



Techniche

Techniche Ltd
PO Box 2092,
Toowong, QLD, 4066
Telephone +61 1300 556 673
Email mail@tcnglobal.net
Website www.tcnglobal.net
ABN 83 010 506 162

Thursday 19 May 2016

Australian Securities Exchange

Techniche Limited ABN 83 010 506 162 - ASX Code TCN

Investor Presentation

Please find attached a copy of the Company's presentation which will be delivered at the Brisbane Investor Conference on Thursday, 19 May.

John Lemon
Company Secretary

About Techniche

Headquartered in Brisbane Australia, Techniche delivers value to shareholders by investing in profitable technology companies that improve business performance. We employ an active management approach by working with and incentivizing management, to successfully grow the businesses organically and via strategic acquisitions.

Techniche has offices in Hamburg, Germany, Milton Keynes, UK, Chicago, USA, Melbourne, Australia, and a support and currently owns the following businesses;

- ERST Technology GmbH creates software for reliable high speed data transfer solutions, helping companies to transfer mission critical data, On time, anywhere, in any format. <https://www.erst-technology.com/>
- Urgent Technology Ltd provide a highly configurable Facilities Management infrastructure and field service management software to over 30,000 sites worldwide. These sites are typically managed and maintained by over 1 million third party contractors, with the software providing tight financial and regulatory control, while improving performance and encouraging behavior through industry best practice. <http://www.urgtech.com/>
- Statseeker is a global provider delivering innovative network monitoring solutions for the IT enterprise and OT industrial market space. With active deployments in over 22 countries and many Fortune 100 firms, Statseeker monitors millions of interfaces in real-time. These companies trust Statseeker to deliver big data, make decisions and take action. Statseeker allows them to identify critical issues, isolate what needs work with confidence and fix

problems instantly. Techniche is a 50% owner of Statseeker, with the other 50% owned by NBC Capital Pty Ltd. Further information on Statseeker can be read at www.statseeker.com.

For further information please contact Chairman Mr Karl Jacoby on 1300 556 673.

Techniche Investor Presentation

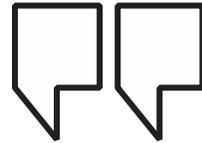
May 2016

LEGAL DISCLAIMER

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.

INTRODUCING TECHNICHE

This is our mission and purpose.



Be the (buyer of choice for businesses) and
the (vehicle of choice for investors) in
the (Australian SME software sector.)



THE WORLD HAS CHANGED

Market forces are reshaping the landscape for entrepreneurs & investors



“Software Is Eating the World”



Globalisation



SME funding drought

CAUSING MARKET FAILURE

These problems are real and they are growing. But more to the point...they're related! They relate to the demand for and supply of capital to a given market sector...and that makes things interesting.



Australian software SMEs have limited access to capital or liquidity

- Unsecured debt funding from traditional banks has evaporated
- The majority of SMEs are too niche to IPO, not sexy enough for VC, not strategic enough for trade buyers and too small for Private Equity!!
- New models (peer-to-peer lending, crowdfunding) are still nascent and not suited to all businesses
- The problem is amplified as this baby boomer generation of entrepreneurs are reaching retirement and have inadequate succession planning

There is no vehicle to get a 'pure-play' exposure to the Australian SME software sector

- Software is significantly under-represented on the ASX All Ords and there is no Software Index Fund you can buy
- Direct investment into listed Aussie software companies is relatively speculative and investing into overseas companies adds further risk and complexity
- Angel investing is highly time consuming, risky and requires specialised skills
- Access to VC funds is closely guarded and they offer a higher risk-return profile

PROBLEM = OPPORTUNITY

We are actively and deliberately positioning Techniche to provide solutions to these problems

We are positioning Techniche to become the financial partner of choice for software SMEs

- ✓ Demonstrate and promote our unique focus on and commitment to this sector
- ✓ Be 'open for business' and putting money to work
- ✓ Be fast and flexible versus banks or alternative sources of finance
- ✓ Bring our intellectual capital and broader resources to bear to add value to our portfolio companies
- ✓ Be patient and focus on long-term value creation (no closed end fund timeline)

We are positioning Techniche to become the vehicle of choice for software investors

- ✓ We have a listed investment vehicle and will generate greater liquidity as we grow
- ✓ We offer both diversification and a pure exposure to the software & globalisation trends
- ✓ We have a balanced risk profile that blends capital growth and dividend yield
- ✓ We follow a highly disciplined and targeted acquisition strategy
- ✓ We have an investment platform that can scale to provide low operating costs (low MER)
- ✓ We will pursue a proven software conglomerate / investment business model (see Constellation Software [TSE: CSU] case study)

TCN INVESTMENT BLUEPRINT

Our deal criteria & process provide a template for a responsible, and differentiated, investment approach

- Privately owned – or spin-outs/spin-offs
- Development and commercialisation of proprietary software or applications operating in B2B markets
- Located in Australia (unless it is a bolt on acquisition opportunity) but with a global addressable market
- Highly capable management team including (where necessary) a robust succession plan that will ensure continuity of leadership if prior owners/founders/managers are to depart post acquisition by TCN.
- EBITDA > \$0.5 million and clear pathway to \$5-10 million; net pre-tax operating margins > 10% and ideally in the range of 15-25%.
- Recurring revenues > 50% and no customer greater than 25% of total revenue; strong outlook of revenue growth and a clear pathway to A\$20-50 million annual turnover under TCN ownership.
- Earnings-accretive acquisitions generally paying between 3.0 to 6.0 times EBITDA.
- Prefer to take 100 percent ownership but also consider majority stake with flexibility around scrip-based consideration and/or earn-out models as part of our deal structuring process.

GROWTH GROWTH GROWTH

We don't just buy businesses, we build them. Our capacity to achieve growth will define & differentiate us.

Opportunity type

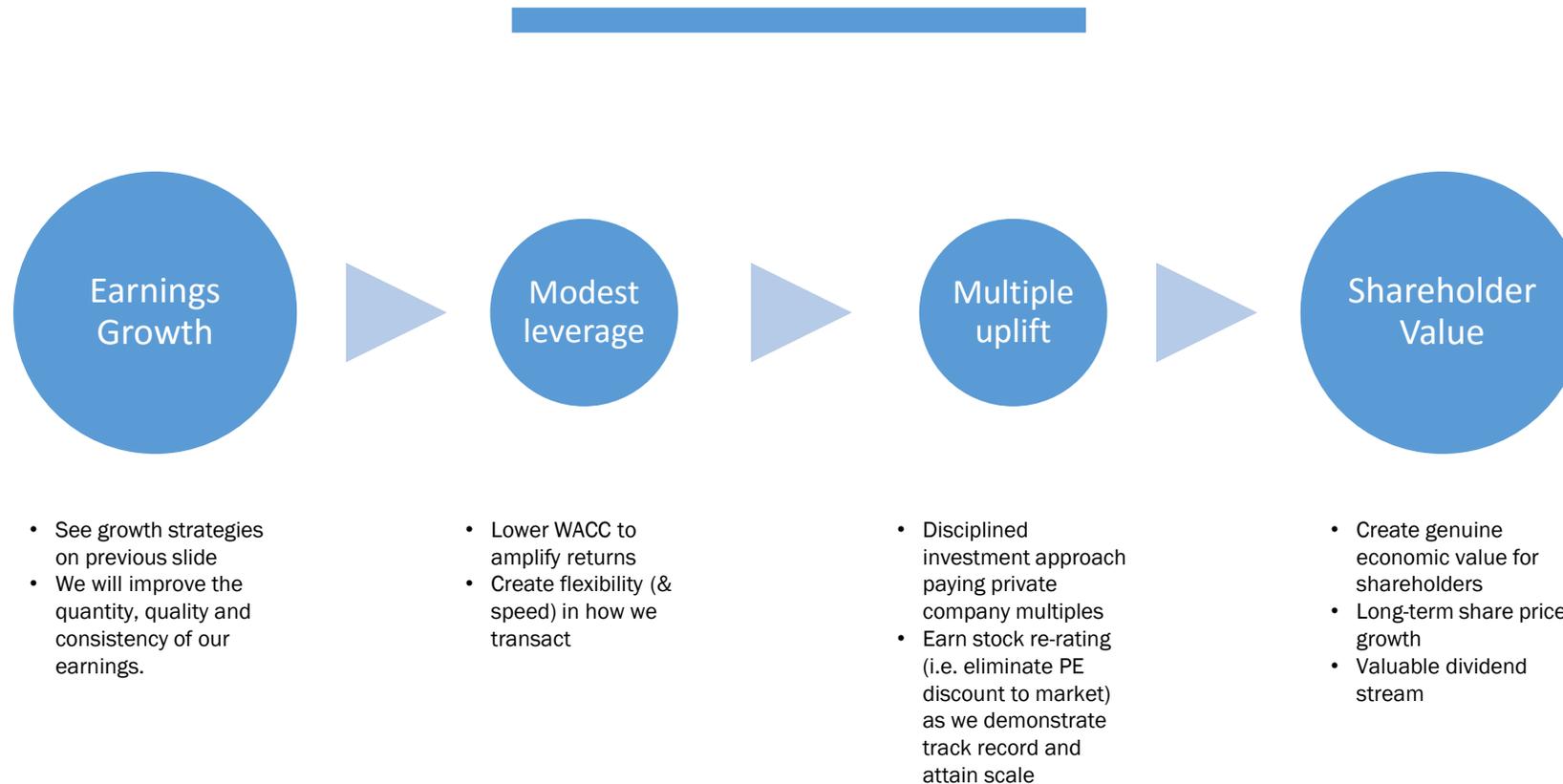
- Organic growth market growth and/or market share
- Internal investment-funded growth i.e. TCN invests in new sales people or R&D at a portfolio company
- M&A

Growth strategy

- Market penetration
- Vertical market expansion
- Geographic market expansion
- New product development into adjacent markets
- Margin improvement via scale, efficiencies, shared services

HOW WE CREATE VALUE FOR SHAREHOLDERS

Our business & financial model offers significant upside opportunity for potential investors



COMPETENCIES

Techniche possesses all the necessary capabilities to execute on this opportunity which combined with our highly specialised focus will allow us to build a unique and defensible business model

- Across the group we possess deep management and operational expertise
- Significant transactional experience and a streamlined deal process criteria, milestones, documentation, DD, funding package, etc. that can be applied at the group or portfolio company level
- We have a strong track record in new product development, market entry and international expansion
- To (i) drive profitability, scalability & efficiency at the group level (ii) de-risk post-merger integration and (iii) instil our culture & values into all TCN companies we are defining and rolling out a Techniche OS
 - centralised/standardised governance,
 - business software,
 - strategic planning,
 - performance management & employee incentives,
 - capital allocation & treasury

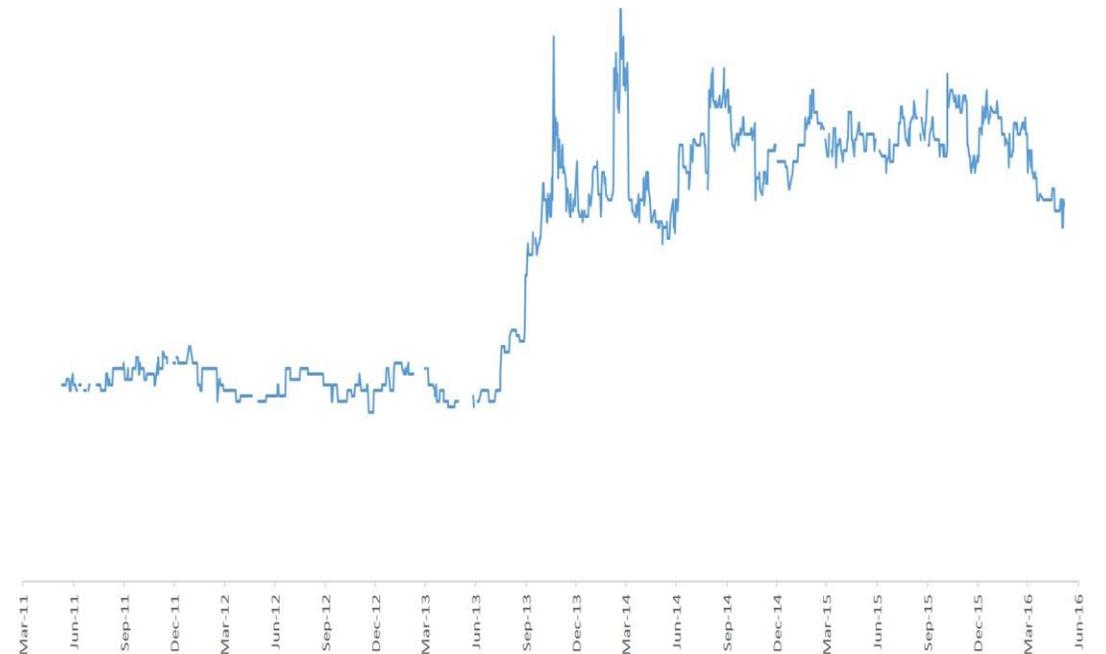
COMPANY OVERVIEW

Notwithstanding a potted history TCN has a solid launch-pad for growth & success

Notwithstanding TCN's somewhat potted history the past five years forms a solid launch-pad for our future growth & success

- Established tech-focused investment model
- Built track record of profits (albeit FY16 will be down y.o.y.)
- Lifted share price to new level
- Rewarded investors with dividend stream
- Approximately \$3-4M cash in the bank creates stability & strategic options
- Appointed full-time CEO to sharpen strategy & accelerate progress

TCN Five-Year Share Price Chart

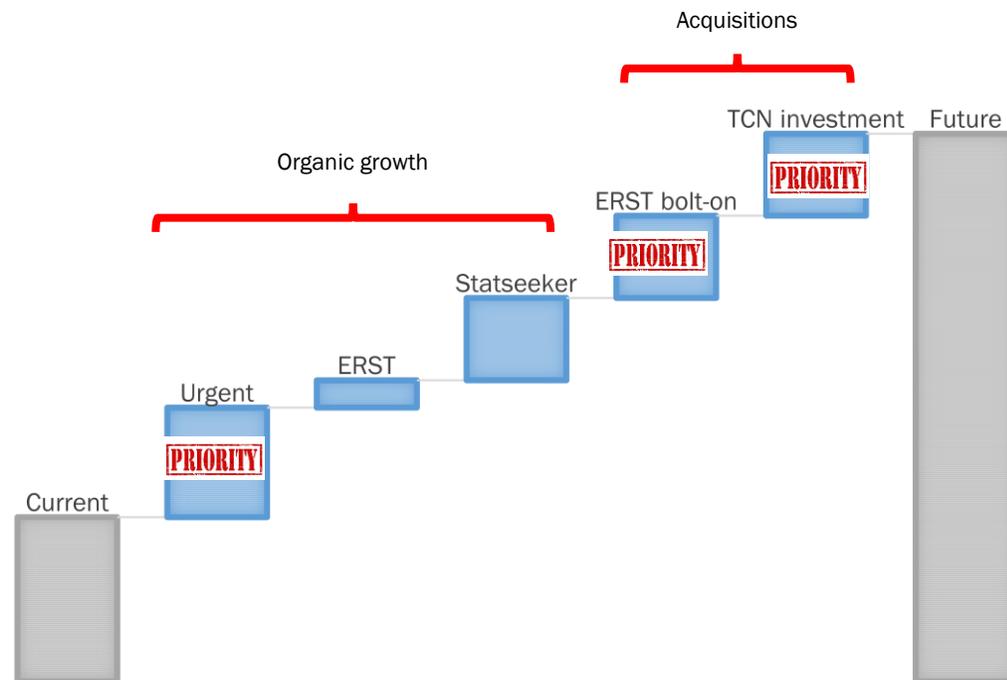


PRIORITIES & OUTLOOK

Our immediate priorities and pathway to creating value for shareholders is clear and we are executing upon them

Critical need to build scale in both TCN & our portfolio...

...and operating priorities which reflect & achieve that



1. Migrating Urgent Technology from a project model to a product model

- Product redevelopment to single platform (eM+) largely complete; customer migration in progress
- Go-to-market strategy being refined, sales & marketing infrastructure put in place and sales pipeline being built out
- Org re-alignment underway

2. ERST bolt-on investment

- Plan to leverage ERST capabilities and diversify revenue base through M&A into cloud-based IT services to SME
- Target criteria, deal metrics and integration strategy in place
- Local M&A adviser engaged and deal flow building

3. TCN investment

- Refined investment criteria
- M&A adviser retained and generating good deal flow

THE WRAP-UP

- Market forces are reshaping the landscape for entrepreneurs & investors
- These problems are real and they are growing. But more to the point...they're related! They relate to the demand for and supply of capital to a given market sector...and that makes things interesting.
- We are actively and deliberately positioning Techniche to provide solutions to these problems
- Our deal criteria & process provide a template for a responsible, and differentiated, investment approach
- We don't just buy businesses, we build them. Our capacity to achieve growth will define & differentiate us.
- Techniche possesses all the necessary capabilities to execute on this opportunity which combined with our highly specialised focus will allow us to build a unique and defensible business model
- Our business & financial model offers significant upside opportunity for potential investors
- Notwithstanding a potted history TCN has a solid launch-pad for growth & success
- Our immediate priorities and pathway to creating value for shareholders is clear and we are executing upon them

THE LAST WORD



Be the buyer of choice for businesses and
the vehicle of choice for investors in
the Australian SME software sector.



STAY IN TOUCH

Find me in the room after the presentation!

Web: www.tcnglobal.net

Email: davidnelson@tcnglobal.net

Office: 1300 55 66 73

Follow us on Twitter [@TechnicheTweets](https://twitter.com/TechnicheTweets) or on [LinkedIn](#)

Add ASX:TCN to your watch-list on your share-market app or website.