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THORNEY
TECHNOLOGIES
TEK

ASX Announcement (6 pages): 9 November 2020

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TEK ANNOUNCES PLACEMENT AND ENTITLEMENT OFFER TO RAISE \$37.0 MILLION

Thorney Technologies Ltd (ASX: TEK) (**TEK** or the **Company**) is pleased to announce it has received firm commitments to raise A\$27.0 million via a fully-committed two-tranche placement of ordinary shares to institutional, sophisticated and professional investors at \$0.35 per share (**Placement**). The Company also announces the proposed launch of a non-underwritten \$10.0 million non-renounceable entitlement offer (**Entitlement Offer**) to eligible shareholders at \$0.35 per share (collectively, the **Capital Raising**). The shares issued as part of the Capital Raising are referred to as **New Shares**.

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 pay the costs associated with conducting the Entitlement Offer and the Placements.

The Company continues to be inundated with exciting and potentially valuable pre-IPO investment opportunities, and the Board intends to continue to be at the forefront of access to these investment opportunities.

New Shares issued under the Capital Raising will rank equally in all respects with existing Shares. Bell Potter Securities Limited is acting as Lead Manager in relation to both the Placement and the Entitlement Offer.

Placement

TEK has received binding commitments to raise \$27.0 million before costs via the Placement to institutional, professional and sophisticated investors at \$0.35 per share.

TEK welcomes cornerstone investor, Woodson Capital Management LP ("Woodson Capital") as a substantial shareholder. Woodson Capital manages a global consumer and technology investment fund headquartered in New York and launched in 2010 with seed backing from Tiger Management.

The Thorney Group intends to subscribe for shares in the Placement for an aggregate amount of approximately \$2.4 million, subject to shareholder approval, in addition to its entitlements under the Entitlement Offer.



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The Placement will be completed in two tranches:

- Tranche 1: issue of 37,142,858 New Shares, representing 15% of issued capital, to raise approximately \$13,000,000; and
- Tranche 2: issue of 40,000,000 New Shares to raise approximately \$14,000,000, subject to shareholder approval.

Tranche 1 of the Placement will be issued under the Company's existing ASX Listing Rule 7.1 placement capacity. The Tranche 1 Placement shares are expected to settle on Thursday, 12 November 2020.

The Tranche 2 Placement shares will be issued subject to the Company receiving shareholder approval under ASX Listing Rule 7.1. Shareholder approval will also be sought under ASX Listing Rule 10.11 in relation to Thorney Group's, Alan Fisher's and Martin Casey's participation in the Tranche 2 Placement.

TEK Chairman, Alex Waislitz said: "We are delighted with the support shown by new and existing investors, with bids received well in excess of amounts raised under the Placement. We are pleased to welcome Woodson Capital Management as a substantial shareholder in TEK".

Entitlement Offer

The Company is also pleased to announce its intention to offer eligible shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Melbourne time) on Thursday, 12 November 2020 (**Eligible Shareholders**) the opportunity to participate in a non-underwritten non-renounceable entitlement offer to raise up to approximately \$10,000,000 (**Entitlement Offer**). Under the Entitlement Offer, Eligible Shareholders are invited to subscribe for 1 new share for every 9 existing ordinary shares held on the Record Date. New Shares issued to investors under the Tranche 1 Placement will not be entitled to participate in the Entitlement Offer.

Under the Entitlement Offer, the Company will issue up to 28,587,247 new shares at \$0.35 per share to raise up to approximately \$10,000,000.

Eligible Shareholders who accept their Entitlement under the Entitlement Offer in full will have the opportunity to apply for additional New Shares in excess of their Entitlement up to a maximum of 400% of their entitlement (subject to scale back at the sole discretion of the Company) under a top-up facility (**Top-up Offer**).

To the extent that there remains any short fall of New Shares taken up by Eligible Shareholders (including after the application of the Top Up Offer), New Shares may be issued by the Company's Board at its discretion to institutional, sophisticated and professional investors within 3 months of the close of the Entitlement Offer under a further short fall offer.

The Entitlement Offer will open on Monday, 16 November 2020 and close at 5.00pm on Monday, 30 November 2020. Fractional entitlements will be rounded up to the nearest whole share. All New Shares in the Entitlement Offer will be issued at \$0.35 per New Share which represents an 18% discount to the Company's most recent unaudited after tax NTA of 42.8 cents per share as at 31 October 2020, as announced to ASX on 5 November 2020.

The Company's closing price on ASX on Thursday, 5 November 2020 was \$0.34, which was the last full day shares traded on ASX before the announcement of the Entitlement Offer.

The 5 day VWAP of the Shares for the period up to Thursday, 5 November 2020, being the last full day Shares traded on ASX before the announcement of the Entitlement Offer, was \$0.3326.

The Thorney Group (and its associates), as well as all the Company's Directors, will be taking up their full entitlement under the Entitlement Offer.

Entitlements cannot be traded on the ASX or transferred. Eligible Shareholders who do not take up their entitlements under the Entitlement Offer in full or in part will not receive any value in respect to those entitlements taken up.

Full details on the Entitlement Offer will be set out in the Offer Booklet, which you should read carefully and in its entirety. The Entitlement Offer Booklet is anticipated to be provided to Eligible Shareholders on Monday, 16 November 2020.

New Shares in respect of the Entitlement Offer (and under the Top-up Offer) will be quoted on a deferred settlement basis from market open on Tuesday, 1 December 2020 and issued on Monday, 7 December 2020. It is the responsibility of Eligible Shareholders to determine their allocation prior to trading in New Shares. Eligible Shareholders should only sell up to the amount of New Shares applied for under their entitlement and not trade any additional New Shares applied for under the Top Up Offer as there is no assurance as to the level of allocations under the Top Up Offer. Eligible Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

Eligible Shareholders should read the Entitlement Offer Booklet in full before deciding whether to subscribe for New Shares. Eligible Shareholders who wish to acquire New Shares under the Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form that will accompany the Entitlement Offer Booklet.

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Indicative timetable for the Capital Raising

Event	Time
*Trading halt	6 November 2020
*ASX announcement of Capital Raising	Monday, 9 November 2020
Ex Date – date on which Shares commence trading without an entitlement to participate in the Entitlement Offer	Wednesday, 11 November 2020
Record Date (7.00 pm Melbourne time) for entitlements to participate in Entitlement Offer	Thursday, 12 November 2020
Settlement date for New Shares under Tranche 1 of the Placement	Thursday, 12 November 2020
New Shares issued under Tranche 1 of the Placement commence trading	Monday, 16 November 2020
Entitlement Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Shareholders and announced to ASX	Monday, 16 November 2020
Opening date for the Entitlement Offer	Monday, 16 November 2020
Dispatch of revised AGM notice of meeting materials	Monday, 16 November 2020
Closing date for the Entitlement Offer (and Top-up Offer)	5.00pm on Monday, 30 November 2020
Deferred settlement trading for Entitlement Offer (and Top-up Offer) commences	Tuesday, 1 December 2020
Announce results of Entitlement Offer including undersubscriptions (if any)	Thursday, 3 December 2020
Allotment of New Shares under the Entitlement Offer (and Top-up Offer)	Monday, 7 December 2020
New Shares issued under the Entitlement Offer (and Top-up Offer) commence normal trading on ASX	Tuesday, 8 December 2020
Dispatch of holding statements for New Shares issued under the Entitlement Offer (and Top-up Offer)	Tuesday, 8 December 2020
AGM held	12.00pm on Tuesday, 15 December 2020
Allotment of New Shares under Tranche 2 Placement (subject to shareholder approval at the AGM)	Monday, 21 December 2020
Normal settlement trading for New Shares issued under Tranche 2 Placement	Tuesday, 22 December 2020

The above dates other than those marked with an asterisk () are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and in particular (subject to the Corporations Act and ASX Listing Rules), to extend the latest date for receipt of entitlement and acceptance forms, to accept late entitlement and acceptance forms either generally or in particular cases, or to cancel the Capital Raising without prior notice.*

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Annual General Meeting – proposed change of date and additional shareholder resolutions

Further to the ASX announcement lodged today, the Company has proposed to change the date for its Annual General Meeting to 12.00pm (AEDT) on Tuesday, 15th December 2020 and to re-issue the Notice of Meeting and Explanatory Statement. The Company's decision to change the date of its Annual General Meeting has been made so as to include certain resolutions in relation to the Placement to be considered by the Company's shareholders.

A revised Notice of Meeting, Explanatory Statement and Proxy Form will be sent to shareholders on or around Monday, 16 November 2020.

Further information

Offers of the New Shares under the Capital Raising will be made under an arrangement between the Company and Bell Potter Securities Ltd (AFSL 243480) (**Authorised Intermediary**) in accordance with section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of the New Shares under the Capital Raising and the Company will only issue the New Shares in accordance with the offers.

Arnold Bloch Leibler is acting as legal adviser to the Company in relation to the Capital Raising.

On behalf of the Board, I thank you for your continued support as a shareholder and I encourage you to consider this investment opportunity.

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

Yours sincerely

Alex Waislitz

Chairman

- ENDS -

IMPORTANT NOTICE AND DISCLAIMER

This release is for information purposes only and is not financial product or investment advice or a recommendation to acquire shares (nor does it or will it form any part of any contract to acquire shares). The information in this release is in summary form and does not contain all the information necessary to fully evaluate the Capital Raising or any potential investment in TEK. It should be read in conjunction with TEK's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and seek legal, financial and taxation advice.

All dollar values are in Australian dollars (A\$) unless otherwise stated. All times and dates refer to Australian Eastern Standard time (AEST).

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Allocation Policy – Entitlement Offer

In respect of the Entitlement Offer, TEK will attempt to allocate New Shares to its existing shareholders in accordance with their pro rata entitlements. To the extent that the applications received do not amount in value to the target amount of proceeds under the Entitlement Offer, eligible shareholders will be permitted to apply for more than their entitlement. TEK may also in those circumstances offer shares to institutional investors.

Forward Looking Statements

This announcement contains certain "forward-looking statements" including but not limited to projections, that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Capital Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of TEK, statements about the industry and the markets in which TEK operates and statements about the future performance of TEK. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements. You should note the current economic climate and the significant volatility, uncertainty and disruption to equity and capital markets caused by the outbreak of COVID-19. Any forward looking statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of TEK and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the TEK's investment strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the TEK's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward looking statements are based on information available to TEK as at the date of this announcement. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including TEK or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), none of TEK, its representatives or advisers undertakes any obligation to provide any additional or updated information in respect of any statements made, whether as a result of a change in expectations or assumptions, conditions, new information, future events or results or otherwise.

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