

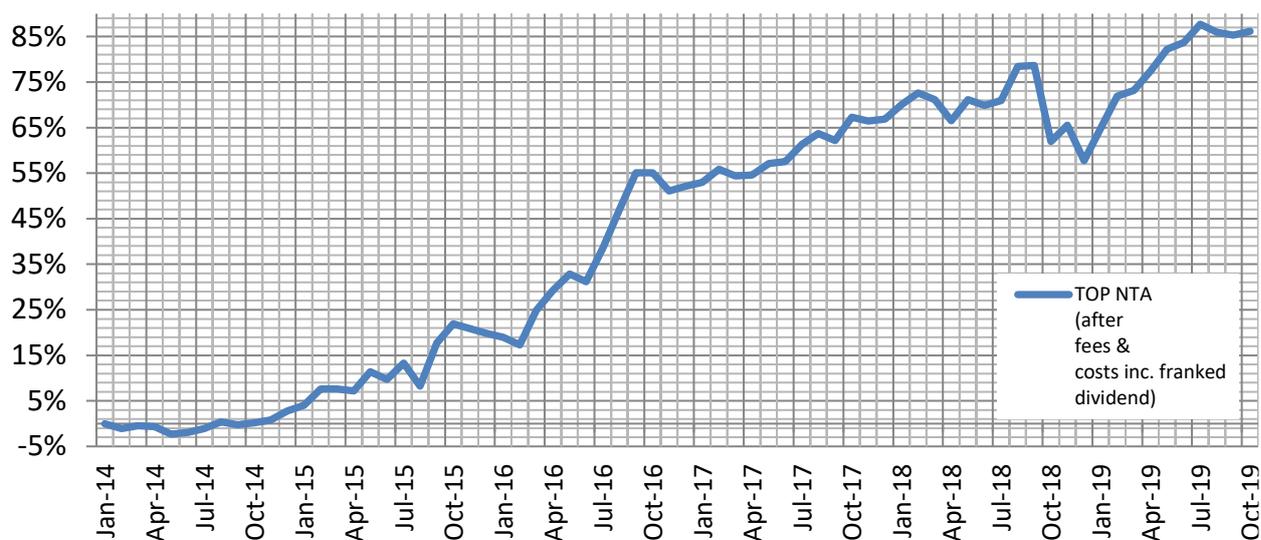
Chairman's address

Ladies and gentlemen, good morning,

As previously reported to you, Thorney Opportunities delivered a net profit before tax of \$15 million for the year ended June 30. Directors also declared a record final dividend of 1.14 cents per share which was up 27% on the previous year.

I continue to be extremely pleased with the investment performance of the TOP portfolio which has shown consistent growth over time since TOP's inception over 5 years ago. Over that period TOP's Net Tangible Assets per share including dividends has risen by more than 85% – an outstanding performance by any measure and representing an annual average return in excess of 15%.

TOP PERFORMANCE SINCE INCEPTION TOP NTA (after fees and costs & incl. franked dividends)



TOP shareholders are aware of the main companies in the TOP portfolio via our regular Chairman's updates. The period under review saw strong share price growth in a number of our major holdings including Service Stream, Money3 and AMA.

As is our usual strategy TOP continued to trim its holdings in key companies when we judged share prices had run too far and we bought back in if we felt value had returned. We did partially reduce our long-term holding in Service Stream which has been a highly successful investment for TOP returning more than 15 times our initial outlay. Nevertheless we still retain a sizable holding in Service Stream and have added to it when the company's share price has been at lower levels.

Despite TOP's strong investment performance over more than 5 years, the company's share price still trades at a discount to NTA.

Chairman's address continued

Ladies and gentlemen there has been considerable commentary recently about the Listed Investment Company (LIC) sector.

Some commentators have even expressed the view that the sector is finished. We've seen a number of LICs struggling in both their performance and inability to raise capital while others are converting to different structures. We are on the lookout in both TEK and TOP to see if we can acquire or merge or take over the management. With few exceptions, most LICs – including TEK are trading at a discount to NTA. This is something I have commented about on a number of occasions.

But despite this, I do not believe that the LIC sector is structurally flawed. In fact I'm of the opposite view. The discount to NTA that most LICs are experiencing is usually the result of significant investment under performance or a perception that previous out performance won't be repeated. In fact it's been reported that more than 95% of Australian LICs have under performed the sharemarket over the past five years. Neither TEK nor its sister LIC Thorney Opportunities fit into that category. They have both consistently and substantially outperformed the sharemarket since their inception and I contend that they will continue to do so.

I actually see the current LIC shakeout as a good thing. It will result in the 'wheat being sorted from the chaff'. The stronger and better performing LICs like TEK and TOP will survive and prosper. The rest will fall away. Over time the discount-to-NTA gap will narrow and for the best performing LICs like TEK and TOP that discount should even become a premium.

In the meantime I have been continuing to add to my personal holdings of both TOP and TEK because I believe the sharemarket's current mis-pricing makes them excellent value.

Sharemarket mis-pricing is not only occurring in the LIC sector and during the year this resulted in some opportunistic transactions which have not always been to the benefit of all shareholders. One case in point was the takeover of the retirement village owner and operator Aveo Group at a price well below its NTA, and more recently Seven West's proposed scrip offer for the Prime Media group which contains no takeover premium.

As a value investor I am constantly surprised at the apparent willingness of most Australian investment institutions to accept low ball offers for companies instead of agitating for a better deal. In addition, we are extremely disappointed when Directors, especially independent directors, accept sub-par offers on behalf of the shareholders they are supposed to represent. For example, the independent experts report prepared for Prime Media shareholders concluded that the offer from Seven West Media was unfair, and further provided a fair value range for Prime shares well above the current offer.

At TOP we will always speak up if we think shareholders are being disadvantaged by an opportunistic bid.

In the case of Prime Media, TOP's associated party, WA Chess Investments Pty Ltd, has continued to buy Prime Media shares, and now holds in excess of 13%.

Chairman's address continued

Apart from the strong performance of most of its main holdings, one key highlight for TOP over the past 12 months has been its involvement in the acquisition of the Australian Community Media Group from the Nine Entertainment Group.

You will hear from ACM's Executive Chairman Antony Catalano later this morning during the Investment Forum. Antony's track record in creating shareholder wealth speaks for itself. Antony and I have big plans to grow ACM over the next several years and the only way for other investors to gain an exposure to this potential upside is by being a shareholder in TOP. I am sure you will share our enthusiasm after you learn more today.

Apart from ACM I am excited generally about the outlook for TOP. There remains plenty of upside potential in some of our existing stars. Others like Palla Pharma appear set to finally deliver and we expect to see the benefits from our strategic exposure to the infrastructure thematic flow through over the next 12 to 24 months.

I would like to thank the shareholders of TOP for their continued support, the Board for their guidance and hard work over the past year and the investment team at Thorney.

Thank you for your attendance today and I hope you enjoy the presentations by our special guests.

Alex Waislitz

Chairman

Thorney Opportunities Ltd

20 November 2019