

16 September 2019

ASX Market Announcements
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Thorn Group Limited (ASX:TGA)

Notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84

- 1.1 Thorn Group Limited (ASX: TGA) (ABN 54 072 507 147) (**Thorn**) today announced a fully underwritten accelerated pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in Thorn (**Shares**) to existing eligible shareholders to raise approximately \$38.7 million (**Entitlement Offer**). The Entitlement Offer consists of an offer of 1 new Share in Thorn (**New Share**) for every existing Share held as at 7.00pm (Sydney time) on Wednesday 18 September 2019 (**Record Date**) by eligible shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) at an issue price of \$0.24 per New Share.
- 1.2 This notice is given by Thorn under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Instrument 2016/84**). References in this notice to section 708AA of the *Corporations Act* are to that section as modified by Instrument 2016/84.
- 1.3 The Entitlement Offer is fully underwritten by Shaw and Partners Limited subject to the terms and conditions of an underwriting agreement. The Entitlement Offer will also be sub-underwritten by a number of institutional shareholders, including Somers Limited (**Somers**), Forager Funds Management Pty Ltd (**Forager**), and Investors Mutual Limited (**IML**) (each being current shareholders of Thorn), subject to the terms and conditions of their respective sub-underwriting agreements, in the following amounts:
 - (1) Somers for a maximum of 34,977,579 New Shares (being 36.12% of the sub-underwritten allocation);
 - (2) Forager for a maximum of 18,311,283 New Shares (being 18.91% of the sub-underwritten allocation);
 - (3) IML for a maximum of 6,044,062 New Shares (being 6.24% of the sub-underwritten allocation); and
 - (4) any additional institutional investor/s nominated by the underwriter for a maximum of 37,500,000 New Shares (being 38.73% of the sub-underwritten allocation).
- 1.4 Thorn advises that:
 - (1) the New Shares will be offered for issue under the Entitlement Offer without disclosure under Part 6D.2 of the *Corporations Act*;
 - (2) as at the date of this notice, Thorn has complied with:
 - (a) the provisions of Chapter 2M of the *Corporations Act*, as they apply to Thorn; and

- (b) section 674 of the Corporations Act as it applies to Thorn;
- (3) as at the date of this notice, there is no “excluded information” of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act which is required to be disclosed under section 708AA(7)(d) of the Corporations Act; and
- (4) the potential effect the issue of New Shares will have on the control of Thorn and the consequences of that effect will depend on a number of factors, including investor demand and the extent to which Eligible Shareholders take up their entitlements. The potential effect that the issue of New Shares under the Entitlement Offer will have on the control of Thorn, and the consequences of that effect, are broadly as follows:
 - (a) if all Eligible Shareholders take up their entitlement in full under the Entitlement Offer, there will be no significant effect on the control of Thorn;
 - (b) if Eligible Shareholders do not take up some or substantially all of their entitlement under the Entitlement Offer, the shareholding interests of those Eligible Shareholders will be diluted;
 - (c) the proportional interests of shareholders that are not Eligible Shareholders will be diluted because those shareholders are not entitled to participate in the Entitlement Offer; and
 - (d) the voting power of Somers, Forager, and IML, who prior to the Entitlement Offer held approximately 19.99%, 11.30% and 8.63% of voting power in Thorn respectively, may increase their voting power to the extent that they participate as sub-underwriters under the Entitlement Offer.

Signed for **Thorn Group Limited**:



Peter Forsberg
Company Secretary
Thorn Group Limited