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THORNEY
TECHNOLOGIES
TEK

THORNEY TECHNOLOGIES LTD

ABN 66 096 782 188

**Appendix 4D and
2023 Half-Year
Financial Statements**



THORNEY TECHNOLOGIES LTD

ABN 66 096 782 188

APPENDIX 4D (Listing Rule 4.2A3)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2021)

	\$'000s	Movement \$'000s	Up/ Down	Movement %
Loss from ordinary activities	(7,749)	(28,950)	Down	(137%)
Loss before tax for the year	(9,310)	(26,396)	Down	(154%)
Loss after tax for the year	(6,743)	(19,856)	Down	(151%)

	31-Dec-22	31-Dec-21	Movement
Net tangible asset backing per ordinary share	34.8 cents	50.1 cents	Down 31%

No dividends have been declared for the half-year ended 31 December 2022.

This report should be read in conjunction with the Thorney Technologies Ltd 2022 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the financial statements for the half-year ended 31 December 2022.

This report is based on the financial statements for the half-year ended 31 December 2022 which have been reviewed by Ernst & Young.

Corporate information

Thorney Technologies Ltd is a disclosing entity under the *Corporations Act 2001* and currently considered an investment entity pursuant to ASX Listing Rules. The Group is an investor in global listed and unlisted equities with a focus on technology investments.

ASX Code:	TEK
Security:	Thorney Technologies Ltd fully paid ordinary shares
Directors:	Alex Waislitz, Chairman Alan Fisher Jeremy Leibler Martin Casey Tim Birch
Secretary:	Craig Smith
Country of incorporation	Australia
Registered office:	Level 39, 55 Collins Street Melbourne Vic 3000
Contact details:	Level 39, 55 Collins Street Melbourne Vic 3000 T: + 613 9921 7116 F: + 613 9921 7100 E: craig.smith@thorney.com.au W: https://thorney.com.au/thorney-technologies/
Investment Manager:	Thorney Management Services Pty Ltd Level 39, 55 Collins Street Melbourne Vic 3000 AFSL: 444369
Auditor:	Ernst & Young 8 Exhibition Street Melbourne Vic 3000
Lawyers:	Arnold Bloch Leibler Level 21, 333 Collins Street Melbourne Vic 3000
Share Registry:	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067 For all shareholder related enquiries, please contact the share registry.

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Chairman's letter

Dear fellow shareholders

The first half of FY23 was a challenging one for investors in the technology sector, with many disruption-focused and growth-based technology stocks feeling the impact of global equity market declines.

The TEK portfolio was not immune to the volatility experienced globally, and as a result, TEK's Net Tangible Assets (NTA) after tax and fees decreased by 3.6% from 36.4 cps as at 30 June 2022 to 34.8 cps as at 31 December 2022.

Despite the anticipated challenges of continued market volatility, TEK retains its conviction towards innovative and disruptive, game-changing technologies which will influence company operations and personal lifestyles.

We remain committed to maintaining our exposure to the ongoing global technology revolution which will continue to make a huge impact on the way we live and do business for the foreseeable future.

A good example of this is our largest listed holding, Calix (ASX.CXL). Calix is accelerating the commercialisation of its environmental technologies which is helping to tackle emissions reduction in the cement industry and improving agriculture and aquaculture processes. TEK is optimistic about CXL's position to deliver superior returns due to its good management team and solid agreement pipeline.

Another of TEK's holdings, Credit Clear (ASX.CCR) is using its digital technology to disrupt the debt collection business while biotech, AVITA Medical (ASX.AVH) continues to advance the clinical evaluation of its RECELL® System – an innovative treatment of acute thermal burn wounds. During the half, AVH made submissions to the US Food and Drug Administration to expand the indication to include the treatment of stable vitiligo and soft tissue repair.

Amid the depressed valuations of many Australian technology stocks, the inherent value in many has been questioned following the rush of merger and acquisition activity, some of it opportunistic, in the sector of late.

An example of this is one of our previous largest holdings, Nitro Software (ASX.NTO) which has been involved in a drawn out bidding war between Potentia Capital and Alludo. In early February, the NTO Board having already recommended the Alludo bid to shareholders, decided to grant due diligence access to Potentia in order for Potentia to be in a position to consider an increase in its bid. TEK has taken the opportunity to reduce its exposure to NTO at prices above the recommended Alludo bid price, rather than wait for a potentially higher bid from Potentia.

Indeed, it is my personal belief that the increased M&A activity in the technology sector is putting Australia at risk of giving away its innovation too cheaply. Australian tech companies are currently great value to buyers overseas, particularly when the earnings are primarily in US dollars.

Turning to the US, one stock that we continue to back for its innovative approach to a decades-old problem is Updater Inc. Updater's app provides a revolutionary way of simplifying and automating all aspects of house relocation – a significant addressable market. It continues to grow its market share in the US real estate relocation industry and is gearing up for commencement of a large US military contract. The contract will provide total outsourcing of all household goods moves for US military families and will start to generate meaningful revenues in late 2023.

The TEK investment team continually monitors the progress of these and all other 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 will be maintained.

As I have mentioned on many previous occasions, despite its highly prospective portfolio, TEK's share price continues to trade at a discount to its NTA. The investment team and I remain focused on initiatives to eliminate this discount gap.

We have commenced a number of steps towards achieving this goal including our recently announced on-market share buyback.

Outlook

Regardless of the considerable challenges that the world is currently facing, I remain cautiously optimistic about the year ahead and beyond.

I still believe that there has never been a better time to be investing in the exciting technology space and that those investors who take the long-term view will be rewarded over time.

Investing in a Listed Investment Company like TEK with its diverse listed and unlisted holdings, deep international connections and access to deal flow remains one of the best ways investors can gain exposure to the potential tech titans of the future.

Chairman's letter (continued)

My sincere thanks go to my fellow TEK Directors, the outstanding Thorney investment management team and to all TEK shareholders for your continued support.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', is written over a light blue horizontal line.

Alex Waislitz
Chairman
28 February 2023

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Directors' report

The directors present their report, together with the financial statements of Thorney Technologies Ltd (TEK or Group) for the half-year ended 31 December 2022 and the auditor's review report thereon. The financial statements have been reviewed and approved by the directors on the recommendation of the Audit and Risk Committee.

1. Directors

The directors of TEK in office during the half-year and at the date of this report are as follows:

<u>Name:</u>	<u>Period of Directorship:</u>
Alex Waislitz	Director since 9 December 2016
Alan Fisher	Director since 29 August 2015
Jeremy Leibler	Director since 9 December 2016
Martin Casey	Director since 22 June 2016
Tim Birch	Director since 8 November 2021

2. Principal activities

Thorney Technologies Ltd is an investment company listed on the Australian Securities Exchange (ASX:TEK). Its principal activity is investing in global, listed and unlisted, technology investments at all phases of the investment lifecycle.

3. Review of operations

For the six months ended 31 December 2022, the Group recorded a net loss after tax of \$6,742,821.

TEK's five largest portfolio holdings (CXL, UPD, NTO, IMU & CCR), represent approximately 25% of TEK's total assets.

The Net Tangible Asset Backing per share (NTA) after tax as at 31 December 2022 was 34.8 cents per share compared with 36.4 cents per share as at 30 June 2022.

During the half-year period, the Group lodged change of interest substantial shareholder notices for AFW, ISU, JAY, MAP SPT, TNY and VTI.

No dividends have been paid or declared since the start of the financial year.

4. Auditor's independence declaration

The Auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on the following page.

Signed in accordance with a resolution of directors:



Alex Waislitz
Chairman

Melbourne,
28 February 2023



**Building a better
working world**

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of Thorney Technologies Ltd

As lead auditor for the review of the half-year financial report of Thorney Technologies Ltd for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- (b) No contraventions of any applicable code of professional conduct in relation to the review; and
- (c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review

Ernst & Young

Tony Morse
Partner
28 February 2023

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Statement of comprehensive income

For the half-year ended 31 December 2022

	Note	December 2022 \$	December 2021 \$
Income			
Net changes in fair value of trading investments	2	(8,065,247)	21,043,949
Interest income	2	191,373	118,226
Dividend income	2	124,830	33,835
Other income	2	-	5,328
Total investment (loss) income	2	(7,749,044)	21,201,338
Expenses			
Management fees		(1,148,791)	(1,715,773)
Performance fees		-	(1,893,795)
Directors' fees		(113,262)	(85,250)
Finance costs		(150)	(1,087)
Fund administration and operational costs		(61,409)	(133,170)
Legal and professional fees		(181,336)	(238,715)
Other administrative expenses		(55,959)	(47,052)
Total expenses		(1,560,907)	(4,114,842)
(Loss) profit before income tax benefit (expense)		(9,309,951)	17,086,496
Income tax benefit (expense)	3	2,567,130	(3,973,404)
Total comprehensive (loss) gain for the half-year		(6,742,821)	13,113,092
Basic and diluted (loss) gain cents per share	11	(1.59)	3.13

The Statement of comprehensive income should be read in conjunction with the notes to the half-year financial statements.

Statement of financial position

As at 31 December 2022

	Note	December 2022 \$	June 2022 \$
ASSETS			
Current assets			
Cash and short-term deposits	6	8,650,492	9,331,642
Financial assets	5	79,574,108	85,318,089
Receivables	7	1,673,479	1,065,982
Prepayments		104,116	40,793
Total current assets		90,002,195	95,756,506
Non-current assets			
Receivables	7	59,861	59,228
Financial assets	5	37,705,665	41,534,657
Deferred tax assets	4	21,668,481	19,101,351
Total non-current assets		59,434,007	60,695,236
TOTAL ASSETS		149,436,202	156,451,742
LIABILITIES			
Current liabilities			
Payables and accruals	8	1,318,132	1,590,851
Total current liabilities		1,318,132	1,590,851
Non-current liabilities			
Deferred tax liabilities	4	-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		1,318,132	1,590,851
NET ASSETS		148,118,070	154,860,891
EQUITY			
Issued capital	9	116,170,898	116,170,898
Reserve		183,507,535	173,871,891
Accumulated losses		(151,560,363)	(135,181,898)
TOTAL EQUITY		148,118,070	154,860,891

The Statement of financial position should be read in conjunction with the notes to the half-year financial statements.

Statement of changes in equity

For the half-year ended 31 December 2022

	Issued capital	Profits reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2022	116,170,898	173,871,891	(135,181,898)	154,860,891
Loss for the half-year	-	-	(6,742,821)	(6,742,821)
Total comprehensive loss for the half-year	-	-	(6,742,821)	(6,742,821)
Transfer to Profits Reserve	-	9,635,644	(9,635,644)	-
<u>Transactions with shareholders:</u>				
Issue of shares	-	-	-	-
Cost of shares issued	-	-	-	-
Total transactions with shareholders	-	-	-	-
Balance as at 31 December 2022	116,170,898	183,507,535	(151,560,363)	148,118,070

For the half-year ended 31 December 2021

	Issued capital	Profits reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2021	91,703,984	144,539,343	(60,694,505)	175,548,822
Gain for the half-year	-	-	13,113,092	13,113,092
Total comprehensive gain for the half-year	-	-	13,113,092	13,113,092
Transfer to Profits Reserve	-	29,332,548	(29,332,548)	-
<u>Transactions with shareholders:</u>				
Issue of shares	25,299,200	-	-	25,299,200
Cost of shares issued	(832,286)	-	-	(832,286)
Total transactions with shareholders	24,466,914	-	-	24,466,914
Balance as at 31 December 2021	116,170,898	173,871,891	(76,913,961)	213,128,828

The Statement of changes in equity should be read in conjunction with the notes to the half-year financial statements.

Statement of cash flows

For the half-year ended 31 December 2022

	December 2022 \$	December 2021 \$
Cash from operating activities:		
Interest received	191,373	118,226
Dividends received	124,830	33,835
Proceeds from sale of trading investments	15,234,440	29,693,014
Payments for trading investments	(13,128,543)	(37,692,757)
Payments to suppliers and employees	(2,773,961)	(10,496,805)
Finance costs	(150)	(1,087)
Other income received	99,255	5,328
Net cash used in operating activities	(252,756)	(18,340,246)
Cash flows from investing activities:		
Payments for financial assets	(429,163)	(11,878,915)
Net cash used in investing activity	(429,163)	(11,878,915)
Cash flows from financing activities:		
Payments for capital raising costs	-	(832,286)
Proceeds from issuance of shares	-	25,299,200
Net cash provided by financing activities	-	24,466,914
Net decrease in cash held	(681,919)	(5,752,247)
Net foreign exchange differences	769	958
Cash at the beginning of the year	9,331,642	6,517,324
Cash at the end of the year	8,650,492	766,035

The Statement of cash flows should be read in conjunction with the notes to the half-year financial statements.

Notes to the financial statements

The half-year financial statements of Thorney Technologies Ltd for the half-year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 28 February 2023.

1. Summary of accounting policies

(a) Basis of preparation

The half-year financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial statements do not include all of the information required for full-year statements. Accordingly, these financial statements should be read in conjunction with the financial statements for the year ended 30 June 2022 and any public announcements made by Thorney Technologies Ltd during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

Changes in Accounting Standards

The accounting policies adopted in the preparation of the financial statements for the half-year ended 31 December 2022 are consistent with those of the most recent annual financial report. The impact of adopting any new or amended standards and interpretations that applied in 2022 was not material.

2. Total investment income

The major components of investment income in the Statement of comprehensive income are:

	December 2022 \$	December 2021 \$
Net realised (loss) gain of trading investments	(5,396,865)	12,976,947
Unrealised (loss) gain for change in fair value of trading investments	(3,184,789)	5,764,594
Unrealised FX gains	516,407	2,302,408
Net changes in fair value of trading investments	(8,065,247)	21,043,949
Interest income	191,373	118,226
Dividend income	124,830	33,835
Other income	-	5,328
Total investment (loss) income	(7,749,044)	21,201,338

Notes to the financial statements continued

3. Income tax

The income tax benefit attributable to the half-year differs from the prima facie amount payable on the loss before tax benefit. The difference is reconciled as follows:

	December 2022 \$	December 2021 \$
(Loss) gain before income tax benefit (expense)	(9,309,951)	17,086,496
Prima facie tax benefit (expense) on gain from ordinary activities before income tax at 25% (2022: 25%)	2,327,488	(4,271,624)
<i>Deferred income tax benefit/(expense)</i>		
- Adjustment for change in corporate tax rate	-	54,871
- Recognition of gain to offset income tax expense	184,152	228,430
- Other adjustment	55,490	14,919
Income tax benefit (expense) recognised in the Statement of comprehensive income	2,567,130	(3,973,404)

4. Deferred tax

	December 2022 \$	June 2022 \$
Deferred tax		
Trading Stock	(5,437,804)	(6,669,515)
Long term financial assets	(347,578)	(1,295,659)
Business establishment costs	408,511	398,168
Other	(24,482)	37,208
Losses available for offsetting against future taxable income	27,069,834	30,955,047
Net deferred tax asset	25,992,379	23,425,249
Net deferred tax asset recognised	21,668,481	19,101,351
Net deferred tax asset unrecognised	4,323,898	4,323,898

At 31 December 2022, the Group has estimated unused gross revenue tax losses of \$125,574,929 of which \$108,279,336 have been recognised (June 2022: \$124,453,042 of which \$107,157,449 are recognised) that are available to offset against future taxable revenue profits, subject to continuing to meet relevant statutory tests.

At 31 December 2022, the Group has estimated unused gross capital tax losses of \$Nil (June 2022: Nil) for which no deferred tax asset has been recognised.

Notes to the financial statements continued

5. Fair value measurements

To reflect the source of valuation inputs used when determining the fair value of its financial assets and financial liabilities, the Group uses the fair value hierarchy prescribed in AASB 13 Fair value measurement:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: valuation techniques using market observable inputs, either directly or indirectly.
- Level 3: valuation techniques using non-market observable data.

The Group invests in both listed and unlisted investments, in order to execute its investment mandate and maximise total returns to shareholders. Unlisted investments include seed, start-up and early stage businesses and private equity businesses. For these unlisted investments, the Group invests in financial instruments, such as loan notes, derivatives and unlisted equities that are not quoted in an active market.

	December 2022 \$	June 2022 \$
Assets measured at fair value		
Level 1: Listed equities	71,243,619	76,689,810
Level 2: Unlisted financial instruments	-	-
Level 3: Unlisted financial instruments (unlisted equity, loan notes, derivatives, fixed income securities)	46,036,154	50,162,936
Total financial assets	117,279,773	126,852,746
Total current	79,574,108	85,318,089
Total non-current	37,705,665	41,534,657
Liabilities measured at fair value		
Level 1: -		-
Level 2: -		-
Level 3: -		-
Total financial liabilities		-

Unlisted financial assets are valued at fair value in accordance with AASB 13 *Fair value measurement*, applying the principles in *'International Private Equity and Venture Capital Valuation Guidelines'*.

The Group classifies the fair value of listed equities that are actively trading in an active market at 31 December 2022 as Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available. If the Group can determine the fair value of the investment by utilising observable market data as significant inputs, then the fair value of the instrument is classified as Level 2.

If this is not the case, the Group uses a market-based valuation technique to determine fair value. The fair value of these investments are classified as Level 3. We refer to 30 June 2022 *Annual Report* for further information on the market-based valuation techniques adopted.

Notes to the financial statements continued

5. Fair value measurements (continued)

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

Reconciliation of recurring fair value measurements categorised within Level 3 is as follows:

Financial assets:	Loan notes	Unlisted equities	Total
Balance at 1 July 2022	11,639,633	38,523,303	50,162,936
Unrealised gain/(loss) recognised in statement of comprehensive income	531,155	(4,324,556)	(3,793,401)
Net Purchase/Sales of financial assets	1,160,887	(645,384)	515,503
Conversion of loan notes to unlisted equities	(1,625,000)	1,492,541	(132,459)
Conversion of loan notes to listed equities	(716,425)	-	(716,425)
Balance at 31 December 2022	10,990,250	35,045,904	46,036,154

We refer to the interim financial report of the previous financial year for the comparable information.

6. Cash and short term deposits

	December 2022	June 2022
	\$	\$
Cash at bank	8,650,492	9,331,642
Short-term deposits	-	-
Total cash and short term deposits	8,650,492	9,331,642

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day and 90 days, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The carrying value of Cash and short-term deposits approximates fair value.

7. Receivables

	December 2022	June 2022
	\$	\$
Unsettled trades ¹	810,301	311,246
Promissory Note – secured ²	59,861	59,228
GST and other	863,178	754,736
Total receivables	1,733,340	1,125,210
Total current	1,673,479	1,065,982
Total non-current	59,861	59,228

¹Unsettled trades include amounts due from brokers for settlement of securities sold and are settled within 2 days of the transaction.

² The promissory note-secured was issued by Bobsbox LLC and is measured at amortised cost.

Notes to the financial statements continued

8. Payables and accruals

	December 2022 \$	June 2022 \$
Management fee payable	1,148,791	1,209,405
Performance fee accrual	-	-
Unsettled trades	4,572	233,962
Sundry creditors and accruals	164,769	147,484
Total payables and accruals	1,318,132	1,590,851

The Management fee and Performance fee is paid within 60 days of receiving an invoice from the Investment Manager. Sundry creditors are generally paid in accordance with the terms negotiated with each individual creditor. The carrying value of Payables approximates fair value.

Unsettled trades include amounts to brokers for settlement of securities purchased and are settled within 2 days of the transaction.

9. Issued capital

	December 2022 Number of shares	June 2022 Number of shares	December 2022 \$	June 2022 \$
(a) Ordinary shares				
Balance at 1 July	425,041,104	361,793,104	116,170,898	91,703,984
Ordinary shares issued	-	63,248,000	-	25,299,200
Cost of issue	-	-	-	(832,286)
Total issued and authorised capital	425,041,104	425,041,104	116,170,898	116,170,898

10. Related party transactions

The following table provides the total amount of transactions which have been entered into with related parties during the six months ended 31 December 2022 and 2021:

Services from and transactions with related parties	December 2022 \$	December 2021 \$
<i>Entities with significant influence over the Group:</i>		
Thorney Management Services Pty Ltd ¹	1,120,772	3,521,530
TIGA Trading Pty Ltd	26,000	26,000
Early Force Pty Ltd	-	150,000
<i>Related parties of key management personnel of the Group:</i>		
Arnold Bloch Leibler ²	35,855	136,231

All related party transaction amounts are shown exclusive of GST.

¹ Under the Investment Management Agreement the Investment Manager, Thorney Management Services Pty Ltd, is entitled to a Base Fee based on total assets under management and a Performance Fee in respect of any annual Increase Amount. Based on the Decrease Amount for the six months to 31 December 2022, there is no Performance Fee accrued in the 2023 half-year financial statements (1H22: \$1,893,795). The accrual includes GST after deduction of the reduced input tax credit. Refer to note 8.

²Arnold Bloch Leibler is a leading Australian law firm of which Jeremy Leibler is a partner.

Notes to the financial statements continued

11. Earnings per share

	December 2022	December 2021
Basic and diluted earnings per share (cents)	(1.59)	3.13
(Loss) gain used in calculating basic and diluted earnings per share (\$)	(6,742,821)	13,113,092

	2022 Number of Shares	2021 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	425,041,104	418,722,147

12. Contingent liabilities

The Group has no contingent liabilities as at 31 December 2022 (2021: nil).

Directors' declaration

In accordance with a resolution of directors of Thorney Technologies Ltd, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of Thorney Technologies Ltd for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Alex Waislitz
Chairman

Melbourne,
28 February 2023



**Building a better
working world**

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent Auditor's Review Report to the Members of Thorney Technologies Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Thorney Technologies Ltd (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that make us to believe that the half-year financial report of the Company does not comply with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'Tony Morse' in a cursive script.

Tony Morse
Partner

Melbourne
28 February 2023

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