

**ASX ANNOUNCEMENT**

**31 August 2023**

## **2023 Annual General Meeting – Chairman’s Address**

Thorn Group Limited (ASX: TGA) (**Thorn**) attaches the Chairman’s address to be delivered at Thorn’s 2023 Annual General Meeting (**AGM**) today.

The AGM materials will be available on Thorn’s website [www.thorn.com.au](http://www.thorn.com.au).

This release has been authorised by the Company Secretary.

End of Release.

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**ABOUT THORN GROUP LIMITED (ASX: TGA, [www.thorn.com.au](http://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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**CHAIRMAN'S ADDRESS**  
**THORN GROUP LIMITED**  
**ANNUAL GENERAL MEETING 2023 - 31 AUGUST 2023**

Good afternoon everyone and welcome to Thorn's 2023 Annual General Meeting. My name is Warren McLeland and I am privileged to Chair the Board of your company.

We are convening our meeting today on land which the Gadigal people of the Eora Nation are the traditional custodians and I pay my respects to the Elders, past, present and emerging.

As it is now 2pm and our Company Secretary has advised that a quorum is present, I formally declare the meeting open.

I am joined by your other directors, Paul Oneile, Deputy Chairman in Sydney and Dr Allan Sullivan attending virtually.

Also present with me in Sydney is Thorn's Chief Executive Officer Pete Lirantzis and our Company Secretary, General Counsel & General Manager Risk & Compliance, Alexandra Rose. We also welcome Mark Nicholaeff, our Audit Partner from UHY Haines Norton. Shaun Clyne, Partner from MinterEllison, our legal advisor, is also with us today.

Mark and Pete are available to address any question you may have on the financial accounts and financial results.

Today's meeting is being held online via the Computershare AGM platform. This allows shareholders, proxies and guests to attend the meeting virtually. All attendees can watch a live webcast and listen to the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes. The Notice of Meeting has been sent to all shareholders and lodged with the ASX on 1 August 2023. It has been made available on Thorn's website since that date. I will take the Notice of Meeting as read.

I refer to the minutes of the Extraordinary General Meeting held on 30 September 2022. The minutes are with the Company Secretary and available for inspection upon request.

A copy of my Chairman's Address which you are about to hear has been released to ASX and will be available on Thorn's website.

It is almost four years since I and my two non-executive colleagues, Paul Oneile and Allan Sullivan were appointed to the Board of your company.

During this period, and particularly over the last year, the changes to Thorn have been nothing short of immense.

The Company's performance highlights for the year included:

- Net Profit After Tax of \$2.5 million;
- Earnings Per Share of 7.3 cents per share;
- Restructuring and re-opening Thorn asset finance warehouse in August 2022;
- Thornmoney asset finance originations of \$118.2m for the year; and
- Thornmoney and Thorn Business Finance Net Receivables of \$136.5m for the year.

Despite the economic challenges faced during the period, the Company continued to deliver strong returns to shareholders, with a final dividend in July 2022 and a special dividend in September 2022, totalling \$13.8 million in fully franked dividends, along with a \$41.72 million capital return in October 2022.

Thorn continues to have a strong cash balance, totalling approximately \$47.4 million as at 30 August 2023, including both free cash and the tied cash in the warehouse trust.

On 30 May 2023, after receiving approaches from a number of parties, Thorn announced that it was in negotiations regarding a potential sale of the majority of Thorn's Asset Finance portfolio.

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, negotiate, approve and otherwise deal with any matters arising in connection with the proposed transaction.

On 20 June 2023, Thorn announced it had entered into sale transaction documents with Resimac Group Limited. The completion of the proposed transaction is subject to, among other conditions, Thorn shareholders approving a disposal of substantial assets to a related party pursuant to Listing Rule 10.1, a disposal of the Company's main undertaking pursuant to Listing Rule 11.2 and a related party transaction pursuant to Chapter 2E of the Corporations Act.

Thorn also engaged Grant Thornton to prepare an Independent Expert's Report on the merits of the Proposed Transaction.

Shareholder approval is being sought at today's meeting on resolutions relating to the proposed transaction, as set out in detail in the Notice of Meeting and accompanying Explanatory memorandum. Mr Paul Oneile will be chairing the agenda item for Resolution 3 relating to the proposed transaction for the reasons outlined in the Notice of Meeting.

If both resolutions 3 and 4 are approved and subject to completion of the transaction, it is expected that eligible shareholders will receive the payment of a Capital Return of \$0.26 per share and receive a fully franked Special Dividend of approximately \$0.19 per share.

As announced to ASX last Friday, in the lead up to today's AGM, on 24 August 2023, Thorn received a binding and conditional proposal from its majority shareholder, Somers Limited to acquire 100% of the shares in Thorn that Somers does not already have a relevant interest in, by way of a scheme of arrangement, for cash consideration of \$1.62 per share. On 28 August 2023, Thorn announced it had received a further revised proposal from Somers on the same terms as Somers' initial proposal other than to remove a Material Adverse Change condition precedent as a condition to any scheme implementation agreement.

The revised proposal is subject to a number of conditions, including:

- Resolutions 3 and 4 in relation to the proposed sale of a majority of Thorn's asset finance portfolio to Resimac Group Limited being passed by the requisite majorities at today's meeting;
- the independent director recommending the Proposal to Thorn shareholders, in the absence of a superior proposal and subject to the independent expert concluding and continuing to conclude that the scheme is in the best interests of Thorn shareholders; and
- the independent expert concluding and continuing to conclude that the scheme is in the best interests of Thorn shareholders.

An Independent Committee of the Board has been established to review the proposal and any further revised Proposals. As advised to ASX on Friday, 25 August 2023, the Independent Committee considers it in the best interests of shareholders to engage further with Somers so that the Independent Committee can properly assess the revised proposal and the independent director can make a recommendation to shareholders in relation to the revised proposal.

At this stage, the Independent Committee is still considering Somers' proposal and is not in a position to comment on the merits or otherwise of the proposal. The Independent Committee has engaged Leadenhall as financial advisor and MinterEllison as legal advisor and will update shareholders and the market as soon as the Committee has concluded its assessment of the proposal.

Before we proceed to the formal business of the meeting, I would like to express gratitude to my Board colleagues and our senior management team and our financial and legal advisors for their dedication and hard work preparing for today's meeting.

On behalf of my fellow Directors, I take pleasure in congratulating Thorn's Executive leadership team led by Pete Lirantzis and all our loyal employees for their outstanding efforts during the year.

Thank you shareholders, that concludes my opening remarks.