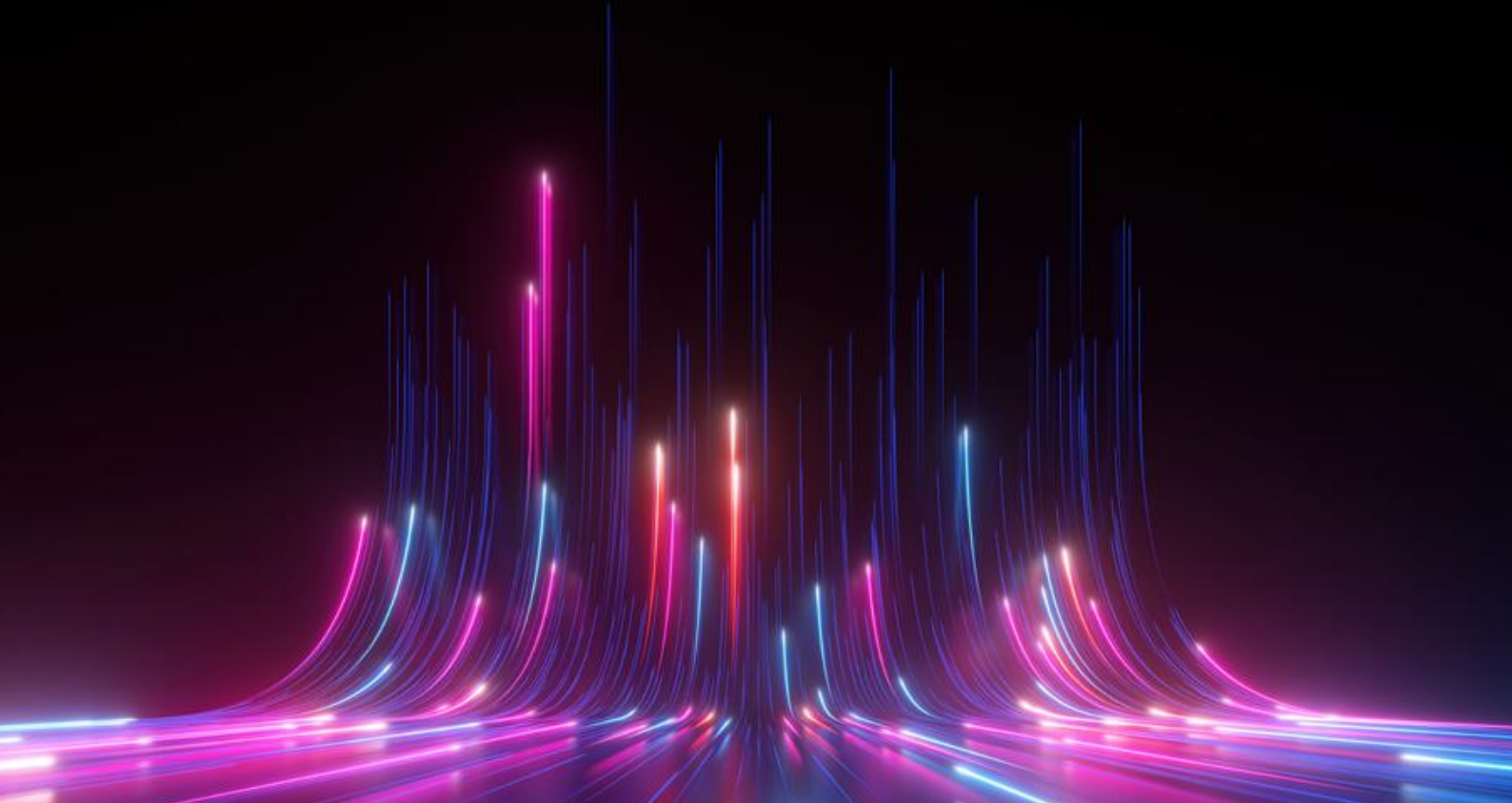


Tech:niche.

INTERIM REPORT 2024

Techniche Limited & Controlled Entities
ABN 83 010 506 162



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ABOUT TECHNICHE

Techniche is creating data driven solutions for optimizing asset uptime. We are providing intelligent software solutions to automate the monitoring and maintenance of critical revenue and operational assets of leading companies and government organisations across the globe.

OUR SOLUTIONS INCLUDE

- Fuel & Retail Maintenance Solution
- EV Charging Maintenance Solution
- Statseeker Network Performance Monitoring Solution

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 CUSTOMERS INCLUDE



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 providing our customers with valuable insights.

OUR COVERAGE

Our technology solutions manage and monitor 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 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



MANAGEMENT COMMENTARY

- **Total revenues up 11.6%**
- **ARR up 5.9% (on a constant currency basis)**
- **Recognised revenue from Techniche EV continues to build and working on a range of new opportunities.**
- **Commenced delivery of a data analytics solution for a global security screening products & solutions company that will deliver over \$1m of subscription and services revenue in the next 3 years.**
- **Appointed Daryn Edgar as new CEO to lead the next growth phase.**

As at December 31, 2023, Techniche's total revenues were up 11.6% and Annualised Recurring Revenues (ARR) on a constant currency basis grew by 5.9% compared to the prior corresponding half year. Fuel & Retail Maintenance Solution (Urgent) ARR increased by 5.4% which was primarily a result of new logos won in the newly targeted mid-market sector. Statseeker recorded ARR growth of 4.9%, assisted by upselling to existing customer and new customer acquisitions.

Techniche EV has a growing pipeline of opportunities however the conversion into new sales is taking longer than anticipated.

	2023 31 December	2022 31 December	change
Annualised Recurring Revenues (Constant Currency¹)			
Fuel & Retail Maintenance Solution (Urgent)	5,680,086	5,389,031	5.4%
Statseeker Network Performance Monitoring Solution	5,873,670	5,599,481	4.9%
Techniche EV Charging Maintenance Solution (EVCN)	140,671	58,726	139.5%
Total ARR	11,694,426	11,047,239	5.9%

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

ARR is a measure that is often used as a valuation metric for technology businesses and Techniche has adopted growth in ARR as its' primary corporate goal. Changes in ARR will ultimately be recorded as recognised recurring revenue but typically will only record a full year in future periods. New revenues from our Techniche EV offering are priced on a throughput basis and charged monthly. This Monthly Recurring Revenue (MRR) has been restated into an annual measure and included in ARR.

The EV market remains a significant opportunity for the company. The marketing team have done an excellent job on building our Techniche EV brand via our website, tradeshows, and other activities. Today we are well ranked on search engines when searching for EV maintenance software and are generating some excellent leads.

Techniche has commenced delivery of a data analytics solution for a global leader in security scanning products and solutions that integrates Statseeker into one of their solution offerings. The deal involves initial product development services and 3 years of contracted recurring revenues valued at over \$1m over the term of the contract.

Techniche is pleased to announce the appointment of Daryn Edgar as its new Chief Executive Officer. Based in the UK, Daryn takes over from Karl Jacoby who will remain as Chairman and Non-executive Director. Daryn is responsible for leading the next phase of growth for the global software business, building on recent customer success and emerging opportunities in Europe and North America. Early objectives include reviewing all existing product strategies and ensure we have the right resources to capitalise on the fast-growing EV market and are positioned to deliver growth in our core Urgent and Statseeker products.

FINANCIAL COMMENTARY

Revenue Growth

Our Fuel & Retail Maintenance Solution (Urgent) recognised recurring revenues increased by 12.8% compared with the prior year as growth in revenues from both new and existing customers were supported by favourable foreign exchange movements. Professional services revenues were lower due to subdued demand from existing customers and lower cost of mobilisation of new deals.

Statseeker's recognised recurring revenues increased as a result of good sales to both existing and new customers and a high retention of existing customers. Professional services revenue grew primarily as a result of commencement of the data analytics solution for a specific customer.

<i>Six months to 31 December</i>	2023	2022	change
Total Revenues			
Fuel & Retail Maintenance Solution (Urgent)			
Subscription and other recurring revenues	2,877,899	2,551,414	12.8%
Professional services and other non-recurring revenues	150,327	217,847	(31.0%)
Total Revenues			
Statseeker			
Subscription and other recurring revenues	3,014,241	2,773,035	8.7%
Professional services and other non-recurring revenues	353,157	223,768	57.8%
Total Revenues			
Techniche EV Charging Maintenance Solution			
Subscription and other recurring revenues	66,815	26,508	152.1%
Professional services and other non-recurring revenues	-	-	-
Total Group Revenues			
Subscription and other recurring revenues	5,958,945	5,350,957	11.4%
Professional services and other non-recurring revenues	503,484	441,615	14.0%
Total revenue from IT services	6,462,429	5,792,572	11.6%

FINANCIAL COMMENTARY (CONTINUED)

Gross Profit

Gross profit increased by 12.1% during the year because of an increase in recurring revenue across all products, favourable exchange rate movements and the net increase in services revenues. There was a 0.4% improvement in the gross margin.

<i>Six months to 31 December</i>	2023	2022	change
Total revenue from IT services	6,462,429	5,792,572	11.6%
Cost of sales	(1,377,590)	(1,257,279)	9.6%
Gross profit	5,084,839	4,535,293	12.1%
Gross margin (%)	78.7%	78.3%	0.4%

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.

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

The EBITDA increased by 38.3% as the increase in gross profit was supported by carefully managing the impact of global inflation on operating costs while the group continues to invest in sales, marketing and product development.

<i>Six months to 31 December</i>	2023	2022	change
Net profit/(loss) before tax	103,937	(19,821)	624.4%
Add back: Interest	(20,718)	16,424	
Add back: Depreciation	160,948	144,143	
Add back: Amortisation	128,999	128,999	
Earnings Before interest, tax, depreciation & amortisation	373,166	269,744	38.3%
<i>EBITDA margin</i>	<i>5.8%</i>	<i>4.7%</i>	<i>1.1%</i>

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.

FINANCIAL COMMENTARY (CONTINUED)

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 were 20.7% higher as we continued to build our brand presence and team capability to participate in the emerging opportunities from the maintenance of Electronic Vehicle Charging assets. Interest in this sector is reflected in the attendance and frequency of trade show events and our pipeline continues to grow albeit conversion to contract is at a slower pace than expected.

<i>Six months to 31 December</i>	2023	2022	change
Sales and marketing expense	1,598,455	1,324,869	20.7%
Percentage of operating revenue	24.7%	22.9%	1.9%

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.

Research and Development

Research & Development expenses were higher in overall terms but were slightly lower compared to the prior year as a percentage of revenue. The company continued to invest across all products with particular focus on building integrations between the Techniche EV solution and the range of EV charging software platforms. A key focus for the underlying Urgent product is to continue investing in the platform to support growth as the business scales. The Statseeker team has been continuing to develop new functionality that will allow the solution to monitor device/asset availability and performance metrics.

<i>Six months to 31 December</i>	2023	2022	change
Research and development expense (excl. amortisation)	2,315,610	2,085,077	11.1%
Amortisation	128,999	128,999	0.0%
Research and development expense	2,444,609	2,214,076	10.4%
Percentage of operating revenue	37.8%	38.2%	(0.4%)

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.

FINANCIAL COMMENTARY (CONTINUED)

General and Administration

General and administration costs were 2.9% lower than the prior year as the Group focussed on managing areas of discretionary expenditure such as travel.

<i>Six months to 31 December</i>	2023	2022	Change
General and administration expense	944,509	972,743	(2.9%)
Percentage of operating revenue	14.6%	16.8%	(2.2%)

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.

Techniche Share Trading

Techniche Limited delisted from the Australian Securities Exchange (ASX) in January 2021 and from 28 April 2021 has been authorised by the Australian Securities and Investments Commission (ASIC) to facilitate a “Low Volume Financial Market”. This allows for Techniche to provide a process for buyers and sellers to contact each other and potentially complete a private trade. Techniche has no role in the negotiation and pricing of any trade under the Low Volume Market. Full details of how the Low Volume Financial Market operates are available on the Techniche website <https://www.technichegroup.com/about/investors/how-to-buy-and-sell-shares/>.

Since inception, there have been 2,735,495 shares traded in 17 trades and during the six months to December 2023, there were 2 trades recorded, representing 64,300 shares at a weighted average price per share of \$0.060.

Following are the Bids and Asks as displayed on the website as at February 15 2024:

Offer to Purchase		Offer for Sale	
Volume	Price (\$A)	Volume	Price (\$A)
100,000	\$0.040	500,000	\$0.060
300,000	\$0.040	20,000	\$0.100
500,000	\$0.036		



TECHNICHE LIMITED

AND CONTROLLED ENTITIES

ABN 83 010 506 162

INTERIM FINANCIAL REPORT



DIRECTORS' REPORT

The directors of Techniche Limited submit herewith the interim financial report of Techniche Limited ('the Company') and its controlled entities ('the Group') for the half year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the Directors of Techniche Limited who held office at any time during or since the end of the half year are:

Karl Jacoby (Chairman)

Andrew Campbell

Anastasia Ellerby

Mark Gill

PRINCIPAL ACTIVITIES

The principal activity of Techniche is to develop a range of solutions that leverage our core technologies and is focused on business-critical asset monitoring, maintenance, analysis, and optimization.

OPERATING RESULTS

The consolidated profit/(loss) of the Group after providing for income tax amounted to (\$22,996) [2022: (\$97,577)].

REVIEW OF OPERATIONS

The Company now operates as a global company with global leadership in sales & marketing, product innovation & engineering, and finance & admin. Revenue growth is expected by leveraging our core asset maintenance management and network performance monitoring solutions to develop a range of market & partner solutions.

The Company proactively manages our existing customers via dedicated customer success and account management teams, to ensure we fully understand their needs. This provides the opportunity for additional sales, as well as providing a high level of customer retention.

We are also continuing to build the Techniche brand and narrative via a new website and marketing initiatives.

DIVIDEND

No dividend has been declared in respect of the half year ended 31 December 2023.

FINANCIAL POSITION

Net assets of the Group have decreased by \$162,910 from \$11,798,407 in June 2023 to \$11,635,498 in December 2023. This reflected the small consolidated loss after tax.

Cash balances have decreased by \$1,108,439 to \$4,271,066 [June 2023: \$5,379,505] although are \$496,517 higher than the equivalent time in the prior year [December 2022: \$3,774,549].

DIRECTORS' REPORT

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Our primary goal remains to realise a return for all shareholders, and that a healthy valuation can be achieved, based on multiples of ARR, underpinned by a growing base of quality customers.

Our core objectives remain:

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

Key areas of investment include:

- 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.
- Launched the Urgent mid-market product.
- Working with some key partners on a range of deals & opportunities expected to grow ARR.
- Working on new product initiatives, such as the Meraki monitoring module that we expect to be able to sell to both existing and new Statseeker customers.

Each solution's core capability is focused on business-critical asset monitoring, maintenance, analysis, and optimization.

Directors have always believed that there is more opportunity to grow revenues from our core products than has been delivered over the past few years, and that there was a need to consider bringing on new skills and experience to support this.

Also, the emerging opportunity of EV, which could materially change the size of the company, will for the foreseeable future be primarily a European, and then North American opportunity.

As a result, we have appointed Daryn Edgar as CEO who will be responsible for leading the development and execution of the next phase of growth for Techniche. Daryn is actively reviewing the current strategy of the company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half year period to 31 December 2023.

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.

ENVIRONMENTAL ISSUES

The Group's operations are not currently subject to significant environmental regulation under the law of the Commonwealth and State.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2023 has been received and can be found on page 13 of the Half Year Report.

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



K P Jacoby

Chairman

Brisbane, 20 February 2024

**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 half-year ended 31 December 2023, there have been:

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



PKF BRISBANE AUDIT



LIAM MURPHY
PARTNER

20 FEBRUARY 2024
BRISBANE

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2023

	Note	2023	2022
		\$	\$
Revenue from IT Services	2	6,462,429	5,792,572
Cost of sales	3	(1,377,590)	(1,257,279)
Gross Profit		5,084,839	4,535,293
Foreign exchange gain / (loss)		(15,224)	(27,002)
Other Income		1,178	-
Operating Expenses			
General and administration		(944,509)	(972,743)
Sales and marketing		(1,598,455)	(1,324,869)
Research and development		(2,444,609)	(2,214,076)
Total operating expenses	3	(4,987,573)	(4,511,688)
Operating profit / (loss) from ordinary activities		83,219	(3,397)
Interest income		33,217	117
Interest expense (includes interest on lease liabilities)		(12,499)	(16,541)
		20,718	(16,424)
Profit / (loss) before income tax		103,937	(19,821)
Income tax (expense)		(126,933)	(77,756)
Loss for the year attributable to the members of the parent entity		(22,996)	(97,577)
Other comprehensive income			
Items that may be classified to profit and loss:			
Exchange differences arising on translation of foreign operations		(139,913)	(3,334)
Other comprehensive (loss) for the year		(139,913)	(3,334)
Total comprehensive (loss) attributable to members of the parent entity		(162,910)	(100,911)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 31 December	2023 30 June
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		4,271,066	5,379,505
Trade and other receivables		1,461,155	1,402,638
Other current assets		359,622	213,709
Total current assets		6,091,843	6,995,853
Non-current assets			
Property, plant and equipment		93,660	88,859
Right-of-use assets	4	248,649	371,668
Intangible assets	5	11,474,599	11,727,127
Total non-current assets		11,816,907	12,187,654
Total assets		17,908,750	19,183,506
LIABILITIES			
Current liabilities			
Trade and other payables		830,192	604,834
Unearned income		4,563,479	5,726,953
Current tax liabilities		60,677	77,941
Short term provisions		448,718	496,238
Lease liabilities		119,142	199,028
Total current liabilities		6,022,208	7,104,993
Non-current liabilities			
Long term provisions		130,851	107,045
Lease liabilities		120,193	173,061
Total non-current liabilities		251,045	280,106
Total liabilities		6,273,253	7,385,099
NET ASSETS			
Equity			
Issued capital		69,799,778	69,799,778
Reserves		666,028	805,941
Accumulated losses		(58,830,308)	(58,807,312)
TOTAL EQUITY		11,635,498	11,798,407

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2023

	Issued Capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2022	69,799,778	(58,862,535)	398,552	11,335,795
Loss attributable to members of the parent entity	-	(97,577)	-	(97,577)
Total other comprehensive income	-	-	(3,334)	(3,334)
Sub total	69,799,778	(58,960,112)	395,218	11,234,882
Balance at 31 December 2022	69,799,778	(58,960,112)	395,218	11,234,882
Balance at 1 July 2023	69,799,778	(58,807,312)	805,941	11,798,407
Loss attributable to members of the parent entity	-	(22,996)	-	(22,996)
Total other comprehensive income	-	-	(139,913)	(139,913)
Sub total	69,799,778	(58,830,308)	666,028	11,635,498
Balance at 31 December 2023	69,799,778	(58,830,308)	666,028	11,635,498

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2023

	Half year 2023 31 December	Half year 2022 31 December
	\$	\$
Cash flows from operating activities		
Receipts from customers	5,087,581	4,584,481
Payments to suppliers and employees	(5,863,184)	(5,458,495)
Other Income and interest received	34,394	117
Income tax refund / (paid)	(144,197)	(42,103)
Interest and other financing paid	(4,308)	(3,204)
Net cash provided by/ (used in) operating activities	(889,714)	(919,204)
Cash flows from investing activities		
Purchase of plant and equipment	(33,135)	(18,236)
Net cash provided by/ (used in) investing activities	(33,135)	(18,236)
Cash flows from financing activities		
Repayment of lease liabilities	(149,524)	(136,403)
Net cash provided by/ (used in) financing activities	(149,524)	(136,403)
Net increase/ (decrease) in cash held	(1,072,373)	(1,073,843)
Effects of functional currency exchange rate changes	(36,066)	(77,470)
Cash at the beginning of the period	5,379,505	4,925,862
Cash at the end of the period	4,271,066	3,774,549

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2023

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

Techniche Limited is a company limited by shares, incorporated and domiciled in Australia.

The interim financial statements were authorised for issue on 20 February 2023 by the directors of the Company.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general-purpose condensed consolidated interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This condensed consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Techniche Limited and its controlled entities (referred to as the “Consolidated Group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Comparative figures have been adjusted to conform with changes in presentation for the current financial period.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed consolidated interim financial report are consistent with those adopted and disclosed in the Company’s 2023 annual financial report for the year ended 30 June 2023.

Due to the significant value of carried forward losses, it cannot yet be reliably determined whether there will be sufficient income to utilise these losses and therefore, no deferred tax asset has been calculated.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group adopted all new and relevant amended accounting standards and interpretations issued by the Australian Accounting Standard Board that are effective for annual reporting periods beginning on or after 1 July 2023. None of the standards or amendments to standards that are mandatory for the first time materially affected any of the amount recognised in the current period or any prior period.

NOTE 2. REVENUE FROM IT SERVICES

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

	Half year to 31 December 2023 \$	Half year to 31 December 2022 \$
Revenue from contracts with customers		
Subscription and other recurring revenue	5,958,945	5,350,957
Professional services	34,991	77,777
Software sales	468,492	363,838
	6,462,429	5,792,572

NOTE 3. EXPENSES

The Group categorise 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.

	Half year to 31 December 2023 \$	Half year to 31 December 2022 \$
<i>Cost of sales and operating expenses</i>		
Auditor remuneration	(63,533)	(47,262)
Consulting fees	(294,215)	(141,766)
Commission & other direct costs	(398,113)	(311,903)
Directors' remuneration	(164,671)	(164,671)
Employee benefits expense	(4,385,149)	(3,946,099)
Insurance	(74,226)	(64,566)
Travel expenses	(103,892)	(232,657)
Premises expenses	(86,900)	(46,934)
Sales and marketing	(155,596)	(180,045)
Software and subscriptions	(257,662)	(240,507)
Other expenses	(91,259)	(119,415)
Total cost of sales and operating expenses excluding amortisation & depreciation	(6,075,217)	(5,495,825)
<i>Depreciation and amortisation</i>		
Amortisation of software	(128,999)	(128,999)
Depreciation of right-of-use assets	(133,490)	(119,731)
Depreciation of property, plant & equipment	(27,457)	(24,412)
Total depreciation & amortisation expense	(289,946)	(273,142)
Total cost of sales & operating expenses	(6,365,163)	(5,768,967)
<i>Depreciation and amortisation included in function expenses as follows:</i>		
Cost of sales	(28,082)	(20,353)
General and administration	(31,148)	(69,289)
Sales and marketing	(17,968)	(16,930)
Research and development	(212,748)	(166,570)
Total depreciation & amortisation expense	(289,946)	(273,142)

NOTE 4. RIGHT OF USE ASSETS

	As at 31 December 2023 \$	As at 30 June 2023 \$
Land and buildings – right-of-use	<u>827,815</u>	<u>829,964</u>
Less: Accumulated depreciation	<u>(579,167)</u>	<u>(458,296)</u>
	<u>248,649</u>	<u>371,668</u>

The consolidated entity 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.

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 5. INTANGIBLE ASSETS

	As at 31 December 2023 \$	As at 30 June 2023 \$
Goodwill		
Cost	4,722,851	4,722,851
	<u>4,722,851</u>	<u>4,722,851</u>
Intellectual property rights		
Carrying value	5,590,758	5,714,287
	<u>5,590,758</u>	<u>5,714,287</u>
Software / Source Code		
Software / Source Code – at cost	2,597,806	2,597,806
Accumulated amortisation	(1,436,815)	(1,307,817)
	<u>1,160,990</u>	<u>1,289,989</u>
Total Intangible assets	<u>11,474,599</u>	<u>11,727,127</u>

Movement in carrying values

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

Goodwill		
Opening Balance	4,722,851	4,722,851
Closing balance	<u>4,722,851</u>	<u>4,722,851</u>
Intellectual property rights		
Opening balance	5,714,287	5,290,072
Foreign currency revaluation	(123,529)	424,214
Closing balance	<u>5,590,758</u>	<u>5,714,287</u>
Software / Source Code		
Opening Balance	1,289,989	1,547,987
Amortisation	(128,999)	(257,998)
Closing balance	<u>1,160,990</u>	<u>1,289,989</u>

NOTE 6. 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.

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

NOTE 7. 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' DECLARATION

31 December 2023

In accordance with a resolution of the directors of Techniche Limited, the directors of the Company declare that:

1. The financial statements and notes, set out on pages 14 to 22 are in accordance with the *Corporations Act 2001* including:
 - a. Comply with Australian Accounting Standards AASB 134, Interim Financial Reporting;
and
 - b. Give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half 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.



Karl P Jacoby
Chairman

Brisbane, 20 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TECHNICHE LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Techniche Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Techniche Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.



Responsibility of the Directors for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized, handwritten signature of the auditor, appearing as 'PKF' in a bold, cursive font.

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to be 'Liam Murphy'.

LIAM MURPHY
PARTNER

20 FEBRUARY 2024
BRISBANE

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

John Lemon

EXECUTIVE TEAM

Daryn Edgar	Chief Executive Officer
David Wilson	Chief Financial Officer
Thomas Caldwell	Chief Technology Officer
Steve Brady	Head of Global Sales

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