

# INVESTMENT UPDATE AND NTA REPORT SEPTEMBER 2022



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

| NTA Current Month  | Before Tax <sup>1</sup> | After Tax <sup>1</sup> |
|--------------------|-------------------------|------------------------|
| 30-Sep-22          | 32.2 cents              | 36.6 cents             |
| NTA Previous Month | Before Tax <sup>1</sup> | After Tax <sup>1</sup> |
| 31-Aug-22          | 34.3 cents              | 38.2 cents             |

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

## KEY ASX INFORMATION (AS AT 30 SEPTEMBER 2022)

|                       |  |
|-----------------------|--|
| ASX Code              | TEK                                    |
| Structure             | Listed Investment Company              |
| Inception Date        | January 2017                           |
| Market Capitalisation | \$97.8 million                         |
| Share Price           | 23.0 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

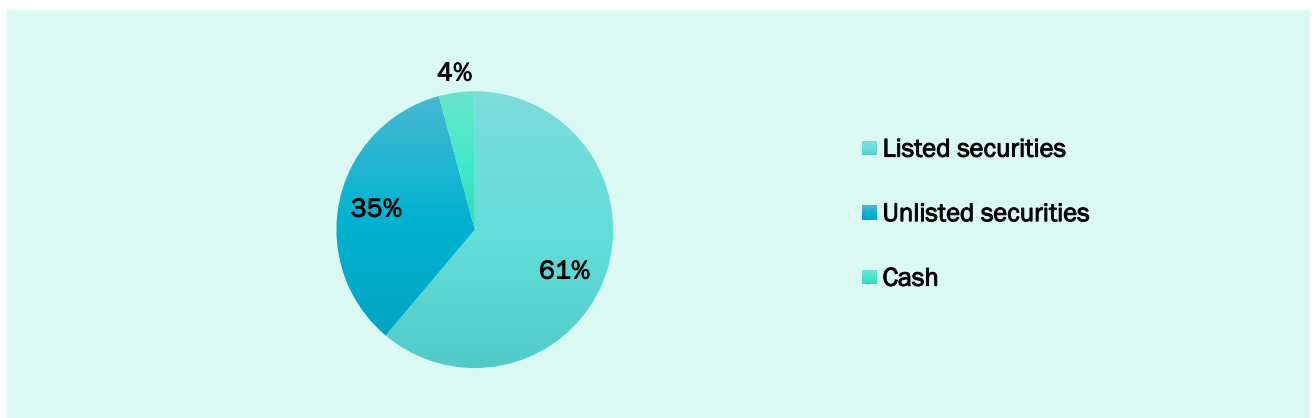
| As at 30 Sep 2022                 | 1 Month | 1 Year  | Since Inception |
|-----------------------------------|---------|---------|-----------------|
| TEK investment portfolio          | -6.10%  | -37.90% | 9.51%           |
| S&P Small Ordinaries Accum. Index | -11.20% | -22.56% | 5.02%           |
| Performance versus Index          | 5.10%   | -15.34% | 4.49%           |

\* 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  | 13.3                 | 1                   | Updater Inc.                | 7.4                  |
| 2                 | Nitro Software | NTO.ASX  | 3.6                  | 2                   | 360 Capital Fibreconx Trust | 1.4                  |
| 3                 | Iris Energy    | IREN.NAS | 3.6                  | 3                   | Enlitic Inc.                | 1.2                  |
| 4                 | Imugene        | IMU.ASX  | 3.2                  | 4                   | WSC Sports                  | 1.2                  |
| 5                 | Credit Clear   | CCR.ASX  | 3.1                  | 5                   | FinClear Holdings           | 1.2                  |

## ALLOCATION OF INVESTMENTS





## PORTFOLIO COMMENTARY

“TEK’s NTA was lower in September as Australian equity markets continued to decline as interest rate rises and global recession concerns rattled investors.”

## LISTED SECURITIES

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

### IMUGENE LIMITED

- Imugene Limited (IMU.ASX) announced an \$80 million Placement at 20 cents per share with the Placement being subscribed by two leading institutional investors with significant healthcare and biotechnology expertise.
- IMU said the funds raised – in addition to IMU’s existing cash position – will provide an extended runway for its deep pipeline of clinical programmes. It said partnering and licensing opportunities and R&D rebates have the potential to extend the runway further.
- Placement participants will receive 1 free option for every 2 shares received in the offer – the options are unlisted with an exercise price of \$0.33 and expiration of 31 March 2026.
- IMU also announced that the first patient was dosed as part of the intravenous (IV) cohort 1 in its Phase 1 MAST (metastatic advanced solid tumours) study evaluating the safety of its novel cancer-killing virus VAXINIA.
- The dosing follows an announcement earlier in September that the intratumoral (IT) cohort 1 in the trial had cleared, paving the way for both cohort 2 of IT administration and cohort 1 of IV administration.
- In addition, the Australian Government’s Office of the Gene Technology Regulator (OGTR) has granted IMU the DIR licence required to expand its VAXINIA Phase 1 clinical trial within Australia.
- IMU’s multicentre Phase 1 trial commenced in May 2022 at US sites, delivering a low dose of VAXINIA to patients with metastatic or advanced solid tumours who have had at least two prior lines of standard of care treatment. Overall, the study aims to recruit 100 patients across approximately 10 clinical trial sites in the United States and Australia.

### CREDIT CLEAR LIMITED

- Credit Clear Limited (CCR.ASX) achieved a new monthly revenue record of \$3.28 million in August, with strong contributions to growth coming from large new clients onboarded in the past few months as well as growing debt referrals from existing clients.
- CCR’s revenue run-rate is now \$39.4 million and the Company has achieved four consecutive months of operational profitability.\*
- CCR also achieved a record for payments collected via the digital platform in August, surpassing \$5 million collected in a month for the first time for a total of \$5.64 million. August was the fourth consecutive month of record digital payments with May, June and July also posting records.
- CCR also said that it signed 38 new clients in August that are collectively expected to add \$418,000 in revenue to the business over the next 12 months.
- CCR significantly expanded its insurance client base in September, signing four contracts with new and existing clients. Revenue from insurance clients is expected to grow 150% this year.

\*Operational profit excludes non-operational items. Revenue run rate is annualised based on August actual revenue.

### FELIX GROUP HOLDINGS LIMITED

- Felix Group Holdings Limited (FLX.ASX) achieved a significant milestone, with a three-year contract renewal with Australia’s largest construction company, CIMIC Group.
- CIMIC is FLX’s largest customer by revenue. The contract extension has a licensing fee of \$494,000 per annum, representing 11% of Felix’s June 2022 Group ARR of \$4.7 million and is a significant increase relative to the first year of the original CIMIC contract of \$280,000 per annum.
- Under the contract renewal, CIMIC will continue to license Felix’s Vendor Management, Procurement Schedule and Sourcing modules, allowing CIMIC to digitise and streamline critical procurement-related processes such as vendor onboarding, supplier registration, compliance and supplier-response evaluation.

### NEXT SCIENCE LIMITED

- Next Science Limited (NXS.ASX) announced that Health Canada has given licensing approval for XPERIENCE™ to be sold in Canada, effective immediately.
- XPERIENCE™ is Next Science’s advanced irrigation product, designed for use in cleansing and removal of debris from wounds and is the first product of its kind that is left in the wound as it does not require rinsing.
- The licensing approval allows Next Science to sell XPERIENCE™ throughout Canada and the Company is working on plans to launch in the Canadian market during H2 2022.
- NXS will build a sales agent distribution network and will commence a major randomised control study which will compare XPERIENCE™ against the current standard of care and the rate of post operative infections.

## UNLISTED SECURITIES

### • UPDATER INC.

- Updater Inc. released a 1H2022 financial and operational update, announcing record revenue of US\$63 million for the half, a 53% increase over the previous corresponding period of US\$41 million. Revenues for the trailing 12-month period were US\$128 million versus US\$106 million in the pcp.
- Updater also announced that its wholly-owned subsidiary, Dolly – a best-in-class big/bulky goods transportation service – signed a significant new partnership with a major e-commerce platform to power big and bulky local deliveries for the platform.
- For the next six months, the Dolly product and engineering teams will focus on developing its first set of APIs to power the new partnership. Once complete, the APIs will also be leveraged to expand into additional retail opportunities.
- Updater said it believes the partnership could generate meaningful new revenue in FY2023.
- The Company also restructured its team to refocus investments on three core growth initiatives/new products which are scheduled to launch in 2023, which will result in a significant reduction in cash burn in the months ahead:
  - the development of HomeSafe Connect – a new product for its Global Household Goods contract with HomeSafe Alliance\*, a move management provider for US military personnel and Department of Defense civilians;
  - Deploying Updater | Pro Onboarding – a new product designed to transform how apartment communities collect move-in information from residents; and
  - developing Dolly APIs to implement the new strategic partnership
- As at 30 June 2022, Updated has US\$61 million in unrestricted cash and is sufficiently funded to achieve profitability.

\*HomeSafe was awarded the contract in Nov 2021. In late March 2022, the losing bidders filed a complaint with the U.S. Court of Federal Claims contesting the award of the GHC. As of today, the Federal Claims process is still underway.

## CHAIRMAN'S COMMENTS

Alex Waislitz said: *“As global equity markets continue to be gripped by fears of recession and further interest rate rises, technology stocks have continued to underperform despite some strong financial performances and solid newsflow in the sector.*

*We were disappointed by Dubber Corporation's Limited's (DUB.ASX) disclosure of an \$18.5 million hole in its balance sheet in early October, but we continue to be supportive of the Company's ambitions.*

*We remain confident on both a longer-term macroeconomic and stock specific view. We maintain our belief that it is a good time to be investing in the exciting technology space, given technology can stimulate economies, generate wealth and improve lives. Underlining my belief is my continued acquisition of TEK shares on-market through my private Thorney Investment Group.*



## 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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