

**ANNOUNCEMENT TO ASX****29 May 2020****Thorn Group Ltd Announces Annual Results For 2020**

Thorn Group Limited (ASX:TGA) ("Thorn") and its controlled entities today released its audited results and annual report for the financial year ended 31 March 2020.

Thorn posted an annual Net Loss of \$81.1 million, compared with a loss of \$14.9 million in the previous corresponding period. Revenue from continuing operations fell 7.9 per cent from \$221.9 million to \$204.3 million.

Thorn determined that provisions totalling \$35.6 million for the expected impact of COVID-19 and the Radio Rentals' store closure program - additional to matters included in previous announcements to ASX - should be taken up in its accounts for the year ended 31 March 2020. Those additional provisions comprise \$13.5 million for the Radio Rentals business and \$22.1 million for the Business Finance Division.

The result was further affected by a series of significant events, including a charge of \$26 million for the class action settlement and an additional \$12.8 million of debts being either written off or fully provided for in the Business Finance Division.

The closure of the 62 Radio Rentals' stores affected the carrying value of certain assets and liabilities in that division, including inventory and further provisions to reduce the valuation of assets.

Thorn's revised business strategy is predicated upon the intention to continue to operate the consumer leasing business, based exclusively on a digital customer onboarding process, and to continue to operate the business finance activity with a selective customer and broker model and enhanced credit policies and collection processes. These initiatives, combined with cost cuts across all divisions and head office and a current cash balance in excess of \$40 million are aimed at having the Company remain sustainable during the current challenging circumstances and best position the Company to achieve longer term growth.

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

This announcement has been authorised by the Board.

For further information please contact:

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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. 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.