

ASX ANNOUNCEMENT**27 November 2020****Thorn Group Limited Announces First Half Year Results For 2020/21**

Thorn Group Limited (ASX:TGA) and its controlled entities (“Thorn”) today released first half year results for the six-month period ended 30 September 2020.

Thorn posted a half year net loss of \$1.1 million, compared with a net loss of \$25.6 million in the previous corresponding period. Revenue from continuing operations fell 44.9 per cent from \$104.9 million to \$57.8 million. Thorn has restricted credit and focussed on securing the business with strong cash flows and commenced the rapid transformation of the Radio Rentals business model onto a digital platform during the pandemic.

Thorn’s additional provisions for the expected impact of COVID-19 pandemic and the Radio Rentals’ store closure program have increased from \$39.4 million to \$50.9 million. Those additional provisions comprise \$13.6 million for the Radio Rentals business (up \$0.1 million) and \$37.3 million for the Business Finance Division (up \$11.4 million).

During the half, Thorn achieved more than \$40 million of annualised cost savings, commenced a rapid transformation of the Radio Rentals business, meticulously managed the impact of COVID-19 on the Thorn Business Finance, repaid its \$10 million corporate debt facility and focussed on maximising cashflow. In addition, a special fully franked dividend of \$0.075 per share was paid to shareholders after the end of the half, on 3 November 2020.

CEO of Thorn Group, Pete Lirantzis said “Radio Rentals has transformed from a store-based business model, supported by internal warehousing and logistics, to a digital originations model utilising drop-ship partners, and centralised key functions to reduce costs and improve collections capability. Radio Rentals will continue to expand its product range through new supplier partnerships, digitise and automate processes, and enhance our customers’ end-to-end experience.”

“Thorn Business Finance has focussed on managing the impact of COVID-19, supporting our customers during this unprecedented difficult time and preserving value in the receivables book. The warehouse funding facility remains in amortisation, however agreement was reached with funders to vary contracts for customers adversely affected by the pandemic.”

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

This announcement has been authorised by the Board.

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.