

**ASX ANNOUNCEMENT****30 November 2021****SALE OF CONSUMER FINANCE BUSINESS RADIO RENTALS**

Thorn Group Limited (ASX: TGA) (**Thorn**) has today entered into a binding Asset Sale Deed to dispose of the assets of its Radio Rentals business to Credit Corp Group Limited (**CCG**) for an estimated net consideration of approximately \$45 million.

**Highlights**

- Thorn to dispose of the assets of its Consumer Finance business Radio Rentals (**Radio Rentals**) for a total sale price of approximately \$45m, subject to completion adjustments.
- Sale of some of the assets will be in the form of an economic participation arrangement.
- Completion is expected to take place in mid-December 2021, subject to Thorn and CCG finalising the terms of certain transitional arrangements and documents.
- The proceeds will enable Thorn to accelerate the continued growth of Thorn Business Finance consistent with Thorn's announced strategy.
- The Asset Sale Deed contains the provision of warranties and indemnities typical of a transaction of this nature.

The transaction will enable Thorn to continue its focus on becoming a competitive specialist financier dedicated to business finance and providing a suite of technically enabled real funding alternatives for everyday Australian SMEs. Thorn Business Finance will continue to operate under the Thorn name.

CEO of Thorn Group Ltd, Pete Lirantzis, said "The sale of Radio Rentals, following the closure of stores and the transformation to a digital ecommerce online retailer platform last year, represents an excellent outcome for shareholders as it has delivered the maximum immediate value from the consumer finance business, and this now allows us to focus on Thorn's Business Finance offering."

"Business Finance is now offering a "digital first" debtor solution to small to medium sized businesses across Australia through integrated accounting and finance software platforms and we plan to expand this offering as a key plank in our corporate growth strategy." added Mr Lirantzis.

**Strategic Considerations**

Mr Lirantzis commented "Following a successful sale of the Radio Rentals business, Thorn's immediate principal focus will be on our business finance division activity, where we are currently finalising our strategic review.

Thorn's business finance offering was launched in pilot stage earlier this year adopting the Thornmoney brand, with a digitally supported debtor finance product. In early 2022, we are launching our digitally enabled equipment finance offering, which will leverage our existing distribution relationships and

customer base.

Moving forward, Thorn's strategy is to build a digitally powered suite of products providing a new offering to SMEs. Core is a platform to simplify and accelerate the application process. This is in pilot testing. We will use customer data to generate insights so as to proactively anticipate and address customer needs and risk events.

Being unburdened by legacy IT infrastructure platforms allows us to source and exploit new solutions and to integrate multiple platforms, with the smart use of AI and machine learning to achieve customer and segment insights.

Brokers will continue to play a key role in our channel mix of originating new business.

Thorn is well capitalised, with free cash at bank, as at 25 November 2021, of approximately \$74 million. The principal focus is on growing the company organically. However, our cash position enables Thorn to assist in funding a new warehouse, our platform for delivery and to also undertake small strategic acquisitions as and when appropriate.

The Board and I look forward to providing Thorn shareholders with a further update on Thorn's plans for the future business use of a significant amount of our existing cash and part of the cash proceeds from the sale of our Radio Rentals business."

This release has been authorised by the Board of Directors.

For further information, please contact:

**Pete Lirantzis**  
**Chief Executive Officer**  
**0411 012 035**  
**[Investor.Relations@thorn.com.au](mailto:Investor.Relations@thorn.com.au)**

**Alexandra Rose**  
**General Counsel & Company Secretary**  
**+61 (02) 9101 5122**  
**[Company.Secretary@thorn.com.au](mailto:Company.Secretary@thorn.com.au)**

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**ABOUT THORN GROUP LIMITED (ASX: TGA, [www.thorn.com.au](http://www.thorn.com.au))**

Thorn is a diversified financial services company providing financial solutions to consumers and businesses. Thorn's consumer leasing business, Radio Rentals (RR Rentlo Reinvented in South Australia), is a leader in the household goods consumer leasing market, operating since 1937. Thorn Business Finance is a provider of leasing and other financial services to small and medium enterprises. Thorn has been listed on the ASX since 2006, is licensed under the National Consumer Credit Protection Act 2009 and operates a responsible lending policy.