

INVESTMENT UPDATE AND NTA REPORT

MAY 2023



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

NTA Current Month	Before Tax ¹	After Tax ¹
31-May-23	25.6 cents	31.8 cents

NTA Previous Month	Before Tax ¹	After Tax ¹
30-Apr-23	26.7 cents	32.6 cents

¹ Figures are unaudited and approximate.

KEY ASX INFORMATION (AS AT 31 MAY 2023)

ASX Code	TEK
Structure	Listed Investment Company
Inception Date	January 2017
Market Capitalisation	\$64.3 million
Share Price	15.25 cents
Shares on Issue	424,376,592
Management Fee	0.75% half yearly
Performance Fee	20% of net portfolio increase over pcp
Manager	Thorney Investment Group

INVESTMENT PERFORMANCE

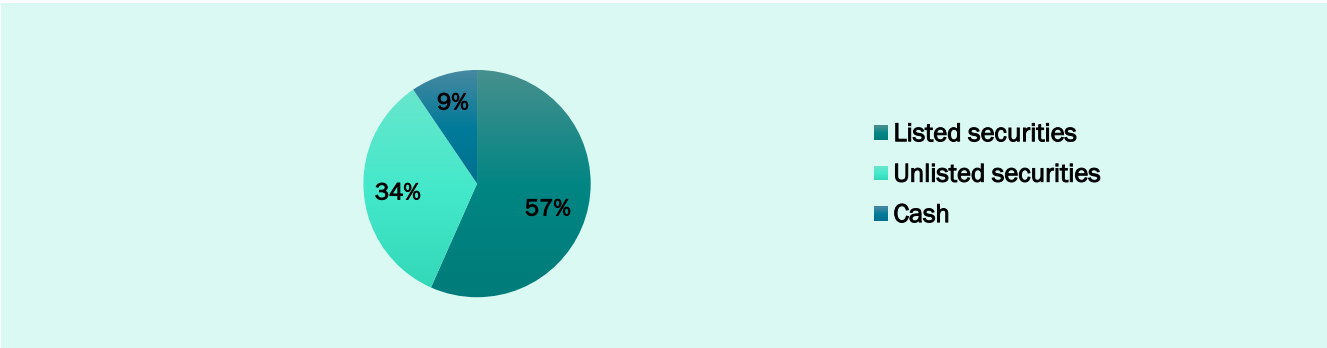
As at 31 May 2023	1 Month	1 Year	Since Inception
TEK investment portfolio	-2.49%	-19.68%	8.25%
S&P Small Ordinaries Accum. Index	-3.26%	-5.77%	6.30%
Performance versus Index	0.77%	-13.91%	1.95%

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

TEK LISTED SECURITIES

LISTED SECURITIES				UNLISTED SECURITIES		
Rank	Company	Code	% of Total Portfolio	Rank	Company	% of Total Portfolio
1	Calix	CXL.ASX	12.5	1	Aglive Group Ltd	2.41
2	Avita Medical	AVH.ASX	4.6	2	Mosh	1.87
3	Imugene	IMU.ASX	2.5	3	360 Capital Fibreconx Trust	1.76
4	Clarity Pharmaceuticals	CU6.ASX	2.5	4	Enlitic Inc.	1.63
5	DUG Technology	DUG.ASX	2.2	5	WSC Technologies	1.49

ALLOCATION OF INVESTMENTS



CASH BALANCE AND AVAILABLE FACILITIES

- Cash held short-term with the major banks \$10.1m
- Prime broker facilities available: undrawn as at 31 May 2023

LISTED SECURITIES

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

IMUGENE LIMITED

- Imugene Limited (IMU.ASX) received US Food and Drug Administration (FDA) Investigational New Drug (IND) clearance to initiate a Phase 1 clinical study of its oncolytic virotherapy candidate, onCARlytics (on-CAR-19, CF33-CD19, HOV4).
 - Oncolytic virotherapy uses viruses to infect and destroy cancer cells.
 - The FDA clearance of the IND allows IMU to start patient recruitment and dosing in a first-in-class Phase 1 clinical study for the onCARlytics platform in patients with solid tumours.
 - IMU said its CF33-CD19 oncolytic virus, when combined with the immunotherapy Blincyto®, has the potential to target and eradicate solid tumours that otherwise cannot be treated with Blincyto® therapy alone.
 - IMU said the start of the study was a significant milestone for clinicians treating patients faced with the challenge of solid tumour cancers, which to date have been untreatable with CD19-targeting biological drugs.
 - **Thorney view: We remain optimistic about IMU with several clinical trials underway. IMU is sufficiently well capitalised to fund these trials and pursue the delivery of shareholder value.**
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AVITA MEDICAL INC

- Avita Medial Inc (AVH.ASX) reported total revenue of US\$10.6 million for the March quarter 2023, a 40% increase on the March quarter 2022 and a gross profit margin of 84% compared to 76% in the previous corresponding period.
 - AVH expanded its field sales organisation from 30 to 69 during the quarter, towards its goal of 70, while its automated disaggregation device, RECELL GO™, maintains its FDA Breakthrough Device designation.
 - The Company also reaffirmed its full year guidance with commercial revenue, which excludes Biomedical Advanced Research and Development Authority (BARDA) revenue, expected to be in the range of US\$49 million to US\$51 million.
 - AVH CEO Jim Corbett said: “The onboarding and training of our expanded U.S. field sales organisation is underway, and we believe we will be fully prepared for the commercial launch of the soft tissue repair indication following expected FDA approval in June. Further, we are on track to submit our PMA supplement to the FDA for RECELL GO by the end of the second quarter. We believe RECELL GO is a critical component of our platform and has the potential to significantly accelerate our growth trajectory.”
 - As of March 31, 2023, AVH had US\$77.6 million in cash, cash equivalents, and marketable securities, with no debt.
 - On 8 June, the Company announced that the FDA has approved its PMA supplement for the use of its RECELL system.
 - **Thorney View: We remain positive about AVH and believe that it will achieve both revenue growth and a broadening of its product offerings going forward.**
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CLARITY PHARMACEUTICALS LIMITED

- Clarity Pharmaceuticals Limited (CU6.ASX) announced that its theranostic prostate cancer trial – SECuRE - advanced to cohort 2 following the completion of cohort 1.
- The SECuRE trial is evaluating the safety and efficacy of CU6’s theranostic Cu 64 SAR-bisPSMA therapy in prostate-specific membrane antigen (PSMA)-expressing metastatic castrate-resistant prostate cancer (mCRPC). The multi-centre, single arm, dose-escalation trial has cohort expansion involving up to 44 patients in the US.
- In the now-completed first cohort, six participants received a single administration of 4GBq Cu 64 SAR-bisPSMA, the lowest dose. The dose will be increased to 8GBq in cohort 2.
- On 13 June, the Company announced it had presented at the Jefferies Healthcare Conference in New York.
- **Thorney View: We view radiopharmaceuticals as an exciting and prospective space. CU6 has six products under IND for US clinical trials, and whilst commercialisation is three years away, the Company is well-capitalised to go on the journey.**

BRAINCHIP HOLDINGS LIMITED

- BrainChip Holdings Limited (BRN.ASX) announced the award of a new US patent.
- The patent, US 11,657,257, “Spiking Neural Network” was issued on 23 May 2023 at the US Patents and Trademarks Office.
- BRN considers the patent to be a valuable IP asset that will block competitors from adopting BRN-style learning on a neuromorphic chip or a system.
- The patent protects a learning function of BRN’s digital neuron circuit using positive (excitatory) and negative (inhibitory) synapses.
- BRN’s portfolio now comprises 16 issued patents. In addition, some 30 patent applications are pending in the US, Europe, Australia, Canada, Japan, Korea, India, Brazil, Russia, Mexico, and Israel.
- **Thorney view: We are enthusiastic about the global scalability and broad industry application of BRN’s technology.**

UPDATER INC

- In anticipation of a capital raising by Updater Inc., TEK had previously raised a general provision as at 31 March 2023 and again at 30 April 2023.
- As at 31 May 2023, TEK was sufficiently aware of the terms to form a view on the carrying value of its investment in Updater and applied a proportion of the general provision accordingly.
- TEK does not anticipate any further reduction in the carrying value of its investment in Updater.
- TEK shares the frustrations of fellow Updater shareholders regarding the limited communications from the Company.

CHAIRMAN’S COMMENTS

Alex Waislitz said: *“Technology stocks have continued to be under pressure given uncertainty over the macroeconomic outlook and signs that the RBA may continue to increase interest rates to curb inflation. We expect the sector and equities in general could continue to be volatile over the near to medium term. However, we maintain our view that with an eye to the longer term, the value contained within the TEK the portfolio will manifest.*

We continue to be disappointed by our share price discount to NTA and intend to be active with the on-market share buyback and other initiatives 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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