Tech:niche.

ANNUAL REPORT 2023

Techniche Limited & Controlled Entities

ABN 83 010 506 162

CONTENTS

ABOUT TECHNICHE

Techniche is a technology company. For more than 20 years we have created software that has led the way in monitoring and maintaining the critical operational assets of leading companies and government organisations across the globe.

OUR SOFTWARE PRODUCTS

We have a range of software products that simplify how our customers monitor, maintain, analyse, & optimize the operational & financial performance of their business-critical assets. Our products include:

- Urgent – A complete asset maintenance management software for Fuel & Convenience Retailers
- Techniche EV - Automating the maintenance of EV charging infrastructure for charge point operators and owners.
- Statseeker - Fast and powerful network performance monitoring software.

OUR CULTURE

We are building a team culture consistent with our Core Values:

We strive to be open - We aim to develop a working environment where every individual's perspective, ideas and approaches to challenges are welcomed. We want to build a collaborative and open culture.

We adapt and grow - We want to create a problem-solving culture. We want to challenge what we know, explore new ideas, learn from our actions, and grow together.

We stand for customer success - We aspire to build great products that help solve our customers' problems. We deliver outstanding service to help our customers be successful. We succeed when our customers succeed.

We stand for our people's success - We succeed when our people succeed. We are building successful teams, and we aim to develop, empower and align our people. We celebrate the moments along the journey.

OUR STRENGTHS

We are a lean company with nimble teams who sell and deploy our products globally. Our products are scalable, enterprise grade, with modules designed for specific market needs. We are flexible to meet our customer's needs, whether they are large enterprises, or small operators.

OUR CAPABILITIES

We have highly skilled product teams delivering our innovative solutions. We are focused on enhancing our products to make them easier to buy, simple to use, while using AI and machine learning to provide valuable insights.

OUR COVERAGE

Our software manages and monitors critical operational and IT infrastructure assets across tens of thousands of sites worldwide and are trusted by private, Fortune 500 and S&P 500 companies and G20 governments around the world. We are a global company with teams located in Australia, North America, United Kingdom, and Europe.

INDUSTRIES

We have amazing customers in many verticals including:

- Fuel retail
- General retail
- Healthcare
- Education
- Government
- Telecommunications

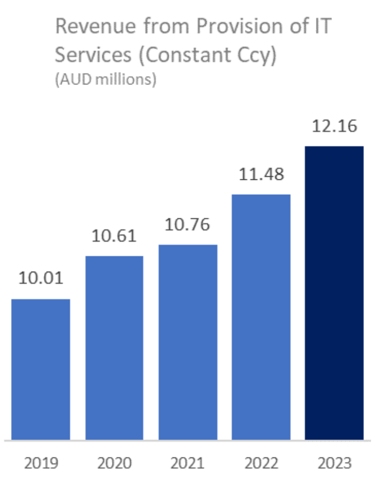
OUR CUSTOMERS INCLUDE…

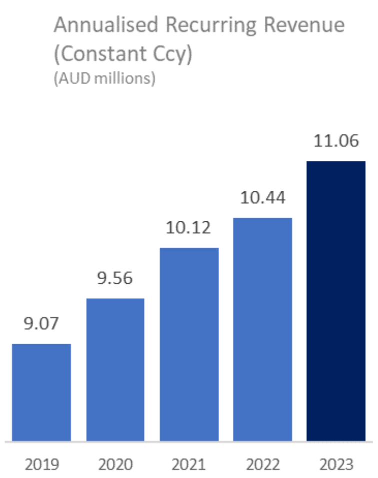
FINANCIAL HIGHLIGHTS

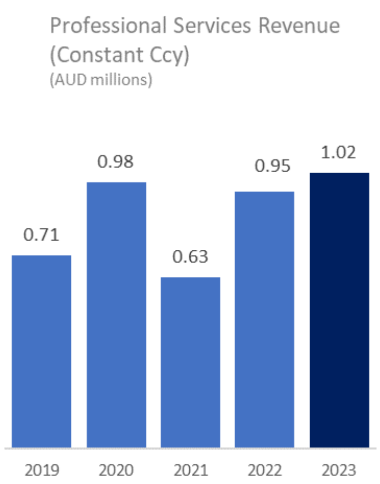
FIVE YEAR SUMMARY

All figures are in AUD '000s unless stated otherwise	2023	2022	2021	2020	2019
Revenue from Provision of IT Services	12,158	10,990	10,130	10,633	9,804
Revenue from Provision of IT Services (constant currency) (i)	12,158	11,478	10,762	10,607	10,006
Annual Recurring Revenues (constant currency) (i),	11,064	10,444	10,119	9,564	9,073
Professional Services Revenue (constant currency) (i),	1,016	948	631	982	711
Gross Profit Margin	78.5%	76.5%	76.4%	75.5%	70.9%
Cost of Revenue	2,616	2,587	2,390	2,602	2,850
Operating Expenses	8,276	7,378	6,462	6,490	6,973
Head Office & Corporate Expenses	1,047	1,203	1,372	1,095	1,133
Income Tax Expense (Benefit)	-	38	(13)	46	162
Profit / (Loss) After Tax	55	(253)	(83)	571	(1,250)
Return on Equity	0.5%	(2.2%)	(0.7%)	4.9%	(9.3%)
Cash and Cash Equivalents	5,380	4,926	2,590	4,469	2,356
Net Tangible Assets	71	(225)	(248)	(501)	(1,286)
Net Assets	11,798	11,336	11,807	11,657	11,182

(i) Metrics in constant currency represent measures of current operations in current year exchange rates.







CEO'S REVIEW

While we are pleased to report continued growth in a challenging market, our ARR growth of 5.2% (on a constant currency basis) is short of our expectation and short of our projections in the December 2022 half year report ("double digit ARR growth").

Our primary goal remains to realise a return for all shareholders, and we believe a healthy valuation can be achieved, based on multiples of ARR (Annual Recurring Revenue) underpinned by a growing base of quality customers.

Therefore, our core objectives remain:

- Growing the value of Techniche via increasing ARR and growing customer base.
- Maintaining a positive EBITDA, with a comfortable working capital balance.
- Reinvesting cash from profits into business growth, primarily product roadmap delivery across our core products, and sales and marketing.

2023 REVIEW

- **Revenue Growth**
    - Total revenues up 10.6%
    - ARR up 5.2% (on a constant currency basis)
        - Urgent ARR up 6.2% (on a constant currency basis)
        - Statseeker up 3.3% (on a constant currency basis)
        - Techniche EV up 89.4% (on a constant currency basis)
    - Professional services and other non-recurring revenues up 10.1%
    - Secured our first pure play EV CPO (Charge Point Operator)
    - Secured several new customers with our Urgent mid-market product.
    - Secured new Urgent customers via our partner network.
    - Lost our last customer that was still using our original legacy Urgent product.
- **EBITDA and Working Capital**
    - Increased EBITDA of $642,600 [FY22: $378,901] up 69.6%
    - Strong cash reserves with a cash balance of $5,379,505 [FY22: $4,925,862]
- **Investing in Growth**
    - Launched the Urgent mid-market product.
    - Continuing to develop our EV charging asset maintenance management product – Techniche EV, to automate the maintenance of EV charging assets.
    - Actively promoting Techniche EV at EV specific industry events, particularly in Europe.
    - Working with some key partners on a range of deals & opportunities expected to grow ARR.
    - Working on new product initiatives.
- **Challenges**
    - Global economic uncertainty – both economic and geopolitical.
    - Solid pipeline but deals taking longer to complete.

Revenue Growth

While we are pleased to report revenue growth of 10.6% for FY23, our ARR growth of 5.2% (on a constant currency basis) is short of our expectation and short of our projections in the December 2022 half year report ("double digit ARR growth"). Unfortunately, we lost our last customer that was still using our original legacy Urgent product, which was understood in quantum but not timing. That customer accounted for over 2% of our total ARR, and over 4% of Urgent's ARR.

More significantly we were unable to mobilise/activate a committed contract worth approximately $400k (4% of ARR). While that transaction would not have materially affected recognised revenue for the FY23 year, it now moves as both recognised revenue and ARR into FY24.

Urgent Asset Maintenance Management Software

ARR growth for our Urgent Asset Maintenance Management Software grew 6.2% on a constant currency basis, despite including the loss of our last customer on our legacy product. This is an encouraging outcome and is the result of new opportunities coming from the fuel & convenience retail mid-market and our growing partnerships.

Our mid-market product incorporates a lot of the key features of the enterprise product that has been successfully deployed in customers like BP & Ampol but has been scaled down to make it more useable for smaller customers, who typically would have a site count of between 100 to 500 sites. This is a reasonably large market, with typically shorter sales cycles. A time of writing, we have secured several new customers, both in Europe and the US, with this product.

In my last report I mentioned the importance of our partners, particularly in selling the Urgent product. This remains the case and we continue to see new opportunities in their pipeline that could have a material impact on this year's results.

Overall, I believe the introduction of the mid-market product and the growing capabilities of partners supports the thesis that we should be able to achieve double digit growth from the Urgent product in the future.

Statseeker Network Performance Monitoring Software

Statseeker's ARR increased by 3.3% on a constant currency basis while recognised recurring revenues increased by 12.7%, primarily due to the depreciation of the AUD against the USD. This is disappointing outcome and reflects the need to demonstrate clear points of difference in a relatively mature market.

We have been working on several strategies that we believe will improve ARR performance this year including improved marketing & lead generation activities, more focussed account management, and a number of product initiatives.

Techniche EV - EV Charging Maintenance Management Software

Last year we advised that we had recently launched our EV Charging Maintenance Solution https://www.technichegroup.com/techniche-launches-ev-charging-asset-maintenance-management-solution/.

We have since named the product Techniche EV https://www.technichegroup.com/solutions/techniche-ev/ and have secured several contracts from both traditional fuel and convenience retailers and pure play CPOs (Charge Point Operators).

Forecasts have the global electric vehicle charging (EVC) infrastructure market growing at a compound annual growth rate of over 30% to 2030. The reliability of charge point infrastructure is critical to widespread EV roll-out and essential for delivering a good customer experience. Chargers not working can quickly become a brand issue for charge point owners or operators.

Furthermore, Governments are starting to mandate charger reliability and uptime. For example, the UK governmentt will soon be requiring public charger operators to have a 99% reliability rate. This is a potentially significant new business opportunity for Techniche, as our software is already starting to provide this reliability data to several customers.

We have enhanced our software to take direct feeds from the EV charger to automate the maintenance of chargers to improve reliability and reduce downtime. We have also changed our pricing model for Techniche EV, which we now charge on per asset basis.

Professional Services

Revenues from professional services were up 10.1%, which was a blend of professional services work completed by both the Urgent and Statseeker teams.

EBITDA and Working Capital

We recorded strong 69.6% growth in EBITDA of $642,600 [FY22: $378,901] and completed the year with a strong cash balance of $5,379,505 [FY22: $4,925,862].

Investing in Growth

Our key investments are growing our market presence with Techniche EV and growing revenues and market share with our core products. Our investments include ongoing product development, creating additional product modules, enhancing our products for specific partners and/or markets, as well as investing in additional sales and marketing capability. Following are some key areas.

Launch Techniche EV as a new & growing revenue stream.

We are continuing to develop our EV charging asset maintenance management product – Techniche EV, to automate the maintenance of EV charging assets to improve charger reliability and reduce maintenance spend. We have also introduced asset-based pricing which allows CPOs to commence using the product at a reasonably low cost, with the cost growing as their business grows.

We have conducted a comprehensive analysis of the market, are actively promoting Techniche EV at EV specific industry events, particularly in Europe, and are working digital and content-based marketing campaigns.

Broadening our market reach with the launch of the Urgent mid-market product.

As I have previously mentioned, our mid-market product incorporates a lot of the key features of the enterprise product that has been successfully deployed in customers like BP & Ampol but has been scaled down to make it more useable for smaller customers, who typically would have a site count of between 100 to 500 sites. This is a reasonably large market, with typically shorter sales cycles.

Working with some key partners on a range of deals & opportunities expected to grow ARR.

As mentioned, we have several strategic partners that we are working closely with – on Techniche EV, Urgent, and Statseeker projects, that we believe will deliver material deals to the company over this year, and in future years.

Working on new product initiatives.

We are working on range of product initiatives to support our growth strategies including;

- Further integrations and enhancements to Techniche EV
- Further enhancements to the Urgent mid-market product
- Statseeker module - Meraki Monitoring

OUTLOOK

We have reviewed and streamlined our growth strategy effectively around 3 key objectives.

- Developing Techniche EV into a material new revenue stream.
- Creating additional product modules from our core products Statseeker & Urgent to support our objective of double digit ARR growth.
- Evaluating how we extend asset-based pricing beyond Techniche EV.

Developing Techniche EV into a material new revenue stream

We are encouraged by the level of interest that we have for Techniche EV, particularly as governments start to mandate minimum charger reliability and availability. As we secure more customers, we are learning and understanding some of the nuances and requirements of what is essentially a new and emerging market, which will be valuable as the market grows.

We will continue to invest in product, marketing, and sales as we gather a better understanding of the market dynamics and opportunities.

Creating additional product modules from our core products Statseeker & Urgent to support our objective of double digit ARR growth.

We will continue to invest in product initiatives that help us retain and grow revenues from our core products. This will include products that are re-sold via our partner network, and new modules that provide additional value to our current and future customers.

Evaluating how we extend asset-based pricing beyond Techniche EV

We have always considered providing value at the asset/device layer as additional layer of growth. With the introduction of Techniche EV, where we are receiving direct feeds from the charger, and then having the ability to automate the monitoring and repair of the asset, as major step forward for the company. By offering this additional layer of value, we are now able to charge our customers of per asset basis, so our revenues grow as their asset count grows.

As more critical assets are replaced with intelligent assets, we will have the opportunity to provide another layer of value to our customers.

The Techniche Team

With the growing opportunities with Techniche EV and Urgent being primarily in the northern hemisphere, our investment in the team has been to ensure we have the right capabilities in Europe and North America. This has created some challenges for management which are being currently addressed.

We have a talented and committed team across the company that are focussed on delivering our objectives. We continue to evaluate the performance of our team members to ensure we are getting the right outcomes.

The Board remains focussed on the overall objective, provides valuable guidance, and continues to hold the Techniche management team members to account.

FINANCIAL COMMENTARY

Revenue Growth

Techniche generates revenues from our three products, Fuel & Convenience Retail Maintenance Management Software (Urgent), Statseeker Network Performance Monitoring Software (Statseeker), and the EV Charging Maintenance Software (Techniche EV).

Urgent's recognised recurring revenues increased by 8.0% with new customer won in the mid-market segment of our key markets, however demand for professional services was slightly reduced during the year by 5.2%. Annualised Recurring Revenues (ARR) recorded an increase of 6.2% on a constant currency basis.

Statseeker's recognised recurring revenues increased by 12.7% as low growth in sales and a high rate of customer retention was boosted by the depreciation of the AUD against the USD. ARR increased by 3.3% on a constant currency basis and continued the similar growth rate experienced in the prior year. Total recognised revenue from Statseeker was boosted by a 51.4% increase in demand for professional services. Sales for the year included further services delivered into the Wireless Internet Service Providers (WISP) market and included both recurring and professional services.

Techniche EV secured its initial sale to a pure Charge Point Operator (CPO) with further sales expected in FY24 from a building pipeline of opportunities in an emerging high-growth market.

Twelve months to 30 June	**2023**	**2022**	**change**
Total Revenues			
Fuel & Retail Maintenance Solution (Urgent),			
Subscription and other recurring revenues	5,447,301	5,044,754	8.0%
Professional services and other non-recurring revenues	687,204	724,957	(5.2%)
Statseeker Network Performance Monitoring Solution			
Subscription and other recurring revenues	5,551,151	4,924,694	12.7%
Professional services and other non-recurring revenues	406,733	268,676	51.4%
EV Charging Maintenance Solution (Techniche EV)			
Subscription and other recurring revenues	65,377	26,829	143.7%
Professional services and other non-recurring revenues	-	-	0%

FINANCIAL COMMENTARY (CONTINUED)

Twelve months to 30 June	**2023**	**2022**	**change**
Total Group Revenues			
Subscription and other recurring revenues	11,063,829	9,996,277	10.7%
Professional services and other non-recurring revenues	1,093,937	993,634	10.1%
Total revenue from IT services	**12,157,765**	**10,989,911**	**10.6%**

Annualised Recurring Revenues (Constant Currency[1])			
Urgent	5,360,949	5,047,931	6.2%
Statseeker	5,472,278	5,295,477	3.3%
Techniche EV	103,334	54,545	89.4%
Total ARR	**10,936,561**	**10,397,953**	**5.2%**

1. Constant currency measured at average FY2023 exchange rates in USD, GBP, EUR & NZD

Gross Profit

Gross profit increased by 13.6% during the year with a 2.0% improvement in the gross margin as revenue increases of 10.6% out-paced the costs associated with support and hosting of 1.1%

Twelve months to 30 June	**2023**	**2022**	**change**
Total revenue from IT services	12,157,765	10,989,911	10.6%
Cost of sales	(2,615,551)	(2,587,126)	1.1%
Gross profit	9,542,214	8,402,785	13.6%
Gross margin (%)	78.5%	76.5%	2.0%

Gross profit represents operating revenue less cost of sales. Cost of sales consists of expenses directly associated with securely hosting Techniche's services and providing support to subscribers. The costs include hosting, personnel and related expenses directly associated with cloud infrastructure and customer support, related depreciation and amortisation and allocated overheads.

FINANCIAL COMMENTARY (CONTINUED)

Business performance – Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

EBITDA increased by 69.6% as the company carefully managed operating costs in an inflationary environment.

Twelve months to 30 June	**2023**	**2022**	**change**
Net profit/(loss) before tax	**55,421**	**(215,027)**	**125.8%**
Add back: Interest	31,521	28,509	
Add back: Depreciation	297,660	307,421	
Add back: Amortisation	257,998	257,998	
Earnings Before interest, tax, depreciation & amortisation	**642,600**	**378,901**	**69.6%**
EBITDA margin	5.3%	3.4%	1.8%

EBITDA disclosures (which are non-GAAP financial measures) have been included, as we believe they provide useful information for readers in understanding Techniche's financial performance. EBITDA is calculated by adding back depreciation, amortisation, net finance expense, and income tax expense to net profit/loss.

Expenses

Techniche presents Group expenses according to their functional categories of "Sales and Marketing", "Research and Development" and "General and administration".

Sales and Marketing

Sales and marketing expenses consist of personnel and related expenses directly associated with the sales and marketing teams. Costs also include relationship management costs incurred to support the existing subscriber base. Other costs included are external advertising costs, marketing costs and promotional events, as well as allocated overheads.

Twelve months to 30 June	**2023**	**2022**	**change**
Sales and marketing expense	2,849,280	2,439,288	16.8%
Percentage of operating revenue	23.4%	22.2%	1.2%

The company expanded its' spend on Sales and Marketing in the key markets in EMEA and the Americas but this was amplified by the deprecation of the AUD. As a proportion to revenue, which was similarly impacted by currency, the movement is slightly higher.

FINANCIAL COMMENTARY (CONTINUED)

Research and Development

Research and Development costs consist of personnel and related expenses directly associated with the product design, development and quality assurance as well as allocated overheads. Where software development costs meet the requirements to be capitalised as an intangible asset, it will be subsequently amortised over the useful life of the asset created. The amount amortised is included in research and development expenses.

Twelve months to 30 June	**2023**	**2022**	**change**
Research and development expense (excl. amortisation)	4,172,180	4,010,280	4.0%
Amortisation	257,998	257,998	0.0%
Research and development expense	**4,430,178**	**4,268,277**	**3.8%**
Percentage of operating revenue	36.4%	38.8%	(2.4%)

Research & Development expenses were higher in overall terms and as a percentage of revenue as the company invested in additional development resources in both Urgent and Statseeker products including key appointments to focus on product management. Key projects during the year included a focus on the Urgent product to ensure there are continued high levels of customer experience with an expanding demand on the platform.

General and Administration

General and administration expenses consist of personnel and related expenses for executive, finance and administrative employees and the Techniche Board. It also includes costs associated with being a public company, legal, accounting and other professional services fees, insurance premiums, other corporate expenses and allocated overheads.

Twelve months to 30 June	**2023**	**2022**	**change**
General and administration expense	2,043,293	1,873,076	9.1%
Percentage of operating revenue	16.8%	17.0%	(0.2%)

General and administration costs were 9.1% higher in an inflationary environment and experienced higher costs associated with Group insurances, office costs and travel.

DIRECTORS' PROFILES

Karl Jacoby

GradDip Mgt, FAICD

Executive Chairman

Karl is an active technology and property investor and previously has had exposure to a range of industry sectors and businesses. Currently Karl is the Chairman, Chief Executive Officer and the largest shareholder of Techniche. During his time as MD, Techniche grew from a Tasmanian based IT services company to a global IT company with operations in the 3 key geographies of Europe (UK and Germany), US and Australasia. Karl has a Graduate Diploma in Management, is a Fellow of the Australian Institute of Company Directors and was a long-standing member of The Executive Connection.

Andrew Campbell

BSc(Hons), MBA, MACS (Snr)

Non-Executive Director

Andrew has a career in building growth software and technology businesses, as a general manager, CTO, business developer and in other executive and advisory roles. This includes hands on roles responsible for leading and executing strategies for corporate, R&D, product management, investment and business development and governance. He has developed and delivered substantial product and business growth across major regions including as global CTO for Saville Systems (NASDAQ:SAVLY). Andrew currently works with a range of technology entrepreneurs and investors to establish and build successful technology companies in emerging application areas.

Anastasia Ellerby

BBus, MBA

Non-Executive Director

Anastasia is an entrepreneur who is recognised globally for her expertise in HR technology. Anastasia was one of the founders of Infohrm, a Brisbane based HR Software company. Infohrm grew from its Brisbane base to become a recognised global leader in Workforce planning and analytics software with Fortune 500 customers across USA, Europe and Asia. In 2010 Infohrm was acquired by Success Factors and subsequently German based software company SAP. During her 21-year tenure Anastasia led the growth and development of the firm, with a focus on Product Management and Customer Service. Anastasia is a graduate of business from Griffith University and Bond University where she received her MBA with Distinction. Anastasia is an active member in a number of community organisations, has served on boards for tech start-ups and educational facilities.

DIRECTORS' PROFILES (CONTINUED)

MARK GILL

BE(Hons), FAICD

Non-Executive Director

Mark is one of the three founders of Brisbane Venture Capital Fund Manager, Talu Ventures. He has almost 30 years of experience in the technology sector including ten years in venture capital investing, with a strong background in hardware and software engineering. Mark oversees all aspects of Talu's IT and Telecommunication investments.

Prior to venture investing, Mark spent 16 years in various General Management, Chief Executive, and Global Sales/Marketing roles with a central theme of building organizations to deliver technologies to the global market. With experience developing, commercializing and selling complex systems in more than 30 countries, Mark has confronted the plethora of challenges facing entrepreneurs and managers in the technology sector, including operations and capital raising.

Mark has twice been CEO of growing Australian technology companies that have successfully completed trade sales to multinational organisations. In between those two Mark lived and worked in the USA running global sales for a fast growing telecom software company. Mark is a Fellow of the Australian Institute of Company Directors.

LEADERSHIP GROUP

KARL JACOBY – CHIEF EXECUTIVE OFFICER.

DAVID WILSON – CHIEF FINANCIAL OFFICER.

David has more than 30 years' experience in the finance and investment industries. Prior roles included senior executive positions with a range of international and domestic banking institutions where he has managed teams of finance professionals and implemented business systems and improvement initiatives. He held the role as the Techniche Group Financial Controller from 2014 until 2018 when he was promoted to the role of Chief Financial Officer.

THOMAS CALDWELL – CHIEF TECHNOLOGY OFFICER.

Tom was appointed as CTO in April 2019. Tom has a master's degree in computer science and is a seasoned networking and software industry executive. He has a track record of innovation and business development in areas such as distributed cloud computing architectures, artificial intelligence, machine learning and large-scale SaaS software services.

STEVE BRADY – GLOBAL HEAD OF SALES.

Steve was appointed in December 2020 and leads the sales teams in the Americas, EMEA, and APAC across both Statseeker and Urgent products. Steve brings more than 30 years' sales and marketing leadership experience to Techniche. In previous roles, Steve has managed teams that supported in excess of $30 billion in annual sales revenue. He combines his passion for and experience of working with the fuel and convenience retailing sector with a deep understanding of what is required to deliver customer success

JAMES WELLS – HEAD OF PRODUCT – STATSEEKER.

James has over 18 years' experience in the network management and monitoring industry and brings to Techniche a wealth of skill and knowledge gained whilst working for large telecommunications and banking organisations as an integrator and consultant. Based in Brisbane, James has been responsible for managing all business operations in the APAC region and has recently been appointed to his current position to ensure the Statseeker product and future vision delivers on the expectations of current and future customers.

DAVID CORNISH – HEAD OF PRODUCT – URGENT.

David brings a wealth of technology and electronics expertise to Techniche, having gained more than 20 years' experience developing hardware and software across multiple sectors. David joined the company in 2010 and played a central role in the redesign and development of the Urgent platform. As Head of R&D, David led a multi-talented product engineering and QA team for four years before transitioning to his current position as Head of the Urgent Product.

TECHNICHE LIMITED

AND CONTROLLED ENTITIES

ABN 83 010 506 162

FINANCIAL REPORT 2023

DIRECTORS' REPORT

The directors of Techniche Limited submit herewith the annual report of Techniche Limited ('the Company') and its controlled entities ('the Group') for the financial year ended 30 June 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

PRINCIPAL ACTIVITIES

The principal activity of the Group is to deliver software solutions – products and services, to a global market. Our focus is to enhance our core products to address the convergence of operational assets (OT) and technology assets (IT), particularly in light industry, where asset reliability and availability is critical. We aim to take advantage of our customer relationships and market reach in the 3 regions of EMEA (Europe, Middle East, Africa), APAC (Asia Pacific), and the Americas.

OPERATING RESULTS

The consolidated profit/(loss) of the Group after providing for income tax amounted to $55,225 [2022: ($253,109)].

REVIEW OF OPERATIONS

The Company continued to develop the offering of its' core products, Urgent and Statseeker, while creating a new product to help operators automate the maintenance of Electric Vehicle charging infrastructure. Each product is developed, marketed, and sold through teams working for our wholly owned subsidiary operating companies based in APAC, EMEA and the Americas.

The Company continues to actively engage with our existing customers to ensure we fully understand their needs and to maximise the opportunity from these customers. This strategy has assisted to ensure we maintain a high level of customer retention.

Continuing to build the brand of each product remains a focus as the Company invests in trade events, digital marketing, and website content.

DIVIDEND

No dividend has been declared in respect of the year ended 30 June 2023.

FINANCIAL POSITION

Net assets of the Group have increased by $462,612 from $11,335,795 in 2022 to $11,798,407 in 2023. The increase in net assets was primarily due to a appreciation in the GBP and USD and its impact on the value of intangible assets associated with the Urgent product and cash reserves held in those currencies.

Cash balances have increased to $5,379,505 [2022: $4,925,862].

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The directors are focussed on building the value of Techniche by ensuring our people and resources are focussed on areas that will provide the best opportunities to grow. Internally we have set growth target for 2025, with a goal to realise an exit for all shareholders. They believe a healthy valuation can be achieved, based on multiples of ARR (Annual Recurring Revenue) underpinned by a growing base of quality customers.

Our focus is:

To achieve ARR growth from our core products of Urgent and Statseeker while building a sustainable and high growth business from emerging products such as Techniche EV.

Maintain a positive EBITDA, with a comfortable working capital balance.

Reinvesting cash from profits into business growth, primarily product roadmap delivery across our core products, and sales & marketing.

DIRECTORS' REPORT

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES (CONTINUED)

This will mean a continued investment in our product suite, a more focused approach to sales and marketing and developing our people. We have a good base of recurring revenues and solid cash reserves and are well positioned if there is any deterioration in the markets we operate.

For shareholders, we are focused on developing the best option to provide a realisable return.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the 2023 financial year.

AFTER BALANCE DATE EVENTS

There are no matters or circumstances that have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future financial periods.

RISK MANAGEMENT

The effective identification and management of risk is critical to Techniche and its subsidiaries achieving its operational and strategic goals. The Group recognises that managing threats and maximising opportunities will ensure that business objectives are met in the most effective way possible, leading to increased value for the business and its stakeholders.

The management of risk does not equate to the elimination of risk but follows a process of risk assessment and evaluation of mitigation options. The risks may then be accepted or tolerated and potentially referred to the Board either directly or via the Audit Committee depending on the level of residual risk and our internal delegated levels of authority.

As part of the Board's process of setting Group strategy and ongoing monitoring of operations, risks are continuously assessed regarding potential impacts on strategic and financial outcomes, with policies and procedures employed to mitigate adverse consequences. These policies/procedures span across the business from financial aspects like currency hedging and foreign exchange management to IT security and cyber threats.

Over the covid and post-covid years matters like foreign exchange variation, challenging labour markets globally, and slowing major economies with continued high inflationary pressure present a unique set of challenges to small global businesses such as Techniche. During this period the Board has actively tightened its stance on risk tolerance to buffer against the many variables that affect our business. The primary mechanism has been to continue to build and strengthen the working capital position of the business which we view as the cornerstone of a relatively conservative risk management approach.

AFTER BALANCE DATE EVENTS

There are no matters or circumstances that have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future financial periods.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Director	Qualifications and experience	Special responsibilities	Interest in shares at 30 June 2023
KARL JACOBY (Executive Chairman) Grad Dip Bus Admin, FAICD	Karl is an active business, property and angel investor. Karl has a Graduate Diploma in Management and is a Fellow of the Australian Institute of Company Directors.	Executive Director Karl was appointed Chairman on close of the 2012 AGM.	47,891,239 ordinary shares
ANDREW CAMPBELL BSc(Hons), MBA MACS (Snr)	Andrew has an extensive technology and investment background. Currently Andrew is engaged with development and investment in businesses within emerging technology/application spaces.	Non-executive Director Chair of Audit Committee. Member of Remuneration Committee.	3,281,309 ordinary shares
ANASTASIA ELLERBY BBUS, MBA	Anastasia is a graduate of business from Griffith University and Bond University where she received her MBA with Distinction. Anastasia is an active member in a number of community organisations, has served on boards for tech start-ups and educational facilities.	Non-executive Director Chair of Remuneration Committee.	Nil ordinary shares
MARK GILL BE(HONS)	Mark is one of the three founders of Brisbane Venture Capital Fund Manager, Talu Ventures. He has almost 30 years of experience in the technology sector including ten years in venture capital investing, with a strong background in hardware and software engineering.	Non-executive Director Member of Audit Committee	Nil ordinary shares

All appointments were current for the reported year and through to the date of this report unless otherwise stated.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

During the financial year, 15 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meeting		Audit committee		Remuneration & Nomination committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
KP Jacoby	11	11	-	-	-	-
A Campbell	11	11	2	2	1	1
A Ellerby	11	10	-	-	1	1
M Gill	11	11	2	2	-	-

DIRECTORS' REPORT

COMPANY SECRETARY

The following person held the position of company secretary during the entire financial year:

John Andrew Lemon

(BA, LLB (Hons), GDipAppFin (Finsia), Grad.Dip.AppCorpGov,)

Mr Lemon is a professional consultant providing company secretary and director services.

INDEMNIFICATION OF OFFICERS

During the reporting period, the parent entity has paid premiums in respect of a contract insuring all the directors and officers of Techniche Limited and its wholly owned subsidiaries against claims, proceedings, liabilities and expenses incurred in their job as director or officer of the company or wholly owned subsidiary except where the liability arises out of conduct involving a wilful breach of duty or where the liabilities have been imposed by law or for any legal action or litigation outside the jurisdiction of the contract. The total amount of the insurance contract premium paid was $45,000 [2022: $46,000].

OPTIONS

At the date of this report, there were no unissued ordinary shares of Techniche Limited under option [2022: Nil].

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The board of directors, in accordance with advice from the audit committee, is satisfied that no services outside the scope of the audit were provided by the Company's auditors.

There are no officers of the company who are former audit partners of PKF Brisbane Audit.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 22 of the Annual Report.

The Directors' Report is signed in accordance with a resolution of the Directors.

K P Jacoby

Executive Chairman

Brisbane, 24 August 2023

PKF Brisbane Audit
ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TECHNICHE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Techniche Limited and the entities it controlled during the year.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

BRISBANE
24 AUGUST 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023	2022
		$	$
Revenue from IT Services	2	**12,157,765**	10,989,911
Cost of sales	3	**(2,615,551)**	(2,587,126)
Gross Profit		**9,542,214**	8,402,785
Foreign exchange gain / (loss)		**(134,521)**	(8,662)
Other income		**2,000**	-
Operating Expenses	3		
General and administration		**(2,043,293)**	(1,873,076)
Sales and marketing		**(2,849,280)**	(2,439,288)
Research and development		**(4,430,178)**	(4,268,277)
Total operating expenses		**(9,322,751)**	(8,580,641)
Operating profit / (loss) from ordinary activities		**84,942**	(186,518)
Interest income		**327**	133
Interest expense (includes interest on lease liabilities)		**(31,848)**	(28,642)
		(31,521)	(28,509)
Profit / (loss) before income tax		**55,421**	(215,027)
Income tax (expense) / benefit	6	**(196)**	(38,082)
Profit / (loss) for the year attributable to the members of the parent entity		**55,225**	(253,109)
Other comprehensive income			
Items that may be classified to profit and loss:			
Exchange differences arising on translation of foreign operations		**407,389**	(217,697)
Other comprehensive income / (loss) for the year		**407,389**	(217,697)
Total comprehensive income / (loss) attributable to members of the parent entity		**462,614**	(470,806)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 30 June $	2022 30 June Restated[1] $
ASSETS			
Current assets			
Cash and cash equivalents	7	**5,379,505**	4,925,862
Trade and other receivables	8,26	**1,402,638**	846,608
Other current assets	9	**213,709**	274,732
Total current assets		**6,995,853**	6,047,202
Non-current assets			
Property, plant and equipment	10	**88,859**	94,372
Right-of-use assets	11	**371,668**	576,992
Intangible assets	12	**11,727,127**	11,560,910
Total non-current assets		**12,187,654**	12,232,274
Total assets		**19,183,506**	18,279,476
LIABILITIES			
Current liabilities			
Trade and other payables	14	**604,834**	729,196
Unearned income	17,26	**5,726,953**	5,105,278
Current tax liabilities	15	**77,941**	57,852
Short term provisions	16	**496,238**	369,712
Lease liabilities	11	**199,028**	196,448
Total current liabilities		**7,104,993**	6,458,486
Non-current liabilities			
Long term provisions	16	**107,045**	105,336
Lease liabilities	11	**173,061**	379,859
Total non-current liabilities		**280,106**	485,195
Total liabilities		**7,385,099**	6,943,681
NET ASSETS		**11,798,407**	11,335,795
Equity			
Issued capital	18	**69,799,778**	69,799,778
Reserves	19	**805,941**	398,552
Accumulated losses		**(58,807,312)**	(58,862,535)
TOTAL EQUITY		**11,798,407**	11,335,795

1. *Refer to note 26 for restatement of comparatives.*

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Ordinary shares $	Accumulated losses $	FX translation reserve $	Total $
Balance at 1 July 2021	**69,799,778**	**(58,609,426)**	**616,249**	**11,806,601**
Profit/(loss) attributable to members of the parent entity	-	(253,109)	-	(253,109)
Total other comprehensive income	-	-	(217,697)	(217,697)
Sub total	-	(253,109)	(217,697)	(470,806)
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2022	**69,799,778**	**(58,862,535)**	**398,552**	**11,335,795**
Profit attributable to members of the parent entity	-	55,225	-	55,225
Total other comprehensive income	-	-	407,387	407,387
Sub total	-	55,225	407,387	462,612
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2023	**69,799,778**	**(58,807,312)**	**805,941**	**11,798,407**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	**2023**	2022
		$	$
Cash flows from operating activities			
Receipts from customers		**12,277,490**	13,350,085
Payments to suppliers and employees		**(11,368,174)**	(10,545,347)
Other Income and interest received		**2,327**	133
Income tax refund / (paid)		**19,893**	(22,856)
Interest and other financing costs paid		**(6,179)**	(5,406)
Net cash provided by (used in) operating activities	20(b)	**925,356**	2,776,609
Cash flows from investing activities			
Purchase of plant and equipment		**(44,982)**	(63,251)
Net cash provided by (used in) investing activities		**(44,982)**	(63,251)
Cash flows from financing activities			
Repayment of lease liabilities		**(276,022)**	(275,181)
Net cash provided by (used in) financing activities		**(276,022)**	(275,181)
Net increase (decrease) in cash held		**604,353**	2,438,177
Effects of functional currency exchange rate changes		**(150,710)**	(102,670)
Cash at the beginning of the year		**4,925,862**	2,590,355
Cash at the end of the year	20(a)	**5,379,505**	4,925,862

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

These consolidated financial statements and notes represent those of Techniche Limited (the "Company") and controlled entities (the "Consolidated Group" or "Group").

The separate financial statements of the parent entity Techniche Limited have not been presented within the financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 24 August 2023 by the directors of the company.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

A. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 13 to the financial statements.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i. the consideration transferred;
ii. any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
iii. the acquisition date fair value of any previously held equity interest,

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

B. INCOME TAX

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

The company and its wholly-owned Australian resident entities form a tax-consolidated Group and are taxed as a single entity. The head entity within the tax-consolidated Group is Techniche Limited. The members of the tax-consolidated Group are:

Techniche Limited
Techniche APAC Pty Ltd
Techniche IP Services Pty Ltd
Techniche Technologies Pty Ltd

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the Company (as head entity in the tax consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated Group in accordance with the arrangement.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. PLANT AND EQUIPMENT

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	*10% to 66.67%*

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. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

D. FINANCIAL INSTRUMENTS

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as 'at fair value through profit or loss' in which case the transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

E. IMPAIRMENT OF ASSETS

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*).

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed at least annually for goodwill and intangible assets with indefinite lives.

F. INTANGIBLES (OTHER THAN GOODWILL)

Intellectual property rights

Intellectual property rights acquired as part of a business combination are recognised separately from goodwill. Intellectual property rights are considered to have an indefinite life and are not amortised; instead they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The intellectual property rights are carried at their fair value at the date of acquisition less impairment losses.

Software / Core Code

Software / core code either acquired or developed internally is only capitalised if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

After initial recognition, software / core code is carried at cost less accumulated amortisation and any accumulated impairment losses. Software / core code is amortised over the useful life of the software once it is available for use typically using the straight-line method. At least annually, an assessment is performed to ensure that both the amortisation period and amortisation method are still appropriate.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position.

These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed of.

H. EMPLOYEE BENEFITS

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

I. PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

J. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. REVENUE AND OTHER INCOME

Revenue is measured to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. As a result, the Group's revised accounting policy for revenue recognition is as follows:

- Software licence revenue is recognised on a straight-line basis over the period the software is available to the customer rather than the past practice of recognising when invoiced.

- Software customisation revenue is recognised on a straight-line basis over the period that the software is available to the customer and commencing from the time that the software has been delivered to the customer.

- Software installation / implementation project revenue are recognised as distinct performance obligations when delivered or where the contract results in services that have an "alternative use" and a "right to payment". For project revenues that have no "alternative use" but a "right to payment" exists a percentage completion basis will be applied.

All revenue is stated net of the amount of goods and services tax (GST).

L. TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

M. LEASES

Right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position unless the leases are short-term or leases of low value assets.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

N. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

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 ATO 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

O. COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

P. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates - Provision for expected credit losses (ECLs) of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. If the forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not be representative of customer's actual default in the future.

Key estimates - Impairment of intangible assets

The Group assesses impairment at each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

NOTE 2. REVENUE FROM IT SERVICES

The following discloses the nature of income items where it has not been disclosed in the statement of comprehensive income:

	2023	2022
	$	$
Revenue from contracts with customers		
Subscription and other recurring revenue	**11,063,829**	9,996,277
Software Sales	**77,777**	80,176
Professional Services	**1,016,160**	913,458
	12,157,765	10,989,911

NOTE 3. EXPENSES

The Group categorises expenses within the Consolidated Statement of Profit or Loss and Other Comprehensive Income based on the function of the expense. The table below discloses expenses based on the nature of the expense.

	2023	2022
Cost of sales and operating expenses	$	$
Auditor remuneration	**103,707**	104,133
Consulting Fees	**479,465**	488,127
Commission & other direct costs	**686,197**	845,620
Directors' remuneration	**329,343**	319,342
Employee benefits expense	**7,640,508**	7,166,060
Insurance	**133,686**	109,127
Travel expenses	**428,013**	217,064
Premises expenses	**80,012**	84,249
Sales and marketing	**730,415**	565,194
Other expenses	**771,298**	703,432
Interest expense	**31,848**	28,642
Total cost of sales and operating expenses excluding amortisation & depreciation	**11,414,492**	10,630,990
Depreciation and amortisation		
Amortisation of software	**257,998**	257,998
Depreciation of right-of-use assets	**244,259**	257,004
Depreciation of property, plant & equipment	**53,401**	50,417
Total depreciation & amortisation expense	**555,658**	565,419
Total cost of sales & operating expenses	**11,970,150**	11,196,409
Depreciation and amortisation is included in function expenses as follows:		
Cost of sales	**40,991**	36,673
General and administration	**140,804**	168,172
Sales and marketing	**341,140**	35,949
Research and development	**32,724**	324,625
Total depreciation & amortisation expense	**555,658**	565,419

NOTE 4. AUDITOR'S REMUNERATION

	2023 $	2022 $
Remuneration of the auditor of the parent entity (PKF Brisbane Audit) for:		
- auditing or reviewing the financial report	**66,400**	62,000
- non-audit-related services	-	-
	66,400	62,000
Remuneration of other auditors (PKF network firms) for:		
- auditing or reviewing the financial report of subsidiaries	**37,307**	42,133
	103,707	104,133

NOTE 5. PARENT ENTITY FINANCIAL INFORMATION

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Accounting Standards:

	2023 $	2022 $
Statement of Financial Position		
Current assets	**83,633**	247,264
Total assets [1]	**5,768,511**	6,030,946
Current liabilities	**176,801**	201,264
Total liabilities	**3,146,414**	3,196,055
Issued capital	**69,799,778**	69,799,778
Accumulated losses	**(67,177,682)**	(66,964,887)
Total equity	**2,622,096**	2,834,891
Statement of Comprehensive Income		
Profit/(loss) for the year	**(212,793)**	(7,736,986)
Total comprehensive income for the year	**(212,793)**	(7,736,986)

1. During the comparative year, the Company conducted a review and subsequent simplification of its corporate structure. As a result, three dormant Australian subsidiaries were deregistered and the book value of investments and intercompany loans were written off.

Financial guarantees

The Parent Entity has agreed to provide financial support in relation to trade debts or debts incurred by its subsidiaries that are incurred in the ordinary course of their business.

Contingent liabilities

Parent entity contingent liabilities are consistent with those disclosed in Note 21.

Commitments

At 30 June 2023, the Parent Entity had not entered into any contractual commitments for the acquisition of property plant and equipment [2022: nil]

NOTE 6. INCOME TAX

		2023	2022
		$	$
a)	**The components of income tax expense comprise:**		
	Current tax benefit / (expense)	**(196)**	(38,082)
	Deferred tax	**-**	-
	Under / (over) provided in prior years	**-**	-
		(196)	(38,082)
b)	**The prima facie income tax expense on profit from ordinary activities**		
	Prima facie tax benefit / (expense) on (loss) / profit from ordinary activities before income tax at 25%	**(13,855)**	26,450
	Add/(less) tax effect of:		
	(Non-deductible) Other expenses	**(64,492)**	3,027,043
	(Non-deductible) unrealised foreign exchange (gains)/losses	**(33,630)**	(2,382)
	Add: tax withheld on income from foreign subsidiaries	**(136,105)**	(125,154)
	Less: prior year tax adjustments	**-**	-
	Tax losses utilised/(losses) for which no deferred tax asset has been recognised	**247,887**	(2,964,039)
	Total Income tax benefit / (expense)	**(196)**	(38,082)
	Weighted average effective tax rate on continuing operations	**(0.35%)**	39.59%

There have been no changes to the income tax rates applied by the income tax authorities of the jurisdictions in which the Group operates. The movement in the weighted average effective tax rate reflects the relative mix of taxable items that are contained within the Groups continuing operations which vary from year to year. These items include tax benefits from the on-going expenditure on eligible research and development relating to the redevelopment of Group software within the United Kingdom and offset of profits against accumulated tax losses.

c) Tax losses:

	2023	2022
Unused tax losses for which no deferred tax asset has been recognised	**54,255,549**	65,668,566
Potential tax benefit at 25%	**13,563,887**	16,417,142

All unused tax losses were incurred by Australian entities. The benefits from tax losses will only be realised if it is probable that future tax profits will be available against which deductible losses can be utilised.

These benefits will only be obtained if –

i. the Group derives future assessable income of a nature and of an amount sufficient to enable benefit from the deduction for the loss to be realised;
ii. the Group continues to comply with the conditions for deductibility imposed by law; and
iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

d) Tax consolidation legislation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated Group and are therefore taxed as a single entity. The head entity within the tax-consolidated Group is Techniche Limited.

NOTE 7. CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Cash at bank and on hand	**5,379,505**	4,925,862

The effective interest rate on short-term bank deposits was between 0.0% and 1.0% [2021: between 0.0% and 1.0%].

NOTE 8. TRADE AND OTHER RECEIVABLES

	2023	2022 Restated[1]
	$	$
Current		
Trade receivables	**1,312,814**	877,534
Bad debt provision	**-**	(142,721)
Other receivables	**89,824**	111,795
	1,402,638	846,608

1. *Refer to note 26 for restatement of comparatives.*

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Group is considered to be related to the class of assets described as Trade and other receivables.
On a geographic basis, the Group has credit risk exposures in its three operating regions of Europe, the Middle East and Africa (EMEA), the Asia Pacific (APAC) and North America and Canada (The Americas). The Group's exposure to credit risk for receivables at reporting date to those regions is as follows:

EMEA	**701,732**	615,553
Americas	**667,163**	217,726
APAC	**33,743**	13,329
	1,402,638	846,608

Credit Risk – trade and other receivables

The following table details the Group's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables using historical observed default rates and regularly calibrates for forecast changes in economic conditions.
The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross	Past due and impaired	Past due but not impaired (days overdue)				Within trade terms
			< 30 days	31 - 60 days	61 - 90 days	> 90 days	
	$	$	$	$	$	$	$
2023							
Trade receivables	**1,312,814**	**-**	**462,964**	**28,763**	**166,445**	**33,934**	**620,708**
Other receivables	**89,824**	**-**	**-**	**-**	**-**	**-**	**89,824**
	1,402,638	**-**	**462,964**	**28,763**	**166,445**	**33,934**	**710,532**
2022							
Trade receivables	734,813	(142,721)	204,345	125,341	-	113,347	434,501
Other receivables	111,795	-	-	-	-	-	111,795
	846,608	(142,721)	204,345	124,341	-	113,347	546,296

Neither the Group nor the parent entity holds any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

NOTE 9. OTHER CURRENT ASSETS

	2023 $	2022 $
Prepayments	**140,443**	175,000
Security deposits	**73,267**	71,919
Work in progress	**-**	27,813
	213,709	274,732

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	2023 $	2022 $
Plant and equipment at cost	**577,454**	513,519
Accumulated depreciation	**(488,595)**	(419,147)
	88,859	94,372

Movement in carrying amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and end of the current financial year

Plant and equipment		
Balance at 1 July	**94,372**	81,490
Additions	**49,203**	63,648
Disposals	**(139)**	-
Depreciation expense	**(54,577)**	(50,766)
Balance at 30 June	**88,859**	94,372

NOTE 11. RIGHT OF USE ASSETS

	2023 $	2022 $
Land and buildings – right-of-use	**829,964**	775,252
Less: Accumulated depreciation	**(458,296)**	(198,260)
	371,668	576,992

The consolidated group leases buildings for its offices under agreements of between three to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

As outlined in Note 1, the recognition of right-of-use-assets was offset by recognition of both current and non-current lease liabilities relating to the leased assets. Lease liabilities are recognised for lease contracts in excess of 12 months and are initially measured at the present value of remaining lease payments which have been discounted at the Group’s incremental borrowing rate.

NOTE 12. INTANGIBLE ASSETS

	2023	2022
	$	$
Goodwill		
Cost	**4,722,851**	4,722,851
	4,722,851	4,722,851
Intellectual property rights		
Carrying value	**5,714,287**	5,290,072
	5,714,287	5,290,072
Software / Source Code		
Software / Source Code – at cost	**2,597,806**	2,597,806
Accumulated amortisation	**(1,307,817)**	(1,049,819)
	1,289,989	1,547,987
Total Intangible assets	**11,727,127**	11,560,910

Movement in carrying values

Movement in the carrying amounts of each class of intangible asset between the beginning and end of the financial period.

	2023	2022
Goodwill		
Opening Balance	**4,722,851**	4,722,851
Closing balance	**4,722,851**	4,722,851
Intellectual property rights		
Opening balance	**5,290,072**	5,525,880
Foreign currency revaluation	**424,214**	(235,808)
Closing balance	**5,714,287**	5,290,072
Software / Source Code		
Opening Balance	**1,547,987**	1,805,985
Amortisation	**(257,998)**	(257,998)
Closing balance	**1,289,989**	1,547,987

NOTE 12. INTANGIBLE ASSETS (CONTINUED)

Impairment disclosures

	2023	2022
	$	$
Goodwill is allocated to cash generating units which are based on the Group's branded product offerings.		
Statseeker	**4,722,851**	4,722,851
Total	**4,722,851**	4,722,851

Goodwill was recorded in relation to the acquisition of the Statseeker Group of companies on 30 January 2018. Goodwill is assessed at least annually for impairment.

Intellectual Property Rights are allocated to cash generating units which are based on the Group's branded product offerings.

Urgent Technology Limited	**5,714,287**	5,290,072
Total	**5,714,287**	5,290,072

Intellectual Property Rights have been recorded in relation to the acquisition of Urgent Technology Limited on 28 May 2010. At the date of the acquisition the excess of the purchase consideration over the Net Tangible Assets acquired was identified as the right to use the Urgent (formerly known as "eMaintenance") Software in servicing the customers of Urgent Technology Limited. The Urgent software was subsequently sold by Urgent Technology Limited to Techniche Limited on 14 March 2012, however the rights to use the software remained with Urgent Technology Limited. There is no expiry to the Intellectual Property Rights and the Urgent software continues to be maintained. Therefore, the rights have been assessed as having indefinite useful lives and are assessed at least annually for impairment.

Software is allocated to cash generating units which are based on the Group's reporting segments.

Statseeker	**1,289,989**	1,547,987
Total	**1,289,989**	1,547,987

Software was recorded in relation to the acquisition of the Statseeker Group of companies on 30 January 2018. Software is assessed at least annually for impairment.

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections utilising financial budgets approved by the directors over a five-year period and where justified an additional five-year terminal value discounted at a pre-tax discount rate of 19.0%. The growth rate does not exceed the long-term average growth rate for the business in which the cash generating unit operates. Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical data to project revenues, costs and net profit positions before management fees for the relevant reporting segment.

Scenario testing using reasonable possible changes in the assumptions used had no significant impact on the impairment assessment of these assets.

NOTE 13. 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. All subsidiaries have share capital consisting solely of ordinary shares held directly by the Group.

	Country of incorporation	Percentage owned	
		2023	2022
Subsidiaries of Techniche Limited:		**%**	%
Techniche Technologies Pty Ltd	Australia	100	100
Techniche IP Services Pty Ltd	Australia	100	100
Techniche APAC Pty Ltd	Australia	100	100
Techniche Holdings USA Inc.	USA	100	100
Techniche Americas LLC	USA	100	100
Techniche EMEA Limited	United Kingdom	100	100

NOTE 14. TRADE AND OTHER PAYABLES

	2023	2022 Restated[1]
	$	$
Current liabilities		
Trade payables	**108,132**	173,378
Sundry payables and accrued expenses	**496,702**	555,818
	604,834	729,196

1. *Refer to note 26 for restatement of comparatives.*

NOTE 15. CURRENT TAX LIABILITIES

	2023	2022
	$	$
Current liabilities		
Other taxes payable	**77,941**	57,852
	77,941	57,852

NOTE 16. PROVISIONS

	2023	2022
	$	$
(a) Short-term Provisions		
Short term employee entitlements		
Balance at 1 July	**369,712**	306,011
Provisions acquired	**-**	-
Additional provisions	**552,503**	452,803
Amounts used	**(425,977)**	(389,102)
Balance at 30 June	**496,238**	369,712
Other provisions	**-**	-
Balance at 30 June	**496,238**	369,712
(b) Long-term Provisions		
Long term employee benefits		
Balance at 1 July	**83,169**	66,350
Additional provisions	**733**	21,314
Amounts used	**-**	(4,495)
Balance at 30 June	**83,902**	83,169
Other provisions	**23,143**	22,167
Balance at 30 June	**107,045**	105,336
Analysis of total employee provisions		
Current	**496,238**	369,712
Non-current	**83,902**	83,169
	580,140	452,881

NOTE 17. UNEARNED INCOME

	2023	2022 Restated[1]
	$	$
Balance at 1 July	**5,105,278**	3,863,333
Net movements	**621,674**	1,241,945
Balance at 30 June	**5,726,953**	5,105,278

1. *Refer to note 26 for restatement of comparatives.*

NOTE 18. ISSUED CAPITAL

	2023 Number	2022 Number	**2023 $**	2022 $
a) Ordinary shares				
At the beginning of the reporting period	**209,067,233**	209,067,233	**69,799,778**	69,799,778
Shares bought back	**-**	-	**-**	-
At reporting date	**209,067,233**	209,067,233	**69,799,778**	69,799,778
Fully paid	**209,067,233**	209,067,233	**69,799,778**	69,799,778

b) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes cash and cash equivalents, equity attributable to equity holders, comprising of contributed equity and accumulated losses. In order to maintain or adjust the capital structure, the Group may issue new shares, buy back existing shares, sell assets or adjust the level of activities undertaken by the Group.

The Group monitors capital on the basis of cash flow requirements for operational and financing activities. The Group has no exposure to borrowings as at 30 June 2023 [2022: nil]. The Group's strategy to capital risk management is unchanged from prior years.

NOTE 19. RESERVES

	2023	2022
	$	**$**
Foreign Currency Translation Reserve	**805,941**	398,552

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

NOTE 20. CASH-FLOW INFORMATION

		2023	2022
		$	$
a)	**Reconciliation of cash**		
	For the purpose of the Consolidated Statement of Cash Flows cash includes cash on hand and at bank and short-term deposits on call. Cash at the end of the period as shown in the Consolidated Statement of Cash Flows is recorded as follows:		
	Cash at bank and on hand (Note 7)	**5,379,505**	4,925,862
	Cash per statement of cash flows	**5,379,505**	4,925,862
b)	**Reconciliation of cash flows from operations with profit / (loss) after income tax**		
	Profit / (loss) after income tax	**55,225**	(253,109)
	Non-cash flows in profit/(loss):		
	Depreciation and amortisation	**555,658**	565,419
	Unrealised foreign exchange (gains) / losses	**134,521**	8,662
	(Increase)/decrease in right of use assets	**29,756**	22,123
	Changes in assets and liabilities:		
	(Increase)/decrease in trade and other receivables	**(701,477)**	1,070,681
	(Increase)/decrease in other current assets	**61,023**	(57,933)
	Decrease/(increase) in payables / unearned income	**642,760**	1,325,020
	Decrease/(increase) in provisions	**127,801**	80,520
	Decrease/(increase) in current tax liabilities	**20,089**	15,226
	Cash flows from operations	**925,356**	2,776,609

NOTE 21. CONTINGENT LIABILITIES

Techniche Limited has implemented strategies and established targets for growing revenues that are expected to lead to an increase in the enterprise valuation with a potential for a trade sale or other exit for shareholders in Techniche Limited. An executive incentive scheme has been established to attract, retain and incentivise key executives to deliver on the targeted goals. The scheme is contingent upon a trade sale or similar exit for shareholders at a valuation above a targeted price of 10 cents per share. An exit such as a trade sale would result in the creation of a bonus pool equivalent to 20% of the excess above the target of 10 cents per share. As at balance date, the Directors are unable to determine the probability or reliably calculate a provision or liability in relation to this scheme.

The Group had no other contingent liabilities at the end of the reporting period.

NOTE 22. RELATED PARTY TRANSACTIONS

Techniche Limited is the ultimate parent entity in the wholly owned group comprising the Company and its wholly owned controlled entities. Transactions between the Company and its controlled entities have been eliminated in the consolidated financial statements.

The aggregate amounts of transactions between the Company and its controlled entities are in the respective classification categories in the financial statements. The nature, terms and conditions of each different type of transaction area are as follows:

- Loans between the Company and its controlled entities are unsecured and advanced on an interest free basis
- Inter entity fees are charged for the on-going development of centrally owned intellectual property
- Inter-entity fees are charged for the distribution of software products relating to the centrally owned intellectual property
- Some operating expenses are incurred centrally and recovered from other Group entities

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Key Management Personnel compensation

	2023	2022
	$	$
Short-term employee benefits	**1,268,829**	1,202,152
Post-employment benefits	**78,323**	74,734
	1,347,152	1,276,886

NOTE 23. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable, loans to and from subsidiaries and leases.
The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows.

	2023	2022 Restated[1]
	$	$
Financial assets		
Cash and cash equivalents	**5,379,505**	4,925,862
Trade and other receivables	**1,402,638**	846,608
	6,782,143	5,772,470
Financial liabilities		
Trade and other payables	**976,923**	1,305,504

The main risks the Group is exposed to through its financial instruments are liquidity risk, foreign currency risk, credit risk and price risk.

a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect the undiscounted contractual maturity for financial liabilities.
Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore defer from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the statement of financial position.

Financial assets and liabilities maturity analysis

	Effective Interest Rate		**Within 1 year**		**1 to 5 years**		**Total**	
	2023	2022	**2023**	2022 Restated[1]	**2023**	2022	**2023**	2022 Restated[1]
	%	%	**$**	$	**$**	$	**$**	$
Financial Assets								
Cash and cash equivalents	-	-	**5,379,505**	4,925,862	**-**	-	**5,379,505**	4,925,862
Trade and other receivables	**-**	-	**1,402,638**	846,608	**-**	-	**1,402,638**	846,608
			6,782,143	5,772,470	**-**	-	**6,782,143**	5,772,470
Financial Liabilities								
Trade and other payables	**-**	-	**604,834**	729,196	**-**	-	**604,834**	729,196
Lease Liabilities	**5%**	5%	**199,028**	196,449	**173,061**	379,859	**372,089**	576,308
			803,862	925,645	**173,061**	379,859	**976,923**	1,305,504
Net financial assets / (liabilities)			**5,978,281**	4,846,825	**173,061**	379,859	**5,805,220**	4,466,966

1. *Refer to note 26 for restatement of comparatives.*

NOTE 23. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Net financial assets / (liabilities) in AUD				
	AUD	**EURO**	**GBP**	**USD**	**Total AUD**
2023					
Functional currency of Group					
Australian Dollars	97,128	-	-	-	97,128
Great British Pounds	-	-	2,437,601	-	2,437,601
United States Dollars	-	-	-	2,844,776	2,844,776
Balance sheet exposure	97,128	-	2,437,601	2,844,776	5,379,505
Year-end exchange rate			.5250	.6630	
2022					
Functional currency of Group					
Australian Dollars	226,207	-	-	-	226,207
Great British Pounds	-	-	1,855,046	-	1,855,046
United States Dollars	-	-	-	2,844,609	2,844,609
Balance sheet exposure	226,207	-	1,855,046	2,844,609	4,925,862
Year-end exchange rate			0.5671	0.6889	

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 60 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the directors have otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk is managed at subsidiary level and reviewed regularly by the directors. It arises from exposure to customers. Each entity monitors credit risk by actively assessing the rating quality of counter parties with all potential customers rated for credit worthiness by considering their size, market position and financial standing.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counterparty credit ratings.

		2023	2022
		$	$
Cash and cash equivalents			
-	AA Rated	**2,534,730**	2,081,253
-	A Rated	**2,844,776**	2,844,609
		5,379,505	4,925,862

NOTE 23. FINANCIAL RISK MANAGEMENT (CONTINUED)

NET FAIR VALUES

Fair value estimation
The fair values of financial assets and financial liabilities are compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.
The net fair values of:

- Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value
- Other assets and other liabilities approximate their carrying values

SENSITIVITY ANALYSIS

The following table illustrates sensitivities to the Consolidated Group's exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	**Equity**
	$	**$**
+/- 100 bps in interest rates		
2023	**42,554**	**42,554**
2022	35,086	35,086
Strengthening of AUD against other currencies by 10%		
2023	**(318,816)**	**(86,992)**
2022	(287,613)	(40,303)

NOTE 24. AFTER BALANCE DATE EVENTS

There are no matters or circumstances that have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future financial periods.

NOTE 25. NET CURRENT ASSET DEFICIENCY

As at 30 June 2023, the Group has reported a net current asset deficiency of $109,140 (30 June 2022: $411,284). However, the current liabilities include unearned income of $5,726,953 for customers who have paid in advance for their software licence subscription and support fees. The unearned income is not required to be funded with cash, and revenue is recognised when it is earned over the contracted periods.

NOTE 26. RESTATEMENT OF COMPARATIVES

Correction of error

An error was identified during the period relating to recognition of debtors for amounts billed in advance (and recorded in unearned income). Upon a detailed review of customer invoices issued on or around year-end, it was discovered that a number of invoices were rendered relating to services to be provided in the following financial year. Accordingly, these debtors do not meet the recognition criteria under AASB 15 Revenue from Contracts with Customers. The total amount of invoices recorded in debtors which should not have been recognised were $377,144 (in AUD), resulting in a reduction in total debtors as at 30 June 2022 for this amount. The corresponding entry is a reduction in unearned income and GST payable. There was no impact of the above adjustment to the profit and loss, statement of changes in equity or statement of cashflows.

NOTE 27. COMPANY DETAILS

The registered office of Techniche Limited in Australia is:

Ground Floor
143 Coronation Drive
Milton QLD 4064

The principal place of business of Techniche Limited in Australia is:

Ground Floor
143 Coronation Drive
Milton QLD 4064

Other places of business are:

Techniche APAC Pty Ltd
Ground Floor
143 Coronation Drive
Milton QLD 4064

Techniche Americas LLC
5857 Owens Avenue
Suite 300
Carlsbad CA 92008

Techniche EMEA Limited
Powerhouse, Harrison Close
Knowlhill, Milton Keynes, MK5 8PA
United Kingdom

In the directors' opinion:

1. the financial statements and notes, as set out on pages 16 to 50 are in accordance with the *Corporations Act 2001* including:
    a. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
    b. giving a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Consolidated Group;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

This declaration is made in accordance with a resolution of the Board of Directors.

Karl P Jacoby

Executive Chairman

Andrew Campbell

Director

Brisbane, 24 August 2023

PKF Brisbane Audit
ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECHNICHE LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Techniche Limited ("the Company"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the consolidated entity's 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 we do not express any form of assurance conclusion thereon.

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.

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER
24 AUGUST 2023
BRISBANE

CORPORATE DIRECTORY

DIRECTORS

Karl Phillip Jacoby (Executive Chairman)
Andrew Lambert Campbell
Anastasia Mary Ellerby
C. Mark Gill

COMPANY SECRETARY

John Lemon

LEADERSHIP TEAM

Karl Phillip Jacoby	Executive Chairman
David Wilson	Chief Financial Officer
Thomas Caldwell	Chief Technology Officer
Steve Brady	Head of Global Sales
Nathan Noall	Global Engineering
James Wells	Product - Statseeker
David Cornish	Product - Urgent

REGISTERED OFFICE

Ground Floor
143 Coronation Drive
Milton QLD 4064

Postal address:
PO Box 2091
Toowong QLD 4066

Telephone:	+61 1300 556 673 (within Australia)
Website:	www.technichegroup.com
ABN:	83 010 506 162

AUDITORS

PKF Brisbane Audit
Chartered Accountants
Level 6, 10 Eagle Street
Brisbane Queensland 4000

SOLICITORS

Minter Ellison
Level 22, Waterfront Place
1 Eagle Street
Brisbane Queensland 4000

SHARE REGISTRY

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane Queensland 4000
Telephone: + 61 1300 554 474
Website: www.linkmarketservices.com.au

CORPORATE GOVERNANCE STATEMENT

A copy of the Techniche Limited Corporate Governance Statement can be obtained from the Company website at: http://www.technichegroup.com/investors/corporate-governance/.