

# INVESTMENT UPDATE AND NTA REPORT

## OCTOBER 2023



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

NTA Current Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
31-Oct-23	22.3 cents	27.0 cents

NTA Previous Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
30-Sep-23	24.8 cents	29.8 cents

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

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

ASX Code	TEK
Structure	Listed Investment Company
Inception Date	January 2017
Market Capitalisation	\$53.1 million
Share Price	13.0 cents
Shares on Issue	408,249,253
Management Fee	0.75% half yearly
Performance Fee	20% of net portfolio increase over pcp
Manager	Thorney Investment Group

### INVESTMENT PERFORMANCE\*

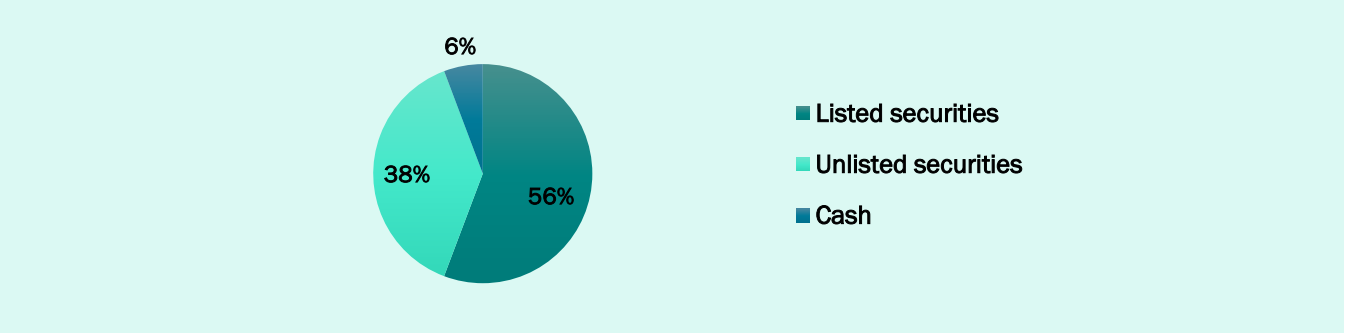
As at 31 October 2023	1 Month	1 Year	Since Inception
TEK investment portfolio	-9.89%	-27.34%	1.07%
S&P Small Ordinaries Accum. Index	-5.45%	-5.10%	4.42%
Performance versus Index	-4.44%	-22.24%	-3.35%

\*Investment performance is calculated on a before tax basis

### TEK SECURITIES

LISTED SECURITIES				UNLISTED SECURITIES		
Rank	Company	Code	% of Total Portfolio	Rank	Company	% of Total Portfolio
1	Calix	CXL.ASX	9.2	1	Updater	2.5
2	Clarity Pharmaceuticals	CU6.ASX	4.5	2	Splitit Payments	2.3
3	Avita Medical	AVH.ASX	4.4	3	Mosh	2.2
4	DUG Technology	DUG.ASX	3.5	4	360 Capital Fibreconx Trust	2.1
5	Credit Clear	CCR.ASX	3.0	5	WSC Technologies	1.8

### ALLOCATION OF INVESTMENTS



### CASH BALANCE AND AVAILABLE FACILITIES

- Cash held short-term with the major banks \$5.2 million
- Prime broker facilities available: undrawn as at 31 October 2023

## LISTED SECURITIES

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

### CALIX LIMITED

- Calix Limited (ASX.CXL) announced that its 93% owned subsidiary Leilac, has signed a binding and perpetual global licence agreement with California-based Direct Air Capture (DAC) company Heirloom Carbon Technologies (Heirloom). DAC technologies extract carbon dioxide (CO2) directly from the atmosphere.
- Under the agreement, Heirloom will use Leilac technology for CO2 removal by DAC.
- Both parties will work together exclusively for DAC applications and the Leilac technology will be used at all future Heirloom DAC facilities, subject to conditions and both parties achieving agreed milestones.
- Under the terms of the agreement, Leilac will receive a royalty based on the value of the CO2 captured with the technology. The royalty will have a floor price set at the greater of US\$3/tonne of CO2 separated in a Leilac kiln, or 3.5% of the prevailing CO2 price for lime decarbonisation. A variable royalty rate, based on the prevailing CO2 price or value less the amortised cost of capital of the Leilac kiln per tonne of CO2 separated, will apply when above the floor price.
- In addition, a collaboration agreement has been executed which includes a US\$3 million contribution by Heirloom towards mutually agreed upon DAC and lime-related research and development activities.
- Leilac will retain all intellectual property relevant to its technology.
- Heirloom, whose investors include the Bill Gates-backed Breakthrough Energy Ventures, uses lime as a low-cost solution to directly capture CO2 from the atmosphere. Heirloom has signed a long-term contract with Microsoft for the purchase of up to 315,000 metric tons of CO2 removal over a multi-year period, in one of the largest carbon dioxide removal deals to date.
- Heirloom is also a partner in Project Cypress, one of two projects notified for selection by the US Department of Energy for up to US\$1.2 billion provided through the Bipartisan Infrastructure Law's Regional DAC Hubs program.
- Carbon dioxide removal in the order of 1-10 billion tonnes per annum is expected to be needed to limit or return global warming to 1.5 °C, as committed to in the Paris Agreement
- **Thorney view: We are optimistic about CXL's position to deliver superior returns due to its robust management team, solid agreement pipeline and promising technology.**

### AVITA MEDICAL LIMITED

- On 19 October, Avita Medical Limited (ASX.AVH) announced the closing of a debt financing facility for up to \$90 million with healthcare investment firm, OrbiMed.
- Under the terms of the agreement, AVH borrowed \$40 million at close. In addition, an aggregate of an additional \$50 million is available in two tranches at the Company's option, based on the achievement of certain revenue thresholds. The Credit Agreement has a five-year term that matures in October 2028.
- AVH also issued OrbiMed a warrant to purchase 409,661 shares of the Company's common stock, with an exercise price of \$10.9847.
- AVH Chief Executive Officer Jim Corbett said: "This transaction provides us with the capital to execute strategic growth initiatives as we continue to transform our business. We believe this financing provides us with sufficient capital to meet our goals without the near-term need of equity financing and positions us to reach profitability during 2025."
- AVH also announced preliminary results for the third quarter ended September 30, 2023, with preliminary commercial revenue of \$13.5 million, a 50% increase compared to approximately \$9.0 million for the same period in 2022. Gross margin for the third quarter was approximately 84.5%.
- The Company maintained its guidance for full year 2023 commercial revenue in the range of \$51 to \$53 million.
- **Thorney view: We remain positive about AVH and confident that it will achieve a broadening of its product offerings going forward and revenue growth.**

### CLARITY PHARMACEUTICALS LIMITED

- Clarity Pharmaceutical Limited (ASX.CU6) announced the dosing of the first patient in its theranostic 64 Cu/ 67 Cu SAR-Bombesin Phase I/II trial in metastatic castrate resistant prostate cancer (mCRPC).
- The trial is a dose escalation and cohort expansion trial for up to 38 participants.
- The aim of the trial is to determine the safety and efficacy of 67 Cu SAR-Bombesin in participants with gastrin-releasing peptide receptors (GRPr) expressing mCRPC. GRPr is a specific receptor that can be overexpressed in prostate cancer and therefore present an attractive target for cancer diagnosis and therapy.
- **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.**

CREDIT CLEAR LIMITED

- Credit Clear Limited (CCR.ASX) announced record quarterly unaudited revenue of \$10.02 million for Q1 FY2024, up 12.2% quarter-on-quarter (qoq), marking the first quarter CCR has surpassed \$10 million in revenue and putting the Company on track to achieve its FY2024 revenue guidance.
- CCR also signed a record 114 new clients, up 52% qoq and continues to make sales progress with new tier-1 clients in banking, insurance, and utility providers.
- **Thorney view: CCR has a strong pipeline of new customers and sufficient capital backing which should enable it to execute on its strategic objectives.**

COMPANY NEWS

TEK Investment Forum

TEK will hold an Investment Forum which will take place after the completion of the TEK Annual General Meeting being held virtually on 14 November 2023.

At the forum, Alex Waislitz will be conducting a fireside chat with the following senior executives of TEK portfolio companies:

- Dr. Phil Hodgson, Managing Director and CEO, Calix Limited
- Gabriel Baker, Co-founder, Mosh

We are looking forward to hosting this event again after many years and we hope you are able to attend.

**Date:** Tuesday, 14 November 2023

**Location:** Online – access via this link: <https://meetnow.global/MDGNCWX>

**Note:** Once you have clicked on the above link please register as a shareholder or guest

**Time:** 11:45am AEDT (approximate start)

CHAIRMAN'S COMMENTS

Alex Waislitz said: *“Technology stocks remain under pressure with the ongoing uncertainty in markets due to the macroeconomic outlook and challenging geopolitical times. Despite this, TEK remains optimistic about the outlook for the technology sector with cheaper valuations presenting a good buying opportunity. We are positive on the diverse exposure contained in the portfolio and believe both our listed and unlisted positions have great potential to deliver value once equity markets start to recover. We continue to be active with the on-market share buyback, one initiative designed to reduce the share price to NTA discount.*



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 Markets  
 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/>

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