

INVESTMENT UPDATE AND NTA REPORT

DECEMBER 2022



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

NTA Current Month	Before Tax ¹	After Tax ¹
30-Dec-22	72.5 cents	70.2 cents

NTA Previous Month	Before Tax ¹	After Tax ¹
30-Nov-22	72.7 cents	70.4 cents

¹ Figures are unaudited and approximate.

KEY ASX INFORMATION (AS AT 31 DECEMBER 2022)

ASX Code	TOP
Structure	Listed Investment Company
Inception date	January 2014
Market Capitalisation	\$101.8 million
Share Price	53 cents
Shares on Issue	192,142,940
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 December 2022	3 Months	6 Months	1 Year	Since Inception
TOP investment portfolio	2.40%	9.61%	-0.49%	8.90%
S&P Small Ordinaries Accum. Index	7.54%	7.03%	-18.39%	7.95%
Performance versus Index	-5.14%	2.58%	17.88%	0.95%

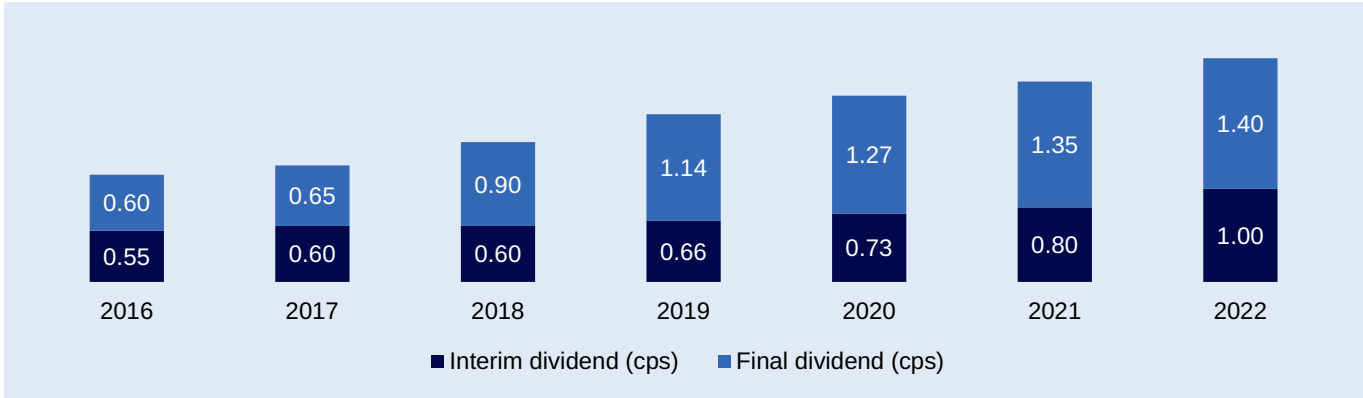
* Investment performance is calculated on a pre-tax NTA plus dividends basis.

TOP SECURITIES

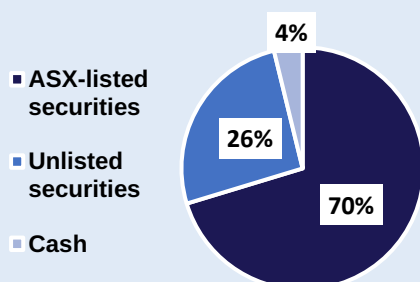
Rank	Company	% of Portfolio
1	20 Cashews Pty Ltd (ACM)*	26.6
2	MMA Offshore	18.0
3	Solvar (formerly Money3 Corporation)	10.3
4	Austin Engineering	9.8
5	Southern Cross Electrical Engineering	7.3
6	Retail Food Group	5.3
7	Consolidated Operations Group	4.6
8	Service Stream	4.3
9	AMA Group	3.4
10	Decmil Group	2.6

* TOP's investment in ACM is via its holding of 20 Cashews Pty Ltd which has an underlying investment in ACM.

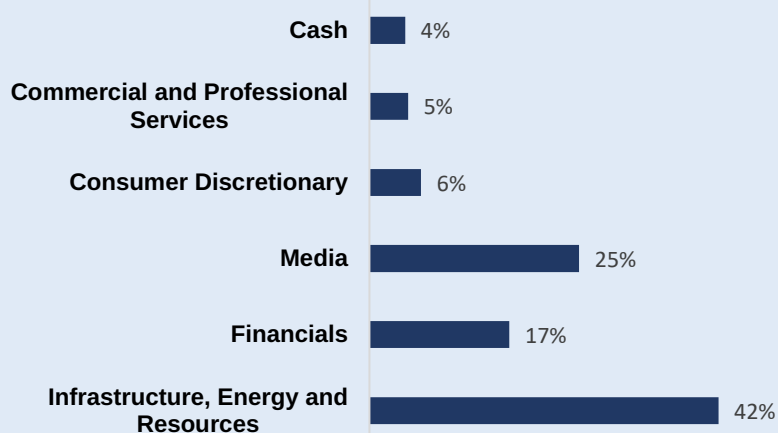
TOP FULLY FRANKED DIVIDEND HISTORY



ALLOCATION OF INVESTMENTS



PORTFOLIO SECTORS



MMA OFFSHORE LIMITED

- MMA Offshore Limited (MRM.ASX), said it expects to deliver 1H FY23 EBITDA in the range of \$30-32 million, up approximately 70% on the 2H FY22.
- MRM said market conditions during the first half have been stronger than anticipated with increased activity in its traditional oil and gas markets together with offshore wind developments in South-East Asia driving demand for its assets and services.
- MRM said that the major driver of the improvement in earnings was the almost full utilisation at 92% of its MPSV fleet – or vessels specially designed for subsea operations.
- In addition, utilisation of MRM's vessel fleet for the first five months of the financial year has averaged 82% (up from 66% in the 1H FY22).
- The Company added that the improved financial result also reflected a strong first half for its subsea division, with the delivery of a number of substantial integrated projects across oil and gas, offshore wind and defence and utilising a combination of MRM-owned and third-party vessels.
- In addition, MRM provided an update on key contracts recently entered into as follows:
 - The platform supply vessel "MMA Plover" has been extended for a further 11 months at an improved day rate.
 - The platform supply vessel "ASL Harmony" has been bareboat chartered (leased) into the fleet for a minimum period of one year and up to four years at MRM's option. This enhances MRM's earning capability in a rising market without the deployment of capital
 - The offshore support vessel "Mermaid Strait" has been sold but will remain in the fleet through a bareboat charter arrangement for 18 months firm with mutual options to extend. This transaction allows MRM to maintain capacity in the fleet whilst reducing capital deployed. The sale was contracted at above book value, with the proceeds (\$13 million) to be used to further reduce MRM's net debt position.
- MRM said that market conditions for 2H FY23 are encouraging at present, however it has yet to contract a number of its larger vessels or integrated scopes through the traditionally quieter monsoon period.

SOLVAR LIMITED (MONEY3 CORPORATION LIMITED)

- Money3 Corporation Limited (MNY.ASX), announced that following shareholder approval at the company's Annual General Meeting, the company's name has changed to Solvar Limited (SVR.ASX), effective Monday 12 December 2022.
- SVR said the new brand identity represents what the Group does, which is to provide personalised finance solutions, allowing customers to solve their financial needs.
- Money3, Automotive Financial Services and Go Car Finance in New Zealand will continue to be the brands that go to market for customers, with the change of name only reflected at the parent company, it said.
- SVR continues to be active with its on-market share buyback.

20 CASHEWS

- The transformation of the ACM business has progressed, including ongoing rationalisation of the publication portfolio, disposal of surplus real estate and further investment in the digital subscription business.
- The continued strength in the agricultural sector has ensured a consistent strong performance for the company's Agri-publications.
- View Media Group, in which 20 Cashews is a significant shareholder, continues the execution of its strategic plan to consolidate targeted prop-tech companies.
- The carrying value of the 20 Cashews investment will be reviewed as part of TOP's half year statutory reporting process.

AUSTIN ENGINEERING LIMITED

- Austin Engineering Limited (ANG.ASX) announced an increase in the production capacity and capability of its operations in Batam, Indonesia, driven by a rapidly expanding order book and a strategic focus on the facility.
- ANG said the expansion and upgrade of the Indonesian facility is on track for completion in early January 2023.
- The Group is targeting an increase in its current production capacity of 12,000 m2 by almost 100 percent.
- ANG said it was also well advanced in employing another 150 production workers and has been strengthening its management team all year.
- Austin estimates total capital expenditure for the facility upgrade and capacity expansion to be:
 - \$3 million for advanced manufacturing (previously announced).
 - \$2 million for facility expansion (with up to an additional \$2 million linked to further revenue growth in calendar year 2023)
 - \$1 million for new equipment (plasma machine, welding machine etc. to augment the existing capacity)
- As a result of the expansion and upgrade, revenue in 1H FY23 for Indonesia is expected to be circa 80% higher when compared to the previous corresponding period (pcp).
- ANG also expects continued revenue growth in 2H FY23 as the increased order book feeds through to revenue, which can now be effectively managed by its capacity and capability improvements.
- The 1H FY23 EBITDA margin in Indonesia is expected to be in line with the Group target range of 18-20 per cent despite the impact of capacity constraints, which have now been largely overcome. This sets a good base for further revenue and margin increases in the second half, the Group said.
- However overall, Asia Pacific EBITDA margin for H1 FY23 will remain similar to the pcp, albeit on significantly higher revenue, as a result of continued weakness in the West Australian based business, as previously reported.
- ANG said changes to the Australian business now underway, including the re-organised manufacturing facility in Perth, are likely to contribute to a positive impact on the performance in the second half for the APAC sector.

RETAIL FOOD GROUP

- On 23 December, Retail Food Group (RFG.ASX) announced it had resolved the Federal Court of Australia proceeding commenced by the ACCC against it and certain of its entities.
- The resolution of these historical matters provides RFG with the opportunity to focus on the future, including the execution of various commercial initiatives designed for the benefit of all stakeholders.

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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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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