

Thorney Technologies Ltd

ABN 66 096 782 188

17 March 2017

Dear fellow TEK shareholder

Welcome to the first Chairman's Update for Thorney Technologies Ltd (TEK). I'm excited about the launch of our new Listed Investment Company. TEK was reinstated on the ASX in January this year and I'm pleased that the Company's share price has remained above its listing price since then.

As you know TEK's strategy is to invest in technology based companies at every stage of the business life cycle. This includes early stage funding of start-ups to pre-IPO and IPO investments, well established listed technology companies and even "old economy" companies that are using technology to transform their business models.

A key pre-listing strategy for TEK was for us to ensure that upon re-listing TEK held a number of seed assets to enable us to "hit the ground running".

These seed assets included small stakes in listed companies UPDATER INC., ONEVUE HOLDINGS, ADACEL, WEBJET (since sold), iSELECT, NEXTDC, HUB24 and ANATARA LIFESCIENCES as well as holdings in the unlisted agricultural technology company AGLIVE and the unlisted CHANGEUP group both of which we believe are scheduled for an IPO during 2017.

Post listing, the Thorney investment team has already begun the process of deploying some of TEK's capital using the same investment philosophy that has proven so successful for the broader Thorney group of companies over more than two decades.

At the time of writing the TEK portfolio was approximately 35% invested with the remainder in cash awaiting the right opportunities.



We have already had some early success with the announcement of a proposed merger between the TOUCHCORP and AFTERPAY groups.

We have also used our local and international connections to take small positions in a domestic fintech company, two Israel based companies - one in robotic self-learning warehousing systems and the other providing low cost digital website and social media services to small businesses and a New York based company providing cloud data storage services for consumers. While none of these investments is substantial in their own right they all have exciting potential. I have included them to provide examples of the breadth and nature of our investment activities so far. I will provide more details about these investments over time as we track their progress.

Below is a snap shot of some of TEK's major holdings including any relevant points from the recently completed half year reporting season:



Afterpay Holdings Limited:

Since earlier this year TEK has been building stakes in both Touchcorp and Afterpay which last month announced their intention to merge. Touchcorp is the largest shareholder in Afterpay and while we await the full details, we believe the merger is a very sensible strategic move which should put the new combined company in a strong position and increase value for shareholders.

NextDC Limited:

This growing data centre storage provider reported a strong half year report with material increases in all key metrics, including revenue, EBITDA, profit before tax, operating cash flow, robust balance sheet and poised for continued high growth.



N E X T D C



HUB24 Limited:

Announced an inaugural net profit after tax combined with strong growth. Funds under administration have now passed the \$4 billion level.

OneVue Holdings Limited:

The merger with Diversa Limited has been completed and integration is well underway. The company is focussing on delivery of efficiencies and value accretion but still needs to do more to educate the market about its growing market position and upside potential.



iSelect Limited:

A good result, restoration of brand and earnings story, robust balance sheet and active share buyback continuing. We anticipate further growth in earnings leading to a market re-rating.

Adacel Technologies Limited:

Results announced in line with guidance and expectations are high for full year profit growth, good dividends and strong balance sheet flexibility.



Since TEK's launch we have been approached by a large number of both listed and unlisted Australian and overseas companies for possible investment. As always we maintain our usual discipline of deep due diligence and rigour and will only invest in those companies in which we see considerable upside potential.

I look forward to sharing more news with you in coming months.

Best regards

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal stroke extending to the right.

Alex Waislitz
Chairman