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THORNEY
TECHNOLOGIES
TEK

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ASX Announcement: 5 July 2021 **Code:** TEK

TEK ANNOUNCES TWO TRANCHE PLACEMENT TO RAISE $25.3 MILLION

Thorney Technologies Ltd (ASX: TEK) (**TEK** or the **Company**) is pleased to announce it has received firm commitments to raise A$25.3 million via a fully-committed two-tranche placement of fully paid ordinary shares to institutional, sophisticated and professional investors at a price of $0.40 per New Share (the **Placement** or 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 Capital Raising.

The Company continues to be inundated with exciting and potentially valuable pre-IPO investment opportunities. As one of Australia's pre-eminent small to mid-cap investment groups, the Company is well-positioned to evaluate and participate in these exciting opportunities. In a recent study completed by *Firstlinks, a Morningstar company*, TEK was the best performing small cap listed investment company over the 14 month period to 31 March 2021.

With the existing strong record of performance and a reputation of being a long term and patient value investor, the level of opportunities continue to be considerable and will continue to be assessed in a careful and deliberate fashion to establish whether they meet the criteria for TEK.

Placement

The price per New Share of $0.40 under the Capital Raising represents a 7.0% discount to the Company's closing price on the ASX on 30 June 2021 of $0.43, which was the last full day shares traded on ASX before the announcement of the Capital Raising. It also represents a 3% premium to the 90 day VWAP of the Shares for the period up to 30 June 2021, being the last full day Shares traded on ASX before the announcement of the Capital Raising.

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The Thorney Group intends to subscribe for New Shares in the Placement for an aggregate amount of up to approximately $3.5 million, subject to shareholder approval and receipt by the Thorney Group of specific ASIC relief (as described below). Non-executive Directors, Jeremy Leibler and Martin Casey, also intend to participate in the Placement, subject to shareholder approval. It is anticipated that an Extraordinary General Meeting of Shareholders' will be convened in early August, with Shareholders to be sent the notice of meeting and explanatory statement shortly.

The Placement will be completed in two tranches:

- Tranche 1: comprising the issue of 54.3 million New Shares to institutional, sophisticated and professional investors at $0.40 per New Share, representing 15% of issued capital, raising approximately $21.7 million; and

- Tranche 2: comprising the issue of up to 9.0 million New Shares at $0.40 per New Share to the Thorney Group and Non-executive Directors, Jeremy Leibler and Martin Casey, to raise up to approximately $3.6 million, subject to shareholder approval and, in respect of the Thorney Group's participation, the granting of ASIC relief (as described below).

The New Shares to be issued under 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 12 July 2021. New Shares issued under the Capital Raising will rank equally in all respects with existing shares from their respective date of issue.

The New Shares to be issued under Tranche 2 of the Placement will be issued subject to the Company receiving shareholder approval under ASX Listing Rule 10.11 in relation to the Thorney Group's, Jeremy Leibler's and Martin Casey's proposed participation in Tranche 2 of the Placement.

The amount that the Thorney Group will invest in the Placement is also dependent 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 2001* (Cth), and acquire New Shares under the Placement under such exception, given that Tranche 1 of the Placement will result in the Thorney Group's voting power in the Company being diluted below 19%. If such ASIC relief is granted, the Thorney Group intends to participate in Tranche 2 of the Placement up to approximately $3.5 million, to take its post-Placement fully diluted ownership to approximately 20%. If ASIC relief is not granted, the Thorney Group intends to participate in Tranche 2 of the Placement to the maximum extent possible taking its voting power in the Company to 19.9%.

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."

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Indicative timetable for the Capital Raising

Event	Time
Settlement date for New Shares under Tranche 1 of the Placement	12 July 2021
New Shares issued under Tranche 1 of the Placement commence trading	13 July 2021
Extraordinary General Meeting (EGM) to be held to approve the New Shares proposed to be issued under Tranche 2 of the Placement	Early August 2021
Allotment of New Shares under Tranche 2 of the Placement	Early August 2021, subject to shareholder approval at the EGM
Normal settlement trading for New Shares issued under Tranche 2 of the Placement	Early August 2021

The above dates 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 cancel the Capital Raising without prior notice.

Further information

Offers of the New Shares under the Capital Raising were, made under an arrangement between the Company and Bell Potter Securities Limited (AFSL 243480) (**Authorised Intermediary**) in accordance with section 911A(2)(b) of the *Corporations Act 2001* (Cth). The Company 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.

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Investor Briefing

Following the release of this announcement and the accompanying Investor Presentation, Bell Potter will be hosting an investor call today, 5 July 2021 commencing at 11.30am. Shareholders and other interested parties can register for the call via the following link:

Meeting ID: 984 0041 9085
Passcode: 12345
One tap mobile:
+61280156011,,98400419085# Australia
+61370182005,,98400419085# Australia

Dial by your location:
+61 2 8015 6011 Australia
+61 3 7018 2005 Australia
+61 7 3185 3730 Australia
+61 8 6119 3900 Australia
+61 8 7150 1149 Australia
Meeting ID: 984 0041 9085

https://zoom.us/j/98400419085?pwd=NG5TSDhZdEtEdmJYZGUxSHZPNWRNQT09

Advisers

Bell Potter Securities Limited is acting as Lead Manager in relation to the Capital Raising.

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

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

Yours sincerely

Alex Waislitz
Chairman

- ENDS –

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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).

Certain statements in this announcement may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this announcement. 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" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. These statements are subject to internal and external risks and uncertainties that may have a material effect on future business. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this announcement. As such, undue reliance should not be placed on any forward looking statement, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption cause by the COVID-19 pandemic. Past performance (including past performance of TEK's share price or its net tangible asset value) is not necessarily a guide to future performance and should not be relied upon as (and is not) an indication or guarantee of TEK's future performance or condition. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

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