

ASX ANNOUNCEMENT**19 August 2022****Thorn announces Special Dividend and proposed Capital Return and Share Consolidation**

Thorn Group Limited (ASX: TGA) (**Thorn**) provides the following update:

Thorn's directors have, in the period following the sale of the Consumer Finance division (Radio Rentals) and the recent restructure of the Thorn ABS Warehouse Trust No. 1, continued to assess capital management initiatives and Thorn's ability to return surplus funds to shareholders. Thorn's quarterly report, released to ASX on 29 July, announced that the directors hoped to provide an update to shareholders at Thorn's Annual General Meeting (**AGM**).

On the basis of Thorn's strong cash balance and the simplification of Thorn's business, the directors consider that Thorn is presently holding funds in excess of its requirements. The directors are pleased to announce the following capital management initiatives which we consider deliver on our ongoing commitment to our shareholders:

- On the recommendation of Thorn's management, the directors have declared a fully franked special dividend of \$0.03 cash per share (**Special Dividend**). The Special Dividend will total approximately \$10.4 million and will be paid to shareholders on 8 September 2022;
- The directors are considering a further \$0.12 per share return of capital (representing approximately \$41.7 million) and share consolidation in Q3 FY23, subject to regulatory and shareholder approvals.

These capital management initiatives are in addition to the special dividend of \$23.79 million paid to shareholders in February, the final dividend of \$3.4 million paid to shareholders in July, the minimum holding share buy-back completed in May and the on-market 5% share buy-back, which is anticipated to continue until February 2023.

Collectively, shareholders have already received a total return of capital of approximately \$52.6 million for the last two financial years. When combined with the capital management initiatives announced today, the total return since October 2020 will exceed \$100 million.

Thorn's Chief Executive Officer, Pete Lirantzis said:

"We are delighted to be providing our shareholders with these returns following a three year program to transform the company, both in a cash and operating position.

"We are now a simpler and more efficient organisation well placed to grow further in the SME market with an expanded finance offering through a sophisticated technology solution."

"Our balance sheet has been strengthened with the sale of assets, including Radio Rentals, and our capital position has enabled us to announce a Special Dividend and planned return of capital to shareholders."

Special Dividend

Thorn's Dividend Reinvestment Plan (DRP) will not apply in respect of the Special Dividend.

Key dates for the Special Dividend are set out below:

ASX Announcement date	Friday, 19 August 2022
Ex Date (Thorn shares trade 'ex' entitlement to the Special Dividend)	10:00am on Wednesday, 24 August 2022
Record date for the Special Dividend: time and date for determining entitlements to the Special Dividend	7:00pm on Thursday, 25 August 2022
Payment of the Special Dividend	Thursday, 8 September 2022

Please contact Thorn's share registry, Computershare Investor Services Pty Limited on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) if you have any questions about the Special Dividend. Please have your shareholder information available.

Proposed Capital Return and Share Consolidation

Thorn is committed to returning surplus capital to shareholders. Following the transactions and initiatives detailed above, Thorn's capital position has strengthened with surplus capital in excess of total Board requirements.

Thorn has evaluated various options for returning excess capital to shareholders and determined a capital return, combined with a consolidation of shares, was the optimal method. It applies equally to all shareholders and proportionate shareholding interests in Thorn will remain unchanged (other than rounding up of fractional entitlements) following these actions.

Thorn intends to return to shareholders by way of a \$0.12 per share equal capital reduction (approximately \$41.7 million) in Q3 FY23, subject to regulatory and shareholder approvals. We intend to engage with shareholders imminently with our plans in respect of these capital management initiatives, which are subject to regulatory and shareholder approvals.

Thorn's AGM will be conducted virtually, starting at 11.00am today. Shareholders and visitors will be able to listen to the AGM via the Computershare AGM platform at <https://meetnow.global/MWSAC2P>.

This release has been authorised by the Board of Directors.

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