

# INVESTMENT UPDATE AND NTA REPORT JUNE 2023



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

NTA Current Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
30-June-23	26.0 cents	32.2 cents
NTA Previous Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
31-May-23	25.6 cents	31.8 cents

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

## KEY ASX INFORMATION (AS AT 30 JUNE 2023)

<b>ASX Code</b>	TEK
<b>Structure</b>	Listed Investment Company
<b>Inception Date</b>	January 2017
<b>Market Capitalisation</b>	\$73.2 million
<b>Share Price</b>	17.5 cents
<b>Shares on Issue</b>	418,095,951
<b>Management Fee</b>	0.75% half yearly
<b>Performance Fee</b>	20% of net portfolio increase over pcp
<b>Manager</b>	Thorney Investment Group

## INVESTMENT PERFORMANCE

As at 30 June 2023	1 Month		1 Year		Since Inception	
	Before Tax	After Tax	Before Tax	After Tax	Before Tax	After Tax
TEK investment portfolio	1.59%	1.33%	-19.01%	-11.70%	3.85%	8.45%
S&P Small Ordinaries Accum. Index	-2.16%	-2.16%	6.07%	6.07%	5.75%	5.75%
Performance versus Index	3.75%	3.49%	-25.08%	-17.77%	-1.90%	2.70%

## TEK SECURITIES

LISTED SECURITIES				UNLISTED SECURITIES		
Rank	Company	Code	% of Total Portfolio	Rank	Company	% of Total Portfolio
1	Calix	CXL.ASX	11.8	1	Updater	2.0
2	Avita Medical	AVH.ASX	6.5	2	Mosh	1.8
3	Clarity Pharmaceuticals	CU6.ASX	2.2	3	360 Capital Fibreconx Trust	1.7
4	Credit Clear	CCR.ASX	2.1	4	Enlitic Inc.	1.6
5	DUG Technology	DUG.ASX	2.1	5	Finclear	1.5

## ALLOCATION OF INVESTMENTS



## CASH BALANCE AND AVAILABLE FACILITIES

- Cash held short-term with the major banks \$12.8 million
- Prime broker facilities available: undrawn as at 30 June 2023

## OVERVIEW

During the past 12 months small and midcap publicly listed technology stocks were impacted by a downward spiral in the sector. In addition, unlisted technology companies, particularly those that needed to raise capital, faced significant downward revaluations. An example of the latter that affected the performance was the dilutive capital raise by Updater Inc which resulted in TEK taking a material write-down to its carrying value. However, despite our extreme disappointment in the management and board of Updater Inc., we still believe in the potential, particularly with it being part of the winning consortium for a substantial US military-related contract and hence we participated in their current raising.

## LISTED SECURITIES

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

### AVITA MEDICAL INC

- Avita Medical Inc. (AVH.ASX) announced that the FDA approved its premarket approval (PMA) supplement for the use of its RECELL® System to treat full-thickness skin defects.
- The expanded indication represents a broad label of full-thickness skin defects, such as surgical excision or resection (e.g., skin cancer), thereby dramatically expanding AVH's market opportunity at least five times.
- AVH also announced that the FDA has approved its application for PMA of its RECELL System for the treatment of vitiligo.
- RECELL for repigmentation of stable depigmented vitiligo lesions is the first FDA-approved therapeutic device offering a one-time treatment at the point-of-care.
- The PMA approval was based upon results from AVH's pivotal trial, which showed that 36% of RECELL treatments (versus 0% of control treatments) resulted in repigmentation of at least 80% of the treated area at 6 months, establishing super-superiority for the primary endpoint, with 100% durability of repigmentation at 12 months.
- At the same 6-month point, treating physicians reported RECELL treatment as a success for 68% of patients, and 80% of patients self-reported RECELL treatment as a success.
- **Thorney View: We remain positive about AVH and confident that it will achieve both revenue growth and a broadening of its product offerings going forward.**

### IMUGENE LIMITED

- Imugene Limited (IMU.ASX) dosed the first patient in the combination cohort of its IMPRINTER study, a clinical trial to evaluate the safety and efficacy of IMU's PD1-Vaxx, a B-cell activating immunotherapy alone or in combination with Roche's Tecentriq®, an immune checkpoint inhibitor, in patients with non-small cell lung cancer (NSCLC).
- The objectives of the study are to determine safety, efficacy, and optimal dose of PD1-Vaxx in combination with Tecentriq®.
- The study will be conducted at sites in USA and Australia.
- Tecentriq® has previously shown clinically meaningful benefit in various types of lung cancer, with six currently approved indications in the US.
- IMU also announced that its Phase 1 MAST trial evaluating the safety of its cancer-killing virus, VAXINIA has progressed to next cohort of the intravenous arms of both the monotherapy and combination study.
- **Thorney view: We remain optimistic about IMU with several clinical trials underway. IMU is currently well capitalised to fund these trials and pursue the delivery of shareholder value.**

### CLARITY PHARMACEUTICALS LIMITED

- On July 4, Clarity Pharmaceuticals Limited (CU6.ASX) announced it will commence a pivotal Phase III trial of its 64 Cu SAR-bisPSMA diagnostic in prostate cancer following FDA agreement.
- A total of 383 patients will take part in a pivotal, non-randomised, single-arm, open-label, multi-centre trial across multiple sites, with the trial expected to commence in late 2023.
- CU6 also announced the commencement of its COMBAT Phase I/II trial in metastatic castrate resistant prostate cancer (mCRPC) in the US.
- CU6 also announced the establishment of a Center of Excellence at the Idaho Accelerator Center for Targeted Copper Theranostics (TCTs) to advance R&D of TCTs close to a source of copper-67 (Cu-67 or 67 Cu) production.
- This investment will enable CU6 to efficiently execute several strategically important projects, support commercial readiness of products in clinical development and enable the expansion of TCTs as a platform uniquely positioned to take the radiopharmaceutical sector into large global markets.
- **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.**

## MICROBA LIFE SCIENCES LIMITED

- On July 5, Microba Life Sciences Limited (MAP.ASX) announced an agreement with Sonic Healthcare Limited (SHL.ASX) to deliver MAP's advanced infectious disease testing technology MetaPanel™ into Australia.
- The new diagnostic test has been designed to identify a comprehensive panel of pathogenic microorganisms and genes to advance the standard of care in gastrointestinal infectious disease pathology. This is the first executed agreement between MAP and SHL since SHL acquired a 19.99% equity holding in MAP and marks the first stage of the parties delivering MAP's world leading microbiome testing technology into SHL's major markets.
- MAP also received approval from AusIndustry for two separate applications for Advanced Overseas Findings (Findings) for overseas research and development expenditure associated with its Inflammatory Bowel Disease (IBD) and Immuno-oncology programs. The two Findings cover total overseas expenditure of an estimated \$1,210,000 and may result in additional R&D Tax Incentive cash rebates of \$526,000. The Findings cover FY2023, FY2024 and FY2025 and mean that these eligible overseas research and development expenditures related to MAP's IBD and Immuno-oncology programs, in addition to eligible Australian expenditure, will receive a 43.5% cash rebate.
- MAP also announced that The Medical Research Future Fund (MRFF) has awarded a \$2.92 million grant to the Queensland University of Technology (QUT) with MAP as the commercial partner, with the collaboration leading to the isolation and characterisation of thousands of new bacterial species from the human microbiome. MAP said The Australian Human Microbiome Biobank (AHMB) will be a globally unique asset and has the potential to enable numerous therapeutic programs and partnerships.
- MAP also announced the dosing of the first participants in its Phase I Clinical Trial of MAP 315, its lead IBD therapeutic, which transitions MAP into a clinical stage drug development company. Results from the trial are expected in December 2023.
- **Thorney view: MAP's diversity of markets to distribute its Microbiome Testing Services combined with its data analysis for therapeutic candidates, presents multiple future opportunities.**

### CHAIRMAN'S COMMENTS

Alex Waislitz said: *"Despite the current performance of TEK, we have been encouraged by both the M&A activity in the sector (Nitro being one such target that TEK had a meaningful holding in) 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 and signs that the RBA may continue to increase interest rates to curb inflation. 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 disappointed by our share price discount to NTA and are active with the 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  
T: + 61 3 9921 7116

#### Investors

Gabriella Hold – Automic Group  
E: 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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