

Minimum Holding Share Buy-Back

28 March 2022

Thorn Group Ltd (ASX:TGA) (**Thorn**) is pleased to announce that it intends to undertake a minimum holding share buy-back of ordinary shares for Thorn shareholders who hold less than a marketable parcel of shares in Thorn (**Buy-Back**).

The Buy-Back is not considered to be material and the number of shares that may be potentially acquired is less than 0.5% of Thorn's share capital as at the date of this announcement.

Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be an "unmarketable parcel" of shares (**Unmarketable Parcel**). Based on the closing market price of Thorn shares of \$0.2625 on the Record Date, an Unmarketable Parcel of shares is 1,904 shares or less.

The Buy-Back will allow shareholders who hold Unmarketable Parcels of shares in Thorn at 7:00pm (Sydney Time) on Friday, 25 March 2022 (**Record Date**) (**Eligible Shareholders**) to sell their shares back to Thorn at the Buy-Back price of \$0.2580 per share, based on the volume weighted average price of Thorn shares for the 5 trading days preceding 25 March 2022. These shares will be cancelled once transferred to Thorn in accordance with the *Corporations Act 2001* (Cth).

Thorn has decided to undertake the Buy-Back in order to reduce the administrative costs associated with maintaining a large number of very small holdings. Eligible Shareholders will also be able to dispose of their shares without incurring brokerage and other expenses. Thorn will pay for all costs related to the Buy-Back (excluding tax consequences from the sale which remain the responsibility of Eligible Shareholders).

Based on the closing market price of Thorn shares and the register of members as at the Record Date:

- An Unmarketable Parcel of shares is any shareholding of 1,904 shares or less;
- Approximately 0.05% of Thorn's shares are held by shareholders holding Unmarketable Parcels;
- 366 individual shareholders hold an Unmarketable Parcel, comprising 10.90% of Thorn's total 3,359 shareholders; and
- The aggregate value of Thorn's shares held by Eligible Shareholders is \$47,605.69.

Shareholders who own 1,905 Shares or more on the Record Date will not be eligible to participate in the Buy-Back.

In accordance with Thorn's Constitution and the ASX Listing Rules, Thorn is sending the attached letter to Eligible Shareholders (**Shareholder Letter**). The Shareholder Letter encloses relevant documents and provides more information about the Buy-Back, including the procedure for opting-out of the Buy-Back and retaining an Eligible Shareholder's shareholding in Thorn.

Eligible Shareholders who wish to retain their shares must complete and sign their personalised Share Retention Form and forward it to Thorn's share registry, Computershare Investor Services Pty Limited (**Computershare**), by mail to GPO Box 52 Melbourne VIC 3001 Australia or by email to corpactprocessing@computershare.com.au, so that it is received by 5:00pm (Sydney time) on Wednesday, 18 May 2022.

The Key Dates are:

Record Date for Unmarketable Parcel Buy Back offers	7:00pm (Sydney time) on Friday, 25 March 2022
Announcement of Record Date for Unmarketable Parcel Buy Back offers	Monday, 28 March 2022
Dispatch of Shareholder Letters and Share Retention Forms to Eligible Shareholders	Wednesday, 30 March 2022
Closing Time for Receipt of Share Retention Forms / period to opt-out of Buy-Back	5:00pm (Sydney time) on Wednesday, 18 May 2022
Announcement of outcome of the Buy-Back to the ASX	Monday, 30 May 2022
Eligible Shareholders whose shares are bought back under the Buy-Back will have proceeds remitted to them and will be sent documentation advising them of the number of shares sold and the amount of proceeds remitted. Proceeds will be remitted to the bank account that the Eligible Shareholder has registered with Computershare. If no bank account is registered, proceeds will be remitted by cheque mailed to the address that the shareholder has registered with Computershare.	As soon as practicable post Monday, 6 June 2022

Thorn may modify these dates or suspend or terminate the Buy-Back. Any modification, suspension or termination will be notified by written notice to ASX.

Thorn notes that it is currently undertaking an on-market buy-back as announced to ASX on 15 February 2022 and confirms that the on-market buy-back will continue to be conducted by Thorn in parallel with the minimum holding Buy-Back announced today.

This release has been authorised by the Board of directors.

End of release.

For further information, please contact:

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

Thorn is a diversified financial services company providing financial solutions to consumers and businesses. Thorn Business Finance is a provider of leasing and other financial services to small and medium enterprises. Thorn has been listed on the ASX since 2006, is licensed under the National Consumer Credit Protection Act 2009 and operates a responsible lending policy.

28 March 2022

Dear Shareholder

OFFER FROM THORN GROUP LIMITED TO BUY BACK UNMARKETABLE PARCELS OF SHARES (OFFER)

This letter contains important information about your shareholding in Thorn Group Limited.

I am writing to you as a shareholder with an unmarketable parcel of shares in Thorn Group Limited (ASX:TGA) (**Thorn**) as at 7:00pm (Sydney time) on Friday, 25 March 2022 (**Record Date**).

In order to reduce the administrative and registry costs for Thorn that are associated with unmarketable parcels, as well as to allow eligible shareholders to dispose of their shares without incurring brokerage fees and other expenses, the Board of Thorn has instituted an off-market share buy-back facility (**Buy-Back Facility**) to buy back all the shares held by shareholders who held unmarketable parcels of shares in Thorn (**Eligible Shareholders**) as at the Record Date.

The Buy-Back will be undertaken under the terms set out in this Offer and in accordance with the Thorn Constitution, the Listing Rules of the Australian Securities Exchange (**ASX Listing Rules**) and the procedure in Division 2 of Part 2J.1 of the *Corporations Act 2001* (Cth) (**the Act**).

The Buy-Back is not considered to be material and the number of shares that may be potentially acquired is less than 0.5% of Thorn's issued share capital as at the date of this Offer.

Under the ASX Listing Rules, any shareholding in Thorn valued at less than \$500 is considered to be an "unmarketable parcel" of shares (**Unmarketable Parcel**). Based on the share register as at the Record Date and a share price of \$0.2625 (at close of market on the Record Date):

- An Unmarketable Parcel of shares is any shareholding of 1,904 shares or less;
- Approximately 0.05% of Thorn's shares are held by shareholders holding Unmarketable Parcels;
- 366 individual shareholders hold an Unmarketable Parcel, comprising 10.90% of Thorn's total 3,359 shareholders; and
- The aggregate value of Thorn's shares held by Eligible Shareholders is \$47,605.69.

Thorn will pay for all costs related with the Buy-Back Facility (excluding tax consequences from the buy-back which remains the shareholder's responsibility).

The Buy-Back Facility will allow Eligible Shareholders to sell their shares back to Thorn at \$0.2580 per share (**Buy-Back Price**), being the volume weighted average price for the five-day trading period preceding the Record Date. Shares that are purchased by Thorn under the Buy-Back Facility will be cancelled in accordance with the Act. This letter provides more information about the Buy-Back Facility and the choices that are available to you. The directors wish to remind you that as a valued shareholder, Thorn will not buy back your shares if you wish to retain your shareholding.

Your choices

1. ***Sell your Unmarketable Parcel*** - If you want Thorn to buy back your Unmarketable Parcel at the Buy-Back Price of \$0.2580 per share, you do not need to do anything. By refraining from taking any action, you will be deemed to have irrevocably appointed Thorn as your agent to sell all of your shares at the Buy-Back Price and to deal with the proceeds of sale as set out in this letter.

2. ***Retain your Unmarketable Parcel*** - If you do not want Thorn to buy-back your Unmarketable Parcel, then you must:

(a) complete the enclosed, personalised Share Retention Form and return it in accordance with the instructions on that form. Your completed Share Retention Form must be received by our share registry, Computershare Investor Services Pty Limited (Computershare), by mail to GPO Box 52, Melbourne, Victoria, 3001 or by email to corpactprocessing@computershare.com.au, by no later than 5:00pm (Sydney time) on Wednesday, 18 May 2022 (Closing Time). If your completed Share Retention Form is not received by Computershare by the Closing Time, your shares will be bought back by Thorn in accordance with the Offer; OR

(b) acquire additional shares in Thorn on-market so that your shareholding is noted on Thorn's share register as being greater than 1,904 shares (that is, a marketable parcel) as at the Closing Time; OR

(c) if you hold shares in multiple shareholdings that together constitute a parcel of more than 1,904 shares, arrange to have those holdings merged into one shareholding that is noted on Thorn's share register as being greater than 1,904 shares (that is, a marketable parcel) as at the Closing Time.

If you choose to complete and return a Share Retention Form as outlined in step 2(a) above, you are advised to allow reasonable time for it to be received by Computershare by the Closing Time. If you choose to acquire additional shares or merge multiple shareholdings as outlined in step 2(b) or step 2(c) above, you are advised to allow reasonable time for these actions to be recorded on Thorn's share register by the Closing Time.

Key Dates for the Buy-Back Facility

Record Date for Unmarketable Parcel Buy-Back offers	7:00pm (Sydney time) on Friday, 25 March 2022
Announcement of Record Date for Unmarketable Parcel Buy-Back offers	Monday, 28 March 2022
Dispatch of Shareholder Letters and Share Retention Forms to Eligible Shareholders	Wednesday, 30 March 2022
Closing Time for Receipt of Share Retention Forms / period to opt-out of Buy-Back	5:00pm (Sydney time) on Wednesday, 18 May 2022
Announcement of outcome of the Buy-Back to ASX	Monday, 30 May 2022
Eligible Shareholders whose shares are bought back under the Buy-Back will have proceeds remitted to them and will be sent documentation advising them of the number of shares sold and the amount of proceeds remitted. Proceeds will be remitted to the bank account that the Eligible Shareholder has registered with Computershare. If no bank account is registered, proceeds will be remitted by cheque mailed to the address that the shareholder has registered with Computershare.	As soon as practicable post Monday, 6 June 2022

Thorn may modify these dates or suspend or terminate the Buy-Back Facility. Any modification, suspension or termination will be notified by written notice to ASX.

For further important information about the Buy-Back Facility, please read the 'Additional Important Information' and 'Frequently Asked Questions' sections below. If, after reading those sections, you still have questions or need further information, you may contact the Thorn Buy-Back Information Line through Computershare on 1300 855 080 (from within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely,



Alexandra Rose

General Counsel & Company Secretary

Additional Important Information

1. The Buy-Back Facility was first announced to ASX on Monday, 28 March 2022.
2. Thorn is offering to buy back shares under the Buy-Back Facility in accordance with the terms set out in this Offer, in accordance with the Thorn Constitution and the procedure in Division 2 of Part 2J.1 of the Corporations Act and the ASX Listing Rules.
3. If a shareholder holds more than one Unmarketable Parcel, Thorn will buy back each Unmarketable Parcel unless:
 - a) Computershare receives a Share Retention Form for each Unmarketable Parcel that the shareholder wishes to retain; or
 - b) multiple Unmarketable Parcels are merged to form a marketable parcel of greater than 1,904 shares.
4. If you hold one or more Unmarketable Parcels in Thorn on trust, Thorn will only buy back those Unmarketable Parcels in respect of which it has not received a Share Retention Form. If the beneficial holder of an Unmarketable Parcel that you hold on trust wishes to retain their holding, you must submit a Share Retention Form for that particular Unmarketable Parcel.
5. It is important to note that the market price of Thorn's shares may change from time to time. The Buy-Back Price may be more or less than the actual market price at the time of the buy-back and may not be the best price obtainable on the day on which your shares are bought back. Information on the price of Thorn's shares can be obtained from the daily financial press or through the ASX website (www.asx.com.au) using Thorn's ASX code, which is "TGA".
6. While Thorn will pay for brokerage and handling costs associated with the buy-back of shares through the Buy-Back Facility, any taxation consequences from the buy-back will be the shareholder's responsibility. Please see the 'Frequently Asked Questions' section below for general information on taxation consequences. If you have questions about taxation consequences, please seek the independent advice of a legal, financial or taxation adviser.
7. Thorn makes no recommendation as to whether you should participate in this Buy-Back Facility, whether or how you should sell your shares or the value of your shares. If you have questions about whether to retain or sell your shares, you should consult a legal, financial or taxation adviser.
8. Before a buy-back is effected under the Buy-Back Facility, Thorn may revoke a notice given in relation to, or suspend or terminate the operation of the Buy-Back Facility, either generally or in specific cases.
9. Thorn reserves the right to change any of the dates, terms or conditions referred to in this Offer by written notice to ASX.
10. This information sheet (and the accompanying Offer documents) does not constitute advice, nor is it a recommendation to sell, buy or hold shares in Thorn.

Frequently Asked Questions

Who is eligible to participate in this Buy-Back Facility?

Under the ASX Listing Rules, any shareholding in Thorn valued at less than \$500 is considered to be an “unmarketable parcel” of shares. Shareholders in Thorn are eligible to participate in this Buy-Back Facility if they held shareholdings in Thorn valued at less than \$500 as at the Record Date (being 7:00pm (Sydney) on Friday, 25 March 2022). Based on the closing price of \$0.2625 per share as at the Record Date, an Unmarketable Parcel of shares in Thorn is any shareholding of 1,904 shares or less. Thorn shareholders who hold 1,905 shares or more as at the Record Date will not be eligible to participate in this Buy-Back Facility.

If my shares are bought back through the Buy-Back Facility, how much will I receive per share?

If your Unmarketable Parcel is bought back through the Buy-Back Facility, you will receive the Buy-Back Price of \$0.2580 per share. The Buy-Back Price has been determined using the volume weighted average price for the five-day trading period preceding the Record Date.

What do I need to do to sell my shares?

Nothing. Your Unmarketable Parcel will be bought back through the Buy-Back Facility unless you return a Share Retention Form or increase your shareholding to more than 1,904 shares by the Closing Time.

If my shares are bought back through the Buy-Back Facility, how much will I receive for all of my shares?

The total price that you will receive for an Unmarketable Parcel if it is bought back through this Buy-Back Facility will be the number of shares in that Unmarketable Parcel multiplied by the Buy-Back Price of \$0.2580 per share. You can confirm the number of shares in your Unmarketable Parcel by reviewing the enclosed, personalised Share Retention Form or by contacting the Thorn Buy-Back Information Line through Computershare on 1300 855 080 (from within Australia) or +61 3 9415 4000 (outside Australia) between 30 March 2022 and 13 June 2022, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time), noting the Closing Time for receipt of your Share Retention Form is 5:00pm (Sydney time) on Wednesday, 18 May 2022.

Do I need to pay anything if I participate in the Buy-Back Facility?

Thorn will pay all costs and expenses arising in connection with the Offer. Any tax consequences from the buy-back will be your responsibility.

If my shares are bought back through the Buy-Back Facility, when will I receive the proceeds from the buy-back?

If your Unmarketable Parcel is bought back through the Buy-Back Facility, the proceeds from that buy-back will be remitted to you as soon as practicable after Monday, 6 June 2022. Around that time, you will also receive documentation detailing the number of your shares

sold and the amount of proceeds remitted to you. This documentation will be sent by mail or email if you have previously nominated to receive communication electronically.

What if I do not wish to sell my Unmarketable Parcel?

If you do not wish to sell your Unmarketable Parcel, you must return the Share Retention Form or increase your shareholding to more than 1,904 shares by the Closing Time.

If my shares are bought back through the Buy-Back Facility, how will I receive the proceeds from the buy-back?

If your Unmarketable Parcel is bought back through the Buy-Back Facility, the proceeds from that buy-back will be paid into the bank account that you have nominated for your shareholding or by cheque to the postal address you have registered for your shareholding. You can update your bank account details by visiting www.investorcentre.com/au or by contacting the Thorn Buy-Back Information Line through Computershare on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 30 March 2022 and 13 June 2022, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time). If you are an issuer sponsored shareholder and need to update your address, you can also do this at www.investorcentre.com/au. If you have a CHES sponsored holding and need to update your address, you will need to contact your controlling participant. If you participate in the Buy-Back Facility and would like your updated address or bank account details to be used when remitting proceeds and sending documentation to you, please ensure that these details are updated by the Closing Time.

What are the tax consequences of having my shares sold through the Buy-Back Facility?

The tax outcomes of participating in the Buy-Back Facility will vary depending on your circumstances. If you are in the business of trading shares or hold the shares as revenue assets, you may have an assessable gain or loss on sale on revenue account. It is Thorn's view that proceeds will be entirely treated as a return of capital, with the buy-back under the Buy-Back Facility resulting in a Capital Gains Tax (CGT) event. If you are an Australian resident shareholder, you will need to calculate a capital gain or capital loss. Details of the CGT event are required to be disclosed in your 2022 income tax return, regardless of whether you are required to pay tax on the event. If you are not an Australian resident, you should be entitled to disregard the capital gain or loss for the purposes of calculating your Australian taxable income. You may still have a tax liability in your country of residence. The above is broad in nature, and it is strongly recommended that you consult with your taxation professional regarding your particular circumstances.

Can I sell some but not all of my shares through the Buy-Back Facility?

No, you may not sell part of an Unmarketable Parcel through the Buy-Back Facility. If you choose to participate in this Buy-Back Facility, your entire Unmarketable Parcel will be bought back by Thorn.

If I buy more shares, will my shareholding be bought back?

Your Unmarketable Parcel will not be bought back if you acquire additional shares in Thorn on-market so that your shareholding is noted on Thorn's share register as being greater

than 1,904 shares (that is, a marketable parcel) as at the Closing Time. Any additional shares acquired must be registered by the Closing Time, under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Share Retention Form.

What do I do if I have multiple Unmarketable Parcels?

If there is more than one Unmarketable Parcel registered under your name, you will receive this letter and a personalised Share Retention Form for each of your Unmarketable Parcels. If you would like Thorn to buy-back each of your Unmarketable Parcels, you do not need to do anything and all of the Unmarketable Parcels registered in your name will be bought back.

If you would like to keep one or more of your Unmarketable Parcels, you may take one of the following actions:

1. Complete the enclosed, personalised Share Retention Form for each of the Unmarketable Parcels that you would like to keep and return it in accordance with the instructions on the Share Retention Form; or
2. acquire additional shares in Thorn on-market so that each of the Unmarketable Parcels that you would like to keep is noted on Thorn's share register as being greater than 1,904 shares (that is, a marketable parcel) as at the Closing Time; or
3. if the Unmarketable Parcels that you hold together constitute a parcel of more than 1,904 shares (that is, a marketable parcel), arrange to have those holdings merged into one shareholding that is noted on Thorn's share register as being greater than 1,904 shares as at the Closing Time.

[What is the difference between On-market Share Buy-Back and the current Buy-Back Facility?]

On 15 February 2022 Thorn announced to ASX its intention to undertake an On-market Share Buy-Back which commenced from 1 March 2022. To participate in the On-market Share Buy-Back, shareholders can simply sell their TGA shares on ASX per usual share trading processes – namely, by placing a sell trade online or by providing an instruction to sell via their brokers (brokerage fees apply). By contrast, the Buy-Back Facility is conducted off-market (ie not on ASX) as it is only available to Eligible Shareholders and Thorn will be responsible for brokerage fees and other expenses incurred from the Buy-Back Facility.

Thorn confirms that the Buy-Back Facility will operate in parallel with the On-market Share Buy-Back announced on 15 February 2022.

I need to update my address or bank account details. How do I do this?

You can update your bank account details by visiting www.investorcentre.com/au or by contacting the Thorn Buy-Back Information Line through Computershare on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia). If you are an issuer sponsored shareholder and need to update your address, you can also do this at www.investorcentre.com/au. If you have a CHESS sponsored holding and need to update your address, you will need to contact your controlling participant. If you participate in the Buy-Back Facility and would like your updated address or bank account details to be used

when remitting proceeds and sending documentation to you, please ensure these details are updated by the Closing Time.

Who do I contact if I have further questions?

If you have any further questions about the information contained in this letter or about the Buy-Back Facility, please contact the Thorn Buy-Back Information Line through Computershare on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 30 March 2022 and 13 June 2022, between the hours of 8:30am to 5:00pm Monday to Friday (Sydney time).