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ASX & MEDIA RELEASE

18 September 2019

Successful completion of Institutional Entitlement Offer and update on Thorn Business Finance

Thorn Group Limited (ASX: TGA) (**Thorn**) is pleased to announce the successful completion of the institutional component of its fully underwritten 1-for-1 accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**) to raise approximately \$15.4 million, announced to the market on Monday 16 September 2019, at a price of \$0.24 per share.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) is expected to raise approximately \$23.3 million in total, taking the total size of the entitlement offer to approximately \$38.7 million (**Entitlement Offer**). The Retail Entitlement Offer will be offered at the same price of \$0.24 per share and at the same offer ratio at 1-for-1 as participants in the Institutional Entitlement Offer.

The Entitlement Offer is fully underwritten by Shaw and Partners Limited and will be sub-underwritten by a number of institutional investors, including existing Thorn shareholders Somers Limited, Forager Funds Management Pty Ltd and Investors Mutual Limited.

Institutional Entitlement Offer

The Institutional Entitlement Offer was fully subscribed. Each of Somers Limited, Forager Funds Management Pty Ltd and Investors Mutual Limited have shown their continued support of Thorn by participating in the Institutional Entitlement Offer and taking up 100% of their entitlements.

Shares issued under the Institutional Entitlement Offer are expected to settle on Tuesday 24 September 2019.

Retail Entitlement Offer

The Retail Entitlement Offer will open on Monday 23 September 2019 and close at 5.00pm (Sydney time) on Wednesday 2 October 2019. Retail shareholders who hold shares in Thorn as at 7.00pm on the record date of 18 September 2019 and have a registered address in Australia or New Zealand (**Eligible Retail Shareholders**) will be invited to participate in the Retail Entitlement Offer

The Retail Entitlement Offer will include a top up facility entitling Eligible Retail Shareholders to subscribe for additional shares up to a cap of 100% of their entitlement (**Top Up Facility**). Additional shares under the Top Up Facility will be issued to Eligible Retail Shareholders that have applied for participation in the Top Up Facility in priority to and before any allocation of shortfall is made to the underwriter and/or the sub-underwriters.

For further details on the Retail Entitlement Offer, please refer to the booklet that will be despatched to Eligible Retail Shareholders on Monday 23 September 2019.

For any enquiries please contact Thorn's share registry, Computershare Investor Services Pty Limited on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia), 8:30am – 5:00pm (Sydney time), Monday to Friday, or contact your stockbroker, accountant or other professional adviser.

Thorn Business Finance

As previously announced to the ASX on 20 August 2019 and 3 September 2019, Consolidated Operations Group Limited (**COG**) has expressed an interest in potentially acquiring Thorn's Business Finance division (**TBF**). As part of Thorn's Strategic Review, the Board considered the proposal from COG and formed the view that at the present time the capital raising, in the form of the fully-underwritten non-renounceable rights issue, was the preferred course of action that enabled Thorn to stabilise its business operations, and provide the certainty and timing of cashflows that are required to settle the class action on the terms as announced to the ASX on 3 September 2019.

The Board has resolved at this time not to proceed with the sale of TBF to COG and to focus Thorn's efforts towards the successful conclusion of the fully-underwritten non-renounceable rights issue. Nonetheless, as communicated to COG previously, the newly constituted Board of Thorn is open to further evaluating and continuing a discussion with COG to better understand the terms of COG's proposal which COG reaffirmed to Thorn on 17 September 2019. While the COG proposal included a headline offer price of \$82 million, Thorn notes that this figure is subject to a number of adjustments, some of which are likely to be material, including an application towards the purchase price of a substantial minimum cash balance required to be held by TBF. As such, the Board is not presently able to confirm the net financial impact to Thorn should it ultimately decide to proceed with COG's proposal. The implementation of COG's proposal also requires the execution of definitive legal documentation in a form acceptable to the Board and clarification of regulatory approvals.

Thorn will continue to keep the market informed of any developments in relation to the COG proposal as required.

End of release.

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ABOUT THORN GROUP LIMITED (ASX: TGA, 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 and with 61 retail stores nationally. Thorn Business Finance is a provider of leasing and other financial services to small and medium enterprises. Thorn employs approximately 550 people, has been listed on the ASX since 2006, is licensed under the National Consumer Credit Protection Act 2009 and operates a responsible lending policy.