



25 January 2024

**Time Finance plc
(the “Group” or the “Company”)**

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2023

***Continued strong growth in Profits and Earnings Per Share
Lending book at record levels after ten consecutive quarters of growth***

Time Finance plc, the AIM listed independent specialist finance provider, today announces its unaudited interim results for the six-months ended 30 November 2023 (“Results” or “Interims”). The Interims reflect continued strong demand from businesses across the UK for the range of alternative finance products offered by the Group.

Financial Highlights:

- Own-Book lending origination up 29% to £47.3m during H1 2023/24 (H1 2022/23: £36.6m)
- Gross lending-book up 24% to a record £188.6m as at 30 November 2023 (30 November 2022: £152.7m)
- Revenue up 19% to £15.7m (H1 2022/23: £13.2m)
- Profit before Tax (“PBT”) up 35% to £2.7m (H1 2022/23: £2.0m)
- Earnings Per Share up 35% to 2.33 pence per share (H1 2022/23: 1.73 pence per share)
- Net deals in arrears remain stable at 6% of the lending book as at 30 November 2023 (30 November 2022: 6%)
- Net Assets up 7% to £63.9m as at 30 November 2023 (30 November 2022: £59.7m)
- Net Tangible Assets up 13% to £36.4m as at 30 November 2023 (30 November 2022: £32.1m)
- Strong visibility of future earnings with unearned income up 26% to £23.9m as at 30 November 2023 (30 November 2022: £18.9m)
- Continued positive trading momentum throughout December 2023 gives significant confidence that full year trading will be at least in line with Board expectations

Commenting on the Interim Results, Tanya Raynes, Non-Executive Chair, said:

“These results show that our focus on own-book lending continues to deliver a strong trading performance. This is particularly encouraging given the wider economic headwinds and demonstrates UK SMEs’ robust demand for funding from a truly customer-focussed, multi-product provider of finance like ourselves. The strategic positioning of the Group within the market has enabled it to generate increasing levels of demand whilst also maintaining control of credit and spread risk. As a result, the Group is well positioned to deliver further growth and increased value to our shareholders. We look forward to being able to report on further progress at the year-end.”

Investor Presentation

As announced on 19 December 2023, the Company will deliver a live presentation relating to these H1 2023/24 Interims via the Investor Meet Company platform at 1:00pm GMT today. Existing and potential shareholders can sign up to Investor Meet Company for free and add to meet Time Finance plc via: <https://www.investormeetcompany.com/time-finance-plc/registerinvestor>.

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About Time Finance:

Time Finance's purpose is to Help UK Businesses Thrive and Survive through the provision of flexible funding facilities. It offers a multi-product range for SMEs concentrating on Asset, Loan and Invoice Finance. While focussed on being an 'own-book' lender, the Group does retain the ability to broke-on deals where appropriate, enabling it to optimize business levels through market and economic cycles.

More information is available on the Company website www.timefinance.com.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

CHIEF EXECUTIVE OFFICER'S STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2023

Introduction

Time Finance plc is a multi-product alternative finance provider to UK SMEs. It is primarily a lender for the working capital requirements of UK businesses, but it can also act as a broker in arranging funding where more appropriate. It comprises two core, own-book divisions – Asset Finance and Invoice Finance – with lending proposals originated through a variety of channels. These include finance brokers and other professional firms, equipment vendors, suppliers and dealers, and direct from borrowers. Its target market is generally those business who have a funding requirement between £5k and £3.5m.

Financial Results

I am pleased to report this set of Interim financial results with good progress, both strategically and financially, having been made in the first half of the financial year; building on the solid foundations laid in the previous financial year.

Own-Book deal origination is a key performance indicator for the Group. Pleasingly, in the six-month period to 30 November, this origination amounted to £47.3m, an increase of 29% when compared to the six months to 30 November 2022. This increase has helped contribute to the Group's gross lending book growing to record highs. As at 30 November 2023 it stood at £188.6m compared to £152.7m twelve months earlier. An increasing own-book lending portfolio is key to the Group's strategy as it underpins future income generation and profitability and, in turn, the inherent value of the balance sheet.

It is also encouraging to see that all the key metrics on the Profit and Loss account - Revenue, Gross Profit and Profit Before Tax – show growth from both the preceding six-month period to 31 May 2023 and the six-month comparative period to 30 November 2022. Given the compound nature of the Asset and Loan finance businesses, all other things being equal, this gives the board confidence for the future performance.

With regard to the Group's Balance Sheet, the quality of the lending portfolio is another key performance indicator and focus of the Board. It is extremely pleasing, therefore, to report a stability in make-up of the book despite the wider economic difficulties. As at 30 November 2023, net arrears as a percentage of the lending book had remained static at approximately 6% as was the position twelve months earlier.

The Group's increasing level of deal origination, lending portfolio management and continued support from external funders have all combined to further strengthen the Group's balance sheet. Net Tangible Assets stood at £36.4m as at 30 November 2023 compared to £32.1m as at 30 November 2022, an increase of 13%.

Strategy and Outlook

The Group remains committed to its four-year medium-term strategy which was introduced in June of 2021 as it firmly believes this will lead to increased shareholder value over time. The focus on our key initiatives – core product own-book lending, investing in improved IT infrastructure to enable the business to scale more easily and maximising our multi-product offering - continues apace.

Taking into account the wider macro-economic and geo-political concerns, the Board is pleased with these interim financial results and also with the operational progress made during the first half of the current financial year. The strategic plan remains on-track and the Group has continually shown its operational resilience and balance sheet strength throughout. As a result, and whilst remaining vigilant and cautious as to the potential impact that further economic uncertainty could have on the Group, the Board is confident that the results for the full-year will be at least in-line with current Board expectations.

Ed Rimmer
Chief Executive Officer, Time Finance plc

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 NOVEMBER 2023**

	Unaudited 6 months to 30 November 2023 £'000	Unaudited 6 months to 30 November 2022 £'000	Audited 12 months to 31 May 2023 £'000
Note			
Revenue	15,652	13,183	27,570
Cost of sales	(6,617)	(5,292)	(11,399)
GROSS PROFIT	9,035	7,891	16,171
Administrative expenses	(6,235)	(5,743)	(11,648)
Exceptional items	-	(47)	(80)
Share-based payments	(30)	(56)	(125)
OPERATING PROFIT	2,770	2,045	4,318
Finance income	-	1	1
Finance expense	(21)	(76)	(152)
PROFIT BEFORE INCOME TAX	2,749	1,970	4,167
Income Tax	(593)	(374)	(720)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,156	1,596	3,447
Attributable to:			
Owners of the parent company	2,156	1,596	3,447
	Pence per share	Pence per share	Pence per share
- basic	6 2.33	1.73	3.73
- diluted	6 2.33	1.73	3.73

All of the above amounts are in respect of continuing operations.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 NOVEMBER 2023**

	Unaudited 6 months to 30 November 2023 £'000	Audited 12 months to 31 May 2023 £'000
NON-CURRENT ASSETS		
Goodwill	27,263	27,263
Intangible assets	236	231
Property, plant and equipment	130	238
Right-of-use property, plant & equipment	473	573
Trade and other receivables	67,231	58,530
Deferred tax	1,235	1,236
	<u>96,568</u>	<u>88,071</u>
CURRENT ASSETS		
Trade and other receivables	94,544	91,847
Cash and cash equivalents	1,075	3,772
	<u>95,619</u>	<u>95,619</u>
TOTAL ASSETS	<u>192,187</u>	<u>183,690</u>
EQUITY		
Called up share capital	9,252	9,252
Share premium	25,543	25,543
Employee Shares	261	231
Treasury Shares	(780)	(770)
Retained earnings	29,575	27,419
TOTAL EQUITY	<u>63,851</u>	<u>61,675</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	60,188	52,822
Financial liabilities – borrowings	806	1,319
Lease liability	3	428
	<u>60,997</u>	<u>54,569</u>
CURRENT LIABILITIES		
Trade and other payables	65,137	65,207
Financial liabilities – borrowings	1,025	1,625
Tax payable	715	423
Lease liability	462	191
	<u>67,339</u>	<u>67,446</u>
TOTAL LIABILITIES	<u>128,336</u>	<u>122,015</u>
TOTAL EQUITY AND LIABILITIES	<u>192,187</u>	<u>183,690</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 NOVEMBER 2023**

	Unaudited 6 months to 30 November 2023 £'000	Unaudited 6 months to 30 November 2022 £'000
Cash generated from operations		
Profit before tax	2,749	1,970
Depreciation and amortisation charges	220	195
Finance costs	21	76
Finance income	-	(1)
(Increase) in trade and other receivables	(11,399)	(16,970)
Increase in trade and other payables	7,297	16,396
Movement in other non-cash items	(1)	(89)
	<u>(1,113)</u>	<u>1,577</u>
Cash flows from operating activities		
Interest paid	(21)	(76)
Tax paid	(225)	(411)
	<u>(1,359)</u>	<u>1,090</u>
Net cash generated from operating activities		
Cash flows from investing activities		
Purchase of software, property, plant & equipment	(101)	(31)
Interest received	-	1
	<u>(101)</u>	<u>(30)</u>
Net cash generated from investing activities		
Cash flows from financing activities		
Payment of lease liabilities	(109)	(77)
Loan repayments in period	(1,112)	(513)
Change in overdrafts	-	160
Purchase of own shares in EBT	(16)	-
	<u>(1,237)</u>	<u>(430)</u>
Net cash generated from financing activities		
(Decrease)/increase in cash and cash equivalents	(2,697)	630
Cash and cash equivalents at the beginning of the period	<u>3,772</u>	<u>2,916</u>
Cash and cash equivalents at the end of the period	<u>1,075</u>	<u>3,546</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS TO 30 NOVEMBER 2023**

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	Total Equity £'000
Balance at 31 May 2023	9,252	25,543	27,419	(770)	231	61,675
Total comprehensive income	-	-	2,156	-	-	2,156
Transactions with owners						
Sale of treasury shares	-	-	-	(10)	-	(10)
Dividends	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
Value of employee services	-	-	-	-	30	30
Balance at 30 November 2023	9,252	25,543	29,575	(780)	261	63,851

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	Total Equity £'000
Balance at 31 May 2022	9,252	25,543	23,972	(820)	106	58,053
Total comprehensive income	-	-	1,596	-	-	1,596
Transactions with owners						
Sale of treasury shares	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
Value of employee services	-	-	-	-	57	57
Balance at 30 November 2022	9,252	25,543	25,568	(820)	163	59,706

1 BASIS OF PREPARATION

The financial information set out in the interim report does not constitute statutory accounts as defined in section 434(3) and 435(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 May 2023 prepared in accordance with IFRS as adopted by the European Union and with the Companies Act 2006 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies set out in the most recently available public information, which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 May 2023. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

The financial information for the six months ended 30 November 2022 and the six-month period to 30 November 2023 are unaudited and do not constitute the Group's statutory financial statements for these periods. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Going Concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

2 SEGMENTAL REPORTING

The Group now has two core trading divisions which reflect its organisational and management structures, and these are differentiated by the type of finance products provided. Asset and Invoice Finance represent the core products. Other represents central overheads related to being listed and running a group of Companies (2022 included the legacy non-core brokerages). The Group reports internally on these segments in order to assess performance and allocate resources.

6 months to 30 November 2023

£'000	Asset Finance	Invoice Finance	Other	TOTAL
Revenue	8,987	6,665	-	15,652
Profit before Tax	1,448	2,213	(912)	2,749

6 months to 30 November 2022

£'000	Asset Finance	Invoice Finance	Other	TOTAL
Revenue	7,341	4,761	1,081	13,183
Profit before Tax	1,064	1,626	(720)	1,970

3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

4 TAXATION

Taxation charged for the period ended 30 November 2023 is calculated by applying the Directors' best estimate of the expected tax rate to the result for the period.

5 SHARE CAPITAL

The Articles of Association of the company state that there is an unlimited authorised share capital. Each share carries the entitlement to one vote.

6 EARNINGS PER ORDINARY SHARE

The earnings per ordinary share have been calculated using the profit for the period and the weighted number of ordinary shares in issue during the period. For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares.

	6 months to 30 Nov 2023 £'000	6 months to 30 Nov 2022 £'000	12 months to 31 May 2023 £'000
Earnings attributable to ordinary shareholders	2,156	1,596	3,447
Basic EPS			
Weighted average number of shares	92,512,704	92,512,704	92,512,704
Per-share amount pence	2.33	1.73	3.73
Adjusted earnings	2,156	1,596	3,447
Diluted EPS			
Weighted average number of shares	92,512,704	92,512,704	92,512,704
Per-share amount pence	2.33	1.73	3.73

7 DIVIDENDS

At the current time, under the strategy published in June 2020, cash reserves are being deployed for business growth. This approach to future dividends is kept under regular review and any change to the policy would be notified at that point in time.

8 SHARE-BASED PAYMENT TRANSACTIONS

On 3 October 2023, the Group announced that, following the achievement of a mixture of time-based performance criteria and profit-bases performance criteria in relation to the Company's Unapproved Share Option Schemes, a total of 790,166 previously awarded nil-cost options over ordinary shares of 10 pence each in the capital of the Company vested. These vested options may be exercised at any time prior to an expiry date of 30 September 2024 being 12 months from the vesting date. As previously stated, it is the Board's intention that, wherever possible, any vested options that are exercised are met through the Group's Employee Benefit Trust and so would not dilute any existing shareholders.

The terms of the various schemes were previously announced by the Group on 29 October 2020 and 22 July 2022.

9 COPIES OF THE INTERIM REPORT

Copies of the Interim Report are available from www.timefinance.com and the Company Secretary at the registered office: Time Finance plc, St James House, The Square, Lower Bristol Road, Bath, BA2 3BH.