

## Technology One 2023 AGM report

ASX code	TNE
Meeting date	Wednesday, 21 February 2024
Type of meeting	Hybrid
Monitor	Paul Donohue, David Loosemore and Richard Hemphill
Pre AGM-meeting	Yes, with Pat O'Sullivan (Chair), Jane Andrews (NED), Cale Bennett (CFO) & Stephen Kennedy (Company Secretary).

### Meeting Statistics

Number of holdings represented by ASA	71
Number of shares represented by ASA	455,416
Value of shares represented by ASA	\$7.50 m
Total number attending meeting	85 in person and 90 online
Market capitalisation	\$5.38 b
ASA open proxies voted	ASA voted in favour of all resolutions

Technology One's reporting period ends on 30 September and their AGM is held in February the following year.

The CEO, Edward Chung, walked through their impressive results, what differentiates them from their competitors and what will drive future growth. Some highlights were their ability to generate cash, strong balance sheet, market leading product, commitment to R&D, loyal customers and no less than eight significant growth contributors. He explained that just the expected growth in revenue from existing customers, measured as net revenue retention (NRR), is enough to reach their goal of doubling in size every 5 years.

Guidance remains upbeat but non-specific. Their deal pipeline is "strong", and they expect to see "strong growth in ARR and profit". The presentation mentioned three times that they will exceed \$500m or ARR by FY25 but beyond that the address was light on forward guidance.

The UK is doing well with two new student management customers on board and more in the pipeline. They now have a UK based reference customer which is a key factor in attracting more institutions. Pat O'Sullivan admitted it has taken a long time to get to this point, but they had now "found their mojo".

ASA asked questions on last year's cyber incident, the abandoned UK acquisition and transparency of board skills. The responses were largely the same as those given in our pre-AGM meeting and discussed in the Voting Intentions Report. Disappointing, as we had hoped for a bit more clarity.

We also queried CEO remuneration, specifically the high percentage of short-term incentive in Mr Chung's package. The Chair told us that Mr Chung's remuneration is under review and long-term incentives will form the bulk of his package in future.

Two questions from other shareholders received measured responses highlighting the company's discipline. They are not jumping on the artificial intelligence bandwagon but will look for viable applications of the technology and they have no immediate plans for overseas expansion beyond the UK.

Peter Ball and Sharon Doyle made compelling re-election pitches which not only highlighted their skills and experience but how these were relevant to Technology One. One proxy advisor claimed the level of non-audit services provided by Ernst & Young may have impaired their impartiality. The Chair told the meeting that assessment was incorrect. While almost 50% of total payments were for non-audit work (\$0.9m of a total \$1.9m), the majority was attributable to UK acquisition due diligence which was a one-off event. Peter is Chair of the Audit and Risk Committee, so he was the primary target of this protest vote.

John Mactaggart retired after the meeting. His family provided Adrian DiMarco with seed funding and he had been involved with the company since its inception. This completed a well-planned period of board renewal and now none of the founding directors remain on the board.

Except for the protest votes against Peter Ball (22.75%) and Sharon Doyle (10.77%), all resolutions were well supported. All resolutions were passed.

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