

# INVESTMENT UPDATE AND NTA REPORT

## OCTOBER 2022



### PORTFOLIO SNAPSHOT: NET TANGIBLE ASSET BACKING PER SHARE (NTA)

NTA Current Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
31-Oct-22	30.7 cents	35.5 cents

NTA Previous Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
30-Sep -22	32.2 cents	36.6 cents

<sup>1</sup> Figures are unaudited and approximate.

### KEY ASX INFORMATION (AS AT 31 OCTOBER 2022)

ASX Code	TEK
Structure	Listed Investment Company
Inception Date	January 2017
Market Capitalisation	\$87.1 million
Share Price	20.5 cents
Shares on Issue	425,041,104
Management Fee	0.75% half yearly
Performance Fee	20% of net portfolio increase over pcp
Manager	Thorney Investment Group

### INVESTMENT PERFORMANCE

As at 31 Oct 2022	1 Month	1 Year	Since Inception
TEK investment portfolio	-2.98%	-29.80%	12.13%
S&P Small Ordinaries Accum. Index	6.46%	-18.31%	6.38%
Performance versus Index	-9.44%	-11.49%	5.75%

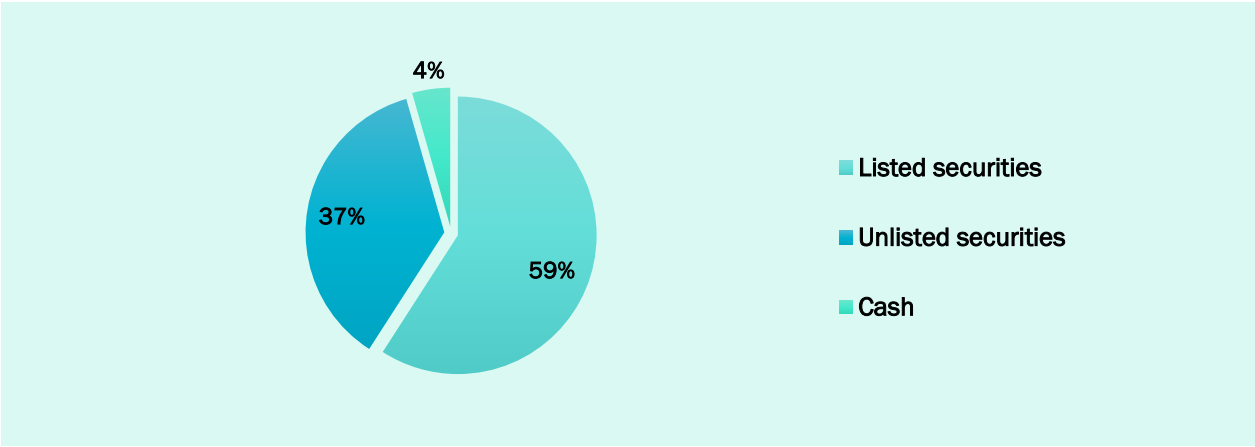
\* Investment performance is calculated on an after-tax NTA basis.

### TEK INVESTEE COMPANIES

LISTED			UNLISTED	
Company	Code	% of Total Portfolio*	Company	% of Total Portfolio*
Calix	CXL.ASX	9.7	Updater Inc.	7.5
Nitro Software	NTO.ASX	4.7	360 Capital Fibreconx Trust	1.5
Imugene	IMU.ASX	3.3	Enlitic Inc.	1.3
Credit Clear	CCR.ASX	3.1	WSC Sports	1.3
iSelect	ISU.ASX	2.1	FinClear Holdings	1.3

\* Total Portfolio includes Listed investments, Unlisted investments, and Cash.

### ALLOCATION OF INVESTMENTS





## PORTFOLIO COMMENTARY

*“TEK’s NTA was marginally lower in October as investors continued to be cautious about the outlook for equity markets, ongoing recessionary risks and the medium- to long-term intentions of central banks.”*

### LISTED SECURITIES

Below is a sample of company news released by some of the listed portfolio companies.

#### NITRO SOFTWARE LIMITED

- NTO has received an alternative takeover proposal from software company, Alludo, at \$2.00 cash per share, with the firm indicating it is willing to proceed with an off-market takeover bid with a 50.1% minimum acceptance condition.
- The Board of Nitro Software Limited (NTO.ASX) unanimously rejected Potentia Capital Management Pty Ltd’s new bid to acquire all the NTO fully paid ordinary shares it does not already own at \$1.80 cash per share, stating it was not in the best interests of shareholders.
- NTO advised shareholders to take no action at this time and that it will continue to keep shareholders and the market informed of developments.

#### CALIX LIMITED

- Calix Limited (CXL.ASX) announced that its subsidiary, Leilac – which enables the sustainable decarbonisation of cement and lime – signed a perpetual global licence agreement for the use of its technology with Heidelberg Materials, one of the world’s largest building materials companies.
- The agreement is a key milestone in CXL’s commercialisation of the Leilac technology, and its strategy to develop great businesses that deliver positive global impact. Cement and lime are amongst the largest industrial contributors to climate change, accounting for roughly 8% of global CO2 emissions.
- The agreement applies to any Heidelberg Materials facility where the Leilac technology is installed. Heidelberg Materials operates 149 cement plants across five continents.
- The technology licence fee for the agreement is a first-of-a-kind for the industry, and comprises a royalty floor, variable component linked to carbon price/value, and a royalty cap linked to costs versus alternative technologies.
- The Company also announced the completion of a fully underwritten institutional Placement which raised \$60 million via the issue of 13.2 million shares at an issue price of \$4.55 per share. It also announced a non-underwritten Share Purchase Plan to raise up to an additional \$20 million. The Placement and SPP will accelerate commercialisation of the CXL technology platform and enable rapid further technology development targeted at significant strategic market opportunities.
- CXL also announced that it has been informed that the Australian Government is not proceeding with the Carbon Capture, Use and Storage (CCUS) Hubs and Technologies Program, resulting in the cancellation of \$11 million in funding for CXL’s project with Adbri Limited (ABC.ASX). In addition, Boral Limited (BLD.ASX) advised CXL that the \$30 million in funding, announced by the previous Government in May 2022, in support of a CCUS project utilising Calix’s cement and lime decarbonisation technology has also been cancelled.
- Both Adbri and Boral have publicly stated they are targeting carbon net zero by 2050.
- Calix is awaiting further details of the Australian Government’s new grant program, while also pursuing state and regional programs to assist with these projects.

#### CREDIT CLEAR LIMITED

- Credit Clear Limited (CCR.ASX) announced that it achieved its first cash flow positive quarter in Q1 FY23, generating \$531,000 from operating activities. The Company also recorded record revenue of \$8.9 million, up 162% on the previous corresponding period.
- CCR also announced that it signed a record 99 new clients with an expected \$3.4 million in additional revenue over the next 12 months.
- Earlier in October, the Company announced that it significantly expanded its insurance sector client base, markedly expanding its scope of work with one of Australia’s largest insurance groups and signed three new insurance providers in September, including Zurich Australian Insurance Limited, Aioi Nissay Dowa Insurance Company Australia and another specialist motor insurance provider.

#### JAYRIDE LIMITED

- Jayride Limited (JAY.ASX) announced it had successfully delivered the first three of its major milestones in Q1 FY23: a contribution margin above 50% and both positive cash flow and positive EBITDA after stand-still operating costs (pre-growth investments), with Q1 FY23 the second consecutive quarter for the latter two milestones.
- It also reported record high passenger trips booked of 141,000 in Q1 FY23, up 117% versus Q1 FY22, outperforming the recovery in the wider travel industry.
- JAY said that the outlook for Q2 FY23 is positive with multiple growth drivers – Jayride is continuing to win share through major partnerships and new product launches, plus Asian destination market reopenings.
- The Company is progressing towards its next major milestones of \$10 net revenue per passenger trip booked, and 1 million+ passenger trips booked per year off of which JAY expects to be operating cash flow positive.

UNLISTED SECURITIES

• UPDATER INC.

- Updater Inc. (UPD) revenues continue to grow strongly and are anticipated to be well in excess of US\$100m in calendar year 2022.
- UPD is a member of a consortium which successfully won a significant US Department of Defense contract with Home Safe Alliance to improve household goods moves for US military personnel and their families.
- This contract has been subject to appeal, and last week, the Court of Federal Claims denied two separate protest lawsuits lodged by unsuccessful bidders, paving the way for the contract to commence.
- In anticipation of this decision, UPD has been investing for this contract, which will generate meaningful revenues in late 2023.

CHAIRMAN'S COMMENTS

Alex Waislitz said: *“Despite ongoing sharemarket volatility, TEK remains confident that with an eye to the medium term, there has never been a better time to be investing in the exciting technology space.*

*Many stock valuations are looking cheap, as evidenced by the flourish of M&A activity in the sector in recent weeks.*

*Our view is that the revolutionary power of disruptive technology to improve lives, create new and more efficient businesses, stimulate economies and generate wealth is only just beginning.*

*Underlining this view is my continued acquisition of TEK shares on-market through my private Thorney Investment Group.*

COMPANY NEWS

Presentation at TechOpps 2022 investment conference

Chairman Alex Waislitz was the keynote speaker at Automic Group’s TechOpps 2022 investment conference on Wednesday 2 November.

In his address, Mr Waislitz spoke about how the rush of M&A activity in the Australian tech sector is putting the country at risk of giving away its innovations too cheaply, and that a number of takeover bids from US firms demonstrated how undervalued some local tech companies looked from a global perspective.

To view the address, click [here](#).

INVESTMENT PHILOSOPHY

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

INVESTMENT OBJECTIVES

- Deploy investment capital into listed and unlisted technology companies
- Producing absolute returns for shareholders over the medium- to long-term

KEY CONTACTS

**Corporate**  
Craig Smith - Company Secretary  
E: [craig.smith@thorney.com.au](mailto:craig.smith@thorney.com.au)  
T: + 61 3 9921 7116

**Investors**  
Gabriella Hold - Automic  
E: [gabriella.hold@automicgroup.com.au](mailto:gabriella.hold@automicgroup.com.au)  
T: + 61 411 364 382

ABOUT THORNEY TECHNOLOGIES

Thorney Technologies Ltd (TEK) is an ASX-listed investment company (LIC), with a broad mandate to invest in technology-related investments at all phases of the investment lifecycle. As well, 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. High quality deal flow is generated via our networks established in Australia, Israel and USA for investment opportunities in both listed and unlisted entities.

TEK is managed by the privately owned Thorney Investment Group pursuant to a long-term investment management agreement.

You can invest in TEK by purchasing shares on the Australian Securities Exchange (ASX).

For more information visit: <https://thorney.com.au/thorney-technologies/>

This monthly report has been prepared by Thorney Management Services Pty Ltd (TMS) ABN 88 164 880 148, AFSL 444369. TMS is the investment manager of Thorney Technologies Ltd (TEK or Company) ACN 096 782 188. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of the Company's securities. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. References to securities in this publication are for illustrative purposes only and are not recommendations and the securities may or may not be currently held by the Company. Past performance is not indicative of future performance. This information is believed to be accurate at the time of compilation and is provided in good faith. No company in the Thorney Investment Group (Thorney Investment Group Australia Limited ABN 37 117 488 892 and its subsidiaries including TMS) nor the Company guarantees the performance of the Company or the return of an investor's capital.