



Thorney Technologies Ltd

ABN 66 096 782 188

Appendix 4D and 2021 Half-Year Financial Statements



THORNEY TECHNOLOGIES LTD

ABN 66 096 782 188

APPENDIX 4D (Listing Rule 4.2A3)

Financial statements for the half-year ended 31 December 2020

(All comparisons to half-year ended 31 December 2019)	\$'000s	Movement \$'000s	Up/Down	Movement
Revenue/(loss) from ordinary activities	36,933	30,563	Up	>100%
Profit/(loss) after tax for the year	29,448	24,198	Up	>100%

No dividends have been declared for the half-year ended 31 December 2020.

	31-Dec-20	31-Dec-19	Movement
Net tangible asset backing per ordinary share	42.1 cents	35.8 cents	Up 18%

This report should be read in conjunction with the Thorney Technologies Ltd 2020 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 2020.

This report is based on the financial statements for the half-year ended 31 December 2020 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 primarily an investor in listed equities on the Australian securities market.

ASX Code:	TEK
Security:	Thorney Technologies Ltd fully paid ordinary shares
Directors:	Alex Waislitz, Chairman Alan Fisher Jeremy Leibler Martin Casey
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: www.thorneytechnologies.com.au
Investment Manager:	Thorney Management Services Pty Ltd Level 39, 55 Collins Street Melbourne Vic 3000 AFSL: 444369
Auditor:	Ernst & Young, Melbourne 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 six months ended 31 December 2020 saw your company deliver a highly satisfactory 461% increase in net profit to \$29.4 million thanks largely to the strong performance of its core investment portfolio which includes listed and unlisted technology companies at all stages of the business life cycle in Australia, the USA and Israel.

Net Tangible Assets (NTA) after tax and fees was 42.1 cents per share, up 24.6% from an NTA of 33.8 cents per share as at 30 June 2020. TEK's NTA continued to improve during January 2021 standing at 44.4 cents per share at month's end.

There were a number of contributors to TEK's NTA growth over the period, including from its largest holding, Zip Co Limited (Z1P), which continued to expand its reach in both the Australian and overseas Buy Now Pay Later markets. Other outstanding share price performances in the TEK portfolio included Calix Limited (CXL) and Dubber Corporation Limited (DUB).

The reporting period also saw a number of companies in which TEK held a pre-IPO interest come to market at substantial premiums. These included Credit Clear Limited (CCR), Doctor Care Anywhere Group (DOC), Cleanspace Holdings Limited (CSX), Cluey Limited (CLU) and Aussie Broadband Limited (ABB). This positive trend continued into January 2021 with the listings of Pentanet (5GG) and Booktopia Group Limited (BLG).

Since its inception in January 2017, TEK has delivered 102% growth in NTA or an average of 26% each year, significantly outperforming the share market. This consistent track record was no doubt a key factor in TEK being able to successfully complete a \$37m capital raise in November 2020 boosting its capacity to take advantage of the many investment opportunities which its extensive networks continue to uncover.

I will provide a detailed commentary on the major listed and unlisted companies in the TEK portfolio in my next Chairman's Update in March 2021 after the conclusion of the current reporting season.

Yours sincerely,



Alex Waislitz

Chairman

25 February 2021

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 2020 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

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 half-year under review, the Group recorded a net income after tax of \$29,447,879 and for the previous corresponding half-year recorded a net income after tax of \$5,249,725. TEK's half-year result principally reflects mark to market increases in the market value of the Group's portfolio for the six-monthly period.

TEK's five largest portfolio holdings (Z1P, UPD, YOJ, IMU, DUB), represent circa 24% of TEK's investment portfolio. YOJ, IMU and DUB closed strongly at period end, together with other performing investments in the portfolio, including but not limited to BRN, NTO and RCL, adding to the Group's unrealised gain for the period.

Since 30 June 2020 the Group has held a series of Investor Briefing Webinars. Key personnel from YOJ, DOC, CLU, 5GG and CCR participated and these presentations were recorded and are available on the TEK website.

The Net Tangible Asset Backing per share (NTA) after tax as at 31 December 2020 was 42.1 cents per share compared with 33.8 cents per share as at 30 June 2020.

During the half-year period, the Group became a substantial holder of DUG, CCR, SPA and CLU, and lodged a change of interests of substantial holder notices for VTI, ISU, TNY, DUB, OVH, QFE, JAY, ANR and RCL.

On 21 December 2020, the Group announced it had completed a capital raising comprising of a multi-tranche placement and entitlement offer and raised a total of approximately \$37 million.

During the half-year period Korda Mentha resigned as Receivers and Administrators of legacy companies Australian Renewable Fuels Adelaide Pty Limited on 18 August 2020 and Biodiesel Producers Pty Limited on 22 December 2020. Liquidation proceedings are in progress.

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

Directors' report (continued)

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:

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

Alex Waislitz
Chairman

Melbourne,
25 February 2021



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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 2020, 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; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Tony Morse
Partner
25 February 2021

Statement of comprehensive income

For the half-year ended 31 December 2020

	Note	December 2020 \$	December 2019 \$
Income			
Net changes in fair value of trading investments	2	36,789,604	6,160,050
Interest income	2	94,148	183,505
Dividend income	2	16,858	14,090
Other income	2	31,895	11,416
Total investment income	2	36,932,505	6,369,061
Expenses			
Management fees	8	(1,236,665)	(718,213)
Performance fees	8	(5,746,027)	(129,415)
Directors' fees		(84,862)	(84,862)
Finance costs		(1,039)	(437)
Fund administration and operational costs		(170,051)	(37,728)
Legal and professional fees		(214,216)	(121,275)
Other administrative expenses		(31,766)	(27,406)
Total expenses		(7,484,626)	(1,119,336)
Profit before income tax expense		29,447,879	5,249,725
Income tax expense	3	-	-
Total comprehensive gain for the half-year		29,447,879	5,249,725
Basic and diluted gain per share	11	10.81	2.04

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 2020

	Note	December 2020 \$	June 2020 \$
ASSETS			
Current assets			
Cash and short-term deposits	6	16,322,942	4,884,672
Financial assets	5	107,258,137	48,264,994
Receivables	7	1,588,076	115,832
Prepayments		79,977	20,223
Total current assets		125,249,132	53,285,721
Non-current assets			
Receivables	7	318,783	363,500
Financial assets	5	27,417,907	26,638,169
Deferred tax assets	4	7,882,179	7,882,179
Total non-current assets		35,618,869	34,883,848
TOTAL ASSETS		160,868,001	88,169,569
LIABILITIES			
Current liabilities			
Payables and accruals	8	8,710,509	1,201,554
Total current liabilities		8,710,509	1,201,554
TOTAL LIABILITIES		8,710,509	1,201,554
NET ASSETS		152,157,492	86,968,015
EQUITY			
Issued capital	9	91,714,675	55,973,077
Reserve		113,968,190	83,447,000
Accumulated losses		(53,525,373)	(52,452,062)
TOTAL EQUITY		152,157,492	86,968,015

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 2020

	Issued capital \$	Profits reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	55,973,077	83,447,000	(52,452,062)	86,968,015
Gain for the half-year	-	-	29,447,879	29,447,879
Total comprehensive gain for the half-year	-	-	29,447,879	29,447,879
Transfer to Profits Reserve	-	30,521,190	(30,521,190)	-
<u>Transactions with shareholders:</u>				
Issue of shares	36,577,757	-	-	36,577,757
Cost of shares issued	(836,159)	-	-	(836,159)
Total transactions with shareholders	35,741,598	-	-	35,741,598
Balance as at 31 December 2020	91,714,675	113,968,190	(53,525,373)	152,157,492

For the half-year ended 31 December 2019

	Issued capital \$	Profits reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	55,973,077	47,984,941	(17,189,869)	86,768,149
Gain for the half-year	-	-	5,249,725	5,249,725
Total comprehensive gain for the half-year	-	-	5,249,725	5,249,725
Transfer to Profits Reserve	-	12,950,683	(12,950,683)	-
<u>Transactions with shareholders:</u>				
Issue of shares	-	-	-	-
Cost of shares issued	-	-	-	-
Total transactions with shareholders	-	-	-	-
Balance as at 31 December 2019	55,973,077	60,935,624	(24,890,827)	92,017,874

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 2020

	December 2020 \$	December 2019 \$
Cash from operating activities:		
Interest received	94,148	183,505
Dividends received	16,858	14,090
Proceeds from sale of trading investments	23,317,842	17,990,315
Payments for trading investments	(32,820,629)	(16,717,090)
Payments to suppliers and employees	(2,650,077)	(2,810,211)
Finance costs	(1,039)	(437)
Other income received	31,895	11,416
Net cash used in operating activities	(12,011,002)	(1,328,412)
Cash flows from investing activities:		
Repayment of loans	-	(500,000)
Payments for financial assets	(12,290,413)	(3,217,054)
Net cash used in investing activity	(12,290,413)	(3,717,054)
Cash flows from financing activities:		
Payments for issuance of shares	(836,159)	-
Proceeds from issuance of shares	36,577,758	-
Net cash provided by financing activities	35,741,599	-
Net increase/ (decrease) in cash held	11,440,184	(5,045,466)
Net foreign exchange differences	(1,914)	10
Cash at the beginning of the year	4,884,672	6,410,345
Cash at the end of the year	16,322,942	1,364,889

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 2020 were authorised for issue in accordance with a resolution of the Board of Directors on the 25 February 2021.

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 2020 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 2020 are consistent with those of the most recent annual financial report. The impact of adopting any new or amended standards and interpretations that apply in 2020, was not material.

2. Total investment income

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

	2020	2019
	\$	\$
Net realised gains of trading investments	9,411,143	7,492,299
Unrealised gain/ (loss) for change in fair value of trading investments	29,257,194	(632,232)
Unrealised FX losses	(1,878,733)	(700,017)
Net changes in fair value of trading investments	36,789,604	6,160,050
Interest income	94,148	183,505
Dividend income	16,858	14,090
Other income	31,895	11,416
Total investment income	36,932,505	6,369,061

Notes to the financial statements continued

3. Income tax

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

	December 2020	December 2019
Profit before income tax expense	29,447,879	5,249,725
Prima facie tax expense on gain from ordinary activities before income tax at 26% (2019: 27.5%)	(7,656,449)	(1,443,674)
Deferred income tax benefit/(expense)		
- Imputation credits converted to losses	-	-
- Imputation credits on dividends received	347,562	-
- Adjustment for change in corporate tax rate	(433,036)	-
- Assessable income	22,239	(17,661)
- Recognition of loss to offset income tax expense	7,719,684	1,461,335
Income tax expense recognised in the Statement of comprehensive income	-	-

4. Deferred tax

	December 2020	June 2020
Deferred tax		
Trading Stock	(9,550,277)	(3,843,062)
Long term financial assets	314,426	(166,847)
Business establishment costs	120,716	246,804
Deferred tax on historical fixed assets written off	2,097,758	2,218,782
Other	509,160	(201,624)
Losses available for offsetting against future taxable income	22,402,449	26,264,186
Net deferred tax	15,894,232	24,518,239
Net deferred tax recognised	7,882,179	7,882,179
Net deferred tax not recognised	8,012,053	16,636,060

At 31 December 2020, the Group has estimated unused gross revenue tax losses of \$86,163,265 (June 2020: \$95,506,131) that are available to offset against future taxable revenue profits, subject to continuing to meet relevant statutory tests and have been recognised as a deferred tax asset.

At 31 December 2020, the Group has estimated unused gross capital tax losses of \$1,956,952 (June 2020: \$1,956,952) 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.

The fair value measurement hierarchy of the Group's financial assets and financial liabilities is as follows:

	December 2020	June 2020
Assets measured at fair value		
Level 1: Listed equities	98,640,215	47,963,147
Level 2: Unlisted financial instruments	-	146,739
Level 3: Unlisted financial instruments (unlisted equity, loan notes, derivatives, fixed income securities)	36,035,829	27,156,777
Total financial assets	134,676,044	75,266,663
Total current	107,258,137	48,264,994
Total non-current	27,417,907	27,001,669
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 2020 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 2020 *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	Promissory note	Contingent consideration	Fixed income securities	Total
Balance at 1 July 2020	1,850,458	24,599,675	363,500	343,144	-	27,156,777
Unrealised gain/(loss) recognised in SOCI	65,631	(290,946)	(363,500)	(37,005)	-	(625,820)
Net purchases of financial assets	3,503,328	4,231,544	-	-	5,000,000	12,734,872
Conversion of loan notes to unlisted equities	(250,000)	-	-	-	-	(250,000)
Transfer to Level 1 - ASX listing	(1,050,000)	(1,930,000)	-	-	-	(2,980,000)
Balance at 31 December 2020	4,119,417	26,610,273	-	306,139	5,000,000	36,035,829

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

6. Cash and short term deposits

	December 2020 \$	June 2020 \$
Cash at bank	16,322,942	4,884,672
Short-term deposits	-	-
Total cash and short term deposits	16,322,942	4,884,672

Cash at banks 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.

Notes to the financial statements continued

7. Receivables

	December 2020 \$	June 2020 \$
Unsettled trades	-	69,164
Loan facilities	1,457,072	11,507
Promissory Note - secured	318,783	363,500
GST and other	131,004	35,161
Total receivables	1,906,859	479,332
Total current	1,588,076	115,831
Total non-current	318,783	363,500

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

Loan facilities comprises \$452,140 (June 2020: \$nil) of drawdowns and interest owing by Skifii Ltd under a loan facility and a 60-day loan of \$1,000,000 to BTC Corporation Holdings Pty Ltd (BTC) taken out on 23 December 2020. The BTC loan is at an interest rate of 20% per annum and as part of the interest consideration, TEK will be issued 50,000 ESOP options in Banxa Holdings Inc (TSXV: BNXA.CN) at an exercise price of CAD\$1 each. Accrued interest at 31 December 2020 was \$4,932.

The promissory note-secured was issued by Bobsbox LLC (trading as InfraSiteR). Subsequent to 30 June 2020, the promissory note is measured at amortised cost.

We refer to the Group's 30 June 2020 *Annual Report* for further details.

8. Payables and accruals

	December 2020 \$	June 2020 \$
Management fee payable	1,236,665	677,804
Performance fee accrual	5,746,027	-
Unsettled trades	1,474,335	394,708
Sundry creditors and accruals	253,482	129,042
Total payables and accruals	8,710,509	1,201,554

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 from brokers for settlement of securities purchased and are settled within 2 days of the transaction.

Notes to the financial statements continued

9. Issued capital

	December 2020 Number of shares	June 2020 Number of shares	December 2020 \$	June 2020 \$
(a) Ordinary shares				
Balance at 1 July	257,285,224	257,285,224	55,973,077	55,973,077
Ordinary shares issued	104,507,880	-	36,577,757	-
Cost of issue	-	-	(836,159)	-
Total issued and authorised capital	361,793,104	257,285,224	91,714,675	55,973,077

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 2020 and 2019:

	Services from and transactions with related parties ¹	
	December 2020 \$	December 2019 \$
<i>Entities with significant influence over the Group:</i>		
Thorney Management Services Pty Ltd ¹	6,812,383	826,954
TIGA Trading Pty Ltd	26,000	26,000
<i>Related parties of key management personnel of the Group:</i>		
Arnold Bloch Leibler ²	126,548	27,375
Bridgewater Capital Pty Ltd ³	-	1,000

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 Increase Amount for the six months to 31 December 2020, a Performance Fee of \$5,746,027 has been accrued in the 2020 Half-year financial statements (2019: \$nil). The accrual includes GST after deduction of the reduced input tax credit. Refer to note 8.

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

³ Bridgewater Capital Pty Ltd is an advisory firm of which Martin Casey is a director.

As part of the recent capital raising, shareholders approved related party transactions to issue a total of 5,698,829 shares to related parties of Mr Alex Waislitz; to issue 23,016 shares to a related party of Mr Alan Fisher; and to issue 100,000 shares to a related party of Mr Martin Casey. For full details, refer to the TEK 2020 Annual General Meeting Notice of Meeting.

Notes to the financial statements continued

11. Earnings per share

	December 2020	December 2019
Basic and diluted earnings per share (cents)	10.81	2.04
Gain used in calculating basic and diluted earnings per share (\$)	29,447,879	5,249,725
	2020 Number of Shares	2019 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	272,436,780	257,285,224

12. Contingent liabilities

The Group has no contingent liabilities as at 31 December 2020 (2019: 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 2020 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2020 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 Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Alex Waislitz
Chairman

Melbourne,
25 February 2021



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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 2020, 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 the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 2020 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script.

Ernst & Young

A handwritten signature in black ink, which appears to read 'Tony Morse'.

Tony Morse
Partner
Melbourne
25 February 2021