

INVESTMENT UPDATE AND NTA REPORT

AUGUST 2023



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

NTA Current Month	Before Tax ¹	After Tax ¹
31-August-23	25.9 cents	30.6 cents
NTA Previous Month	Before Tax ¹	After Tax ¹
31-July-23	26.7 cents	32.8 cents

¹ Figures are unaudited and approximate.

KEY ASX INFORMATION (AS AT 31 AUGUST 2023)

ASX Code	TEK
Structure	Listed Investment Company
Inception Date	January 2017
Market Capitalisation	\$70.3 million
Share Price	17.0 cents
Shares on Issue	413,734,280
Management Fee	0.75% half yearly
Performance Fee	20% of net portfolio increase over pcp
Manager	Thorney Investment Group

INVESTMENT PERFORMANCE*

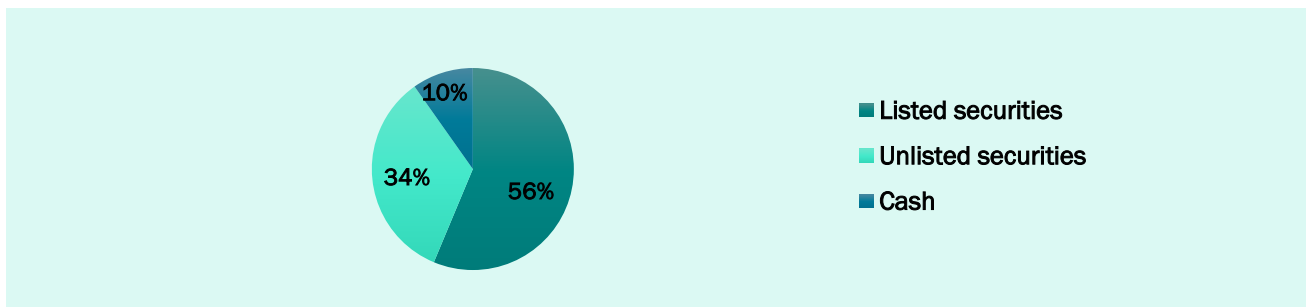
As at 31 Aug 23	1 Month	1 Year	Since Inception
TEK investment portfolio	-3.03%	-24.32%	3.70%
S&P Small Ordinaries Accum. Index	-1.31%	-1.12%	6.52%
Performance versus Index	-1.72%	-23.20%	-2.82%

*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	10.9	1	Updater	2.0
2	Avita Medical	AVH.ASX	6.1	2	Mosh	1.8
3	Clarity Pharmaceuticals	CU6.ASX	3.6	3	360 Capital Fibreconx Trust	1.7
4	DUG Technology	DUG.ASX	3.0	4	Enlitic Inc.	1.6
5	Credit Clear	IMU.ASX	2.6	5	WSC Technologies	1.5

ALLOCATION OF INVESTMENTS



CASH BALANCE AND AVAILABLE FACILITIES

- Cash held short-term with the major banks \$10.6 million
- Prime broker facilities available: undrawn as at 31 August 2023

LISTED SECURITIES

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

CALIX LIMITED

- Calix Limited (ASX.CXL) reported an 42% in total revenue and other income to \$29.6 million in FY2023 (FY2022: \$20.8 million), including a sales gross margin of 33% (FY2022: 28%), with continuing revenue and margin contribution in the US and Asia Pacific from its Water business.
 - The Company said its strong balance sheet and cash position of \$74.5 million (FY2022: \$25.0 million) provides the capacity to simultaneously pursue commercialisation opportunities in large addressable markets across the Company's multiple lines of business.
 - In FY2024, CXL will continue to focus on accelerating the development and commercialisation of its technologies for industrial decarbonisation, including electrification of industrial processing and capture of process CO₂ emissions.
 - The priorities include the progression of projects through engineering milestones, including the commencement of civil works for Leilac-2 and construction of the mid-stream lithium-phosphate demonstration plant at Pilbara Minerals' Pilgangoora project.
 - In FY2024, CXL also plans to combine its Water and Biotech businesses into a new Magnesia line of business which is designed to increase the scale and reach of its magnesium-based products.
 - The business will focus on delivering revenue growth for the Company through increased sales of water treatment products in the US and Asia.
 - **Thorney View: We are optimistic about CXL's position to deliver superior returns due to its capable management team, solid agreement pipeline and promising technology.**
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AVITA MEDICAL LIMITED

- Avita Medical Limited (ASX.AVH) reported significant revenue growth for Q2 2023 with commercial revenue, which excludes Biomedical Advanced Research and Development Authority (BARDA) revenue, increasing by 42% to \$11.7 million, compared to \$8.2 million in the same period in 2022.
 - Total revenue, which includes BARDA revenue, increased by 41% to \$11.8 million compared to \$8.3 million in the same period in 2022.
 - As of June 30, 2023, AVH had \$68.8 million in cash, cash equivalents, and marketable securities, with no debt.
 - In terms of guidance, the Company said that commercial revenue for Q3 2023 is expected to be in the range of \$13 to \$14 million.
 - For the full year 2023, AVH lifted revenue guidance to \$51 to \$53 million from \$49 to \$51 million, while gross margin is expected to be in the range of 83% to 85%
 - **Thorney View: We remain positive about AVH and confident that it will achieve a broadening of its product offerings going forward and revenue growth.**
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CLARITY PHARMACEUTICALS LIMITED

- Clarity Pharmaceuticals Limited (CU6.ASX) announced a number of milestones in its clinical program as follows:
 - The successful completion of cohort 2 and advancement to cohort 3 in the dose escalation phase of its Phase I/II SECuRE trial evaluating 64 Cu/ 67 Cu SAR-bisPSMA in patients with metastatic castration-resistant prostate cancer (mCRPC)
 - The first participant of cohort 3 in the SECuRE trial treated at the highest dose level of 12G Bequerel (Bq).
 - The first participant of cohort 4 of the theranostic CL04 trial investigating 64 Cu/ 67 Cu SARTATE in neuroblastoma treated at the highest dose cohort of 375MBq/kg body weight.
- CU6 also announced it received an exclusive license from Memorial Sloan Kettering Cancer Center (MSK) to develop intellectual property that covers cutting-edge technology that enables antibody "pre-targeting" for the diagnosis and treatment of cancer.
- Pre-targeting is a radiopharmaceutical approach to diagnosing and treating cancer patients that harnesses the benefits of antibody targeting, amplifying uptake of radiopharmaceutical products in cancerous tissue, whilst overcoming the safety issues of antibody-based radiopharmaceuticals.
- This technology, developed at MSK by Jason Lewis, PhD and Dr Brian Zeglis (formerly MSK, currently Hunter College, NY USA), has been licensed to Clarity under a worldwide exclusive license.
- A clinical trial using the MSK licensed technology is open for recruitment in patients with pancreatic cancer at MSK
- **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.**

DUG TECHNOLOGY LIMITED

- DUG Technology Ltd (ASX.DUG) announced record results for FY2023 with:
 - Revenue of US\$50.9 million, up 51% driven by a 70% increase in Services revenue
 - EBITDA of US\$15.1 million, a record high, up 436%
 - Net Profit after Tax of US\$4.9 million, a record high, up 153%
 - Operating Cash Inflows of US\$13.4 million, a record high, up 3,253%
- DUG's said order book and balance sheet position the Company well for FY2024, with the order book at US\$27.9 million as at 30 June 2023, up 26% and cash of US\$8.0 million, up 201%.
- The Company also had a record single month of services contract wins of US\$18.6 million in July 2023.
- DUG said it is expecting a strong FY2024, with the outlook for its oil and gas business continuing to be strong. New hardware will be installed in the Houston datacentre during October 2023 to support new Services projects.
- The outlook for Software and HPC also looks strong with several software evaluations underway with potential customers, it said.
- DUG also secured a material financing arrangement with First National Capital LCC to asset finance the purchase of 600 new Intel CPU computers to support the Group's Services business line, in particular MP-FWI workflows, with total funding provided of US\$6.75 million.
- **Thorney view: The recovery in the oil and gas industry has led to a strong recovery in DUG's profitability, cash flow and share price. We expect the industry tailwinds to continue as evidenced by contract wins and spend on new capacity in Houston whilst DUG's management team focuses on building out additional computing power at its newly announced Geraldton site. The increasing use of DUG's proprietary Full Waveform Inversion (FWI) technology provides a further platform for growth at high margins.**

CHAIRMAN'S COMMENTS

Alex Waislitz said: *"We continue to be positive on the long-term outlook for the small cap technology sector given the bounce back by some large-cap technology stocks which we believe will eventually flow through to small-cap and mid-cap companies. Valuations levels are also looking more attractive, providing opportunities for investors. Our view is that with an eye to the medium to long term, there has never been a more opportune time to be investing in the exciting technology space. 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

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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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