

**ASX RELEASE****23 April 2020****THORN ANNOUNCES EXPANSION OF DIGITAL PRESENCE  
AFTER PERMANENT CLOSURE OF RADIO RENTALS STORES****Closure of Radio Rentals Stores**

Thorn Group Limited (**ASX:TGA**) (“Thorn”) announces today the expansion of its online presence and the permanent closure of the 62 Radio Rentals stores and selected warehouses, amid the coronavirus-driven downturn in the retail sector.

The closures and the resultant redundancies of approximately 300 casual and full-time staff at the outlets and head office will be undertaken over the next three months.

Thorn will undertake the run-down of Radio Rentals’ loan book, worth approximately \$123 million as at 31 March 2020, which will be value creating and not draw down capital. The run-down is expected to immediately generate significant cash, above the redundancy and other costs.

**Strategy Update**

The core of the Radio Rentals’ business will continue to operate and will be leveraged to develop a new, digital business model. Radio Rentals’ online store ([www.radio-rentals.com.au](http://www.radio-rentals.com.au)) will be enhanced with a relevant product range to more closely match the needs of our customer base.

Thorn has also introduced new credit policies and collection processes, as well as cutting head office costs, to ensure our business model remains sustainable in the face of these adverse business conditions.

Chief Executive Officer, Mr Peter Lirantzis, said “I am disappointed that we have been forced to make hard decisions regarding our staff and store network, however they have had to be made to ensure Thorn Group continues to operate and thrive in the future. We intend to re-develop both the Radio Rentals’ digital business model and Thorn Business Finance once the COVID-19 crisis has passed.

“The group presently has circa \$40 million cash at bank and is actively pursuing a range of cost-cutting initiatives and recoveries, through which we expect to generate increased cash flow over the next year”, he concluded.

The adverse business conditions created by the COVID-19 crisis are causing increased arrears in both Radio Rentals and Thorn Business Finance and will result in corresponding write-offs.

These conditions are expected to continue to create a range of challenges and complex conditions for the Thorn business over coming months.

This announcement has been authorised by the Chief Executive Officer.

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**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.