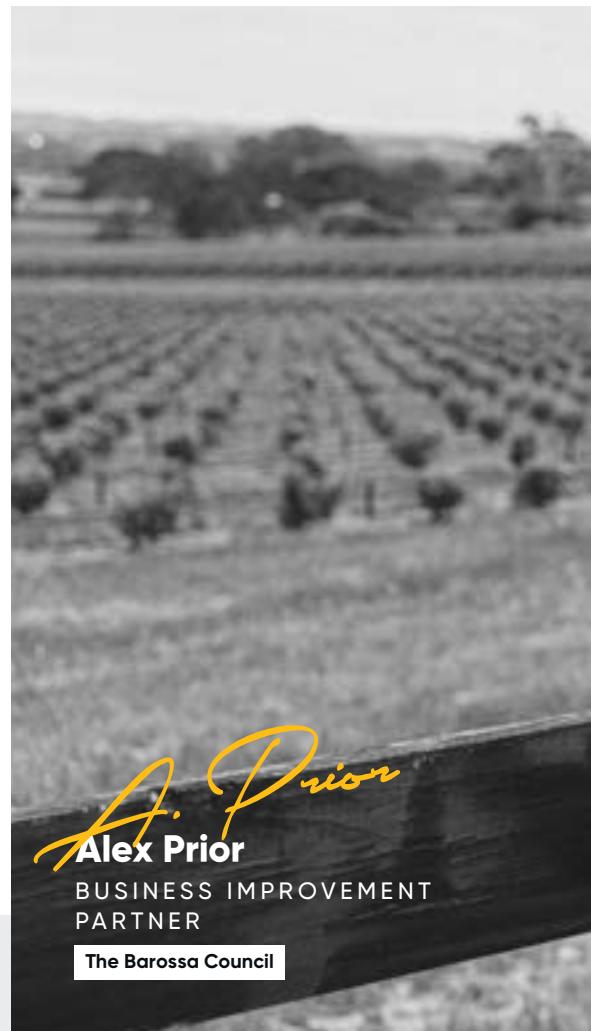
TechnologyOne is committed to managing our business operations in an environmentally responsible manner. Our headquarters in

Brisbane's Fortitude Valley has a Six Green Star environmental rating. The building includes numerous environmentally rated sustainable development features, including 50 per cent more fresh air than standard commercial buildings, carbon dioxide monitoring, external views to maximise daylight, energy-efficient lighting, dedicated exhausts in photocopier areas, a gas-powered generator and a large rainwater collection area on the roof to supply water for the toilets and garden irrigation.

We are proud to continue our Climate Active carbon neutral certification through offsetting our carbon footprint with certified carbon credits generated through an energy wind farm in India which re-invests the funds back into the community including training for local youth and developing local healthcare systems, clean water, and sanitation.

TechnologyOne also retires credits generated by the Oakvale Native Forest Protection Project in NSW which protects native forest from deforestation and in turn protects the native fauna (including the crucifix toad, planigale, kultarr, native bees, and wedge-tailed eagles which make their home on the property).

# FY24 Sustainability performance at a glance



A. Prior  
**Alex Prior**

BUSINESS IMPROVEMENT  
PARTNER

The Barossa Council

## Responsible business

- Maintained a comprehensive corporate governance framework based on risk management, compliance, and assurance controls
- Invested over \$128m in R&D for FY24, which is approximately 25 per cent of revenue.
- Achieved FY24 record revenues, profit and SaaS ARR

## Customer

- Maintained 99 per cent customer retention and 99.9 per cent SaaS uptime
- Released two software upgrades – 2024A & 2024B – to deliver enhancements designed to simplify the way our customers work
- Maintained SaaS certifications and accreditations to provide the highest levels of data protection

## Community

- \$1,034,497 of profit contributed to the TechnologyOne Foundation to give back to our communities
- 8,824 hours volunteered to charity and community organisations
- 1,000 Solar Buddy lights assembled for disadvantaged children in Fiji, Papua New Guinea, Sri Lanka, and Cambodia
- Completed over 180 vendor screen assessments for new and existing suppliers



## Our people

- Employee engagement score continued to lay the solid foundation as we move toward our FY26 target of +50
- Increased women in senior roles to 44 per cent
- No fatalities or material workplace injuries reported during the year

## Environment

- Maintained Climate Active carbon neutral certification for our global operations
- Decreased our global Scope 1 and 2 emissions by 62.4 per cent against FY23
- Started working with a Procurement Network to identify, promote, and engage with Scope 3 suppliers that actively promote and undertake GHG reductions initiative

For more information see our [Sustainability Report](#) on our website or scan the QR code.





**More than \$2m global pledge.**

# **Our goal is to lift 500,000 children and their families out of poverty**

The TechnologyOne Foundation is dedicated to making a difference to disadvantaged children and families in our communities by empowering them to transform their lives and create their own pathways to success. The Foundation was established in 2016 to ensure that charitable giving would become a long-term initiative for the business and encourage philanthropy to become part of the company culture. Our Foundation helps great Australians achieve great things and we are committed to long term contributions to our key partners.

## **The 1% Pledge**

The TechnologyOne Foundation is part of the 1% Pledge corporate philanthropy movement, which is dedicated to making the community a key stakeholder in every business. In committing to the 1% Pledge

movement, individuals, and companies donate 1% of their net profit, product, and employee's time to their communities.

TechnologyOne donates 1% of annual net profit to our charity partners, supporting our vision of changing the future by empowering disadvantaged children and families to transform their lives. This strategic approach to charitable giving enables us to make a bigger difference to the causes we support.

Through the 1% product, our commitment is to donate 1% of New Annual Recurring Revenue each year. This makes it easier for not-for-profit organisations to access our solutions and take advantage of the efficiencies they provide, which in turn extends the impact of their work.

All TechnologyOne team members can also take up to 2.5 days leave each year to volunteer during work hours for charitable and nonprofit organisations. This supports our 1% of time commitment. The total 1% Pledge equated to a more than \$2 million commitment by the company.

Our contributions have helped children access education right across the globe – from refugee and First Nation students right here in Brisbane and across Australia to disadvantaged children and youth in New Zealand, Tanzania, UK, Malaysia, Indonesia, Vietnam and India. We are proud of the impact we make through our long-term commitments to charitable organisations, helping families escape the cycle of poverty.



## The year in summary

Received prestigious  
'Others' Award from  
The Salvation Army

**\$1,034,497**  
total donated  
to charities

**42+**

directly impacted by  
TechnologyOne team  
member contributions

**1,000**

Solar Buddies built

**\$48, 072**

raised by team  
members (employee  
generated)

**\$1,956,947**

worth of product  
discounts to NFPs

**8,824**

volunteer hours  
equating to

**\$507,380**

Australian Business  
Award for Community  
Contribution

# Our key charity partners



dignity

## Opportunity International

Designs, delivers, and scales innovative financial solutions that help families living in extreme poverty build sustainable livelihoods and access quality education for their children.

## The Salvation Army

Providing broad range and far-reaching social services to diverse people experiencing hardship or injustice, including youth support, accommodation services, addiction recovery, emergency relief and financial counselling.

## The School of St Jude

Providing a free, high-quality education to children in poverty and with social pressures in Tanzania to complete their schooling.

## Solar Buddy

Uniting a global community to gift six million solar lights to children living in energy poverty by 2030, to help them to study after dark and improve their education outcomes.

## The Fred Hollows Foundation

Treats, trains, and equips the local communities to expand the reach of eye care services, ensuring the poorest and most marginalised groups, including children, can access free or low-cost care.

## The Smith Family

Helping disadvantaged Australians to get the most out of their education to create better futures for themselves.

## St James Bursary

Bursary Endowment Fund – Providing an extensive tertiary education pathway to an array of cultural, socioeconomic, and academic backgrounds.

## Dignity for Children Foundation

Aims to break the cycle of poverty through the provision of quality and transformative education for children aged 2 – 19 years.

## How we're making a difference over time

**102,462 children and families in partnership with Opportunity International Australia**

**1,000 lights in partnership with Solar Buddy**

**Solar Buddy lights have contributed to 730,000 education hours for 1,000 families reducing carbon footprint by 1,280 tonnes**

**65 PowerWell Home Solar Units built from recycled materials**

**740 kilograms of electronic waste diverted from landfill in partnership with Substation33 and PowerWells**

**Funded a Certificate II in Self Awareness and Development for Year 11 and 12 students in partnership with the Salvation Army**

**13,000 children screened and provided spectacles through the School Eye Health Program in partnership with The Fred Hollows Foundation**

**300 students have been equipped to ensure they have an equal chance at school in partnership with St James Bursary Fund**

## Our work with Opportunity International Australia

Through our donations to and partnership with the microfinance group Opportunity International Australia, we are transforming communities and helping families. We aim to lift 500,000 children and families out of poverty over a 15-year period.

As a result of this partnership, families in India can access small loans to enable them to build businesses. This will also help them to earn regular incomes to support themselves, as well as feed, clothe, and educate their children.

With funds for initiatives such as starting a shop or buying seeds for a vegetable farm, families can transform their lives and their children's futures. Further, because 98 per cent of the small loans are repaid and recycled, the impact creates a positive ripple

effect in their communities as more jobs are created. Those jobs might include delivering goods or helping with sewing and weaving orders.

### Boosting local communities

With more income and therefore more money to spend on items such as food and transport, families who used to live in poverty become active participants in their local economies.

This benefits the providers of those products and services, who are themselves often entrepreneurs. This virtuous cycle ensures that microfinance provides a long-term boost to economies and helps to develop self-sustaining communities more so than one-time handouts.

### Creating change

Micro-entrepreneurs are also to use their influence to bring about

positive changes in their communities. With the confidence that comes with having their own businesses, people can begin to seek better infrastructure or educational facilities from government or bring local families together to take on community projects.

Our support to date, with the benefit of leverage and recycling of funds, has helped 83,628 children and their families to free themselves from poverty.

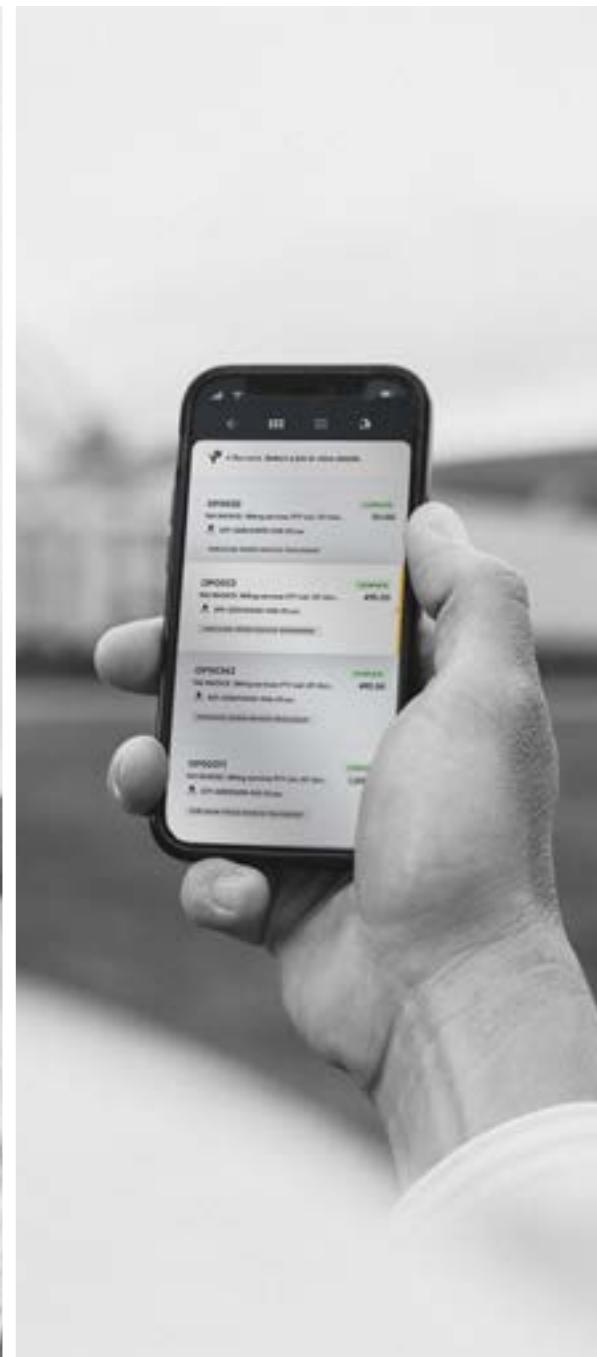
Opportunity International believes that every person has the right to reach their potential. Just like us, people living in poverty have dreams and hopes. But while talent is universal, opportunity is not. Our giving to Opportunity is changing that equation.

# Financial report

## Contents

Directors' Report	70
Independent Auditor's Declaration	82
Remuneration Report	83
Financial Statements	125
Consolidated income statement	125
Consolidated statement of comprehensive income	125
Consolidated statement of financial position	126
Consolidated statement of changes in equity	127
Consolidated statement of cash flows	128
Notes to the consolidated financial statements	129
Consolidated entity disclosure statement	166
Directors' Declaration	167
Independent Auditor's Report	168
Shareholder information	174
Corporate directory - Technology One Limited	175





# Directors' Report

**Your Directors present their report on the consolidated entity (referred to hereafter as the Company or the Group) consisting of Technology One Limited and the entities it controlled at the end of, or during, the year ended 30 September 2024.**

The following persons were Directors of Technology One Limited (**TechnologyOne**) during the financial year and up to the date of this report:



# Pat O'Sullivan

CA, MAICD  
Appointed 2 March 2021.

### **Experience and expertise**

Pat is a Chartered Accountant and has 40 years' experience working across a wide range of industries both as an executive and a non-executive director. His last executive role was the Chief Operating Officer and Finance Director of Nine Entertainment Co Pty Limited, a position he held for 6 years until June 2012 and prior to that he was the Chief Financial Officer of Optus for 5 years.

He is currently Chairman of Cargroup Limited and Siteminder. His previous ASX non-executive director roles include Afterpay, iiNet, iSelect, APN Outdoor, iSentia and Marley Spoon.

Pat is a member of The Institute of Chartered Accountants in Ireland and Australia. He is a graduate of the Harvard Business School's Advanced Management Program.

## **Special responsibilities**

## Board Chair

## **Interests in shares and options as at 30 September 2024**

39,779 ordinary shares held in  
Technology One Limited.



## Edward Chung

Appointed 15 August 2023.

### Experience and expertise

Mr Chung has led TechnologyOne through its continued growth trajectory and transformation into Australia's leading enterprise Software as a Service (**SaaS**) business. With a passion for growth, innovation, and TechnologyOne's people, he led the business to become one of Australia's ASX 100 listed companies in 2023 and has long-term continued growth in his sights for the future.

Appointed as CEO in May 2017 after more than 10 years in senior executive roles at TechnologyOne, including one and a half years as the company's Chief Operations Officer. From 2014, Edward headed up TechnologyOne's products

and solutions division, including Research and Development (**R&D**) where he led the team that transitioned the business into a fully SaaS-based organisation. Prior to that he led the finance and corporate services division and developed the commercial frameworks to drive the company's expansion.

### Special responsibilities

Managing Director & CEO

### Interests in shares and options as at 30 September 2024

700,068 ordinary shares and 1,412,976 options held in Technology One Limited.



## Richard Anstey

FAICD

Appointed 2 December 2005.

### Experience and expertise

Mr Anstey's career has spanned over 40 years. His first company, Tangent Group Pty Ltd, established a strong reputation for the development of software products and strategic management consultancy for the banking and finance sector.

With the sale of Tangent, he then co-founded InQbator/iQFunds in 2000, an early-stage investment group focussed upon the technology, telecommunications and life sciences sectors.

Through iQFunds and personally, Mr Anstey has co-invested in more than 30 companies with the support of Commonwealth Government programs, Venture Capital Funds and both corporate and personal investors. While being an active Non-Executive Director of his investments, Mr Anstey has added

value wherever appropriate to maximise shareholder value and has also been actively involved in the trade sale of seven companies to organisations in the US, Europe and Australia.

Mr Anstey is a fellow of the Australian Institute of Company Directors. Mr Anstey now continues his career in venture capital and corporate advisory roles as a founder of iQ360 Pty Ltd.

### Interests in shares and options as at 30 September 2024

20,000 ordinary shares in Technology One Limited held beneficially through the Anstey Super Fund.

# Directors' Report



## Dr Jane Andrews

GAICD, PhD

Appointed 22 February 2016.

### Experience and expertise

Dr Andrews joined the Board in 2016, bringing more than 15 years leadership experience in research and innovation-based organisations.

As a founder and investor in numerous innovative companies, Dr Andrews has extensive experience in corporate strategy, entrepreneurship, commercialisation, innovation, research and development.

Dr Andrews is a Graduate of the Australian Institute of Company Directors, holds a PhD in Life Sciences, a Bachelor of Science (First Class Honours) and a Graduate Diploma in Applied Finance and Investment.

### Special responsibilities

Chair of the Remuneration Committee, member of the Audit and Risk Committee and the Nomination and Governance Committee.

### Interests in shares and options as at 30 September 2024

30,600 ordinary shares held in Technology One Limited.



## Sharon Doyle

B Laws (Hons), B IT (Dist), G Dip Bus Admin, FAICD

Appointed 28 February 2018.

### Experience and expertise

Ms Doyle is the Executive Chair and majority owner of corporate advisory firm, InterFinancial Corporate Finance Limited. She has successfully navigated technology companies through the challenges of steep global growth curves, with a strong understanding of the dynamics in Software as a Service (**SaaS**).

Ms Doyle's leadership of InterFinancial has seen her develop a core practice providing strategic advice for technology and other IP-rich, high-growth companies. She also has extensive international experience managing merger, acquisition and private equity processes across the technology industry. Ms Doyle was previously Vice President at Mincom, one of Australia's most successful enterprise software companies.

Ms Doyle is a Non-Executive Director at Auto & General. She holds a Bachelor of Laws (Hons) and Bachelor of Information Technology (Dist.) from the Queensland University of Technology, as well as a Graduate Diploma of Business Administration from the University of Queensland. She is a Fellow of the Australian Institute of Company Directors.

### Special responsibilities

Member of the Audit and Risk Committee and the Nomination and Governance Committee.

### Interests in shares and options as at 30 September 2024

18,280 ordinary shares in Technology One Limited.



## Clifford Rosenberg

B Bus Sc (Hons), M Sc (Hons)  
Appointed 27 February 2019.

### Experience and expertise

Mr Rosenberg has more than 25 years' experience leading change and innovation in technology and media companies. As the former Managing Director of LinkedIn for Australia, NZ and South-East Asia, Mr. Rosenberg started the Australian office in 2009 and oversaw the expansion of LinkedIn in Australia from 1 million members in 2009 to more than 8 million members in 2017. Previously, he was Managing Director at Yahoo! Australia and New Zealand, and prior to that role he was the founder and Managing Director of iTouch Australia NZ where he grew the Australian office to one of the largest mobile content and application providers in Australia.

Mr Rosenberg has more than ten years' experience on the boards of publicly listed companies. His directorships include

A2B Australia Limited and Bidcorp. Cliff was also a Non-Executive Director with Nearmap which was sold and delisted in December 2022 as well as Afterpay, which was acquired in January 2022. He holds a Bachelor of Business Science (Hons) from the University of Cape Town and a Masters of Science (Hons) from the Universitat Ben Gurion Ba-Negev.

### Special responsibilities

Chair of the Nomination and Governance Committee and member of the Remuneration Committee.

### Interests in shares and options as at 30 September 2024

27,533 ordinary shares held in Technology One Limited held beneficially through Clifro Pty Ltd ATF Cliffro Trust.



## Peter Ball

B Bus, CA, MAICD  
Appointed 2 March 2020.

### Experience and expertise

Mr Ball is a Chartered Accountant who has enjoyed a long career in the professional services sector spanning nearly 40 years, initially in audit both nationally and internationally, with the last 30 years in management consulting. Mr Ball was a Partner with KPMG for 25 years providing a range of professional services and advice to both public and private sector organisations. He has also held senior roles with KPMG including the national leader of KPMG's Strategic Planning and Economic Development service line and more recently as national partner responsible for the finance and operations for KPMG's Government Advisory Practice.

Most of Mr Ball's work involves providing strategic, economic, commercial and business improvement advice to enable organisations to make fully

informed business decisions. During his management consulting career Mr Ball has worked across several industries including tourism and leisure, gaming and wagering, arts and sports, and state and local governments.

Mr Ball is also actively involved in the community/not for profit sector having been a Director of Alzheimer's Queensland for over 15 years.

### Special responsibilities

Chair of the Audit & Risk Committee and member of the Remuneration Committee.

### Interests in shares and options as at 30 September 2024

21,900 ordinary shares held in Technology One Limited held beneficially through the Noosa Hill Super Fund.

# Directors' Report



## Paul Robson

GAICD

Appointed 1 July 2024.

### Experience and expertise

Mr Robson is an accomplished senior executive with nearly 30 years' experience in the technology sector, driving growth and innovation across global markets. He is currently the CEO of Australian-grown accounting software company MYOB.

Paul was previously the president of Benchling, a San Francisco based cloud platform for biotechnology research. Prior to that role he spent 10 years at Adobe, running the company's international business while in London, spearheading the global pilot for Adobe's move to the Cloud. Paul also spent a decade at Hewlett-Packard, rising to Vice President and General Manager, HP Networking, Asia Pacific and Japan.

Mr Robson has held multiple board positions at the likes of techUK, the membership body for the UK tech industry; Vamp, an influencer marketing platform;

ADMA, the Australian marketing association and Tresillian Family Care Centres.

A member of the Australian Institute of Company Directors, Mr Robson holds a Bachelor of Commerce and has completed a number of courses at Harvard Business School and INSEAD. He is also an Advisory Councilor on the National Board of the Australian Industry Group, a peak industry association representing businesses in a broad range of sectors including manufacturing, construction, transport, defence, ICT and labour hire.

### Interests in shares and options as at 30 September 2024

Nil ordinary shares in Technology One Limited. As a new Director, Mr Robson has 36 months from his appointment to satisfy the holding requirements.



## John Mactaggart

FAICD

Appointed 8 December 1999. Retired on 21 February 2024.

### Experience and expertise

Mr Mactaggart's experience spans industries such as agriculture, agri-tech, manufacturing and software. He co-founded the Australian Association of Angel Investors Limited, is a co-founder of Brisbane Angels and was the Australian representative of the World Business Angels Association. Mr Mactaggart played an integral role in the creation, funding,

and development of TechnologyOne and remains a major shareholder. John has been a Fellow of the Australian Institute of Company Directors since 1991.

Mr Mactaggart retired from his role at TechnologyOne on 21 February 2024.

# Company Secretary



## Stephen Kennedy

B Bus, FGIA

Appointed 13 April 2017.

Mr Kennedy was appointed Company Secretary on 13 April 2017 and has been employed with TechnologyOne since January 2017.

## Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 September 2024, and the numbers of meetings attended by each Director were:

	Full meetings of directors (Board)	Audit and Risk Committee	Nomination & Governance Committee	Remuneration Committee
P O'Sullivan	12	-	-	-
E Chung	12	-	-	-
R Anstey	12	-	-	-
J Andrews	12	4	3	3
S Doyle	12	4	3	-
C Rosenberg	12	-	3	3
P Ball	12	4	-	3
P Robson <sup>1</sup>	4(4)	-	-	-
J Mactaggart <sup>2</sup>	5(5)	-	-	-

<sup>1</sup> P Robson was appointed to the board 1 July 2024.

<sup>2</sup> J Mactaggart retired on 21 February 2024.

Where a Director did not attend all meetings of the Board or relevant committee, the number of meetings for which the Director was eligible to attend is shown in brackets. In sections where there is a dash, the Director was not a member of that committee.

## Principal activities

The principal activity of Technology One Limited (the Company) during the financial year was the development, marketing, sales, implementation and support of fully integrated enterprise business software solutions, including:

- Technology One Corporate Performance Management
- Technology One Enterprise Content Management
- Technology One Financials
- Technology One Performance Planning
- Technology One Business Analytics
- Technology One Enterprise Budgeting
- Technology One Property and Rating
- Technology One Human Resource and Payroll
- Technology One Supply Chain Management
- Technology One Student Management
- Technology One Enterprise Asset Management
- Technology One Spatial
- Technology One Timetabling and Scheduling
- Technology One DxP Local Government
- Technology One Enterprise Cash Receipting
- Technology One App Builder
- Technology One DxP Student
- Technology One DxP Essentials
- Technology One Curriculum

## Dividends

Dividends paid to members during the financial year were as follows:

Ordinary shares	2024 (\$'000)	2023 (\$'000)
Final dividend for the year ended 30 September 2023 of 11.9 Cents (2022: 10.82 Cents) per fully paid share paid in December 2023 (2022: December 2022)		
60% franked (2022: 60%) based on tax paid at 30%	<b>38,588</b>	35,119
Special dividend for the year ended 30 September 2023 of 3 Cents (2022: 2 Cents) per fully paid share paid in December 2023 (2022: December 2022)		
60% franked (2022: 60%) based on tax paid at 30%	<b>9,728</b>	6,491
Interim dividend for the year ended 30 September 2024 of 5.08 Cents (2023: 4.62 Cents) per fully paid share paid in June 2024 (2023: June 2023)		
65% franked (2023: 60%) based on tax paid at 30%	<b>16,530</b>	14,995
<b>Total dividends paid</b>	<b>64,846</b>	56,605

## Review of operations

On behalf of TechnologyOne we are pleased to announce our 15th consecutive year of record profit, record revenues, and record SaaS fees. Our global SaaS ERP solution and our game-changing SaaS+ offering is making life simple for our community.

### Continuing strong performance

TechnologyOne has consistently delivered strong results since listing on the ASX in 1999. Our ability to deliver these results for over 25 years is due to our clear vision, strategy, culture and our ongoing investment in R&D, which was validated in March 2023 as we entered the ASX 100 index.

### Highlights for the Year

**Profit before tax, up 18%** – Beating guidance set in May 2024 of 12%-16% profit growth.

**Total Annual Recurring Revenue (ARR)<sup>1</sup> up 20%** – Driven by the significant value proposition of our global SaaS ERP solution and our game-changing SaaS+ offering.

**We are the world's first SaaS+ ERP company** – We established our visionary SaaS+ offering by combining our mission-critical global SaaS ERP solution and implementation in one single fee, removing the need for traditional, complex, long, risky and expensive consulting implementations to provide faster go-lives and therefore unlocking value for our customers more quickly.

**UK sales ARR up 70%** – Our long-term investment in the UK continues to build momentum.

**Net Revenue Retention (NRR) of 117%, above the long-term target of 115%** – Existing customers continue to expand their use of our global SaaS ERP solution to streamline their operations.

**A new long-term target of \$1b+ ARR by FY30** – With \$500m ARR firmly in sight (18 months earlier than the original target date), we have now set our ambitions higher. During our first Investor Day in July 2024 we announced a new long-term target of \$1b+ ARR by FY30.

### Building the future, enabling us to continue to double in size every five years

**With strong results and a strong sales pipeline, we upheld our ambitious R&D investments to enable us to continue to double in size every five years. These include additional investments in the UK, new products and modules, including DxP, App Builder, and SaaS+.**

### Strong balance sheet and strong cashflow generation greater than 100% of NPAT

**We delivered strong cashflow generation to NPAT ratio of greater than 100%. With significant cash and investment holdings of \$278.7 million and no debt, our balance sheet retains flexibility and strength for further inorganic growth in the future.**

**Acquisition of CourseLoop** – Post the period end, we completed the acquisition of CourseLoop. A world-leader in curriculum management, this acquisition complements our suite and provides us with great IP. With the addition of CourseLoop's Curriculum Management, TechnologyOne's OneEducation solution has become the world's first SaaS platform to encompass the entire student lifecycle – from course design to graduation – into a single unified ERP solution.

These points are discussed later in more detail.

### Total Annual Recurring Revenue (ARR) up 20%

Adoption of the TechnologyOne global SaaS ERP solution and our SaaS+ offering exceeded our expectations, with customer adoption driving total ARR to \$470.2 million, up 20%.

All of our key verticals performed strongly throughout the year, with our Government vertical growing 41%, up \$22m and Local Government growing 22%, up \$32m.

In Local Government, our team closed over 30 significant deals in FY24. TechnologyOne won a project to transform Penrith Council's core ERP system. Penrith City Council manages around 80,000 rateable properties, is one of Sydney metropolitan's largest Local Government areas and is considered one of the city's fastest growing regions. As a long-time TechnologyOne customer using just some of the OneCouncil functionality, the Council came to market for a best-practice total ERP solution to take them into the 2030s. Their decision to choose TechnologyOne reflects our reputation for delivering robust, future-focused solutions that specifically meet the needs of growing and evolving communities.

<sup>1</sup> ARR is not an IFRS measure and is unaudited; it represents future contracted annual revenue at year-end.

## We are the world's first SaaS+ ERP company

Having successfully completed our transition to become a 100% SaaS company, we have pivoted to our next major innovation, becoming the world's first SaaS+ company.

SaaS+ is a game changer in the ERP industry. It is the next logical evolution of SaaS where TechnologyOne delivers the entire outcome faster, with minimal risk and in an annual fee to our customers. SaaS+ delivers faster time to value as we continue to dramatically drive down implementation timeframes, removing the need for traditional, long-drawn-out, risky implementations. Through the 'Power of One', TechnologyOne is the only SaaS ERP provider able to deliver on this compelling proposition as we own all parts of the value chain with deep mission-critical products, industry-specific IP built over 37 years and our highly skilled in-house consulting team.

A traditional implementation of our multinational competitor product undertaken by third-party consulting firms or the big four accounting firms, typically takes thousands of days. During FY24 TechnologyOne set an ambitious goal of delivering ERP in 30 days in the next five years. This goal will totally transform our industry as we deliver what our customers truly need – a solution to streamline their business, not years of traditional, complex and risky consulting implementations. Our OneBase solution presently takes 160 days to implement and we are hyper-focused on reducing this to 30 days.

Our SaaS+ proposition is resonating with the market. Our shift from traditional new project consulting revenue to SaaS+ revenue will mirror our successful transition from legacy license fees to SaaS revenue, which is now complete. This strategic move enhances our focus on high-quality, recurring revenue.

We are excited about the opportunities these investments will bring to our APAC and UK customers. Importantly, SaaS+ has become the go-to-market sales approach in the UK.

## UK sales ARR up 70%

We have seen our UK business continue its growth trajectory, with UK sales ARR up 70% to \$8.7m and total UK ARR up 31% to \$34.7 million. We delivered a profit of \$2.9 million, down from a profit of \$3.7 million last year; this was expected as we carefully manage our transition to SaaS+, and we have also committed additional investment to ensure future growth. We see significant opportunities in the coming years in this market, which considerably exceeds the size of the APAC market.

We continue to see momentum build in the UK, especially in the Higher Education sector, with the University of Buckingham and the University of Chester both investing in our solutions in FY24.

The University of Chester is a well-established institution with a history dating back to 1839, serving over 15,000 students today. They faced challenges with legacy vendors for Financials and Student Management that offered no clear path to SaaS and needed more investment in improving their products. They saw TechnologyOne's true SaaS solution with full ERP capabilities, defence-in-depth security and more than \$125 million R&D investment as the clear path to modernise the university. Furthermore, with our SaaS+ design, the implementation risk to the university has been significantly diminished – a critical factor in the University of Chester choosing to partner with us.

Our ERP offering along with the breadth and depth of functionality that we bring to Local Government and Higher Education markets are unique in the UK and our pipeline is strongly growing. We continue to invest in products, sales, marketing and all other functionality in the UK to further accelerate our growth.

## Net Revenue Retention (NRR) of 117%, beating long-term target of 115%

In FY24, we delivered Net Revenue Retention of 117%, which is industry-leading in the ERP market and above our long-term target of 115%. This gives us confidence that we will continue to double in size every five years.

It's clear that our products and solutions are resonating with the market. Customers continue to take up more TechnologyOne products and modules as they embrace our enterprise vision and the consequent substantial efficiencies and productivity lift.

We focus on signing a new customer with products such as Financials, Property and Rating, or Student Management and then expanding with other products and modules over time. As the only true SaaS ERP vendor in the market, our SaaS customers have all products and modules available at all times and are always on the latest software release. This open licence approach removes the friction from TechnologyOne selling and from our customers taking up new products and modules to streamline their business.

We continue to invest in our products and modules to provide even deeper mission-critical functionality for the markets we serve. In doing so, we increase our team's available whitespace and runway to sell additional value to our existing customers.

Our SaaS customers continue to take up products and modules faster than we had seen for our on-premise customers. The average ARR from our customers has grown from \$100,000 in FY12 to almost \$400,000 in FY24.

## A new long-term target of \$1b+ ARR by FY30

The revenue quality from our latest generation global SaaS ERP business is exceptionally high, given its recurring contractual nature, combined with our long-term, industry-leading low churn rate of ~1%.

Our ARR stands at 90% of Total Revenue, which means most of our revenue is locked in at the start of the financial year. This positions us well to achieve continuing solid growth in the new year.

Today, our total ARR is \$470.2 million, up 20%. During the year we upgraded our medium-term target for the second time to now surpass \$500 million ARR by H1 FY25 (previously, "we will surpass \$500 million ARR by FY25" and before that "we will surpass \$500 million ARR by FY26").

With this target firmly in sight, we have now set our ambitions higher and, during our first Investor Day in July 2024, we announced a new long-term target of \$1b+ ARR by FY30. Our significant investments for growth including expanded products and modules, acquisitions, the UK, new products such as DxP and App Builder and SaaS+ underpin this.

**Building the future, enabling us to continue to double in size every 5 years**

TechnologyOne invested \$128 million in R&D this year, up 14% on the previous corresponding period, an investment that underpins our future platforms for growth.

Our R&D program continues to be at the leading edge of our industry as we embrace new technologies, new concepts and new paradigms.

Our R&D team is focused on extending the functionality and capabilities of our global SaaS ERP solution, CiA, which increases the whitespace in the verticals we serve.

We continue to invest in new, exciting ideas and innovations, including SaaS+, App Builder and Digital Experience Platform (**DxP**) for Local Government and Higher Education. Our sixteenth product, DxP Local Government, was released for general adoption and extends our ERP from traditional back-office users to residents.

These investments in R&D and SaaS+ build our future platforms for growth and enable our ability to continue to double in size every five years. As always, we manage this significant investment within our total cost base, continuing to balance strong profit growth with investment for the future.

Acquisition of CourseLoop

Post the period end, we acquired CourseLoop, a company servicing the higher education sector. This acquisition forms part of our strategic focus to deliver the deepest functionality for the Higher Education market.

With the addition of CourseLoop's Curriculum Management, TechnologyOne OneEducation has become the world's first SaaS platform to encompass the entire student lifecycle – from course design to graduation – into a single unified ERP solution.

Integrating a Curriculum Management capability with TechnologyOne's market-leading Student Management, Timetabling and Scheduling, Human Resource and Payroll, Enterprise Asset Management, and Financials capabilities will provide, for the first time, full visibility across the entire academic cycle.

Curriculum Management will provide Higher Education institutions with data-driven insights via a single source of truth to create courses that meet market demands, what students want to study, are financially sustainable, and deliver student success and institutional differentiation.

We are excited about the opportunities this will bring to both our UK and Australian customers in the coming years. The impact on our FY25 Group profit will be insignificant and we expect the acquisition to be EPS accretive in FY26.

**Profit Before Tax margin improved to 30%**

We generated a Profit Before Tax margin of 30%, compared to 29% in the previous corresponding period. This return to growth in margin includes a negative impact from our careful transition to SaaS+ of \$3.0m. Had we not taken this approach, our profit before tax margin would have been approximately 1% better.

This shift from traditional new project consulting revenue to SaaS+ revenue will have similarities to our successfully completed transition from legacy license fees to SaaS revenue. This strategic move over time removes lower quality one-off traditional consulting revenue and replaces it with high-quality, recurring revenue. A small headwind to our margin growth in the short-term will enable a significant tailwind in the long-term on profit before tax margin.

Notwithstanding our strategic shift to SaaS+ and the small headwind to our margin growth in the short-term, we see Group margins continuing to improve to 35%+ in the coming years, driven by the significant economies of scale from our single instance multi-tenanted global SaaS ERP solution.

#### **Investment in people and culture**

Our people solve incredibly complex business problems for our customers and have delivered our massively broad and deep global SaaS ERP solution. We compete and win against the world's largest multinational software companies, which have R&D teams with tens of thousands of staff.

We continue to succeed because of our consistent strategy, mission, purpose, core beliefs, values, leadership philosophies and Compelling Customer Experience. Post completion of our 24-month refresh of the TechnologyOne Way and Culture Book, which contains a collection of stories that explain to new starters and remind long-timers what makes TechnologyOne special and how we make the impossible possible; we commenced the creation of Playbooks by department which codified the art and science of each our key disciplines including People Leadership, Sales, Consulting and Research and Development.

During the year, we promoted more than 15 per cent of our people or 220 team members across all areas of our business. We continued our focus on diversity and strategies to increase the number of women across the organisation. Women now hold 48% of senior roles against an industry average of 25%. Our overall representation of women across all roles at TechnologyOne is now 39%.

In the second year of what we believe to be Australia's best Employee Share Plan, which provides one free share for every two shares purchased by our employees, 55% of our current team members have become owners of TechnologyOne to share in the growth of our great company.

To continue to double in size every five years, we invest heavily in our leaders through our Leadership Summit. This year, 111 of our leaders attended the Summits which supported their growth, taught them the TechnologyOne Way and equipped them to lead our teams to make the impossible possible. The first cohort graduated in FY23, a second cohort graduating this year and a third started in July 2024.

## **Strong balance sheet and strong cashflow generation greater than 100% of NPAT**

TechnologyOne continues to maintain a strong balance sheet with net assets of \$379.3 million, up 24% and cash and investments of \$278.7 million, up 25%. Cash Flow Generation (CFG) was once again strong at \$119.0 million for the full year, versus a Net Profit After Tax of \$118.0 million, a CFG to NPAT ratio of 101%. This provides us with significant flexibility and strength for future inorganic growth. High levels of recurring revenue, strong cashflow generation and a strong new business pipeline provide us with confidence in the future. Consequently, we took time to consider our capital management position in FY24. As such, we have taken steps to implement the following actions.

1. Dividend Policy Update: The dividend policy has been revised from a growth target of 8-10% to a payout ratio of 55-65%. This change allows dividend growth to align more closely with net profit after tax growth, whilst balancing stability, rewarding shareholders and maintaining capacity to invest for growth.
2. Equity Management Policy: A new policy has been established to purchase staff-related equity needs on market instead of issuing new shares. This measure aims to reduce dilution and manage the capital base effectively.
3. Inorganic growth: The Acquisition of CourseLoop. This is an important bolt-on acquisition for our Higher Education solution which makes our offering deeper and more unique than any other education software provider in the world.

We emphasise our ongoing commitment to capital management initiatives, reflecting a prudent yet strategic approach to investments for growth while maintaining discipline in execution.

### **Dividend**

Considering the company's strong results, our confidence in the future and the significant capacity in our balance sheet to invest in growth and opportunities that may arise, we have announced our final FY24 dividend of 17.37 cents per share, a payout ratio of 62%.

For the full year, our dividend has increased to 22.45 cents per share, up 15% on the prior year consistent with our Net Profit After Tax growth of 15%.

### **Executive remuneration**

TechnologyOne remains focused on delivering strong growth and our current remuneration structure positions us well to continue to achieve this – in the short and long-term – but also to ensure alignment across our Executive KMP.

We continued to execute our strategy, delivering strong results again in FY24. When many businesses have struggled to deliver in uncertain economic and geopolitical times, TechnologyOne has delivered exceptional growth – Total ARR growth of 20%, Net Profit Before Tax growth of 18% and upgraded our medium-term guidance a second time to surpass \$500 million ARR by H1 FY25.

Our three-year rolling TSR is 115% and annual TSR is 55%. There is a clear alignment between the performance of the business and executive remuneration.

## **Environment, Social, Governance (ESG)**

### **Environment**

TechnologyOne is committed to its ESG obligations beyond just regulatory requirements. We became Carbon Neutral globally and this year is our third year benchmarking and reporting under the recommendations of the Task Force on Climate-related Financial Disclosures (**TCFD**). We have made a significant reduction in our Scope 1 and Scope 2 carbon footprint in FY24 by switching to purchasing renewable energy for all locations where it is available.

While the TechnologyOne operations do not have a material impact on the environment, we acknowledge that it is the changing attitude of many that will have a material impact on reducing climate change.

### **Social - TechnologyOne Foundation**

The TechnologyOne Foundation defines who we are as a company and is an important driver of our culture and values.

We are committed to making a difference to underprivileged, disadvantaged and at-risk youths by empowering them to transform their lives and create their own pathways of success. We believe that it is through youth that we can have the greatest impact on the future. We have an ambitious goal of lifting 500,000 children and their families out of poverty by FY31, which we are on track to achieve.

An important part of the TechnologyOne Foundation is supporting great Australians who are doing great work, both locally and internationally, which includes the Fred Hollows Foundation, School of St Jude, Opportunity International, Solar Buddy and St James College.

The Foundation will continue to grow with TechnologyOne through our commitment to the 1% Pledge – which sees us donate 1% profit, 1% product and 1% time every year. This represents a commitment of more than \$2 million each year. The TechnologyOne Foundation will keep inspiring and defining the core values driving our company and team forward.

### **Governance**

Given that TechnologyOne is such a significant R&D and innovation-led business, coupled with our long track record of profitable growth, we continue our cautious and measured approach to the renewal of our Board. This year we welcomed Mr Paul Robson to our Board. Paul is an accomplished senior executive with nearly 30 years of experience in the technology sector, driving growth and innovation across global markets. He is currently the CEO of the Australian-grown accounting software company MYOB.

We would like to recognise John MacTaggart, who, after 37 years of service, as a non-executive director, retired from the company on 21 February 2024. As a former customer of Adrian's, John and his father were the first investors in TechnologyOne before the emergence of VC funding in Australia. They believed in Adrian and TechnologyOne and have supported our strategy, which includes our ambitious and significant R&D agenda, and four generations of our ERP, the most recent being our shift to SaaS. We wish him well in his future endeavours.

We also note that Mr Rick Anstey will retire in February 2025 following the AGM after 19 years of service to TechnologyOne.

Please refer to our TechnologyOne website for our full Sustainability Report and Corporate Governance Statement:

<https://www.technology1.com/company/investors/corporate-governance>

## **Matters subsequent to the end of the financial year**

On 1 November 2024, the Group acquired 100% of the issued shares and voting rights of CourseLoop Pty Ltd for \$60m in cash and options. This acquisition forms part of the Group's strategic focus to deliver the deepest functionality for Higher Education. Due to the proximity of the acquisition date to the release of the annual report, the Group has yet to finalise the Purchase Price Allocation for accounting and therefore this has not been disclosed.

On 18 November 2024, the Directors of Technology One Limited determined a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is \$56,639,448 and is 65% franked.

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

## **Indemnification and Insurance of Officers**

Insurance and indemnity arrangements concerning officers of the Company were renewed or continued during the year ended 30 September 2024.

An indemnity agreement is in place between TechnologyOne and each of the Directors of the Company named earlier in this report and with each full-time Executive officer and secretary of the Company. Under the agreement, the Company has indemnified those officers against any claim or for any expenses or costs that may arise due to work performed in their respective capacities.

TechnologyOne paid an insurance premium in respect of a contract insuring each of the Directors of the Company named earlier in this report and each full-time Executive officer and secretary of the Company, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

## **Non-audit services**

Non-audit services provided by the Company's auditor, Ernst & Young, in the current financial period and prior financial year included taxation advice and other advisory services. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the Company and its related practices:

	2024 (\$)	2023 (\$)
<b>Ernst and Young:</b>		
Taxation and other advisory services	103,428	948,484
<b>Total remuneration</b>	<b>103,428</b>	948,484

Non-audit services include \$103,428 (2023: \$301,734) in relation to taxation advice.

## **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 82.

## Rounding of amounts

The Company is of a kind referred to in 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.

## **Environmental regulation**

TechnologyOne has assessed the recommendations of the Task Force on Climate-related Financial Disclosures (**TCFD**). The outcome of the assessment is discussed in the section below.

## TechnologyOne's Climate change position

Our operations do not have a material impact on the environment. We acknowledge that climate change mitigation will require deep and permanent greenhouse gas reductions as part of a universal transformation from business, government, and individuals collectively. To this end, TechnologyOne accepts the science of climate change and is committed to reducing our carbon emissions to the lowest amount possible and offsetting residual amounts to maintain carbon neutrality.

TechnologyOne has adopted an iterative approach to implementing the TCFD recommendations.

We will continue to assess how we quantify climate-related risks and opportunities, how the Board integrates climate-related considerations into decision-making and strategy, and how we engage with shareholders, customers, team members, suppliers and other key stakeholders.

## **Climate Governance**

The TechnologyOne Board maintains oversight of sustainability matters, translating these into our strategy for long-term value. TechnologyOne's broader focus on environmental, social and governance factors (**ESG**) is overseen by the Nomination & Governance Committee. The responsibility for implementing ESG sits with each internal Business Division.

Through our Risk Management Framework, the Audit & Risk Committee oversees TechnologyOne's material enterprise-wide risks and the integrity of our statutory statements. The Remuneration Committee considers executive performance on ESG issues.

## **Climate Strategy**

To understand the strategic implications of climate-related risks and opportunities, we assessed the potential positive and negative impacts on our business against three global warming scenarios.

Under the 2°C scenario characterised by strong ambitious climate action, our key risks include reputational and legal risks associated with a lack of climate risk disclosure and action, as well as financial risks.

Under the 4°C scenario characterised by limited climate action beyond what has already been committed, key aspects of the risks relate to physical damage, network disruptions, missed sales opportunities and health impacts on our staff.

## **Climate Risk Management**

We aim to ensure that our risk management process is dynamic and that emerging and existing material climate related risks are identified, managed, and incorporated into our existing risk management processes.

Our GHG reduction strategy involves four phases:

- Phase 1: Learning (understand how our business impacts emissions)
- Phase 2: Measuring (collect and analyse our historical key emission data)
- Phase 3: Target Setting (utilise historical emissions data to set targets)
- Phase 4: Reduction (manage & minimise to reduce energy consumption and associated carbon emissions where practicable)

## **Climate Metrics and Targets**

During the reporting period, TechnologyOne conducted a GHG assessment in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard and Corporate Value Chain.

TechnologyOne's total global emissions for FY24 amounted to 13,916 tonnes of carbon dioxide equivalent.

We aim to use any arising opportunities to reduce our emissions. We're focused on reducing our impact on the environment and are proud to be Climate Active carbon-neutral certified for our global operations. Reflective of the increased urgency to accelerate carbon reduction initiatives, in FY23 we set reduction targets to reduce our Scope 1 and 2 global emissions by 80 per cent by 2023 and 100 per cent by 2030 from a FY22 baseline. In FY24, we have reduced Scope 1 & 2 emissions by 69% from the FY22 baseline.

Refer to our FY24 Sustainability Report for further TCFD related information.

## **Share options**

### **Unissued shares**

As at the date of this report, there were 5,293,360 unissued ordinary shares under options (4,947,921 at the reporting date). Refer to note 31 for further details of the options outstanding. There were 170,648 unissued ordinary shares under performance rights (135,293 at the reporting date).

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company. Options granted carry no dividend right to holders.

### **Shares issued on the exercise of options**

During the year, employees and Executives have exercised options to acquire 1,193,476 fully paid ordinary shares in Technology One Limited at a weighted average exercise price of \$6.57. Refer to note 31 for further details of the options exercised during the year. 46,509 fully paid ordinary shares in Technology One limited were issued for performance rights in FY24.

## **Corporate governance statement**

The most recent Corporate Governance Statement can be found on page 107.

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



Pat O'Sullivan  
Chair  
Brisbane  
18 November 2024

# Independent Auditor's Declaration



Building a better  
working world

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

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

As lead auditor for the audit of the financial report of Technology One Limited for the financial year ended 30 September 2024, 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

John Robinson  
Partner  
18 November 2024

# Remuneration Report

## (Unaudited)

### Introduction from the Chair of the Remuneration Committee

Dear Shareholders,

On behalf of TechnologyOne's Remuneration Committee (the Committee), I am pleased to present our Remuneration Report (**the Report**) for the year ended 30 September 2024.

The Committee's primary objective is to align the rewards of Executive Key Management Personnel (**KMP**) with shareholder interests and the achievement of our business strategy. Additionally, the Committee aims to attract and retain exceptional Executives, Directors, and Employees who collectively ensure long-term profitable growth and sustainable shareholder returns.

We are one of only a few Enterprise Resource Planning (**ERP**) vendors globally. Our unique approach sees us focused on six vertical markets with the deepest functionality for two of those markets, delivered through our 16 products and over 500 modules. Specifically, we provide mission-critical operational systems for local government and higher education. We have rewritten our rich ERP four times over the last 37 years, taking advantage of the latest technological shifts for our customers – relational databases, PC, web and now SaaS.

Our Power of One approach, core to our strategy, means we build, market, sell, implement, support, and run our ERP for our customers. TechnologyOne's products make life simple for our customers, but our business is complex and unique, demanding deep and broad expertise from our exceptional team. It is only through the Power of One and our deep industry expertise that we can execute on our innovative SaaS+ strategy.

Our leaders' execution of our consistent strategy has been key to our strong growth. We constantly adapt and evolve to changes in technology, the market, and customer feedback while remaining focused on delivering for our verticals.

Since listing on the ASX in 1999, TechnologyOne has delivered an annual compound Total Shareholder Return (TSR) of 9.9%, almost twice that of the ASX 200. The growth has been delivered via execution of our strategy which aims to double our ARR every five years. Pleasingly, we are on track to deliver our ambitious goal of \$500m Annual Recurring Revenue (**ARR**) by H1 FY25, earlier than planned. As we move into this next period, we have set our focus on doubling from \$500m to \$1bn+ ARR by FY30.

Our remuneration framework provides a tight relationship between performance and remuneration and has driven strong growth for the company. When appropriate, we will use benchmarking to ensure we remain competitive and can attract and retain talented executives with the specialised skills and expertise required.

This Report describes the linkage between our strategic initiatives, remuneration principles, and remuneration framework and how these drive shareholder returns.

### Incentive outcomes and alignment to Company performance

Company performance was strong with exceptional results delivered in FY24 across key metrics:

- Net profit before tax growth of 18%.
- Total ARR growth of 20%.
- UK ARR up 31% at \$34.7m.

There was no change to the continuing Executive KMP remuneration framework in FY24. Typically, Fixed Remuneration moves at not more than inflation, unless benchmarking indicates a change is required. In FY24, Fixed remuneration comprised no more than 24% of Executive KMP remuneration. Actual short-term incentive and deferred STI increased consistent with Executive Net Profit Before Tax (**NPBT**)<sup>1</sup>.

In FY24 an independent benchmarking exercise determined Mr Chung's and Mr MacDonald's total remuneration was well below the 50% percentile of equivalent role remuneration at comparable listed organisations that are competitors for talent. As a result of this exercise:

- Mr Chung's total remuneration package was increased by \$1,015,393, or 44%. Of this increase, 30% (\$308,688) was taken as fixed remuneration, and 70% (\$706,708) was taken as LTI, taking his total remuneration to approximately the 50th percentile of benchmarked companies.
  - Mr Chung's new Fixed Remuneration remains low, at the 25th percentile of the benchmarked companies.
- Mr MacDonald's total remuneration package was increased by \$300,000, or 18%. Of this increase, 100% (\$300,000) was taken as LTI.
- There were no changes to the STI components of Executive remuneration.

<sup>1</sup> Executive Net Profit Before Tax is calculated based on Company profit before tax and before the Executive STI is deducted.

# Remuneration Report

## (Unaudited)

Continuing Executive KMP remuneration continued to be aligned with shareholder value creation in FY24:

- Total continuing Executive KMP remuneration, excluding one-off LTI and STIs, grew by 25% between 2023 and 2024. This was higher than in previous years due to the benchmarking exercise. Over the last 5 years, continuing Executive KMP remuneration growth has averaged 12.4%, while profit growth has averaged 15.2%.
- Short Term Incentive (**STI**) outcomes across our continuing Executive KMP were up 17%, driven by the 17% growth in Executive NPBT<sup>1</sup>. Executive NPBT continues to be the basis for STI calculation.
- Deferred STI earned was up 16%, which aligns with the average growth in statutory NPBT over the last two years.
- The Long-Term Incentive (**LTI**) plan, with hurdles based on earnings per share (EPS) growth and total shareholder return (TSR) relative to a basket of technology companies, resulted in 100% of 'at risk' LTI vesting for our Continuing Executive KMP. Over the same 3-year vesting period, our TSR was 115%. This result reflects a strong performance, with LTI targets set by the Board achieved, ensuring superior performance and long-term shareholder wealth creation. In FY24, no positive or negative discretion was exercised by the Board in respect of vesting rewards.

In the fourth quarter of FY24, Stuart MacDonald assumed responsibility for directly running the Sales and Marketing functions, covering for a temporary vacancy in that role. Following a strong sales result, Mr MacDonald was awarded a one-off STI of \$300,000. This STI had no deferred component.

### Changes in FY25

The following changes will be made to the Executive KMP remuneration approach at TechnologyOne in FY25.

1. The EPS hurdles for LTIs for Executive KMP will be increased. Historically, the LTI's vest pro-rata between 50% and 100% for the EPS CAGR range of 5% to 15%. From FY25 onwards, the EPS CAGR vesting range has been lifted to between 8% and 20% (vesting pro-rata between 25% and 100%) with a commensurate increase in the opportunity. This change in vesting range encourages growth above the historical 15% maximum opportunity.
2. The deferred STI component of Executive KMP remuneration will be deferred into equity rights, further improving alignment with shareholders, rather than be paid as cash.

### Executive and Director changes

Mr John Mactaggart retired from the Board at the end of the 2024 AGM on 21 February 2024.

Mr Paul Robson was appointed to the Board on 1 July 2024.

Mr Rick Anstey will not be standing for re-election at the February 2025 Annual General Meeting.

### Directors' fees

In FY24, Directors' Fees remained within the fee pool of \$2,000,000 set at the 2022 Annual General Meeting. Further details are described in section 7 of the Report.

### Afterword

TechnologyOne remains focused on delivering sustainable long-term growth to its shareholders. We believe that our remuneration policies continue to position us well for providing our shareholders with strong returns via effective executive attraction, retention and focus on performance.



Dr Jane Andrews  
Chair, Remuneration Committee

Brisbane  
18 November 2024

<sup>1</sup> Executive Net Profit Before Tax is calculated based on Company profit before tax and before the Executive STI is deducted.

# Remuneration Report

## (Audited)

### Contents

The remuneration report contains the following sections.

1 About this report	86
2 Remuneration governance	87
3 Executive Remuneration at TechnologyOne – strategy, principles, and target mix	87
4 How Executive Remuneration is structured	89
5 Relationship between remuneration and Company performance	93
6 Service agreements for the Executive KMP	99
7 Non-executive Director fees	100
8 Statutory Remuneration	101
9 Additional statutory disclosures	102
10 Key questions	105

# Remuneration Report

## (Audited)

### 1 About this report

#### 1.1 Basis for preparation of FY24 Remuneration Report

The information in this Remuneration Report has been prepared based on the requirements of the Corporations Act 2001 and applicable Accounting Standards.

The Remuneration Report is designed to provide shareholders with a clear and detailed understanding of TechnologyOne's remuneration framework, and the link between our remuneration policies and Company performance.

The Remuneration Report details the remuneration framework for TechnologyOne's Key Management Personnel (KMP). For the purpose of this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of TechnologyOne, directly or indirectly, including any Director (whether Executive or otherwise).

This report has been audited.

#### 1.2 People covered by the Remuneration Report

The Remuneration Report discloses the remuneration arrangements and outcomes for those individuals who we have determined to meet the definition of KMP under AASB 124 *Related Party Disclosures*. The below table identifies each KMP, their position and term as KMP.

Name	Position	Period
<strong>NON-EXECUTIVE DIRECTORS</strong>		
Pat O'Sullivan	Independent Non-Executive Chair	Full year
Paul Robson	Independent Director	1 July 2024 – 30 September 2024
John Mactaggart	Non-independent Director Major shareholder	1 October 2023 – 21 February 2024
Richard Anstey	Independent Director	Full year
Dr Jane Andrews	Independent Director Remuneration Committee Chair Audit and Risk Committee Nomination and Governance Committee	Full year
Sharon Doyle	Independent Director Audit and Risk Committee Nomination and Governance Committee	Full year
Clifford Rosenberg	Independent Director Nomination and Governance Committee Chair Remuneration Committee	Full year
Peter Ball	Independent Director Audit and Risk Committee Chair Remuneration Committee	Full year
<strong>EXECUTIVE DIRECTOR</strong>		
Edward Chung	Managing Director and Chief Executive Officer	Full year
<strong>EXECUTIVE KMP</strong>		
Stuart MacDonald	Chief Operating Officer	Full year
Cale Bennett	Chief Financial Officer	Full year

## **2 Remuneration governance**

The Remuneration Committee (the Committee) is responsible for developing the remuneration framework for TechnologyOne KMPs and making recommendations for KMP's remuneration to the Board. The Committee sets the remuneration philosophy and policies for Board approval.

The responsibilities of the Committee are further outlined in their Charter, which is reviewed annually by the Board.

The key responsibilities of the Committee include:

- Advising the Board on TechnologyOne's policy for KMP's remuneration
- Making recommendations to the Board on the remuneration arrangements for KMP to ensure they are aligned with TechnologyOne's vision and are set competitively to the market
- Approving KMP terms of employment

In making recommendations to the Board, the Committee reviews the appropriateness of the nature and amount of remuneration to KMP annually.

Before the award or vesting of any deferred remuneration, including deferred Short Term Incentives (**STI**) and Long Term Incentives (**LTI**), the Committee considers whether there are any irregularities or other factors (including ESG matters) that would affect the payment or vesting of that award. This is a formal agenda item for the Remuneration Committee and is conducted without the executives present.

## **3 Executive Remuneration at TechnologyOne - strategy, principles, and target mix**

### **3.1 Our remuneration strategy and principles**

At TechnologyOne, our remuneration strategy is aligned with our vision of "making life simple for our community". The Board believes that to deliver on our vision and build sustainable long-term shareholder growth, TechnologyOne must have a remuneration framework that allows it to compete for talent both locally and globally in a highly competitive and fast-moving environment and against companies such as Oracle, SAP and Workday, as well as other Australian and global software companies.

The remuneration principles that underpin our remuneration strategy and framework are to:

- Attract, retain and motivate skilled Directors and Executives in leadership positions.
- Provide remuneration that is appropriate and competitive both internally and against comparable companies (our peers).
- Align Executives' financial rewards with shareholder interests and our business strategy.
- Achieve outstanding shareholder wealth creation.
- Articulate clearly to Executives the direct link between individual and Company performance, and individual financial reward.
- Reward superior performance while managing risks.
- Provide flexibility to meet changing needs and emerging competitive market practices.
- Commit to diversity, reflecting a fair and equitable remuneration framework.
- Commit to simplicity.

Our Executive remuneration framework aligns with common practices for ASX100 companies, with adaptations to meet the demands of a growing company in the enterprise software market. The structure of our Executive remuneration comprises:

- Comparatively low fixed remuneration to enable a greater emphasis on performance.
- Relatively large at-risk STI portion aligning focus to current year performance.
- A deferred STI component to help further drive long-term shareholder wealth and retention.
- LTIs linked to long-term strategy, targets, and shareholder wealth creation.

Due to the nature of our SaaS revenue generation, expanding our product set, winning new business, expanding product uptake for existing customers and driving continued profit growth in the current year is the key to our long-term success. For this reason, our short-term incentive (STI), as a percentage of the total remuneration, tends to be higher than our ASX-listed peers. Correspondingly, the fixed remuneration for our Executives is comparatively low compared to our ASX-listed peers, ensuring total on-target remuneration falls within the expected range relative to the market. The significant weighting towards the STI encourages our Executives to drive new business and financial performance in the current year, which creates Annual Recurring Revenue (ARR)<sup>1</sup> for future years, securing long-term success and shareholder wealth.

TechnologyOne Executives are focused on, and rewarded for, the long-term outcomes of the business through the Deferred STI and a generally larger LTI proportion of remuneration than our ASX-listed peers.

TechnologyOne Executives are focused on and rewarded for the long-term outcomes of the business through the Deferred STI and a generally larger LTI proportion of remuneration than our ASX-listed peers.

The talent pool in Australia for Executives with large-scale enterprise software companies is highly competitive. Therefore, it is important to ensure that our remuneration framework is appropriately structured for the enterprise software market. We believe that our remuneration structure offers the necessary flexibility and incentive to ensure that we attract and retain talented Executives who understand the industry and, in turn, drive shareholder value.

<sup>1</sup> ARR is not an IFRS measure and is unaudited; it represents future contracted annual revenue at year-end.

# Remuneration Report

## (Audited)

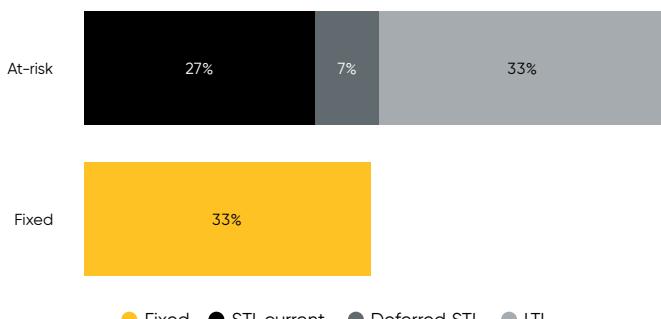
### 3 Executive Remuneration at TechnologyOne – strategy, principles, and target mix (continued)

#### 3.1 Our remuneration strategy and principles (continued)

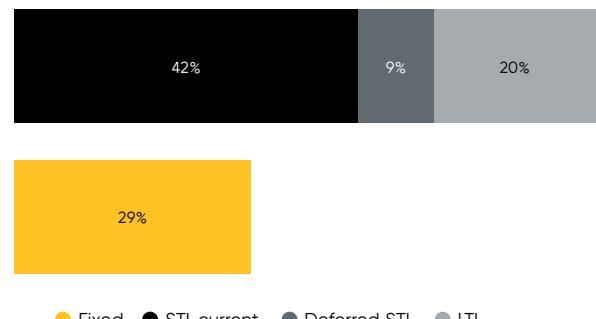
##### Target remuneration mix

The Target remuneration mix at the beginning of the contract for the CEO (Figure 1) and other Executive KMP (Figure 3) is represented below, based on target STI achievement and maximum LTI achievement. Over time, the remuneration changes due to a larger increase in STI relative to other remuneration components. The below represents the target contract remuneration mix for the CEO at the beginning of a contract (Figure 1) and demonstrates how the remuneration mix changes over time (Figure 2). The graphs below show the accounting fair value of the remuneration mix and exclude the retention LTIs granted in FY22 and the one-off bonus STI for Stuart MacDonald in FY24 as they are considered a one-off.

**Figure 1. Target CEO remuneration mix  
(contract target started in FY17)**

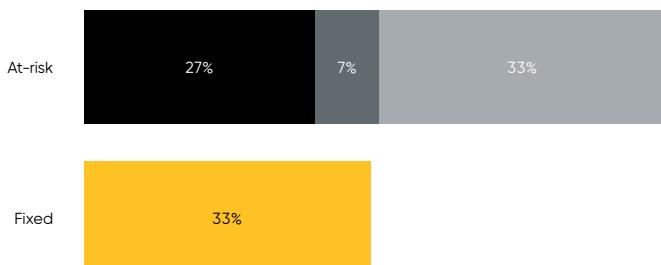


**Figure 2. CEO remuneration mix  
FY24 (excl. retention LTI)**

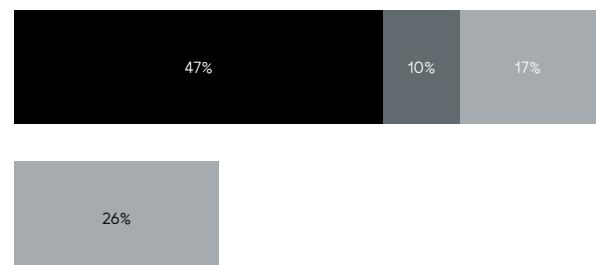


The below represents the target contracted remuneration mix for other continuing Executive KMP at the beginning of a contract (Figure 3) and demonstrates how the remuneration mix changes over time (Figure 4).

**Figure 3. Target Executive KMP remuneration mix  
(contract target started in FY17)**



**Figure 4. Executive KMP remuneration mix  
FY24 (excl. retention LTI and one-off STI)**



While the STI is the largest component of remuneration, Deferred STI encourages Executives to have a sustainable long-term mindset when approaching profit generation. The combination of STI for the current year, and deferred STI and LTI for future years, ensures the overall variable remuneration is balanced between achieving short-term and long-term outcomes for the business and shareholders.

<sup>1</sup> The growth in STI-current as a proportion of overall remuneration seen in the graphs above arises due to the STI award being uncapped on both the upside and the downside, with strong profit growth recorded by the company over the period. Refer to section 4.2 for more details on the STI-current.

## 4 How Executive Remuneration is structured

### 4.1 Fixed remuneration

Fixed Remuneration comprises base salary plus superannuation.

### 4.2 Short-term incentive (STI)

Executives participate in an STI plan which is based on Executive NPBT<sup>1</sup>. Key features of the STI plan are detailed below:

Feature	Description
Opportunity	The value of the STI is based on a percentage of applicable Executive Net Profit Before Tax <sup>1</sup> . The percentage is determined at the outset of the Executive's contract and remains fixed for the contract period for each Executive KMP. Refer to section 5.2 below for each Executive's agreed percentage.  STI awarded is uncapped to encourage over-achievement, drive performance in the current year and the creation of long-term shareholder wealth. Given expected growth in NPBT over time and comparatively low growth in Fixed Remuneration, the longer the Executive stays with TechnologyOne, the greater the weighting of the STI component of total remuneration in comparison to the fixed and LTI components, which typically only increase by CPI or less on an annual basis. An illustrative example of how this works over time has been presented below. This structure encourages retention of outperformers by increasing their earning potential the longer they stay with the Company, aligning them with shareholders.
Award vehicle	Cash.
Performance measures	The STI is based on a percentage of applicable Executive Net Profit Before Tax <sup>1</sup> . This effectively aligns the target incentive with shareholder return since share price has trended with the increase in earnings.  TechnologyOne's use of STIs differs from most other organisations in that it utilises only one performance measure in determining STI awards. This is to create focus and clarity for Executives whilst also providing transparency for shareholders as to how STI awards are determined. The Board and Remuneration Committee continue to monitor STI performance measures to ensure that they best align with the Company's commitment to providing shareholder wealth.
STI cap	An important element of the success of our STI has been that it is uncapped so the greater the results in the current financial year, the greater the STI. This not only encourages over performance in the current financial year for the Company, it also has a dramatic flow on effect in future years through the greater recurring revenues for the Company. The uncapped STI also helps retain Executives over the long-term because the more they succeed, the more financial incentive there is to stay with TechnologyOne and continue to work hard to achieve results each year. This provides benefit to our shareholders through an ever-increasing recurring revenue base.  Likewise, if the Company under-performs resulting in lower results, there is a significant financial impact to Executives as their STI forms a large portion of their total remuneration. Given that the Executive's fixed remuneration is significantly lower than our ASX-listed peers, under-performance has a significant, negative impact on their total remuneration. This ensures that Executive awards are aligned with shareholder returns.  The STI framework aligns performance with remuneration outcomes encouraging over performance and penalising under performance.
Malus	The ability to apply Malus Provision to Deferred STI exists in the unlikely event that business outcomes differ materially from expected or if there are any irregularities or other factors that would or have affected the payment of that award.
Controls	To mitigate inappropriate actions that could increase short-term incentives, the Company has long-standing effective controls in place, including internal and external audits, and practice management reviews.  Specific internal controls in place include strict pricing and discounting policies and processes; selling solutions into only six (6) markets reducing risk and complexity; maintaining robust approval processes for any non-standard or high-risk contractual terms; performing active management of outstanding debtors; and malus provisions for Deferred STIs.
Termination	On termination, the Executive foregoes any further STI payments that would have otherwise been available for the remainder of the financial year under their STI plan.

<sup>1</sup> Executive Net Profit Before Tax is calculated based on Company profit before tax and before the Executive STI is deducted.

# Remuneration Report

## (Audited)

### 4 How Executive Remuneration is structured (continued)

#### 4.2 Short-term incentive (STI) (continued)

TechnologyOne Executives have an STI set at the start of their contract which is typically 33% of their total targeted remuneration. As noted above, this percentage of their total remuneration will increase with the Executive's tenure. The best way to consider the mechanics of the TechnologyOne STI is by way of the following worked example.

##### Example 1: STI calculation and model over time

Consider a candidate who can command a remuneration package of \$900,000 in the open market. The TechnologyOne STI opportunity is determined as 1/3 of the total remuneration package and modelled as follows:

STI target	STI rate set at 75% to 100% of fixed remuneration (as established during contract negotiations). \$300,000 is used as the initial STI target. If we assume that NPBT of the Company, applies for this employee and the forecast NPBT is \$100m then contract STI will be 0.30% of NPBT (\$300,000/\$100m).
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Assuming an ambitious profit target increase of 15% per annum and actual profit increases of 12% per annum, the following illustrates the operation of the STI.

Year	STI (%)	Profit target (\$m)	Actual profit (\$m)	STI target (STI % x profit target (\$))	Actual STI (STI % x actual profit (\$))
1	0.30%	100.00	97.40	300,000	292,200
2	0.30%	112.01	109.09	336,030	327,270
3	0.30%	125.45	122.18	376,350	366,540

As can be seen in this example, growth is achieved in the STI, in line with growth in company profit. This leads to an increase, over time, of the proportion of STI to fixed remuneration.

#### 4.3 Deferred STI

Feature	Description
Opportunity	An additional amount equal to 25% of the annual STI earned in the year under review is deferred (i.e. 20% of total STI) and paid at the conclusion of the two-year period following the end of the financial year.
Award vehicle	Cash.
Cap	For the same reasons outlined in section 4.2 for the STI, this Deferred STI is also uncapped.
Deferral period and service requirements	The award will only be paid at the conclusion of the two-year period following the end of the financial year, on the condition that the Executive KMP remains employed with the Company for the entire deferral period.
Malus	The Deferred STI component is subject to a malus provision in that there must be no irregularities or other factors that would or have affected the payment of that award.
Controls	The controls are in line with those in place for the STI. Refer section 4.2 for detail.
Termination	On termination, the Executive forgoes any accrued and Deferred STI.

The following provides a worked example to illustrate the operation of the Deferred STI.

##### Example 2: Amounts recognised for Deferred STI

As can be seen from the table below, the Deferred STI expense is recognised over a three-year period, being the year of award plus the two years of deferral. The award is paid at the conclusion of the two-year period following the end of the financial year of the award. A reward granted in FY24 will be paid to the Executive following the conclusion of FY26.

FY	STI Measure	STI (%)	Financial result (\$m)	STI- received immediately (\$)	Deferred STI (%)	Amounts expensed for Deferred STI					
						Deferred STI	Year 1	Year 2	Year 3	Year 4	Year 5
1	NPBT	0.30%	97.40	292,200	25%	73,050	24,350	24,350	24,350	-	-
2	NPBT	0.30%	112.01	336,030	25%	84,008	-	28,003	28,003	28,003	-
3	NPBT	0.30%	122.18	366,540	25%	91,635	-	-	30,545	30,545	30,545
						Total Expense	24,350	52,353	82,898	58,548	30,545
						Cash Received by Executives	-	-	73,050	84,008	91,635

#### 4.4 Long-term incentives (LTI)

TechnologyOne Executives are eligible to participate in an LTI Plan. The LTI Plan is designed to provide participants with the incentive to deliver substantial consistent growth in shareholder value:

Feature	Description																
Opportunity	The value of the total number of LTI options and/or rights issued each year (a grant) to a KMP is typically set at 75% to 100% of fixed remuneration and is determined during contract negotiation when an KMP is hired.																
Award vehicle	Each LTI entitles the KMP to the right to purchase one TechnologyOne share in the future at an agreed strike price, subject to meeting specified performance targets. The KMP has a choice between Options or Equity Performance Rights (EPRs).																
Performance period	LTLs have a three-year performance period. The number of options and/or rights in the grant are split into tranches based on the weighting of each performance measure. For performance measures with a three-year target, the relevant tranche vests at the end of the three-year period in accordance with the vesting schedule provided below. For accounting purposes, the expense is recognised in accordance with AASB 2 Share-based Payment over the three-year period.																
Performance measures	Performance measures for the most recent LTI grants are: <ul style="list-style-type: none"> <li>• 75% of the options / rights vest based on EPS Growth. See Vesting Conditions below.</li> <li>• 25% of the options / rights vest based on Relative Total Shareholder Return (<b>rTSR</b>) compared against the constituents of the ASX All Technology (<b>XTX</b>) index. See Vesting Conditions below.</li> </ul>																
Vesting conditions	<p>Vesting conditions are applicable to KMP only.</p> <p>For each performance target there is a mid and stretch target. Mid hurdles have been calculated so that if they are achieved, this will create substantial shareholder wealth.</p> <table border="1"> <thead> <tr> <th>Performance Metric</th> <th>Growth &lt;5%</th> <th>Growth &gt;=5%, &lt;15%</th> <th>Growth &gt;=15%</th> </tr> </thead> <tbody> <tr> <td>EPS growth</td> <td>0% vest</td> <td>50% vest at 5% growth with linear vesting (50% to 100%) up to 15% growth</td> <td>100% vest</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Performance Metric</th> <th>Percentile &lt;50</th> <th>Percentile &gt;50, &lt;75</th> <th>Percentile &gt;=75</th> </tr> </thead> <tbody> <tr> <td>Relative TSR<sup>1</sup></td> <td>0% vest</td> <td>50% vest at 50th percentile relative TSR with linear vesting (50% to 100%) up to 75th percentile</td> <td>100% vest</td> </tr> </tbody> </table> <p>The number of options / rights that vest at the end of the relevant performance period is determined as follows:</p> <ul style="list-style-type: none"> <li>• Number of LTIs earned per three-year performance target = Number of LTIs available for that target x percentage earned x individual performance factor<sup>2</sup></li> </ul> <p>1 Relative TSR targets are determined with reference to our peer group. Our peer group is defined as those constituent companies making up the ASX All Technology Index (XTX). Calculations for the vesting outcomes for relative TSR vesting conditions are prepared by an independent external company.</p> <p>2 The individual performance factor is typically 100% unless Malus Provision is applied.</p>	Performance Metric	Growth <5%	Growth >=5%, <15%	Growth >=15%	EPS growth	0% vest	50% vest at 5% growth with linear vesting (50% to 100%) up to 15% growth	100% vest	Performance Metric	Percentile <50	Percentile >50, <75	Percentile >=75	Relative TSR <sup>1</sup>	0% vest	50% vest at 50th percentile relative TSR with linear vesting (50% to 100%) up to 75th percentile	100% vest
Performance Metric	Growth <5%	Growth >=5%, <15%	Growth >=15%														
EPS growth	0% vest	50% vest at 5% growth with linear vesting (50% to 100%) up to 15% growth	100% vest														
Performance Metric	Percentile <50	Percentile >50, <75	Percentile >=75														
Relative TSR <sup>1</sup>	0% vest	50% vest at 50th percentile relative TSR with linear vesting (50% to 100%) up to 75th percentile	100% vest														
Allocation methodology	The LTI is allocated based on the fair value of the option or right with no discount for the likelihood of non-market performance conditions being met.																
Board discretion	In situations where the Vesting Conditions are affected by factors beyond the control of the employee (e.g. global pandemic, trade restrictions, war, large-scale natural disasters, profit windfalls or unforeseen tailwinds), the Board has discretion to increase or decrease the number of LTI options and/or rights vesting. The Board retains sole discretion to determine the amount and form of any award that may vest (if any) to prevent any unintended outcomes, or in the event of a corporate restructuring or capital event.																
Change of control	The Board has discretion to determine the extent to which LTIs vest based on the period elapsed since the start of the performance period and the performance at the time of any change of control event.																
Termination	Awards lapse unless the Board determines otherwise, in which case it considers performance of the individual over the relevant period up to the date of termination of employment.																
Expiry	Any LTIs that have vested will expire 5 years after vesting.																
Revision	We do not revise our LTIs over the relevant performance period.																
Malus	The LTI component is subject to a Malus Provision in that there must be no irregularities or other factors that would affect the vesting of the award. Under the Malus Provision the Board has the ability to vary the LTI as appropriate e.g. reduce, forfeit, defer for longer period.																
Margin loans	Directors and Executives are not permitted to use TechnologyOne securities as security for margin loans.																

# Remuneration Report

## (Audited)

### 4 How Executive Remuneration is structured (continued)

#### 4.4 Long-term incentives (LTI) (continued)

##### The following provides a worked example to illustrate the operation of the LTI

Given an LTI grant value of \$300,000, the KMP has the following two choices or a 50:50 mixture of each. The value remains the same in all three choices.

Feature	Description	Description
Award vehicle	Options	Equity Performance Rights
Vesting period	3 years	3 years
LTI grant value	\$300,000	\$300,000
LTI metrics and weighting	EPS (75%) and relative TSR (25%)	EPS (75%) and relative TSR (25%)
Fair value of option at grant date	\$1.50	\$7.50
Share price at grant date	\$7.65	\$7.65
Exercise price (10-day VWAP prior to 30 September)	\$7.39	\$0.00

In this example, we assume the KMP makes a 100% choice of Options.

##### Amounts recognised for LTI, given 100% weighting to a choice of Options

FY	LTI metrics	Weighting	Grant number of units	Expense of Grant	Share price at grant	Exercise price per share
1	EPS growth %	75%	150,000	\$225,000	\$7.65	\$7.39
2	Relative TSR	25%	50,000	\$75,000	\$7.65	\$7.39
			<b>200,000</b>	<b>\$300,000</b>		

For the Year 1 tranche of LTIs, the fair value is \$300,000. This is expensed over 3 years. For the purposes of this worked example, we have assumed that the fair value of options granted with each vesting metric is the same.

#### 4.5 Retention LTI (option grant)

A one-off Retention LTI was granted to selected high performing executives in FY22 to ensure the retention of strategic capability, business continuity and performance momentum following the departure of the long-time founder and Chair Adrian Di Marco and given the competitive environment for talent at the time. The grant will vest in November 2026.

This grant was intended as a one-off grant in exceptional circumstances and has therefore not repeated since.

##### Amounts recognised for Retention LTIs (option grant)

The Retention LTI (option grant) expense is recognised over the service period up to 30 November 2026 and adjusted annually to reflect the probability of vesting.

## 5 Relationship between remuneration and Company performance

### 5.1 TechnologyOne's five-year performance

The below table sets out information showing the creation of shareholder wealth for the years ended 30 September 2020 to 30 September 2024. Profits and dividends have grown over the last five years, and growth in the fair value of Executive KMP's remuneration has not exceeded growth in profits over the period.

		2020	2021	2022	2023	2024
<b>Net Profit before Tax reported</b>	( <b>\$'000</b> )	<b>82,470</b>	<b>97,843</b>	<b>112,320</b>	<b>129,854</b>	<b>152,874</b>
Profit before tax growth	(%)	8	19	15	16	<b>18</b>
Total dividend, including special	(cps)	12.88	13.91	17.02	19.52	<b>22.45</b>
Share price for the year (closing)	( <b>\$</b> )	7.94	11.36	10.60	15.51	<b>23.86</b>
Earnings per share (basic)	(cps)	19.75	22.64	27.51	31.71	<b>36.24</b>
EPS growth	(%)	8	15	22	15	<b>14</b>
Annual Total Shareholder Return ( <b>TSR</b> )	(%)	12	45	(5)	48	<b>55</b>
Rolling 3-year TSR	(%)	58	97	61	97	<b>115</b>
Continuing Executive STI <sup>1</sup>	( <b>\$,000</b> )	1,136	1,343	1,537	1,767	<b>2,065</b>
Continuing Executive STI Growth	(%)	9	18	14	15	<b>17</b>
Continuing Executive STI % of NPBT	(%)	1	1	1	1	<b>1</b>
LTI vesting as a % of maximum	(%)	98	99	97	100	<b>100</b>
Continuing Executive KMP remuneration growth <sup>2</sup>	(%)	12	12	8	5	<b>25</b>
Executive Remuneration % of NPBT	(%)	7	6	5	4	<b>5</b>

1 Excluding one-off STI awarded to Mr MacDonald in FY24 for assuming Sales and Marketing duties and delivering a strong sales result in Q4 FY24.

2 Excluding retention LTI granted in FY22 and one-off STI awarded to Stuart MacDonald in FY24.

Profits have grown strongly and sustainably over the last five years, as have earnings per share and dividends, all while transforming from perpetual licenses to a SaaS model, and now to a SaaS+ company.

As seen from the tables above, the Executive Remuneration Framework has successfully driven performance and the creation of shareholder wealth over the longer term.

# Remuneration Report

(Audited)

## 5 Relationship between remuneration and Company performance (continued)

### 5.2 Detail of Executive remuneration and performance

The remuneration for Executives comprises the amounts outlined in the following tables.

Refer to section 6 below for details of service agreements with Executive KMP.

**Edward Chung**  
Managing Director and Chief Executive Officer

	2024 (\$)	2023 (\$)	Variance (%)	Notes
<b>Fixed remuneration</b>				
Base salary	<b>829,313</b>	521,250		Increase was awarded following benchmarking exercise indicating Mr Chung's remuneration was significantly below peers. This was awarded in base (30%) and LTI's (70%).
Superannuation	<b>28,125</b>	27,500		
<b>Total fixed remuneration</b>	<b>857,438</b>	548,750	56%	Base remuneration was increased following benchmarking.
<b>STI</b>				
STI - Executive NPBT	<b>157,256,894</b>	134,562,612	17%	
STI %	<b>0.78%</b>	0.78%		
<b>Total STI</b>	<b>1,226,604</b>	1,049,588	17%	Growth in STI is consistent with growth in NPBT, the primary measure of STI.
<b>Total Deferred STI</b>	<b>265,791</b>	230,081	16%	Deferred STI (refer to section 4.3)
<b>LTI</b>				
Fair value of options recognised	<b>581,624</b>	391,346		LTI's are expensed over the three vesting years. LTI was increased following benchmarking in FY24.
Fair value of options forfeited	-	-		
Fair value of EPRs recognised	-	-		
Fair value of EPRs forfeited	-	-		
<b>Total LTI</b>	<b>581,624</b>	391,346	49%	
Fair value of Retention LTI recognised	<b>499,652</b>	305,710	63%	Grant in FY22 to encourage retention of key executive during critical growth phase through to November 2026 and the transition from a founder led company. This is not an annual grant. The fair value of the grant will be recognised over the five year vesting term FY22 to FY26.
<b>Total remuneration</b>	<b>3,431,109</b>	2,525,475	36%	

**Stuart MacDonald**  
**Chief Operating Officer**

	2024 (\$)	2023 (\$)	Variance (%)	Notes
<b>Fixed remuneration</b>				
Base salary	<b>438,672</b>	432,592		
Superannuation	<b>28,125</b>	27,500		
<b>Total fixed remuneration</b>	<b>466,797</b>	460,092	1%	
<b>STI</b>				
STI - Executive NPBT	<b>157,256,894</b>	134,562,612	17%	
STI %	<b>0.533%</b>	0.533%		
<b>STI</b>	<b>838,179</b>	<b>717,219</b>		
<b>One-off STI</b>	<b>300,000</b>	-	100%	One-off STI for assuming extra duties and delivering strong sales results in Q4 FY24. This STI did not include a deferred component.
<b>Total STI</b>	<b>1,138,179</b>	717,219	59%	Growth in STI, excluding the one-off component, is consistent with growth in NPBT, the primary measure of STI.
<b>Total Deferred STI</b>	<b>181,624</b>	157,222	16%	Deferred STI (refer to section 4.3)
<b>LTI</b>				
Fair value of options recognised	<b>301,006</b>	234,040		LTI's are expensed over the three vesting years. LTI was increased following benchmarking in FY24.
Fair value of options forfeited	-	-		
Fair value of EPRs recognised	-	-		
Fair value of EPRs forfeited	-	-		
<b>Total LTI</b>	<b>301,006</b>	234,040	29%	LTI was increased following benchmarking.
Fair value of Retention LTI recognised	<b>286,262</b>	173,138	65%	Grant in FY22 to encourage retention of key executive during critical growth phase through to November 2026 and the transition from a founder led company. This is not an annual grant.  The fair value of the grant will be recognised over the five year vesting term FY22 to FY26.
<b>Total remuneration</b>	<b>2,373,868</b>	1,741,711	36%	

# Remuneration Report

(Audited)

## 5 Relationship between remuneration and Company performance (continued)

### 5.2 Detail of Executive remuneration and performance (continued)

Cale Bennett

Chief Financial Officer (commenced 01 August 2023)

	2024 (\$)	2023 (\$)	Variance (%)	Notes
<b>Fixed remuneration</b>				
Base salary	<b>371,875</b>	60,060		FY23 included the salary in relation to two months of the prior year as commencement date was 1 August 2023.
Superannuation	<b>28,125</b>	6,607		
<b>Total fixed remuneration</b>	<b>400,000</b>	66,667	500%	FY23 included the salary in relation to two months of the prior year as commencement date was 1 August 2023.
<b>STI</b>				
STI - Executive NPBT	<b>157,256,894</b>	41,970,337	275%	
STI %	<b>0.297%</b>	0.297%		
<b>Total STI</b>	<b>467,053</b>	124,652	275%	FY23 included the STI in relation to two months of the prior year as commencement date was 1 August 2023.
<b>Total Deferred STI</b>	<b>49,309</b>	10,388	375%	Deferred STI (refer to section 4.3)
<b>LTI</b>				
Fair value of options recognised	<b>89,729</b>	-		LTI's are expensed over the three vesting years.
Fair value of options forfeited	-	-		
Fair value of EPRs recognised	-	-		
Fair value of one-off LTI options	<b>498,215</b>	96,153		Value for buyout of equity held from previous employment. This is not an annual grant.
<b>Total LTI</b>	<b>587,944</b>	96,153	511%	
<b>Total remuneration</b>	<b>1,504,306</b>	297,860	405%	

### 5.3 Options and EPRs that became eligible to vest during FY24

During the year, Edward Chung and Stuart MacDonald completed a three-year performance period relating to the LTI instruments granted to them in FY22 and vesting in FY24. 100% of the Relative TSR options and 100% of the EPS Options became eligible to vest, resulting in 100% of total LTI vesting.

A summary of the targets set and performance against each target and options which have vested and are available to be exercised has been set out below:

#### Edward Chung

Grant year	Performance measure	Option or EPR	Number of LTIs available	Testing	Testing year	Target	Performance measure achieved	Number forfeited	LTIs vested	% LTI vested
FY22	Relative TSR	Option	<b>48,104</b>	3 year	FY24	75th percentile	94.9%	-	48,104	100%
	EPS Growth	Option	<b>144,312</b>	3 year	FY24	15%	17.0%	-	144,312	100%
			<b>192,416</b>						<b>192,416</b>	<b>100%</b>

#### Stuart MacDonald

Grant year	Performance measure	Option or EPR	Number of LTIs available	Testing	Testing year	Target	Performance measure achieved	Number forfeited	LTIs vested	% LTI vested
FY22	Relative TSR	Option	<b>28,768</b>	3 year	FY24	75th percentile	94.9%	-	28,768	100%
	EPS Growth	Option	<b>86,305</b>	3 year	FY24	15%	17.0%	-	86,305	100%
			<b>115,073</b>						<b>115,073</b>	<b>100%</b>

During the year, Cale Bennett received a one-off LTI grant as a buyout of equity held from previous employment. This grant vested within one year and had no performance targets other than service attached to it.

#### Cale Bennett

Grant year	Performance measure	Option or EPR	Number of LTIs available	Testing	Testing year	Target	Performance measure achieved	Number forfeited	LTIs vested	% LTI vested
FY24	Service	Option	<b>167,580</b>	N/A	N/A	N/A	N/A	-	167,580	100%

# Remuneration Report

## (Audited)

### 5 Relationship between remuneration and Company performance (continued)

#### 5.4 Options/EPRs that have been granted in FY23 and FY24 and not yet vested

Executives are given the choice to receive their Long-Term Incentives in Options or EPRs. In FY24, Executives elected to receive their LTIs as Options.

##### Edward Chung

Grant year	Performance measure	Number of LTIs available	Testing	Testing year	LTIs due to vest
FY23	Relative TSR	43,126	3 year	FY25	Nov 2025
	EPS Growth	129,378	3 year	FY25	Nov 2025
FY24	<b>Relative TSR</b>	<b>81,973</b>	<b>3 year</b>	<b>FY26</b>	<b>Nov 2026</b>
	EPS Growth	245,918	3 year	FY26	Nov 2026

##### Stuart MacDonald

Grant year	Performance measure	Number of LTIs available	Testing	Testing year	LTIs due to vest
FY23	Relative TSR	25,791	3 year	FY25	Nov 2025
	EPS Growth	77,373	3 year	FY25	Nov 2025
FY24	<b>Relative TSR</b>	<b>40,414</b>	<b>3 year</b>	<b>FY26</b>	<b>Nov 2026</b>
	EPS Growth	121,243	3 year	FY26	Nov 2026

##### Cale Bennett

Grant year	Performance measure	Number of LTIs available	Testing	Testing year	LTIs due to vest
FY24	Service	189,473	N/A	N/A	Nov 2025
	Relative TSR	28,090	3 year	FY26	Nov 2026
	EPS Growth	84,270	3 year	FY26	Nov 2026

## 5.5 One-off LTI Option Issuances

### Edward Chung

Grant year	Performance measure	Number of options available for vesting	Vesting	Total grant value
FY22	Service	720,165	Nov 2026	\$2,038,066

### Stuart MacDonald

Grant year	Performance measure	Number of options available for vesting	Vesting	Total grant value
FY22	Service	475,000	Nov 2026	\$1,154,250

### Cale Bennett

Grant year	Performance measure	Number of options available for vesting	Vesting	Total grant value
FY24	Service	167,580	Nov 2024	\$367,000
FY24	Service	189,473	Nov 2025	\$568,419

## 6 Service agreements for the Executive KMP

Remuneration and other terms and conditions of employment for Executive KMP are formalised in service agreements which are reviewed each year. All Executive KMP service agreements are rolling contracts that cease following notice of termination by either employee or employer.

The following table presents some of the key contractual arrangements for the Executive KMP:

KMP	Contract term	Termination notice by either party	Post-employment restraint
CEO	Ongoing	6 months	12 months
Other Executive KMP	Ongoing	12 weeks	12 months

If a service agreement is terminated, payment in lieu of notice that is not worked may be provided, in addition to any statutory entitlements. No other additional termination or post-employment benefits are provided on termination of employment. Refer to sections 4.2, 4.3 and 4.4 for treatment of STIs and LTIs on cessation of employment.

# Remuneration Report

## (Audited)

### 7 Non-executive Director fees

#### Determination of Non-executive Director fees

Director fees are set to enable TechnologyOne to attract and retain high-calibre Directors and in recognition of the workload for Directors. An independent consultant reviews director fee levels and the fee pool every three years to remain competitive with comparable companies based on market capitalisation, operational scope and key geographical areas. Fee increases between independent reviews are capped at CPI.

In FY23, Board fees were \$175,000 per Director, including statutory superannuation contributions. This was increased to \$185,500 in FY24.

An additional fee of \$29,150 (2023: \$27,500) was paid to each committee chair. The Independent Chairman's fee was \$318,000 in FY24 (FY23: \$300,000).

#### Aggregate fee pool

The total amount of Directors' fees is capped at a maximum pool that is approved by shareholders. The current fee pool is capped at \$2,000,000, approved by shareholders at the Annual General Meeting on 22 February 2023.

The table below sets out the Non-Executive Director Fees paid during FY23.

Board and Committee Fees (inclusive of superannuation)	FY24 Fees
Board Chairman – all-inclusive fee	\$318,000
Non-Executive Director – base board fee	\$185,500
Audit Committee Chair	\$29,150
Audit Committee Member	-
Remuneration Committee Chair	\$29,150
Remuneration Committee Member	-
Nomination Committee Chair	\$29,150
Nomination Committee Member	-

The Board Chair does not receive any additional committee fees.

#### Non-Executive Director shareholdings and requirements

Non-Executive Directors (**NEDs**) are required to hold a minimum shareholding of one year's NED fees (pre-tax) in TechnologyOne shares. NEDs are required to rectify any short fall within a 12-month period. New NEDs are allowed 36 months to meet this requirement. The Board in total holds 158,092 shares representing 0.05% of the total shares outstanding of the Company. Individual holdings are as shown below. The share price as at the end of the reporting period was \$23.86.

2024	Balance at the end of the year	% of Mandatory Shareholding Requirement
<b>Non-Executive Directors of Technology One Limited</b>		
P O'Sullivan	39,779	100%
R Anstey	20,000	100%
Dr J Andrews	30,600	100%
S Doyle	18,280	100%
C Rosenberg	27,533	100%
P Ball	21,900	100%
P Robson <sup>1</sup>	-	-

<sup>1</sup> P Robson has 36 months from appointment date to meet the Mandatory Shareholder Requirement.

2023	Balance at the end of the year	% of Mandatory Shareholding Requirement
<b>Non-Executive Directors of Technology One Limited</b>		
P O'Sullivan	39,779	100%
J Mactaggart	24,902,500	100%
R Anstey	20,000	100%
Dr J Andrews	30,600	100%
S Doyle	18,280	100%
C Rosenberg	27,533	100%
P Ball	21,900	100%

## 8 Statutory Remuneration

The information in the table below is based on the statutory accounting fair value of remuneration earned for each KMP and does not represent the value offered or realised.

Name	Post	Short-term employee benefits						Long-term incentives				% growth on prior year incl LTI		
		Fixed remuneration	Director and Chair fees	Superannuation	Incentive remuneration	Total fixed remuneration	One off STI	Bonus	Termination benefits	Deferred STI	Value of options	Value of retention LTIs	Total	Year excl LTI
<b>Non-Executive Directors</b>														
Pot O'Sullivan	2024	-	289,875	28,125	318,000	-	-	-	-	-	-	318,000	6%	6%
J Mactaggart (Non-executive Director)	2024	-	272,500	27,500	300,000	-	-	-	-	-	-	300,000	(56%)	(56%)
R Anstey (Non-executive Director)	2024	-	158,193	7,738	77,292	-	-	-	-	-	-	77,292	(6%)	(6%)
Dr. J Andrews (Non-executive Director)	2024	-	158,193	18,570	185,500	-	-	-	-	-	-	185,500	6%	6%
S Doyle (Non-Executive Director)	2024	-	158,193	16,807	175,000	-	-	-	-	-	-	175,000	-	-
C Rosenberg (Non-Executive Director)	2024	-	193,162	21,488	214,650	-	-	-	-	-	-	214,650	6%	6%
P Ball (Non-Executive Director)	2024	-	183,052	19,448	202,500	-	-	-	-	-	-	202,500	-	-
R McLean (Non-Executive Director) <sup>2</sup>	2024	-	166,370	18,570	185,500	-	-	-	-	-	-	185,500	6%	6%
P Robson (Non-Executive Director) <sup>3</sup>	2024	-	183,052	16,807	175,000	-	-	-	-	-	-	175,000	-	-
<b>Total Non-Executive KMP</b>	<b>2024</b>	<b>-</b>	<b>1,314,506</b>	<b>142,111</b>	<b>1,456,617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,456,617</b>	<b>(3%)</b>	<b>(3%)</b>
<b>Managing Director</b>														
E Chung (Managing Director & Chief Executive Officer) <sup>4</sup>	2024	829,313	-	28,125	857,438	1,226,604	-	-	265,791	581,624	499,452	3,431,109	29%	36%
<b>Other Executive KMP</b>	<b>2024</b>	<b>438,672</b>	<b>-</b>	<b>28,125</b>	<b>466,797</b>	<b>838,179</b>	<b>300,000</b>	<b>-</b>	<b>181,624</b>	<b>301,006</b>	<b>286,262</b>	<b>2,373,868</b>	<b>11%</b>	<b>36%</b>
S MacDonald (Chief Operating Officer) <sup>5</sup>	2023	432,592	-	27,500	46,002	717,219	-	-	157,222	234,040	173,358	1,741,711	-	-
C Bennett (Chief Financial Officer) <sup>6</sup>	2024	371,975	-	28,125	400,000	467,053	-	-	49,309	587,944	-	1,504,306	354%	405%
P Jobbins (Chief Financial Officer) <sup>7</sup>	2024	600,060	-	6,607	66,667	124,652	-	-	10,388	96,153	-	297,860	-	(100%)
<b>Total Executive KMP</b>	<b>2024</b>	<b>1,639,860</b>	<b>-</b>	<b>84,375</b>	<b>1,724,235</b>	<b>2,531,836</b>	<b>300,000</b>	<b>-</b>	<b>496,724</b>	<b>1,470,574</b>	<b>785,914</b>	<b>7,307,283</b>	<b>22%</b>	<b>36%</b>
<b>Total (Non-Executive Directors and Executive KMP)</b>	<b>2024</b>	<b>1,639,860</b>	<b>-</b>	<b>226,486</b>	<b>3,180,862</b>	<b>2,531,836</b>	<b>300,000</b>	<b>-</b>	<b>496,724</b>	<b>1,470,574</b>	<b>785,914</b>	<b>9,765,900</b>	<b>15%</b>	<b>28%</b>

<sup>1</sup> Mr Mactaggart retired on 21 February 2024.

<sup>2</sup> Mr McLean retired on 22 February 2023.

<sup>3</sup> Mr Robson commenced 1 July 2024.

<sup>4</sup> In addition to Mr Chung's remuneration above, the following statutory entitlements were accrued for during the year – annual leave – annual leave decrease of \$4,589 (FY23: increase \$20,020) and long service leave increase of \$20,750 (FY23: increase \$11,350).

<sup>5</sup> Mr McDonald was awarded a one-off STI for assuming additional responsibility and delivering strong sales results in 4Q FY24. This STI did not include a deferred component. In addition to Mr Macdonald's remuneration above, the following statutory entitlements were accrued during the year – annual leave decrease of \$4,589 (FY23: increase \$20,020) and long service leave increase of \$14,895.

<sup>6</sup> Mr Bennett commenced on 1 August 2023 in addition to Mr Bennett's remuneration above, the following statutory entitlements were accrued for during the year – annual leave increase of \$9,964 (FY23: increase \$2,753).

<sup>7</sup> Mr Jobbins resigned on 17 July 2023.

# Remuneration Report

## (Audited)

### 9 Additional statutory disclosures

#### 9.1 Long-term incentive scheme

In 2016, TechnologyOne replaced its previous Executive Option Plan (**EOP**) with an LTI Plan aligned to market, shareholder and Executive requirements. Options and EPRs issued under the new plan are outlined in the tables below.

#### Options

**2024**

Name	Opening balance of share options	Number of options granted during the period	Number of options exercised during the period	Number of options forfeited during the period <sup>1</sup>	Other movements <sup>2</sup>	Closing balance of share options	Vested and exercisable	Unvested
Edward Chung	1,340,002	327,891	(254,917)	-	-	1,412,976	192,416	1,220,560
Stuart MacDonald	954,589	161,657	(261,352)	-	-	854,894	115,073	739,821
Cale Bennett	-	469,413	-	-	-	469,413	167,580	301,833

#### 9.2 Fair value of options granted in FY24

**2024**

Name	Number of options granted during the period <sup>1</sup>	Fair value per options issued during the period <sup>2</sup>	Weighted average/					
			Grant date	Exercise price	Vesting date	Expiry Date	Fair value of grant	Metrics
Edward Chung <sup>3</sup>	245,918	3.93	02/10/2023	15.57	17/11/2026	17/11/2031	966,458	EPS
	81,973	3.59	02/10/2023	15.57	17/11/2026	17/11/2031	294,283	Relative TSR
Stuart MacDonald	121,243	3.56	02/10/2023	15.57	17/11/2026	17/11/2031	431,625	EPS
	40,414	3.01	02/10/2023	15.57	17/11/2026	17/11/2031	121,646	Relative TSR
Cale Bennett	167,580	2.19	02/10/2023	15.57	19/11/2024	19/11/2029	367,000	Service
	189,473	3.00	02/10/2023	15.57	18/11/2025	18/11/2030	568,419	Service
	84,270	3.56	02/10/2023	15.57	17/11/2026	17/11/2031	300,001	EPS
	28,090	3.01	02/10/2023	15.57	17/11/2026	17/11/2031	84,551	Relative TSR

1 LTIs are offered to Executive KMP as either options (with an exercise price) or EPRs (executive performance rights issued at market price).

2 The assessed fair value at grant date of options granted to the individuals is expensed over the period from grant date to vesting date. The expensed amount is included in the remuneration tables above.

3 Edward Chung's granted options for FY24 were approved at the 2024 Annual General Meeting (21 Feb 24).

The model inputs for options granted to Executive KMP are as follows:

- (a) Options are granted for no consideration. Each tranche vests subject to meeting performance hurdles
- (b) Dividend yield –1.00% - 1.35%
- (c) Expected volatility – 26.5% – 27.8%
- (d) Risk-free interest rate – 3.73% – 4.14%
- (e) Price of shares on grant date – \$15.51 - \$16.51

The performance measures for LTI grants made in FY24 are presented below while the Retention LTIs vest based on service conditions. The performance targets, set out below, are such that they are all considered to be challenging targets that, if met, will drive significant shareholder wealth creation.

Performance Metrics	Performance period	Testing	Weighting (all KMP)
EPS growth	3 years	3 years	75%
Relative TSR <sup>1</sup>	3 years	3 years	25%

The performance targets to be achieved by the Executives are set out below:

Performance Metric	Growth <5%	Growth >=5%, <15%	Growth >=15%
EPS growth	0% vest	50% vest at 5% growth with linear vesting (50% to 100%) up to 15% growth	100% vest
Performance Metric	Percentile <50	Percentile >=50, <75	Percentile >=75
Relative TSR <sup>1</sup>	0% vest	50% vest at 50th percentile for relative TSR with linear vesting (50% to 100%) up to 75th percentile	100% vest

<sup>1</sup> Relative TSR targets are determined with reference to our peer group. Our peer group is defined as those constituent companies making up the ASX All Technology Index (XTX).

### 9.3 Equity instruments held by Directors and Key Management Personnel

The number of shares in the Group held during the financial year by each Director and Executive KMP of Technology One Limited, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2024	Balance at the start of year	Purchased during the year	Sold during the year	Other movements <sup>1</sup>	Balance at the end of the year
<b>Directors of Technology One Limited</b>					
P O'Sullivan	39,779	-	-	-	39,779
J Mactaggart	24,902,500	-	-	(24,902,500)	-
R Anstey	20,000	-	-	-	20,000
Dr J Andrews	30,600	-	-	-	30,600
S Doyle	18,280	-	-	-	18,280
C Rosenberg	27,533	-	-	-	27,533
P Ball	21,900	-	-	-	21,900
P Robson <sup>1</sup>	-	-	-	-	-

<sup>1</sup> Represents balance held at date of resignation.

2024	Balance at the start of year	Purchased during the year	Sold during the year	Other movements <sup>1</sup>	Balance at the end of the year
<b>Senior Executives of the Group</b>					
E Chung	700,068	254,917	(254,917)	-	700,068
S MacDonald	2,862	261,352	(262,129)	2,698	4,783
C Bennett	-	-	-	-	-

<sup>1</sup> Represents total shares obtained via the Employee Share Plan.

# Remuneration Report

## (Audited)

### 9 Additional statutory disclosures (continued)

#### 9.3 Equity instruments held by Directors and Key Management Personnel (continued)

2023	Balance at the start of year	Purchased during the year	Sold during the year	Other movements <sup>1</sup>	Balance at the end of the year
<b>Directors of Technology One Limited</b>					
P O'Sullivan	39,779	-	-	-	39,779
R McLean	69,737	-	(20,000)	(49,737)	-
J Mactaggart	26,902,500	-	(2,000,000)	-	24,902,500
R Anstey	30,000	4,000	(14,000)	-	20,000
Dr J Andrews	30,600	-	-	-	30,600
S Doyle	18,280	-	-	-	18,280
C Rosenberg	27,533	-	-	-	27,533
P Ball	21,900	-	-	-	21,900

<sup>1</sup> Represents balance held at date of resignation.

2023	Balance at the start of year	Purchased during the year	Sold during the year	Other movements <sup>1</sup>	Balance at the end of the year
<b>Senior Executives of the Group</b>					
E Chung	900,068	257,603	(457,603)	-	700,068
S MacDonald	46,367	54,000	(100,367)	2,862	2,862
P Jobbins	68	142,583	(142,583)	(68)	-
C Bennett	-	-	-	-	-

<sup>1</sup> The balance for S MacDonald represents total shares obtained via the Employee Share Plan. The balance of P Jobbins represents balance held at date of resignation.

#### 9.4 Loans to Directors and Key Management Personnel

There have been no loans to Directors or Key Management Personnel during the financial year (2023: nil).

#### 9.5 Other transactions with Key Management Personnel

During the year there were no transactions with the Key Management Personnel. This report is made in accordance with a resolution of Directors.

## 10 Key questions

Key questions	TechnologyOne approach
Why does our remuneration framework have such a high weighting towards variable remuneration?	<p>Our Executive Remuneration Framework aligns with many common practices for ASX100 companies but has been adapted to meet the demands of the enterprise software market. Relative to our ASX-listed peers, our Executives receive:</p> <ul style="list-style-type: none"> <li>(a) Relatively low fixed remuneration to enable a greater emphasis on performance.</li> <li>(b) Relatively large at-risk short-term incentive (<b>STI</b>) portion aligning Executives to current year performance.</li> <li>(c) Deferred STI component to help further drive long-term shareholder wealth and ensure that we retain high performing Executives.</li> <li>(d) Long-term incentives (<b>LTI</b>) linked to long-term strategy, targets, and shareholder wealth creation.</li> <li>(e) FY22 Retention LTI grants to ensure the retention of high performing technology industry executives during a critical phase of growth and to ensure smooth transition from a founder-led company.</li> </ul> <p>The winning of new business, driving continued profit growth in the current year is the key to our long-term success, and it is for this reason our STI as a percentage of the total remuneration is significantly higher than our ASX-listed peers. At the same time, the fixed remuneration for our Executives is comparatively low compared to our ASX-listed peers. The significant weighting towards the STI encourages our Executives to drive new business and financial performance in the current year, which creates Annual Recurring Revenue (<b>ARR</b>)<sup>1</sup> for future years, and therefore long-term success and shareholder wealth.</p> <p>TechnologyOne Executives are aligned to the long-term outcomes of the business through the Deferred STI and a large long-term incentive (LTI and FY22 retention LTI) component.</p> <p>The talent pool in Australia for Executives with large scale enterprise software companies is highly competitive. Therefore, it is important to ensure that our remuneration framework is appropriately structured for the enterprise software market. We believe that our remuneration structure offers the necessary flexibility and incentive to ensure that we attract and retain talented Executives who understand the industry and, in turn, drive shareholder value.</p>
Why is the KMP LTI based on EPS growth and Relative TSR?	<p>Earnings per share (<b>EPS</b>) growth and relative total shareholder return (<b>rTSR</b>) have been selected as appropriate performance measures. The rationale for the selection of these two measures is as follows:</p> <ul style="list-style-type: none"> <li>• EPS growth: Ensures that our Executives are remunerated in line with growth in shareholder wealth over the long term.</li> <li>• Relative TSR: Ensures that our Executives are remunerated in line with the Company's creation of shareholder wealth relative to our peers over the long term.</li> </ul> <p>These two measures ensure we have LTI targets which are directly aligned with trends in shareholder wealth over the long term.</p> <p>There is debate among proxy advisors and investors about the use of rTSR as an LTI metric, with some for and some against. Relative TSR may not be particularly useful as an incentive on its own, as management have little direct influence over outcomes, however, when combined with the EPS growth metric (which has been given a higher weighting of 75%) we feel it results in a very effective LTI for our Executive KMP. The combination of these metrics ensures that Executives are aligned with shareholder wealth creation (EPS growth) ensuring that performance is better than that of our peers (rTSR).</p>
Why does the Relative TSR performance hurdle not have a gate for positive TSR?	<p>Relative TSR considers the relative performance of the Company's share price, relative to the share price of its market peers. For instruments to vest, the Company's performance needs to be better than that of our peers.</p> <p>If relative TSR is better than market peers, but represents a negative return, it is unlikely that there will be any intrinsic value in the equity instrument, so the Executive is unlikely to realise any increased value at the time of vesting. Further, the value of the instrument is aligned with shareholder experience, either positive or negative.</p> <p>We believe that this framework is consistent with our remuneration principle of commitment to simplicity.</p>
Is our STI plan sufficiently challenging with only one performance measure?	<p>The winning of new business, driving continued profit growth is the key to our long-term success. Having Executives focus solely on net profit before tax (<b>NPBT</b>) ensures there is clear line of sight for Executives and transparency for shareholders as to how STI awards are determined. The setting of NPBT as the measure (rather than components contributing to NPBT) give Executives the flexibility to be agile and choose appropriate strategies based on the market environment and leveraging opportunities to meet their targets.</p> <p>NPBT incorporates the outcomes of the key drivers of our business including winning new annual recurring revenue through new and existing customers, customer retention, expense management and margin expansion.</p>

<sup>1</sup> ARR is not an IFRS measure and is unaudited, it represents future contracted annual revenue at year end.

# Remuneration Report

## (Audited)

### 10 Key questions (continued)

Key questions	TechnologyOne approach
What is the rationale for having an uncapped STI?	<p>An important element of the success of our STI has been that it is uncapped on the upside and downside. The greater the results in the current financial year, the greater the STI. This not only encourages over performance in the current financial year for the Company, it has a significant flow on effect in future years through the greater annual recurring revenues for the Company. The uncapped STI also helps retain Executives over the long-term, because the more they succeed, the more financial incentive there is to stay with us and continue to work hard to achieve each year, and the greater benefit to our shareholders through an ever-increasing recurring revenue base.</p> <p>Likewise, if the Company under-performs (e.g. loss of customers) or the results in a year are lower (e.g. impairment), there is a significant financial impact to Executives as their STI forms a significant portion of their total remuneration. Just as the STI is uncapped on the upside, it is also uncapped on the downside. Given that the Executive's fixed remuneration percentage is significantly lower than our ASX-listed peers, under-performance has a significant, negative impact on their total remuneration.</p> <p>This performance measure is well-aligned with the interests of shareholders, as NPBT outcomes above target, rewards shareholders as well as executives. Poor performance also penalises Executives as well as shareholders.</p>
Why do we have a Deferred STI?	<p>The award is only paid out to the Executive if they remain employed with the Company for the entire deferral period. This deferral:</p> <ul style="list-style-type: none"><li>Assists in retaining high performing Executive KMP</li><li>Helps further drive long-term shareholder wealth via Executive skin in the game, fostering a long-term mind set among executives</li><li>Provides opportunity to forfeit the award. Prior to its award or vesting, the Remuneration Committee considers whether there are any irregularities or other factors that would affect the payment or vesting of that award (Malus Provision).</li></ul>
What is the rationale for deferring 20% of the total STI award, and not a higher amount?	<p>Our Executives receive:</p> <ul style="list-style-type: none"><li>Relatively low fixed remuneration to enable a greater emphasis on performance</li><li>Relatively large at-risk short-term incentive (<b>STI</b>) portion aligning Executives to current year performance</li><li>Deferred STI component to help further drive long-term shareholder wealth and ensure that we retain high performing Executives.</li></ul> <p>Given the low fixed remuneration, and emphasis on performance related at-risk remuneration, it is not considered appropriate to defer greater than 20% of the total STI.</p>
Were Retention LTIs granted?	No retention LTIs were granted in FY24.
Does our remuneration framework align our executives with shareholders?	<p>TechnologyOne Executive remuneration continues to be clearly aligned with shareholder value creation. Our Executives have the greatest percentage of their remuneration at risk and aligned with Company performance when compared to our peers.</p> <p>Refer section 3.1 for our remuneration strategy and principles, and section 5.1 showing the creation of shareholder wealth for the years ended 30 September 2024 compared to executive remuneration growth.</p> <p>The Executive Remuneration Framework has successfully driven performance and the creation of shareholder wealth over the longer term.</p>
Were Retention LTIs granted?	No retention LTIs were granted in FY24.
Does our remuneration framework align our executives with shareholders?	<p>TechnologyOne Executive remuneration continues to be clearly aligned with shareholder value creation. Our Executives have the greatest percentage of their remuneration at risk and aligned with Company performance when compared to our peers.</p> <p>Refer section 3.1 for our remuneration strategy and principles, and section 5.1 showing the creation of shareholder wealth for the years ended 30 September 2024 compared to executive remuneration growth.</p> <p>The Executive Remuneration Framework has successfully driven performance and the creation of shareholder wealth over the longer term.</p>

# Corporate Governance Statement

## Contents

1 Corporate Governance Statement	108
2 Board of Directors	108
3 Company Secretary	112
4 Audit & Risk Committee	113
5 Remuneration Committee	114
6 Nomination & Governance Committee	114
7 Corporate Governance Principles & Recommendations	116
7.1 Ethical Standards and Code of Business Conduct	116
7.2 Safeguard Integrity in Financial Reporting	117
7.3 Continuous Disclosure	117
7.4 Risk Assessment Management	118
7.5 Accounting Standards and Company Policies	120
7.6 Remuneration Principles	120
7.7 Performance Evaluation	121
7.8 Trading in Company Securities	121
7.9 Shareholders' Rights and Communication	116
8 ASX Corporate Governance Principles and Recommendations 4th Edition Compliance	122

# Corporate Governance Statement

## 1 Corporate Governance Statement

The Board of Directors of the Company is responsible for its corporate governance. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Directors have established guidelines for the operation of the Board and its Committees. Set out below are the Company's main corporate governance practices.

The TechnologyOne Board routinely considers industry governance initiatives of benefit to the Company and its many stakeholders. The Board has adopted the 4th Edition of the ASX Corporate Governance Principles and Recommendations.

The Corporate Governance Statement, as well as supporting documents are available on the Company's internet site:  
[www.technology1.com/company/investors/corporate-governance](http://www.technology1.com/company/investors/corporate-governance)

## 2 Board of Directors

The Board of the Company currently comprises eight Directors and includes:

Pat O'Sullivan	Non-Executive Director Independent Board Chair (appointed 02/03/2021)
Edward Chung	Managing Director (appointed 15/08/2023) (CEO since 23/05/2017)
Richard Anstey	Non-Executive Director Independent (appointed 02/12/2005)
Dr Jane Andrews	Non-Executive Director Independent (appointed 22/02/2016)
Sharon Doyle	Non-Executive Director Independent (appointed 28/02/2018)
Cliff Rosenberg	Non-Executive Director Independent (appointed 27/02/2019)
Peter Ball	Non-Executive Director Independent (appointed 02/03/2020)
Paul Robson	Non-Executive Director Independent (appointed 01/07/2024)

The following information is provided in the Corporate Governance section of the Company's Annual Report:

- Details of names, qualifications, skills, experience and dates of appointment of each Board member.
- The number of meetings of the Board and the names of attendees.
- Explanation of any departures from the ASX Corporate Governance Principles and Recommendations.

The role of the Board is as follows:

- Setting objectives, goals and strategic direction for management, with a view to maximising shareholder value.
- Input into and ratifying any significant changes to the Company.
- Adopting an annual budget and monitoring financial performance.
- Ensuring adequate internal controls exist and are appropriately monitored for compliance.
- Ensuring significant business risks are identified and appropriately managed.
- Selecting, appointing and reviewing the performance of the Chief Executive Officer / Managing Director.
- Setting the highest business standards and code of ethical behaviour.
- Decisions relating to the appointment or removal of the Company Secretary.
- To review and evaluate the performance of the Board as a whole, each Committee, key Executives and each Director on an annual basis.

The Board has the authority to delegate any of their powers to committees consisting of such Directors and external consultants, as the Board think fit. The Board has established the following committees:

- Audit & Risk Committee
- Remuneration Committee
- Nomination & Governance Committee

Board papers are prepared for the Directors, containing detailed operational reports from each region and department in the Company, highlighting:

- Operational performance.
- Initiatives undertaken/completed.
- Identified problems/risks and proposed solutions.

The Chief Executive Officer / Managing Director also prepares a summary report that highlights:

- Financial performance year to date, and forecast for the full year.
- Key matters and significant issues.
- Significant changes proposed.
- Proposed strategic initiatives.
- Risk Management.

On a regular basis, members of the Senior Leadership Team are invited to present to the Board directly and to answer questions the Board may have.

The strategy of the Company, as well as matters reserved to the Board, are reviewed at least annually by the Board.

## **Matters Reserved to the Board**

Matters that are reserved to the Board are as follows:

- Communications with shareholders and the market in general, including ASX announcements, through the Board Chair.
- Input into and subsequent approval of corporate strategy and performance objectives.
- Oversight of the Company's governance policies, including the Company's Code of Business Conduct.
- Oversight and monitoring of the internal compliance with legal and regulatory obligations (e.g. ASX, ASIC, ATO, Whistleblower, Workplace Health Safety)
- Input into and subsequent approval of significant organisational structure/restructure.
- Review of the Chief Executive Officer / Managing Director and Company Secretary to the relevant Code of Conduct established by the Board.
- Appointing and removing the Managing Director and / or Chief Executive Officer and monitoring their performance respectively.
- Input into and subsequent approval of the budget including Operating Expenditure and Capital Expenditure, and any significant variations.
- Oversight of the Company, including its control and accountability systems.
- Input into and subsequent approval of changes to internal systems and controls.
- Review and accept/reject recommendations from sub-committees such as Audit & Risk, Remuneration and Nomination & Governance committees.
- Input into and ratifying any acquisitions and divestitures.

All other matters are referred to management via the Chief Executive Officer / Managing Director. The Chief Executive Officer / Managing Director are authorised to sub-delegate their authority for the day-to-day operation of the Company.

# Corporate Governance Statement

## 2 Board of Directors (continued)

### Board Skills

The Board as a whole benefits from the combination of the Director's individual skills, experience and expertise in particular areas, as well as the varying perspectives that arise from the Board's interactions through their diverse backgrounds. As a collective, the Board has extensive commercial skills and experience which provide a solid base for the governance of the Company.

The Board membership is to provide a suitable level of skills to properly guide the Company and deliver the Company's strategic objectives and provide a solid base for governance.

The Board assesses its level of skills annually and will address any requirements for additional skills that it feels would be in the best interest of the Company in response to wider market factors and the growth of the Company. The Board has determined the core skills for its governance of the Company. The Board has the authority to appoint Directors and will consider the recommended appointments as proposed by the Nomination & Governance Committee. The Board will assess whether to recommend / not recommend endorsement of a Director at each General Meeting.

A summary of the breadth and depth of the Board's experience and skills appear below:

	Pat O'Sullivan	Richard Anstey	Jane Andrews	Sharon Doyle	Cliff Rosenberg	Peter Ball	Paul Robson	NON-EXEC DIRECTORS	Ed Chung (MD)
Strategic & Commercial Acumen	●	●	●	●	●	●	●	100%	●
Financial & Tax Acumen	●	●	●	●	●	●	●		●
Risk & Compliance	●	●	●	●	●	●	●		●
Information Technology & Communications Industry	●	●	●	●	●	●	●		●
Software & Product Development	●	●	●	●	●	●	●		●
Startups and Early-Stage Investments	●	●	●	●	●	●	●		●
Corporate Governance & ESG	●	●	●	●	●	●	●		●
Sales & Marketing	●	●	●	●	●	●	●		●
People, Culture & Conduct	●	●	●	●	●	●	●		●
Executive Management & Leadership	●	●	●	●	●	●	●		●
Listed Entity Experience	●	●	●	●	●	●	●		●
International Business	●	●	●	●	●	●	●		●
Tenure (yrs)	3	18	8	6	5	4	0	6 Yrs Avg	1
Gender	M	M	F	F	M	M	M	28.5% F 71.5% M	M



In-Depth Knowledge



Sound Working Knowledge

## **Director Principles**

The Directors operate in accordance with the following broad principles:

- The Board should comprise of at least three members, but no more than 10.
- The Board may increase the number of Directors where it is felt that additional expertise in specific areas is required. The size of the Board is to be appropriate to all it to be effective and to react quickly to opportunities and mitigate threats.
- The Board should be comprised of Directors with an appropriate mix of skills, qualifications, expertise, experience and diversity. The skills, experience and expertise which the Board considers to be particularly relevant include those listed above. In respect of diversity, the Board recognises that diversity includes, but is not limited to gender, age, ethnicity and cultural background. The Board values diversity and acknowledges the individual contribution that people can make and the opportunity for innovation that diversity brings.
- The Board shall meet on both a planned basis and an unplanned basis when required and have available all necessary information to participate in an informed discussion of agenda items.
- The Directors are entitled to be paid expenses incurred in connection with the execution of their duties as Directors. Each Director is therefore able to seek independent professional advice at the Company's expense, where it is in connection with their duties and responsibilities as Director. The Company policy is that a Director wishing to seek independent professional advice should advise the Board Chair at least 48 hours before doing so.
- The Directors and Officers will not engage in short term trading of the Company's shares. Furthermore, the Directors and Officers will not buy or sell shares at a time when they possess information which, if disclosed publicly, would be likely to materially affect the market price of the Company's shares. Information is not considered to be generally available until a reasonable time has elapsed to allow the market to absorb these announcements. A detailed policy exists on this matter – refer below, section: Trading in Company Securities.
- Directors have a clear understanding of the corporate and regulatory expectations of them. To this end, formal letters of appointment are made for each Director setting out the key terms and conditions, any special duties or arrangements, remuneration and expenses, their rights and entitlements, confidentiality and rights of access to corporate information, as well as Indemnity and Insurance cover provided.
- Newly appointed Directors undertake an induction course covering the Company's strategy, products and operations. They are also provided a copy of the Company's constitution, charters and key policies.

- Directors are required to disclose Directors' interests and any matters that may affect the Director's independence. This includes disclosure of conflicts of interest, which may include transactions with family members or related entities.
- If there is a potential conflict of interest, conflicted Directors must immediately inform the Board and abstain from deliberations on such matters. Such Directors are not permitted to exercise any influence over other Board members. If the Board believes the conflict of interest is material or significant, the Directors concerned will not be allowed to attend the meeting or receive the relevant Board papers.

## **Director Independence**

The Board comprises majority independent Non-Executive Directors who have broad commercial experience and bring independence, accountability and judgement in discharging the Board's responsibilities to ensure optimal returns to shareholders and the ongoing provision of benefits to the Company's employees.

The Board is required to disclose any material information that could influence, or would be reasonably perceived to influence, in a material respect their capacity to bring an independent judgement to bear on the issues before the Board and to act in the best interests of the Company and its shareholders.

The independence of the Directors is assessed annually in accordance with the ASX Corporate Governance Principles and Recommendations.

TechnologyOne will only enter into an agreement for the provision of consultancy or similar services by a Director or Senior Executive or by a related party of theirs if TechnologyOne has independent advice that the services being provided are outside the ordinary scope of their duties as a Director or Senior Executive; the agreement is on arm's length terms; and the remuneration payable under it is reasonable and with full disclosure of the material terms to securityholders.

While TechnologyOne does not currently have any Directors with a security holding interest of greater than 10%, it would consider a Director with a holding greater than 10% as not being independent.

TechnologyOne has aligned its Committee composition strategy to comply with the ASX Corporate Governance Principles and Recommendations, ensuring that newly appointed Directors are made members of the appropriate Committees once they have had sufficient time to develop a comprehensive understanding of TechnologyOne's operations. All Committees are comprised of independent non-executive directors.

# Corporate Governance Statement

## 2 Board of Directors (continued)

### Director Appointments

All Directors, both Executive and Non-Executive, receive written notifications of their appointment and a new Director induction pack which details the terms and conditions of their appointment, remuneration (including superannuation contributions), continuous disclosure requirements (including interests in the Company), ongoing confidentiality obligations, Company policies on when to seek independent professional advice, and the Company's indemnity and insurance measures.

Prior to appointment, appropriate checks are undertaken on the candidates and relevant information provided to shareholders to consider when voting on the election of the Director. Relevant information is also provided for shareholders to consider when voting to re-elect existing Directors upon rotation. Executive Directors and Senior Executives of the Company will also have formal written employment agreements which set out the terms of their employment, roles and responsibilities, reporting lines, remuneration, confidentiality and termination provisions.

All Directors and Senior Executives are required to comply with key corporate policies which include, but are not limited to, Code of Business Conduct, Share Trading Policy, Insider Trading Policy, Privacy Policy and Diversity Policy.

All new Directors and Senior Executives participate in the Company's formal on-boarding program which includes an induction program which incorporates meetings with key Senior Executives.

The Board has the authority to appoint Directors and will consider the recommended appointments as proposed by the Nomination & Governance Committee. The Board will assess whether to recommend / not recommend endorsement of a Director at each General Meeting.

## 3 Company Secretary

Company Secretaries are appointed by the Board by resolution.

Company Secretaries are accountable directly to the Board, through the Board Chair.

The role of the Company Secretary is as follows:

- Advising the Board and Committees on governance matters.
- Monitoring adherence of Board and Committees to policies and procedures.
- Coordinating timely completion and despatch of Board and Committee papers.
- Ensuring business at Board and Committee meetings is accurately captured in the minutes.
- Helping to organise and facilitate induction and professional development of Directors.

## **4 Audit & Risk Committee**

The Board has established an Audit & Risk Committee.

The committee is comprised of:

Peter Ball (Chair)	Independent Non-Executive Director
Dr Jane Andrews	Independent Non-Executive Director
Sharon Doyle	Independent Non-Executive Director

The role of the committee is to assist the Board in discharging its obligations with respect to the following areas:

### **1. Financial Reporting**

- Ensure the integrity in financial reporting (refer section below – Safeguard Integrity in Financial Reporting).
- Review for accuracy financial statements for each reporting period prior to approval by the Board, and publishing.
- Ensure required declarations from the Company's Chief Executive Officer and Chief Financial Officer are received for each reporting period.
- Ensure that the financial statements for each reporting period comply with appropriate accounting standards.
- Regularly review Accounting Standards and Company Policies in conjunction with the Auditors and recommend adoption/ changes to the Board.
- Directly follow-up action where considered necessary.
- Relay any matters of concern to the Board.

### **2. Tax Governance**

- Oversight of the Company's group taxation matters and ongoing development.
- Review of taxation governance processes, policies, control framework and reporting.

### **3. Internal Audit**

- Ensure that systems of internal control are functioning effectively and economically and that these systems and practices contribute to the achievement of the Company's corporate objectives.
- Ensure the Internal Audit Function maintains a high standard of performance.

### **4. External Audit**

- Receive and review reports from the external Auditor.
- Oversight of the process to ensure the independence and competence of the Company's external auditors.
- Review the performance of the external auditor on an annual basis.
- Recommend the selection and the appointment of the external Auditors, based on specified criteria.

### **5. Compliance**

- Monitor compliance with the requirements of the Corporations Act, Listing Rules, Australian and Foreign Taxation Offices and other related legal obligations.

### **6. Risk Management**

- Oversee the ongoing development by management of an enterprise-wide risk management framework for management of material risks.
- Periodically review the adequacy and effectiveness of the Company's policies and procedures relating to risk management and compliance.
- Make recommendations to the Board on key risk management matters and levels of risk appetite.
- Oversight of the insurance portfolio with consideration of material risks, including cyber risk and information security.

The committee meets at least four times per year, with full minutes being kept, and reports to the Board on a regular basis. The number of meetings held during the year and the attendance of the members is provided in the Annual Report.

The Audit & Risk Committee Charter is available on the Company's website.

### **Principles of the Audit & Risk Committee**

The committee operates in accordance with the following broad principles:

- Advise and assist the Board in fulfilling its responsibilities relating to financial management, risk oversight and reporting functions and in safeguarding the Company's assets.
- Provide a means of easy access to the Board for the external auditors in order to assist them in performing their functions.
- Assign the Secretary of the Committee such duties and responsibilities as the Committee may deem appropriate.
- Take actions as necessary or prudent to fulfil the responsibilities of the Committee, provided that no action will be taken without prior approval of the Board.
- TechnologyOne requires the rotation of the external audit partner every five years.
- The Audit & Risk Committee includes members who are financially literate; and at least one member who has financial expertise, preferably a qualified accountant.

# Corporate Governance Statement

## 5 Remuneration Committee

The Board has established a Remuneration Committee.

The committee is comprised of:

Dr Jane Andrews (Chair)	Independent Non-Executive Director
Cliff Rosenberg	Independent Non-Executive Director
Peter Ball	Independent Non-Executive Director

The role of the committee is:

- To advise the Board with regard to the Company's broad policy for Senior Executive and Director remuneration.
- To determine, on behalf of the Board, the individual remuneration packages for Senior Executives and Directors.
- To give the Company's Senior Executives encouragement to enhance the Company's performance and to ensure that they are fairly, but responsibly, rewarded for their individual contribution.
- To consider the vesting of any deferred remuneration including deferred STI & LTI to assess whether there are any irregularities or other factors that would affect the payment or vesting of that award (that is, consider whether to apply malus provision or utilise discretion).

Non-Executive Directors' remuneration is determined by the Board within the aggregate amount per annum which may be paid in Directors' fees.

Executives are not present for Committee discussions on Senior Executive remuneration.

The number of meetings held during the year and the attendance of the members is provided in the Annual Report.

The Remuneration Committee Charter is available on the Company's website.

### Principles of the Remuneration Committee

The Committee operates in accordance with the following broad principles:

- The Committee should provide the packages needed to attract, retain and motivate Senior Executives, but avoid paying more than is necessary.
- The Committee should judge where to position the Company relative to other companies. Be aware of comparable companies' pay, but exercise caution.
- The Committee should be sensitive to the wider scene, especially regarding salary increases.
- Performance related elements should form a significant proportion of the package; should align interests with those of shareholders; and should provide keen incentives.
- The Committee should ensure that the framework remains largely consistent year on year with any changes designed to motivate executives rather than destabilise them.

## 6 Nomination & Governance Committee

The Board has established a Nomination & Governance Committee.

The Committee is comprised of:

Cliff Rosenberg (Chair)	Independent Non-Executive Director
Sharon Doyle	Independent Non-Executive Director
Dr Jane Andrews	Independent Non-Executive Director

The role of the Committee is as follows:

- Assessment of the necessary and desirable competencies and experience for Board membership.
- Consideration of the membership of the Board, Audit & Risk and Remuneration committees.
- Evaluation initially and on an on-going basis of Non-Executive Director's professional development, commitments, and their ability to commit the necessary time required to fulfill their duties to a high standard.
- Adherence by Directors to the Director's Code of Conduct and to good corporate governance.
- Review of Board succession plans.
- Recommendation for changes to Committees.
- Recommendation of, and undertaking the appropriate checks, before the appointment of new Directors.
- Recommendation of, and undertaking the appropriate checks, for the endorsement or non-endorsement of existing Directors.
- Ensuring that an effective induction process is in place for new Board members.
- Review and oversight of the Company's Corporate Governance Statement and governance related policies.
- Review and oversight of the Company's Environmental, Social & Governance (**ESG**) strategy and Sustainability Reporting.
- Oversee compliance with Modern Slavery Regulations.

The number of meetings held during the year and the attendance of the members is provided in the Annual Report.

The Nomination & Governance Committee Charter is available on the Company's website.

## **Principles of the Nomination & Governance Committee**

The committee operates in accordance with the following broad principles:

- The Nomination & Governance Committee is entitled to seek the advice of an external consultant.
- The Nomination & Governance Committee will make recommendations to the Board. The Board is responsible to appoint the most suitable candidate, after receiving recommendations from the Nomination & Governance Committee. The nominated appointee upon acceptance will hold office until the next Annual General Meeting, where the appointee will stand for election.
- The name of all candidates submitted for election as Director is accompanied with necessary information required by shareholders to make an informed decision including biographical details, competencies, qualifications, details of relationships between the Company, the candidate and incumbent Directors; other directorships held, particulars of other positions held which involve significant time commitments, and any other particulars required by law or good corporate governance. For existing Directors standing for re-election, the number of years as a Director of TechnologyOne will also be provided in the Annual Report.
- Directors (with the exception of a Managing Director if appointed by the Board) must stand for re-election every three years in accordance with the Company's Constitution. One third of the Directors retire from office at each Annual General Meeting and are eligible to nominate for re-election.
- A structured process has been established to review and evaluate the performance of the Board and its Committees. This process also identifies ways to improve their performance, interaction with management, and quality of information provided.

The following information is provided in the Annual Report:

- The skills, experience and expertise relevant to the position of Director.
- The names of Directors considered by the Board to constitute independent Directors and the Company's materiality thresholds.
- The term of office held by each Director at the date of the Annual Report.
- The number of meetings held by the Nomination & Governance Committee and the names of attendees.
- Explanation of any departures from the ASX Corporate Governance Principles and Recommendations.

## **Assessment of Director Independence**

The Board has determined that an independent Director will meet all the following criteria:

- Is not an Executive Director (i.e. not a member of the management team).
- Is not a substantial shareholder of the Company, as defined by Section 9 of the Corporations Act, or an officer of a company that is a substantial shareholder.
- Is not directly associated with a substantial shareholder of the Company.
- Within the last three years, has not been employed in an Executive capacity by the Company or another group member, or been appointed a Director within three years after ceasing to hold such employment.
- Within the last three years, has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provider.
- Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated, either directly or indirectly, with a material supplier or customer. This includes family members being in these categories.
- Has no material contractual relationship with the Company or another group member other than as a Director of the Company.
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interest of the Company.

# **Corporate Governance Statement**

## **7 Corporate Governance Principles & Recommendations**

## **7.1 Ethical Standards and Code of Business Conduct**

All Directors, Senior Executives and employees are expected to act with the utmost integrity and objectivity, observe the highest standards of behaviour and business ethics, and always strive to enhance the reputation and performance of the Company.

A Code of Business Conduct has been established which is applicable to each of the following:

- Directors
  - Chief Executive Officer / Managing Director
  - Chief Financial Officer
  - Chief Operating Officer
  - Senior Executives
  - Employees

The Code of Business Conduct has been approved by the Board and given their full support.

The Code of Business Conduct addresses:

- Responsibilities to shareholders and customers.
  - "The TechnologyOne Way", which refers to the success of the Company coming from our shared values, our entrepreneurial spirit and innovation.
  - Employment practices (including diversity, inclusiveness, anti-discrimination, workplace health and safety).
  - Responsibilities to the community.
  - Responsibilities to the individual.
  - Compliance with the codes.

In addition, all employees have employment agreements, which include job descriptions that describe their duties, rights and responsibilities.

In conjunction with the Code of Business Conduct, TechnologyOne has developed a Whistleblower Policy, Modern Slavery Policy, Supply Chain Policy and Bribery & Corruption Policy. The Whistleblower Policy encourages employees to come forward with concerns that the entity is not acting lawfully, ethically or in a socially responsible manner and provides suitable protections if they do. The Board will be informed of any material concerns raised that call into question the culture of TechnologyOne or have been raised under the Bribery & Corruption Policy. The Whistleblower Hotline is facilitated by an external, independent third party and they provide translation services for those where English is not their primary language.

The Board is informed of any material breaches of the Code of Business Conduct by a Director or Senior Executive and of any other material breaches of the code that call into question the culture of the organisation. There were no material breaches of the Code of Business Conduct during the last reporting period.

## Diversity Policy

TechnologyOne has an inclusive Diversity Policy which covers the broader dimension of diversity covering aspects of gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender orientation within the total organisation, including the Board, and senior management. In conjunction with this policy, the Company has measurable objectives which are assessed and reported in the annual report.

The Board has developed and has oversight of the following diversity objectives:

- Ensuring compliance with the published Diversity Policy.
  - Not less than 30% of the Board to be of each gender by 2025 (to allow for the Board transition)
  - 70% of all vacant roles are to have at least one female candidate shortlisted.
  - Maintain reporting measures that are in compliance with both the ASX guidelines and Workplace Gender Equality Agency.
  - Continue to identify employee feedback mechanisms through the review of existing forums and information provided as well as the identification of appropriate new mechanisms for employee consultation.
  - Maintain existing educational programs that support diversity including but not limited to induction, onboarding and leadership programs.
  - The percentage of female representation on the Board of TechnologyOne has continually increased over the last 4 years with the longer tenured directors retiring. This has resulted in an increase from 22% in 2021 to 28% in 2024 for the non-executive directors. TechnologyOne is tracking to achieve 33% in 2025.

The diversity of TechnologyOne remains fundamental to our ongoing success. TechnologyOne has established a Diversity Policy which reflects the Company's commitment to providing an inclusive workplace. TechnologyOne's Diversity Policy is publicly available on the corporate website.

A summary of the Diversity Policy is following:

- Diversity is one of TechnologyOne's strengths. TechnologyOne values this diversity and recognises the individual contribution our people can make and the opportunity for innovation such diversity brings.
- TechnologyOne believes that we will achieve greater success by providing our people with an environment that respects the dignity of every individual, fosters trust, and allows every person the opportunity to realise their full potential.
- TechnologyOne is committed to providing an inclusive workplace and our commitment to diversity extends to our interactions with customers and suppliers.
- TechnologyOne's remuneration policy includes a commitment to equal pay for men and women. We conduct a gender pay gap analysis annually, following which we investigate any potential gender bias in performance pay, and correct like-for-like gaps.

The Company's 2024 Workplace Gender Equality Agency report can be found on the 'Corporate Governance' section of the Company's website.

TechnologyOne continues its strong support for the involvement of women in the technology sector, including building on strong relationships with groups such as Women in Digital and being the proud sponsors of the Women in Digital Transformation Leader of the Year award.

TechnologyOne has policies in place in relation to anti-discrimination, workplace gender equality, diversity, sexual harassment, flexible working arrangements and paid parental leave.

Further details are available in the TechnologyOne Sustainability Report, published on the Company website each year.

## **7.2 Safeguard Integrity in Financial Reporting**

The Company has established a structure of reviews and authorisations designed to ensure the truthful and factual presentation of the Company's financial position. This includes:

- The establishment of an Audit & Risk Committee, and the review and consideration of the accounts by the Audit & Risk Committee.
- Process to ensure the independence and competence of the Company's external auditors.
- Requirement that the CEO and CFO state in writing to the Board that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition; operational results are in accordance with the relevant accounting standards and the Company's Risk Management and Internal Compliance and Control System is operating efficiently and effectively in all material respects.
- Ensuring that the Company's external Auditor attends the Company's Annual General Meeting each year.
- Verification of statements and data supplied in the annual Directors' report and other corporate reports to ensure that the releases to the market are accurate, balanced and understandable and provide investors with appropriate information to make informed investment decisions.
- Disclosure of the annual tax transparency statement.

The Company put the external audit services to tender in 2020 which is another example of how the Company expresses its dedication to ensuring integrity of the financial reporting is maintained.

## **7.3 Continuous Disclosure**

The Company Secretary working closely with the Board Chair, CEO and CFO has been delegated responsibility for the continuous disclosure of information to the market, to ensure:

- All investors have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance.
- Company announcements are factual and presented in a clear and balanced way, requiring the disclosure of both positive and negative information.
- When analysts are briefed on aspects of the Company's operations, the market is forewarned, and the materials used in such presentations are also released to the ASX and posted on the Company's website.
- Any information that a reasonable person would expect to have a material effect on the price or value of the Company's share price (as per Listing Rule 3.1) is immediately notified to the ASX.

The Company has established a documented procedure to handle continuous disclosure requirements. Once made, directors are promptly provided with copies of all announcements made under listing rule 3.1.

# **Corporate Governance Statement**

## **7 Corporate Governance Principles & Recommendations (continued)**

## **7.4 Risk Assessment Management**

The Company has adopted an active approach to risk management and the Board recognises that the Company's participation in commercial and operational activities require a certain level of risk. As such, the Board has delegated the risk management function to the management of the Company with oversight by the Audit & Risk Committee. A standing Item has been included in the Audit & Risk Committee agenda to consider the Enterprise Risk Register.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to the financial reporting risks.

The risk appetite of the Company considers the level of risk and risk combinations that the Board is prepared to take to achieve strategic objectives together with the level of risk shock that the Company is able to withstand.

The Company performs risk reviews at least semi-annually and has identified several key risk categories for the business.

## **Material Risks**

## Cyber Risk

TechnologyOne has successfully completed the Information Security Registered Assessors Program (**IRAP**) assessment for PROTECTED classified data. This provides our SaaS customers with an increased cyber security posture and greater certainty in a constantly evolving cyber security landscape. This was achieved by leveraging the strong compliance and security foundations established over recent years and is a testament to TechnologyOne's mature security practices, accountability mechanisms and belief in continuous assessment and improvement.

The Company has a robust data security and privacy program developed to meet the requirements set out in Australia's *Privacy Amendments (Notifiable Data Breaches) Act 2017*, UK *Data Protection Act 2018 (DPA Act)* and the EU General Data Protection Regulation. This program ensures security is considered throughout the day-to-day operations of the Company and is backed by an independently verified process for dealing promptly with matters should they arise. The Company also is certified to the standards required in ISO27000, ISO9001, SOC1, SOC2 and SOC3 (Service Organisation Controls).

## People Risk

The Company needs to ensure we attract, retain, develop and foster the talent, skills and knowledge needed to deliver ambitious goals.

The Company manages people risk through:

- Education of the Company's mission, values and purpose.
  - Career progression and succession, remuneration and achievement and reward initiatives.
  - Wellbeing initiatives – physical, mental, and financial (including provision of an Employee Share Plan and gym facilities for employees).
  - Leadership training and coaching.
  - eNPS surveys and retention / turnover reporting and analysis.
  - Promotion of the success of the Company internally and externally.
  - Alignment of education of the Company's and departmental strategies, and empowerment to deliver.
  - Graduate, intern and global mobility program.

The Board is provided with a summary of these initiatives at each board meeting.

### **Building the Future Risk**

The Company sets ambitious goals for its future growth which are delivered on through:

- Alignment and education of the Company's and department strategies and empowerment to deliver.
  - Product success, Practice Management, Customer Success Teams, and tribes and 'Brains Trust' groups established.
  - Ongoing and frequent engagement with customers and user groups and early adopter programs.
  - Continuous investment in R&D and 'tribal days' including Hack Day.
  - Ongoing monitoring of operating environment and competitors.

## **Other Risks**

The Company's focus on risk management is primarily conducted through the Audit & Risk Committee, with a number of identified areas of specific risks as follows:

### **Contract Risk**

The Company has established a Contract Approval Process that reviews all proposed new contracts with non-standard terms prior to signing to ensure the contracts can be fulfilled, the risks are known and can be managed, and that the contract can be completed profitably without exposing the Company to ongoing liabilities.

### **Financial Risk**

The Chief Financial Officer, in conjunction with the Chief Executive Officer / Managing Director, review the Company's financial exposure with a particular focus in the area of Outstanding Debtors, with oversight by the Board.

### **Software Risk**

The Company has a rigorous product development process that reviews Software Release management, including resourcing and development issues.

### **Insurance Risk**

The Audit & Risk Committee reviews the Company's insurance requirements on an annual basis and compares this to the level of cover provided to ensure it is adequately covered. A recommendation is then provided to the Board for the placement of the Company's insurance policies.

### **Project Risk**

The Board requires the Chief Executive Officer / Managing Director to report on any customer implementation project that may be at significant risk of either incurring substantial penalties or incurring substantial over-runs. In addition, the Company has established a Customer Experience Team that reviews current projects and consulting activities to provide an early detection mechanism to ensure that any activities that pose a significant risk to the Company are identified and resolved before exposing the Company to potential liabilities.

## **Sustainability Risk**

The Company believes that it does not have material exposure to specific economic, environmental, or social sustainability risks due to controls implemented. However, the company recognises the importance of these to its stakeholders and has developed a Sustainability Report to outline the Company's position and initiatives across several sustainability risks.

The Sustainability Report provides the Company's initiatives and targets on items including:

- Diversity
- Customer satisfaction
- Employee satisfaction
- Corporate culture
- Ethical business practices
- Supply chain
- Community support
- Environmental sustainability practices

The Company has engaged external subject matter experts to assist in the preparation of environmental risk reporting aligned with the Taskforce for Climate-related Financial Disclosure (**TCFD**) recommendations. The Board acknowledges that climate change is both an environmental and economic issue. TCFD disclosures are now provided in the Financial Statements and in the annually published Sustainability Report.

Suppliers to TechnologyOne are expected to comply with all applicable local, national and international laws and regulations, including in relation to bribery and corruption, modern slavery and ethical conduct. TechnologyOne undertakes due diligence of all new suppliers and has initiated an annual supplier attestation process to ensure our suppliers continue to comply.

The Sustainability Report is available on the Company's website.

# Corporate Governance Statement

## 7 Corporate Governance Principles & Recommendations (continued)

### 7.5 Accounting Standards and Company Policies

Adhering to Accounting Standards and Company Policies, and the appropriate interpretation of such policies/standards, is seen as critical to managing the financial risk of Technology One. Accounting Standards and Company policies are reviewed on a regular basis by the Audit & Risk Committee working in conjunction with the Auditors, and recommendations for adoption/change are made to the Board. Compliance with Accounting Standards and Company policies are included as part of the Auditors annual review.

#### Internal Controls and Compliance

The Company has an internal control framework that consists of:

- Written policies and procedures.
- Division of responsibilities to ensure appropriate segregation of duties.
- Careful selection of high calibre well qualified staff.

TechnologyOne undertakes Internal Audits in accordance with the Internal Audit schedule as approved by the Audit & Risk Committee. These audits are undertaken by the Governance, Risk & Compliance Team and reported directly through to the Audit & Risk Committee. The scope of the Internal Audits includes evidencing the responses to the semi-annual Management Attestations, ensuring the controls listed in the Enterprise Risk Register are operational, confirming findings from the previous audit are complete and to ensure that company-wide processes are being complied with.

Independent auditors are engaged to review the Company's internal controls and compliance and to provide a report to the Audit & Risk Committee. The Audit & Risk Committee oversees the Company's compliance program with relevant international standards (including ISO 9001, 27001, 27017 and 27018, SOC 1, 2 & 3, IRAP and UK Cyber Essentials).

The Company has established Practice Management teams in each business area to undertake reviews of compliance with certain operational policies and procedures. Each Practice Management Team provides quarterly reporting of their findings to the Audit & Risk Committee. An independent audit of the Practice Management reviews is undertaken by the Internal Audit team annually.

### 7.6 Remuneration Principles

TechnologyOne believes in the full disclosure of remuneration of its Directors and Key Management Personnel to the market, on at least an annual basis. Disclosure includes all monetary and non-monetary remuneration including salary, fees, non-cash benefits, bonuses or profit share accruing each year irrespective of payment, superannuation contributions, entitlements at termination or retirement, value of shares or options issued and sign-on payments.

TechnologyOne's remuneration principles includes clawback provisions. The Remuneration Committee considers this annually before recommending the vesting of KMP Deferred STI and LTI. The clawback provision was not invoked during the latest reporting period.

As a matter of principle, TechnologyOne has adopted the following guidelines to motivate Directors and Senior Executives to pursue long-term growth, and ensure their interests and those of the shareholders are closely aligned:

- Remuneration packages should be set in the context of what is reasonable and fair, considering the Company's legal and industrial obligations, labour market conditions, the scale of the business and competitive forces.
- Non-Executive Directors should be remunerated solely on the basis of a cash payment, plus superannuation contributions as required by law. Non-Executive Directors should not be provided with bonuses, options, performance rights or loans. They should not participate in schemes designed for the remuneration of Senior Executives. The Company does not provide a Director's Retirement Plan.
- Non-Executive Directors will not be provided termination or retirement payments other than statutory superannuation.
- Company Senior Executives (including Executive Directors) should be provided with a significant component of their expected salary on "an at-risk basis", tied to the Company's profit target. Shares, Options or Performance Rights may also be provided as part of the "at risk component", but these must be tied to performance hurdles. The performance hurdles are to be reasonable, objective and measurable. Vesting of securities is also subject to malus and clawback provisions.
- Termination payments should be agreed in writing and in advance if any are to be provided.

## **7.7 Performance Evaluation**

### **Board**

The Board meets annually for the purpose of reviewing and evaluating the performance of the Board as a whole, each Committee, key Executives and each Director individually in meeting key responsibilities and achieving its objectives.

The following areas were considered by the Board in its 2024 annual review:

- Performance evaluation of Directors and Senior Executives.
- Review the Board's skills and experience regarding the company's current operations and identify any shortfalls.
- Board Chair, Director and CEO succession planning.
- Review of each Director's independence status.
- Review of skills matrix to ensure relevance of required skills.

To assist the Board in maximising its effectiveness, the Board and Nomination & Governance Committee have a skills matrix to provide objective information about each Director and the Board during the past year.

Each Director is encouraged to discuss any issue concerning Board performance with the Board Chair at any time.

Directors are encouraged to maintain and improve their knowledge, skills and expertise through briefings, seminars and attending professional development programs.

Remuneration of the Board is assessed every three (3) years against comparative data for Australian publicly listed companies supplied by an independent consultant and reported to the Remuneration Committee. The relative risk, time, effort, complexity of the underlying business, competency of the management team, financial performance and track record, clarity of strategy as well as the number of Board meetings required to oversee the business are used as benchmarks to determine the appropriate level of Director's fees. For years where a formal assessment of remuneration is not conducted, the Director's fees are increased by the Australian Consumer Price Index (**CPI**).

### **Senior Executives**

The performance of Senior Executives is reviewed and evaluated annually by a combination of the Company's internal performance management program and as part of the formal remuneration review that is conducted annually by the Remuneration Committee.

## **7.8 Trading in Company Securities**

The Directors have resolved to adopt the following policy in relation to trading by Directors and Officers in the Company's shares.

- The Directors and Senior Executives will not engage in short-term trading of the Company's shares.
- The Directors and Senior Executives will not buy or sell shares at a time when they possess information which, if disclosed publicly, would be likely to materially affect the market price of the Company's shares. Information is not considered to be generally available until a reasonable time has elapsed to allow the market to absorb these announcements.

The Directors and Senior Executives are not permitted to use the Company's shares as security for margin loans. To assist Directors and Senior Executives in abiding by these principles Trading Windows have been established, relating to when Directors and Senior Executives can buy and sell the Company's shares. These Trading Windows are open for 50 days following the full and half year result releases.

At all times, the Director or Senior Executive must notify the Board (as a minimum the Board Chair) in advance of any intended transactions involving the Company's shares. It is recognised that there may be circumstances where it may not be appropriate for Directors and Senior Executives to buy and sell within the above Trading Window in the event the Company is involved in strategic initiatives (such as acquisitions), which could materially affect the market price of the Company's shares.

The Directors and Senior Executives must advise the Company Secretary of any completed trades immediately once each transaction is done. This will allow the Company Secretary sufficient time to notify the ASX of the change in shareholding within the required period.

A register of Directors' holdings is made available for inspection at every Board meeting.

This policy applies to Directors and Senior Executives (including their nominee companies) and the entities which they control.

For the purpose of this Policy, Senior Executive is deemed to include the following parties:

- (a) persons named by the Chief Executive Officer / Managing Director from time to time who may be involved in strategic issues.
- (b) persons named by the Chief Executive Officer / Managing Director from time to time who are involved in financial reporting.
- (c) Senior Executives of the Company as defined as Officers in section 9 of the *Corporations Act* being: 'any person by whatever name called who is concerned or takes part in the management of the Company'.

In addition to the policy for Directors and Senior Executives, all employees are reminded of the Insider Trading provisions of the *Corporations Act*. Staff are reminded of their obligations during the Trading Windows.

# Corporate Governance Statement

## 7 Corporate Governance Principles & Recommendations (continued)

### 7.9 Shareholders' Rights and Communication

The Board of Directors aim to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The information is communicated to shareholders, and forms part of the Company's two-way investor relations program:

- By ensuring that all shareholders can elect to receive information and communications from the Company's share registry either physically or electronically and can update their preferences through the share registry.
- By the Annual Report being distributed to all shareholders. The Board ensures the Annual Report contains all relevant information about the operations of the Company during the financial year, together with details of future developments and other disclosures required under the Corporations Act 2001.
- By publishing its Notice of Meeting and Explanatory Memorandum for each Annual General Meeting (**AGM**) or other such meetings as required from time to time.
- By encouraging shareholders to attend and participate in the Company's Annual General Meeting.
- By encouraging shareholders to participate in proxy voting should they be unable to attend the Company's AGM.
- By enabling shareholders to pose questions to the Company in the lead up to the AGM for responding during the meeting.
- By facilitating polls for each resolution voted during an AGM.
- By the Half Year results released to the market.
- By disclosures forwarded to the ASX under the Company's continuous disclosure obligations.
- Through the Company's website, under a special area called Investor Relations.
- By the Company's participation in scheduled briefings with institutional shareholders and security analysts.
- By the participation of the Company's Auditors and Solicitors at the AGM. Feedback provided by key stakeholders is collated annually with material items reported to and considered by the Board Committees. These reports are used to continually improve the content and way information is provided for stakeholders.

TechnologyOne held its inaugural hybrid technology AGM in February 2023 with favourable feedback from its shareholders. TechnologyOne informed its shareholders at that meeting that it will continue to utilise this hybrid technology whenever possible for future AGMs, to encourage shareholder participation for those unable to attend in person. TechnologyOne does value the opportunity to meet with our shareholders face-to-face so will continue to offer that also for AGMs.

All information communicated by the Company is in accordance with its continuous disclosure requirements under ASX Listing Rule 3.1.

Legislative changes to the *Corporations Act 2001 (Cth)* effective from 1 April 2022, means that companies are no longer required to send shareholder communications by mail unless specifically requested.

TechnologyOne aims to continually reduce our carbon emissions and to maintain carbon-neutrality, while continuing to provide effective communications to shareholders. By no longer sending shareholder communications by mail as the default position, we save time and cost, and it helps reduce our carbon footprint. Shareholders can still elect to receive some, or all, communications by mail if they choose.

Shareholders are encouraged to review or update their communication preferences through the Company's share registry provider. Contact details are available on the Company's website through the Investor Relations area.

## 8 ASX Corporate Governance Principles and Recommendations 4th Edition Compliance

The Company has complied with all the recommendations outlined in the Corporate Governance Principles and Recommendations 4th Edition.

# Voluntary Tax Transparency Report

TechnologyOne has a strong commitment to transparency and compliance. TechnologyOne supports the objectives of the Government and the Board of Taxation to provide stakeholders with additional information and confidence that a company is compliant with their statutory obligations.

The information provided complies with the standard of disclosure expected of 'large businesses' under the Voluntary Tax Transparency Code.

The requirements of the Code are broken into Part A, which forms part of the tax notes as referenced below and Part B as disclosed below. The make-up of the respective parts is as follows:

## (a) Part A:

- Effective company tax rates for our Australian and global operations (Note 7). The effective tax rate of the Australian Group for FY24 is 23%
- A reconciliation of accounting profit to tax expense and to income tax payable (Note 7)
- Identification of material temporary and non-temporary differences (Note 7)

## (b) Part B

- Tax policy, tax strategy and governance
- Information about international related party dealings
- A tax contribution summary of income tax paid.

Information in relation to the year ended 30 September 2024 is set out below.

## Our Approach to Tax

TechnologyOne has a tax governance framework which has been approved by the Board. Tax falls under the oversight of the Audit and Risk Committee.

Tax is one of a broad range of commercial factors that is taken into account when assessing and undertaking investment activities.

TechnologyOne is conservative in its approach to tax risk. TechnologyOne aims to achieve full compliance with tax obligations in each tax jurisdiction in which it operates. In accordance with its commitment to best practice corporate governance and a culture of excellence, TechnologyOne will not enter into any arrangements that may be regarded as tax evasion.

The Tax Risk Governance Policy includes a framework for the internal escalation process for referring matters to the CFO. The CFO must report any material tax issues to the Board. TechnologyOne will not pursue aggressive tax positions or strategies or adopt positions that are not able to be supported or defended in a court of law. Where the tax law is unclear or subject to interpretation, advice is obtained and when necessary, the Australian Taxation Office (**ATO**) (or other relevant tax authority) is consulted to ensure certainty.

TechnologyOne has a strong history of compliance and an open engagement with relevant tax authorities. We seek to be co-operative and transparent and to maintain collaborative relationships.

## International related party dealings

TechnologyOne seeks to ensure all intercompany transactions are undertaken in accordance with the arm's length principle.

TechnologyOne has an Advanced Pricing Arrangement (**APA**) with the Australian Taxation Office (**ATO**).

As an Australian headquartered company, we have created and maintained significant intellectual property in Australia which has been successfully utilised in our overseas operations. Our engagement with the ATO through the APA process, seeks to ensure Australia receives a commercial return for the use of intellectual property by our overseas businesses. These returns are taxable in Australia.

In addition, loans are made to and received from foreign controlled entities for short-term, medium-term and long-term funding requirements. As a large global group, these transactions assist with managing cash flow and funding requirements.

## Tax Contribution Summary

Below is a summary of the taxes paid, collected and remitted by TechnologyOne to the relevant revenue authorities during the financial year ended 30 September 2024.

Year ended 30 September 2024	Consolidated Global Group AUD
Corporate income taxes	30,727,771
Fringe benefit taxes	3,290,237
Payroll taxes	11,658,580
Net GST/VAT taxes	46,182,431
Employee taxes remitted	72,619,003
<b>Total</b>	<b>164,478,022</b>

# Financial Report

## Contents

Financial Statements	125
Consolidated income statement	125
Consolidated statement of comprehensive income	125
Consolidated statement of financial position	126
Consolidated statement of changes in equity	127
Consolidated statement of cash flows	128
Notes to the consolidated financial statements	129

# Financial Statements

## Consolidated income statement

For the year ended 30 September 2024

	Notes	30-Sep-24 (\$'000)	30-Sep-23 (\$'000)
Revenue - SaaS and continuing business		<b>505,603</b>	426,379
Revenue - Legacy licence business		<b>933</b>	2,999
<b>Revenue from contracts with customers</b>	5	<b>506,536</b>	429,378
Other income	5	<b>8,890</b>	11,985
Variable costs		(23,168)	(21,031)
Variable customer SaaS costs		(37,990)	(34,863)
<b>Total variable costs</b>		<b>(61,158)</b>	(55,894)
Occupancy costs		(3,743)	(3,304)
Corporate costs		(37,303)	(32,305)
Depreciation and amortisation	6	(68,773)	(53,502)
Computer and communication costs		(10,283)	(9,715)
Marketing costs		(14,829)	(13,724)
Employee costs	6	(155,523)	(135,115)
Share-based payments	6	(8,296)	(5,827)
Finance expense		(2,644)	(2,123)
<b>Total operating costs</b>		<b>(301,394)</b>	(255,615)
<b>Profit before income tax</b>		<b>152,874</b>	129,854
Income tax expense	7	(34,860)	(26,978)
<b>Profit for the year</b>		<b>118,014</b>	102,876

	Cents	Cents
Basic earnings per share	30	<b>36.24</b>
Diluted earnings per share	30	<b>36.03</b>

The above consolidated income statement should be read in conjunction with the accompanying notes.

## Consolidated statement of comprehensive income

For the year ended 30 September 2024

	30-Sep-24 (\$'000)	30-Sep-23 (\$'000)
<b>Profit for the year (from above)</b>	<b>118,014</b>	102,876
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that may be reclassified to profit or loss</b>		
Exchange differences on translation of foreign operations	<b>373</b>	3,500
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>373</b>	3,500
<b>Total comprehensive income for the year</b>	<b>118,387</b>	106,376

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Financial Statements

## Consolidated statement of financial position

As at 30 September 2024

	Notes	30-Sep-24 (\$'000)	30-Sep-23 (\$'000)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	<b>55,208</b>	198,265
Financial assets	9	<b>223,481</b>	25,000
Prepayments		<b>26,793</b>	25,151
Trade and other receivables	10	<b>67,546</b>	62,416
Contract assets	11	<b>20,818</b>	22,891
Other current assets	12	<b>1,457</b>	1,127
Contract acquisition costs	14	<b>11,790</b>	9,576
<b>Total current assets</b>		<b>407,093</b>	344,426
<b>Non-current assets</b>			
Property, plant and equipment	13	<b>15,520</b>	13,315
Right-of-use assets	20	<b>51,645</b>	22,641
Intangible assets	14	<b>57,995</b>	59,510
Capitalised development	14	<b>173,035</b>	148,618
Deferred tax assets	15	<b>23,202</b>	21,382
Contract assets	11	<b>2,556</b>	3,618
Contract acquisition costs	14	<b>26,394</b>	23,227
<b>Total non-current assets</b>		<b>350,347</b>	292,311
<b>Total assets</b>		<b>757,440</b>	636,737
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16	<b>33,172</b>	49,247
Provisions	17	<b>23,694</b>	21,277
Deferred revenue	18	<b>246,335</b>	214,495
Current tax liabilities		<b>12,489</b>	9,923
Lease liability	20	<b>7,096</b>	8,894
<b>Total current liabilities</b>		<b>322,786</b>	303,836
<b>Non-current liabilities</b>			
Provisions	19	<b>2,779</b>	2,565
Other non-current liabilities		<b>42</b>	68
Lease liability	20	<b>52,571</b>	24,262
<b>Total non-current liabilities</b>		<b>55,392</b>	26,895
<b>Total liabilities</b>		<b>378,178</b>	330,731
<b>Net assets</b>		<b>379,262</b>	306,006
<b>EQUITY</b>			
Contributed equity	21	<b>77,321</b>	67,466
Other reserves	22	<b>118,099</b>	99,604
Retained earnings		<b>183,842</b>	138,936
<b>Total equity</b>		<b>379,262</b>	306,006

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity

For the year ended 30 September 2024

	Note	Contributed equity (\$'000)	Retained earnings (\$'000)	Dividend reserve (\$'000)	FOREX reserve (\$'000)	Share option reserve (\$'000)	Total equity (\$'000)
<b>Balance as at 1 October 2023</b>		<b>67,466</b>	<b>138,936</b>	<b>48,377</b>	<b>2,262</b>	<b>48,965</b>	<b>306,006</b>
Profit for the year		-	118,014	-	-	-	118,014
Exchange differences on translation of reserves		-	-	-	373	-	373
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>118,014</b>	<b>-</b>	<b>373</b>	<b>-</b>	<b>118,387</b>
Dividends paid	23	-	-	(64,846)	-	-	(64,846)
Transfer to dividends reserve		-	(73,108)	73,108	-	-	-
Exercise of share options	21	7,836	-	-	-	-	7,836
Employee share-based compensation	21	2,019	-	-	-	(244)	1,775
Share-based payments	31	-	-	-	-	6,521	6,521
Tax impact of share trust		-	-	-	-	3,583	3,583
		<b>9,855</b>	<b>(73,108)</b>	<b>8,262</b>	<b>-</b>	<b>9,860</b>	<b>(45,131)</b>
<b>Balance at 30 September 2024</b>		<b>77,321</b>	<b>183,842</b>	<b>56,639</b>	<b>2,635</b>	<b>58,825</b>	<b>379,262</b>
<b>Balance as at 1 October 2022</b>		<b>57,635</b>	<b>99,587</b>	<b>41,455</b>	<b>(1,238)</b>	<b>41,658</b>	<b>239,097</b>
Profit for the period		-	102,876	-	-	-	102,876
Exchange differences on translation of reserves		-	-	-	3,500	-	3,500
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>102,876</b>	<b>-</b>	<b>3,500</b>	<b>-</b>	<b>106,376</b>
Dividends paid	23	-	-	(56,605)	-	-	(56,605)
Transfer to dividends reserve		-	(63,527)	63,527	-	-	-
Exercise of share options	21	8,139	-	-	-	-	8,139
Employee share-based compensation	21	1,692	-	-	-	244	1,936
Share-based payments	31	-	-	-	-	3,907	3,907
Tax impact of share trust		-	-	-	-	3,156	3,156
		<b>9,831</b>	<b>(63,527)</b>	<b>6,922</b>	<b>-</b>	<b>7,307</b>	<b>(39,467)</b>
<b>Balance at 30 September 2023</b>		<b>67,466</b>	<b>138,936</b>	<b>48,377</b>	<b>2,262</b>	<b>48,965</b>	<b>306,006</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Financial Statements

## Consolidated statement of cash flows

For the year ended 30 September 2024

	Notes	30-Sep-24 (\$'000)	30-Sep-23 (\$'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		<b>591,913</b>	501,247
Payments to suppliers and employees (inclusive of GST)		(352,789)	(292,567)
Interest received		<b>6,994</b>	3,536
Net income taxes paid		(30,728)	(16,434)
Interest paid		(2,644)	(2,123)
<b>Net cash inflow / (outflow) from operating activities</b>	29	<b>212,746</b>	193,659
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	13	(6,322)	(7,770)
Payments for development expenditures and intangibles	14	(86,317)	(82,356)
Payments for investment in short-term deposits	9	(198,481)	(25,000)
<b>Net cash inflow / (outflow) from investing activities</b>		<b>(291,120)</b>	(115,126)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options		<b>7,836</b>	8,139
Principal repayments of lease liabilities	20	(7,690)	(7,757)
Dividends paid to shareholders	23	(64,846)	(56,605)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>(64,700)</b>	(56,223)
Net increase / (decrease) in cash and cash equivalents		<b>(143,074)</b>	22,310
Cash and cash equivalents at the beginning of the year		<b>198,265</b>	175,865
Effects of exchange rate changes on cash and cash equivalents		<b>17</b>	90
<b>Cash and cash equivalents at the end of the year</b>	8	<b>55,208</b>	198,265

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the consolidated financial statements

## 1 Summary of material accounting policy information

The financial report of Technology One Limited (**the Company**) for the year ended 30 September 2024 was authorised for issue in accordance with a resolution of Directors on 18 November 2024.

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

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Technology One Limited and its subsidiaries. The nature of the operations and principal activities of the Group are described in the Directors' report.

### (a) Basis of preparation

The financial report is a general-purpose financial report prepared by a for profit entity, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year as no new or amended Standards or Interpretations were applicable in the current year.

Certain comparative items have been reclassified in the financial statements to align with the 30 September 2024 year end disclosures.

#### (i) Compliance with IFRS

This financial report also complies with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

#### (ii) New accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

##### (i) Issued but not yet effective

On 9 April 2024 and 14 June 2024, the IASB and AASB, respectively, issued IFRS 18 which will replace IAS 1 'Presentation of Financial Statements' for reporting periods beginning on or after 1 January 2027, with early application permitted.

IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes. Further, the classification of interest and dividends within the statement of cash flows will change for some entities. Management is currently assessing the impact of IFRS 18 on presentation and disclosures in the Group's Financial Statements.

A number of other accounting standards and interpretations have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These pronouncements have not been applied in the preparation of these Financial Statements.

##### (ii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### (b) Principles of consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Technology One Limited ('Company' or 'parent entity') as at 30 September 2024 and the results of all subsidiaries for the year then ended. Technology One Limited and its subsidiaries together are referred to in this financial report as the 'Group' or the 'Consolidated entity'.

Intercompany transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (ii) Employee Share Trust

The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. At 30 September 2024, the Group had 154,169 treasury shares (2023: 161,813).

Treasury shares are shares in the Group that the Employee Share Trust holds for the purpose of transferring shares under the TechnologyOne employee share scheme.

# Notes to the consolidated financial statements

## 1 Summary of material accounting policy information (continued)

### (iii) Business combination and goodwill

Business combinations are accounted for using the acquisition method under AASB 3 *Business Combinations*. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (**CGU**) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### (c) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's operations are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Technology One Limited's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions)
- All resulting exchange differences are recognised in other comprehensive income.

### (d) Revenue recognition

The Group has the following key revenue categories:

1. SaaS Fees
2. Annual Licence Fees
3. Consulting Services
4. Initial Licence Fees

The accounting policies for each of these categories has been set out below:

#### **Revenue categories**

##### **1. SaaS Fees**

Revenue from term SaaS contracts is recognised on a daily basis over the term of the contract. Included within this category is revenue from contracts for annual SaaS licences as well as Platform services associated with initial licence fees. The Group considers that SaaS licence contracts represent a right to access the Group's licenced intellectual property and as such the performance obligation is fulfilled over the contract term.

Payment terms in respect of SaaS Fees are typically annual within 14 to 30 days of invoice. Invoiced amounts are reflected in trade and other receivables until paid.

Unsatisfied performance obligations in respect of SaaS Fees received or receivable are recognised as deferred revenue in the consolidated statement of financial position. Refer to note 18 for details of deferred revenue.

Costs incurred in obtaining the customer contract are expensed, unless they are incremental to obtaining the contract and the Group expects to recover those costs. Costs that meet the criteria for capitalisation will be amortised over the life of the contract that they relate to. The Group has identified certain commission costs as meeting the criteria of directly related contract costs. These costs are capitalised in the month in which they are incurred and amortised over an average contract term of 5 years. The movement in the year and the closing balance of this asset is disclosed within note 14 as 'contract acquisition costs'. This balance is presented as 'contract acquisition costs' in the statement of financial position.

##### **2. Annual Licence Fees**

Revenue from Annual Licence Fees are recognised daily over the term of the contract. The Group considers that the performance obligation in respect of these services is satisfied over time.

Payment terms in respect of Annual Licence Fees are typically annual within 14 to 30 days of invoice. Invoiced amounts are reflected in trade and other receivables until paid.

Unsatisfied performance obligations in respect of Annual Licence Fees received or receivable are disclosed as deferred revenue in the consolidated statement of financial position. Refer to note 18 for details of deferred revenue.

##### **3. Consulting Services**

Consulting services includes services for software and project services revenue.

Revenue from these services is recognised as services are rendered, typically in accordance with the achievement of contract milestones and/or hours expended.

##### **4. Initial licence fees**

Initial licence fees includes both perpetual licence fees and subscription term licences and are recognised on provision of

the software. The Group considers that such contracts represent a right to use the Group's licenced intellectual property and as such the performance obligation is fulfilled at the point in time at which the customer receives the licence key.

Payment terms in respect of Initial Licence Fees are typically within 14 to 30 days of invoice. Invoiced amounts are reflected in trade and other receivables.

Perpetual licence fees are typically invoiced upfront on signing the contract, but subscription term licences are billed annually throughout the subscription period.

As the performance obligation is satisfied at a point in time (i.e. at contract delivery), there are no unsatisfied performance obligations in respect of Initial Licence Fees.

The Group considers the effects of variable consideration, reviews the contracts to identify if a significant financing component exists and considers the standalone pricing of the initial licence fees when allocating the transaction price of the contract to the performance obligation.

#### **Associated contract balances**

Consistent with AASB 15 *Revenue from Contracts with Customers*, the timing of revenue recognition, customer invoicing and cash collections results in the recognition of trade and other receivables, contract asset and deferred revenue (contract liability) on the Group's Consolidated statement of financial position. As deferred revenue represents payments received or receivable in advance from customers for SaaS Fees and Annual Licence Fees which will be recognised 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.

#### **Revenue Groups disclosed in the consolidated income statement**

The Group has the following revenue groups:

##### **i. Revenue – SaaS and continuing business**

The Group defines continuing business as those revenue streams that form part of the growth strategy. Namely this includes SaaS fees, Annual Licence Fees and Consulting Services.

##### **ii. Revenue – Legacy licence business**

The legacy licence fee business encompasses the sale of initial licence fees which will continue to decline as our customers transition to SaaS, growing the SaaS and continuing business revenue. Included within this revenue group is Annual Licence Fees recognised from the date the associated initial licence is delivered until the end of the first financial year post signing.

# Notes to the consolidated financial statements

## 1 Summary of material accounting policy information (continued)

### (e) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss except for transactions that, on initial recognition give rise to equal taxable and deductible temporary differences such as recognition of an ROU Asset and a lease liability. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Technology One Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. Consequently, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

The head entity, Technology One Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer.

The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

The Group created an Employee Share Trust in 2009 which allows an employee on the exercise of an option to hold the resultant share in the Trust. In accordance with AASB 112, on granting the option, the Group records a deferred tax asset on the expected value of the share. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the difference is recognised directly in equity. When the employee exercises the option, the tax effect difference between the actual market value and what was recorded as a deferred tax asset is recognised in equity.

The Group claims the non-refundable R&D tax offset each year based on its eligible R&D spend. From the financial year beginning 1 July 2021 onwards, this offset benefit changed from an 8.5% premium, to be intensity based, remaining at an 8.5% premium (up to 2% R&D intensity) and then increasing to a 16.5% premium (above 2% R&D intensity). The R&D tax concession results in a permanent income tax benefit for the Group.

### (f) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision maker - being the Chief Executive Officer.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 *Operating Segments* are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

### (g) Leases

AASB 16 *Leases* sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group's lease portfolio primarily consists of property leases. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

Lease contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone values.

#### **Lease liability**

The lease liability is initially measured at the present value of outstanding lease payments (including those to be made under reasonably certain extension options). The payments used in this calculation include the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments above are discounted using the interest rate implicit in the lease if that rate is readily determinable. This is not the case for the Group's current leases. When the interest rate implicit in the lease is not readily determinable AASB 16 requires the use of the incremental borrowing rate to calculate the present value of the lease payments. This rate is the rate of interest that a lessee would have to pay to borrow the funds necessary to purchase the right of use asset, over a similar term and with a similar security, in similar economic environment.

In the absence of borrowings, the Group uses the relevant interest rate swap curve as the starting point in determining the incremental borrowing rate. In line with the accounting standard the Group ensures the swap curve rate reflects the term of the leases, the value of the leases and the creditworthiness of the Group.

Once the lease liability has been recognised on the balance sheet the periodic lease repayments are allocated between an interest and a principal element. The interest is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

#### **Right-of-use asset**

The right-of-use asset is initially calculated as being equal to the lease liability and then adjusted for the following:

- Lease payments made on or before the commencement date less any incentives received
- Any initial direct costs, and
- An estimate of restoration costs.

This right-of-use asset is then depreciated on a straight-line basis over the calculated lease term.

Right-of-use assets are also subject to impairment testing under AASB 136 Impairment of assets.

#### **Short term assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss.

### **(h) Variable costs**

The components of variable costs comprise:

- Costs incurred in obtaining a SaaS contract with a customer are capitalised if the requirements in AASB 15 are fulfilled. These costs are then amortised in line with the satisfaction of the related performance obligation. The expense is recognised within the Depreciation and Amortisation line of the Consolidated Statement of Profit or Loss.
- Costs incurred in obtaining an initial licence fee contract as well as incentives on achievement of KPIs. These are expensed as incurred.

#### **(i) Variable customer SaaS costs**

Variable customer SaaS costs relate to costs incurred in providing our customers with access to our SaaS Platform. These costs are expensed as incurred.

#### **(j) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

# **Notes to the consolidated financial statements**

## **1 Summary of material accounting policy information (continued)**

**(k) Financial assets and liabilities**

Financial instruments recognised in the statement of financial position include; cash and cash equivalents, trade and other receivables, contract assets, lease liabilities, trade payables and contingent consideration.

**(i) Classification**

The Group classifies its financial assets and financial liabilities into the following measurement categories;

- those to be measured at amortised cost (using the effective interest method) and;
  - those to be measured at fair value with changes through the profit or loss (FVPL).

Classification into these categories is based on an assessment of the Groups' business model for managing its financial instruments and the contractual terms of the cash flows.

## (ii) Measurement

### **Amortised cost**

Financial assets are initially measured at fair value. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price. Financial assets and liabilities at amortised cost are subsequently measured using the effective interest method. Further adjustments to the carrying value of the financial instrument will arise if there is a modification to the contractual cash flows creating a gain/loss in the measurement or if there is no longer a reasonable expectation of recovery of a financial asset, resulting in a write-off.

#### **Fair value through profit and loss (FVPL)**

The financial instrument is measured at fair value. Changes in fair value are recognised in profit and loss as they arise.

### (iii) Impairment

The Group recognises impairment losses on its financial assets carried at amortised cost using an expected credit losses (ECL) model, in line with AASB 9 *Financial Instruments*. The ECL model essentially aims to calculate the Assets' credit risk. It involves consideration of scenarios that would lead to default, calculating the shortfall between what is contractually due and what would be received under each scenario and then multiplying the shortfall/loss by the probability of the default situation occurring.

The Group has elected to apply the AASB 9 Financial Instruments' simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. The Group has also made use of the practical expedient available for calculating expected credit losses for short term receivables. This practical expedient involves using a "provision matrix" to calculate the loss allowance. This matrix is based on historical default rates over the expected life of the trade receivables, adjusted for forward-looking estimates.

A 6-month historical default rate is applied to the trade receivables balance to calculate the expected credit loss. This appears as a provision against the trade receivables balance. Movements in this provision are recognised as an expense in the consolidated income statement to the extent that the related revenue has been recognised in the consolidated income statement. If a receivable balance is identified as being unrecoverable it is written off against the allowance for expected credit losses.

#### **(I) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(m) Financial assets**

Investments with original maturities over three months are classified as financial assets in the statements of financial position. Cash and cash equivalents are presented in the consolidated statement of cash flows.

**(n) Trade and other receivables**

Trade and other receivables are recognised initially at transaction price which is deemed to be fair value and subsequently measured at amortised cost using the effective interest method. Trade receivables are typically due for settlement within 14 to 30 days.

**(o) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful economic lives of the assets as follows:

Office furniture and equipment	3 - 11 years
Computer software	3 - 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

**(p) Intangible assets**

**(i) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose (note 14).

**(ii) Intellectual property/source code**

Intangible assets acquired separately are capitalised at cost, and if acquired as a result of a business combination, capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to all classes of intangible assets. The useful lives of the intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on intangible assets with finite lives, this expense is recognised in the Income Statement through the 'depreciation and amortisation expense' line item. Intangible assets with finite lives are tested for impairment where an indicator of impairment exists. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Intellectual Property/Source Code	5 - 8 years
Customer contracts	6 - 12 years
Trade names	8 - 12 years

Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the intangible asset is derecognised.

**(iii) Software development**

Research expenditure is recognised as an expense as incurred. Research costs are largely made up of employee labour which is included in employee costs in the consolidated Income Statement. Development expenditure is only capitalised if the recognition requirements within AASB 138 *Intangible Assets* have been fulfilled and an economic benefit of more than 12 months is expected.

Costs that are directly associated with the development of this software are recognised as an intangible asset where the following criteria are met:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) Intention to complete the intangible asset and use or sell it;
- (c) Ability to use or sell the intangible asset;

- (d) How the intangible asset will generate probable economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- (f) Ability to measure reliably the expenditure attributable to the intangible asset during its development.

As a SaaS company, access is provided to our products via a SaaS platform over a prolonged term. The technical feasibility of our products can be established through pre-defined project roadmaps.

TechnologyOne follows a robust process to ensure the accuracy of the amounts capitalised on the balance sheet. The costs included in the balance are costs of personnel and other directly attributable costs incurred in the development of software. The process for determining what constitutes capitalisable expenditure under AASB 138 involves a detailed analysis of all timesheet data available regarding projects that employees have worked on during the year and other directly attributable costs in respect of software development spend.

Capitalised software development costs are recognised as an intangible asset and amortised over their estimated useful lives, which is considered to be five years. Software development costs are capitalised as "under development" until the products to which the costs relate become available for use. At the point in which the products become available for use, the costs are transferred from "under development" to "in use" and amortised from that point (refer to categorisation in note 14). Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

**(q) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(r) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

# Notes to the consolidated financial statements

## 1 Summary of material accounting policy information (continued)

### (s) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave, which are non-vesting, are recognised when the leave is taken and measured at the rates paid or payable.

#### (ii) Deferred STI

An amount equal to an additional 25% of the annual STI earned by Executive KMP in the year is deferred and paid at the conclusion of the two-year period following the end of the financial year. It is accrued over a three-year period from the annual performance period in which it is determined and deferred for a two-year period following the end of the financial year.

#### (iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (iv) Share-based payments

The Group provides benefits to certain employees in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares. The costs of share-based payment transactions with employees are measured by reference to the fair value of the equity instruments at the date at which they are granted. Refer to note 31.

The cost of share-based payments is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period). If options or rights do not vest at the end of the performance period due to the service condition or non-market condition not being met, the corresponding expense will be reversed.

### (t) Contributed equity

Ordinary shares are classified as equity.

Issued and paid up capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### (u) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### (v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (w) Goods and services tax (GST) and equivalent overseas value added taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

## 2 Financial Risk Management

The Group is exposed to market risk (interest rate risk and foreign exchange risk), credit risk, and liquidity risk in the normal course of business. The Group's financial risk management is controlled by a central treasury department. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

### (a) Market Risk

#### Interest rate risk

The Group's income and financial cash flows are impacted by changes in market interest rates. The Group's main interest rate exposure during the period arose from interest receivable on cash deposited with banks.

#### Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk. Foreign exchange risk arises from future transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant entity within the Group.

When managing its net risk position, the Group uses foreign exchange spot and forward contracts.

At balance date, the Group had the following exposures in Australian dollar equivalents of amounts to foreign currencies:

	Cash and Cash equivalents \$'000	Trade and other receivables \$'000	Total	Cash and Cash equivalents \$'000	Trade and other receivables \$'000	Total
2024						
PGK	4,726	263	<b>4,989</b>	PGK	4,388	1,193
EUR	677	255	<b>932</b>	EUR	1,268	344
USD	317	91	<b>408</b>	USD	510	191
HKD	-	26	<b>26</b>	HKD	-	65
Other	9	26	<b>35</b>	Other	3	-
<b>Total foreign exchange risk</b>	<b>5,729</b>	<b>661</b>	<b>6,390</b>	<b>Total foreign exchange risk</b>	<b>6,169</b>	<b>1,793</b>
2023						
PGK	4,388	1,193	<b>5,581</b>	PGK	4,726	263
EUR	1,268	344	<b>1,612</b>	EUR	677	255
USD	510	191	<b>701</b>	USD	317	91
HKD	-	65	<b>65</b>	HKD	-	26
Other	3	-	<b>3</b>	Other	9	26
<b>Total foreign exchange risk</b>	<b>6,169</b>	<b>1,793</b>	<b>7,962</b>	<b>Total foreign exchange risk</b>	<b>6,390</b>	<b>677</b>

Based on the balances as at 30 September 2024, a 10% stronger and 10% weaker Australian dollar against the currencies held, would result in a loss of \$613k and a gain of \$671k respectively.

The following table summarises the foreign exchange rates for key currencies used in the preparation of the annual report.

	NZD	GBP	PGK	EUR	USD
2024					
Spot Rate	1.0889	0.5172	2.6713	0.6195	0.6924
Average Rate	1.0847	0.5197	2.4669	0.6139	0.6616

	NZD	GBP	PGK	EUR	USD
2023					
Spot Rate	1.0716	0.5264	2.2903	0.6077	0.6426
Average Rate	1.0817	0.5401	2.3046	0.6097	0.6646

### (b) Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade and other receivables and contract assets) and from its financing activities, including deposits with banks and other financial institutions.

The Group's exposure to credit risk relating to cash and cash equivalents arises from the ability of the counterparty to repay funds placed on deposit. The Group's cash and cash equivalent investments are held on deposit with counterparties holding an investment grade credit rating.

The Group's policy is that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, with the Group's exposure to bad debts historically insignificant.

Trade and other receivables are subject to the expected credit loss model. The Group has elected to apply the AASB 9 *Financial Instruments*' simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets.

# **Notes to the consolidated financial statements**

## **2 Financial Risk Management (continued)**

The Group has also made use of the practical expedient available for calculating expected credit losses for short-term receivables. This practical expedient involves using a "provision matrix" to calculate the loss allowance. This matrix is based on historical default rates over the expected life of the trade receivables, adjusted for forward-looking estimates.

Contract assets represent revenue recognised for contracts with customers which have not been invoiced at the end of the financial year, in accordance with customer contracts. The balance has the same characteristics as trade receivables. The Group has, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

Information on credit risk exposures is also contained in note 10.

On this basis, the loss allowance as at 30 September 2024 and 30 September 2023 was determined as follows:

	Current (\$'000)	More than 30 days past due (\$'000)	More than 60 days past due (\$'000)	More than 90 days past due (\$'000)	Total (\$'000)
<b>2024</b>					
Expected loss rate (%)	(1%)	(2%)	(82%)	(86%)	(3%)
Carrying amount – trade receivables	63,851	1,643	428	1,422	67,344
Carrying amount – contract assets	23,577	-	-	-	23,577
Loss allowance	(1,061)	(37)	(349)	(1,216)	(2,663)

	Current (\$'000)	More than 30 days past due (\$'000)	More than 60 days past due (\$'000)	More than 90 days past due (\$'000)	Total (\$'000)
2023					
Expected loss rate (%)	(1%)	(10%)	(7%)	(50%)	(2%)
Carrying amount – trade receivables	58,751	1,687	360	1,966	62,764
Carrying amount – contract assets	26,752	-	-	-	26,752
Loss allowance	(907)	(175)	(26)	(984)	(2,092)

The loss allowances for receivables and contract assets as at 30 September reconcile to the opening loss allowances as follows:

	Trade Receivables (\$'000)	Contract Assets (\$'000)
Opening loss allowance at 30 September 2023	1,849	243
Increase/(decrease) in loss allowances recognized in the Consolidated Income Statement	1,183	(40)
Receivables written-off during the year as uncollectible	(572)	-
<b>Closing loss allowance as at 30 September 2024</b>	<b>2,460</b>	<b>203</b>

	Trade Receivables (\$'000)	Contract Assets (\$'000)
Opening loss allowance at 30 September 2022	3,172	241
Increase/(decrease) in loss allowances recognized in the Consolidated Income Statement	176	2
Receivables written-off during the year as uncollectible	(1,499)	-
<b>Closing loss allowance as at 30 September 2023</b>	<b>1,849</b>	<b>243</b>

Receivables and contract assets are written-off where there is no reasonable expectation of recovery.

### (c) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due. The Group's approach to managing liquidity is to ensure sufficient cash and credit facilities are available to meet its liabilities when due, under both normal and stressed conditions.

In addition to the cash position outlined in note 8 – Cash and cash equivalents, the Group has the following credit facilities available at 30 September 2024.

	2024 (\$'000)	2023 (\$'000)
Credit Cards		
Used	172	191
Unused	5,624	5,596
<b>Total credit cards limit</b>	<b>5,796</b>	<b>5,787</b>
Overdraft Facilities		
Used	-	-
Unused	-	2,000
<b>Total overdraft facilities available</b>	<b>-</b>	<b>2,000</b>

The below table represents the maturing profile of the financial assets and financial liabilities as at the period end.

	Less than 12 months (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)	Total contractual cash flows (\$'000)
<b>AT 30 SEPTEMBER 2024</b>				
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	55,208	-	-	55,208
Financial assets	223,481	-	-	223,481
Trade and other receivables	67,546	-	-	67,546
<b>Total</b>	<b>346,235</b>	-	-	<b>346,235</b>
<b>FINANCIAL LIABILITIES</b>				
Trade and other payables	33,172	-	-	33,172
Lease liabilities <sup>1</sup>	10,581	33,698	37,951	82,230
<b>Total</b>	<b>43,753</b>	<b>33,698</b>	<b>37,951</b>	<b>115,402</b>
<b>Net inflow / (outflow)</b>	<b>302,482</b>	<b>(33,698)</b>	<b>(37,951)</b>	<b>230,833</b>
	Less than 12 months (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)	Total contractual cash flows (\$'000)
<b>AT 30 SEPTEMBER 2023</b>				
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	198,265	-	-	198,265
Financial assets	25,000	-	-	25,000
Trade and other receivables	62,416	-	-	62,416
<b>Total</b>	<b>285,681</b>	-	-	<b>285,681</b>
<b>FINANCIAL LIABILITIES</b>				
Trade and other payables	49,247	-	-	49,247
Lease liabilities <sup>1</sup>	10,609	24,867	1,640	37,116
<b>Total</b>	<b>59,856</b>	<b>24,867</b>	<b>1,640</b>	<b>86,363</b>
<b>Net inflow / (outflow)</b>	<b>225,825</b>	<b>(24,867)</b>	<b>(1,640)</b>	<b>199,318</b>

<sup>1</sup> For lease liabilities, this table represents contracted future cashflows.

# **Notes to the consolidated financial statements**

## **2 Financial Risk Management (continued)**

**(d) Fair value measurement**

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

**(e) Capital risk management**

The Group manages its capital to ensure that its entities can continue as going concerns while maximising the return to stakeholders through the optimisation of their debt and equity balances.

The Group's current conservative capital structure does not include debt funding.

The equity-funded position of the Group is managed by the Board through dividends, new shares and share buy backs as well as the issue of new equity where considered appropriate to fund business acquisitions.

### **3 Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**(i) Impairment of goodwill and other assets**

The Group tests for goodwill impairment annually, in accordance with the accounting policy stated in note 1(p) (i). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 14 for details of these assumptions and the potential impact of changes to the assumptions.

All other assets are reviewed for indicators or objective evidence of impairment. If indicators or objective evidence exists, the recoverable amount is reviewed.

## (ii) Share-based payments

The Group provides benefits to certain employees in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares. The costs of share-based payment transactions with employees are measured by reference to the fair value of the equity instruments at the date at which they are granted. Refer to note 31.

The cost of share-based payments is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled

to the award (the vesting period). In the event that the rights over shares do not vest at the end of the performance period, the expense relating to the unvested rights is reversed. No expense is recognised for awards that do not ultimately vest due to not meeting the non-market conditions or service conditions.

**(iii) Capitalisation of development costs**

The Group capitalises costs related to software development. Software development costs are recognised upon meeting the criteria set out in note 1(o)(iii). The carrying value of these costs are regularly reviewed for impairment. Software development costs are amortised over a period of five years.

#### **(iv) Legal Provision**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Group recognises legal provisions based on the probability and management's best estimate of the outcome of the claim.

## 4 Segment information

#### (a) Description of segments

The Group's chief operating decision maker (**CoDM**), 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 and the Accounting Standard AASB 8 *Operating Segments*.

The Group's reportable segments are:

- Software – consists of Sales and Marketing, R&D, 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 the Group. 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.

**(b) Segment information provided to the Chief Operating Decision Maker**

2024	Software (\$'000)	Consulting (\$'000)	Corporate (\$'000)	Total (\$'000)
<b>REVENUE</b>				
SaaS fees <sup>1</sup>	407,386	-	-	407,386
Annual licence fees <sup>1</sup>	17,785	-	-	17,785
Consulting services <sup>1</sup>	-	80,520	-	80,520
Initial licence fees <sup>2</sup>	845	-	-	845
Intersegment revenue	(551)	678	(127)	-
Intersegment royalty	(78,120)	(9,030)	87,150	-
<b>Total revenue from contracts with customers</b>	<b>347,345</b>	<b>72,168</b>	<b>87,023</b>	<b>506,536</b>
<b>Other income</b>	<b>393</b>	<b>-</b>	<b>8,497</b>	<b>8,890</b>
<b>EXPENSES</b>				
Employee and share-based payments costs	(76,881)	(54,877)	(32,061)	(163,819)
Depreciation and amortisation	(65,292)	(728)	(2,753)	(68,773)
Variable costs	(47,440)	(4,484)	(9,234)	(61,158)
Corporate and other costs	(11,524)	(5,352)	(37,097)	(53,973)
Marketing costs	(14,649)	(27)	(153)	(14,829)
<b>Total external expenses</b>	<b>(215,786)</b>	<b>(65,468)</b>	<b>(81,298)</b>	<b>(362,552)</b>
<b>Profit before tax</b>	<b>131,952</b>	<b>6,700</b>	<b>14,222</b>	<b>152,874</b>
Income tax expense				(34,860)
<b>Profit for the year</b>				<b>118,014</b>
Total assets				757,440
Total liabilities				378,178
Total depreciation and amortisation				(68,773)

1 Recognised over time / as services are rendered.

2 Recognised at a point in time.

# Notes to the consolidated financial statements

## 4 Segment information (continued)

2023	Software (\$'000)	Consulting (\$'000)	Corporate (\$'000)	Total (\$'000)
<b>REVENUE</b>				
SaaS fees <sup>1</sup>	316,181	-	-	316,181
Annual licence fees <sup>1</sup>	37,203	-	-	37,203
Consulting services <sup>1</sup>	-	73,183	-	73,183
Initial licence fees <sup>2</sup>	2,811	-	-	2,811
Intersegment revenue	(555)	738	(183)	-
Intersegment royalties	(72,372)	(7,738)	80,110	-
<b>Total revenue from contracts with customers</b>	<b>283,268</b>	<b>66,183</b>	<b>79,927</b>	<b>429,378</b>
<b>Other income</b>	<b>377</b>	<b>-</b>	<b>11,608</b>	<b>11,985</b>
<b>EXPENSES</b>				
Employee and share-based payments costs	(69,146)	(44,777)	(27,019)	(140,942)
Depreciation and amortisation	(51,699)	(541)	(1,262)	(53,502)
Variable costs	(44,412)	(3,059)	(8,423)	(55,894)
Corporate and other costs	(7,520)	(3,976)	(35,951)	(47,447)
Marketing costs	(13,099)	(7)	(618)	(13,724)
<b>Total external expenses</b>	<b>(185,876)</b>	<b>(52,360)</b>	<b>(73,273)</b>	<b>(311,509)</b>
<b>Profit before tax</b>	<b>97,769</b>	<b>13,823</b>	<b>18,262</b>	<b>129,854</b>
Income tax expense				(26,978)
<b>Profit for the year</b>				<b>102,876</b>
Total assets				636,737
Total liabilities				330,731
Total depreciation and amortisation				(53,502)

1 Recognised over time / as services are rendered.

2 Recognised at a point in time.

### (c) Other segment information

#### (i) Segment revenue

	2024 (\$'000)	2023 (\$'000)
Australia	415,682	350,364
New Zealand and Asia Pacific	54,298	47,185
<b>APAC total</b>	<b>469,980</b>	<b>397,549</b>
United Kingdom	36,556	31,829
<b>Total segment revenues from sales to external customers</b>	<b>506,536</b>	<b>429,378</b>

#### (ii) Major customers

No Group customer contributes greater than 10% of external revenue.

## 5 Revenue

	2024 (\$'000)	2023 (\$'000)
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
SaaS fees <sup>1</sup>	<b>407,386</b>	316,181
Annual licence fees <sup>1</sup>	<b>17,697</b>	37,015
Consulting services <sup>1</sup>	<b>80,520</b>	73,183
<b>Revenue – SaaS and continuing business</b>	<b>505,603</b>	426,379
Initial licence fees <sup>2</sup>	<b>845</b>	2,811
Annual licence fees associated with initial licence fees <sup>3</sup>	<b>88</b>	188
<b>Revenue – Legacy licence business</b>	<b>933</b>	2,999
<b>Total revenue from contracts with customers</b>	<b>506,536</b>	429,378

1 Recognised over time / as services are rendered.

2 Recognised at a point in time.

3 This represents revenue on Annual Licence Fees recognised from the date the associated initial licence is delivered until the end of the first financial year post delivery.

	2024 (\$'000)	2023 (\$'000)
<b>OTHER INCOME</b>		
Foreign exchange gains / (losses)	<b>41</b>	21
Interest received	<b>8,444</b>	4,139
Reversal of contingent consideration (note 19)	<b>-</b>	7,378
Other	<b>405</b>	447
<b>Total other income</b>	<b>8,890</b>	11,985
<b>Total revenue</b>	<b>515,426</b>	441,363

# Notes to the consolidated financial statements

## 6 Expenses

	2024 (\$'000)	2023 (\$'000)
<b>PROFIT BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:</b>		
<b>DEPRECIATION</b>		
Plant and equipment	<b>4,167</b>	2,957
<b>Total depreciation</b>	<b>4,167</b>	2,957
<b>AMORTISATION</b>		
Other intangible assets amortisation	2,061	1,933
Contract acquisition costs amortisation	11,025	8,574
Capitalised development amortisation	45,319	34,055
Amortisation of right-of-use assets	6,201	5,983
<b>Total amortisation</b>	<b>64,606</b>	50,545
<b>Total depreciation and amortisation</b>	<b>68,773</b>	53,502
Wages and salaries	111,455	98,840
Defined contribution plan expense	14,256	12,182
Payroll tax	11,429	9,562
Other employee benefits	2,678	1,079
Other	15,705	13,452
<b>Total employee costs<sup>1</sup></b>	<b>155,523</b>	135,115
Share-based payments	6,521	3,907
Employee Share Purchase Plan	1,775	1,920
<b>Share-based payments</b>	<b>8,296</b>	5,827
Profit and loss movement in expected credit loss	135	498
Foreign exchange (gain) / loss	804	(106)
(Gain) / loss on sale of property, plant and equipment	6	(3)

<sup>1</sup> In addition to the employee benefits expense disclosed above, 'Variable costs' in the consolidated income statement includes \$19.2m (2023: \$17.9m) relating to employee costs. In addition, 'Contract acquisition costs' in the consolidated statement of financial position includes \$14.3 (2023: \$17.1m) of sales commissions and 'Capitalised development' includes \$59.8m (2023: \$52.7m) of current year employee benefits that have been capitalised.

## 7 Income tax expenses

### (a) Income tax expense

	2024 (\$'000)	2023 (\$'000)
Current tax	34,328	26,549
Relating to origination and reversal of temporary differences	739	672
Adjustments for tax expense of prior periods	(207)	(243)
	<b>34,860</b>	26,978
<b>DEFERRED INCOME TAX EXPENSE / (REVENUE) INCLUDED IN INCOME TAX EXPENSE COMPRISSES:</b>		
(Increase) / decrease in deferred tax assets (note 15)	(7,471)	(4,955)
Increase / (decrease) in deferred tax liabilities (note 15)	9,234	7,789
Adjustments for deferred taxes of prior periods	(1,024)	(2,162)
	<b>739</b>	672

### (b) Numerical reconciliation of income tax expense to *prima facie* tax payable

	2024 (\$'000)	2023 (\$'000)
<b>Profit from continuing operations before income tax expense</b>	<b>152,874</b>	129,854
Tax at the Australian tax rate of 30% (2023: 30%)	45,862	38,956
Adjustments for current tax of prior periods	(207)	(243)
Research and development tax concession	(10,853)	(10,214)
Non-taxable income	(485)	(1,584)
Expenditure not allowable for income tax purposes	832	218
Current year tax losses not recognised	13	16
Tax rate variance in subsidiaries	(302)	(859)
Change in foreign tax rate	-	688
<b>Income tax expense</b>	<b>34,860</b>	26,978

### (c) Amounts recognised directly in equity

	2024 (\$'000)	2023 (\$'000)
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Net deferred tax debited / (credited) directly to equity	(3,583)	(3,156)

## 8 Current assets - Cash and cash equivalents

	2024 (\$'000)	2023 (\$'000)
Cash and cash equivalents	55,208	198,265

Cash at bank earns interest at floating rates based on daily bank deposit rates (ranging from 0.0% to 4.70%). Included in the Cash and cash equivalents amount are term deposits invested for periods ranging from one day to three months (earning interest from 4.85% to 5.45%). Given the short-term nature of these term deposit accounts, the fair value of cash assets at 30 September are their carrying values.

# **Notes to the consolidated financial statements**

## 9 Current assets – Financial assets

	2024 (\$'000)	2023 (\$'000)
Term deposits	<b>223,481</b>	25,000

Term deposits with original maturities over three months, but less than twelve months at balance sheet date, are classified as financial assets earning interest ranging from 4.85% to 5.75% (2023: 5.02%).

## **10 Current assets – Trade and other receivables**

	2024 (\$'000)	2023 (\$'000)
Trade and other receivables	<b>67,343</b>	62,764
Allowance for expected credit losses	<b>(2,460)</b>	(1,849)
Sundry receivables	<b>2,663</b>	1,501
	<b>67,546</b>	62,416

Trade and other receivables are non-interest bearing and are on 14 to 30 day terms. No interest is charged on trade and other receivables.

Included in the trade and other receivable balance are debtors with a carrying amount of \$1.9m (2023: \$2.8m) which are past due at the reporting date for which the consolidated entity has not provided a specific allowance as there has not been a significant change in credit quality. The Company believes that the amounts are still recoverable. The Company does not hold any collateral over these balances, however is able to withdraw future support and software licence use rights if concerns arise relating to the recoverability of an outstanding customer balance.

**(a) Allowance for expected credit losses**

Movements in the provision for impairment of receivables are as follows:

	2024 (\$'000)	2023 (\$'000)
Opening balance - 1 October	1,849	3,172
Increase/(decrease) in expected credit loss allowance	1,700	176
Amounts reversed/written off	(1,089)	(1,499)
<b>Closing balance - 30 September</b>	<b>2,460</b>	<b>1,849</b>

In determining the recoverability of a trade and other receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

<b>Age</b>	<b>Trade Debtors 2024 (\$'000)</b>	<b>Expected credit loss 2024 (\$'000)</b>	<b>Trade Debtors 2023 (\$'000)</b>	<b>Expected credit loss 2023 (\$'000)</b>
0 – 30 days	<b>63,851</b>	<b>(858)</b>	58,751	(664)
31 – 60 days	<b>1,643</b>	<b>(37)</b>	1,687	(175)
61 – 90 days	<b>428</b>	<b>(349)</b>	360	(26)
91+ days	<b>1,421</b>	<b>(1,216)</b>	1,966	(984)
	<b>67,343</b>	<b>(2,460)</b>	62,764	(1,849)

## 11 Contract assets

	2024 (\$'000)	2023 (\$'000)
Contract assets - current	21,021	23,134
Contract assets - non-current	2,556	3,618
Allowance for expected credit losses	(203)	(243)
	<b>23,374</b>	26,509

The above contract asset balance represents revenue recognised for contracts with customers which has not been invoiced at the end of the financial year, in accordance with customer contracts.

### Expected credit loss for contract assets

Movements in the provision for impairment of contract assets are as follows:

	2024 (\$'000)	2023 (\$'000)
Opening balance - 1 October	243	241
Increase/(decrease) in expected credit loss allowance recognised in profit and loss during the year	(40)	2
<b>Closing balance - 30 September</b>	<b>203</b>	243

## 12 Current assets – Other current assets

	2024 (\$'000)	2023 (\$'000)
Refundable deposits	1,457	1,127
	<b>1,457</b>	1,127

# Notes to the consolidated financial statements

## 13 Non-current assets – Property, plant and equipment

	Office furniture & equipment (\$'000)	Other (\$'000)	Total (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2024</b>			
Opening net book amount	13,295	20	13,315
Additions	6,322	-	6,322
Disposals	(10)	(1)	(11)
Depreciation charge	(4,160)	(7)	(4,167)
Make good movement	(15)	-	(15)
Exchange difference	76	-	76
<b>Closing net book amount</b>	<b>15,508</b>	<b>12</b>	<b>15,520</b>
<b>AT 30 SEPTEMBER 2024</b>			
Cost	56,978	4,787	61,765
Accumulated depreciation	(41,470)	(4,775)	(46,245)
<b>Net book amount</b>	<b>15,508</b>	<b>12</b>	<b>15,520</b>
<b>YEAR ENDED 30 SEPTEMBER 2023</b>			
Opening net book amount	8,501	4	8,505
Additions	7,752	18	7,770
Disposals	(3)	-	(3)
Depreciation charge	(2,955)	(2)	(2,957)
Make good movement	(17)	-	(17)
Exchange difference	17	-	17
<b>Closing net book amount</b>	<b>13,295</b>	<b>20</b>	<b>13,315</b>
<b>AT 30 SEPTEMBER 2023</b>			
Cost	50,975	4,789	55,764
Accumulated depreciation	(37,680)	(4,769)	(42,449)
<b>Net book amount</b>	<b>13,295</b>	<b>20</b>	<b>13,315</b>

## 14 Non-current assets – Intangible assets

	Goodwill (\$'000)	Intellectual property/ source code (\$'000)	Customer contracts (\$'000)	Contract acquisition costs <sup>1</sup> (\$'000)	Software under development (\$'000)	Software- in use (\$'000)	Total (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2024</b>							
Opening net book amount	47,951	6,123	5,436	32,803	43,127	105,491	240,931
Additions	-	209	-	16,388	69,720	-	86,317
Transfers to software – in use	-	-	-	-	(93,108)	93,108	-
Amortisation charge	-	(609)	(1,452)	(11,025)	-	(45,319)	(58,405)
Derecognition	-	-	-	-	-	-	-
Exchange difference	261	(4)	80	18	5	11	371
<b>Closing net book amount</b>	<b>48,212</b>	<b>5,719</b>	<b>4,064</b>	<b>38,184</b>	<b>19,744</b>	<b>153,291</b>	<b>269,214</b>
<b>AT 30 SEPTEMBER 2024</b>							
Cost	54,965	16,154	7,706	72,753	19,744	281,157	452,479
Accumulated amortisation	-	(6,842)	(3,642)	(34,569)	-	(122,844)	(167,897)
Accumulated impairment	(6,753)	(3,593)	-	-	-	(5,022)	(15,368)
<b>Net book amount</b>	<b>48,212</b>	<b>5,719</b>	<b>4,064</b>	<b>38,184</b>	<b>19,744</b>	<b>153,291</b>	<b>269,214</b>
<b>YEAR ENDED 30 SEPTEMBER 2023</b>							
Opening net book amount	46,580	6,792	6,080	20,378	33,947	92,962	206,739
Additions	-	987	-	20,764	60,605	-	82,356
Transfers to software – in use	-	-	-	-	(51,574)	51,574	-
Amortisation charge	-	(802)	(1,131)	(8,574)	-	(34,055)	(44,562)
Derecognition	-	(916)	-	-	-	(5,022)	(5,938)
Exchange difference	1,371	62	487	235	149	32	2,336
<b>Closing net book amount</b>	<b>47,951</b>	<b>6,123</b>	<b>5,436</b>	<b>32,803</b>	<b>43,127</b>	<b>105,491</b>	<b>240,931</b>
<b>AT 30 SEPTEMBER 2023</b>							
Cost	54,704	15,949	7,626	56,347	43,127	188,038	365,791
Accumulated amortisation	-	(6,233)	(2,190)	(23,544)	-	(77,525)	(109,492)
Accumulated impairment	(6,753)	(3,593)	-	-	-	(5,022)	(15,368)
<b>Net book amount</b>	<b>47,951</b>	<b>6,123</b>	<b>5,436</b>	<b>32,803</b>	<b>43,127</b>	<b>105,491</b>	<b>240,931</b>

<sup>1</sup> Balance of contract acquisition costs is split between current portion of \$11.8m and non-current portion of \$26.4m (2023: current \$9.6m; non-current \$23.2m). Assets with indefinite life other than goodwill are within Intellectual property/source code above.

# Notes to the consolidated financial statements

## 14 Non-current assets – Intangible assets (continued)

### (a) Impairment tests for goodwill

Goodwill and indefinite life intangibles are allocated to the Group's Software and Consulting cash-generating units (**CGUs**) which are also operating and reportable segments for impairment testing purposes.

A segment-level summary of the goodwill and indefinite life intangible assets allocation is presented below.

	Software (\$'000)	Consulting (\$'000)	Corporate (\$'000)	Total (\$'000)
<b>2024</b>				
Goodwill	38,604	9,608	-	48,212
Indefinite life intangible assets	1,362	660	-	2,022
	<b>39,966</b>	<b>10,268</b>	-	<b>50,234</b>
<b>2023</b>				
Goodwill	38,343	9,608	-	47,951
Indefinite life intangible assets	1,362	660	-	2,022
	<b>39,705</b>	<b>10,268</b>	-	<b>49,973</b>

The recoverable amounts of each CGU have been determined based on cash flow projections based on financial budgets approved by senior management covering a five-year period, with a value-in-use basis being used for all valuations.

The following table sets out the key assumptions for each cash-generating unit:

	Software	Consulting
<b>2024</b>		
Pre-tax nominal discount rate applied to the cash flow projections	11.9%	11.2%
Terminal growth rate	3%	3%
<b>2023</b>		
Pre-tax nominal discount rate applied to the cash flow projections	11.5%	11.6%
Terminal growth rate	3%	3%

## 15 Non-current assets – Deferred tax

### (a) Deferred tax assets

	2024 (\$'000)	2023 (\$'000)
<b>THE BALANCE COMPRISSES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:</b>		
Employee benefits	6,260	5,434
Other provisions	2,083	2,042
Accrued expenses	1,347	981
Intangible assets	2,144	477
Copyright – software	27	31
Lease liability (net)	2,308	2,315
Employee share trust	6,233	4,738
Deferred revenue	66,498	58,259
Other	1,626	3,195
	<b>88,526</b>	77,472
Set-off of deferred tax liabilities pursuant to set-off provisions	(65,324)	(56,090)
<b>Net deferred tax assets</b>	<b>23,202</b>	21,382
	2024 (\$'000)	2023 (\$'000)
<b>MOVEMENTS:</b>		
Opening balance at 1 October	77,472	69,361
Credited / (charged) to the consolidated income statement	7,471	4,955
Credited / (charged) to equity	3,583	3,156
Offset from deferred tax liabilities	(65,324)	(56,090)
<b>Closing balance at 30 September</b>	<b>23,202</b>	21,382

### (b) Deferred tax liabilities

	2024 (\$'000)	2023 (\$'000)
<b>THE BALANCE COMPRISSES TEMPORARY DIFFERENCES ATTRIBUTABLE TO</b>		
Contract assets	(4,527)	(4,412)
Accelerated depreciation for tax purposes	(837)	(1,491)
Prepayments	(47)	(44)
Capitalised development	(51,117)	(42,685)
Contract acquisition costs	(8,796)	(7,458)
<b>Total deferred tax liabilities</b>	<b>(65,324)</b>	(56,090)
Set-off of deferred tax liabilities pursuant to set-off provisions	65,324	56,090
<b>Net deferred tax liabilities</b>	<b>-</b>	-

# Notes to the consolidated financial statements

## 15 Non-current assets – Deferred tax (continued)

	2024 (\$'000)	2023 (\$'000)
<b>MOVEMENTS</b>		
Opening balance at 1 October	(56,090)	(48,301)
Charged/(credited) to the Consolidated income statement (note 7)	(9,234)	(7,789)
Offset to deferred tax assets	65,324	56,090
<b>Closing balance at 30 September</b>	<b>-</b>	<b>-</b>

## 16 Current liabilities – Trade and other payables

	2024 (\$'000)	2023 (\$'000)
Trade payables	22,708	39,733
Sundry creditors	10,373	9,340
Directors' fees	91	174
	<b>33,172</b>	<b>49,247</b>

Trade payables and sundry creditors are non-interest bearing and are normally settled on 30 day terms. No interest is payable on outstanding balances. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

## 17 Current liabilities – Provisions

	2024 (\$'000)	2023 (\$'000)
Other provisions <sup>1</sup>	5,221	5,302
Annual leave	9,277	7,743
Long service leave	9,196	8,232
	<b>23,694</b>	<b>21,277</b>

<sup>1</sup> On 2 October 2020, the Federal Court issued a judgement against TechnologyOne in a civil employment case. As a result of the judgement, the Group's provision was increased to \$5.2m as at 30 September 2020. The company lodged an appeal to the Full Federal Court on 26 October 2020. The company won its appeal, with the original judgement being overturned in August 2021, and a retrial being ordered. The retrial began 30 September 2024. As at the date of the release of this report the trial has been adjourned. The trial is expected to continue in FY25. The Group has retained the full value of the provision at 30 September 2023 and 2024 (\$5.2m) based on management's best estimate pending the results of the retrial.

## 18 Current liabilities – Deferred Revenue

	2024 (\$'000)	2023 (\$'000)
Carrying amount at 1 October	214,495	184,008
<b>Carrying amount at 30 September</b>	<b>246,335</b>	<b>214,495</b>
Revenue recognised from the opening balance	211,839	182,471

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 classified as a contract liability under AASB 15. These amounts do not result in a future cash outflow.

## 19 Non-current liabilities – Provisions

	2024 (\$'000)	2023 (\$'000)
Long service leave	2,554	2,359
Make good provision	225	206
	<b>2,779</b>	2,565

### (a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

The non-current provisions have been discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

	Annual leave (\$'000)	Long service leave (\$'000)	Make good (\$'000)	Legal provision (\$'000)	Other (\$'000)	Total (\$'000)
<b>2024</b>						
Carrying amount at 1 October 2023	7,743	10,591	206	5,221	81	23,842
Additional provisions recognised	4,928	2,154	19	-	-	7,101
Release of provision	-	-	-	-	-	-
Amount used during the year or foreign exchange movement	(3,394)	(995)	-	-	(81)	(4,470)
<b>Carrying amount at 30 September 2024</b>	<b>9,277</b>	<b>11,750</b>	<b>225</b>	<b>5,221</b>	<b>-</b>	<b>26,473</b>

## 20 Leases

Right-of-use assets	Property (\$'000)	Equipment (\$'000)	Total (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2024</b>			
Opening net book amount	22,486	155	22,641
Additions	-	55	55
Modifications during the year	36,402	-	36,402
Disposals	(1,398)	-	(1,398)
Depreciation charge	(6,161)	(40)	(6,201)
Exchange difference	146	-	146
<b>Closing net book amount</b>	<b>51,475</b>	<b>170</b>	<b>51,645</b>
<b>AT 30 SEPTEMBER 2024</b>			
Cost	78,660	421	79,081
Accumulated depreciation	(27,185)	(251)	(27,436)
<b>Net book amount</b>	<b>51,475</b>	<b>170</b>	<b>51,645</b>

# Notes to the consolidated financial statements

## 20 Leases (continued)

Lease liability	Property (\$'000)	Equipment (\$'000)	Total (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2024</b>			
Opening liability	32,988	168	33,156
New leases entered into during the year	-	55	55
Disposals	(2,383)	-	(2,383)
Modifications during the year	36,312	-	36,312
Payments	(10,218)	(46)	(10,264)
Interest expense	2,565	9	2,574
Exchange difference	217	-	217
<b>Closing liability<sup>1</sup></b>	<b>59,481</b>	<b>186</b>	<b>59,667</b>

1 Of the closing amount, \$7.1m is classified as current in the Consolidated statement of financial position.

The following are amounts recognised in profit or loss under AASB 16:	2024 (\$'000)	2023 (\$'000)
Amortisation on right-of-use assets	6,201	5,983
Interest expense on lease liabilities	2,574	2,063
<b>Total amount recognised in profit or loss</b>	<b>8,775</b>	<b>8,046</b>

Cashflow from leases	2024 (\$'000)	2023 (\$'000)
Total cash outflow as a lessee	10,264	9,820
	<b>10,264</b>	<b>9,820</b>

<b>Right-of-use assets</b>	<b>Property (\$'000)</b>	<b>Equipment (\$'000)</b>	<b>Total (\$'000)</b>
<b>YEAR ENDED 30 SEPTEMBER 2023</b>			
Opening net book amount	23,071	39	23,110
Additions	1,912	167	2,079
Modifications during the year	2,809	-	2,809
Disposals	-	-	-
Depreciation charge	(5,932)	(51)	(5,983)
Exchange difference	626	-	626
<b>Closing net book amount</b>	<b>22,486</b>	<b>155</b>	<b>22,641</b>
<b>AT 30 SEPTEMBER 2023</b>			
Cost	43,510	367	43,877
Accumulated depreciation	(21,024)	(212)	(21,236)
<b>Net book amount</b>	<b>22,486</b>	<b>155</b>	<b>22,641</b>

<b>Lease liability</b>	<b>Property (\$'000)</b>	<b>Equipment (\$'000)</b>	<b>Total (\$'000)</b>
<b>YEAR ENDED 30 SEPTEMBER 2023</b>			
Opening liability	35,253	51	35,304
New leases entered into during the year	1,879	167	2,046
Modifications during the year	2,803	-	2,803
Payments	(9,765)	(55)	(9,820)
Interest expense	2,058	5	2,063
Exchange difference	760	-	760
<b>Closing liability</b>	<b>32,988</b>	<b>168</b>	<b>33,156</b>

# **Notes to the consolidated financial statements**

## 21 Contributed Equity

**(a) Share capital**

	2024 Shares	2023 Shares	2024 (\$'000)	2023 (\$'000)
<b>ORDINARY SHARES</b>				
Fully paid	<b>326,076,272</b>	324,674,728	<b>77,321</b>	67,466

**(b) Movements in ordinary share capital**

Date	Details	Number of shares	('\$000)
1-Oct-23	Opening balance	324,674,728	67,466
	Exercise of options	1,193,476	7,836
	Share grant to employees	215,712	2,019
	Movement in treasury shares	(7,644)	-
<b>30-Sep-24</b>	<b>Closing balance</b>	<b>326,076,272</b>	<b>77,321</b>
1-Oct-22	Opening balance	323,365,816	57,635
	Exercise of options	1,303,806	8,139
	Share grant to employees	108,912	1,692
	Movement in treasury shares	(103,806)	-
<b>30-Sep-23</b>	<b>Closing balance</b>	<b>324,674,728</b>	<b>67,466</b>

Information relating to the TechnologyOne Employee Share Option Plan, including details of options issued, exercised, and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 31.

## **22 Reserves**

**(a) Other reserves**

	2024 (\$'000)	2023 (\$'000)
Share option reserve	<b>58,825</b>	48,965
Foreign currency translation	<b>2,635</b>	2,262
Dividend reserve	<b>56,639</b>	48,377
	<b>118,099</b>	99,604

**(b) Nature and purpose of other reserves**

**(i) Share option reserve**

The reserve is used to record the value of equity benefits provided to employees, through share-based payment transactions and associated tax benefits.

**(ii) Foreign currency translation**

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the income statement when the net investment is disposed of.

**(iii) Dividend reserve**

The reserve records retained earnings set aside for the payment of future dividends.

## 23 Dividends

### (a) Ordinary shares

	2024 (\$'000)	2023 (\$'000)
Final dividend for the year ended 30 September 2023 of 11.9 Cents (2022: 10.82 Cents) per fully paid share paid in December 2023 (2022: December 2022)		
60% franked (2022: 60%) based on tax paid at 30%	38,588	35,119
Special dividend for the year ended 30 September 2023 of 3 Cents (2022: 2 Cents) per fully paid share paid in December 2023 (2022: December 2022)		
60% franked (2022: 60%) based on tax paid at 30%	9,728	6,491
Interim dividend for the year ended 30 September 2024 of 5.08 Cents (2023: 4.62 Cents) per fully paid share paid in June 2024 (2023: June 2023)		
65% franked (2023: 60%) based on tax paid at 30%	16,530	14,995
<b>Total dividends paid</b>	<b>64,846</b>	56,605

### (b) Dividends not recognised at the end of the reporting period

	2024 (\$'000)	2023 (\$'000)
<b>Final</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 17.37 cents per fully paid ordinary share (2023: 11.9 cents) 65% franked (2023: 60%) based on tax paid at 30% (2023: 30%).	56,639	38,637
The directors have not recommended the payment of a special dividend in the current year.	-	9,740
The aggregate amount of proposed dividend expected to be paid out of retained earnings, but not recognised as a liability at year end	<b>56,639</b>	48,377

### (c) Franked Dividends

The franked portions of the final dividends recommended after 30 September 2024 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 September 2024.

	2024 (\$'000)	2023 (\$'000)
Franking account balance as at the end of the financial year at 30% (2023: 30%)	12,092	402
Franking credits that will arise from the payments of income tax payable as at the end of the financial year	12,454	6,712
<b>Franking credits available for subsequent financial years based on a tax rate of 30%</b>		24,546
		7,114

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

The impact on the franking account of the dividend recommended by the Directors since the end of the reporting date, but not recognised as a liability at the reporting date, will be a reduction in the franking account of \$15,778 (2023: \$12,440).

# Notes to the consolidated financial statements

## 24 Directors and key management personnel disclosures

### (a) Key management personnel disclosures

	2024 (\$)	2023 (\$)
Short-term employee benefits	6,012,688	5,339,272
Deferred STI	496,724	305,731
Share-based payments	2,256,488	1,229,551
	<b>8,765,900</b>	6,874,554

### (b) Equity instrument disclosures relating to key management personnel

Details of options provided as remuneration to KMP and shares issued on the exercise of such, together with terms and conditions can be found in the remuneration report.

## 25 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor of the consolidated entity:

### (a) Ernst and Young (Australia)

	2024 (\$)	2023 (\$)
Fees to Ernst and Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	822,497	772,356
Fees for other assurance and agreed-upon-procedure services	269,860	223,300
Fees for other services <sup>1</sup>	103,428	948,484
<b>Total remuneration of Ernst &amp; Young Australia</b>	<b>1,195,785</b>	1,944,140

<sup>1</sup> Other services include \$103,428 (2023: \$301,734) in relation to taxation advice and nil (2023: \$646,750) in relation to acquisition due diligence services for an acquisition target that the Company did not ultimately pursue.

## 26 Contingencies

TechnologyOne is a global business and from time to time in the ordinary course of business it receives enquiries from various regulators and government bodies. TechnologyOne cooperates fully with all enquiries and these enquiries do not require disclosure in their initial state, however, should the Group become aware that an enquiry is developing further or if any regulator or government action is taken against the Group, appropriate disclosure is made in accordance with the relevant accounting standards.

As a global business, from time-to-time TechnologyOne is also subject to various claims and litigation from third parties during the ordinary course of its business. The Directors of TechnologyOne have given consideration to such matters which are or may be subject to claims or litigation at year end and, unless specific provisions have been made, are of the opinion that no material contingent liability for such claims of litigation exists. The Group had no material contingent assets or liabilities.

### Guarantees

At 30 September 2024, the Group had \$3,788,125 (2023: \$3,833,314) in outstanding bank guarantees issued to Technology One. The total available guarantee facility is \$8,300,000 (2023: \$8,300,000). These guarantees relate primarily to office leases.

The parent entity, Technology One Limited, continues to support its subsidiaries in their operations, by way of financial support.

## 27 Related party transactions

### (a) Ultimate controlling entity

The ultimate controlling entity of the consolidated entity is Technology One Limited, a company incorporated in Australia.

### (b) Subsidiary entities

Interest in subsidiary entities are set out in note 28.

## 28 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

	Body corporate, partnership or trust	Country of incorporation	Class of shares	Equity holding		Tax residency	
				2024 (%)	2023 (%)	Australian or foreign	Foreign jurisdiction
Technology One Limited	Body corporate	Australia	Ordinary	100	100	Australian	N/A
TechnologyOne Corporation Sdn Bhd	Body corporate	Malaysia	Ordinary	100	100	Foreign	Malaysia
TechnologyOne New Zealand Ltd	Body corporate	New Zealand	Ordinary	100	100	Foreign	New Zealand
TechnologyOne UK Limited	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Avand Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Desktop Mapping Systems Pty Ltd ( <b>DMS</b> )	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Digital Mapping Solutions NZ Limited ( <b>DMS</b> )	Body corporate	New Zealand	Ordinary	100	100	Foreign	New Zealand
Boldridge Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Icon Strategic Solutions Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Jeff Roorda and Associates Pty Ltd ( <b>JRA</b> )	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Scientia Resource Management Limited	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Cyon Knowledge Computing Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Scientia Limited	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Scientia P3M	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Cyon Knowledge Computing SDN BHD	Body corporate	Malaysia	Ordinary	100	100	Foreign	Malaysia
Scientia GmbH	Body corporate	Germany	Ordinary	100	100	Foreign	Germany
Cyon S.E Asia PTE Limited	Body corporate	Singapore	Ordinary	100	100	Foreign	Singapore
Procyon Research Ltd	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom

The parent entity is Technology One Limited, a public company, limited by shares and is domiciled in Brisbane, Australia and whose shares are traded on the Australian Securities Exchange. All entities operate in the software industry in their geographical locations.

The Registered office is located at:

TechnologyOne HQ  
Level 11,  
540 Wickham Street,  
Fortitude Valley, QLD, 4006

# Notes to the consolidated financial statements

## 29 Reconciliation of profit after income tax to net cash inflow from operating activities

	2024 (\$'000)	2023 (\$'000)
Profit for the year	118,014	102,876
Depreciation and amortisation	68,773	53,502
Non-cash employee benefits expense – share-based payments	8,296	5,827
Accrued interest	(1,450)	602
Other non-cash	3,337	(608)
Net (gain) / loss on sale of non-current assets	-	-
Movement in ECL through profit or loss	135	498
(increase) / decrease in trade and other receivables and contract assets	(1,995)	(5,237)
(increase) / decrease in prepayments and other current assets	(1,972)	(5,901)
(increase) / decrease in tax assets and liabilities	4,132	10,544
Increase / (decrease) in trade creditors	(16,288)	2,252
Increase / (decrease) in provisions	2,498	965
Increase / (decrease) in lease liabilities	(2,574)	(2,148)
Increase / (decrease) in deferred revenue	31,840	30,487
<b>Net cash inflow / (outflow) from operating activities</b>	<b>212,746</b>	<b>193,659</b>

## 30 Earnings per share

### (a) Basic earnings per share

	2024	2023
Basic earnings per share (cents per share)	<b>36.24</b>	31.71
Diluted earnings per share (cents per share)	<b>36.03</b>	31.54
Profit used for calculating basic and diluted earnings per share (\$'000)	<b>118,014</b>	102,876

### (b) Weighted average number of shares used as denominator

	2024 (number)	2023 (number)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>325,655,834</b>	324,422,822
Adjustments for calculation of diluted earnings per share:		
Options	<b>1,913,078</b>	1,799,585
<b>Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share</b>	<b>327,568,912</b>	<b>326,222,407</b>

There are no potentially dilutive share instruments not included in the calculation of diluted earnings per share.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

## 31 Share-based payments

### (a) Employee option plan

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 period available between vesting date and expiry date of each option is five years. There are no cash settlement alternatives.

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

Set out below are summaries of options outstanding<sup>1</sup> under the plan:

<sup>1</sup> Options granted summaries below have been combined by issue date for presentation purposes, however grant date differ based on acceptance.

31 Share-based payments (continued)

# **Notes to the consolidated financial statements**

Share-based payments (continued)

# Notes to the consolidated financial statements

## 31 Share-based payments (continued)

A total of 1,885,317 options (2023: 1,231,010) were issued to employees during the year.

The weighted average strike price at the date of exercise of options exercised during the year ended 30 September 2024 was \$6.57 (2023: \$6.24).

The weighted average remaining contractual life of share options outstanding at the end of the period was 6.4 years (2023: 6.6 years).

### (b) Fair value of options granted

The fair value of the equity-settled options and executive performance rights is measured at the reporting date taking into account the terms and conditions upon which the instruments were granted.

The fair value of options granted during the year was between \$2.19 and \$5.90 (2023: \$2.32 and \$5.98).

The model inputs for options granted during the year ended 30 September 2024 included:

- (i) Dividend yield 1.00%-1.35% (2023: 1.35%)
- (ii) Volatility 26.5%-28.1% (2023: 33.9%)
- (iii) Risk-free interest rate 3.62%-4.14% (2023: 3.61%)
- (iv) Expected life of option 1.5-3.5 years (2023: 3.3 years)
- (v) Option exercise price between \$11.67 and \$15.57 (2023: \$9.46 and \$11.03)
- (vi) Weighted average share price at grant date was \$15.63 (2023: \$12.64)

### (c) Executive performance rights

Please refer to section 4 of the remuneration report for further information.

### (d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expenses were as follows:

Options issued under employee option plan:	2024 (\$'000)	2023 (\$'000)
Vested or yet to vest	7,029	4,085
Forfeited	(508)	(178)
<b>Total share-based payment expense</b>	<b>6,521</b>	<b>3,907</b>

### (e) Employee share plan

During the current year, the Group maintained its Employee Share Plan which provides 1 bonus share (fully paid ordinary share) for every 2 shares purchased by an employee.

An eligible employee under the plan is defined as a current permanent full-time or part-time Group employee who:

- (a) is 18 years or older, and
- (b) reside in Australia, New Zealand, the United Kingdom or Malaysia.

Eligible employees can opt into the plan and choose an amount to be deducted from their post-tax salary each month during the contribution period (currently 12-month period) with the contribution capped at \$25,000 per person. This equates to a monthly contribution cap of \$2,083. This post-tax deduction is used to purchase TechnologyOne shares at market value at the end of each contribution month.

Employees who participate in the plan will become entitled to one matched share for every two shares they acquire under the plan subject to vesting conditions.

The vesting condition attached to the bonus shares is that the employee must remain employed for one month after the contribution period ends. A participant who satisfies the vesting conditions will become entitled to the matched shares on the last day of the vesting period.

The fair value of the matched share is estimated at the measurement date using Black-Scholes option pricing model and is recognised over the period that the matched share vests. FY23 was the first year that employees were offered the employee share plan. The contribution period for the FY24 offering was 1 July 23 to 30 June 2024, with the vesting date being 31 July 24. In future periods, the contribution period will align with the Group's financial year.

## 32 Parent entity financial information

### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2024 (\$'000)	2023 (\$'000)
<b>BALANCE SHEET</b>		
Current assets	<b>329,926</b>	313,297
Non-current assets	<b>348,819</b>	288,687
<b>Total assets</b>	<b>678,745</b>	601,984
Current liabilities	<b>247,589</b>	270,830
Non-current liabilities	<b>51,051</b>	19,254
<b>Total liabilities</b>	<b>298,640</b>	290,084
<b>SHAREHOLDERS' EQUITY</b>		
Contributed equity	<b>77,321</b>	67,466
Dividend reserve	<b>56,639</b>	48,377
Share option reserve	<b>58,825</b>	48,965
Retaining earnings	<b>187,320</b>	147,092
	<b>380,105</b>	311,900
<b>Profit or loss before tax for the year</b>	<b>146,898</b>	119,914
<b>Total comprehensive income</b>	<b>146,898</b>	119,914

At 30 September 2024, the statement of financial position shows a current liability balance of \$248m (30 September 2023: \$271m) which is largely 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 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.

### (b) Guarantees entered into by the parent entity

At 30 September 2024, the Group had \$3,788,125 (2023: \$3,833,314) in outstanding bank performance guarantees. The total available guarantee facility is \$8,300,000 (2023: \$8,300,000).

The parent entity, Technology One Limited, provides ongoing financial support to its subsidiaries in their operations.

### (c) Contingent liabilities of the parent entity

At 30 September 2024, the parent entity had no contingent liabilities.

## 33 Events after the reporting period

On 1 November 2024, the Group acquired 100% of the issued shares and voting rights of CourseLoop Pty Ltd for \$60m in cash and options. This acquisition forms part of the Group's strategic focus to deliver the deepest functionality for Higher Education. Due to the proximity of the acquisition date to the release of the annual report, the Group has yet to finalise the Purchase Price Allocation for accounting and therefore this has not been disclosed.

On 18 November 2024, the Directors of Technology One Limited determined a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is \$56,639,448 and is 65% 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.

# Consolidated entity disclosure statement

In accordance with the requirements of Subsection 295(3A) of the Australian Corporations Act 2001 (Cth), set out below is the consolidated entity disclosure statement disclosing information, including tax residency in respect of Technology One Limited and entities it controlled at 30 September 2024.

	Body corporate, partnership or trust	Country of incorporation	Class of shares	Equity holding		Tax residency	
				2024 (%)	2023 (%)	Australian or foreign	Foreign jurisdiction
Technology One Limited	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Technology One Corporation Sdn Bhd	Body corporate	Malaysia	Ordinary	100	100	Foreign	Malaysia
Technology One New Zealand Ltd	Body corporate	New Zealand	Ordinary	100	100	Foreign	New Zealand
Technology One UK Limited	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Avand Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Desktop Mapping Systems Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Digital Mapping Solutions NZ Limited	Body corporate	New Zealand	Ordinary	100	100	Foreign	New Zealand
Boldridge Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Icon Strategic Solutions Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Jeff Roorda and Associates Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Scientia Resource Management Limited	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Cyon Knowledge Computing Pty Ltd	Body corporate	Australia	Ordinary	100	100	Australian	N/A
Scientia Limited	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Scientia P3M Limited	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom
Cyon Knowledge Computing Sdn Bhd	Body corporate	Malaysia	Ordinary	100	100	Foreign	Malaysia
Scientia GmbH	Body corporate	Germany	Ordinary	100	100	Foreign	Germany
Cyon S.E Asia PTE Limited	Body corporate	Singapore	Ordinary	100	100	Foreign	Singapore
Procyon Research Ltd	Body corporate	United Kingdom	Ordinary	100	100	Foreign	United Kingdom

# Directors' Declaration



Technology One Limited Directors' declaration 30 September 2024

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 125 to 165 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 30 September 2024 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(a); and
- (c) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act* is true and correct; and
- (d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (e) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the reporting year ended 30 September 2024.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Pat O'Sullivan".

Pat O'Sullivan  
Chair

Brisbane  
18 November 2024

# Independent Auditor's Report



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Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
[ey.com/au](http://ey.com/au)

## Independent auditor's report to the members of Technology One Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Technology One Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 September 2024, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 September 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Page 2

## Measurement and recognition of revenue and associated assets and liabilities

Why significant	How our audit addressed the key audit matter
<p>The Group applies AASB 15 <i>Revenue from Contracts with Customers</i> to account for the following key revenue streams:</p> <ul style="list-style-type: none"><li>▶ SaaS fees;</li><li>▶ Annual licence fees; and</li><li>▶ Consulting services</li></ul> <p>The measurement and recognition of revenue and associated assets and liabilities is considered to be a key audit matter due to the significance of revenue to the financial statements.</p> <p>Note 1(d) to the financial statements details the Group's revenue streams and the associated accounting policies. Revenue is disclosed in Note 5, associated assets in Note 10 and Note 11 and associated liabilities in Note 18.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>▶ We obtained an understanding of the design of controls over the revenue recognition process.</li><li>▶ For customer contracts related to SaaS fees, annual licence fees, and consulting fees, we assessed whether the revenue has been recorded appropriately, by:<ul style="list-style-type: none"><li>▶ Performing a correlation between revenue, contract assets, contract liabilities, receivables and cash.</li><li>▶ Testing a sample of revenue transactions back to contract, invoice, cash receipt and evidence the performance obligation has been satisfied to ensure the amount and timing of revenue recognised is appropriate.</li><li>▶ Testing a sample of consulting services contracts, assessing consulting days delivered agree to employee timesheet and the fee rates applied to the days delivered agree to the signed contract.</li></ul></li><li>▶ For deferred revenue (contract liabilities) and contract assets, we tested a sample of balances at year end, including:<ul style="list-style-type: none"><li>▶ Agreeing the amounts recorded to contract, invoice and payment, where appropriate; and</li><li>▶ Recalculating the amount of the contract asset or contract liability balance at year end.</li></ul></li></ul> <p>Assessed the adequacy of the disclosures included in the financial report.</p>

## Accounting for software development costs

Why significant	How our audit addressed the key audit matter
<p>As set out in Note 14 to the financial statements the Group capitalises costs related to the development of software products in accordance with AASB 138 <i>Intangible Assets</i>.</p> <p>The accounting for software development costs is considered to be a key audit matter due to judgement applied in:</p>	<p>We performed the following procedures in respect of the development costs capitalised:</p> <ul style="list-style-type: none"><li>▶ Assessed the nature of the Group's projects and the policy for capitalisation of software development costs for compliance with the criteria in AASB 138 <i>Intangible Assets</i>.</li></ul>

# Independent Auditor's Report



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Page 3

Why significant	How our audit addressed the key audit matter
<ul style="list-style-type: none"><li>▶ Assessing whether the costs incurred relate to research costs, which are required to be expensed, or development costs which meet the definition of an intangible asset that is required for capitalisation;</li><li>▶ Assessing the useful lives of assets and the timing of amortisation; and</li><li>▶ Assessing of future economic benefits and indications of impairment of the capitalised software development costs.</li></ul>	<ul style="list-style-type: none"><li>▶ Held inquiries with R&amp;D Directors and other team members, to understand the development activities undertaken.</li><li>▶ For capitalised salaries, we performed the following procedures:<ul style="list-style-type: none"><li>▶ For a sample of employees, we agreed the salary rates used in the capitalisation calculation to underlying payroll records and employee contracts; and</li><li>▶ For a sample of time capitalised, agreed hours to the relevant timesheet and confirmed the associated work relates to activities eligible for capitalisation.</li></ul></li><li>▶ For a sample of other directly attributable costs capitalised, agreed the amount to invoice or other supporting documentation and assessed the Group's determination that the service or goods received was attributable to development activities.</li><li>▶ Considered the appropriateness of the amortisation period including the commencement date of amortisation for the capitalised software development costs and the timing of amortisation.</li><li>▶ Assessed the Group's indicators of impairment of capitalised software development costs.</li><li>▶ Assessed the adequacy of the disclosures included in the financial report.</li></ul>

## Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Page 4

### **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

# Independent Auditor's Report



Page 5

events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the audit of the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 87 to 108 of the directors' report for the year ended 30 September 2024.

In our opinion, the Remuneration Report of Technology One Limited for the year ended 30 September 2024, complies with section 300A of the *Corporations Act 2001*.

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Page 6

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that appears to read "J. Robinson".

John Robinson  
Partner  
Sydney  
18 November 2024

# Shareholder information

The shareholder information set out below was applicable as at 10 October 2024.

**(a) Distribution of Equity Securities**

<b>Number of Shares</b>	<b>Number of Shareholders</b>	<b>Percentage of Shareholders</b>
1-1,000	9,590	54.93%
1,001 – 5,000	5,507	31.54%
5,001 – 10,000	1,217	6.97%
10,001 – 100,000	1,080	6.19%
100,001 and over	64	0.37%

There were 195 holders of less than a marketable parcel of ordinary shares (1.12% of shareholders).

## **(b) Equity Security Holders**

## Twenty largest quoted equity security holders

Name	Number Held	Percentage of Issued Shares
JL Mactaggart Holdings Pty Ltd <sup>1</sup>	22,618,454	6.94%
Hyperion Asset Management (Brisbane)	17,291,424	5.30%
State Street Global Advisors (Sydney)	13,422,450	4.12%
Masterbah Pty Ltd	11,372,400	3.49%
Vanguard Group (Philadelphia)	10,913,454	3.35%
Blackrock Investment Management (San Francisco)	8,039,901	2.47%
Macquarie Asset Management (Sydney)	7,580,297	2.32%
First Sentier Investors (Sydney)	7,272,426	2.23%
Pendal Group (Sydney)	7,241,265	2.22%
Argo Investments (Sydney)	6,800,000	2.09%
Dimensional Fund Advisors (Sydney)	5,795,855	1.78%
Alphinity Investment Mgt (Sydney)	5,619,705	1.72%
Vanguard Investments (Melbourne)	5,429,623	1.67%
Selector Funds Mgt (Sydney)	5,325,974	1.63%
Blackrock Investment Mgt (Australia)	5,130,579	1.57%
Plato Investment Mgt (Sydney)	4,850,419	1.49%
Acadian Asset Mgt (Boston)	4,197,435	1.29%
Wasatch Global Investors (Salt Lake City)	4,155,117	1.27%
IFM Investors (Melbourne)	3,914,995	1.20%
William Blair Investment Mgt (Chicago)	3,889,246	1.19%

1 Substantial holder (including associate holdings) in Technology One Limited.

**(c) Unquoted Securities**

<b>Details</b>	<b>Number on Issue</b>	<b>Number of Holders</b>
TNEAI (Options)	4,947,921	108
TNEAJ (Performance Rights)	135,293	50

**(d) Voting Rights**

All ordinary shares issued by Technology One limited carry one vote per share without restriction. Options and Performance Rights have no voting rights.

# Corporate directory – Technology One Limited

## Board of Directors

Pat O'Sullivan

Edward Chung

Richard Anstey

Jane Andrews

Sharon Doyle

Cliff Rosenberg

Peter Ball

Paul Robson

## Company Secretary

Stephen Kennedy

## Australian Business Number (ABN)

84 010 487 180

## Registered Office

Technology One Limited

Level 11, TechnologyOne HQ

540 Wickham Street

Fortitude Valley QLD 4006

Australia

[www.technology1.com](http://www.technology1.com)

P. 1800 671 978

International: +617 3167 7300

## Branch Locations

Brisbane

Sydney

Melbourne

Canberra

Adelaide

Perth

Hobart

Auckland

Wellington

Kuala Lumpur

London

## Auditor

Ernst & Young

Level 51, 111 Eagle Street

Brisbane QLD 4000

[www.ey.com/au](http://www.ey.com/au)

## Lawyer

McCullough Robertson

Level 11, 66 Eagle Street

Brisbane QLD 4000

[www.mccullough.com.au](http://www.mccullough.com.au)

## Share Registry

Link Market Services Limited

Locked Bag A14

Sydney NSW 1235

Phone: 02 8280 7454

Fax: 02 9287 0303

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## Stock Exchange Listing

Australian Securities Exchange

(ASX: TNE)

**TechnologyOne (ASX: TNE) is Australia's largest enterprise software company and one of Australia's top 100 ASX-listed companies, with locations globally.**

We provide a global SaaS ERP solution that transforms business and makes life simple for our community. Our deeply integrated enterprise SaaS solution is available on any device, anywhere and any time and is incredibly easy to use. Over 1,300 leading corporations, government agencies, local councils and universities are powered by our software.

Since 1987, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

**Technology1.com**

Australia | New Zealand | South Pacific | Asia | United Kingdom

Freecall 1800 671 978 (within Australia) | +61 7 3167 7300 (outside Australia)