

INVESTMENT UPDATE AND NTA REPORT AUGUST 2022



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

NTA Current Month	Before Tax ¹	After Tax ¹
31-Aug-22	34.3 cents	38.2 cents
NTA Previous Month	Before Tax ¹	After Tax ¹
31-Jul-22	34.3 cents	38.2 cents

¹ Figures are unaudited and approximate.

KEY ASX INFORMATION (AS AT 31 AUGUST 2022)

ASX Code	TEK
Structure	Listed Investment Company
Inception Date	January 2017
Market Capitalisation	\$93.5 million
Share Price	22.0 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

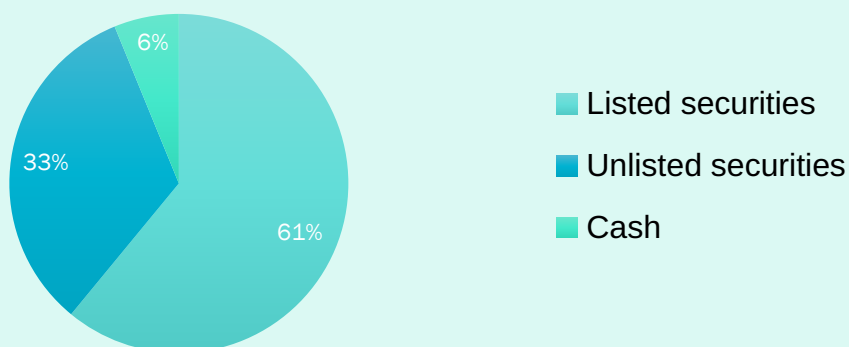
INVESTMENT PERFORMANCE

As at 31 Aug 2022	1 Month	1 Year	Since Inception
TEK investment portfolio	0%	-31.07%	11.42%
S&P Small Ordinaries Accum. Index	0.58%	-14.66%	7.96%
Performance versus Index	-0.58%	-16.41%	3.46%

* Investment performance is calculated on a pre-tax NTA basis.

TEK SECURITIES

LISTED SECURITIES				UNLISTED SECURITIES		
Rank	Company	Code	% of Total Portfolio	Rank	Company	% of Total Portfolio
1	Calix	CXL.ASX	14.2	1	Updater Inc.	6.5
2	Imugene	IMU.ASX	4.6	2	360 Capital Fibreconx Trust	1.3
3	Iris Energy	IREN.NAS	3.1	3	Enlitic Inc.	1.1
4	Nitro Software	NTO.ASX	2.9	4	Mosh	1.1
5	Credit Clear	CCR.ASX	2.7	5	WSC Sports	1.1





PORTFOLIO COMMENTARY

“TEK's NTA was steady in August despite Australian equity markets remaining under pressure as macroeconomic and geopolitical concerns overshadowed an earnings season which showed the Australian economy and local companies are holding up well.”

LISTED SECURITIES

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

CALIX LIMITED

- Calix Limited (CXL.ASX) reported a strong balance sheet and cash position of \$25.0 million for FY2022, supporting the Company's continued investment in accelerating commercialisation of its technologies.
- The balance sheet was strengthened through the sale of a 7% stake in CXL's carbon capture technology company, LEILAC Group, which demonstrated the underlying value in CXL's assets and technology.
- CXL is developing multiple environmental business opportunities and looking to fast-track commercialisation and value-add through joint ventures/licensing and spin-out strategies.
- It currently has 28 patent families covering core technology and applications, with more than \$120 million having been invested to date in developing the technology.
- CXL said FY2022 was a significant year for the development of the business, with its first “spin-out” investment in its CO2 business a stand-out deal and advancement on multiple fronts in other applications.
- It added that despite global inflation and conflict, the interest in technological solutions to environmental pressures continues to rise, and it was extremely well-placed to capitalise on its technology solutions.
- CXL's priorities in FY2023 are to continue its acceleration, especially in its decarbonisation project.

NITRO SOFTWARE LIMITED

- Nitro Software Limited (NTO.ASX) rejected an unsolicited, highly conditional and non-binding indicative proposal from private equity firm Potentia Consortium received on August 30.
- The bid to acquire 100% of NTO's issued share capital at \$1.58 cash per NTO share was subject to several conditions, including satisfactory completion of due diligence over a minimum 6-week timeframe, onerous exclusivity requirements, Nitro Board approval and entry into transaction documentation subject to a range of conditions.
- Potentia Consortium has a combined relevant and economic interest in more than 41.4m NTO shares, which represents 17.0% of NTO's issued share capital.
- The NTO Board said the bid significantly undervalues the Company, is highly opportunistic and does not adequately compensate shareholders for NTO's position as one of only two software companies worldwide with a proven enterprise-grade SaaS PDF productivity and eSigning platform, and a uniquely powerful and differentiated solution offering in a fast-growing global market worth US\$28 billion
- NTO said the Board remains committed to maximising shareholder value and is willing to engage with the Potentia Consortium or other qualified third parties in relation to proposals that more appropriately compensate shareholders and reflect the fundamental value of NTO on a control basis.

CREDIT CLEAR LIMITED

- Credit Clear Limited (CCR.ASX) released a July sales update, with the Company signing 35 new clients in the month, which the Company anticipates will add \$1.17 million in expected revenue over the next 12 months.
- Total expected additional annual revenue from new clients signed in 2022 CYTD was \$10.35 million.
- CCR also said of note in July was the addition of significant commercial clients (where the debt is owed by a company), which is an area of strategic growth for the Company.
- New commercial client wins contributed \$772,000 in July to expected revenue over the next 12 months.
- CCR is also continuing its Board review and renewal process as part of its longer-term strategic planning. The Board is in discussions with potential candidates and expects to make further announcements in the near term.

ZIP CO LIMITED

- Zip Co Limited (ZIP.ASX) announced record group revenue of \$620.0 million for FY2022 (up 57% year-on-year), record transaction volume (TTV) of \$8.7 billion (up 51% yoy) and record transaction numbers of 74.3m (up 80% yoy).
- ZIP's customer numbers increased to 11.4 million (up 56% yoy) while merchant numbers increased to 90.7k (up 77% yoy).
- ZIP's Australian operations delivered a record \$28 million cash EBITDA (up 250% yoy), demonstrating the profitability of strong unit economics and Zip's unique model as the business continues to scale
- ZIP said it remains well funded for growth, with debt funding capacity of \$397 million in Australia and US\$183 million in the US.

UNLISTED SECURITIES

• UPDATER INC.

- TEK's largest unlisted holding Updater Inc. announced it was named *2022 PropTech Innovation of the Year* at the PropTech Breakthrough Awards in the US and won from a global field of more than 1500 entrants.
 - The award recognises companies that display unmatched innovation, address a genuine need, solve a complex problem, and seize an opportunity to create a new market.
 - Updater is a leading software solutions partner to many stakeholders in the PropTech industry, including property management companies, real estate brokerages, real estate agents, lease management companies, closing platforms, home improvement providers, and homeowner and renter insurance providers.
 - The win also comes a year of heavy investment by the Company in its Updater Pro platform - an innovative, solution for property management companies to streamline and simplify move-in and resident onboarding processes.
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CHAIRMAN'S COMMENTS

Alex Waislitz said: *"Despite continued pressure on technology stock valuations, I maintain my belief that there has never been a better time to be investing in the exciting technology space.*

Our view is that disruptive technology has the power to improve lives, create new global businesses, stimulate economies and generate wealth and this is only just beginning. This is why I have continued to acquire TEK shares on-market through my private Thorney Investment Group.

The TEK investment team also continually monitors the progress of all companies in the TEK portfolio and, in the case of unlisted positions, takes a risk adjusted approach to valuations.

This approach has stood us in good stead to weather the current "choppy" market and we intend to remain prudent going forward.



COMPANY NEWS

FY22 Result

TEK released its Appendix 4E and 2022 Annual Report on 1 September 2022.

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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