

24 September 2018

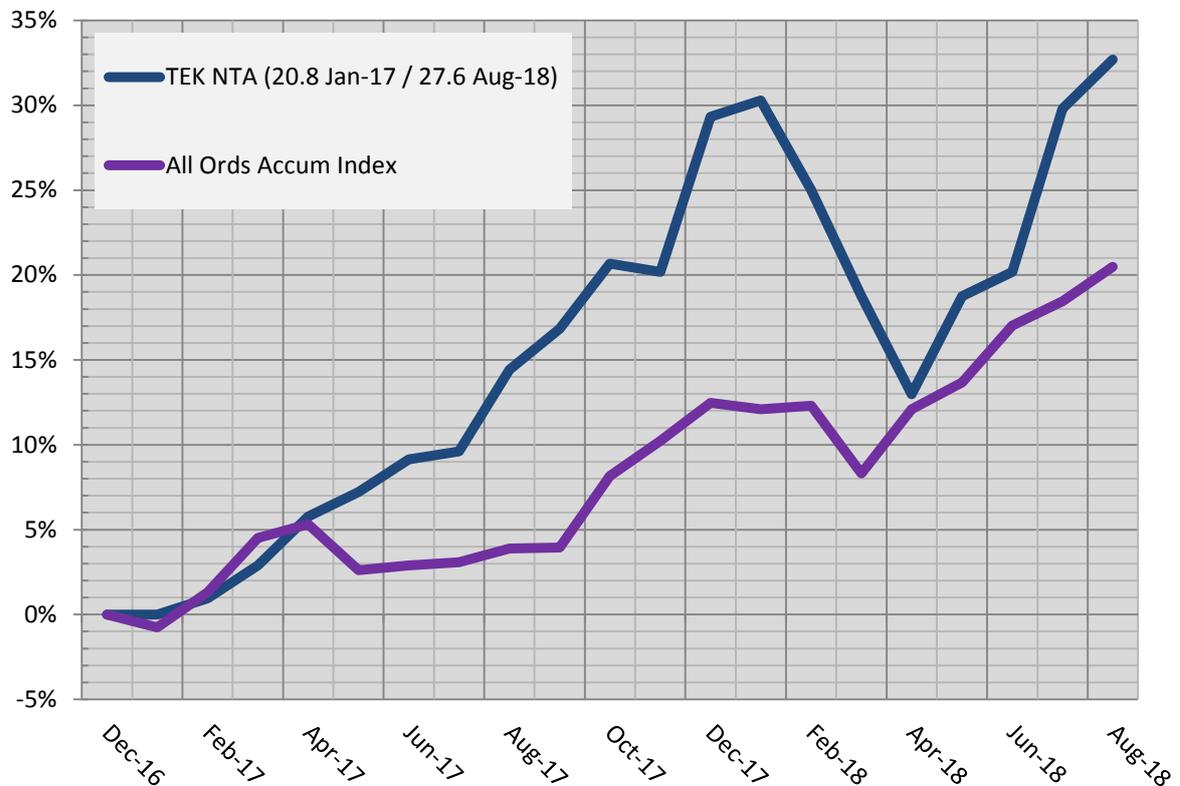
Dear fellow TEK shareholder

Chairman's Update

Since I last wrote to you TEK has continued its strong performance. I'm pleased to report that at the end of August 2018 TEK's Net Tangible Assets per share (NTA) stood at 27.6 cents (post tax, after fees).

The table below summarises TEK's NTA performance since inception (an increase of 33%).

**TEK NTA (after costs) vs All Ords Accum. Index
(January 2017 to August 2018)**



PORTFOLIO INSIGHTS

I remain very enthusiastic about the strong growth in the value of the TEK portfolio. We have worked hard to construct a dynamic portfolio of both listed and unlisted companies which leverages off our extensive global technology relationships and which provides exposure to a wide range of sectors across the entire investment life cycle.

Afterpay Touch Group (APT)

The stand-out contributor to TEK's NTA growth in recent months has been our largest holding, Afterpay Touch Group Limited (APT). APT is an example of an Australian technology company which is expanding globally having entered the US market during the last financial year and, in recent weeks, a move into the UK. On 30 June 2017, the APT share price was \$2.95, whilst at the time of writing, having recently raised more than \$100m, the share price is over \$15.00. That is an increase of over 400% during the past 14 months.

Updater Inc (UPD)

Another of TEK's main holdings, Updater Inc. (UPD) has recently secured shareholder approval to de-list from the ASX as it seeks to accelerate its global growth ambitions by raising capital from the private markets in the US. TEK is supportive of this move and has been increasing its holding of UPD in the period ahead of de-listing. The ability of TEK to both support and participate in the privatisation of UPD is an example of our flexible investment mandate, one which allows us to invest in, and participate in the journey of, both listed and unlisted technology companies at every stage of their evolution.

Since it first listed on the ASX in 2015, UPD's management has consistently met or exceeded market expectations so we remain optimistic in the company being able to accelerate its growth plans by raising further capital at a substantial increase in value.

Other

During the period, meaningful contributions to TEK's performance were delivered by companies including Readcloud Limited, (up 143% since listing in February 2018) OneVue Holdings Limited, (up 16% since 30 June 2017), NextDC Limited, (up 37% since 30 June 2017) and Zip Co Limited (up 63% since 30 June 2017).

The two main drags on TEK's performance during the 2018 period were Credible Labs Inc (CRD) and GetSwift Limited (GSW).

We have not given up on either of these two companies. We have high hopes for CRD's recently launched mortgage refinancing marketplace and are monitoring the company's progress. By contrast, and notwithstanding encouraging share price gains in recent days, GSW has a lot of work to do, including dealing with the shareholder class action and ASIC investigation it is facing, demonstrating that it has a viable business model and re-establishing its shareholders' trust.

The public versus private debate

The upcoming delisting of UPD mentioned above has brought into focus the relative merits of companies being listed or remaining private, especially in the technology space. While there will always be an important role for public share markets and TEK will always maintain an extensive listed portfolio of companies, we are seeing an increasing number of opportunities in the private and pre-IPO space. At present, there is a deep pool of private capital available to promising start-up companies globally and many start-ups are choosing to stay private for longer, due to the availability of capital, and to not list publicly at all.

Following the completion of the UPD delisting process, the TEK portfolio will comprise approximately 60% listed companies, 20% unlisted/ private companies and 20% cash.

Whilst UPD will be the largest investment amongst the unlisted companies, there are numerous other exciting and potentially valuable companies contained in the portfolio. In that regard, I have included below a list of some of these companies, which serves to illustrate the breadth of the unlisted/ private portfolio and provides exclusive exposure for TEK shareholders. I anticipate that a number of these companies will progress to the initial public offer stage over the next 12-18 months.

| Investee Company | Description |
|---|---|
| Pulse Health LLC (USA) | An innovative medical diagnostic company that manufactures patented breath management systems for early detection of diseases |
| Daisee Pty Ltd (Australia) | A company which builds artificial intelligence enterprise software solutions focused on leveraging unstructured data (voice, emails, chat, documents) to improve productivity and customer experience |
| Aglive Group Ltd (Australia) | Provides digital supply-chain traceability and integrated GPS tracking and mobility solutions to the agricultural industry |
| Honk Technologies Inc. (USA) | Operates an on-demand mobile application that connects motorists with road-side assist and towing service companies throughout the USA |
| Nexdius Limited (Australia) | A manufacturer and wholesaler of sunscreen products which enable Vitamin D absorption |
| HYP3R Inc (USA) | This company offers a location-based marketing platform that helps businesses unlock geo-social data to analyse, engage and acquire high-value customers |
| GLX Holdings Ltd (Australia) | Operates an online platform that enables the trading of LNG cargoes globally |
| Worthy Inc. (Israel) | Conducts a global online marketplace for pre-owned luxury goods such as diamonds, watches, jewellery and precious metals |
| Caja Elastic Dynamic Solutions Ltd (Israel) | A company that provides innovative robotic solutions for efficient movement and racking within storage facilities and warehouses |
| Terragen Holdings Ltd (Australia) | A biotech company that produces Great Land™, a liquid formulation of natural bacteria that improves horticultural outcomes and has global market application |
| Bitmain Technologies Ltd (China/ Israel) | Headquartered in Beijing, this company produces integrated circuits for cryptocurrency mining as well as mining hardware |
| Traackr (USA) | A company which algorithmic-based discovery and analysis capabilities have positioned it as one of the leading platforms for managing influencer marketing |
| Inception VR (Israel) | The <i>Inception</i> App delivers premium 360 and Virtual Reality entertainment content to consumers worldwide |
| LiquiGlide Inc. (USA) | LiquiGlide® is an early-stage company looking to commercialise the first-ever durable super slippery coatings that prevent viscous liquids from sticking to solid surfaces |
| Lending Express (Israel) | A company with AI-powered proprietary technology that matches businesses with the most relevant lenders, providing a simple solution at no cost to the user |
| Solomoto International Ltd (Israel) | Runs a subscription based digital platform that gives small and medium sized businesses the power to unlock their full online potential in today's digital world. |
| Trustify, Inc. (USA) | Operates an on-demand technology marketplace platform that helps to connect and hire private investigators in the United States. |

I hope the list above gives you an idea of why we ensured TEK had a wide investment mandate when we established it and also why I remain excited about the potential of the global technology sector in both the listed and unlisted space.

Being a TEK shareholder allows you to participate in the potential upside of the unlisted companies featured above. It is these and other companies which you will not typically have an opportunity to gain exposure to through ordinary channels which presents the unique and valuable characteristic of being a TEK shareholder.

CONCLUSION

I still maintain that we are yet to see anything like the full potential of technology to disrupt traditional industries and to introduce previously unseen efficiencies.

At the same time this potential has tested investors' ability to know just what is the right valuation to place on companies which show great promise, are pre to early revenues but are burning cash as they grow but are not yet profitable.

When we launched TEK we were well aware of these issues and the risks and volatility that can come with them. I am proud that we have successfully steered a path through these issues and delivered strong NTA growth for our shareholders since inception.

Our aim is to continue this growth through our ongoing due diligence and utilising the extensive investment networks we have in Australia, the USA and Israel.

We remain excited by, and committed to, investing in tech companies both listed and unlisted. While we will continue to back and trade in those listed companies that we select as having the highest quality and best prospects of success, our growing number of unlisted exposures should help enable us to produce some "super alpha" returns as they mature over the next several years.

Some may even change the world.

I encourage you to stay on the journey with us.

Yours sincerely



Alex Waislitz
Chairman