

## ASX Announcement

12 October 2020

### Capital management strategy

Thorn Group Limited (ASX: TGA) ("**Thorn**") announces the following matters.

On 31 July 2020, Thorn lodged its Quarterly Activities Report and Appendix 4C for the period to 30 June 2020 which stated that Thorn held \$54.1 million of free cash. It was apparent to Thorn's directors by mid-June 2020 that Thorn would hold funds in excess of its requirements. Thorn's directors have, since that time, been considering Thorn's abilities to pay a dividend and to return surplus funds to shareholders via methods additional to the payment of dividends, and Thorn has been liaising with its external advisers. Legal and accounting issues, in relation to the payment of a dividend and the extent to which a dividend could be franked, have been complex.

### Special Dividend

On 12 October 2020, the Thorn Board declared a fully franked special dividend of \$0.075 cash per share ("**Special Dividend**"). The Special Dividend will be paid to shareholders on Tuesday, 3 November 2020.

The Special Dividend will total approximately \$24.2 million.

Thorn's dividend reinvestment plan ("**DRP**") will apply to the Special Dividend. Eligible shareholders who elect to participate in the DRP will receive Thorn shares issued at a discount of 2.5% to the volume weighted average price per Thorn share traded over the five day trading period ending on Tuesday, 27 October 2020.

The key dates with respect to the payment of the Special Dividend are as follows:

Thorn shares trade 'ex' entitlement to Special Dividend	10.00am on Friday, 16 October 2020
Record date for Special Dividend: time and date for determining entitlements to the Special Dividend	7.00pm on Monday, 19 October 2020
Last date for elections under the DRP	4.00pm on Tuesday, 20 October 2020
Payment of the Special Dividend	Tuesday, 3 November 2020
Last date for Thorn to issue securities under the DRP and apply for quotation of the issued securities on ASX	Tuesday, 3 November 2020

### Intention to conduct a buy back of shares

In addition to the Special Dividend, the Thorn Board has also been considering, and continues to consider, Thorn's ability to undertake a buy back of Thorn shares for an amount in the order of \$15 to 25 million.

Participation in any buy back will be optional. Eligible shareholders will have the option to participate in the buy back or retain their Thorn shares.

It is the present intention of Thorn's Board to, in January 2021, seek shareholders' approval for the terms of an off-market buy back of Thorn shares, subject to there being no material change in Thorn's circumstances and to Thorn receiving all necessary regulatory approvals and/or authorisations including from the Australian Securities Exchange, the Australian Securities & Investments Commission and the Australian Taxation Office. The exact size of the buy back will be announced when the proposal is finalised, which is presently expected to be in December 2020.

Thorn will continue to keep the market informed of all material developments in relation to its intention to undertake an off-market buy back.

Thorn is announcing this position regarding a potential buy back of Thorn shares in order to ensure that the market is fully informed, given that Thorn's intentions regarding its cash holdings have been the subject of public discussions and shareholder enquiries to Thorn.

Thorn also wishes to advise that, on 27 November 2020, it will announce its half year results for the six months ended 30 September 2020 and will provide an update on Thorn's business and outlook for the remainder of FY21.

The release of this announcement has been authorised by the Board.

End of release.

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

Thorn Group 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.