

**ASX ANNOUNCEMENT****30 May 2022****Thorn Group Limited announces profit in 2021/22**

- Net Profit After Tax of \$32.35 million for the 2021/22 financial year, compared with previous profit of \$8.4 million.
- Final Dividend of 1 cent per ordinary share, following the Special Dividend of 7 cents paid on 9 February 2022, with Thorn's Dividend Reinvestment Plan (**DRP**) offered to eligible shareholders.
- Successful sale of Radio Rentals Consumer Finance business to Credit Corp for \$44 million.
- Thorn continues to implement its strategy in Thornmoney business finance sector.

Thorn Group Limited (ASX:TGA) (**Thorn**) provides an update in relation to its unaudited financial results for the year ended 31 March 2022.

Thorn has posted Net Profit After Tax of \$32.35 million for the year ending 31 March 2022, compared with a profit of \$8.4 million in the previous corresponding period.

Taking into account Thorn's cash balance and capital requirements, the Directors have declared a fully franked final dividend of \$0.01 cash per ordinary share (**Dividend**). The Dividend will total approximately \$3.4 million and will be paid to shareholders on 25 July 2022.

Thorn Chief Executive Officer, Mr Pete Lirantzis, said:

*"Over the last year, our management team has navigated the sale of the Radio Rentals business and made significant progress on the relaunch of Thorn's SME business finance operations."*

*"We are re-entering the business finance segment under the Thornmoney brand with a 'digital first' business model, backed by sophisticated technology for our brokers, lifting the opportunities to diversify their revenue streams and tailor solutions for their clients."*

*"Building our credit products and tailored lending value propositions for our brokers are the main focus of the group over the next year."*

*"Thornmoney is a genuine alternative to the major lenders, with a tailored digitally powered suite of products that will fuel the growth of the Australian SME market. I'm excited to lead this new transformation in commercial lending for Thorn group, which will set us up for long term growth", he concluded.*

The last financial year was marked by the launch of new business finance offering under the Thornmoney brand and the successful sale of the Radio Rentals Consumer Finance business to Credit Corp for approximately \$44 million in late 2021. Thorn is continuing to focus on the Transitional Services arrangements with Credit Corp to ensure a smooth and efficient separation.

The payment of the Special Dividend totalling approximately \$23.8 million to shareholders on 9 February 2022 ensured that shareholders received a direct benefit from the proceeds of the sale.

Thorn also commenced an on-market share buy-back program in March 2022 of up to 5% of Thorn's ordinary shares for up to 12 months (**Share Buy-Back**). The Share Buy-Back represents Thorn's commitment to further enhancing returns to shareholders with flexible capital management initiatives and reflects confidence in Thorn's ongoing performance. In parallel with the Share Buy-Back, Thorn undertook a smaller minimum holding share buy-back of ordinary shares for Thorn shareholders who hold an unmarketable parcel of shares in Thorn (and with the outcome announced to ASX today).

As previously announced to shareholders, Thorn continues to implement its core business finance strategy as a diversified small business focussed financial services organisation and grow originations within the Thornmoney brand. Thorn's directors are continuing to assess appropriate investment opportunities in the financial services / fintech sector that align with Thorn's business strategy and are judged as being in the best interests of Thorn's shareholders. In May 2022, Thorn acquired shares in ASX listed Humm Group Limited, totalling approximately \$1.85 million.

In the current year, Thorn will continue to implement and reinforce its corporate strategy of:

- maintaining a "capital light" business philosophy;
- delivering sustainable, profitable and yet low risk growth in its business lending;
- bringing highly scalable financial products to market and grow originations within the Thornmoney brand while developing technology solutions to streamline the originations journey;
- expanding its lending into mid-prime products for distribution through its brokering and partnership networks; and
- maintaining a preference for reinvesting cash and driving long-term shareholder value, including appropriate capital management initiatives and investment opportunities in the fintech & financial services sector that align with Thorn's core business strategy (subject to investment criteria and market conditions).

The Board considers Thorn is well positioned for continued growth. The Board and management look forward to keeping shareholders informed of progress with this exciting journey for all customers, employees and shareholders.

## Dividend

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

ASX Announcement date	Monday, 30 May 2022
Ex Date (Thorn shares trade 'ex' entitlement to the Dividend)	10:00am on Wednesday, 6 July 2022
Record date for the Dividend: time and date for determining entitlements to the Dividend	7:00pm on Thursday, 7 July 2022
Last date for elections under the DRP	4:00pm on Friday, 8 July 2022
Period for calculation of Market Price	Monday, 11 July 2022 - Friday, 15 July 2022
Payment of the Dividend	Monday, 25 July 2022
Last date for Thorn to issue securities under the DRP and apply for quotation of the issued securities on ASX	Monday, 1 August 2022

## Dividend Reinvestment Plan (DRP)

Thorn's shareholders have been offered the opportunity to participate in the DRP each time Thorn has declared a final dividend since 2012. Continuing that practice, Thorn is pleased to apply the DRP to the Dividend and provide its shareholders with the opportunity to elect to receive shares or cash dividends in respect of all or part of their shareholding.

All of Thorn's new shareholders are provided with instructions about how to complete the DRP election as part of their welcome packs. Thorn has requested that Computershare email a copy of this announcement to all shareholders with email addresses on file and physically post a copy to all shareholders. Thorn shareholders with email addresses on file should also expect to receive a reminder email at least 7 days prior to the last date for elections under the DRP.

Currently, Thorn shareholders who are residents in, or whose address on the share register is situated in Australia, New Zealand and Bermuda are eligible to participate in the DRP. The directors may determine that the offer will also be made to shareholders in other countries in accordance with the terms of the DRP. 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 Friday, 15 July 2022.

The cut-off date for elections under the DRP is 4:00pm on Friday, 8 July 2022. Shareholders can check what election arrangements they have made online at [www.investorcentre.com/au](http://www.investorcentre.com/au).

- **Shareholders that wish to participate in the DRP and have not yet made an election to do so** will need to advise Computershare, by 4:00pm on 8 July 2022, by completing the election online at [www.computershare.com.au/easyupdate/tga](http://www.computershare.com.au/easyupdate/tga) and entering relevant shareholder information, including shareholder number. Please note that an election to participate in the DRP will override any instruction regarding payments into a shareholder's nominated account.
- **Shareholders who have previously elected to participate in the DRP, but who no longer wish to participate**, may withdraw from participation in the DRP by advising Computershare, by 4:00pm on 8 July 2022, by one of the means stated in the previous paragraph.
- **Shareholders who do not wish to participate in the DRP (and who have not elected to participate)** do not need to do anything and will receive the Dividend on 25 July 2022 in accordance with current payment arrangements.

Before electing to participate in the DRP, Thorn recommends shareholders seek financial advice and read the full terms and conditions as set out in the DRP. A copy of the terms and conditions of the DRP is available on Thorn's website at [www.thorn.com.au/site/about-us/corporate-governance](http://www.thorn.com.au/site/about-us/corporate-governance).

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

## DRP Control Implications

As at 27 May 2022, 479 Thorn shareholders (being approximately 15.1% of total shareholders) have opted to participate in the DRP, representing 9.9% of Thorn's share capital. The potential number of total shares that may be issued under the DRP is estimated at approximately 0.4% of the number of shares Thorn presently has on issue. However, the actual issue price of the reinvested shares under the DRP will not be known until 18 July 2022, after the conclusion of the period for calculation of the market price.

Thorn's largest shareholder, Somers Limited (**Somers**) holds disclosed voting power of approximately 47.3% of Thorn's issued shares. Given that the Dividend has only been announced today, it is not known at this stage whether Somers will participate in the DRP (or the extent to which Thorn's other shareholders will do so).

Based on the existing state of elections to participate in the DRP and assuming a market price of \$0.25 per Thorn share, if Somers elects to participate in the DRP, its voting power would increase to approximately 48.1% (0.8% increase). If Somers does not elect to participate in the DRP, its voting power would decrease to 47.1% (0.2% decrease). These scenarios are indicative only and may vary depending on a range of factors, including but not limited to the actual market price and the level of participation of Thorn shareholders in the DRP.

Thorn will announce its audited full year results by 30 June 2022.

Thorn continues its previously announced position of not providing profit guidance.

This release has been authorised by the Board of Directors.

For further information, please contact:

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