26 January 2023

Time Finance plc
(the "Group" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2022
Profits and Earning Per Share both increased by more than 60%
Full year results now expected to be significantly ahead of market expectations.

Time Finance plc, the AIM listed independent specialist finance provider, today announces its unaudited interim results for the six-months ended 30 November 2022 ("Results" or "Interims"). The Interims reflect the success of the Group's own-book lending strategy and its focus on core lending products to UK SMEs, resulting in the Lending Book reaching an all-time high of over £150m at the period end.

Financial Highlights:

- Own-Book lending origination up 27% to £36.6m during H1 2022/23 (H1 2021/22: £28.9m)
- Gross lending-book up 27% to £152.7m as at 30 November 2022 (30 November 2021: £120.5m)
- Revenue up 12% to £13.2m (H1 2021/22: £11.8m)
- Profit before Tax ("PBT") up 67% to £2.0m (H1 2021/22: £1.2m)
- Net deals in arrears reduced to 6% of the gross lending book as at 30 November 2022 (30 November 2021: 9%)
- Net Assets up 3% to £59.7m as at 30 November 2022 (30 November 2022: £58.2m)
- Net Tangible Assets up 8% to £32.1 as at 30 November 2022 (30 November 2021: £29.6m)
- Strong visibility of future earnings with unearned income up 32% to £18.9m as at 30 November 2022 (30 November 2022: £14.3m)
- Earnings Per Share up 62% to 1.73 pence per share (H1 2021/22: 1.07pps)
- Continued positive trading momentum throughout December 2022 gives the Board confidence that full year trading will be significantly ahead of market expectations[1], with PBT for the full year now expected to be not less than £3.2m

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

"These Interims demonstrate the successful implementation of our stated strategy of being an own-book lender focussed on our three core Business to Business activities. Significant growth in the period has been achieved whilst maintaining our margin, controlling credit and spreading risk as UK businesses continue to value our focus on customer service and our multi-product funding solutions. The Board is committed to further increasing shareholder value through the stated strategy and, despite the current wider macro-economic headwinds, looks forward to the second half of the financial year with cautious optimism."

Investor Presentation

As announced on 16 December 2022, the Company will deliver a live presentation relating to these H1 2022/23 Interims via the Investor Meet Company platform at 12.30pm BST 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.

[1] FY2023 market expectations at the time of publication of £25.0m of revenue and £2.8m of PBT

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About Time Finance:

Time Finance's core strategy is to provide the finance UK SMEs require to fund their businesses. 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 2022

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 three core, own-book divisions - Asset, Loan 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.

Financial Results

I am extremely 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.

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 £36.7m, an increase of 27% when compared to the six months to 30 November 2021. This increase has helped contribute to the Group's gross lending book growing to record highs. As at 30 November 2022 it stood at £152.7m compared to £120.5m 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 2022 and the six-month comparative period to 30 November 2021. This demonstrates the medium-term strategy that was introduced in June 2021 is gathering pace. Given the compound nature of the Asset and Loan finance businesses, all other things being equal, this gives the board confidence for the future.

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 continuing reduction in the value of arrears despite the significant growth in the lending book over the period under review. As at 30 November 2022, net arrears had reduced a further £0.6m from the financial year-end, and stood £1.8m lower than as at 30 November 2021. Total net arrears equated to 6% of the period-end gross lending book as at 30 November 2022 (31 May 2022: 6%; 30 November 2021: 9%).

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 £32.1m as at 30 November 2022 compared to £29.5m as at 31 May 2022, an increase of 9%

Strategy and Outlook

The Group remains committed to its medium-term strategy which it firmly believes 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, balance sheet strength and liquidity throughout.

Furthermore, 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 now be ahead of current market expectations, with Profit Before Tax of at least £3.2m

Ed Rimmer
Chief Executive Officer, Time Finance plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 NOVEMBER 2022

	Note	**Unaudited 6 months to 30 November 2022 £'000**	Unaudited 6 months to 30 November 2021 £'000	Audited 12 months to 31 May 2022 £'000
Revenue		**13,183**	11,774	23,611
Other income		**-**	8	29
TOTAL REVENUE		**13,183**	11,782	23,640
Cost of sales		**(5,292)**	(4,196)	(8,648)
GROSS PROFIT		**7,891**	7,586	14,992
Administrative expenses		**(5,743)**	(6,210)	(11,771)
Exceptional items		**(47)**	(47)	(1,869)
Share-based payments		**(56)**	(33)	(43)
OPERATING PROFIT		**2,045**	1,296	1,309
Finance income		**1**	-	1
Finance expense		**(76)**	(95)	(255)
PROFIT BEFORE INCOME TAX		**1,970**	1,201	1,055
Income Tax		**(374)**	(228)	(134)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,596**	973	921
Attributable to:				
Owners of the parent company		**1,596**	973	921

		Pence per share	Pence per share	Pence per share
- basic	**6**	**1.73**	1.07	1.00
- diluted	**6**	**1.73**	0.99	1.00

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 NOVEMBER 2022

	Unaudited 6 months to 30 November 2022 £'000	Audited 12 months to 31 May 2022 £'000
NON-CURRENT ASSETS		
Goodwill	**27,263**	27,263
Intangible assets	**240**	298
Property, plant and equipment	**181**	320
Right-of-use property, plant & equipment	**339**	30
Trade and other receivables	**54,273**	50,344
Deferred tax	**1,036**	1,036
	83,332	79,291
CURRENT ASSETS		
Trade and other receivables	**83,848**	70,852
Cash and cash equivalents	**3,959**	3,170
Tax receivable	**100**	-
	87,907	74,022
TOTAL ASSETS	**171,239**	153,313
EQUITY		
Called up share capital	**9,252**	9,252
Share premium	**25,543**	25,543
Employee Shares	**163**	106
Treasury Shares	**(820)**	(820)
Retained earnings	**25,568**	23,972
TOTAL EQUITY	**59,706**	58,053
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	**45,975**	39,033
Financial liabilities - borrowings	**1,915**	2,344
Lease liability	**3**	-
	47,893	41,377
CURRENT LIABILITIES		
Trade and other payables	**61,363**	51,956
Financial liabilities - borrowings	**1,954**	1,879
Tax payable	**-**	18
Lease liability	**323**	30
	63,640	53,883
TOTAL LIABILITIES	**111,533**	95,260
TOTAL EQUITY AND LIABILITIES	**171,239**	153,313

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 NOVEMBER 2022

	Unaudited 6 months to 30 November 2022	Unaudited 6 months to 30 November 2021
	£'000	£'000
Cash generated from operations		
Profit before tax	**1,970**	1,201
Depreciation and amortisation charges	**195**	203
Finance costs	**76**	95
Finance income	**(1)**	-
(Increase) in trade and other receivables	**(16,970)**	(6,095)
Increase in trade and other payables	**16,396**	3,495
Movement in other non-cash items	**(89)**	(374)
	1,577	(1,475)
Cash flows from operating activities		
Interest paid	**(76)**	(95)
Tax paid	**(411)**	(258)
Net cash generated from operating activities	**1,090**	(1,828)
Cash flows from investing activities		
Purchase of software, property, plant & equipment	**(31)**	(45)
Interest received	**1**	-
Net cash generated from investing activities	**(30)**	(45)
Cash flows from financing activities		
Payment of lease liabilities	**(77)**	(103)
Loan repayments in period	**(513)**	(323)
Change in overdrafts	**160**	118
Net cash generated from financing activities	**(430)**	(308)
Increase/(Decrease) in cash and cash equivalents	**630**	(2,181)
Cash and cash equivalents at the beginning of the period	**2,916**	7,665
Cash and cash equivalents at the end of the period	**3,546**	5,484

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS TO 30 NOVEMBER 2022

	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**

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	**Total Equity £'000**
Balance at 31 May 2021	**9,252**	**25,543**	**23,051**	**(790)**	**63**	**57,119**
Total comprehensive income	-	-	973	-	-	**973**
Transactions with owners						
Sale of treasury shares	-	-	-	41	-	**41**
Dividends	-	-	-	-	-	**-**
Issue of share capital	-	-	-	-	-	**-**
Value of employee services	-	-	-	-	33	**33**
Balance at 30 November 2021	**9,252**	**25,543**	**24,024**	**(749)**	**96**	**58,166**

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 2021 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 2022. 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 2021 and the six-month period to 30 November 2022 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 has three key trading divisions which reflect its organisational and management structures, and these are differentiated by the type of finance products provided. Asset, Loans and Invoice Finance represent the core products. Other represents central overheads related to being listed and running a group of Companies and any legacy non-core brokerages. The Group reports internally on these segments in order to assess performance and allocate resources.

6 months to 30 November 2022

£'000	**Asset**	**Loans**	**Invoice Finance**	**Other**	**TOTAL**
Revenue	6,321	1,020	4,761	1,081	**13,183**
Profit before Tax	**965**	**99**	**1,626**	**(720)**	**1,970**

6 months to 30 November 2021

£'000	**Asset**	**Loans**	**Invoice Finance**	**Other**	**TOTAL**
Revenue	5,520	964	3,772	1,526	**11,782**
Profit before Tax	**934**	**244**	**1,767**	**(1,744)**	**1,201**

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 2022 is calculated by applying the Directors' best estimate of the annual 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 2022 £'000	6 months to 30 Nov 2021 £'000	12 months to 31 May 2022 £'000
Earnings attributable to ordinary shareholders	**1,596**	973	921
Basic EPS			
Weighted average number of shares	**92,512,704**	90,806,852	92,512,704
Per-share amount pence	**1.73**	1.07	1.00
Adjusted earnings	**1,596**	912	921
Diluted EPS			
Weighted average number of shares	**92,512,704**	91,621,519	92,512,704
Per-share amount pence	**1.73**	0.99	1.00

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 2022, the Group announced that following the achievement of time-based criteria in relation to the Company's Unapproved Share Option Scheme, a total of 202,500 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 2023 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 scheme were previously announced by the Group on 29 October 2020.

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.