

**ASX RELEASE****30 April 2020****QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2020**

Thorn Group Limited (**ASX:TGA**) (“Thorn”) submits its cash flow report for the March 2020 quarter and presents the following update on the key activities for the quarter ending 31 March 2020.

**Principal activities**

Thorn is a diversified financial services group providing leasing of household products to consumers and commercial asset finance to small and medium enterprises.

**Key areas of activity during the quarter ending 31 March 2020**

Thorn’s Board announced the new Chief Executive Officer, Peter Lirantzis, commenced employment during the quarter along with a downgrade to its profit guidance and the completion of the ASIC Enforceable Undertaking. A review of debts within Thorn’s Business Finance division was completed with the additional profit and loss expense to increase Thorn’s loss for the financial year.

Thorn’s Board and management developed a strategic plan to address the COVID-19 environment, with the Radio Rentals store closures announced on 3 April 2020, and also to address the Company’s poor profitability and strategic position. The results of that plan were finalised and announced to the market on 23 April 2020.

**Commentary on the Appendix 4C Cash Flow report**

- Thorn recorded a positive cash flow of \$12.996 million from its operating activities as the outflow of new originations of leases to both consumers and SMEs was reduced both in the usual seasonal pattern of a low origination month in January and as a result of generally lower origination flow. Consequently the inflow of cash receipts from its books of lease receivables exceeded the combination of its normal operating expenses and originations.
- There was a repayment of \$3.218 million of debt funding as a result of the lower originations.
- The cash balance at the quarter end increased from \$39.841 million to \$49.619 million accordingly.
- There were no changes to funding facilities.

**Next Two Quarters Activities**

- On 23 April 2020, Thorn announced the move to run-down the Radio Rentals business, the permanent closure of its 62 Radio Rentals stores and the resultant redundancies of approximately 300 casual and full-time staff at the outlets and head office.
- The core of the Radio Rentals business will continue to operate, including the Radio Rentals’ online store ([www.radio-rentals.com.au](http://www.radio-rentals.com.au)).
- Thorn has received many requests from its Business Finance customers for COVID-19 assistance, including for reductions in repayments. Thorn is responding to these on a case by case basis.

- 
- Thorn is actively pursuing many cost-cutting initiatives and recoveries, to ensure our balance sheet and business model continue to be sustainable in the face of these adverse business conditions.
  - Thorn will shortly produce its annual financial statements for the year ending 31 March 2020.

This announcement is authorised for release by Thorn's Board of Directors.

---

For further information please contact:

**Pete Lirantzis**

**Chief Executive Officer**

**0411 012 035**

**[Pete.Lirantzis@thorn.com.au](mailto:Pete.Lirantzis@thorn.com.au)**

---

**ABOUT THORN GROUP LIMITED (ASX: TGA, [www.thorn.com.au](http://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. 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.