



THORNEY TECHNOLOGIES LTD

FY2023 Results

August 2023



ABOUT TEK

Thorney Technologies Ltd (TEK) has a broad mandate to invest in technology-related investments at all phases of the investment lifecycle.

TEK seeks to identify listed and unlisted 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 the USA for investment opportunities in both listed and unlisted entities.

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

INVESTMENT OBJECTIVES



01

Deploy investment capital
into listed and unlisted
technology companies



02

Producing absolute
returns for
shareholders over
the medium- to
long-term

FY2023 FINANCIAL RESULTS



Net loss after tax for the year	\$ (25.5)m	
NTA per share (before tax)	26.1 cents	Down 18% on FY2022
NTA per share (after tax)	30.7 cents	Down 16% on FY2022

PORTFOLIO INVESTMENTS AS AT 30 JUNE 2023



LISTED: TOP 5 INVESTMENTS

RANK	COMPANY	% OF PORTFOLIO
1	Calix Ltd	11.8
2	Avita Medical	6.6
3	Clarity Pharmaceuticals	2.2
4	Credit Clear	2.1
5	DUG Technology	2.1

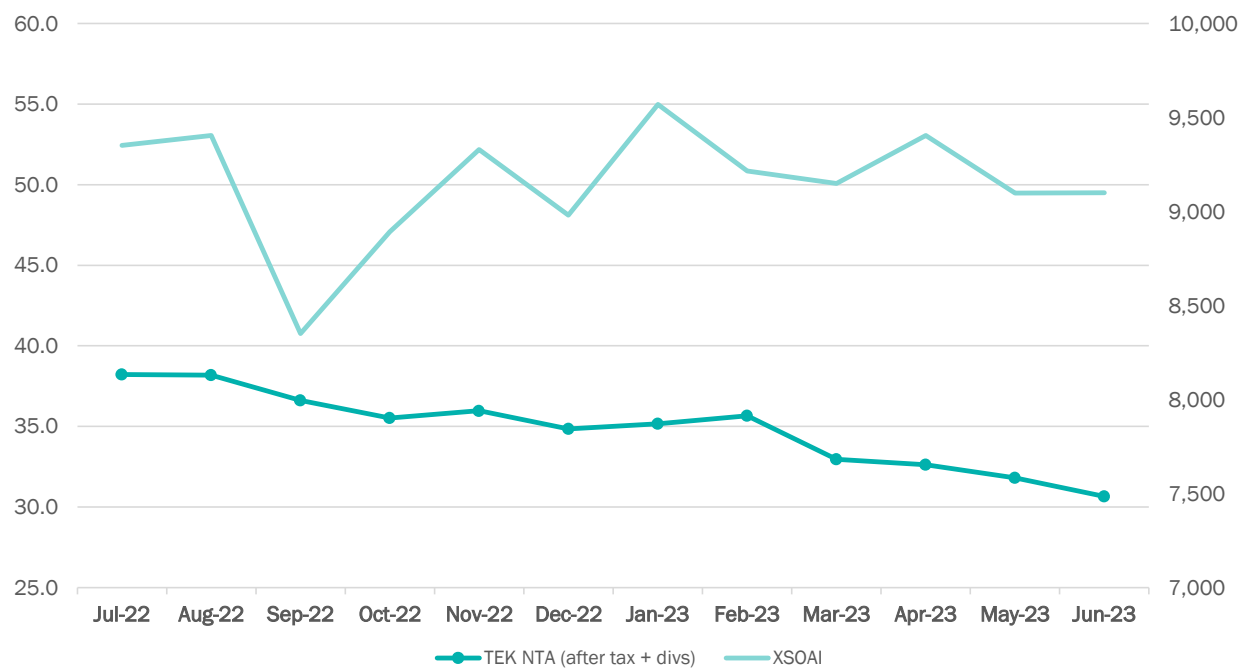
UNLISTED: TOP 5 INVESTMENTS

RANK	COMPANY	% OF PORTFOLIO
1	Updater Inc.	2.0
2	Mosh	1.8
3	360 Capital Fibreconx Trust	1.7
4	Enlitic	1.6
5	Finclear	1.5

MARKET PERFORMANCE



TEK NTA VS. S&P SMALL ORDINARIES ACCUM. INDEX 12 MONTHS TO 30 JUNE 2023



PORTFOLIO PERFORMANCE



Despite a fall over FY2023, the TEK investment portfolio has gained 7.3% since inception on an after-tax basis, outperforming the S&P Small Ordinaries Accumulation Index by 1.1%.

The decline in the NTA over the period was largely due to continued market volatility on inflationary concerns and interest rates rises both in Australia and the US, along with a valuation reset for small and midcap listed technology stocks.

In addition, unlisted technology companies, particularly those raising capital, faced significant downward revaluations.

PORTFOLIO SNAPSHOT (1/3)



Calix Ltd (CXL.ASX)

- CXL continued to accelerate the commercialisation of its environmental technologies in FY2023, securing a joint venture agreement with Pilbara Minerals Limited (PLS.ASX) for the development of a demonstration plant to produce lithium salts via an innovative “value added” refining process utilising CXL’s patented calcination technology.
- The Company also announced it was working with global materials company CEMEX towards the decarbonisation of the construction value chain and advanced plans for zero emissions shipping via its subsidiary, Leilac.
- We are optimistic about CXL’s position to deliver superior returns due to its quality and well-credentialled management team, solid agreement pipeline and promising technology.

PORTFOLIO SNAPSHOT (2/3)



Avita Medical inc (AVH.ASX)

- AVH achieved a number of milestones in FY2023 for its innovative spray-on skin cell repair device - the RECELL System - including FDA approval for its premarket approval (PMA) supplement for the use of RECELL to treat full-thickness skin defects and PMA approval to use RECELL for the treatment of vitiligo. Its pivotal trial using RECELL to treat soft tissue injuries has also shown statistically superior donor sparing and comparable healing rates.
- We believe AVH will achieve both revenue growth and a broadening of its product offering over the years ahead.

Clarity Pharmaceuticals Limited (CU6.ASX)

- CU6 reported significant clinical, preclinical and regulatory advances with its promising radiopharmaceutical products during the financial year.
- 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.

PORTFOLIO SNAPSHOT (3/3)



Credit Clear Ltd (CCR.ASX)

- CCR enjoyed a strong sales pipeline and several new client wins in FY2023 with the Company successful in winning several marquee clients across each of its industry sector verticals (Insurance, Commercial, Consumer and Government). CCR signed new contracts with Zurich Australian Insurance Limited and IAG Limited, marking its continued expansion in the insurance sector.
- In Q4, CCR signed a big four bank highlighting its growing position as provider of choice to Tier-1 companies in Australia.
- We believe CCR has a strong pipeline of new customers and sufficient capital backing which should enable it to execute on its strategic objectives.

DUG Technology (DUG.ASX)

- During FY2023, TEK invested in DUG, an Australian technology company that specialises in analytical software development and reliable, green, high-performance computing (HPC).
- DUG enjoyed strong sales and earnings momentum over the financial year. We are positive on DUG in the current environment.

OUTLOOK

We are encouraged by both the M&A activity in the sector and the recent bounce back by large-cap technology stocks which we believe will eventually flow through to the small-cap and mid-cap companies in the sector.

However, technology stocks continue to be under pressure given uncertainty over the macroeconomic outlook.

We maintain our view that in the mid to longer term, the intrinsic value contained within the TEK the portfolio will manifest.

We continue to be active with the on-market share buyback as one initiative to reduce the share price to NTA discount.

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