

ASX & MEDIA RELEASE**2 March 2020****Thorn expects loss for the full year, appoints new General Manager of Thorn Business Finance and completes Enforceable Undertaking****Update to earnings guidance**

Thorn Group Ltd (**ASX:TGA**) (**Thorn**) advises that the previously announced guidance of a “small net profit after tax at the trading level, i.e. before significant items” will now not be met due to rising arrears in its Business Finance division prompting higher write-offs and bad debt impairment provisioning than previously expected.

Debts outstanding for over 30 days have increased from approximately 5% to approximately 8%, partly as a result of Thorn transitioning its collections activities for the expected future growth in Thorn’s receivables. While immediate actions have been taken to address the increase, these will take some time to take effect. The impact of the increase on Thorn’s profit and loss statement will cause Thorn to record a loss for the full year before abnormals. The extent of this loss is still to be finally determined and will be provided to the market as soon as available.

New General Manager of Thorn Business Finance

Mr Peter Lirantzis, the new Group CEO of Thorn, is pleased to announce the appointment of Paul Rathbone as the General Manager of Thorn Business Finance. Mr Rathbone will be accountable for developing the strategic direction and leading the growth of the current commercial business and will commence his role on 23 March 2020.

“Thorn Business Finance is an important part of the revitalisation program currently underway across the Thorn Group and Mr Rathbone provides proven executive and leadership experience in developing commercial funding businesses and cohesive teams within the Banking and Finance sector” said Mr Lirantzis.

Mr Rathbone’s most recent role was as the CEO of Classic Finance Group which provided a variety of leasing, debtor and trade finance solutions to commercial and consumer clients. Mr Rathbone was responsible for developing and delivering the company strategy with high levels of staff and customer engagement through the implementation of new products, origination channels, risk management structures and innovative system solutions. Mr Rathbone has completed and integrated multiple mergers and acquisitions as part of targeted growth strategies.

Mr Rathbone said “The current operation at Thorn Business Finance provides an excellent base from which to grow. When this is coupled with a CEO and Board that is very focused on revitalising the Group and achieving responsible and sustainable growth, this is an exciting time to be joining. I look forward to contributing to the success of both the Business Finance division and broader Group”.

The Group’s CEO, Peter Lirantzis, and the Board of Directors congratulate Paul Rathbone on his appointment and look forward to working with him.

Completion of Enforceable Undertaking

Thorn has completed its Enforceable Undertaking with the Australian Securities and Investments Commission (**ASIC**). Thorn's appointed Independent Expert has submitted its final Summary Report to ASIC. ASIC will publish the Summary Report on its website. As part of the Enforceable Undertaking, Thorn has remediated eligible customers in relation to historic lending practices. The residual amount which was not able to be returned to customers has been provided as a community benefit payment to support the Financial Counselling Foundation. All amounts paid had been fully provisioned in prior financial years.

By order of the Group CEO.

ENDS.

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

Thorn Group 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 and with 61 retail stores nationally. Thorn Business Finance is a provider of leasing and other financial services to small and medium enterprises. Thorn employs approximately 550 people, has been listed on the ASX since 2006, is licensed under the National Consumer Credit Protection Act 2009 and operates a responsible lending policy.