

# INVESTMENT UPDATE AND NTA REPORT

## FEBRUARY 2024



### PORTFOLIO SNAPSHOT: NET TANGIBLE ASSET BACKING PER SHARE (NTA<sup>1</sup>)

NTA Current Month	Before Tax <sup>1</sup>	After Tax <sup>2</sup>
29-Feb-24	24.5 cents	29.2 cents

NTA Previous Month	Before Tax <sup>1</sup>	After Tax <sup>2</sup>
31-Jan-24	23.4 cents	28.1 cents

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

<sup>2</sup> After Tax NTA includes the effect of a deferred tax asset.

### KEY ASX INFORMATION (AS AT 29 FEBRUARY 2024)

ASX Code	TEK
Structure	Listed Investment Company
Inception Date	January 2017
Market Capitalisation	\$64.6 million
Share Price	16 cents
Shares on Issue	403,501,197
Management Fee	0.75% half yearly
Performance Fee	20% of net portfolio increase over pcp, high watermark
Manager	Thorney Investment Group

### INVESTMENT PERFORMANCE\*

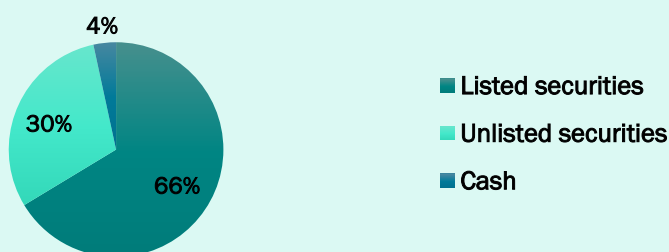
As at 29 February 2024	1 Month	Since Inception
TEK investment portfolio	4.51%	2.47%
S&P Small Ordinaries Accum. Index	1.72%	7.45%
Performance versus Index	2.79%	-4.98%

\*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	Clarity Pharmaceuticals	CU6.ASX	9.7	1	Splitit Payments	2.2
2	Avita Medical	AVH.ASX	7.5	2	Mosh	2.0
3	Calix	CXL.ASX	6.5	3	360 Capital Fibreconx Trust	1.9
4	Credit Clear	CCR.ASX	4.4	4	Updater	1.6
5	Dug Technology	DUG.ASX	3.9	5	WSC Sports	1.6

### ALLOCATION OF INVESTMENTS



### CASH BALANCE AND AVAILABLE FACILITIES

- Cash held short-term with the major banks \$3.4 million
- Prime broker facilities available: undrawn as at 29 February 2024

## LISTED SECURITIES

### CALIX LIMITED

- Calix Limited (ASX.CXL) reported a 28% increase in total revenue and other income to \$16.3 million in 1H FY2024 (1H FY2023: \$12.7 million).
  - Revenues from sales and services increased by 42% to \$12.2 million (1H FY2023: \$8.6 million), while gross profit increased by 126% to \$5.9 million (1H FY2023: \$2.6 million).
  - CXL said growth was driven by continuing revenue and margin contribution from its Water line of business, and a new revenue stream associated with performing engineering services in support of its customers in Leilac, CXL's subsidiary focused on cement and lime decarbonisation.
  - Just post the end of the half, CXL announced that the Leilac-2 (Low Emissions Intensity Lime And Cement) project will move to another Heidelberg Materials' site.
  - CXL's Managing Director and CEO, Phil Hodgson said: "CXL's strong revenue and margin growth was driven by a combination of continued growth in our water business and new income streams through Leilac, our cement and lime decarbonisation subsidiary, as well as value created through our joint venture with Pilbara Minerals. It is pleasing to see the diversification of our revenue streams and the benefits of commercialising our platform technology across multiple applications."
  - "The second half of FY2024 is off to a fast start. Our dedicated team continue to focus on our priority projects, including beginning construction of our demonstration plant with Pilbara Minerals, preparing for construction of Leilac-2 while identifying a new site with Heidelberg Materials, and progressing our ZESTY demonstration plant towards a Final Investment Decision."
  - **Thorney view: CXL is an environmental company with a platform technology that tackles global challenges faced today in industrial decarbonisation and sustainability including CO2 mitigation, sustainable processing, batteries, biotechnology and water treatment. We believe in the technology and are supportive of CXL in its pursuit of these globally applicable solutions.**
- 

### CLARITY PHARMACEUTICALS LIMITED

- Clarity Pharmaceuticals Limited (ASX.CU6) announced positive initial data from its Phase 1/2 64 Cu-SAR-bisPSMA trial, COBRA, in patients with biochemical recurrence (BCR) of prostate cancer (PC).
  - Initial data from the trial confirmed 64 Cu-SAR-bisPSMA is safe and highly effective in detecting PC lesions in patients with BCR.
  - The data also confirmed the unique benefit of 64 Cu-SAR-bisPSMA for next-day imaging in this patient population, with more lesions and more patients with a positive scan identified via the next-day scan.
  - In trial participants where standard of care (SOC) imaging was unable to detect any lesions, up to approximately 60% had lesions identified by same-day 64 Cu-SAR-bisPSMA imaging and up to 80% on next-day imaging, with high specificity on both days.
  - The number of lesions identified by 64 Cu-SAR-bisPSMA on next-day imaging almost doubled compared to same-day imaging (increasing from up to 80 on Day 0 to up to 153 lesions on Day 1).
  - Clinicians reported they would change their treatment plan in approximately 50% of patients due to 64 Cu-SAR-bisPSMA scans, signaling a potential material improvement in patient care.
  - **Thorney view: CU6 is actively progressing eight clinical trials, with a 1st phase iii diagnostic trial commencing. We view radiopharmaceuticals as an exciting and prospective space.**
- 

### AVITA MEDICAL LIMITED

- Avita Medical Limited (ASX.AVH) announced financial results for the fourth quarter and full-year ended December 31, 2023.
- In full-year 2023, commercial revenue increased approximately 46% to \$49.8 million compared to the same period in 2022, with a gross profit margin of 84.5%.
- As of December 31, 2023, AVH had approximately \$89.1 million in cash, cash equivalents and marketable securities.
- In 4Q 2023, commercial revenue increased approximately 50% to \$14.1 million compared to the same period in 2022 and the gross profit margin was 87.3%.
- AVH Chief Executive Officer Jim Corbett said: "We ended the year with yet another quarter of significant growth, marking a year of extraordinary progress. In 2023, we successfully executed a series of strategic initiatives to transform our business. These initiatives included expanding our RECELL indications and applications, doubling our commercial field organisation ahead of FDA approvals, successfully launching our expanded label for full-thickness skin defects, and establishing an international expansion plan. Looking ahead to 2024, we are eager to capitalise on this momentum, and remain committed to innovation and sustained growth."
- AVH said commercial revenue for 1Q 2024 is expected to be in the range of \$14.8 to \$15.6 million, reflecting growth of approximately 42% to approximately 50% over the same period in the prior year.
- Commercial revenue for the full-year 2024 is expected to be in the range of \$78.5 to \$84.5 million, reflecting growth of approximately 57% to approximately 69% over the full-year 2023.
- AVH expects to achieve cashflow break even and GAAP profitability no later than the third quarter of 2025.
- **Thorney view: AVH is well capitalised, and we remain confident that it will achieve a broadening of its product offering (FDA approval for their automated product, RECELL Go, by the end of May and commercial launch by 31 May 2024), revenue growth and cash flow breakeven, guided for Q3 CY2025.**

## IMUGENE LIMITED

- Imugene Limited (ASX.IMU) announced that it had dosed the first patient in the intravenous monotherapy arm of its OASIS trial.
  - The first patient with bile tract cancer was dosed at City of Hope in California.
  - OASIS is world-first in combining IMU's CD19-expressing oncolytic virus onCARlytics with a CD19 targeting drug.
  - onCARlytics is a CD19-expressing oncolytic virus that enters tumour cells and forces them to express the CD19 protein on the cell surface, presenting a target for CD19 targeting therapies. CD19 is a biomarker for some cancers.
  - The trial is targeting adult patients with advanced or metastatic solid tumours and aims to evaluate the safety and efficacy of two routes of administration, intratumoural (IT) injection and intravenous (IV) infusion, either alone, or in combination with the immunotherapy blinatumomab (Blincyto).
  - The trial is expected to recruit 52 patients with advanced or metastatic solid tumours and expansion is planned to multiple sites across the US.
  - **Thorney view: We remain optimistic about the outlook for IMU with several clinical trials underway. IMU is currently well capitalised to fund these trials and pursue the delivery of shareholder value.**
- 

## CREDIT CLEAR LIMITED

- Credit Clear Limited (ASX.CCR) upgraded its FY2024 guidance following a strong 1H FY2024 result.
  - The Company said it has tracked ahead of its FY2024 guidance in the first half, and consequently, the full year guidance was upgraded as follows:
    - FY24 revenue guidance up from \$39 million - \$41 million to \$40 million - \$42 million, and
    - FY24 Underlying EBITDA guidance up from \$1 million - \$2 million to in excess of \$3 million
  - CCR reported a 15% increase in revenue to \$20.0 million for 1H FY2024 driven by increasing revenues from both existing and new clients. New clients signed during the period continued to remain strong.
  - EBITDA was a profit of \$0.974 million vs a loss of \$4.384 million in 1H FY2023 while the net loss after tax was \$2.1 million.
  - CCR said it continues to focus on developing digital collections technology to enhance the customer experience and optimise receivables management in combination with providing traditional collection services to its clients, with this hybrid approach of digital and traditional has proven to achieve better results for its clients.
  - CCR said that this was also driving new client acquisitions which continued to be successful during the period.
  - **Thorney view: CCR has a strong pipeline of new customers and sufficient capital backing which should enable it to execute on its strategic objectives.**
- 

## LIFE360 (ASX:360)

- Life360's reported adjusted EBITDA for FY2023 of \$US20.6 million ahead of guidance of \$US12 million to \$US16 million.
- The Company's net loss for the full year narrowed to \$US28.2 million from \$US91.6 million a year earlier while revenue increased 33 per cent to \$US305 million.
- Life360, which offers both a free and paid version of its family social networking app, also announced plans to launch a new advertising revenue stream in 2024, which will let advertisers reach 20 million daily active users.
- Life360 co-founder and chief executive officer Chris Hulls said: "We made meaningful progress on our path to profitability as we significantly reduced our net loss and achieved a major milestone by delivering our first full year of positive adjusted EBITDA and operating cash flow. We are excited to continue building on our leading global position in location sharing and see exciting opportunities in CY2024 and beyond to broaden our reach and deepen engagement with our members."
- For 2024, Life360 is guiding for consolidated revenue of \$US365 to \$US375 million, an adjusted EBITDA of \$US30 million to \$US35 million, and an NPAT loss of \$US8 million.
- **Thorney view: Life360 continues to perform ahead of guidance which boosts our confidence in the company achieving its goal of profitability. The inclusion of advertising revenue is potentially a highly lucrative new revenue stream.**

## CHAIRMAN'S COMMENTS

Alex Waislitz said: *"We remain optimistic on the outlook for small cap technology stocks in 2024 given increasing expectations of an equity market recovery as well as signs of increased M&A activity.*

*Our belief remains that there has never been a better time to invest in the exciting and disruptive technology sector with the heavy sell off in the sector over the past 12-18 months presenting very attractive buying opportunities. We believe the technology revolution is still in a relatively early phase, and we are committed to remain involved.*

*At the Company's AGM, I announced the proposed introduction of a high watermark for TEK, commencing 1 January 2024, an additional initiative to address the share price to NTA discount. We also continue to be active with our on-market share buyback.*



## 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/>

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.