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THORNEY

OPPORTUNITIES
TOP

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2024 Annual General Meeting Chairman's Address

Ladies and Gentlemen,

On behalf of the Board, I'd like to welcome you to the 2024 Annual General Meeting for Thorney Opportunities.

My name is Henry Lanzer, I am a non-executive director of Thorney Opportunities Ltd. The Chairman, Alex Waislitz, is not able to join us at the AGM today and thus I am acting as Chairman for today's AGM. I will now deliver the Chairman's Address.

In 2023, we spoke about one of the unique characteristics which sets Thorney Opportunities apart from other listed investment companies and many fund managers. One of the principal differences is the amount of public and private activism which we are prepared to undertake with the Boards and management of our investee companies. This activism is regularly constructive and helps unlock value for all shareholders.

The work undertaken is often, but not always, behind the scenes, and reflects one of the core philosophies which has led to Thorney's long term investment success. This is an attitude which has occurred at TOP since its inception and will continue into the future.

In the 2024 financial year, the TOP portfolio delivered after-tax NTA growth in excess of 24%, representing an outperformance over the S&P Small Ordinaries Accumulation Index by over 15%. This performance reflects the long-term commitment to maintaining an active approach to investment portfolio management and was delivered in an environment where geopolitical risks were strong, interest rates were high and consumer sentiment was soft.

Directors declared a record fully franked final dividend of 1.50 cents per share, an increase of 3.4% over the prior year. Total dividends paid for 2024 were 2.55 cents per share, fully franked and represent a dividend yield of in excess of 4%.

TOP's performance was driven, in large part, by strong M&A activity in the infrastructure and resource services sector. During the period, there were two notable transactions involving key positions in the TOP portfolio: MMA Offshore Limited and Decmil Group Limited. Both MRM and DCG have been long term positions in TOP's portfolio and during this time TOP has been active and influential in the success enjoyed by these companies, including in the establishment of the appropriate capital structure as well as the composition of the Board and management.

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From the investments in MRM and DCG, up until the date of this report, TOP realised proceeds in excess of \$60 million, strongly positioning TOP with substantial capital for future investments. TOP's active involvement with MRM and DCG is typical of the approach adopted by it across all key portfolio positions. Within the infrastructure, engineering and resource sector, at various times, TOP has played an active role with a number of other key portfolio positions, all of which have been positive contributors to performance in FY2024, including:

- Southern Cross Electrical Engineering Limited enjoyed a period of strong operational and share price performance in FY2024 with the company maintaining a robust order book and opportunity pipeline leading into FY2025. TOP retains a substantial shareholding in SXE and an optimism in the outlook for the company;
- Austin Engineering Limited also performed well from an operational and share price perspective in FY2024. During the period, TOP took the opportunity to realise some profits and currently remains the company's largest shareholder. TOP retains its positive sentiment towards ANG and believes that it is well positioned to deliver strong earnings performance in FY2025 and FY2026;

Other activity across the broader listed investment portfolio included the Thorney Group, including TOP, recently playing a crucial role in AMA Group Limited, where it actively effected change at the leadership of the company and acted as an anchor participant in the recapitalisation plan successfully executed during June/ July 2024. Whilst AMA was a drag on the performance of TOP during FY2024, under refreshed and motivated leadership and a strong balance sheet, we are cautiously optimistic about what the company can achieve in FY2025 and beyond.

TOP's largest unlisted holding is 20 Cashews Pty Ltd, which owns 100% of Australian Community Media, approximately 30% of View Media Group and just under 15% of Southern Cross Media Group Limited. TOP has been active at ACM as it executes its plan to progress both the rationalisation of its publication portfolio and digital transformation. Reaching around five million people, ACM's commitment to being the trusted voice for news editorial in regional Australia remains at the centre of its strategy. This strategy has resonated with regionally-based Australians and evidenced by the number of digital subscribers increasing to almost 150,000. However, the positive contribution generated by the digital subscriber growth has been tempered by a persistently soft advertising environment as well as the reduction in the financial commitment, and therefore their support for journalism, by Meta and Google in connection with paying for news-related content.

It has been well-documented that the traditional Australian media participants are currently facing a number of economic and industry structure-related challenges. ACM is not immune and that being the case, 20C has sought to be active in securing a seat at the table as the media environment continues to shift. Most significantly, 20C acquired a strategic interest of just under 15% in SXL, a business which has both metro and regional media assets and which has considerable synergy with the ACM geographical footprint.

During FY2024, View Media Group continued to execute on its strategic plan to disrupt the online real estate listings market in Australia. Along with key shareholders, ANZ Group Holdings Limited and Seven West Media Limited, TOP played an active role guiding the strategic pathway to achieving scale. I remain optimistic about the long-term value proposition presented by 20C's assets, however, as flagged in TOP's 2024 financial statements, released to the market in August, the Board has adopted a prudent approach to the carrying value as at 30 June 2024. The decline in the carrying value reflected the impact of the mark-to-market adjustment of 20C's investment in SXL as well as a cautious outlook with respect to the short-term earnings outlook for ACM.

Like all shareholders, I remain disappointed that TOP's share price has continued to trade below its NTA. The Directors, the investment team and I remain focused on identifying initiatives aimed at reducing and preferably eliminating this unjustified discount gap. The company's adjustment

to its management fee structure, with the introduction of a high watermark, along with the ongoing on-market share buyback program is part of this strategy.

I continue to believe that TOP's value-based investment approach will deliver strong performance for shareholders, along with dividends, over time.

The unequivocally clear outcome of the recent US election has mitigated some concerns about market volatility and the short-term outlook for markets appears relatively optimistic.

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

Thank you.

For further information please contact:

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About Thorney Opportunities Ltd

Thorney Opportunities Ltd (TOP) is an ASX-listed investment company (LIC) which concentrates on producing absolute returns for shareholders over the medium to long term. Its primary focus is on the careful selection of investments which enables TOP to be a constructive catalyst towards unlocking the value in the companies that it identifies. TOP invests in listed and unlisted equities and financial assets, in a variety of sectors, including media, automotive, energy and pharmaceutical.

TOP is managed by the privately owned Thorney Investment Group (TIG) pursuant to a long-term investment management agreement. TIG has grown its own portfolio substantially over the past two decades and it is this same strategy that TOP employs as it carefully selects its investments. Through the investment management agreement, TOP has access to the same investment team and deal flow as TIG and has already co-invested with TIG in a number of the investments that TOP has undertaken so far. You can invest in TOP by purchasing shares on the Australian Securities Exchange (ASX).

For more information visit: <https://thorney.com.au/thorney-opportunities/>