

Thorney Technologies Ltd

ABN 66 096 782 188

ASX Announcement: 21 November 2018

ASX Code: TEK

2018 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

In accordance with ASX Listing Rule 3.13.3., please find attached a copy of the Chairman's Address.

Please note that the Chairman's address and each of the presentations from the TEK guest CEO presenters (who are presenting following the conclusion of the TEK and Thorney Opportunities Ltd AGMs) will be recorded and made available at <http://www.thorneytechnologies.com.au/agm/> by close of business on Monday 26 November 2018.

Please direct enquiries to:

Craig Smith

Company Secretary

T: + 61 3 9921 7116

E: craig.smith@thorney.com.au

W: <http://www.thorneytechnologies.com.au/>

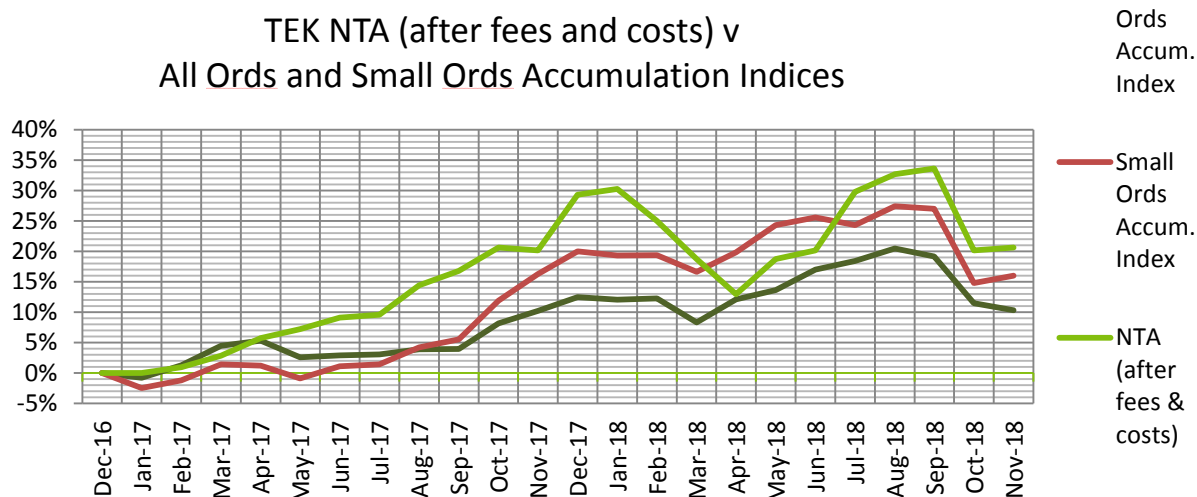
Chairman's address

Ladies and gentlemen, it is my pleasure to be standing before you today as Chairman of Thorney Technologies Ltd. The 2018 financial year was the Company's first full year as a listed investment company and I am proud of what has been achieved.

Whilst I am always striving for greater success, I was satisfied with the first year's performance. The Thorney Investment Team has worked hard to create a dynamic portfolio comprising both listed and unlisted companies across the investment evolution cycle.

For its first full year of operation, TEK's net tangible assets per share increased by more than 10%, and despite the recent pull-back in markets, TEK's NTA since inception has increased by over 20%.

TEK PERFORMANCE SINCE INCEPTION

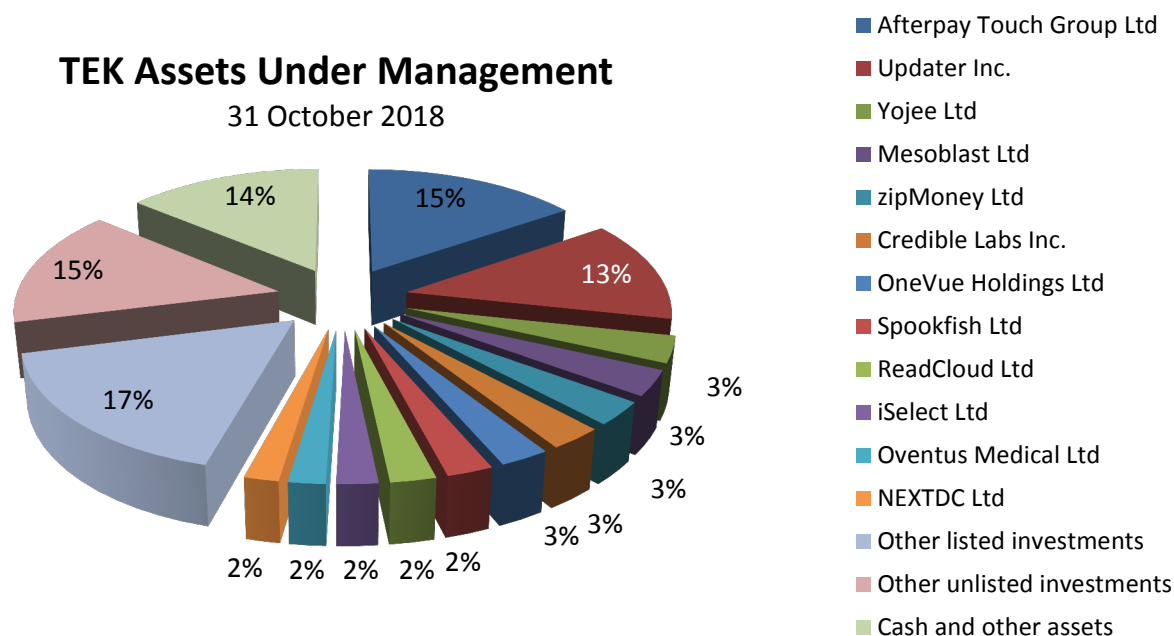


For the 2018 financial year, profit after tax increased by approximately 70% to \$5.6 million, driven by an increase in investment income of around 85%. The largest contributor to the lift in investment income came from realised gains, as we exercised discipline to liberate capital in a strong equity market environment.

This NTA performance has been achieved after including the effect of the additional A\$15 million of capital raised by TEK in October 2017, including an amount of just over \$3 million from me. I welcome those new shareholders to the TEK register.

Chairman's address continued

Whilst TEK's capital has been steadily deployed, it still had a net cash balance of almost \$20 million as at 30 June 2018, reflecting our discipline in locking in gains when appropriate during the period. Given the recent market volatility and pull-back in valuations across equity markets, this available cash has been partially deployed whilst still leaving us with dry powder for future investment as opportunities arise.



It's fair to say that global financial markets were not smooth sailing for listed technology companies in the 2017-18 year and subsequently. But at TEK we believe that, volatility notwithstanding, there is no stopping the technology revolution.

The global downturn in listed technology shares has highlighted the sensible approach of TEK's original mandate to invest in both the listed and unlisted sectors in Australia and overseas. We continue to see strong deal flow through our partners and networks in Australia, the USA and Israel and we have been steadily building the number of unlisted companies in our portfolio. We have also been steadfastly maintaining our policy of only making a change to the carrying valuation of our unlisted companies when there is a material valuation event such as a subsequent raising at a higher level than our original investment cost.

Chairman's address continued

I'd now like to comment on a couple of the stand-out contributors to TEK's performance in the 2018 financial year.

Firstly, Afterpay Touch Group Limited. I am on the record in highlighting both the strategic achievements and valuation growth of this company over past 12 to 15 months. Despite a share price increase of almost 300% since 30 June 2017, it is a company where the underlying valuation, in many respects, challenges conventional methodologies. As far as TEK is concerned, and in spite of recent market moves, we continue to hold a significant position as we continue to believe in management's ambitions for the business. However, this is also a stock where we have been prudent and taken some profits at much higher levels over recent months leaving TEK with a zero cost base.

In recent months, one of TEK's core holdings, Updater Inc. has de-listed from the ASX in order to explore the options for its next funding round in the private US market. I believe in the strategy and potential of Updater, and TEK increased its holding in the company in the lead-up to the de-listing. Now, as the largest unlisted position in the TEK portfolio, we will continue to monitor Updater's progress closely. In fact, we will be hearing from David Greenberg, Updater's US-based founder and CEO, later this morning.

Other key contributions in the period ended 30 June 2018 were delivered by Readcloud Limited, OneVue Holdings Limited and Zip Co Limited, all of which will be presenting a little later.

We continue to see a number of new opportunities emerging and we intend to maintain our disciplined and patient approach to deploying TEK's investment capital.

I would like to thank all the shareholders of TEK for their continued support, the Board for their guidance and hard work over the past year and the investment team at Thorney.

Alex Waislitz

Chairman

Thorney Technologies Ltd

21 November 2018