

Not for release or distribution in the United States

## ASX & MEDIA RELEASE

**16 September 2019**

### **Fully underwritten accelerated non-renounceable entitlement offer to raise approximately \$38.7 million**

Thorn Group Limited (ASX: TGA) (Thorn) today announces that it intends to raise approximately A\$38.7 million through a 1 for 1 fully underwritten, accelerated, non-renounceable entitlement offer of new fully paid ordinary shares (New Shares) at an offer price of A\$0.24 per New Share (Offer Price) to existing eligible shareholders with registered addresses in Australia and New Zealand to the extent permitted under the "Offer Restrictions" section of the investor presentation lodged with the ASX today.

The Offer Price represents a discount of 11.1% to the closing price of Thorn's shares of A\$0.27 per share on 13 September 2019, being the last trading day before the Entitlement Offer was announced and a 14.7% discount to the 9 day VWAP of A\$0.28 being the period since the class action settlement was announced on 3 September 2019.

The Entitlement Offer is fully underwritten by Shaw and Partners Limited.

Funds raised from the Entitlement Offer will be used to fund the class action settlement (announced by Thorn to the ASX on 3 September 2019), provide additional working capital for Thorn Business Finance and to restructure the Radio Rentals business, and pay for the costs of this equity raising.

#### **About the Entitlement Offer**

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every existing Thorn share held as at 7.00 pm (Sydney time) on 18 September 2019 (Record Date) at the Offer Price.

The Entitlement Offer will consist of:

- an accelerated institutional component to be conducted from 16 September 2019 to 17 September 2019 (Institutional Entitlement Offer); and
- a retail component which will open on 23 September 2019 and close at 5.00pm (AEST) on 2 October 2019 (Retail Entitlement Offer).

Each New Share will rank equally with existing fully paid ordinary shares in Thorn on issue. Thorn will seek quotation for the New Shares on ASX.

#### **Participation**

Eligible institutional shareholders (Eligible Institutional Shareholders) will be invited to participate in the Institutional Entitlement Offer which opens on 16 September 2019 and will close on 17 September 2019. Thorn's three largest shareholders (Somers Limited, Forager Funds Management Pty Ltd and Investors Mutual Limited) have all committed to subscribe for their entitlement in full as part of the Institutional Entitlement Offer.

Eligible retail shareholders with a registered address in Australia and New Zealand on the Record Date (Eligible Retail Shareholders) will be able to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on 23 September 2019 and close at 5.00pm (Sydney time) on 2 October 2019. Eligible Retail Shareholders will have the opportunity to participate and acquire New Shares at the same Offer Price and offer ratio as Eligible Institutional Shareholders under the Institutional Entitlement Offer.

The Entitlement Offer will include a Top Up Facility entitling Eligible Shareholders to subscribe for additional New Shares up to a cap of 100% of their Entitlement. Additional New Shares under the Top Up Facility will be issued to Eligible Shareholders that have applied for participation in the Top Up Facility in priority to and before any allocation of the Shortfall is made to the Underwriter (and possibly the Sub-Underwriters).

Eligible Retail Shareholders will receive an information booklet (Entitlement Offer Booklet) and a personalised Entitlement and Acceptance Form which will provide further details of how to participate in the Entitlement Offer. A copy of the Entitlement Offer Booklet will also be lodged with the ASX. Those shareholders who Thorn determines to be ineligible shareholders will also be notified.

### Entitlement Offer Key Dates

Event	Date
Trading halt, announcement of the Offer, lodgement of cleansing notice and Appendix 3B	Monday , 16 September 2019
Accelerated Institutional Entitlement Offer opens	Monday , 16 September 2019
Institutional Entitlement Offer closes	Tuesday, 17 September 2019
Trading halt lifted and shares recommence trading on ASX	Wednesday, 18 September 2019
Record Date for determining Entitlements to subscribe for New Shares under the Entitlement Offer	7:00 pm (Sydney time) Wednesday, 18 September 2019
Retail Entitlement Offer opens	Monday, 23 September 2019
Retail Entitlement Offer Booklet despatched to eligible shareholders	Monday, 23 September 2019
<b>Settlement of Institutional Entitlement Offer</b>	<b>Tuesday, 24 September 2019</b>
Issue of New Shares under the Institutional Entitlement Offer	Wednesday, 25 September 2019
Commencement of trading of New Shares issued under the Institutional Entitlement Offer	Thursday, 26 September 2019
Retail Entitlement Offer closes	5.00pm (Sydney time) Wednesday, 2 October 2019
Announcement of results of Retail Entitlement Offer	Thursday, 3 October 2019
Book-build for New Shares that would otherwise be offered to ineligible foreign shareholders	Thursday, 3 October 2019
<b>Settlement of Retail Entitlement Offer</b>	<b>Wednesday, 9 October 2019</b>
Allotment of New Shares issued under the Retail Entitlement Offer and lodgement of Appendix 3B	Thursday, 10 October 2019

Commencement of trading of New Shares issued under the Retail Entitlement Offer	Friday, 11 October 2019
Despatch of holding statements in respect of new Shares issued under the Retail Entitlement Offer	Monday, 14 October 2019

*Entitlement Offer key dates are indicative only and subject to change in consultation with ASX and the Underwriter. All dates and times are references to Sydney, Australia time (Australian Eastern Standard Time).*

*Thorn reserves the right to amend any or all of these dates and times, subject to the consent of the Underwriter, the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws and regulations. In particular, Thorn reserves the right to extend the closing dates for either the Institutional Entitlement Offer or Retail Entitlement Offer (Closing Dates) and/or accept late applications under the Entitlement Offer without prior notice. Any extension of the Closing Dates may have a consequential impact on the date that New Shares are issued and commence trading on the ASX. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens.*

## **Strategic Review**

The Board announced on 1 April 2019 that it would undertake a strategic review of Thorn.

As part of the review process, the Board and its advisers examined a variety of alternative scenarios to fund the present and future needs of Thorn. These included a sale of assets and the raising of new capital. After due consideration of all relevant matters, the Board believes that an equity raising under and on the terms of the Entitlement Offer is in the best interests of Thorn and has the potential to maximise value for shareholders.

Thorn's Chair David Foster said: "Over the last several years, Thorn's development has been affected by the significant financial and operational headwinds from an ongoing class action, an ASIC investigation and resulting Enforceable Undertaking, and a significant debt reduction process."

"We are now pleased to be in a position in which Thorn has signed a settlement deed in respect of the class action, is reaching the end of the Enforceable Undertaking process, and has reduced its corporate debt to \$15 million (compared to \$172 million of net assets as at 31 March 2019)."

"The proceeds of the Entitlement Offer will allow Thorn to refocus on its strategic objectives by funding the settlement of the class action and providing Thorn with additional working capital to invest in Thorn Business Finance and a restructure of Radio Rentals."

## **Investor presentation and further information**

An investor presentation providing an update on Thorn's recent activities and details relating to the Entitlement Offer has been lodged with the ASX today. The investor presentation contains important information, including a summary of key risks associated with an investment in Thorn's shares and foreign selling restrictions with respect to participation in the Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the Thorn Offer Information Line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) 8.30am – 5.00pm Monday to Friday (Sydney time). For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

## **Not for release or distribution in the United States**

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the **US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

### **Forward looking statements**

This announcement may contain certain ‘forward-looking statements’ within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as ‘may,’ ‘should,’ ‘expect,’ ‘anticipate,’ ‘estimate,’ ‘scheduled’ or ‘continue’ or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. None of Thorn or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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 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.