Thorn Group Limited

ABN 54 072 507 147

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

HALF-YEAR ENDED 30 SEPTEMBER 2022

This half-year information is the information required under ASX Listing Rule 4.2A and should be read in conjunction with the most recent financial report of Thorn Group Limited

Contents

Appendix 4D Half Year Report under ASX Listing Rule 4.2A.3

Current period: 1 April 2022 to 30 September 2022
Previous corresponding period: 1 April 2021 to 30 September 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Six months ended	**30 Sep 2022 $'000s**	**30 Sep 2021 $'000s**	**% Change***
Revenue from ordinary activities – Continuing operations	7,151	10,394	Down 31.2%
Profit/(loss) from continuing operations, net of tax	(1,735)	8,329	Nm
Profit from discontinued operations, net of tax	2,291	4,966	Down 53.9%
Reported statutory profit after tax	556	13,295	Down 95.8%

*Nm = not meaningful

An explanation of the above figures, a commentary on the financial performance and position, and other Appendix 4D disclosures can be found in the attached condensed consolidated financial statements for the six months ended 30 September 2022. This information should also be read in conjunction with the 2022 Annual Financial Report of Thorn Group Limited.

No interim ordinary dividend was declared in respect of the half-year ended 30 September 2022.

DIVIDENDS OR DISTRIBUTION PAYMENTS*	**Amount per ordinary share**	**Franked amount per ordinary share**
2022 final dividend	1 cent	1 cent
Special dividend	3 cents	3 cents

The Company's Dividend Reinvestment Plan applied to the 2022 final dividend, with a discount of 2.5% to the market price.

On 14 October 2022, eligible shareholders of the Company received the return of share capital of 12 cents per ordinary share (totalling approximately $41.7million) and had their Thorn shares consolidated (every 10 shares held on the record date of 10 October 2022 consolidated to one share).

NET TANGIBLE ASSETS	**30 Sept 2022**	**30 Sept 2021**
Net tangible assets per ordinary share	26 cents	31 cents

Further Information

Refer to the attached financial report for all other disclosures in respect of the Appendix 4D.

Condensed Consolidated Financial Statements

for the six months ended 30 September 2022

ACN 072 507 147

CONTENTS

The directors present their report together with the condensed consolidated financial statements of Thorn Group Limited (the 'Company') and its controlled entities (together referred to as 'Thorn', the 'Group', or the 'consolidated entity') for the six months ended 30 September 2022 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Non-Executive

Warren McLeland
Paul Oneile
Allan Sullivan

OPERATING AND FINANCIAL REVIEW

Thorn is a financial services group providing commercial finance to small and medium-sized enterprises. During the period the Group restructured and re-commenced the utilisation of its securitised warehouse facility to fund the growth of asset finance.

Revenue from continuing operations fell 31% from $10.4m to $7.2m, and the net profit after tax ("NPAT") declined from $13.3m to $0.6m profit. Refer to Business Finance review below.

Financial performance

$m	Segment revenue		Segment EBIT to NPAT	
Half year ended 30 September	**2023**	**2022**	**2023**	**2022**
Business Finance	6.6	10.4	1.9	15.6
Corporate	0.6	-	(1.2)	(3.7)
Sub-total	**7.2**	**10.4**	**0.7**	**11.9**
Fair value gains on derivative			0.1	-
Net interest expense			(2.5)	(3.6)
Profit/(Loss) before tax			**(1.7)**	**8.3**
Tax expense			-	-
Profit /(Loss) after tax from continuing operations			**(1.7)**	**8.3**
Profit from discontinued operations after tax			2.3	5.0
Net profit after tax			**0.6**	**13.3**

Business Finance

The Business Finance division relaunched asset finance in December 2021. Asset finance originations were $65.6m for the six months ended 30 September 2022 (pcp: $Nil).

Invoice finance, providing a line of credit backed by the SME's invoices, amounted to $14.7m in drawdowns for this period (pcp: $Nil).

The Business Finance receivables 30 days + arrears, were at 1.8% at the end of September 2022 (March 2022: 7.4%; September 2021: 10.0%).

The receivables balance of $115.8m at 30 September 2022 increased from $88.6m at 31 March 2022; revenue for the 6 months decreased by 36.5% to $6.6m (pcp: $10.4m); and impairment expenses netted a positive credit of $1.9m due to the $9.3m reduction of the COVID-19 provision and the $7.4m increase in the IFRS9 provision, after net write offs, with the introduction of a management overlay for the new asset finance book (pcp: positive net credit $9.9m).

Operating expenses, excluding impairment expenses, were up at $6.5m (pcp: $5.4m) due to the relaunch of business finance.

As a result of the above, EBIT decreased to $1.9m profit (pcp: $15.6m).

Corporate

Corporate EBIT, decreased from $(3.7)m to $(1.2)m due to continued cost reductions in line with the reduction in the revenue of the business.

Interest expense

Net borrowing costs decreased by 28% to $2.6m (2022: $3.6m), driven by reduced warehouse debt for the first 4 months of the period. This is expected to increase in the second half of the financial year due to new originations being directly funded by the warehouse facility.

Tax expense

While there is a taxable profit, there is no current tax payable as a result of the tax losses carried forward. Additionally, the Group has not recognised any deferred tax benefits attributable as the directors consider that, as disclosed in the 2022 annual report, there remains a continuing risk that Thorn may not make sufficient taxable profits in future years to justify their recognition as an asset on the balance sheet.

Discontinued Operations

In the prior year, the Group's assets in the Consumer Finance division, Radio Rentals, were sold to Credit Corp in December 2021. During the six months ended 30 September 2022, Thorn received an additional deferred cash consideration of $2.3m for the sale, taking the total consideration received to $46.2m. At the date of sale, a provision was booked for warranties and indemnities. Thorn has negotiated an extension to the transitional services agreement with Credit Corp, and it will now conclude by 20 December 2022.

The discontinued operations segment recorded a profit after tax of $2.3m (pcp: $5.0m).

Financial position

The balance sheet is presented below in two versions; first excluding the warehouse borrowings for the business finance receivables together with those associated receivables and cash in the warehouse (non-recourse funding for the warehouse) ("excl. Trust"), and second including the warehouse trust which is as per the statutory accounts format ("incl. Trust").

Summarised financial position	30 September 2022		31 March 2022		30 September 2021	
$m	**excl. Trust**	**incl. Trust**	**excl. Trust**	**incl. Trust**	**excl. Trust**	**incl. Trust**
Cash at bank	73.0	86.7	68.1	86.8	72.9	91.6
Receivables	27.8	115.8	24.5	88.6	41.2	137.7
Inventories and other assets	2.7	2.7	6.4	6.4	6.3	6.3
Derivative financial instruments	-	1.2	-	-	-	-
Investments	2.9	2.9	-	-	1.0	1.0
Total Assets	**106.4**	**209.3**	**99.0**	**181.8**	**121.4**	**236.6**
Borrowings	-	106.7	-	60.6	-	106.5
Other liabilities	11.4	11.4	18.0	18.4	21.2	23.5
Total Liabilities	**11.4**	**118.1**	**18.0**	**79.0**	**21.2**	**130.0**
Total Equity	**95.0**	**91.2**	**81.0**	**102.8**	**100.2**	**106.6**
Gearing (net debt/equity) (i)	nm	36.9%	nm	nm	nm	31.5%
Return on Equity (ii)		0.6%		32.6%		13.2%

(i) Gearing is calculated as net debt less free cash divided by closing equity. If there is more free cash than corporate debt, then the number is not meaningful ("nm").

(ii) ROE is calculated as NPAT divided by the average of opening and closing equity.

Cash at bank

The cash amount includes the free cash available to the Group plus the tied cash held within the warehouse. At 30 September 2022, free cash was $73.0m and tied cash was $13.7m. The free cash reflects cash consideration received in December 2021 for the sale of assets in the Consumer Finance division, reduced by the cash payment of dividends of $11.8m in the second quarter of the financial year.

Receivables

The balance consists of Business Finance receivables. All are stated at their gross amount less unearned interest, less a provision for expected credit losses.

The Business Finance receivables gross balance, excluding invoice finance receivables, increased by $22.8m to $132.8m (March 2022: $110.0m) due to strong originations in the first half of the year. The provision reduced by 12.3% to $(19.3m) (March 2022: $(22.0m)). The invoice finance receivables were $2.3m (March 2022: $0.3m).

The net receivables balance increased by $27.8m to $115.8m (March 2022: $88.6m).

In the table above, the columns which exclude the warehouse (headed excl. Trust) do not include the Business Finance receivables and related provisions held in the warehouse[1].

Investments

During the period the Group acquired shares in ASX listed companies for a total cost of $4.1m.

Borrowings

Warehouse borrowings increased by $46.1m to $106.7m (March 2022: $60.6m) during the period.

Other liabilities

The other liabilities decreased by $7.0m to $11.4m due to sale of Consumer Finance business (March 2022: $18.4m).

Funding

The Group had the following debt facility limits:

$m	September 2022	March 2022
Securitised Warehouse Facility	200.0	60.6

Warehouse Facility

Thorn is financed by a rated securitised warehouse facility ("the warehouse"). From May 2020 to July 2022, the warehouse was in amortisation due to a breach of one of its warehouse parameters, which requires no more than 6% of the balances to be in arrears by more than 30 days. This was attributable to the increasing presence of COVID-19 affected customers. While this event subsisted, Thorn was unable to sell its originations into the warehouse, and the distributions it was expecting from the warehouse via the waterfall distribution mechanism were retained in an excess spread reserve.

The warehouse was restructured with a funding limit of $200 million and re-commenced utilisation in August 2022. Thorn Business Finance is financed by the warehouse with senior notes held by a major Australian bank, mezzanine notes held by a major Australian financial services company, and equity class G notes held by Thorn.

The warehouse facility is secured by loans and payments receivable from the underlying receivable contracts and is non-recourse to the Group, meaning Thorn's liability is limited to its class G notes unless it is liable in damages for breach of the warehouse documents or it is required to buy back an ineligible receivable (defined as one that breached Thorn's initial sale representations and not merely that it goes into arrears or defaults).

Interest on the warehouse is charged at a fixed interest premium plus a floating 1-month BBSY (pcp: fixed interest premium plus 3-months BBSY).

The facility is available until August 2023, unless Thorn negotiates an extension with the funders. If the warehouse is not extended, further leases are not able to be sold down into the facility, and the portfolio will amortise down for as long as the underlying receivables are payable. While the warehouse is in operation there will be no repayment of Borrowings and principal collected will be utilised to purchase eligible receivables, hence the full balance of the warehouse facility is disclosed as non-current. In the comparative March 2022, the warehouse was in amortisation, and the principal was applied to repay

[1] The statutory credit provision in note 8 also includes provisions related to receivables held outside the warehouse.

noteholders with the amounts expected to be due and payable on the warehouse facility in the next 12 months being disclosed as current. This payment structure would recommence if the current warehouse facility went into amortisation.

Share buy-back programs

Thorn is conducting an on-market share buy-back program of up to 5% of Thorn's ordinary shares, or up to 16,994,615 ordinary shares, commencing 1 March 2022 up until 28 February 2023. From 1 April 2022 to 30 September 2022, the Group bought back 1,521,851 fully paid ordinary shares for a total cost of $383,583.

On 30 May 2022, Thorn completed a minimum holding share buy-back, under which it bought back and cancelled 81,977 fully paid ordinary shares for $21,150.

Dividends

For the 2022 financial year, a final dividend of $0.01 per share was declared by the directors on 30 May 2022, totalling $3.4m. A number of shareholders participated in Thorn's dividend reinvestment plan offered for the final 2022 dividend, resulting in $2.0m of the total being reinvested in Thorn shares. A net cash dividend of $1.4m was paid on 25 July 2022.

On 8 September 2022, Thorn paid a special dividend of $0.03 per share, totalling $10.4m.

RISKS

The major risks faced by the Group include the following:

- Credit and payment risk as the majority of the Group's assets are monies owing from small and medium businesses. Thorn provides business finance to SMEs pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity.
- Regulatory and legal risk in relation to compliance with and changes to laws, regulations, licenses, authorisations, or government policies.
- Loss of customers, brokers, white label partners and other key business relationships.
- Technology, IT systems, insurance and cyber risks.
- Liquidity and refinancing risks as the Group continues to face pressure on the availability of suitable funding arrangements and compliance with the associated covenants, terms and conditions contained in any facility documentation.
- Operational and compliance risk has been a focus with the rollout of the new online origination, credit assessment platform and related processes, and the implementation of new technology in the credit and operational process.
- Market risk, in particular interest rate risk, as the Group's borrowings have short term variable interest rates while its assets have longer-term fixed interest rates. To mitigate this risk, the Group hedges the majority of the interest rate risk in the warehouse facility.

REGULATORY MATTERS

Thorn acknowledges its role as a responsible corporate citizen to the environment, the community in which it operates and to its staff and stakeholders. Thorn aims to protect the environment in a sustainable manner preventing or reducing any negative impact of Thorn's operations and activities. As a financial services company, the Group has a relatively small environmental impact across its business locations. COVID-19 and the related lockdowns led to a reduction in Thorn's office environmental footprint. The Board regularly reviews the risks associated with the business and believe that the Group does not have any material exposure to environmental or social sustainability risks. The Group is not subject to any significant environmental regulation. Thorn's asset valuations, useful lives, fair values, costs of or demand for its products, and credit losses from its receivable books are unlikely to be materially affected by climate change. In FY23, Thorn will continue to look to implement strategies working towards minimising our carbon footprint.

The Group will remain subject to the regulatory environment for consumer finance business during the transition period following the sale of the Consumer Finance division. The transitional service arrangements with Credit Corp are scheduled to end by 20 December 2022.

The Group is regulated by the Australian Securities & Investments Commission and is a member of the Australian Financial Complaints Authority. Changes in laws or regulations in a market in which the Group operates could impact the business. The

Group continually monitors the regulatory and compliance environment to ensure that the business is abreast of all potential changes.

SUBSEQUENT EVENTS

Return of Capital to Shareholders

On 6 October 2022, the Company's issued ordinary share capital was reduced by approximately $41.7m, following shareholder approval at the Extraordinary General Meeting convened on 30 September 2022. The Company paid each eligible shareholder registered on the record date of 6 October 2022, the amount of $0.12 per share held at that time. The adjusted cash balance, after the payment of the share capital return, is $45.0m (adjusted free cash balance $31.3m).

Consolidation of Shares

On 10 October 2022 and following shareholder approval, the Company's share capital was consolidated through the conversion of:

(i) every 10 shares held by a shareholder on the record date of 10 October 2022 were consolidated into 1 share;
(ii) any resulting fractions of a share were rounded up to the next whole number of shares; and
(iii) the post consolidation shares on issue amounted to 34,764,019 ordinary shares.

Related Party Loan

On 17 October 2022 Thorn Australia Pty Limited, a 100% owned subsidiary of the Company, advanced a loan of $5.0m to a related party, Somers Limited. Interest is accrued and compounded daily, at the rate of 9% per annum, repayable together with the principal on 30 December 2022.

Somers Limited has a shareholding of 49.34% in the Company, based on its last ASX substantial shareholder notification.

CONTINGENT LIABILITIES

There are no contingent liabilities.

OUTLOOK

Thorn's policy is to not provide profit guidance and nothing in this interim report should be construed as profit guidance.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration, as required by section 307C of the Corporations Act 2001, is included on page 8.

ROUNDING

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements and directors' report. Amounts, therefore, have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar in the financial statements and directors' report.

Dated at Sydney

30 November 2022.

Signed in accordance with a resolution of the directors.

Warren J McLeland

Warren McLeland

Chairman

UHY Haines Norton
Chartered Accountants

Level 11 | 1 York Street | Sydney | NSW | 2000
GPO Box 4137 | Sydney | NSW | 2001
t: +61 2 9256 6600 | f: +61 2 9256 6611
sydney@uhyhnsyd.com.au
www.uhyhnsydney.com.au

Auditor's Independence Declaration

As lead auditor for the review of Thorn Group Limited for the half year ended 30 September 2022, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Thorn Group Limited and the entities it controlled during the financial period.

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
Dated: 30 November 2022

UHY Haines Norton
Chartered Accountants

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2022

$'000 AUD	Notes	30 September 2022	30 September 2021*
Continuing operations			
Interest revenue		6,319	10,304
Other income		832	90
Revenue		**7,151**	**10,394**
Employee benefit expense		(5,699)	(6,968)
Impairment losses on loans and receivables		1,871	9,896
Marketing expenses		(158)	(57)
Property expenses		(234)	(287)
Communication & IT expenses		(1,189)	(2,473)
General Insurance		(1,092)	(1,307)
Legal expenses		(467)	(982)
External consultancy expense		-	(477)
Other expenses	14	834	(1,147)
Impairment of intangibles & property, plant and equipment		(266)	(195)
Corporate expense allocated to discontinued operation		-	5,552
Total operating expenses		**(6,400)**	**1,555**
Earnings before interest and tax ("EBIT")		**751**	**11,949**
Fair value gains on derivative	11	88	-
Finance expenses		(2,574)	(3,620)
Profit before tax		**(1,735)**	**8,329**
Income tax		-	-
Profit after tax from continuing operations		**(1,735)**	**8,329**
Discontinued operation			
Profit from discontinued operation, net of tax	13	2,291	4,966
Profit after tax for the year		**556**	**13,295**
Other comprehensive income (OCI) - items that may be reclassified subsequently to profit or loss			
Cash flow hedge reserve movements		-	1,376
Other comprehensive income – reclassification adjustments			
Cash flow hedge reclassification adjustments	11	1,369	-
Other comprehensive income – items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through OCI	12	(1,249)	-
Income tax		-	-
Other comprehensive income for the year		**120**	**1,376**
Total comprehensive income		**676**	**14,671**
Earnings per share- Continuing Operations			
Basic earnings per share (cents)		(0.5)	2.5
Diluted earnings per share (cents)		(0.5)	2.5
Earnings per share- Discontinued Operation			
Basic earnings per share (cents)		0.7	1.4
Diluted earnings per share (cents)		0.7	1.4
Earnings per share			
Basic earnings per share (cents)		0.2	3.9
Diluted earnings per share (cents)		0.2	3.9

** Restated to redirect the results of discontinued business, into one line above Profit after tax for the year. For details see note 13.*

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2022

$’000 AUD	Note	30 September 2022	31 March 2022
Assets			
Cash and cash equivalents	6	86,699	86,760
Trade and other receivables	8	46,428	34,984
Prepayments and other assets		2,778	6,480
Income tax receivable		-	-
Total current assets		**135,905**	**128,224**
Trade and other receivables	8	69,363	53,600
Deferred tax assets		-	-
Derivative financial instruments	11	1,160	-
Property plant and equipment		-	-
Financial assets at fair value through other comprehensive income	7,12	2,889	-
Right of use asset	9	-	-
Total non-current assets		**73,412**	**53,600**
Total assets		**209.317**	**181,824**
Liabilities			
Trade and other payables		6,318	8,810
Lease liability		-	11
Loans and borrowings	10	-	43,412
Employee benefits		2,981	5,090
Provisions		2,023	4,090
Total current liabilities		**11,322**	**61,413**
Loans and borrowings	10	106,740	17,179
Lease liability		-	-
Employee benefits		19	77
Derivative financial instruments	11	-	359
Provisions		-	-
Total non-current liabilities		**106,759**	**17,615**
Total liabilities		**118,081**	**79,028**
Net assets		**91,236**	**102,796**
Equity			
Issued capital		159,634	158,049
Reserves	12	(1,249)	5,605
Retained earnings		(67,149)	(60,858)
Total equity		**91,236**	**102,796**

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2022

$'000 AUD	Note	Share capital	Reserves	Retained earnings	Total Equity
Balance at 1 April 2021		**157,843**	**(3,492)**	**(59,217)**	**95,134**
Total comprehensive income					
Net profit for the period		-	5,351	7,944	13,295
Other comprehensive income		-	1,376	-	1,376
Total comprehensive income		**-**	**6,727**	**7,944**	**14,671**
Transactions with owners of the company					
Minimum holding share buy-back		(313)	-	-	(313)
Issue of shares under dividend reinvestment plan		491	-	-	491
Share-based payment transactions		-	(110)	51	(59)
Dividends to shareholders		-	-	(3,375)	(3,375)
Total transactions with owners of the company		**178**	**(110)**	**(3,324)**	**(3,256)**
Balance at 30 September 2021		**158,021**	**3,125**	**(54,597)**	**106,549**

$'000 AUD	Note	Share capital	Reserves	Retained earnings	Total Equity
Balance at 1 April 2022		**158,049**	**5,605**	**(60,858)**	**102,796**
Total comprehensive income					
Net profit for the period		-	-	556	556
Release of retained earnings from reserves			(6,974)	6,974	-
Fair value cash flow hedge adjustment		-	1,369	-	1,369
Fair value investment movement		-	(1,249)	-	(1,249)
Total comprehensive income		**-**	**(6,854)**	**7,530**	**676**
Transactions with owners of the company					
Share buy-back program		(405)	-	-	(405)
Issue of shares under dividend reinvestment plan		1,990	-	-	1,990
Share-based payments transactions		-	-	-	-
Dividends to shareholders		-	-	(13,821)	(13,821)
Total transactions with owners of the company		**1,585**	**-**	**(13,821)**	**(12,236)**
Balance at 30 September 2022		**159,634**	**(1,249)**	**(67,149)**	**91,236**

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

for the six months ended 30 September 2022

$'000 AUD		30 September 2022	30 September 2021
Cash flows from operating activities			
Cash receipts from customers (excluding interest)		56,466	59,246
Interest revenue received		5,878	9,386
Cash paid to suppliers and employees		(11,771)	(11,110)
Asset & invoice finance originations		(80,359)	-
Cash generated / (used) from operations		**(29,786)**	**57,522**
Net borrowing costs		(2,087)	(3,711)
Income tax refund		-	-
Net cash / (used) from operating activities		**(31,873)**	**53,811**
Cash flows from investing activities			
Acquisition of property, plant and equipment and software		(266)	(86)
Acquisition of equity investment		(4,127)	-
Net cash from investing activities		**(4,393)**	**(86)**
Cash flows from financing activities			
Proceeds from borrowings		106,741	-
Repayment of borrowings		(24,790)	-
Redemption of borrowings		(35,801)	(59,760)
Repayment of lease liabilities		-	(181)
Proceeds from issues of shares		1,990	178
Payment for share buy back		(405)	-
Dividends paid		(13,821)	(3,375)
Net cash (used) / generated from financing activities		**33,914**	**(63,138)**
Net decrease in cash and cash equivalents- continuing operations		(2,352)	(9,412)
Net increase in cash and cash equivalents from discontinued operation	13	2,291	12,961
Cash and cash equivalents at 1 April		86,760	88,045
Cash and cash equivalents at 30 September		**86,699**	**91,594**

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

Thorn Group Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements of the Group for the year ended 31 March 2022 are on the Company's website www.thorn.com.au.

2. STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 March 2022.

These condensed consolidated interim financial statements were approved by the Board of Directors on 30 November 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those of the previous financial year and corresponding interim reporting period. A number of new or amended standards became effective for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of these amended standards.

3.1 FUTURE ACCOUNTING STANDARDS NOT YET EFFECTIVE

There are certain accounting standards for future reporting periods that are not yet effective. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, however these will continue to be assessed closer to the effective dates.

3.2 RECLASSIFICATION OF COMPARATIVE FINANCIAL INFORMATION

The Group has completed the sale of assets from the Consumer Finance division in the 2022 financial year. The comparative information in the statement of profit or loss and other comprehensive income and statement of cash flow has been reclassified to present the items belonging to Consumer Finance as a single line item (discontinued operation). Refer to note 13 for details on adjustments to these statements.

3.3 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

There are no other significant events that have had a material impact on the results of the Group.

3.4 ESTIMATES

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 31 March 2022 except for the ECL provisions that have been revised. Refer to note 8 for details.

3.5 BASIS OF PREPARATION

The directors have prepared the condensed consolidated interim financial statements on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

4. FINANCIAL INSTRUMENTS

The value of the Company's and consolidated entity's financial assets and liabilities are recorded at amortised cost, except for derivative financial instruments and investments, which are held at fair value as at the reporting date and are considered to approximate their carrying amounts.

5. SEGMENT REPORTING

The Board and CEO (together, the chief operating decision-makers) monitor the operating results of the two reportable segments, which are the Business Finance division and the Consumer Leasing division.

On 20 December 2021, the Group completed the sale of assets from the Consumer Finance division to Credit Corp. This division was disclosed as discontinued operation, with comparatives in 2022 restated in the Consolidated Statement of Profit or Loss & Other Comprehensive Income to show the impact of the sold assets.

Segment performance is evaluated based on operating profit or loss. Income tax expense is not allocated to operating segments, as this type of activity is managed on a group basis.

30 September 2022 $'000 AUD	Consumer Leasing (Discontinued Operation)	Business Finance	Corporate	Consolidated
Interest revenue	-	6,114	205	6,319
Other	-	462	370	832
Total segment revenue	**-**	**6,576**	**575**	**7,151**
Operating expenses	-	(2,956)	(3,179)	(6,135)
Corporate re-allocation of expenses	-	(1,456)	1,456	-
EBITDA	**-**	**2,164**	**(1,148)**	**1,016**
Depreciation and amortisation	-	-	-	-
Impairment	-	(242)	(24)	(266)
EBIT	**-**	**1,922**	**(1,172)**	**750**
Fair value gains on derivative	-	88	-	88
Finance expense	-	(2,573)	-	(2,573)
Profit from discontinued operations	2,291	-	-	2,291
Profit/(loss) before tax	**2,291**	**(563)**	**(1,172)**	**556**
Segment assets	-	134,598	74,719	209,317
Segment liabilities	-	(112,259)	(5,822)	(118,081)

30 September 2021 $'000 AUD	Consumer Leasing (Discontinued Operation)	Business Finance	Corporate	Consolidated
Interest revenue	17,103	10,304	-	27,407
Other	2,510	90	-	2,600
Total segment revenue	**19,613**	**10,394**	**-**	**30,007**
Operating expenses	(9,056)	7,212	(11,015)	(12,859)
Corporate re-allocation of expenses	(5,552)	(1,981)	7,533	-
EBITDA	**5,005**	**15,625**	**(3,482)**	**17,148**
Depreciation and amortisation	-	-	-	-
Impairment	(15)	-	(193)	(208)
EBIT	**4,990**	**15,625**	**(3,675)**	**16,940**
Fair value gains on derivative	-	-	-	-
Finance expense	(25)	(3,620)	-	(3,645)
Profit/(loss) before tax	**4,965**	**12,005**	**(3,675)**	**13,295**
Segment assets	42,731	119,886	73,926	236,543
Segment liabilities	(19,582)	(110,411)	-	(129,993)

Reconciliations of reportable segment to IFRS measures

$'000 AUD	30 September 2022	30 September 2021
Revenue		
Total revenue for reportable segments	7,151	30,007
Elimination of discontinued operations	-	(19,613)
Consolidated Revenue	**7,151**	**10,394**
Profit before tax		
Total profit before tax for reportable segments	556	13,295
Elimination of discontinued operations	(2,291)	(4,966)
Consolidated profit/(loss) before tax from continuing operations	**(1,735)**	**8,329**

Reconciliations of corporate allocation expenses

30 September 2022 $'000 AUD	Consumer Leasing	Business Finance
Employee benefit expense	-	(120)
Property expenses	-	(683)
Communication & IT expenses	-	(32)
Legal fees	-	(15)
Other expenses	-	(606)
Total corporate expenses re-allocated	**-**	**(1,456)**

30 September 2021 $'000 AUD	Consumer Leasing	Business Finance
Employee benefit expense	(3,139)	(1,266)
Property expenses	(211)	(39)
Communication & IT expenses	(1,722)	(322)
Legal fees	(184)	(109)
Other expenses	(296)	(245)
Total corporate expenses re-allocated	**(5,552)**	**(1,981)**

6. CASH AND CASH EQUIVALENTS

$'000 AUD	30 September 2022	31 March 2022
Cash and cash equivalents	**86,699**	**86,760**

Included in cash is an amount of $13.7m (March 2022: $18.7m) held as part of the consolidated entity's funding arrangements that is not available to the consolidated entity. This cash is held within the warehouse and, as such, is under the control of the Trustee. Within this balance $nil excess spread is held on 30 September 2022 (March 2022: $7.0m). Free cash is therefore $73.0m (March 2022: $68.1m).

7. INVESTMENT

$'000 AUD	30 September 2022	31 March 2022
Investments in ASX listed companies	**2,889**	-

During the period the Group acquired shares in ASX listed companies for a total cost of $4.1m. Refer to Note 12 for fair value movement to reserves.

8. TRADE AND OTHER RECEIVABLES

$'000 AUD	30 September 2022	31 March 2022
Current		
Trade receivables	874	2,431
Finance lease receivables	7,834	8,805
Loan receivables	37,720	23,748
	46,428	**34,984**
Non-current		
Finance lease receivables	2,708	9,533
Loan receivables	66,655	44,067
	69,363	**53,600**
Total trade and other receivables	**115,791**	**88,584**

Trade receivables and loan receivables are stated at their amortised cost less provision for impairment losses. Finance lease receivables are recognised at the present value of the minimum lease payments less impairment losses. The present value is calculated by discounting the minimum lease payments due at the interest rate implicit in the lease.

Credit risk

Credit risk is the risk of loss that arises when a customer or third party fails to pay an amount owing to the Company and is the most significant risk to the Group. The maximum exposure to credit risk is represented by the carrying amount of receivables and loans. The Group provides business finance to SMEs pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any individual, company, or other entity. The Group is subject to a higher level of credit risk due to the credit-constrained nature of many of the Company's customers.

The Group maintains a provision for receivable losses. The process for establishing the provision for losses is critical to the Group's results of operations and financial condition.

Credit risk typically grows in line with the growth of the loan and lease receivables in all segments.

Expected credit loss measurement

Under AASB 9, a three-stage approach is applied to measuring expected credit losses ('ECL') based on credit migration between the stages as follows:

Stage 1: At initial recognition, a provision equivalent to 12 months ECL is recognised.
Stage 2: Where there has been a significant increase in credit risk since initial recognition, a provision equivalent to full lifetime ECL is required; and
Stage 3: Lifetime ECL is recognised for loans where there is objective evidence of impairment.

ECL are probability-weighted and determined by evaluating a range of possible outcomes, taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

Macroeconomic Scenarios

The methodology applied for the Business Finance division is consistent with 31 March 2022 and this same methodology has been carried forward to new originations since the relaunch.

Additional consideration was given to the new originations, since the AASB 9 methodology requires 36 months of history before it can be expected to provide details on losses and expected provisions. With these new originations, a comparison was conducted to the AASB 9 impairment calculations for Business Finance at 5 different points in its history and applied those results, recognising an additional 4.5% provision of the new originations as at 30 September 2022.

Impact of COVID-19 pandemic

From March 2022, the collection activity on the Covid affected book has improved, there have been no further economic lockdowns. As a result, the arrears have fallen to 7.7% at the end of September 2022.

Given that approximately 97% of the existing Covid book will have reached maturity in 3 years and the collection activity of this portfolio has been strong over the last 6 months, the provision has been reduced to 27.2% of the Covid book (March 2022: 42.5%) to safeguard against any future losses.

The combined methodology, AASB 9 impairment and Covid-19 overlay, resulted in a reduction in the impairment provision to 14.4% for the Business Finance division (March 2022: 19.8%).

Impairment losses

Business Finance lease receivables

$'000 AUD	Gross September 2022	Impairment	Gross March 2022	Impairment
Stage 1	13,047	(1,936)	22,489	(3,527)
Stage 2	1,287	(1,287)	2,510	(2,008)
Stage 3[2]	112	(112)	577	(577)
TOTAL	**14,446**	**(3,335)**	**25,576**	**(6,112)**

Loan receivables (Business Finance and remaining consumer solar loans)

$'000 AUD	Gross September 2022	Impairment	Gross March 2022	Impairment
Stage 1	116,628	(13,850)	77,364	(10,329)
Stage 2	3,752	(1,850)	6,840	(4,755)
Stage 3	230	(230)	865	(865)
TOTAL	**120,610**	**(15,930)**	**85,069**	**(15,949)**

At 30 September 2022, the contractual amount outstanding on receivables that were historically written off and that are still subject to enforcement activity is $12.9m.

Thorn has provided a guarantee, to the warehouse trust, against a group of affected trust receivables. The value of the receivables as at 30 September 2022 is $11.4m. Thorn has deemed the risk of an outflow of economic resources to be extremely remote and, as such, has estimated the guarantee to have a zero fair value.

[2] A number of portfolio level provisions have been allocated to the different stages based on the percentage of the receivables book which is in the specific stage. This has resulted in the above presentation.

9. INTANGIBLE ASSETS

$'000 AUD	Right of use assets	Software	Total
Year ended 31 March 2022			
Opening net carrying amount	-	-	-
Additions	-	145	145
Amortisation charges for the year	-	-	-
Impairment charges for the year	-	(145)	(145)
Closing net book amount	-	-	-
At 31 March 2022			
Cost	277	17,254	17,531
Amortisation and impairment	(277)	(17,254)	(17,531)
Net book amount	-	-	-

$'000 AUD	Right of use assets	Software	Total
Six months ended 30 September 2022			
Opening net carrying amount	-	-	-
Additions		266	266
Amortisation charges for the year	-	-	-
Impairment charges for the year	-	(266)	(266)
Closing net book amount	-	-	-
At 30 September 2022			
Cost	-	17,520	17,520
Amortisation and impairment	-	(17,520)	(17,520)
Net book amount	-	-	-

10. LOANS AND BORROWINGS

$'000 AUD	30 September 2022	31 March 2022
Current liabilities		
Secured loans	-	43,412
Non- Current liabilities		
Secured loans	106,740	17,179
	106,740	**60,591**

Limits and drawings are set out below.

$'000 AUD	30 September 2022	31 March 2022
Securitised warehouse facility limit	200,000	60,591
Utilised	(106,740)	(60,591)
Secured loan facilities not utilised at reporting date	**93,260**	-

Warehouse Facility

Thorn is financed by a rated securitised warehouse facility ("the warehouse"). From May 2020 to July 2022, the warehouse was in amortisation due to a breach of one of its warehouse parameters, which requires no more than 6% of the balances to be in arrears by more than 30 days. This was attributable to the increasing presence of COVID-19 affected customers. While this event subsisted, Thorn was unable to sell its originations into the warehouse, and the distributions it was expecting from the warehouse via the waterfall distribution mechanism were retained in an excess spread reserve.

The warehouse was restructured with a funding limit of $200 million and re-commenced utilisation in August 2022. Thorn Business Finance is financed by the warehouse with senior notes held by a major Australian bank, mezzanine notes held by a major Australian financial services company, and equity class G notes held by Thorn.

The warehouse facility is secured by loans and payments receivable from the underlying receivable contracts and is non-recourse to the Group, meaning Thorn's liability is limited to its class G notes unless it is liable in damages for breach of the warehouse documents or it is required to buy back an ineligible receivable (defined as one that breached Thorn's initial sale representations and not merely that it goes into arrears or defaults).

Interest on the warehouse is charged at a fixed interest premium plus a floating 1-month BBSY (pcp: fixed interest premium plus 3-months BBSY).

The facility is available until August 2023, unless Thorn negotiates an extension with the funders. If the warehouse is not extended, further leases are not able to be sold down into the facility, and the portfolio will amortise down for as long as the underlying receivables are payable. While the warehouse is in operation there will be no repayment of Borrowings and principal collected will be utilised to purchase eligible receivables, hence the full balance of the warehouse facility is disclosed as non-current. In the comparative March 2022, the warehouse was in amortisation, and the principal was applied to repay noteholders with the amounts expected to be due and payable on the warehouse facility in the next 12 months being disclosed as current. This payment structure would recommence if the current warehouse facility went into amortisation.

Corporate facilities

The Group has no open corporate debt facility.

The Group still retains access to bank guarantees as part of its ongoing transactional banking arrangements and at 30 September 2022 the amount drawn was $1.2m (March 2022: $2.3m). The Group has cash collateralised the facility.

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into interest rate swaps to fix the interest rate on the warehouse funding balance and therefore remove the fixed/floating interest rate mismatch between the Group's receivables and the Group's funding balance. Historically these arrangements were designated as cash flow hedges under AASB 139 (which the Group had opted to retain as is currently permitted). The instrument is an amortising swap whose cash flow profile is modelled on the expected repayment profile of the receivables (which mirrors the funding balance) and is regularly reset. As such the swap is expected to be effective.

Derivatives designated as cash flow hedges are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The ineffective portion of designated hedge derivatives is recognised in the statement of profit or loss and other comprehensive income as fair value gains or losses on derivatives.

In December 2021, the Group made an assessment that the interest rate swap had fallen outside the prescribed 80-125% range of effectiveness as per AASB 139. This was attributable to the warehouse being in amortisation, leading to the funding balance decreasing at a faster rate than the expected repayment of the warehouse receivables. The swap remained ineffective for the period from December 2021 through to July 2022. In August 2022 with the restructuring of the warehouse, the swap was reset and redesignated to hedge the warehouse receivables balance. Due to the redesignation of the swap, the previous hedge was derecognised, and the cash flow hedge balance was recognised to profit and loss. The reset swap has not been designated as a cash flow hedge at 30 September 2022 and the fair value movements of the derivative are recognised in the statement of profit or loss.

The impact of the derivatives on the statement of profit or loss and other comprehensive income are as per below table.

$'000 AUD	30 September 2022	30 September 2021
FVPL loss on cash flow hedge derecognised from reserves	(1,369)	-
FVPL gain on ineffective hedge	774	-
FVPL gain on undesignated swap	683	-
Interest expense	(463)	(1,377)
	(375)	**(1,377)**

The full fair value of a hedging derivative is classified as a non-current asset as the remaining maturity of the hedged item is more than 12 months from 30 September 2022.

The fair value of derivatives is classified as level 2 instruments as they are not traded in an active market and are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates.

$'000 AUD	30 September 2022	31 March 2022
Interest rate swap asset	1,160	-
Interest rate swap liability	-	359

12. CAPITAL AND RESERVES

Number of shares	30 September 2022	31 March 2022
On issue at the beginning of year	340,192,714	339,188,085
Issue of new shares under dividend reinvestment plan	9,044,579	2,398,077
Issue of new shares under an employee share-based payment plan	-	464,253
Repurchase of shares through buy-back scheme	(1,603,828)	(1,857,701)
	347,633,465	**340,192,714**

Dividends

	Cents per share	Amount $'000 AUDs	Franking %	Date of payment
30 September 2022				
Final 2022	1.0	3,392	30%	25 July 2022
Interim 2022	-	-	n/a	n/a
Special dividend	3.0	10,429	30%	8 September 2022
Total amount	**4.0**	**13,821**		
30 September 2021				
Final 2021	1.0	3,375	30%	21 July 2021
Interim 2022	-	-	n/a	n/a
Special dividend	-	-	n/a	n/a
Total amount	**1.0**	3,375		

Other reserves

$'000 AUD	30 September 2022	31 March 2022
Cash flow hedge reserve	-	(1,369)
Fair value investment reserve	(1,249)	-
Trust excess spread reserve	-	6,974
	(1,249)	**5,605**

13. DISCONTINUED OPERATIONS

On 21 December 2021, the Group's assets in the Consumer Finance division, Radio Rentals, were sold to Credit Corp. On 20 September 2022, Thorn had received an additional deferred cash consideration of $2.3m for the sale, taking the total consideration received to $46.2m.

(a) Result of discontinued operations

$'000 AUD	30 September 2022	30 September 2021
Revenue	-	19,613
Expenses	-	(14,647)
Results from operating activities	**-**	**4,966**
Income tax	-	-
Results from operating activities, net of tax	**-**	**4,966**
Gain/(loss) on sale of discontinued operation	2,291	-
Income tax on sale of discontinued operation	-	-
Profit from discontinued operations, net of tax	**2,291**	**4,966**

(b) Cash flow from /(used in) discontinued operation

$'000 AUD	30 September 2022	30 September 2021
Net cash used in operating activities	-	13,495
Net cash from investing activities	2,291	(13)
Net cash from financing activities	-	(521)
Net cash flows for the year	**2,291**	**12,961**

14. OTHER EXPENSES

Included in Other expenses is a credit of $2.5m arising from the reduction in provisions.

15. RELATED PARTY

The following table details the total amount of transactions that have been entered into with related parties during the period.

$'000 AUD	30 September 2022	30 September 2021
General Provincial Company Ltd	369	-

The transactions relate to insurance premiums for Civil Liability, Professional Indemnity and Directors and Officers Liability insurance.

16. SUBSEQUENT EVENTS

Return of Capital to Shareholders

On 6 October 2022, the Company's issued ordinary share capital was reduced by approximately $41.7m, following shareholder approval at the Extraordinary General Meeting convened on 30 September 2022. The Company paid each eligible shareholder registered on the record date of 6 October 2022, the amount of $0.12 per share held at that time. The adjusted cash balance, after the payment of the share capital return, is $45.0m (adjusted free cash balance $31.3m).

Consolidation of Shares

On 10 October 2022 and following shareholder approval, the Company's share capital was consolidated through the conversion of:

(i) every 10 shares held by a shareholder on the record date of 10 October 2022 were consolidated into 1 share;
(ii) any resulting fractions of a share were rounded up to the next whole number of shares; and
(iii) the post consolidation shares on issue amounted to 34,764,019 ordinary shares.

Related Party Loan

On 17 October 2022 Thorn Australia Pty Limited, a 100% owned subsidiary of the Company, advanced a loan of $5.0m to a related party, Somers Limited. Interest is accrued and compounded daily, at the rate of 9% per annum, repayable together with the principal on 30 December 2022.

Somers Limited has a shareholding of 49.34% in the Company, based on its last ASX substantial shareholder notification.

17. CONTINGENT LIABILITIES

There are no contingent liabilities.

DIRECTOR'S DECLARATION

for the six months ended 30 September 2022

Directors' Declaration

In the opinion of the directors of Thorn Group Limited:

1. the financial statements and notes set out on pages 9 to 22 are in accordance with the Corporations Act 2001, including:
   (a) giving a true and fair view of the Group's financial position as at 30 September 2022 and of its performance for the six-month period ended on that date; and
   (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295 of the Corporations Act 2001.

Dated at Sydney

30 November 2022.

Signed in accordance with a resolution of the directors.

Warren McLeland
Chairman

UHY Haines Norton
Chartered Accountants

Level 11 | 1 York Street | Sydney | NSW | 2000
GPO Box 4137 | Sydney | NSW | 2001
t: +61 2 9256 6600 | f: +61 2 9256 6611
sydney@uhyhnsyd.com.au
www.uhyhnsydney.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Thorn Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Thorn Group Limited ("the Company"), and the entities it controlled during the half year (together "the Group"), which comprises the Condensed Consolidated Statement of Financial Position as at 30 September 2022, the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flow for the half-year ended on that date, other selected explanatory notes, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Thorn Group Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 30 September 2022 and of its performance for the half-year ended on that date; and

b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report* Performed by the *Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

An association of independent firms in Australia and New Zealand and a member of UHY International, a network of independent accounting and consulting firms.

UHY Haines Norton—ABN 85 140 758 156 NSWBN 98 133 826

Liability limited by a scheme approved under Professional Standards Legislation.

Passion beyond numbers

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2022 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

UHY Haines Norton

Mark Nicholaeff

Partner

UHY Haines Norton

Chartered Accountants

Sydney

Date: 30 November 2022