



ASX Announcement: 15 December 2020

ASX Code: TEK

TEK 2020 AGM CHAIRMAN'S ADDRESS

Ladies and Gentlemen,

As we enter the final two weeks of 2020 there is probably nothing that hasn't already been said about the impact of the novel coronavirus since we first became aware of it in January this year.

As we head into 2021, vaccines are beginning to roll out globally. Economies, buoyed by massive government stimulus, are so far proving more resilient than many earlier predictions. Despite the tragic loss of life, there is cause for optimism that we can, and will, learn to live with the virus. This should become an ever more realistic scenario as more vaccines and therapeutics emerge in the coming 12 months.

It has become a cliché to say that despite the many negative impacts of Covid-19, one positive has been that it has accelerated by five years what was already a well-established global trend of digitisation and the adoption of new technologies.

Your company, Thorney Technologies, was founded to take advantage of this global technology revolution. We have seen first-hand how Covid-19 has had a stimulatory impact on many of the companies in which we have invested.

While TEK did feel the impact of the broad equity market sell off in March 2020, by June 30 we had largely recovered all ground lost a few months earlier. This momentum has continued over the past six months. At the end of November, TEK's NTA was 45.8 cents after tax and fees. This is an increase of more than 35% since June 30. It's worth noting that since TEK was launched in January 2017, our NTA has increased by more than 120% or an average of close to 30% a year.

This consistent performance over our almost four year history underlines the value of TEK's strategy which is to invest in both public and private companies at every stage of the business life cycle from start-ups through to fully operating enterprises.

Many of the more established listed holdings in the TEK portfolio have contributed to our outstanding NTA growth since March. These include companies like ZIP, Dubber, Mesoblast, Imugene, Brainchip, Nitro, Yojee, Quickfee and Readcloud.

In addition, TEK held positions in a number of pre-IPO stocks which have recently come to market and have performed well. These include Credit Clear, Cleanspace, Booktopia and Doctor Care Anywhere.



We still hold stakes in more than a dozen unlisted companies some of which should be coming to the market in the next few months. We expect that, provided market momentum continues, the uplift from these listings will help contribute to TEK's continuing increase in NTA.

We are particularly watching developments at our largest unlisted holding, Updater, which we anticipate should move towards a liquidity event sometime in 2021.

TEK's unique access to unlisted and pre-IPO company investment opportunities both in Australia and overseas contributed to your Board's recent decision to raise a total of \$37 million in new capital from eligible shareholders. As you are aware, this capital raise is subject to a series of special resolutions to be put to today's Annual General Meeting.

Thorney's reputation for due diligence, constructivist support and mentoring of small cap companies means that we are being presented with more interesting opportunities than at any time since TEK was founded in 2017.

Our deep networks in Australia, the USA and Israel are putting forward some highly prospective candidates which meet our mandate of investing in disruptive, scalable companies in the medtech, biotech, agtech, edtech, fintech, AI, robotics and related spaces.

Witnessing the level of exciting deal flow provided us with considerable encouragement to take in fresh capital to participate in the best of these new opportunities without liquidating some existing positions.

I'm delighted with the support we received for this capital raise, both from existing shareholders and from new shareholders including the New York based so called "Tiger Cub" fund, Woodson Capital Management which participated as a cornerstone investor.

I'm also pleased to see that the sharemarket has reacted positively to the raising, with TEK shares today trading at 38.5 cents compared to the capital raise price of 35 cents.

Ladies and gentlemen, they say nobody rings a bell at the top or the bottom of the market. Whilst we at TEK cannot predict with certainty the outlook for the market next year, as this point the momentum is on the upside.

It can be argued that some valuations are stretched. And while it appears likely that historically low interest rates will prevail for the short term at least, it's possible strong economic growth could lead to interest rates moving up sooner than many currently expect.

It has never been TEK's philosophy to time the market. Rather we invest in companies which have a great disruptive business model, strong management with skin in the game, speed and agility and excellent growth prospects at prices which we consider fair value.

We will continue to do this next year and beyond, taking profits when we think prices have run too hard and buying back in if we think a correction has been overdone. In this way I am confident we will continue to grow our NTA over time. I am also confident that as we establish our ability to add value on a long term basis and as we take other steps to make TEK an even more attractive investment proposition that our share price will come much closer to reflecting the full value inherent in the company.

Finally, I would like to thank my fellow board members and the entire TEK team for their efforts this past year and of course a special thank you to all TEK shareholders for your continued support and interest in the Company.

- ENDS -

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