

Thorn Group Limited

ABN 54 072 507 147

Appendix 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET

YEAR ENDED 31 MARCH 2023

This information is the information required under ASX Listing Rule 4.3A.

Contents

1. Appendix 4E
2. Annual financial statements for the year ended 31 March 2023

Appendix 4E Preliminary Final Report under ASX Listing Rule 4.3A

Current year: 1 April 2022 to 31 March 2023
Previous corresponding year: 1 April 2021 to 31 March 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Year ended	31 March 2023 \$'000s	31 March 2022 \$'000s	% Change
Revenue from ordinary activities- Continuing operations	15,333	17,296	Down 11%
Profit from discontinued operation, net of tax	3,884	19,481	Down 80%
Net profit after tax, attributable to members	2,537	32,346	Down 92%

Business Finance

Thornmoney relaunched its asset finance business in December 2021. Asset finance originations were \$118.2m for the year (2022: \$21.7m).

Invoice finance, providing a line of credit backed by the SME's invoices, amounted to \$37.2m in drawdowns for this period (2022: \$2.3m).

The asset finance receivables 30 days plus arrears were 2.9% at 31 March 2023 (2022: 7.4%).

Operating expenses, excluding impairment expenses, were slightly up at \$9.8m (2022: \$7.6m) due to the relaunch of the asset finance business.

Earnings before interest and taxes (EBIT) amounted to \$7.6m profit (2022: \$25.7m).

Corporate

Corporate EBIT increased from (\$7.5m) to (\$0.8m) due to continued cost reductions in line with the business restructure and the implementation of the Group's new business strategy.

Net interest expense

Net interest expense from continuing operations increased by 2.9% from \$6.8m to \$7.0m. Borrowings in the warehouse increased to \$114.9m (2022: \$60.6m) with 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 prior years, 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 Operation

In December 2021, the Group's assets in the Consumer Finance division, Radio Rentals, were sold to Credit Corp Group Limited. During the 2023 financial year, Thorn received an additional deferred cash consideration of \$2.3m for the sale, taking the total consideration received to \$46.2m. Thorn negotiated an extension of the transitional services agreement with Credit Corp Group Limited for an additional \$1.8m. The arrangement ended on 20 December 2022.

DIVIDENDS	Cents per ordinary share	Franked cents per ordinary share
Special dividend (cents per share)	3.0	4.5
Final dividend	N/A	N/A

NET TANGIBLE ASSETS	31 March 2023	31 March 2022
Net tangible assets per ordinary share	\$1.46	\$3.02*

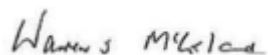
* Adjusted to reflect FY23 10:1 share consolidation, approved by shareholders on 30 September 2022 and completed on 14 October 2022.

Entities over which control has been gained or lost during the period

Refer to Note 18 in the attached financial report for further details.

Further Information

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



Warren McLeland
Chairman

31 May 2023