



THORNEY TECHNOLOGIES LTD (ASX: TEK)

Capital Raise Presentation
July 2021

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This presentation has been prepared by Thorney Technologies Ltd (**TEK**) in connection with TEK's proposed placement of new fully paid ordinary shares in TEK (New Shares) to sophisticated and professional investors. Offers of the New Shares under the placement will be made under an arrangement between TEK and Bell Potter Securities Ltd (AFSL 243480) (**Authorised Intermediary**) in accordance with section 911A(2)(b) of the Corporations Act 2001 (Cth). TEK has authorised the Authorised Intermediary to make offers to arrange for the issue of the New Shares under the placement and TEK will only issue the New Shares in accordance with the offers.

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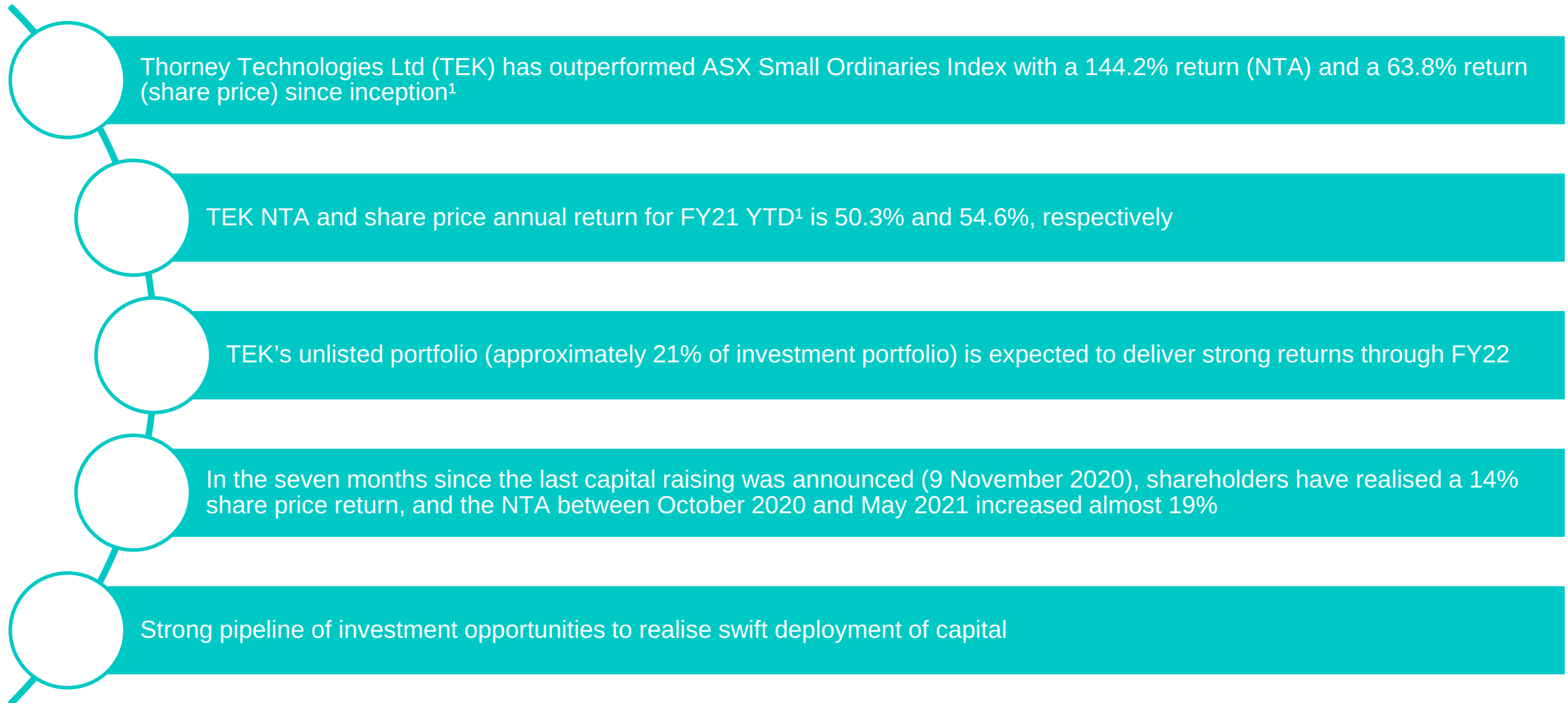
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This announcement has been authorised for release by the Board of Directors of TEK.



EXECUTIVE SUMMARY



COMPANY OVERVIEW	<ul style="list-style-type: none">Launched in 2017, TEK is a well established listed investment company (LIC) focused on investing in technology-related companies across the investment life-cycle, with a focus on pre-IPO opportunities, in Australia and overseas.
INVESTMENT MANAGER	<ul style="list-style-type: none">The Company is managed by the privately-owned Thorney Management Services Pty Ltd, a member of the Thorney group of companies (Thorney Group), under an Investment Management Agreement approved by shareholders.The Investment Management Agreement provides TEK with access to the same investment team and deal flow as Thorney Group.TEK has co-invested with Thorney Group in a large number of the investments.
1H'FY21 HIGHLIGHTS	<ul style="list-style-type: none">TEK recorded a net income after tax of \$29.4m, an increase of 460.9% pcp.A number of pre-IPO investments listed at substantial premiums to TEK's entry cost:<ul style="list-style-type: none">Credit Clear Limited (CCR), Doctor Care Anywhere Group (DOC), Cluey Limited (CLU) and Aussie Broadband Limited (ABB);This positive trend continued into January 2021 with the listings of Pentanet (5GG) and Booktopia Group Limited (BLG).Successfully completed a \$37m capital raise in November/ December 2020 to provide additional capital to take advantage of the investment opportunities:<ul style="list-style-type: none">Anchored by Woodson Capital Management LP ("Woodson Capital"), a firm which manages a global consumer and technology investment fund headquartered in New York and launched in 2010 with seed backing from Tiger Management;Shareholders approved participation by Thorney Group, retains a shareholding of over 21%.
PORTFOLIO	<ul style="list-style-type: none">TEK has grown its portfolio of investments to now encompass net assets of approximately \$180m.TEK's five largest listed portfolio holdings (IMU, Z1P, CXL, CTT, DUB), represent approximately 27% of TEK's investment portfolio (incl. cash).The Net Tangible Asset Backing per share (NTA) after tax as at 31 May 2021 was 50.8 cents per share compared with 33.8 cents per share as at 30 June 2020, an increase of over 50%.Since inception to 31 May 2021, TEK has delivered a 144.2% growth in NTA at a CAGR of 22.4% p.a., significantly outperforming the ASX Small Ordinaries Accumulation Index.
CAPITAL RAISE	<ul style="list-style-type: none">TEK has undertaken an equity raising to raise up to \$25.3m via the issue of up to 63.2m shares at \$0.40 per share under a two tranche placement to professional and sophisticated investors (including amounts to be raised from the Thorney Group and TEK Directors under the Tranche 2 Placement).Issue price of \$0.40 per share represents a 3.0% premium to the CY2021 VWAP (to 30th of June 2021).Thorney Group intends to participate up to approximately \$3.5 million, subject to shareholder approval and ASIC relief, to take its post-offer fully diluted ownership to approximately 20% of TEK. If ASIC relief is not granted, the Thorney Group intends to participate to the maximum extent possible taking its voting power in the TEK to 19.9%.Directors, Jeremy Leibler and Martin Casey, intend to participate in the placement, subject to shareholder approval.Refer to page 10 for further details of the capital raise, including the shareholder approval and ASIC relief conditions.

INVESTMENT FOCUS



TEK seeks to identify early stage companies with new and disruptive technology and business models, and invests in a broad range of areas of technology, such as fin-tech, e-commerce, education, agriculture, medical, telecommunication, robotics and AI.



Technology focus:

The Company has a broad investment mandate, focused on technology-related businesses with disruptive business models at various stages of the investment life-cycle.



Experienced Manager:

Thorney Management Services Pty Ltd is the investment manager, and is also the investment manager of the listed Thorney Opportunities Ltd, which is an ASX-listed company with net tangible assets in excess of \$130 million.



An absolute return focus:

The Company pursues an absolute return focus over the medium to long term.



Exposure to listed and private businesses:

The Company has the flexibility to invest in a wide range of investment opportunities covering listed and private companies, and a wide range of different types of securities, from shares, to convertible notes and other instruments.



Exposure to Australian and global opportunities:

The Company pursues opportunities to invest in Australia and overseas.



Prudent valuation methodology:

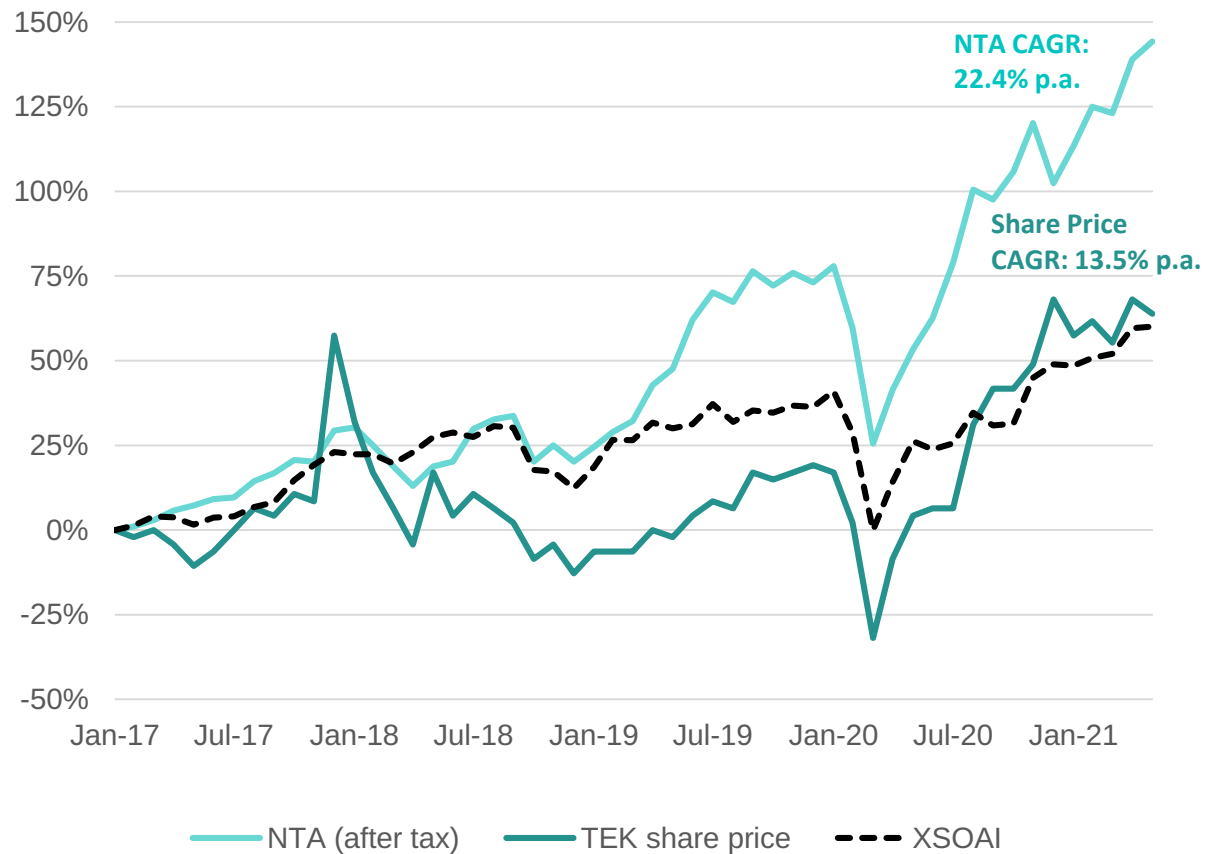
TEK adopts a prudent valuation methodology in relation to its unlisted investments, determining carrying values at either cost or last corporate event date.

TEK PERFORMANCE

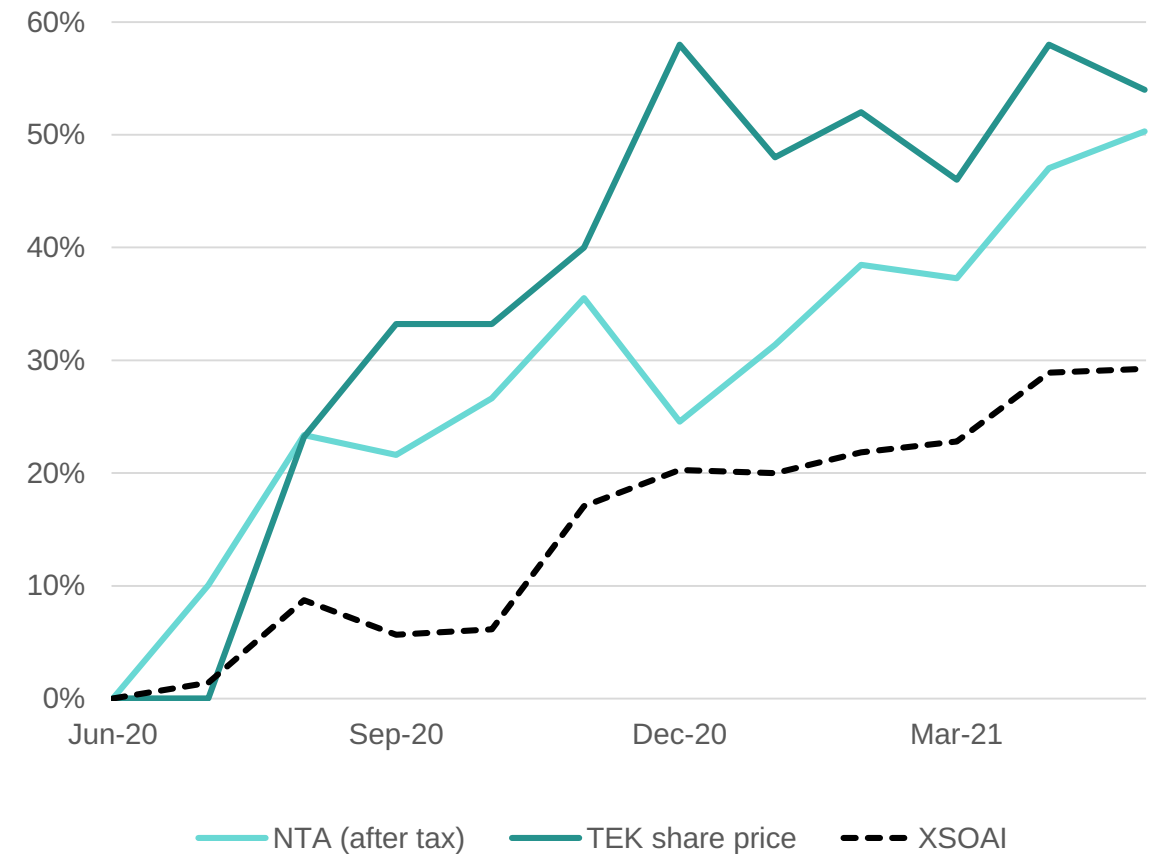


TEK has generated strong returns for shareholders since inception

TEK NTA (after fees and costs) vs TEK Share Price vs ASX
Small Ords Accumulation Index
Since Inception



TEK NTA (after fees and costs) vs TEK Share Price vs ASX
Small Ords Accumulation Index
FY2021 (as at 31 May 2021)

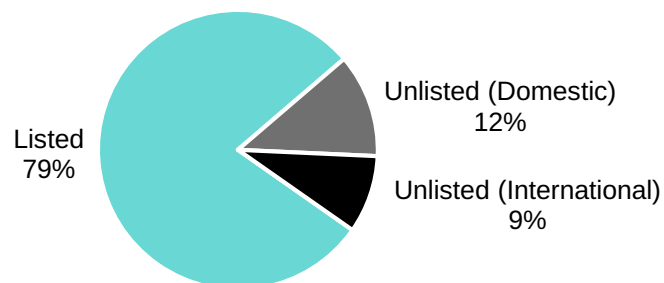


PORTFOLIO



TEK aims to create significant shareholder value by providing a unique access to unlisted and pre-IPO company investment opportunities both in Australia and overseas

Investment portfolio (excl. cash) allocation as at 31 May 2021



Top 10 Listed Investments (in alphabetical order)

Company	Exchange	Industry	Invested	FY21 Return ¹
Banxa Holdings, Inc	BNXA.TSX-V	Payments Services	Jun 2019	378% ²
Brainchip Holdings Limited	BRN.ASX	Application Software	Nov 2017	499%
Calix Limited	CXLASX	Technology	Mar 2018	236%
Cettire Limited	CTT.ASX	Internet Retailing	Dec 2020	426%
Dubber Limited	DUB.ASX	Application Software	Jan 2017	173%
Imugene Limited	IMU.ASX	Biotechnology	Dec 2017	1013%
Nitro Software Limited	NTO.ASX	Application Software	Aug 2019	121%
Pentanet Limited	5GG.ASX	Telecomm. Services	Oct 2018	172%
Yojee Limited	YOJ.ASX	Application Software	Apr 2017	139%
Zip Co Limited	Z1P.ASX	Diversified Financial	Mar 2017	47%

Top 10 Unlisted Investments (in alphabetical order)

Company	Sector	Invested
Aglive Group Limited	Agriculture Technology	Jan 2017
AP Ventures Limited	Diversified Financial	Jan 2017
Daisee Pty Ltd	Artificial Intelligence	Jan 2018
Enlitic, Inc	Artificial Intelligence	Oct 2018
eToro	Diversified Financial	Oct 2020
Iris Energy Pty Ltd	Bitcoin Mining	Dec 2020
Liquiglide, Inc	Industrials	May 2018
Mosh	Tele-Health	April 2021
Njoy Holdings, Inc	Consumer Staples	Jan 2019
Updater, Inc	Application Software	Jan 2017

Source: IRESS. 1. Returns at 29 June 2021 with a June financial year end. 2. In base currency (CAD). 3. Cettire Limited listed on ASX in December 2020

TEK UNLISTED INVESTMENT PORTFOLIO



Unlisted investments with an identified indicative pathway to IPO or an up-funding-round¹



Updater:

Updater, Inc. is the leading technology platform that powers the relocation industry.

The largest unlisted investment position in TEK portfolio (approx. A\$8.0m).



AP Ventures:

AP Ventures is an investment vehicle in which Afterpay Limited is the largest shareholder.

TEK owns 37m shares, currently carried at 10 cps (in line with the most recent capital raising in January 2021).

Potential IPO in 2021.



Microba Life Sciences:

Microba has a leading global technology to analyse the gut microbiome through its data collection, analysis and storage, Microba is building a database used for discovery, diagnostics and therapeutic purposes.

TEK originally invested at a valuation of approximately \$44m.

Currently completing an up-round capital raising, with a potential IPO in 2021.



Iris Energy:

Australian bitcoin mining business with assets in North America that operates on hydro-electricity, with the ability to diversify to become a renewable-powered energy/digital infrastructure platform in the future.

TEK has invested in two rounds of convertible bonds.

The company has appointed advisers to assess the merits of pursuing a public listing in 2021.



eToro:

eToro is a crypto and investment management platform.

TEK originally invested at a pre-money valuation of approx. US\$1bn.

In March 2021, the company announced that it would go public via a SPAC merger (on Nasdaq) at an indicative valuation of approximately US\$9.6bn.

Anticipated transaction completion in 2021.

1. The potential transactions referenced on this page (including potential IPO's, SPAC mergers and up-round capital raisings) are not legally binding or guaranteed to occur and/or complete (whether in the timeframes specified on this page or at all).

TEK UNLISTED INVESTMENT PORTFOLIO



Unlisted investments where TEK has identified an indicative pathway to IPO or an up-funding-round¹



GLX Holdings:

GLX is a provider of full lifecycle deal capture and trade management software for commodity markets.

TEK first invested in GLX in 2018 on a pre-money valuation of \$32m, an up-funding round was completed in June 2020 at a pre-money valuation of \$46m.



Enlitic:

Enlitic develops clinical and non-clinical AI-powered workflow solutions for radiologists who want the most comprehensive technology, without the complexity.

TEK first investment in 2018: Series B, pre-money value of US\$35m.

Follow-on investment in Series B1, pre-money value of US\$110m.



Superhero:

Superhero is an online share trading platform that aims to make investing accessible, understandable, and affordable for all Australians.

More than 80,000 customers have signed up since its launch in September 2020.

TEK originally invested in March 2021.



Canopy Tools:

Canopy Manage is a single control point for IoT and Cloud Services through visibility, predictive analysis, automation and smart workflows.

TEK originally invested in February 2021.



Arbe Robotics:

Arbe Robotics is building a next-gen radar technology, providing the "eyes and brains" for autonomous-vehicle platforms.

TEK first investment, February 2019 (pre-money valuation of US\$110m), second investment, April 2019 (pre-money valuation of US\$110m) and third investment, March 2021, (pre-money valuation of US\$525m) (per announcement re: SPAC merger).

1. The potential transactions referenced on this page (including potential IPO's, SPAC mergers and up-round capital raisings) are not legally binding or guaranteed to occur and/or complete (whether in the timeframes specified on this page or at all).

CAPITAL RAISE



Summary of the capital raise

OFFER STRUCTURE	<p>TEK has undertaken an equity raising to raise up to approximately \$25.3m (“the Offer”) via the issuance of new fully paid ordinary shares in the TEK (“New Shares”) at \$0.40 per New Share, comprising of:</p> <ul style="list-style-type: none">• A Two Tranche Placement to professional and sophisticated investors via the issuance of New Shares to raise up to \$25.3 million at \$0.40 per New Share, comprising:<ul style="list-style-type: none">– A Tranche 1 Placement raising \$21.7 million via the issuance of 54.3 million New Shares at an Offer Price of \$0.40 under the Company’s placement capacity under ASX Listing Rule 7.1.; and– A Tranche 2 Placement to raise up to approximately \$3.6 million via the issuance of up to 9.0 million New Shares at an Offer Price of \$0.40 subject to shareholder approval at an Extraordinary General Meeting (“EGM”) to be held in August 2021 and, in respect of the Thorney Group’s proposed participation of up to approximately \$3.5 million, subject to receipt by the Thorney Group of ASIC relief (as described below). Director participation from Jeremy Leibler and Martin Casey is also subject to shareholder approval.• Completion of the Tranche 1 Placement is not conditional on completion of the Tranche 2 Placement.
USE OF FUNDS	<ul style="list-style-type: none">• The proceeds of the capital raising will be used primarily to invest in technology-related companies in both Australia and overseas across the investment life-cycle, with a continuing focus on pre-IPO opportunities. Funds will also be used to increase the Company’s working capital and to pay the costs associated with conducting the capital raising.
OFFER PRICE	<ul style="list-style-type: none">• All shares under the Offer will be issued at a fixed price of A\$0.40 per New Share (“Offer Price”).• The Offer Price represents a 7.0% discount to the last closing price of A\$0.43 on 30th of June 2021 and a 3.0% premium to the CY2021 VWAP (to 30th of June 2021) and a 0.1% premium to the 60-day VWAP (to 30th of June 2021).
RANKING	<ul style="list-style-type: none">• New Shares issued will rank equally in all respects with existing TEK ordinary shares.
ADVISERS	<ul style="list-style-type: none">• Bell Potter Securities Limited has acted as Lead Manager and Bookrunner, and Arnold Bloch Leibler has acted as legal adviser.
UNDERWRITING	<ul style="list-style-type: none">• The Offer is not underwritten.
PRE-COMMITMENTS	<ul style="list-style-type: none">• The Thorney Group will participate in the Tranche 2 Placement, and its participation in the Offer is subject to shareholder approval at the EGM. In addition, the amount that the Thorney Group will invest under the Offer is also dependant on whether ASIC grants relief to the Thorney Group for it to continue to be able to rely on the ‘3% creep’ exception under item 9 of section 611 of the Corporations Act and acquire New Shares under the Offer under such exception, given that the Tranche 1 Placement of the Offer will result in the Thorney Group’s voting power being diluted below 19%. If such ASIC relief is granted, the Thorney Group intends to participate up to approximately \$3.5 million, to take its post-offer fully diluted ownership to approximately 20%. If ASIC relief is not granted, the Thorney Group intends to participate to the maximum extent possible taking its voting power in TEK to 19.9%.• Directors Jeremy Leibler and Martin Casey intend to participate for \$50,000 and \$20,000 respectively, subject to shareholder approval.

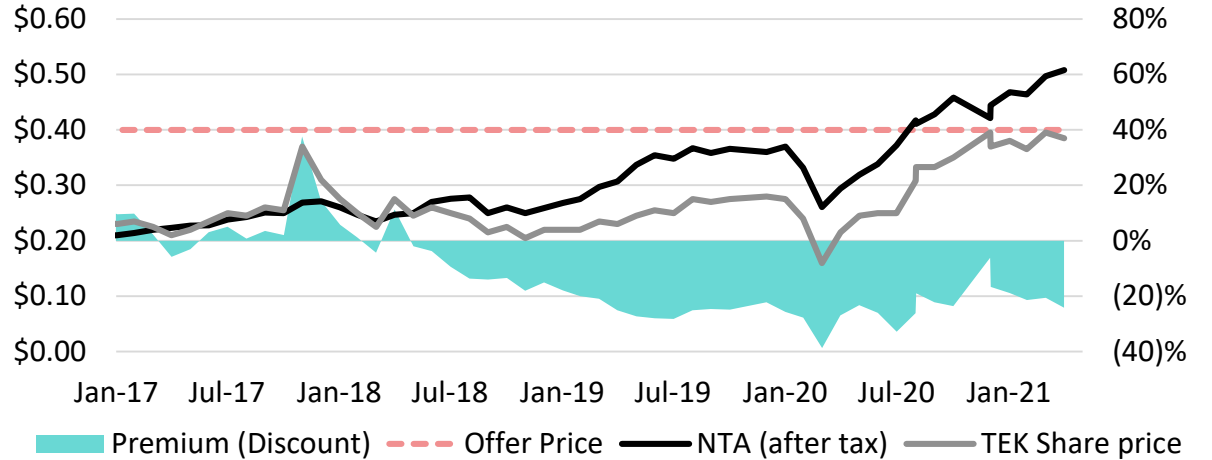
OFFER STATISTICS AND USE OF FUNDS



Offer statistics¹

Shares on issue prior to the Offer	361,793,104
Total number of Shares available under the Offer	63,248,000
Total Proceeds from the Offer	\$25,299,200
Shares on issue at completion of Offer	425,041,104
Market capitalisation on completion of Offer at Offer Price	\$170,016,442
Post-tax NTA per Share post Offer	\$0.4868

TEK Premium (Discount) to NTA as at 31 May 2021



Sources of funds¹

	\$
Tranche 1 Placement	\$21.7m
Tranche 2 Placement	\$3.6m
Total Proceeds	\$25.3m

Uses of Funds¹

	\$
Provide working capital, additional investment and expansion capital	\$24.5m
Pay the costs of the Offer	\$0.8m
Total Uses	\$25.3m

1. Subject to shareholder approval in respect of the Tranche 2 Placement, and assuming ASIC relief is obtained by the Thorney Group, as described further on page 10.

Item	Date
Trading Halt	Thursday, 1 July, 2021
Trading Halt lifted and announcement to ASX of the Offer	Monday, 5 July, 2021
Settlement of New Shares under Tranche 1 Placement	Monday, 12 July, 2021
Allotment and commencement of trading of New Shares under Tranche 1 Placement and dispatch of holding statements	Tuesday, 13 July, 2021
Dispatch of Notice of Extraordinary General Meeting (EGM)	To be confirmed
EGM held	To be confirmed
Settlement of New Shares under Tranche 2 Placement	To be confirmed
Allotment and commencement of trading of New Shares under Tranche 2 Placement and dispatch of holding statements	To be confirmed

TEK's operations are subject to a number of risks which may impact on its future performance and forecasts. Before subscribing for New Shares, investors should carefully consider and evaluate TEK and its business and whether the New Shares are suitable to acquire having regard to their own investment objectives and financial circumstances, and taking into consideration the material risk factors.

TEK will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by TEK, TEK's share registry or the broker appointed in respect of the Offer.

Speculative nature of the New Shares

New Shares acquired under the Offer are considered speculative because of the inherent risks associated with a listed investment company like TEK.

TEK cannot guarantee that any of its specific objectives will be achieved or that any particular performance will be achieved.

No assurances can be given that the New Shares offered under the placement will trade at or above the Offer Price.

Risks specific to an investment in TEK

TEK is managed by privately-owned Thorney Management Services Pty Ltd (**TMS**), a member of the Thorney Group, under an Investment Management Agreement. The major risks associated with an investment in TEK are described below.

Investment Strategy

- The success and profitability of TEK depends almost entirely on the ability of TMS to identify, execute and manage investments which increase in value over time. The performance fees payable to TMS under the Investment Management Agreement may create an incentive for TMS to make investments that are riskier or more speculative than would be the case in the absence of any such performance fees.
- In addition, the investments made by TMS on behalf of TEK may be in businesses that are in the early stages of development. These early-stage businesses may not have well-developed business strategies in place, may not yet be in a position of profitability, and may not generate consistent revenue. As such, there is a risk that the investments will not deliver returns for shareholders of TEK. Investments made by TMS may be made by way of derivatives, whether as part of a hedging strategy or as an investment for the purposes of pursuing absolute investment returns. Derivative transactions can be volatile and may create investment leverage, which could cause TEK to lose more than the amount of assets initially contributed to the transaction.

Retention of key personnel within the Thorney Group

- TMS's performance is largely dependent on the skills and efforts of its investment team. TMS's ability to perform effectively is dependent on its ability to retain and motivate its investment team which cannot be guaranteed.
- The Thorney Group may not be able to retain, nor replace, key investment management personnel and thus the experience and expertise of those people may not be available to TEK through its relationship with TMS. The ongoing involvement of Mr Alexander Waislitz is a critical factor in the performance of the Thorney Group.

Investment returns

- The investments pursued and managed by TMS pursuant to the Investment Management Agreement may not result in an absolute return to TEK and its shareholders and may result in a reduction in the net asset value of TEK and potentially in the value of TEK's shares.
- There is also a risk that TMS may not deploy the capital of TEK on a timely basis thereby reducing the investment returns of TEK.

Lack of diversification

- The investment portfolio of TEK managed by TMS pursuant to the Investment Management Agreement may be less diversified than the investment portfolios of other listed entities investing in international and Australian entities.
- While TMS is authorised to pursue a broad investment policy, it is expected that TEK's investment portfolio will be concentrated on both listed and unlisted investments in businesses with a technology focus and other disruptive business models. This concentration risk means that TEK's investment portfolio may underperform relative to the performance of other asset classes or industries. The lower the number of investments, the higher the concentration and, in turn, the higher the potential volatility.

Additional funding needs

- Given TEK's investment portfolio may include investments in early stage businesses and unlisted investments, those businesses may be reliant on private capital to fund ongoing operations, and there is no certainty that private funding may be available as a source of capital on an ongoing basis.
- In addition, some of the investments may have limited revenue and may operate at a loss. These investments may require ongoing funding and/or positive operational developments, neither of which may occur. Accordingly, there are a number of risks relating to such businesses, including the risk of insolvency, poor performance and/or not being able to demonstrate or realise future value or investment returns.

Termination of the Investment Management Agreement

- TMS is required to hold an Australian Financial Services Licence to operate its business. The ability of TMS to continue managing TEK's investment portfolio is dependent on the maintenance of its Australian Financial Services Licence. To the extent that TMS should lose or have restrictions imposed on its Australian Financial Services Licence to prevent it from continuing to manage TEK, TEK will need to identify and engage a suitably qualified and experienced manager to implement TEK's investment strategy. Similarly, if the Investment Management Agreement is terminated for any other reason, TEK will need to identify and engage a suitably qualified and experienced investment manager.
- There can be no guarantee that TEK will be able to identify an appropriately qualified replacement for TMS or, if such person or entity is appointed, that it will be able to perform its duties as investment manager under the Investment Management Agreement to the standard required by TEK or to a level that matches or exceeds the performance of TMS.

Borrowings

- TMS may, under the Investment Management Agreement, expose TEK's investment portfolio to an investment by way of borrowings or an investment in financial products such as derivatives which give the effect of using borrowings.
- Currently, TMS does not have a policy in respect of borrowings or taking out derivative positions. TMS has recently opened a Prime Broker account for TEK, which will allow TEK to take out derivative positions. TMS will consider these positions on an ongoing basis. The Investment Management Agreement vests significant discretion in TMS, and while TMS does not currently intend to either borrow funds to make investments or take out derivative positions, it may decide to do so in the future, on a case-by-case basis.
- Further, the fee structure specified in the Investment Management Agreement incentivises TMS to borrow funds to make investments, which may magnify the impact of any movements in the prices of the underlying investments of TEK. Actual or effective borrowing will magnify the impact of any movements in the prices of the underlying investments of TEK. It may also create theoretically unlimited losses and positions that cannot be hedged.
- Currently, TEK does not have any borrowings.

Short selling risk

- There are inherent risks associated with short selling. Short selling involves borrowing securities which are then sold. If the price of those securities falls, then TEK can buy those securities at a lower price to transfer back to the lender of the securities. Short selling can be seen as a form of leverage and may magnify the gains and losses achieved in the portfolio. While short selling may be used to manage certain risk exposures in the portfolio and increase returns, it may also have a significantly increased adverse impact on its returns. Short selling exposes the portfolio to the risk that investment flexibility could be restrained by the need to provide collateral to the securities lender and that positions may have to be liquidated at a loss and not at a time of TMS's choosing.

Liquidity of investments

- TMS may, under the Investment Management Agreement, include unlisted equity investments, derivative contracts and other financial instruments in TEK's investment portfolio, which are not traded in an organised public market and which may be illiquid. As a result, TEK may not be able to promptly liquidate some of its investments in these instruments at an amount close to their fair value in order to respond to specific events.

Capital raising risk

- The Offer is not underwritten. There can be no assurance that TEK will raise the approximately \$25,299,200 that it aims to raise under the Offer. The investment strategy that TMS will pursue under the Investment Management Agreement may be impacted by the amount of funds raised under the Offer, and TEK may be required to forgo investment opportunities having regard to the funds that are available for investment.

Tax loss risk

- TEK is able to recognise a deferred tax asset for unused tax losses to the extent that it is probable that future taxable profit will allow all or part of the deferred tax asset (“DTA”) to be utilised. TEK’s historical and forecasted performance is used to determine whether TEK fulfils this requirement and to what extent a DTA may be recognised. The DTA balances are accounted for in-line with AASB 112 (*Income Taxes*). There is a risk that unused tax losses may not be available to offset against future taxable capital and revenue profits if TEK does not, or is not able to, continue to meet the relevant statutory tests. Further, the available tax losses may be higher or lower than estimated by management due to unresolved legacy tax matters of the former ARW Group of entities.

General risks

The general risks that may affect the performance of TEK are outlined below.

Impact of COVID-19

- There is continued uncertainty as to the ongoing impact of COVID-19 pandemic on the Australian economy and debt and equity markets, including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines and travel restrictions. Any of these events and resulting market fluctuations may materially adversely impact TEK’s earnings or the market price of its shares. Such impacts of the pandemic on TEK may also materially and adversely impact the net tangible assets of TEK’s investment portfolio.

Market risk

- Share markets tend to move in cycles, and share prices may fluctuate and underperform other asset classes over extended periods of time. The value of the New Shares quoted on the ASX may rise or fall depending on a range of factors beyond the control of TEK including:
 - movement in domestic and international securities markets;
 - changes in economic, social, technological, environmental or political conditions;
 - natural disasters, global hostilities and acts of terrorism;
 - legislation and regulation requirements; and
 - changes in market sentiment.
- Investors in TEK may be exposed to this risk both through their holding in New Shares as well as through TEK’s investment portfolio.

Acquisition activities

- From time to time, TEK may evaluate acquisition opportunities. Any acquisition would lead to a change in TEK’s net tangible assets and could increase the volatility of its earnings.
- Integration of new investments into TEK’s investment portfolio may be costly, may not generate expected earnings and may occupy a large amount of management’s time. There is no guarantee that future potential acquisitions will be available on favourable terms or that they will be successfully integrated.

Regulatory risk

- All investments carry the risk that their value may be affected by changes in laws and regulations, especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which TEK holds investments. Future changes in taxation law may impact the future tax liabilities of TEK or may affect taxation treatment of an investment in TEK's shares, or the holding or disposal of those shares. Tax liabilities are the responsibility of each individual TEK shareholder.

Industry risk

- There are a number of industry risk factors that may affect the future operation or performance of TEK that are outside its control. These include increased regulatory and compliance costs and variations in legislation and government policies generally.

Interest rate risk

- Interest rate movements may adversely affect the value of TEK through their effect on the price of shares and the cost of borrowing.

Liquidity risk

- TEK is exposed to liquidity risk in relation to the investments within its investment portfolio. If a security cannot be bought or sold quickly enough to minimise potential loss, TEK may have difficulty satisfying commitments associated with financial instruments.
- Moreover, as TEK is a listed entity, the ability to sell TEK shares will be a function of the turnover of those shares at the time of sale. Turnover itself is a function of the size of TEK and also the cumulative investment intentions of all current and possible investors in TEK at any one point in time. Therefore, investors may not be able to sell their TEK shares at the time, in the volumes or at the price they desire.

Credit Risk

- TEK is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations.

Economic risk

- Investment returns are influenced by numerous economic factors. These factors include changes in the economic conditions (e.g. changes in interest rates or economic growth), changes to legislative and political environment, as well as changes in investor sentiment.
- In addition, exogenous shocks, pandemics, natural disasters and acts of terrorism and financial market turmoil (such as the global financial crisis) can add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of TEK, the earnings and capital appreciation of its investment portfolio or the appreciation of TEK's share price.

Time frame for investment

- Shareholders are strongly advised to regard any investment in TEK as a medium-to-long term proposition for at least 7 years and to be aware that, as with any investment, substantial fluctuations in the value of their investment may occur over that period. Even if the investments made by TEK prove successful, they are unlikely to produce a realised return for a number of years.

Discount to net tangible assets

- As an ASX-listed company, TEK's Shares may not trade in line with the underlying value of its investment portfolio. TEK's shares may trade at a discount or premium to the value of TEK's net tangible assets per share.

Unlisted investments

- A portion of TEK's investment portfolio is in unlisted investments. TEK's unlisted investments are typically in early stage companies and accordingly have a risk of failure. Unlisted financial assets are valued at fair value in accordance with the AASB 13 "Fair Value Measurement" ("**AASB 13**"), applying the principles in the "International Private Equity and Venture Capital Valuation Guidelines".
- There may be limited liquidity in unlisted investments as well as potential formal restrictions on selling unlisted investments. The information provided by unlisted investments is typically limited, making it challenging to identify impairment risks or validate holding values.

Assessment of NTA

- When determining the fair value of its financial assets and financial liabilities, TEK uses the fair value hierarchy prescribed in AASB 13. TEK's valuation policy for calculation of its monthly net tangible asset value ("**NTA**") and for its financial statements is to adopt market values such as ASX share prices for listed investments.
- In the case of unlisted investments, the initial investment cost is adopted as its starting value modified by identifiable market transactions (such as a further capital raising round) or risk of impairment based upon the company's progress of achieving certain strategic milestones. This means that there may be latent value or impairment in the value of some unlisted investments that is not yet recognised in TEK's NTA or financial statements. Accordingly, TEK's NTA might not reflect the true underlying value of TEK's investment portfolio.
- TEK is required to make judgements, estimates and assumptions in determining the fair value of assets and liabilities that impact its NTA. Uncertainty about these assumptions, judgements and estimates could result in outcomes that require adjustment to the carrying values of assets and liabilities in the future, resulting in an adjustment to TEK's NTA.

Foreign issuer and market risk

- TEK's investment objective and strategies are also focused on global listed and unlisted securities. Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market and corporate governance risks than domestic investments.

Currency risk

- TEK has exposure to financial assets and liabilities denominated in foreign currencies as it invests in listed and unlisted Australian and international companies. Therefore, TEK is exposed to movements in the exchange rate of the Australian dollar relative to foreign currencies. The effect of movements in foreign currencies relative to the Australian dollar are reflected in TEK's reported NTA.

APPENDIX 2 - INTERNATIONAL OFFER RESTRICTIONS



This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States or to US persons except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- persons who are both “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act) and “qualified purchasers” (as defined in Section 2(a)(51) under the Investment Company Act of 1940); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

The Company will not be registered as an “investment company” under the US Investment Company Act in reliance on an exemption from registration. The investment manager of the Company will not be registered as an investment advisor under the US Investment Advisers Act of 1940. Consequently, investors will not be afforded the protections of the US Investment Company Act nor the US Investment Advisers Act.