

Techniche Ltd

AGM Presentation

November 2018

This presentation contains forward-looking statements that are subject to risk factors associated with the Techniche Limited Group's business. Forward-looking statements including those containing words such as "anticipate", "estimates", "should", "will", "expects", "plans" or other similar expressions. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a range of variables and changes in underlying assumptions which could cause actual results or trends to differ materially. These include, but are not limited to: business risk, changes in law, asset impairment, litigation, contractual risk, acquisition, integration and expansion risk, dependence on key management personnel, additional capital requirements, intellectual property, competition risk, foreign exchange movements, customer concentration, remote management for diverse business units, changes in taxation law, legislative and regulatory developments, economic and financial market conditions in various countries and regions, and political risks.

Over the past 18 months the directors of Techniche have been researching and refining a new direction that considered our products, our customers, our markets, while also considering how we provide a better return to our Shareholders.

- At the 2017 AGM, we proposed a shift in focus from being a technology investment company to becoming a technology company.
- Historically it has been difficult, even as a major shareholder in the businesses, to have any real level of control strategically or operationally. Techniche has been a voice at the table rather than a driving force for these businesses.
- This model was still reasonably successful, reporting profits and providing a dividend to shareholders each year.
- Ultimately, we were holding small niche technology companies that needed investment to grow. As well, we were very reliant on ERST, which was essentially a services company with limited growth opportunities and only 2 customers, BP and EDEKA.
- As a portfolio of standalone businesses delivering independent investment returns, the subsidiaries have been unable to utilise market and territory coverage, share resources and applications, nor obtain sufficient market visibility to attract investment interest.
- As a result, the share price has reflected only historic growth and profitability, rather than reflect the future value of the exceptional position that our operations and technologies have in their respective markets.

In considering a strategic reset, there were a number of key aspects of Techniche that we felt were valuable.

- Great products – Both Urgent and Statseeker have great products that have some market leading capabilities, and fantastic blue-chip customers.
- Both products have global applications.
- We have customers and teams within the 3 key geographies of Europe, Australia/Asia & the Americas.
- We start the year with great levels of recurring revenue.
- We have experience in running/managing global growth technology companies.
- The new ownership structure provides for real strategic and operational control including at product, marketing, sales and engineering levels.

At our last AGM it was announced that the company was shifting focus from a technology investment company to a technology company, but what does that mean?

Focussed product offering

- The company is currently researching new trends in the convergence of operational assets (OT) and technology assets (IT), particularly in light industry, where asset reliability and availability is critical. This will likely combine with intelligent behaviour analysis to provide predictive capability and eventually a “close loop” process in asset management.

Purchase of balance of 50% shareholding of Statseeker

- Upon acquisition of the remaining shareholding the Company conducted a complete review of the business and mapped out a range of changes to personnel and the general operations. This was mainly focussed on reducing cost, with intent on investing some of the savings in frontline regionalised based sales, marketing and support.

Using our geographic reach

- Our regional teams located in Europe (UK & Germany), Australia & the USA will become responsible for selling and supporting our full range of products
- Our focus is growing sales across the regions through increased direct sales capability plus channel partners.

Customer focussed

- We are increasing our level of customer engagement through a range of activities. In particular, we will be seeking their input as we refine our product portfolio and define and prioritise the product roadmap.

Regional Structure

- In January 2019, the CEO's of our businesses will become responsible for running their region. The 3 regions will be EMEA (Europe, Middle East, Africa), APAC (Asia Pacific), and the Americas, with each region having sales, marketing and support capability for what is expected to be a growing range of product.

Appointment of new Directors

- We have appointed 2 new directors, Anastasia Ellerby and Mark Gill. Consistent with the strategic reset, both Anastasia and Mark come with excellent backgrounds in growing software companies, particularly with a global focus.

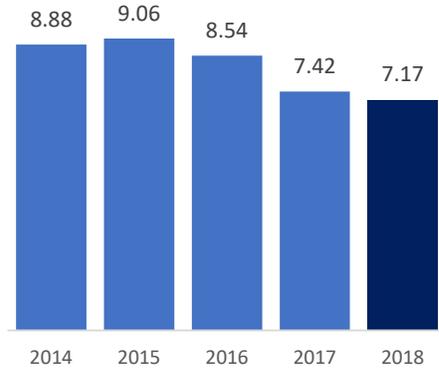
Corporate

- Build a management team to support the strategic reset.
- It is our intention to employ a new CEO, with a deep background in growing software companies, in the new year.

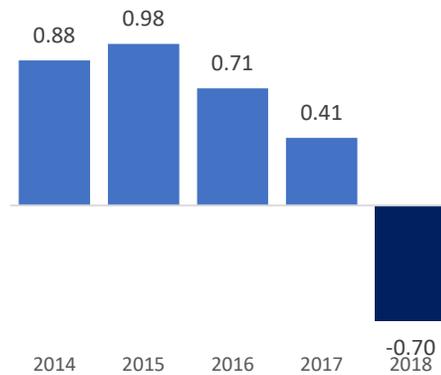
Share Buy-Back

- The company commenced a share buy-back and as of yesterday had purchased 7,592,731 shares costing \$291,752 at an average price of 3.84 cents per share. This is approx. 3.4% of the issued capital.

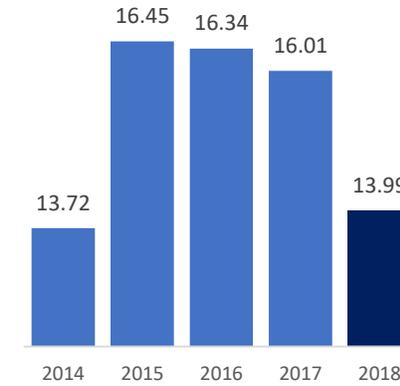
Revenue from Provision of IT Services
(AUD millions)



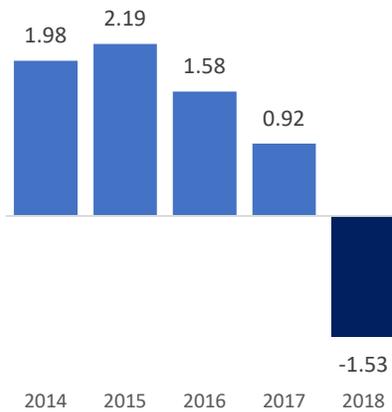
Earnings Per Share From Operations
(AUD cents)



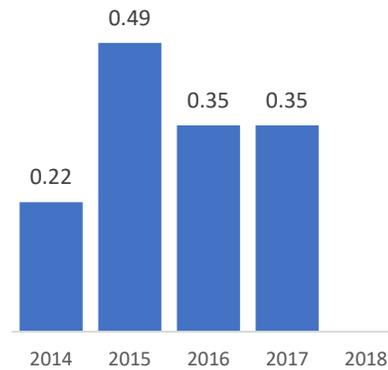
Net Assets
(AUD millions)



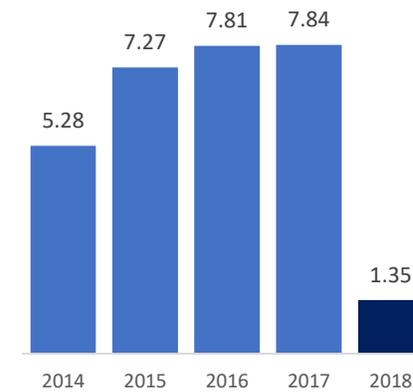
Operating Profit
(AUD millions)



Dividends Per Share
(AUD cents)



Net Tangible Assets
(AUD millions)



This years' result reflects some major changes to the business. The company reported a loss \$1,723,823 which included a major impairment and some significant one-off expenses.

Sale of ERST

- The sale of ERST resulted in a loss on sale of \$602,224.

Purchase of balance of 50% shareholding of Statseeker

- A restructure of the Statseeker business that resulted in a provision of \$336,713 in relation to redundancy and restructuring costs;
- The impairment of a number of Statseeker projects for on-going software enhancements with a total after tax value of \$810,354.
- The purchase resulted in the upward revaluation of the initial 50% investment in Statseeker of \$545,584.

Additional one-off expenses

- The company incurred one-off costs of \$249,438 associated with the sale of ERST and the strategic review of Urgent.

Sales & Marketing expenses

- The additional Sales & Marketing expenses relate to approx. \$400,000 of Statseeker costs, including the costs of exhibiting Cisco Live, Statseeker's major marketing event, and approx. \$250,000 relating to Urgent marketing expenses.



eMaintenance+, is a facilities maintenance platform that manages and measures reactive and planned maintenance, supplier performance, asset downtime, health and safety incidents, and asset inventories.

Delivered as software as a service (SaaS), it handles all the routine FM tasks that are typically managed by a helpdesk. 70% of jobs are dispatched automatically, significantly reducing operating costs. It captures the end-to-end maintenance processes, collects real-time data, improves supply chain procurement and asset reliability. As a powerful business intelligence tool, it delivers meaningful benchmarking comparisons and actionable insights into maintenance performance at the click of a button.

'Drag and drop' workflow design enables customers to create workflows that match their business processes.

Compliance procedures are automated, recording data automatically and allowing for instant access in the event of an incident or audit.

All customers benefit from a programme of quarterly product updates and are always on the latest version of the software.



Statseeker provides advanced network performance monitoring technology for large scale critical IT and OT networks.

Statseeker's software enables Network Engineers and Architects to autonomously and intelligently monitor their entire global and branched networks, regardless of its size, from a single server. Proprietary technology monitors every device and interface with light touch 60 second polling for near real-time device behaviour insight without consuming network bandwidth.

Time-Series data base technology gives engineers instant one-click access to years of historical device behaviour statistics to support Capacity Planning and Forensics tasks.

Instant, powerful and purpose built reporting provides the insight needed to keep the network operating at peak performance.

Advanced analytics and anomaly detection technology enables network architects with intelligent alerting, operational insight and finely tuned forecasting capabilities.

Statseeker's new read-write API enables our IT enterprise customers and our system provider partners with the ability to make further use of networked device behaviour data and statistics, in real-time.

Urgent Technology



Key milestones include:

- Appointment of Paul Djuric as CEO
- Continued transformation to a product-focused, SaaS-based maintenance software company;
- Continued focus on our core target customer segment of multi-unit petrol-retailing in which we are an acknowledged market leader;
- US staff rationalisation;
- Investment in additional sales resources as noted earlier;
- Employment of a full marketing manager focussed on lead generation;
- Employment of professional services manager and building a professional services team;
- Held first Asset Performance Management / IoT Roundtable Event.

Financial commentary

- Urgent continued to improve during the current year showing revenue growth of 8.7% to \$4,240,931 [2017: \$3,900,777]
- Costs were carefully managed and were limited to an increase of 1.6% to \$4,024,086 [2017: \$3,962,112].
- The improved financial position has allowed for an expansion in the sales and marketing capability within the team and is expected to lead to further improvements in the 2019 financial year.

Statseeker

Key milestones include:

- Appointment of John Sirianni as CEO
- Upon acquisition of the remaining shareholding the Company conducted a complete review of the business;
- A range of changes to personnel and the general operations were made which resulted in significant cost savings and greater refinement of strategic direction of investment.
- Investment being made in additional sales capability across the regions;
- Regionalised marketing plan being developed;
- Building up US operations;
- Launch of SDN – CISCO ACI Monitoring



Financial Commentary

- Statseeker completed a disappointing year with distractions from the change of ownership and delays in product and new release launches having an impact on new business revenue from new customers and upsells to existing customers.
- Despite this, annual recurring revenues were maintained at \$4,648,038 [2017: \$4,679,514].
- Operating costs were impacted by a series of one-off items, including due diligence costs that were written off in relation to an acquisition that did not proceed and provision for restructuring the business.
- The impairment of a number of Statseeker projects for on-going software enhancements with a total after tax value of \$810,354.

It is the opinion of directors that the current share price does not reflect the true value of the underlying technologies that we own, or the markets that we operate in, or the quality of customers that we deal with regularly.

Our vision is to create (build, buy or partner) a platform of applications that address the convergence of operational assets (OT) and technology assets (IT), particularly in light industry, where asset reliability and availability is critical.

We want 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.

We are executing on the plan and are working on and/or have seen a number of improvements..

- **Corporate**

- Initial report provided on the new Techniche Product Roadmap
- Relocation of Techniche and Statseeker into a new corporate office, resulting in a net cost saving.
- Currently formulating the corporate structure to mirror our new regional structure.
- Developing new corporate and product branding, including new websites, marketing campaigns and sales material

- **Urgent**

- Sales pipeline is growing
- Account management is delivering new opportunities with our current customers
- Professional services team growing
- Marketing team driving both local marketing (EMEA) and corporate marketing

- **Statseeker**

- Restructuring completed to get the team right – focus on product development and regionalised sales and marketing
- New US based CTO appointed – in our major market
- Shifting customers from perpetual licence sales to subscription

Questions?