

# INVESTMENT UPDATE AND NTA REPORT

## MARCH 2023



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

NTA Current Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
31-Mar-23	27.2 cents	33.0 cents

NTA Previous Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
28-Feb-23	30.8 cents	35.7 cents

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

### KEY ASX INFORMATION (AS AT 31 MARCH 2023)

ASX Code	TEK
Structure	Listed Investment Company
Inception Date	January 2017
Market Capitalisation	\$77.4 million
Share Price	18.2 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 Mar 2023	1 Month	1 Year	Since Inception
TEK investment portfolio	-7.57%	-24.93%	9.35%
S&P Small Ordinaries Accum. Index	-0.72%	-13.20%	6.59%
Performance versus Index	-6.85%	-11.73%	2.76%

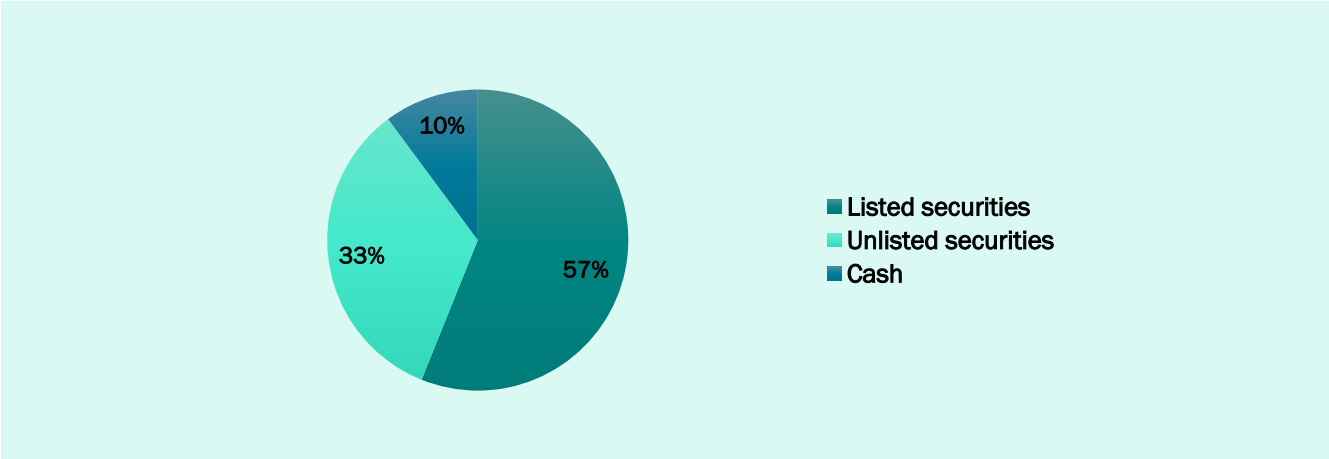
\* Investment performance is calculated on an after-tax NTA basis.

### TEK SECURITIES

LISTED SECURITIES				UNLISTED SECURITIES		
Rank	Company	Code	% of Total Portfolio	Rank	Company	% of Total Portfolio*
1	Calix	CXL.ASX	12.7	1	Updater Inc.	8.1
2	Avita Medical	AVH.ASX	5.1	2	Aglive Group	2.2
3	Iris Energy	IREN.NAS	2.9	3	Mosh	1.7
4	Imugene	IMU.ASX	2.8	4	360 Capital Fibreconx Trust	1.6
5	Credit Clear	CCR.ASX	2.3	5	Enlitic	1.5

\* TEK has raised a general provision of approximately \$7.0 million against the value of its unlisted portfolio. This general provision will be applied to specific portfolio positions over the coming period.

### ALLOCATION OF INVESTMENTS



## LISTED SECURITIES

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

### CREDIT CLEAR LIMITED

- Credit Clear Limited (CCR.ASX) has expanded further into the insurance sector via a two-year agreement with Insurance Australia Group Limited (IAG.ASX) - one of the largest general insurance companies in Australia and New Zealand - to deploy its purpose-built digital workflow for third-party motor insurance claims, enabling third parties to pay online.
- In addition, a state-based insurer has extended its contract with CCR's debt recovery business, ARMA Group, for two years, where ARMA provides third-party recoveries on its behalf. Based on this expanded insurance sector business, CCR expects insurance-related work to make a larger contribution to group revenue in FY2023 of approximately \$5.3 million, up 141% on insurance revenue in FY2022.
- CCR has continued its strong new business momentum into CY2023 with a total of \$2.4 million being signed in Expected Annual Revenue during January and February. The Company said that its progress in the insurance sector has been notable, and it anticipates adding further insurance clients with a particular focus on international insurance providers.
- More broadly, the Company's pipeline has strengthened late last year and into 2023, particularly among larger financial service providers (banks), local councils and essential services, where nearly three years of little to no collection activity due to moratoriums has seen average debt per account grow significantly.
- **Thorney View: With recent changes to the Board bedded down, we like CCR as it continues to disrupt the debt collections process with new technologies, a proposition confirmed by a strong pipeline of new customers.**

### IMUGENE LIMITED

- Imugene Limited (IMU.ASX) announced that the first patients were dosed in the intravenous (IV) and intratumoral (IT) cohorts of VAXINIA in combination with Pembrolizumab in its Phase 1 MAST (metastatic advanced solid tumours) study evaluating the safety of novel cancer-killing virus VAXINIA.
- The multicentre Phase 1 MAST trial commenced by delivering a low dose of VAXINIA to patients with metastatic or advanced solid tumours who have had at least two prior lines of standard of care treatment. Overall, the study aims to recruit up to 100 patients across approximately 10 trial sites in the United States and Australia.
- **Thorney view: VAXINIA represents a promising therapy for difficult to treat conditions and positions Imugene well for further value creation.**

### MICROBA LIFE SCIENCES LIMITED

- Microba Life Sciences Limited (MAP.ASX) announced it has received ethics approval for its planned first in human clinical trial of its novel drug candidate MAP 315 which is being developed for the treatment of Ulcerative Colitis, a form of Irritable Bowel Syndrome. The trial will be conducted at Nucleus Network in Melbourne as a Randomised, Double-Blind, Placebo-Controlled Study to evaluate the Safety, Tolerability and Pharmacokinetics of MAP 315 in healthy adults.
- MAP also announced agreements with SYNLAB International GmbH ("SYNLAB") (ETR: SYAB) affiliate organisations, Referans M-B Saglik Labopraturvar and SYNLAB czech s.r.o., to distribute Microba's testing technology into Turkey and the Czech Republic, respectively. SYNLAB is Europe's leading provider of laboratory diagnostic services.
- MAP said entry into Turkey and the Czech Republic represents another positive advancement in distribution with SYNLAB and further affiliate country agreements are anticipated to be completed in the near term to continue this expansion activity with the company.
- In 2020, Microba entered into a master agreement with SYNLAB International GmbH and an agreement with SYNLAB Diagnosticos Globales to deliver Microba's testing to Healthcare Providers in Spain, with an option to formalise distribution agreements across their affiliate organisations, which operate in 36 countries. The affiliate agreements for Turkey and the Czech Republic provides them with non-exclusive distribution rights out to 31 December 2028.
- **Thorney view: Microba's diversity of markets to distribute its Microbiome Testing Services combined with its data analysis for therapeutic candidates, presents multiple future opportunities.**

### LIFE 360 LIMITED

- Life 360 Limited (ASX.360) announced its largest ever annual growth in global monthly active users of 37% year-on-year (yoy) to almost 50 million with record net additions in both the US and international markets.
- Also as part of its CY2022 results, 360 announced that it finished the year with a 61% yoy uplift in December annualised monthly revenue (AMR) which had since accelerated to 64% in January with the full month benefit of the significant price increases implemented across its monthly U.S. iOS membership base in late 2022.
- The Company said it sees further upside with the rollout of US price increases for its existing monthly Android subscribers expected to take effect during the second quarter of CY2023. Looking forward to CY2023, 360 said it was very optimistic about its ability to continue to deepen its user engagement and reinforce its competitive position by ongoing investment to improve the core user experience
- **Thorney view: We are enthusiastic about the global scalability of 360's technology.**

UNLISTED INVESTMENTS

- TEK has maintained its prudent approach in assessing the carrying value of its unlisted portfolio investments.
- It is likely that certain unlisted companies in the TEK portfolio will be required to complete an equity funding round over the coming months, and, given the tightened capital market conditions for early-stage technology companies, it is conceivable that the valuations at which these funding rounds can be completed will be lower.
- TEK has taken a general provision equal to 15% of the current carrying value of its unlisted portfolio, or approximately A\$7.0 million.
- Updater Inc. is one TEK portfolio company example which is likely to require additional funding over the coming months. This funding is required to allow Updater Inc. to satisfy its contractual obligations with the US Department of Defence, a contract which is anticipated to commence delivering substantial revenue in FY2024.
- TEK will continue to closely monitor the capital requirements of its key unlisted portfolio investment positions.

CHAIRMAN'S COMMENTS

Alex Waislitz said: *“Technology stocks ended the month flat, however the outlook for the sector remains cautious pending the decisions by central banks regarding further interest rate rises.*

*More broadly, TEK remains confident that with an eye to the medium to long term and with potential adjustments in valuations, there has never been a more opportune time to be investing in the exciting technology space.*

*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.*

*We continue with our on-market share buyback, a further initiative aimed at narrowing the share price to NTA discount.*

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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

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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/>

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