

Tech:niche.

Techniche Limited (ABN 83 010 506 162) and its Controlled Entities
Ground Floor, 143 Coronation Drive, Milton, Brisbane QLD

Market Update

6 February 2020

Techniche Limited is pleased to provide the following market update.

The Company advised the market on 7 November 2019 that it expects to report an EBITDA profit of between \$350k to \$450k for the half year to December 2019.

For comparative purposes, the results for the period have been slightly impacted by delays in renewals for a number of Statseeker customers in the Americas. The delays are attributed to a longer than expected administrative process in establishing our subsidiary in the USA as a vendor with certain existing customers. As a result, the Company expects to report at the lower of the previously announced range, however back-dated revenue from these customers is expected to be released in the second half of the year.

However, the Company has implemented *AASB 16-Leases*, a new lease accounting standard, from 1 July 2019 that will be reflected in the financial statements for the six months to 31 December 2019. Future cash flows from contractual commitments such as office leases will be capitalised to create a "Right of Use" asset and an interest-bearing "Lease liability". While the impact on the Net Profit After Tax will be minimal, it will result in operating expenses that were previously recognised as occupancy costs restated to a combination of depreciation of the "Right of Use" asset and interest on the "Lease Liability". The value of this adjustment will result in reported EBITDA being approximately \$130k higher than previously advised.

The combination of implementing *AASB 16 - Leases* and the deferred revenue from Statseeker customers will result in an unaudited EBITDA of approximately \$500k for the half year to December 2019.

John Lemon

Company Secretary

About Techniche

Techniche Limited (ASX: TCN) is a niche global software house with many Fortune 100 clients using our asset & network management applications. With offices and teams in the 3 regions of EMEA, APAC and the North America, our focus is to continue to grow revenues with our current products while developing a new platform to address the emerging need to manage the increasing range of IP enabled operational assets (IoT) on a network, particularly in light industry, where asset reliability and availability is critical. Techniche has two existing product lines known as Statseeker and Urgent.

Contact

To learn more about Techniche or about this Market Release please visit our website <https://technichigroup.com/> or contact:

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