

INVESTMENT UPDATE AND NTA REPORT MAY 2023



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

NTA Current Month	Before Tax ¹	After Tax ¹
31-May-23	70.5 cents	68.9 cents
NTA Previous Month	Before Tax ¹	After Tax ¹
30-Apr-23	76.6 cents	73.4 cents

¹ Figures are unaudited and approximate.

KEY ASX INFORMATION (AS AT 31 MAY 2023)

ASX Code	TOP
Structure	Listed Investment Company
Inception date	January 2014
Market Capitalisation	\$98.1 million
Share Price	51.5 cents
Shares on Issue	190,793,849
Dividends	Half yearly
Management Fee	0.75% half yearly
Performance Fee	20% of net NTA increase over pcg
Manager	Thorney Investment Group

INVESTMENT PERFORMANCE*

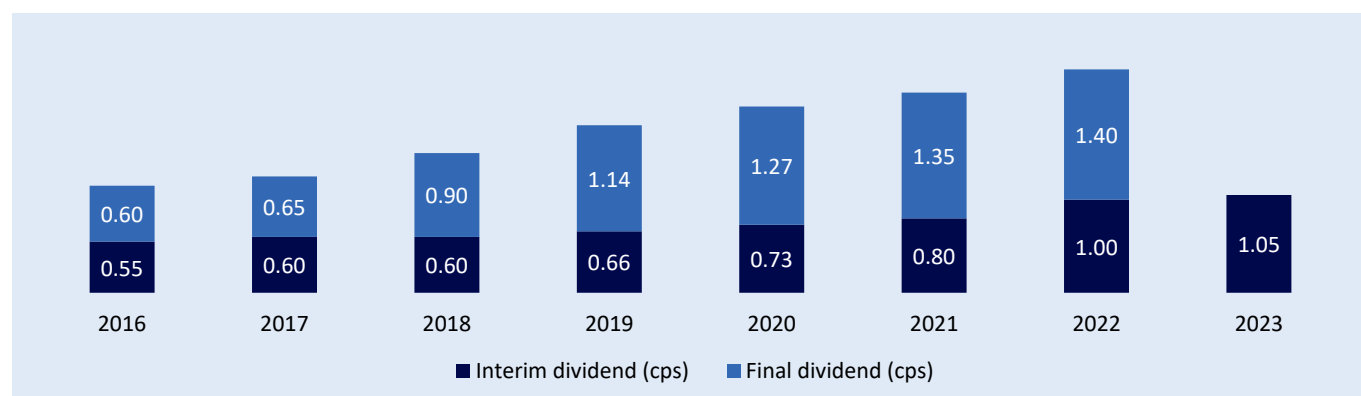
As at 31 May 2023	3 Months	6 Months	1 Year	Since Inception
TOP investment portfolio	-7.51%	-1.36%	2.23%	8.31%
S&P Small Ordinaries Accum. Index	-1.29%	-2.48%	-5.77%	7.84%
Performance versus Index	-6.22%	1.12%	8.00%	0.47%

* Investment performance is calculated on a pre-tax NTA plus dividends basis.

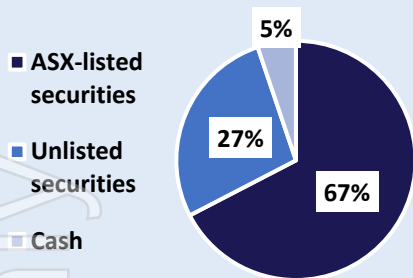
TOP SECURITIES

Rank	Company	% of Portfolio
1	20 Cashews Pty Ltd	28.4
2	MMA Offshore	20.2
3	Austin Engineering	10.3
4	Solvar Ltd	9.5
5	Southern Cross Electrical Engineering	7.4
6	Consolidated Operations Group	4.6
7	Service Stream	4.5
8	Retail Food Group	3.3
9	Decmil Group	2.7
10	AMA Group	2.0

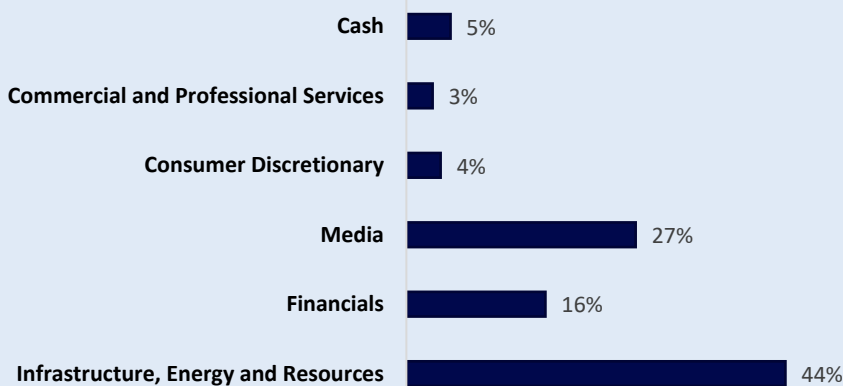
TOP FULLY FRANKED DIVIDEND HISTORY



ALLOCATION OF INVESTMENTS



PORTFOLIO SECTORS



OVERVIEW

- The decline in the TOP NTA as at 31 May 2023 compared to one month prior was largely attributable to weakness in the share prices of Austin Engineering Limited (ASX.ANG), Solvar Limited (ASX.SVR) and AMA Group Limited (ASX.AMA).

INVESTE COMPANY UPDATES

AUSTIN ENGINEERING LIMITED

- In early May, ANG disclosed delayed orders and the resultant expected decline in the performance of the Perth business in FY23.
- ANG confirmed it had received more than 85 percent of the purchase orders it was waiting on for a multiple truck tray order in its Australian business.
- The purchase orders are now being scheduled into production at ANG's manufacturing facilities in Perth, Western Australia and Batam, Indonesia.
- ANG said as previously disclosed, production lead times mean that the revenue and margin impact of these orders will start to be seen in early FY24.
- On 13 June, ANG announced it had received purchase orders for four haul truck trays from a major iron ore producer in India, opening up a potential substantial new market opportunity for its Asia-Pacific business.
- Thorney view: ANG is well positioned to deliver strong earnings performance in FY24 due to its leverage to the buoyant resources markets, expanded capacity, operational efficiencies and a strong order book. Further, the modern-day ANG has expanded its product offering to now include the production of the innovative Maintec branded buckets.**

SOLVAR LIMITED

- On 17 May, SVR announced that its subsidiary Money3 Loans Pty Ltd ("Money3"), had been served with proceedings filed by ASIC in the Federal Court of Australia, in relation to potential breaches of its responsible lending obligations on 5 consumer loans.
- Money3 will defend these proceedings and has reaffirmed its commitment to supporting its customers with the purchase of a motor vehicle in a responsible manner and takes its obligations to its customers seriously.
- Money3 has reviewed the claims and is of the view it has appropriate processes in place in relation to responsible lending, training programs, and systems that comply with its legal obligations.
- Thorney view: Despite the proceedings by ASIC, we maintain our optimism for SVR as it continues to grow its loan book, deliver forecast increased fully franked dividends and executes its capital management strategy.**

COG FINANCIAL SERVICES LIMITED

- COG Financial Services Limited (ASX.COG) reported its unaudited Q3 FY23 segment results for the Finance Broking & Aggregation (FB & A) and Funds Management & Lending segments.
- Q3 FY23 NPATA for the FB & A segment was \$3.9 million, up from \$3.4 million in Q3 FY22, while Q3 FY23 NPATA for Funds Management & Lending was \$2.2 million, down slightly on the Q3 FY22 level of \$2.3 million.
- COG said its Other Segment is not included because it contains the equity accounted proportional share of Earlypay Limited's (ASX.EPY) results.
- Given the recent insolvency of EPY's largest client, Revolution Roofing, EPY has withdrawn guidance and it is not possible for COG to estimate EPY's earnings and therefore its contribution to the Other Segment and hence the decision to defer the release of the Other Segment results until the FY23 full audited results are available.
- Thorney view: We anticipate further positive momentum from COG in FY2024 due to strong growth in both organic and acquisition earnings.**

20 CASHEWS PTY LTD (20C)

- The rationalisation of Australian Community Media across numerous workstreams continues, including:
 - Right-sizing the cost structure to reflect a more streamlined and focused publication portfolio;
 - Initiatives aimed at improving the relevance and performance of the company's key daily and agricultural titles; and
 - improvement in the quality of editorial content across the portfolio.
- As a significant shareholder in View Media Group (VMG) alongside ANZ Group Limited (ANZ.ASX) and Seven West Media Group Limited (SWM.ASX), 20C is working closely with management on the execution of its strategic plan to disrupt the Australian real estate transaction market.

TINYBEANS GROUP LIMITED

- On May 9, Tinybeans Group Limited (ASX.TNY) announced that Co-Founder, Managing Director and CEO, Eddie Geller would be stepping down from his role as CEO.
- On 1 June, TNY appointed Ms Zsofi Paterson as CEO, having formerly been the CEO of Loup, a portfolio of digital health and wellness subscription products, including Centr by Chris Hemsworth. Prior to this, Zsofi was Head of Business Development for Nine Entertainment Group.
- A long time used of TNY and a mother of two young children, Zsofi, together with the new Chair, Ms Chantelle Millard, completes an all-female leadership team.
- **Thorney view: TNY is well positioned to continue to grow its photo-sharing and journaling app and to add new features. We remain excited about the prospects of TNY continuing to penetrate its large addressable market.**

CHAIRMAN'S COMMENTS

Alex Waislitz said: *"Whilst the outlook remains volatile for equity markets given signs that RBA may continue to increase interest rates, many small and micro cap stocks are looking reasonably priced at current levels.*

We are positive about the outlook for the TOP portfolio and believe we are well-placed to navigate the changing macro backdrop, with our exposure to mining and resources services names a positive.

We continue to be disappointed by our share price discount to NTA, however we are striving to execute on initiatives aimed at closing the discount gap. Our on-market buyback program for TOP shares, which commenced 9 March will continue a for a period of 12 months to 8 March 2024, is one of the initiatives designed to address this."



INVESTMENT PHILOSOPHY

TOP undertakes thorough due diligence to identify fundamentally mispriced or undervalued companies and combine that with constructive advocacy with boards and management to implement change when required.

INVESTMENT OBJECTIVES

- Producing absolute returns for shareholders over the medium-to long-term
- Delivering a strong fully franked dividend stream to shareholders

KEY CONTACTS

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ABOUT THORNEY OPPORTUNITIES LTD

Thorney Opportunities Ltd (TOP) is an ASX-listed investment company that invests in listed and unlisted equities and financial assets, in a variety of sectors, including media, automotive, energy, engineering and mining services and financial services.

Our primary focus is on the careful selection of investments which enables us to be a constructive catalyst towards unlocking the value in the companies identified. TOP is managed by the privately owned Thorney Investment Group pursuant to a long-term investment management agreement.

You can invest in TOP by purchasing shares on the Australian Securities Exchange (ASX).

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

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