22 April 2021

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

Corporate Update

Net Tangible Assets and Net Cash continue to grow. Arrears below pre-pandemic levels and forbearance down 90% from June 2020 peak

Time Finance plc, the AIM listed independent specialist finance provider, is pleased to announce the continued strengthening of its balance sheet with increasing Net Tangible Assets ("NTA") and further increases in its cash reserves. Additionally, the Group continues to be supported by its key funding partners, having recently negotiated renewals and funding increases across a number of facilities within its Asset and Loan divisions.

Robust Balance Sheet

Notwithstanding the wider macroeconomic environment, the Group's NTA continue to increase month on month. At 31 March 2021, unaudited NTA amounted to approximately £28.5m compared to £26.5m at 31 May 2020. Over the same period, the Group's focus on cash generation has continued to have a positive impact on liquidity with cash and cash equivalents of over £6m at 31 March 2021 compared to approximately £1.5m as at 31 May 2020. These healthy cash levels are vital for future lending growth.

The Group's lending book remains robust and resilient with pandemic-related forbearance having reduced from over £25m in June 2020 to under £2.5m at 31 March 2021. Most significantly, as at 31 March 2021, total arrears had fallen below the pre-Covid Levels of 28 February 2020 for the first time since the start of the pandemic.

Improved Funding Facilities

The Group has distinct funding lines for each of its three own-book lending divisions – Asset, Loan and Invoice Finance - and is pleased to report that it continues to enjoy significant support from all of its key funding partners. The Group has recently negotiated renewed and increased Block Discounting facilities for its Asset and Loan divisions totalling approximately £103.5m. These facilities sit alongside the Group's £42m back-to-back facility for the invoice finance division and the £25m medium-term loan note programme which is used primarily in the Loans division.

As has always been the case with the Group's asset and loan funding, these renewed borrowing facilities require the Group to fund between 10% and 20% of each deal from its own resources, with the funder providing the balance. The term lengths with funders are largely "matched" with the Group's own-book lending to UK SMEs. As such, the funding amortises over the duration of the lease or loan term, which is typically three years, and is not impacted by interest rate changes. This matching practice and fixed interest rate policy are key elements of the Group's risk management and governance policies.

James Roberts, Chief Financial Officer commented:

"I am pleased to report the further strengthening of the Group's commercial partnerships with a number of key funders, many of whom have been long-standing supporters of the Group. I believe this support is

reflective of the regard the Group is held in by many parties within our industry. We now have sizeable funding facilities with significant headroom in place across all of our lending divisions. This affords both confidence and visibility in our funding capabilities to help achieve steady organic growth over the foreseeable future as we navigate a return to normality.

I am also delighted that the value of deals in arrears is now below the level experienced before the pandemic began back in the first quarter of 2020. This is testament to both the resilience of our lending book and also the hard work and dedication of our credit and collections staff over the past twelve months."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (as amended), which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018. Upon publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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About Time Finance:
Time Finance's strategy is to focus on providing or arranging the finance UK SMEs require to fund their businesses and arranging vehicle and property-backed finance for consumers. The multi-product range for SMEs includes asset, vehicle, loan and invoice finance facilities. The Group operates a "hybrid" lending and broking model enabling it to optimize business levels through market and economic cycles

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