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THORNEY
OPPORTUNITIES
TOP

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2026 Annual General Meeting Chairman's Address

Welcome to the 2026 Thorney Opportunities Ltd Annual General Meeting. My name is Alex Waislitz and I am your chairman.

The 2026 financial year was characterised by a combination of selective strong equity market performance and increases in the broader risk environment. Global share markets generally traded near record highs, supported by resilient economic growth, ongoing technological innovation and substantial investment associated with artificial intelligence.

However, countering this equity market strength, investors had to contend with a range of geopolitical challenges, including trade tensions, tariff-related uncertainties and ongoing international conflicts that periodically affected sentiment and capital flows.

Inflationary pressures tested the mettle of central banks across the globe. In Australia, the RBA increased interest rates three times during FY2026. As we are all aware, the RBA has increased rates on a further two occasions since 30 June 2026, the effect of which has seen greater caution in the economic outlook and reduced confidence.

As we have seen, many of these risks have manifest in the months since the end of FY2026, with equity market volatility the response.

For Thorney Opportunities Ltd (TOP), the year was one of active portfolio management and disciplined capital allocation. While broader markets achieved strong returns, opportunities remained highly selective.

Our investment approach continued to focus on identifying undervalued companies where we believe operational improvement, strategic change or market recognition can unlock meaningful shareholder value over time.

TOP's net tangible assets finished the year ended 30 June 2026 slightly down at 89.3 cents per share versus the prior year.

The Board remains committed to delivering returns to shareholders through both capital growth and income. Reflecting the strength of the Company's balance sheet and its capacity to generate sustainable shareholder returns, TOP declared a final fully franked dividend of 1.65 cents per share, an increase over the final dividend in the prior period of around 6.5%.

The total dividends declared in respect of FY2026 were 2.75 cents per share, an increase of 3.8% over FY2025.

Using today's share price, this represents a fully franked dividend yield of over 5.0%.

The Company's strongest portfolio positions during FY2026 were:

- Southern Cross Electrical Engineering Limited;
- Macmahon Holdings Limited;
- QuickFee Limited;
- Service Stream Limited; and
- Zip Co Limited.

These investments benefited from a combination of improved operating performance, favourable industry conditions, generally stronger dividends and stronger market recognition of their underlying value.

Notwithstanding these successes, several investments detracted from performance during the year:

- AMA Group Limited;
- Austin Engineering Limited; and
- 20 Cashews Pty Ltd.

While the performance of these positions was disappointing, periods of underperformance are an inherent part of long-term investing. We continue to assess each investment rigorously and remain focused on ensuring capital is allocated to opportunities that offer the most compelling risk-adjusted returns. It is for this reason that we continue to be satisfied with the composition of the portfolio.

During the year, we initiated new investments in SPC Global Holdings Ltd and Acrow Limited and increased our exposure to Zip Co Limited and AMA Group Limited, reflecting our conviction in the Company's long-term investment philosophy.

A continuing frustration for the Board remains the persistent discount between the Company's share price and its underlying net tangible assets. While discounts to NTA are not unique to TOP and are prevalent across the listed investment company sector, we recognise the impact this has on shareholder returns.

Highlighting this irrationality, as at the end of October, TOP had total listed investments of approximately $121.0 million, unlisted investments of approximately $20.0 million plus cash and deployable capital of over $11.0 million leading to net assets of around $141.0 million or 84.7 cents per share. This net asset figure compares to a market capitalisation of approximately $89.0 million at the same date. This value gap of about $52.0 million is what we are looking to close and this is the value opportunity.

The Board and management team remain focused on initiatives designed to enhance shareholder value and improve market recognition of the quality of the Company's assets and investment strategy.

Capital management remained a priority throughout the year and, in that regard, TOP continued to be active with its on-market share buyback. It is the Board's view that acquiring shares under this program represents an efficient and value-enhancing use of capital for continuing shareholders.

As I stated earlier, the Board remains confident in the quality of TOP's investment portfolio, the experience of the investment team and our ability to identify attractive opportunities across the market.

We will continue to apply our disciplined investment approach while maintaining a strong focus on capital preservation, shareholder returns and long-term value creation.

On behalf of the Board, I thank our shareholders for their continued support and confidence in Thorney Opportunities Limited.

Thank you.

For further information please contact:

Craig Smith, Company Secretary
E: craig.smith@thorney.com.au
T: + 61 3 9921 7116

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/