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Time Finance PLC
25 September 2024

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.

25 September 2024

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

Final Results for the year ended 31 May 2024

Significant increases in Revenue, Profit Before Tax and Earnings Per Share
Own-Book origination and Lending continue to grow as Net Arrears fall

Time Finance plc (AIM: TIME), the AIM listed independent specialist finance provider, is pleased to announce its final results for the year ended 31 May 2024.

Commenting on the results, Tanya Raynes, Non-executive Chair, said:
"The Group's financial performance, over the third year of our four-year strategy, was particularly strong. Despite wider macro-economic headwinds, revenue, profit and earnings per share all saw double-digit growth, with revenue and profit ahead of market expectations. At the same time, the Group's Balance Sheet has continued to strengthen with the lending book and Net Tangible Assets hitting record highs at 31 May 2024 and growing further still through the current financial year. As a result, we remain confident in achieving the targets we set in our 2021 strategic plan."

Financial Highlights:
• Revenue of £33.2m (FY2223: £27.6m), an increase of 20%
•Profit Before Tax ("PBT")of £5.9m (FY2223: £4.2m), an increase of 41%
·Earnings per share ("EPS") (fully diluted) of 4.8pps (FY2223: 3.7pps), an increase of 30%
• Own-Book deal origination of £91.6m (FY2223: £73.4m), an increase of 25%
• Lending book of £201.2m at 31 May 2024 (31 May 2023: £170.1m), an increase of 18%
• Consolidated Net Assets at 31 May 2024 of £66.1m (31 May 2023: £61.7m), an increase of 7%
• Consolidated Net Tangible Assets at 31 May 2024 of £38.6m (31 May 2023: £34.2m), an increase of 13%
• Future visibility of earnings with unearned income of £25.4m (31 May 2023: £21.2m), an increase of 20%
• Netdeals in arrears at 31 May 2024 of 5% (31 May 2023: 6%), a reduction of 1%
•Net Bad Debt Write-Offs equal to 1% of the average lending book (31 May 2023: 2%), a reduction of 1%

Operational Highlights:
• Ratio of own-book lending to broked-on lending improved to 97% vs 3% during the year (96% vs 4% in the prior year)
·Strong lending growth within both the Invoice Finance division (up 16% to £65m YoY) and in the Hard Asset offering within the Asset Finance division (up 37% to £85m YoY)
• Supportive funding partners with available lending headroom at 31 May 2024 of over £65m
• Approved as an accredited lending partner under the UK Government's Growth Guarantee Scheme

Ed Rimmer, Chief Executive Officer, added:
"Both from a financial and operational perspective I am very pleased with the performance of the Group. Great strides forwards have been taken in both of our core divisions - Asset Finance and Invoice Finance - which have seen significant

increases in their lending books while, crucially, adhering to strong portfolio management and control. Our brand has continued to grow and be enhanced within our key introducer base and the focus on recruiting high-calibre staff has continued.The Group, therefore, remains very well positioned and there is real optimismin our ability to continue to increase shareholder value."

Outlook

The Board continues to expect the Group's trading for the current financial year ending 31 May 2025 to be at least in line with market expectations.

Notice of Investor Presentation

Chief Executive Officer, Ed Rimmer, and Chief Financial Officer, James Roberts, will deliver a live presentation relating to these audited annual results and the simultaneously released Q1 trading update via the Investor Meet Company platform at 1.00pm BST today. The presentation is open to all existing and potential shareholders and questions can be submitted at any time during the live presentation via the Investor Meet Company dashboard. Investors can sign up to Investor Meet Company for free and add to meet Time Finance plc via: https://www.investormeetcompany.com/time-finance-plc/register-investor.

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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 websitewww.timefinance.com.

Chair's Report
For the year ended 31 May 2024

Performance and dividend

The macroeconomic and political headwinds continue to create an uncertain and evolving environment for the UK and globally. Whilst there has been a slowing of inflation in recent months, energy prices continue to be high, interest rates remain at pre-2008 levels, and it has been another period shaped by the cost-of-living challenges. It has also been a year of election campaigns so far in 2024, including the call for a general election in the UK resulting in a change to the party in power.

UK economic growth remains sluggish, compounded by supply chain issues across the globe, which creates a particularly challenging environment for our customers against the backdrop of rapidly increasing costs. We are focused on how we can best provide flexible funding solutions to enable our customers to thrive and survive through these times.

This financial year concluded the third full year of our four-year strategy, and it is very pleasing to report Revenue of £33.2m (2023: £27.6m) with Profit Before Tax of £5.9m (2023: £4.2m). Fully diluted Earnings Per Share

were 4.80p (2023: 3.73p). Our balance sheet was further strengthened during the year with Net Tangible Assets rising to £38.6m (2023: £34.2m). At the same time, net deal arrears remained broadly consistent in the 5% to 6% of gross exposure range. This demonstrates the continued effectiveness of our credit risk policy, which seeks to appropriately balance the needs of both our customers and our business.

Our strong financial performance reflects the strategic decision to pursue growth through aggressive own book lending targets. This is facilitated by utilising our available cash resources to leverage our funding facilities to maximum effect. Our lending objectives remain focused on the growth of shareholder value rather than dividend distribution. Hence, we continue to view cash resources as being best deployed to support lending growth rather than being used for dividend payments. This will be kept under review.

Our strategy

Time Finance is recognised as an alternative finance provider offering highly relevant and flexible business finance products for a diverse and expanding base of UK SMEs. Our core products are primarily Asset Finance and Invoice Finance.

Our Purpose is to "*help UK businesses to thrive and survive*" and it is at the centre of everything we do, underpinning our aspiration to support the needs and ambitions of UK businesses.

A revised four-year strategy was rolled out just over three years ago and it has been another pleasing year of strong delivery against targets, both financially and operationally. Work has commenced on the strategic planning for the next cycle and we shall look forward to sharing this with our stakeholders in due course.

I am delighted to confirm that renewed and extended funding facilities were successfully secured during the financial year, and these will now support ambitious growth into the medium term which provides a solid platform for our next cycle of strategic planning

Our current strategy is built around the core objective of significantly growing our secured own-book lending, and the momentum has continued with own-book origination of £91.6m during the financial year (2023: £73.4m). This focus is key as it produces a compounding pipeline of future income and is hence significant in driving the underlying value of the Company.

In a world that presents such a complex and uncertain environment (political, economic, technological, environmental), we are clear about remaining completely focused on our strategic objectives that will enable us, quite simply, to keep driving growth and value for our stakeholders.

As we develop and roll out our next three-year plan, you can expect this to include objectives with respect to cost to income efficiencies, as this is another significant lever in driving company value as we continue to scale.

Governance and culture

The business operates in a regulated environment and a key responsibility for the Board is to ensure that strong and effective governance operates throughout the Group. The Board has four sub-committees, namely 'Audit', 'Remuneration', 'Nomination', and 'Risk'. Membership comprises only of non-executive directors with the committees meeting on a regular basis and, as and when appropriate, inviting members of the senior management team to enable well informed discussion and decision making, as well as gaining appropriate levels of assurance.

The culture within Time Finance is of utmost importance to us and our values represent a cohesive and relevant statement of who we are and what we stand for. This is important as these values guide our behaviours and decisions as we go about our daily business of helping UK businesses. Our values - putting People First, being Bold, being Flexible, and being Genuine - set a clear framework to enable us to deliver excellent outcomes for our customers. They enable us to be responsive and agile, whilst also ensuring highly responsible attitudes and behaviours in every member of our team.

We continue to embed Environmental, Social and Governance ("ESG") as part of our business strategy. The themes of our ESG approach include a good working environment for our colleagues, doing great work within our local communities, addressing our carbon footprint impact, and investment in systems and training - with the benefits being long-term sustainable growth, improved service levels and enhanced operational resilience.

Our people

Our colleagues throughout the business comprise a highly skilled, resourceful, driven, and committed team, whose efforts and achievements serve to mutually benefit our customers and investors. On behalf of the Board, I wish to express our sincere appreciation and admiration for their dedication and results.

Last year significant effort went into identifying and rolling out an authentic set of values that truly define the organisation and its culture. I am very pleased to be able to report that these values drive a culture within Time that is central to sustainable growth and profitability. We conducted an Employee Engagement Survey during this year and the results confirmed that great progress has been made over the last couple of years in terms of Time being a rewarding place to work and our colleagues feeling valued. The survey highlighted that we could focus more on the development of our people and there is a clear plan in place to harness this opportunity. An event was held in the spring for all colleagues to enjoy a much deserved coming together for a day of fun and celebration of their hard work and success over the year.

It is important to note that the team at Time Finance continue to demonstrate such remarkable commitment to charity work and the wider community, and I remain truly humbled at what is achieved by so many of our colleagues.

Tracy Watkinson and Paul Hird were welcomed to the Board as Non-Executive Directors in September 2023 and they have brought a wealth of skills, insight and valuable contribution in their roles to date. I look forward to continuing to work with them during the year ahead.

I extend my thanks to Ed Rimmer, our CEO, and James Roberts, our CFO, for their ongoing leadership and execution, ensuring delivery of our strategic plan for the year.

Outlook
Amidst the turmoil of the external economic and political environment, our financial results for the year to 31 May 2024 are above our initial expectations and we head into this next financial year feeling confident that the team will deliver another strong outcome.

The main pillars of focus remain unchanged. We look after our customers' needs in a responsible and agile way, supporting and empowering our people to be the best they can be, in order to achieve strong and sustainable growth of the business, for the benefit of all our stakeholders.

With the range of financial products and spread of lending across multiple business sectors, we are confident Time Finance has no overweight dependence on any specific business category. Our balance sheet continues to strengthen, and we have recently secured enhanced funding facilities, providing access to cash resources sufficient for our growth plans. Hence, we feel very positive about the future performance of the business.

To conclude, I remain grateful to all of our stakeholders for their continued support and look forward to another year of Time Finance playing a key role within the vital community of UK SMEs.

Tanya Raynes
Chair - 25 September 2024

Chief Executive Officer's Report
For the year ended 31 May 2024

Introduction
Time Finance is a multi-product, alternative finance provider to UK SMEs, predominantly funding transactions on its own book, but with the ability to broke-on business that falls outside of its credit policy. The business offers two core products, Asset Finance and Invoice Finance, and, to a smaller degree, Commercial Loans along with an Asset Based Lending solution that combines all these product offerings.

The trading period was the third year of our four-year strategic plan put in place when I was appointed as CEO in June 2021. Good progress has continued to be made which is reflected in our financial results. The changing market conditions outlined in the Chair's Report have provided many challenges for SMEs but also good opportunities for independent lenders such as Time Finance, who provide the flexibility that can be needed due to the differing needs of small businesses across a wide range of sectors. With a clear focus on providing exceptional levels of service to our clients, customers and introducers, we have been able to position the business as a leading player in the "Tier 2", non-bank market.

The positive results achieved are due to the commitment and hard work shown by all our colleagues across the business. We have carried out significant work in embedding our cultural values outlined below, and these are all very much apparent in the day-to-day workings of the business rather than simply being words nicely displayed on office walls. The colleague engagement survey conducted in November 2023 showed some very positive results, along with useful feedback of where improvements could be made. As a result, we have launched a training & development plan to invest in our people and it was very rewarding to bring all our 150 or so colleagues together in May 2024 for our Spring Conference. Fundamentally, we are a "people" business which SME clients, customers and introducers continue to value highly.

Sustainable, robust business model

Time Finance has maintained sound operational principles designed to develop a robust business including:

- **a widely spread lending book**with security taken to support lending facilities and a suitable margin achieved on each deal to justify the risk taken.
- **fixed interest rates**are charged for the term of the lending for both the Asset Finance and Loan product offerings. Interest rates incurred on borrowings drawn down are also fixed for the term in these divisions. Our policy is, wherever possible, to match the term of borrowings drawn to the term of lending provided and this has been of utmost importance given the further increase in interest rates seen at the start of our trading period.
- **underwriting is carried out by people**as opposed to automated systems for credit decisions. Although an essential element of the business's development continues to be the deployment of IT systems and improved efficiencies, it is essential that the end credit decisions are taken by people, given the markets we operate in.
- **a realistic approach to provisioning**with total provisions carried in the balance sheet at 31 May 2024 amounting to £4.7m, representing approximately 3% of the net lending portfolio. A detailed internal review of provisioning is undertaken on a quarterly basis, led by our Group Risk Director and our CFO, and the recommendations made are presented to the Board for approval.

Market positioning and new business origination

Time Finance provides the main finance products that UK SMEs require for their day-to-day working capital requirements and fixed asset investments in order to grow their businesses over the longer term. Since the global financial crisis in 2008, the lending market has transformed with the traditional banks no longer being the automatic port of call for small business finance. Many alternative finance providers have emerged in the form of challenger banks, fin-tech lenders and independent providers such as Time Finance, who generally offer more flexibility and a higher level of focus on customer service. As we are not a retail deposit taker, wholesale funding facilities are utilised at competitive rates. In order to make an acceptable margin on lending, the business chooses to operate in the "Tier 2" market segment, therefore serving SMEs typically at the smaller end of the market.

New business own-book origination for the year to 31 May 2024 amounted to £91.6m, 25% up on the £73.4m achieved the previous year. 97% of all origination was funded on our own balance sheet with only 3% broked-on which emphasises the delivery of one of our key strategic objectives.

Financial results

Revenue for the year to 31 May 2024 was £33.2m, an increase of £5.6m (20%) year-on-year. Profit before tax was £5.9m, a significant increase on the previous year (£4.2m). Total gross receivables stood at £201.2m, a record level, compared with £170.1m on 31 May 2023, reflecting a 18% increase and a key part of our strategy to grow own-book lending. Total active borrowing facilities as at 31 May 2024 amounted to £196m (2023: £148m), of which £130m was drawn (2023: £98m). Consolidated Net Tangible Assets stood at £38.6m (2023: £34.2m), an increase of 13%. Net cash and cash equivalents held at 31 May 2024 was £1.6m (2023: £3.8m), an expected reduction as our lending book grows.

The strength of the balance sheet, together with its liquidity in the form of available operational debt facilities for lending and cash held, ensure we are well-placed to take advantage of future opportunities over the short to medium term.

Operational progress

The year to 31 May 2024 saw further progress made with respect to our four-year strategic plan. Our focus on secured, Business-to-Business lending has continued with strong growth coming from both the Invoice Finance division (lending up 16% on the previous year to £65m) and the "Hard Asset" offering within the Asset Finance division (up 37% to £85m). Over the last three years we have accelerated the transition from the business historically being a soft asset, unsecured small ticket lender to a secured lender providing mainly Hard Asset and

Invoice Finance. At the start of the plan in June 2021, 49% of our lending book related to these two products. This has increased to 75% by 31 May 2024. We also took the decision in January 2024 to exit the regulated market for new deals; the amount of origination that fell into this side of the business had continued to decline over the last three years to a level where it was no longer viable given the increased amount of administration required to operate in this market.

One of our key differentiators is our multi-product offering, and the newest part of this, our Asset Based Lending ("ABL") proposition which launched in April 2023, delivered positive results with a number of large transactions completed. This offering is targeted at the smaller end of the market where there is less competition and less pressure on margins. As well as providing the customer with a wider range of funding solutions, it also allows the business to retain client and customer relationships for a longer period.

The Invoice Finance division had a highly successful year, benefiting from increasing interest rates. Record new business volumes were seen with a number of larger facilities taken on, including a £3.5m facility in November 2023 for a temporary recruitment business, which represented the single largest facility put in place. The Asset Finance division also had a successful year, delivering record new business origination and increasing the average hard asset deal size from £36,000 to £45,000, in line with our strategic plan. There has also been an increase over the same timeframe in the single customer exposure limit from £750,000 to £1,000,000.

Business Improvement remained a key focus during the year. As we continue to expand, it is important we do so with a lower cost:income ratio, and hence bring efficiencies into the business through the use of technology, process improvements and changes in the way we do things which is key to enhancing the customer journey. A number of benefits have been delivered over the last twelve months in this regard including the launch of an electronic identification and verification system to better combat fraud, online document signing, and a number of upgrades to our core Asset Finance operating system. At the end of the year, a new Head of Business Improvement was recruited who has significant experience in this area and within our core markets, so further progress will be made in this important aspect of the business over the new financial year.

One of the highlights of the year was the fantastic range of charity events our team delivered. More than £7,000 was raised for our chosen charity, Tommys, which supports families who have lost babies though miscarriage, still birth and premature birth. The commitment and enthusiasm of all colleagues in supporting such causes is truly inspiring.

As mentioned in the Chair's Report, the composition of our board evolved during the year with two new Non-Executive Directors appointed. We have a highly effective board in place, and I am grateful for the support and challenge they provide.

Culture, compliance and governance

Our purpose is "*tohelp UK businesses thrive and survive*" and we utilise our cultural values to ensure effective delivery of this. These values were launched in May 2023 and are as follows:

- **We Put People First**-we are a "people business", empowering all our colleagues to make a difference.
- **We Are Bold**-we have the courage to do things differently and make the most of our opportunities.
- **We Are Flexible**- we have a can-do attitude and take a commercial approach to business.
- **We Are Genuine**-integrity and transparency are at the heart of how we build trust and foster great relationships

As mentioned above, we are very focused on demonstrating these values through our day-to-day work and behaviours, so it was highly fitting to recognise a number of examples with awards for "living our values" at our Spring Conference in May.

Regardless of our decision to exit the writing of new regulated business, we continue to have high standards for compliance and governance for all our activities, referenced to the principles and guidelines of the Financial Conduct Authority and the codes of conduct of the relevant industry bodies.

All colleagues are required to act in accordance with our cultural values to uphold the following:

- to act with integrity, due skill, care and diligence
- to be open and cooperative with regulators
- to pay due regard to the interests of customers and clients and treat them fairly

Outlook

SMEs continue to face a number of significant challenges, and this presents both opportunities and threats to alternative lenders such as Time Finance. Getting the balance right in how these are managed will significantly impact our financial performance and future success. With the changes made over the last three years to the business, including the people tasked with delivering our strategy, and the work we are doing to deliver growth in a more efficient way, I am confident we will continue to see the business deliver shareholder value.

Ed Rimmer
Chief Executive Officer -25 September 2024

Group Strategic Priorities
For year ended 31 May 2024

Time Finance is an independent alternative provider of finance to the high-street and challenger banks, serving predominantly SMEs with finance requirements ranging from £5,000 to £5,000,000. The Group provides Invoice Finance and Asset Finance, Commercial Loans and an Asset Based Lending solution that combines these product offerings. It lends mainly from its own balance sheet but with the ability to broker-on business that does not meet lending parameters. This would mainly be due to the size of a transaction, pricing or credit quality.

In June 2021, a new, four-year strategic plan was put in place. At the time, the UK economy was still recovering from the Covid-19 pandemic, with all businesses facing significant uncertainty. Whilst in general there has been a significant recovery from the pandemic, businesses have continued to face many challenges over the last three years with high inflation, wage growth, supply chain difficulties and increasing interest rates. SMEs however have proved to be extremely resilient though this period, in part due to the support provided by lenders such as Time Finance and we are proud to play our part in helping UK businesses thrive and survive.

Strategic Objectives
The key objectives of the four-year plan to 31 May 2025 are to:

- Double the Group's gross lending book from £115m as at June 2021
- Achieve Revenue and PBTE levels in excess of the pre pandemic levels of £30m and £7m respectively

This is to be achieved through the following strategic initiatives:

- Focusing on core own-book lending products
- Predominantly focusing on secured lending with an increasing average deal size
- Investing in key people
- Continuing to reposition the brand and invest in marketing
- Bringing further liquidity into the business as and when required

Good progress has continued to be made in delivering the plan during the year and summaries on each of the above initiatives are set out below.

Focus on core own-book lending products
The value of the gross receivables increased during the year by 18% to £201m. This was driven by a clear focus to expand Hard Asset Finance which grew by 37% to £85m, and Invoice Finance which grew by 16% to £65m. Combined, these two offerings now make up £150m (75%) of our lending book; a significant increase from the comparative 49% at the start of the plan in June 2021. 97% of all new business origination was placed onto our own book with the 3% balance broked-on to other lenders. The Asset Based Lending ("ABL") proposition launched in April 2023 delivered some larger facilities that we otherwise would not have won without our multi product offering. This is aimed at businesses who need to raise finance against a wider range of assets, including debtors, plant & machinery, property and stock and has been well received in the market.

Predominantly focus on secured lending with an increasing average deal size
In the vast majority of cases, tangible security is taken to underpin our lending. This involves taking title to professionally valued fixed assets or book debts, supported by registering debentures and/or property charges. A key aim since the start of our plan was to increase the average ticket size of the 'Hard' asset business which reduced significantly during the pandemic when market demand led to smaller assets being funded. I am pleased to report that this has been achieved with the average deal size increasing from £36,000 in FY 2022/23 to £45,000 in FY 2023/24 which represents a doubling from the £22,000 in June 2021 at the start of our strategic plan. The maximum limit to any one customer within the Hard Asset division also increased from £750,000 to £1,000,000. In addition, we took the decision to exit the regulated business market which mainly included

smaller, soft asset deals. There had been a gradual reduction in this business over the last three years and the move away from this sector was consistent with our strategic plan. The one exception to the increasing average deal size is the 'soft' asset subdivision where the Group has a niche position in funding smaller transactions that provide a wide spread of risk at higher yields, funding business critical assets. This area targets lends up to £15,000 with an auto-decline system implemented to improve efficiencies and is badged as our "Fastrack" product offering. The overall financial contribution in relation to the risk and workload attached to operating in this market continues to be attractive with regular analysis conducted to ensure this remains the case. The majority of future growth, however, will continue to come from the Hard Asset and Invoice Finance businesses, along with the ABL offering.

Investment in key resources

The Group has invested in a number of key recruits since the start of our current strategy in June 2021. We appointed a new HR Manager in August 2023 who has been instrumental in moving forwards our increased focus on training & development as a result of the feedback obtained from our engagement survey undertaken in November 2023. At the end of the trading period, we also appointed a new Head of Business Improvement, focusing on improving efficiencies and the customer experience with the overall objective of growing the business in conjunction with reducing the cost:income ratio.

Reposition the brand and investment in marketing

Further progress was made during the year to position the Time Finance brand at the forefront of our target markets. Key to this are the introducer partners we work with having a clear understanding of our market offerings and where we can add value. We therefore operate a targeted PR strategy designed to promote client case studies, testimonials and our core business news to the commercial finance world with the aim of increasing our profile, the understanding of what we do and ultimately the amount of business we write. We continue to invest in our in-house marketing team, combined with external PR and digital agency partnerships, to further strengthen the Time Finance brand within the commercial finance market.

Bring further liquidity into the business as and when required

During the financial year, a healthy liquidity position was maintained with sufficient cash resources in place to deliver our current plan. Two independent funding reviews were undertaken during the year to assess the market, benchmark our facilities and provide recommendations of where improvements could be made. The findings confirmed that our current funding structure is optimized for a business of our size to deliver the current strategy. As further growth is achieved, we will continue to review the market to ensure long-term liquidity is in place at sensible pricing.

Key performance indicators

The Board and the Executive Committee regularly review and monitor key metrics in assessing the performance of the Group. Some of these key metrics used to track the Group's meaningful progress are detailed below:

- Continuing Operations Revenue - £33m (prior year £27m)
- Continuing Operations Gross Profit margin - 58% (prior year 59%)
- Continuing Operations Profit Before Tax- £5.9m (prior year £4.1m)
- Continuing Operations Diluted Earnings Per Share - 4.80p (prior year 3.63p)
- Own-Book New Business Origination - £91.6m (prior year £73.4m)
- Core business own book vs broked-on ratios - 97:3 (prior year 96:4)

Refreshed Strategy

As we enter the final year of our current four-year plan, the process to formulate a refreshed strategic plan started towards the end of the trading period. Further work will be done to agree and finalise this as we travel through the new financial year, in order to communicate this to our stakeholders. The underlying theme of the next cycle will though still be focused on growing the business in order to maximize value to our shareholders.

Principal risks and uncertainties

'Principal risks' are defined as a risk or a combination of risks that, given the Group's current position, could potentially materially affect the business model, reputation, performance, solvency or liquidity, or prevent the delivery of the strategic objectives outlined above. The Board has overall responsibility for ensuring that risk is appropriately managed across the Group and, through the Risk Committee, has established the Group's appetite to risk; approved its structure, methodologies and policies; and management roles and responsibilities.

As well as regular external reviews and audits from the Group's statutory auditors and the quarterly audits from a number of its funding partners, the Group has numerous internal checks and balances. Initial responsibility rests with the Executive Committee and Senior Management Team which manage the business divisions and functions with line managers responsible for identifying and managing risks arising in their business areas. This is

augmented by the Group's central and independent Compliance, Finance and Risk functions with responsibility for reporting to the Board. The Group has a Director of Risk who reviews all significant credit exposures and a Senior Compliance Manager who ensures adherence to regulatory requirements.

The key risks identified and which the Board has reasonable expectation are appropriately mitigated are:

- **Credit Risk**

The risk of default, potential write-off, disruption to cash flow and increased recovery costs on a debt that is either not repaid individually or if there is a wider market deterioration. This is mitigated by the Group adopting prescribed lending policies and adhering to strict credit and underwriting criteria specifically tailored to each business area. The Group also has the ability to 'broke-on' certain business rather than write it on its own-book if it is deemed necessary to manage risk.

- **Funding Risk**

The risk of the Group not being able to meet its current and future financial obligations over time, specifically that funding is not available to meet the Group's growth targets. The Group has funding facilities across Block Discounting, a Secured Loan Note programme and back-to-back invoice finance facilities with ample headroom to meet its growth targets for the medium future. As detailed elsewhere, should the opportunity arise to grow considerably faster than the medium-term plan anticipates, then the Group could decide to augment its funding with additional liquidity.

- **Regulatory Risk**

The risk of legal or regulatory action resulting in fines, penalties and sanctions that could arise from the Group's failure to identify and adhere to regulatory requirements in the UK. In addition, there is the risk that new or enhanced regulations could adversely impact the Group. The Group employs a Senior Compliance Manager with oversight from the Group CFO and further support from external advisors. The compliance department looks both internally at the Group ensuring its practices are appropriate and externally at future developments to ensure the Group is prepared to adopt any changes in regulation as and when they arise. Whilst the decision was taken during the trading period to move away from writing new regulated business, there is still a relatively small proportion of the book that is regulated business which requires the Group to retain suitable permissions from the FCA and adhere to their required standards.

Summary

The business remains on track to deliver the strategic objectives set out in our four-year plan and the transition from being a provider of small, soft asset finance to a leading independent provider of Hard Asset and Invoice Finance. Whilst SMEs continue to face significant challenges, access to finance is more important than ever in order for them to function and grow. This will continue to provide good opportunities for Time Finance. We are now well positioned to take advantage of these and continue the successful journey the business has been on for the last three years.

Ed Rimmer

Chief Executive Officer - 25 September 2024

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2024

	Continuing Operations 2024 £'000	Discontinued Operations 2024 £'000	**Total 2024 £'000**	Continuing Operations 2023 £'000	Discontinued Operations 2023 £'000	**Total 2023 £'000**
Revenue	33,180	-	**33,180**	26,968	602	**27,570**
Other Income	50	-	**50**	-	-	**-**
Total Revenue	33,230	-	**33,230**	26,968	602	**27,570**
Cost of Sales	(14,000)	-	**(14,000)**	(11,172)	(227)	**(11,399)**
GROSS PROFIT	19,230	-	**19,230**	15,796	375	**16,171**
Administrative expenses	(13,185)	-	**(13,185)**	(11,371)	(277)	**(11,648)**
Exceptional Items	-	-	**-**	(70)	(10)	**(80)**

Share-based payments	(61)	-	**(61)**	(125)	-	**(125)**
OPERATING PROFIT	5,984	-	**5,984**	4,230	88	**4,318**
Finance costs	(145)	-	**(145)**	(152)	-	**(152)**
Finance income	96	-	**96**	1	-	**1**
PROFIT BEFORE INCOME TAX	**5,935**	**-**	**5,935**	**4,079**	**88**	**4,167**
Adjusted earnings before tax, exceptional items and share-based payments	5,996	-	**5,996**	4,274	98	**4,372**
Exceptional items	-	-	**-**	(70)	(10)	**(80)**
Share-based payments	(61)	-	**(61)**	(125)	-	**(125)**
PROFIT BEFORE INCOME TAX	**5,935**	**-**	**5,935**	**4,079**	**88**	**4,167**
Income tax	(1,491)	-	**(1,491)**	(720)	-	**(720)**
PROFIT FOR THE YEAR	4,444	-	**4,444**	3,359	88	**3,447**
Profit attributable to: Owners of the parent company	4,444	-	**4,444**	3,359	88	**3,447**
Earnings per share expressed in pence per share						
Basic	4.80	-	**4.80**	3.63	0.10	**3.73**
Diluted	4.80	-	**4.80**	3.63	0.10	**3.73**
PROFIT FOR THE YEAR	4,444	-	**4,444**	3,359	88	**3,447**
OTHER COMPREHENSIVE INCOME	-	-	**-**	-	-	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,444	-	**4,444**	3,359	88	**3,447**
Total comprehensive income attributable to: Owners of the parent company	4,444	-	**4,444**	3,359	88	**3,447**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MAY 2024

ASSETS	**2024**	2023
NON-CURRENT ASSETS	**£'000**	£'000
Goodwill	27,263	27,263
Intangible assets	226	231
Property, plant and equipment	286	238
Right-of-use property, plant and equipment	552	573
Trade and other receivables	70,015	58,530
Deferred tax	1,418	1,236
	99,760	**88,071**
CURRENT ASSETS		
Trade and other receivables	108,389	91,847
Cash and cash equivalents	1,590	3,772
	109,979	**95,619**
TOTAL ASSETS	**209,739**	**183,690**
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	9,252	9,252
Share premium	25,543	25,543
Employee shares	292	231
Treasury shares	(815)	(770)
Retained earnings	31,863	27,419
	66,135	**61,675**
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	62,973	52,822
Financial liabilities - borrowings	294	1,319
Lease liability	363	428
	63,630	**54,569**
CURRENT LIABILITIES		
Trade and other payables	78,303	65,207
Financial liabilities - borrowings	1,025	1,625
Tax payable	288	423
Provisions	173	-
Lease liability	185	191
	79,974	**67,446**
TOTAL LIABILITIES	**143,604**	**122,015**
TOTAL EQUITY AND LIABILITIES	**209,739**	**183,690**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2024

	Called up share capital	Retained Earnings £'000	Share Premium £'000	Treasury Shares £'000	Employee Shares £'000	**Total Equity £'000**

	£'000					
Balance at 31 May 2022	**9,252**	**23,972**	**25,543**	**(820)**	**106**	**58,053**
Total comprehensive income	-	3,447	-	-	-	**3,447**
Transactions with owners						
Sale of treasury shares	-	-	-	50	-	**50**
Value of employee services	-	-	-	-	125	**125**
Balance at 31 May 2023	**9,252**	**27,419**	**25,543**	**(770)**	**231**	**61,675**
Total comprehensive income	-	4,444	-	-	-	**4,444**
Transactions with owners						
Sale of treasury shares	-	-	-	(45)	-	**(45)**
Value of employee services	-	-	-	-	61	**61**
Balance at 31 May 2024	**9,252**	**31,863**	**25,543**	**(815)**	**292**	**66,135**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2024

	Continuing Operations 2024 £'000	Discontinued Operations 2024 £'000	**Total 2024 £'000**	Continuing Operations 2023 £'000	Discontinued Operations 2023 £'000	**Total 2023 £'000**
Cash generated from operations						
Profit before tax	5,935	-	**5,935**	4,079	88	**4,167**
Depreciation & amortisation charges	434	-	**434**	422	1	**423**
Finance costs	145	-	**145**	152	-	**152**
Finance income	(96)	-	**(96)**	(1)	-	**(1)**
Loss on disposal of property, plant and equipment	2	-	**2**	17	-	**17**
(Increase)/decrease in trade and other receivables	(28,027)	-	**(28,027)**	(29,201)	20	**(29,181)**
Increase/(decrease) in trade and other payables	23,247	-	**23,247**	27,056	(16)	**27,040**
Movement in other non-cash items	38	-	**38**	944	(435)	**509**
	1,678	-	**1,678**	3,468	(342)	**3,126**
Cash flows from operating activities						
Interest paid	(145)	-	**(145)**	(152)	-	**(152)**
Tax paid	(1,703)	-	**(1,703)**	(541)	-	**(541)**
Net cash from operating activities	**(170)**	**-**	**(170)**	**2,775**	**(342)**	**2,433**
Cash flows from investing activities						
Purchase of software, property, plant & equipment	(250)	-	**(250)**	(129)	-	(129)
Interest received	96	-	**96**	1	-	1
Net cash from investing activities	**(154)**	-	**(154)**	**(128)**	-	**(128)**

Cash flows from financing activities						
Payment of lease liabilities	(233)	**-**	**(233)**	(170)	**-**	(170)
Loan repayments in year	(1,625)	-	**(1,625)**	(1,025)	-	(1,025)
Changes in overdrafts	-	-	**-**	(254)	-	(254)
Net cash from financing activities	(1,858)	-	**(1,858)**	(1,449)	-	**(1,449)**
(Decrease)/increase in net cash and cash equivalents	**(2,182)**	**-**	**(2,182)**	**1,198**	**(342)**	**856**
Net cash and cash equivalents at beginning of year	3,772	-	**3,772**	2,574	342	2,916
Net cash and cash equivalents at end of year	**1,590**	**-**	**1,590**	**3,772**	**-**	**3,772**

ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRS") and by the International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

1. **SEGMENTAL REPORTING**

The Group provides a range of financial services and product offerings throughout the UK and has two core trading divisions, namely: Asset Finance and Invoice Finance. The Group's ancillary product offerings, Commercial Loans and Vehicles fleet brokering are included within the Asset Finance segment as they operate under the same management team, office locations and with the same back-office teams. Asset Based Lending is included within the Invoice Finance segment for the same reason.

The operating segments, therefore, reflect the Group's organisational and management structures. The Group reports internally on these segments in order to assess performance and allocate resources. The segments are differentiated by the type of products provided.

The segmental results and comparatives are presented with intergroup charges allocated to each division based on actual revenues generated. Intergroup expenses are recharged at cost and largely comprise; plc Board and listing costs, Marketing, Compliance, IT and Human Resource costs.

For the year ended 31 May 2024	**Asset Finance £'000**	**Invoice Finance £'000**	**Other £'000**	**TOTAL £'000**
Revenue	18,783	14,339	108	**33,230**
Cost of sales	(10,456)	(3,387)	(157)	**(14,000)**
GROSS PROFIT	8,327	10,952	(49)	**19,230**
Administrative expenses	(5,935)	(5,466)	(1,784)	**(13,185)**
Share-based payments	(12)	(5)	(44)	**(61)**
OPERATING PROFIT	2,380	5,481	(1,877)	**5,984**
Finance costs	(31)	(22)	(92)	**(145)**
Finance income	1	95	-	**96**
PROFIT BEFORE INCOME TAX	2,350	5,554	(1,969)	**5,935**

Intra-group recharges	(1,051)	(918)	1,969	**-**
PROFIT BEFORE INCOME TAX	1,299	4,636	-	**5,935**

Adjusted earnings before interest, tax, exceptional items and share-based payments	2,362	5,559	(1,925)	**5,996**
Share-based payments	(12)	(5)	(44)	**(61)**
PROFIT BEFORE INCOME TAX	2,350	5,554	(1,969)	**5,935**

For the year ended 31 May 2023	**Asset Finance £'000**	**Invoice Finance £'000**	**Other £'000**	**TOTAL £'000**
Revenue	16,540	10,679	351	**27,570**
Cost of sales	(8,389)	(2,784)	(226)	**(11,399)**
GROSS PROFIT	8,151	7,895	125	**16,171**
Administrative expenses	(6,009)	(4,040)	(1,599)	**(11,648)**
Exceptional items	-	(34)	(46)	**(80)**
Share-based payments	(26)	(11)	(88)	**(125)**
OPERATING PROFIT	2,116	3,810	(1,608)	**4,318**
Finance costs	(75)	(14)	(63)	**(152)**
Finance income	1	-	-	**1**
PROFIT BEFORE INCOME TAX	2,042	3,796	(1,671)	**4,167**
Intra-group recharges	(855)	(816)	1,671	**-**
PROFIT BEFORE INCOME TAX	1,187	2,980	-	**4,167**

Adjusted earnings before interest, tax, exceptional items and share-based payments	2,068	3,841	(1,537)	**4,372**
Exceptional items	-	(34)	(46)	**(80)**
Share-based payments	(26)	(11)	(88)	**(125)**
PROFIT BEFORE INCOME TAX	2,042	3,796	(1,671)	**4,167**

2. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2024	2023
	£'000	£'000
Depreciation - owned assets	**298**	289
Amortisation - computer software	**136**	134
Net credit loss charge	**2,194**	2,437
Funding facility interest charges	**7,490**	4,547
Introducer commissions	**3,416**	2,868
Fees payable to the Company's auditor for audit of Company's subsidiaries	**71**	68
Fees payable to the Company's auditor for the audit of the Company	**19**	16

3. DIVIDENDS

	2024	2023
	£'000	£'000
Ordinary shares £0.10 each		
Final	**-**	-
Interim	**-**	-
Total	**-**	**-**

The Directors do not propose a final dividend relating to this financial period (2023: 0.0p per share). Future dividends will be kept under reviewwith the next review expected at the time of the Interim results.

4. EARNINGS PER SHARE

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares.

There are no dilutive items impacting the Group and, as such, the Basic EPS and Diluted EPS are identical. Any share options that are vested are fully expected to be met from the Group's Employee Benefit Trust. Therefore, issuance of new shares is not expected to be required and as a result, there is no associated dilution.

2024

	Earnings £'000	**Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	**4,444**	**92,512,704**	**4.80**
Diluted EPS			
Adjusted earnings	**4,444**	**92,512,704**	**4.80**

2023

	Earnings £'000	**Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	3,447	92,512,704	3.73
Diluted EPS			
Adjusted earnings	3,447	92,512,704	3.73

5. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this announcement does not comprise the Group's statutory accounts for the years ended 31 May 2024 and 31 May 2023. The financial information has been extracted from the statutory accounts of the Group for the years ended 31 May 2024 and 31 May 2023. The auditors' opinion on those accounts was unmodified and did not contain a statement under section 498 (1) or 498 (3) Companies Act 2006 and did not include references to any matters to which the auditor drew attention by the way of emphasis. The statutory accounts for the year ended 31 May 2023 have been delivered to the Registrar of Companies. Those for the year ended 31 May 2024 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

6. ANNUAL REPORT AND ANNUAL GENERAL MEETING

The Annual Report and Accounts will be available from the Company's website,www.timefinance.com, from 25 September 2024. Notice of the Annual General Meeting, which will be held at theHilton Manchester Deansgate, 303 Deansgate, Manchester M3 4LQ on 5 November 2024 at 10.30amwill be communicated electronically or posted to Shareholders.

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