19 January 2021

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2020

Positive trading momentum continues; Balance Sheet further strengthened

Time Finance plc (formerly '1pm plc'), the AIM listed independent specialist finance provider, is pleased to announce its unaudited interim results for the six-month period ended 30 November 2020 ("Results" or "Interims").

The Results reflect increasing demand for finance, month-on-month, from UK SMEs and consumers as the Group continues to deal with the impact of the Covid-19 pandemic. The Group's balance sheet and lending book have both remained robust, demonstrating their resilience and reflecting the Group's prudent underwriting policies. These policies are kept under regular review given the uncertainty that currently exists in the wider macro-economic environment. The Group's ability to continue to generate profits during the period highlights the strength of its multi-product offering of Asset Finance, Vehicle Finance, Loans and Invoice Finance. The flexibility afforded by the Group's 'hybrid' business model enables the Group to act as both a funder and a broker in order to maintain both margins and manage credit risk throughout the economic cycle.

Operational Highlights:

- Completion of group-wide rebrand to Time Finance plc to consolidate and strengthen the Group's offering under a single nationally recognized, market-facing name
- Accreditation from the British Business Bank to provide Coronavirus Business Interruption Loan Scheme ("CBILS") loans to UK SMEs
- Continued focus on diversification and spread of risk, with largest sector exposure accounting for less than 4% and top ten sectors less than 24% of the total lending book
- Agility to switch provision of finance to buoyant sectors during the Covid-19 pandemic
- "Employer of the Year 2020" Business Leader award winner and included in the London Stock Exchange plc's 2020 "1000 Companies to Inspire Britain" report

Financial Highlights

- Own Book origination up to £29.6m from £23.9m in H2 2019/20 (H1 2019/20: £30.6m)
- Broked-on origination down to £27.0m from £35.2m in H2 2019/20 (H1 2019/20: £57.3m), due to the impact on trading activity of the pandemic
- Group revenue of £11.9m (H2 2019/20: £13.7m; H1 2019/20: £15.6m)
- Group operating profit before tax of £1.4m, up from a £1.0m loss in H2 2019/20 due to Covid-19, (H1 2019/20: £3.0m profit)
- Fully diluted earnings per share of 1.20 pence (full year 2019/20: 1.74 pence per share)
- Blended cost of borrowings maintained at approximately 4% (year to 31 May 2020: 4%)
- Good visibility of future revenue with "unearned income" as at 30 November 2020 of £16.5m (31 May 2020: £15.2m)
- Net 'own-book' lending portfolio increased to £105.6m as at 30 November 2020 (31 May 2020: £98.2m)

- Funding facilities of £170m available as at 30 November 2020 with headroom of £97m to leverage own cash generation for future organic growth (31 May 2020: £174m with headroom of £108m)
- Credit risk provisions maintained at £5.1m or approximately 5% of the net lending book
- Deal value in forbearance significantly reduced to £2.6m (31 May 2020: £24.9m)
- Deal arrears reduced by £6.1m as at 30 November 2020 from 31 May 2020 levels
- Net Assets increased to £56.6m as at 30 November 2020 (31 May 2020: £55.2m)
- Net Tangible Assets increased to £27.8m as at 30 November 2020 (31 May 2020: £26.5m)

Commenting on the Interim Results, John Newman, Non-Executive Chairman, said:

"Given the impact of the Covid-19 pandemic on our business sector and the wider UK economy it is pleasing not only to have seen a steady and maintained improvement in trading during the six-month period to 30 November 2020, but also to report results that were ahead of our internal budget expectations for the period. The Group's strategy of being a multi-product provider of finance to UK SMEs and consumers, spread across multiple business sectors, with the ability to act as both a funder and a broker, provides the Group with the resilience to withstand the challenges of difficult business environments. The Group has a strong balance sheet and liquidity and is well-positioned to deliver future growth and shareholder value as the economy recovers from the effects of the pandemic.

The Board has reassessed its dividend policy taking account of the potential impact of the latest national lockdown restrictions and also the uncertainty in business conditions and has taken the prudent decision to continue with the deferment of dividend payments until the outcome for the financial year ending 31 May 2021 is known."

This announcement contains inside information for the purposes of article 7 of Regulation (EU) No 596/2014.

For further information, please contact:

Time Finance plc	
Ian Smith, Chief Executive Officer	01225 474 230
James Roberts, Chief Financial Officer	01225 474 230
Cenkos (NOMAD)	
Max Hartley / Ben Jeynes (NOMAD)	0207 397 8900
Julian Morse (Sales)	
Walbrook PR	0207 933 8780
Paul Vann	07768 807631

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

CHIEF EXECUTIVE OFFICER'S STATEMENT

FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2020

Introduction

Time Finance plc (formerly '1pm plc') is a multi-product speciality finance business providing funding for UK SMEs as a lender and arranging funding for both UK SMEs and consumers as a broker.

The Group comprises four operating divisions, namely Asset Finance (predominantly own-book lending with the ability to broke-on), Loan Finance (own-book lending, such as CBILS, and broking of property finance), Invoice Finance (own-book lending only) and Vehicle Finance (broking only).

Lending proposals are originated through a range of channels, sourced from national and regional finance brokers, other intermediaries such as professional firms, equipment vendors, suppliers and dealers, and direct from borrowers, both via field sales personnel and online.

Time Finance advances funds to borrowers using a mix of its own cash and operational debt facilities provided by a range of wholesale funding providers.

Financial Results

The impact on trading activity of the Covid-19 pandemic was felt most sharply in the fourth quarter of the previous financial year, which ended on 31 May 2020. Since then, the Group has seen a steady month-on-month increase in trading activity, yielding financial results ahead of management's internal budget expectations for the period. It is therefore pleasing to report satisfactory interim financial results for the six-month period to 30 November 2020, which show a marked profit improvement compared with the prior six-month period.

In the six-month period to 30 November, deal origination amounted to £56.6m compared with £59.1m in the previous six months to 31 May 2020. Within this total, however, there was a notable change in mix, with own-book origination of £29.6m (52%) compared with £23.9m (40%) in the previous six months. This reflects two key factors; firstly, the agility of the Group to be able to pivot its lending into sectors trading buoyantly during the pandemic, such as national and local delivery businesses, equipment for local convenience stores and local retailers, and personal protective equipment manufacturers; and, secondly, the ongoing support of the Group's wholesale funding providers, all of whom have either maintained or increased their funding facilities as the Group has stood by its commitment to continue to lend to credit-worthy SMEs during this period. Whilst it is a crucial risk-mitigating factor in the Group's operating model to be able to broker business on to other lenders, a growing own-book portfolio underpins the Group's future income generation and profits. It is therefore important to note that the gross own-book lending portfolio as at 30 November 2020 was £122.1m compared with £113.4m at 31 May 2020 and it is continuing to grow. Included in this figure is unearned interest income, i.e. future revenue, of £16.5m which compares with £15.2m as at 30 May 2020.

The Results show revenue for the period of £11.9m compared with £13.7m in the prior six months, the reduction being due to the impact of Covid-19, primarily in relation to broking activities. In the Results, approximately 85% of revenues is interest income and related income from lending activities and 15% from broking activities.

The Group's profit before tax for the six-month period was £1.4m compared with a loss of £1.0m in the prior six-month period. The prior period included a one-off provision for potential future impairments, which took the credit risk provision to £5.1m as at 31 May 2020. This provision has been maintained at £5.1m, demonstrating that the Group has seen neither a significant increase in credit risk write-offs in the six-months to 30 November 2020, nor the need to make additional significant provisions in the period. Furthermore, in relation to performance of the lending portfolio, it is pleasing to report a significant reduction in both the value of the portfolio in arrears and the value of deals where some form of repayment forbearance had been granted. This is not only testament to the Group's collection processes and the outstanding efforts of collections personnel in working with borrowers through this challenging period, but also to the quality of the lending decision-making policies adopted by the Group's credit and risk function.

The Group's risk-mitigated operating model, continued level of deal origination, sound credit decision-making, lending portfolio management and support from external funders have all combined to further strengthen the Group's balance sheet and to generate an increase in Net Assets to £56.6m and Net Tangible Assets to £27.8m as at 30 November 2020, compared with £55.2m and £26.5m as at 31 May 2020, respectively.

Earnings per share for the six-month period to 30 November 2020 were 1.20 pence, compared with 1.74 pence for the full year ended 31 May 2020.

Market guidance and dividend

The Board has reassessed the reinstatement of market guidance in the light of trading momentum in the first half of the current financial year, the potential impact of the current further national lockdown restrictions, and the prospects for a return to more normal economic activity later in the calendar year. The Board has concluded that due to these prevailing uncertainties and their potential duration, it is not possible to quantify their impact on the Company's financial performance in the second half of the financial year. Consequently, guidance on expectations for the Company's financial performance for the year ending 31 May 2021 and the year ending 31 May 2022 continues to be withdrawn.

In addition, the Board has reassessed its dividend policy in the light of the same uncertainties and has decided to continue to postpone further dividend payments until the outcome for the financial year ending 31 May 2021 and prospects for the year ending 31 May 2022 can be assessed with greater certainty.

Strategy and Outlook

The Group remains committed to providing a comprehensive range of finance solutions to support the UK SME sector and UK consumers whilst aiming to deliver profitable growth to increase shareholder value. Given the unpredictable trading conditions that have prevailed since the initial impact of the Covid-19 pandemic, the Board is pleased with the financial results and progress made during the first half of the current financial year. The management of the Group through the impact on its business activities of the Covid-19 pandemic has proven to be highly effective, attesting to the Group's operational resilience, balance sheet strength, liquidity and relevant market positioning. The Board is optimistic of further organic growth and a return to strategic growth when economic conditions allow.

Ian Smith
Chief Executive Officer, Time Finance plc

TIME FINANCE PLC (FORMERLY 1PM PLC)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 NOVEMBER 2020

	Note	**Unaudited 6 months to 30 November 2020 £'000**	Unaudited 6 months to 30 November 2019 £'000	Audited 12 months to 31 May 2020 £'000
Revenue		**11,698**	15,570	29,062
Other income		**165**	-	182
TOTAL REVENUE		**11,863**	15,570	29,244
Cost of sales		**(4,315)**	(5,537)	(13,319)
GROSS PROFIT		**7,548**	10,033	15,925
Administrative expenses		**(5,794)**	(6,794)	(12,793)
Exceptional items		**(224)**	(122)	(909)
Share-based payments		**-**	(51)	(31)
OPERATING PROFIT		**1,530**	3,066	2,192
Finance income		**0**	2	9
Finance expense		**(179)**	(58)	(181)
PROFIT BEFORE INCOME TAX		**1,351**	3,010	2,020
Adjusted earnings before interest, tax, exceptional items and share-based payments		**1,575**	3,183	2,960
Exceptional items		**(224)**	(122)	(909)
Share-based payments		**-**	(51)	(31)
PROFIT BEFORE INCOME TAX		**1,351**	3,010	2,020
Income Tax		**(257)**	(572)	(465)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,094**	2,438	1,555
Attributable to:				
Owners of the parent company		**1,094**	2,438	1,555
		Pence per share	Pence per share	Pence per share
- basic	**6**	**1.21**	2.76	1.76
- diluted	**6**	**1.20**	2.70	1.74

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 NOVEMBER 2020

	Unaudited 6 months to 30 November 2020 £'000	Audited 12 months to 31 May 2020 £'000
NON-CURRENT ASSETS		
Goodwill	**28,241**	28,241
Intangible assets	**507**	526
Property, plant and equipment	**570**	767
Right-of-use property, plant & equipment	**338**	428
Trade and other receivables	**49,397**	46,157
Deferred tax	**953**	944
	80,006	77,063
CURRENT ASSETS		
Trade and other receivables	**57,182**	60,038
Cash and cash equivalents	**3,085**	1,304
Tax receivable	**-**	185
	60,267	61,527
TOTAL ASSETS	**140,273**	138,590
EQUITY		
Called up share capital	**9,037**	8,899
Share premium	**25,543**	25,360
Treasury Shares	**(390)**	(310)
Retained earnings	**22,368**	21,274
TOTAL EQUITY	**56,558**	55,223
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	**24,657**	28,639
Lease liability	**151**	238
	24,808	28,877
CURRENT LIABILITIES		
Trade and other payables	**54,202**	51,052
Interest bearing loans and borrowings	**3,900**	1,235
Overdrafts	**443**	1,172
Tax payable	**176**	287
Provisions	**-**	546
Lease liability	**186**	198
	58,907	54,490
TOTAL LIABILITIES	**83,715**	83,367
TOTAL EQUITY AND LIABILITIES	**140,273**	138,590

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 NOVEMBER 2020

	Unaudited 6 months to 30 November 2020	Unaudited 6 months to 30 November 2019
	£'000	£'000
Cash generated from operations		
Profit before tax	**1,351**	3,010
Depreciation and amortisation charges	**380**	364
Finance costs	**179**	58
Finance income	**-**	(2)
Decrease/(Increase) in trade and other receivables	**(384)**	(5,748)
(Decrease)/Increase in trade and other payables	**(833)**	4,711
Movement in other non-cash items	**933**	15
	1,626	2,408
Cash flows from operating activities		
Interest paid	**(179)**	(58)
Tax paid	**(368)**	(913)
Net cash generated from operating activities	**1,079**	1,437
Cash flows from investing activities		
Interest received	**-**	2
Contingent consideration paid	**(197)**	(367)
Purchase of software, property, plant & equipment	**(119)**	(261)
Net cash generated from investing activities	**(316)**	(626)
Cash flows from financing activities		
Payment of lease liabilities	**(109)**	-
Loan repayments in period	**(435)**	(621)
Loans issued in period	**3,100**	348
Change in overdrafts	**(729)**	(48)
Purchase of own shares in EBT	**(80)**	-
Net cash generated from financing activities	**1,747**	(321)
(Decrease)/Increase in cash and cash equivalents	**2,510**	490
Cash and cash equivalents at the beginning of the period	**132**	331
Cash and cash equivalents at the end of the period	**2,642**	821

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS TO 30 NOVEMBER 2020

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	**Total Equity £'000**
Balance at 31 May 2020	**8,899**	**25,360**	**21,274**	**(310)**	**-**	**55,223**
Total comprehensive income	-	-	1,094	-	-	**1,094**
Transactions with owners						
Purchase of treasury shares	-	-	-	(80)	-	**(80)**
Dividends	-	-	-	-	-	**-**
Issue of share capital	138	183	-	-	-	**321**
Balance at 30 November 2020	**9,037**	**25,543**	**22,368**	**(390)**	**-**	**56,558**

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	**Total Equity £'000**
Balance at 31 May 2019	**8,760**	**25,134**	**19,888**	**(300)**	**298**	**53,780**
Total comprehensive income	-	-	2,438	-	-	**2,438**
Transactions with owners						
Dividends	-	-	(498)	-	-	**(498)**
Issue of share capital	139	226	-	-	-	**365**
Balance at 30 November 2019	**8,899**	**25,360**	**21,828**	**(300)**	**298**	**56,085**

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 2019 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 2020. 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 2019 and the six-month period to 30 November 2020 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

Covid-19 has continued to have a significant impact on the business. However, due to the nature of the Group's trading, the Directors do not have any concerns over the key assumptions concerning the future and do not consider there to be any key sources of estimation uncertainty. The Group has ample headroom in its funding facilities and as such, the Directors are confident that the Group will continue to operate as a going concern.

2 SEGMENTAL REPORTING

The Group has four trading divisions which reflect its organisational and management structures, and these are differentiated by the type of finance products provided.

£'000	**Asset**	**Vehicle**	**Loan**	**Invoice Finance**	**TOTAL**
Revenue	6,254	1,360	941	3,308	**11,863**
Profit before Tax	**580**	**(216)**	**34**	**953**	**1,351**

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 2020 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.

On 10 June 2020, the Company issued 1,388,888 Ordinary £0.10 shares at £0.2320 per share, being the final deferred consideration due to the vendors of Positive Cashflow (Holdings) Limited, as part of the Share Purchase Agreement entered into on 29 June 2017.

6 EARNINGS PER ORDINARY SHARE

The earnings per ordinary share has 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 2020 £'000	6 months to 30 Nov 2019 £'000	12 months to 31 May 2020 £'000
Earnings attributable to ordinary shareholders	**1,094**	2,438	1,555
Basic EPS			
Weighted average number of shares	**90,374,204**	88,264,309	88,627,630
Per-share amount pence	**1.21**	2.76	1.76
Diluted EPS			
Weighted average number of shares	**90,739,365**	90,375,095	89,343,232
Per-share amount pence	**1.20**	2.70	1.74

7 DIVIDENDS

	6 months to 30 Nov 2020 £'000	**6 months to 30 Nov 2019 £'000**	12 months to 31 May 2020 £'000
Ordinary shares of £0.10 each			
Final	**-**	**498**	498
Interim	**-**	**-**	-
Total	**-**	**498**	**498**

Due to the ongoing impact of Covid-19, any recommendation in respect of a final dividend for the financial year ended 31 May 2020 has been deferred. No dividends were therefore paid during the period.

£498,317 was paid by the company on 12 December 2019 being 0.56 pence per share for the financial year ending 31 May 2019.

8 SHARE-BASED PAYMENT TRANSACTIONS

In October 2020, the Group established an Unapproved Share Option Scheme to replace the Long-Term Incentive Plan ("LTIP") which expired on 7 June 2020. Under the new scheme, 4,290,000 share options may be awarded to directors and senior employees. The vesting of these options is subject to service-based and market-based conditions with 30% awarded to each recipient in three equal annual tranches on 1 October 2021, 1 October 2022 and 1 October 2023, and 70% awarded to each recipient based on the quoted share price of the Company reaching 31 pence per share.

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.