

ASX Announcement

8 January 2021

Thorn Group Limited (ASX: TGA) is pleased to provide the following update to the market.

Extraordinary General Meeting

On 4 January 2021, Thorn announced the results of the Extraordinary General Meeting held on that day. Shareholders voted to reject the resolutions that proposed changes to the composition of Thorn's Board of Directors as set out in the notice of meeting convened pursuant to section 249D of the Corporations Act at the request of Vaspip 2 Pty Ltd, Narlack Pty Ltd, Ace Property Holdings Pty Ltd, Vanward Investments Limited, Warwick Sauer and Permanent Capital Limited.

As was stated at Thorn's Annual General Meeting in August 2020, Thorn's Board is continuing the process to recruit a further independent, suitably qualified non-executive director.

Business and Operations

Thorn's Board of Directors thank shareholders for their ongoing support.

Thorn is continuing with its business strategy as previously articulated in Thorn's announcements to the ASX. The Directors believe that this strategy will deliver significant returns to shareholders through the growth of Thorn's increasingly successful consumer finance and specialist small businesses finance activities.

The Radio Rentals division is focussed on optimising the service and collections process for our long standing customers, whilst digitally transforming, and also reducing the overall cost base for the new digital business model. This includes expanding the product range to offer greater choice to customers, introducing automation to improve speed of service, optimising 'on demand' supplier channels, improving the convenience aspects for customers and personalising the end-to-end customer experience.

The Thorn Business Finance division is leveraging its deep understanding of its customers' needs to extend additional products and value propositions to this established market segment. Disruptive technologies are being used to target specific customer segments and provide more Australian SME's with much needed working capital. A key objective is on preserving value of the equipment finance book through effective management of collections and where appropriate, establishing further external funding lines.

Thorn's CEO, Pete Lirantzis, said "these initiatives are already reaping tangible results and we expect will deliver enhanced value for all shareholders".

Quarterly Reporting

Thorn's Quarterly Activities Report, including details of key activities and Thorn's Quarterly Cash Flow Report for the quarter ending 31 December 2020, will be announced to the market by the end of January 2021.

Capital Management

On 12 October 2020, Thorn's Board declared a dividend and also announced that it was considering undertaking a buy-back of Thorn shares for an amount potentially in the order of \$15 to \$25 million. The proposed buy-back was subject to shareholder approval, all necessary regulatory approvals and there being no material changes in Thorn's circumstances. Those initiatives were an endeavour to efficiently return cash to shareholders and to facilitate what the Board understood to be the wishes of a number of shareholders at that time.

It is now evident from positions stated by some of Thorn's substantial shareholders in the recent Takeovers Panel proceedings, that those shareholders are opposed to the consequences of the return to shareholders of significant amounts of capital in this manner. In order to ensure that the market is fully informed, Thorn advises that the buy-back proposal referred to above has been suspended.

The Board will continue to look at its capital management programme in the interest of all shareholders.

The release of this announcement 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 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. 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.