

ASX ANNOUNCEMENT

20 June 2023

Sale of Thorn Asset Finance Portfolio

Thorn Group Limited (ASX:TGA) (**Thorn**) today has announced it has entered into an agreement with Resimac Group Limited (**Resimac**) (ASX:RMC) for the sale of Thorn's Asset Finance Portfolio (**Asset Sale**).

Highlights

- The Asset Sale reaffirms Thorn's core business strategy of being a diversified small business focussed financial services organisation, which provides value to shareholders.
- The Asset Sale is conditional on, amongst other things, Thorn shareholder approval, with a General Meeting expected to be held on or about 28 August 2023.
- Thorn expects to receive estimated \$15 million cash proceeds from the Asset Sale.
- The Board aims to distribute the cash proceeds of the Asset Sale to Shareholders as soon as practical after completion of the Asset Sale. Thorn will communicate further details of the quantum of the proposed distribution to shareholders as soon as it has been finalised.
- Completion of the Asset Sale is currently expected to occur towards the end of August 2023 with transitional services to continue for a three-month period until 30 November 2023.

Background

On 30 May 2023, Thorn announced to the market that it was in negotiations with a party who had expressed interest in acquiring the majority of Thorn Australia Pty Ltd (**TAPL**)'s and Thornmoney Pty Ltd (**Thornmoney**)'s asset finance portfolio (**Asset Finance Portfolio**). Both TAPL and Thornmoney are wholly owned subsidiaries of Thorn.

The negotiations with Resimac have now been finalised and TAPL, Thornmoney and Resimac Asset Finance Pty Ltd (**RAF**), a wholly-owned subsidiary of Resimac, have today entered into a sale and purchase deed (**Sale and Purchase Deed**) in respect of the Asset Finance Portfolio.

As has been communicated to shareholders previously, Thorn has been committed to diversifying its business by growing its offerings in the fintech sector. The disposal of the Asset Finance Portfolio is consistent with this strategy.

Overview of the Sale and Purchase Deed and transitional arrangements

Under the terms of the Sale and Purchase Deed, it is proposed that TAPL and Thornmoney will sell, and RAF will acquire, each of TAPL and Thornmoney's respective interests in the rights, title and interest of their respective Loan Books and relevant Units and Class G Notes in the securitised warehouse trust.

It is also proposed that TAPL, Thornmoney and RAF will enter into a Transition Services Agreement on or prior to completion of the Sale and Purchase Deed for a three-month period post completion of the Asset Sale to facilitate the transfer of the Asset Finance Portfolio.

The Asset Sale will be conditional on, among other things, Thorn shareholders approving the Asset Sale for the purposes of ASX Listing Rule 10.1 (Disposal of substantial assets to related party), ASX Listing Rule 11.2. (Disposal of main undertaking) and obtaining third party approvals.

The Asset Sale is not subject to further due diligence or financing.

The Board established an Independent Committee, comprising Mr Paul Oneile (Non-Executive Director and Deputy Chair of the Board), Pete Lirantzis (Chief Executive Officer) and Alexandra Rose (General Counsel & Company Secretary/General Manager Risk & Compliance) to consider, assess, oversee, negotiate, approve, implement and otherwise deal with any matters arising in connection with the Asset Sale.

Further details, including the resolutions, will be provided in the Notice of General Meeting and explanatory memorandum. An Independent Expert's Report will accompany the Notice of General Meeting.

Indicative Timetable

Notice of General Meeting, together with Independent Expert Report, is dispatched to Thorn shareholders	Week commencing 24 July 2023
General Meeting of Thorn Shareholders to approve the Asset Sale for the purpose of Listing Rule 10.1 and Listing Rule 11.2	Monday, 28 August 2023
Completion of the Asset Sale	Week commencing 28 August 2023

The dates above (and references to those dates through this announcement) are indicative only and are subject to any changes that may be agreed between Thorn and Resimac or in consultation with ASX. Thorn will update shareholders via the ASX platform and Thorn's website as appropriate when the relevant events are reached or changed, or decisions made.

Comments from the Chair of the Independent Committee and Deputy Chair of Thorn Group Limited

Thorn Deputy Chair, Mr Paul Oneile, said:

"This is a good outcome for our shareholders given the challenges of developing the business to scale and the uncertainties arising from the current economic environment. We have been able to reach transition arrangements that provides certainty of next steps over the coming months and ensures value for our shareholders.

We consider the time is right for Thorn to progress with its strategy. We will be focusing on further opportunities, including new strategic investments in the non-banking financial services and wealth management sectors. Thorn is well capitalised to progress these opportunities."

Advisers

Thorn has obtained external legal advice from MinterEllison as well as obtaining independent financial advice.

This release has been authorised by the Board of Directors.

End of Release.

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ABOUT THORN GROUP LIMITED (ASX: TGA, www.thorn.com.au)

Thorn is a diversified financial services company providing funding solutions for small to medium businesses. Thornmoney is a provider of working capital and business asset lending solutions, working in partnership with Australian brokers and accountants. Thorn has been listed on ASX since 2006.

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