



Time Finance plc Interim Results Presentation

Six months ended 30 November 2022

26 January 2023

Disclaimer

This presentation ("Presentation") has been prepared by Time Finance plc (the "Company") and is confidential and is only directed at persons who fall within the exemptions contained in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (such as persons who are authorised or exempt persons within the meaning of the Financial Services and Markets Act 2000 and certain other investment professionals, high net worth companies, unincorporated associations or partnerships and the trustees of high value trusts) and persons who are otherwise permitted by law to receive it.

This Presentation is directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this Presentation relates is only available to such persons. Persons of any other description, including those who do not have professional experience in matters relating to investments, should not rely on this Presentation or act upon its contents. This Presentation does not constitute or form part of any offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied upon in connection with any contract or commitment whatsoever. Any decision in connection with any proposed purchase of shares in the Company must be made solely on the basis of the information contained in the admission document to be published by the Company. While all reasonable care has been taken to ensure that the facts stated in this Presentation are accurate and that any forecasts, opinions and expectations contained herein are fair and reasonable, this Presentation has not been verified and no reliance whatsoever should be placed on them. Accordingly, no representation or warranty express or implied is made to the fairness, accuracy, completeness or correctness of this Presentation or the opinions contained herein and each recipient of this Presentation must make its own investigation and assessment of the matters contained herein. In particular, but without prejudice to the generality of the foregoing, no representation or warranty is given, and no responsibility or liability is accepted, as to the achievement or reasonableness of any future projections or the assumptions underlying them, or any forecasts, estimates, or statements as to prospects contained or referred to in this Presentation. Save in the case of fraud, no responsibility or liability whatsoever is accepted by any person for any loss howsoever arising from any use of, or in connection with, this Presentation or its contents or otherwise arising in connection therewith. In issuing this Presentation, the Company does not undertake any obligation to update or to correct any inaccuracies which may become apparent in this Presentation.

This Presentation is being supplied to you for your own information and may not be distributed, published, reproduced or otherwise made available to any other person, in whole or in part, for any purposes whatsoever. In particular, this Presentation should not be distributed to or otherwise made available to persons with addresses in Canada, Australia, Japan, the Republic of Ireland, South Africa or the United States, its territories or possessions or in any other country outside the United Kingdom where such distribution or availability may lead to a breach of any law or regulatory requirements.

The Presenters



Ed Rimmer, CEO

Ed has worked within commercial finance for well over 25 years holding many senior roles, including UK CEO of Bibby Financial Services. Ed has been involved with Time since 2017 having previously been Managing Director of the Invoice Finance Division and, more latterly, Group COO.

Ed became Group CEO in June 2021.



James Roberts, CFO

James qualified as an accountant with PwC and has worked in financial services for over 20 years. He has held leadership positions with several AIM listed companies and has significant experience in mergers and acquisitions within fast-paced, growing businesses.

James joined Time Finance as its CFO in May 2017.

SECTION ONE

STRATEGIC PLAN UPDATE



The medium-term strategy



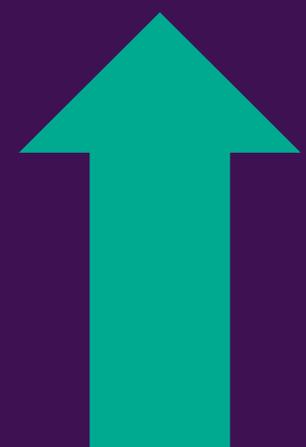
Become a nationally recognised SME funder



More than double our Gross Lending Book to c£250m



Achieve profits organically well in excess of 2019 pre-covid levels



Significantly strengthen our Balance Sheet as we focus on own book lending

Significant Progress to 30 November 2022

£153m

Gross Lending Book

Growth since
strategy launch



32% from £116m

Growth since start
of financial year



12% from £137m

£50m

Hard Asset



56% from £32m



25% from £40m

£49m

Invoice Finance



96% from £25m



14% from £43m

Significant Progress to 30 November 2022

£18.9m

Unearned Income

Growth since
strategy launch



32% from £14.3m

Growth since start
of financial year



13% from £16.8m

£32.1m

Net Tangible Assets



13% from £28.4m



5% from £30.5m

£8.7m

Net Arrears



(39)% from £14.2m



(6)% from £9.3m

▶ Focus on Core Business

- ✓ Own-book lending divisions: Asset, Loan and Invoice Finance, from 4 key UK locations
- ✓ Exited loss-making, second-hand vehicle broking business in April 22
- ✓ Divestment of consumer mortgage brokerage in Oct 22
- ✓ Exit of unsecured Loans in Dec 22

▶ Invested in proven industry leaders

- ✓ Director of Asset, Steve Nichols, joined in January 2022
- ✓ Head of Risk (Asset Finance), Paul Seddon, joined in July 2022
- ✓ Head of Business Improvement, Louise Ikonomides, joined in September 2022

▶ Developed Product offering

- ✓ Asset Based Lending (“ABL”) product launched in Nov 2022
- ✓ Secured Loan offering being launched Feb 2023
- ✓ ‘Soft’ Asset “Fast-track” performing well

▶ Continued to build brand

- ✓ Sponsorship of NACFB in 2023
- ✓ Shortlisted for various awards from Business Money Facts and NACFB
- ✓ Ranked Number 1 in Business Money Intermediary Index

SECTION TWO

Unaudited Financial Results



Unaudited Interim results to 30 November 2022

Significant growth in all key fundamentals

	30/11/22 £'m	30/11/21 £'m	Movement		
			£'m	%	
• Own-book origination	£36.6m	£28.9m	£7.7m	27%	✓
• Gross own-book Lending book	£152.7m	£120.5m	£22.1m	27%	✓
• Unearned Income	£18.9m	£14.3m	£4.6m	32%	✓
• Net Deals in arrears	£8.7m	£10.5m	£(1.8)m	(17)%	✓
• Consolidated Tangible Assets	£59.7m	£58.2m	£1.5m	3%	✓
• Consolidated Net Tangible Assets	£32.1m	£29.6m	£2.5m	8%	✓
• Total Revenue for the period	£13.2m	£11.8m	£1.4m	12%	✓
• Profit Before Tax	£2.0m	£1.2m	£0.8m	67%	✓
• Earnings per Share	£1.73pps	£1.07pps	£0.66pps	62%	✓

A robust balance sheet

Net tangible assets and lending book continue to grow; arrears holding static

Net Tangible Assets:
At record levels

	£'m
May 19	£25.4
May 20	£26.6
May 21	£28.4
May 22	£30.5
Nov 22 (unaudited)	£32.1

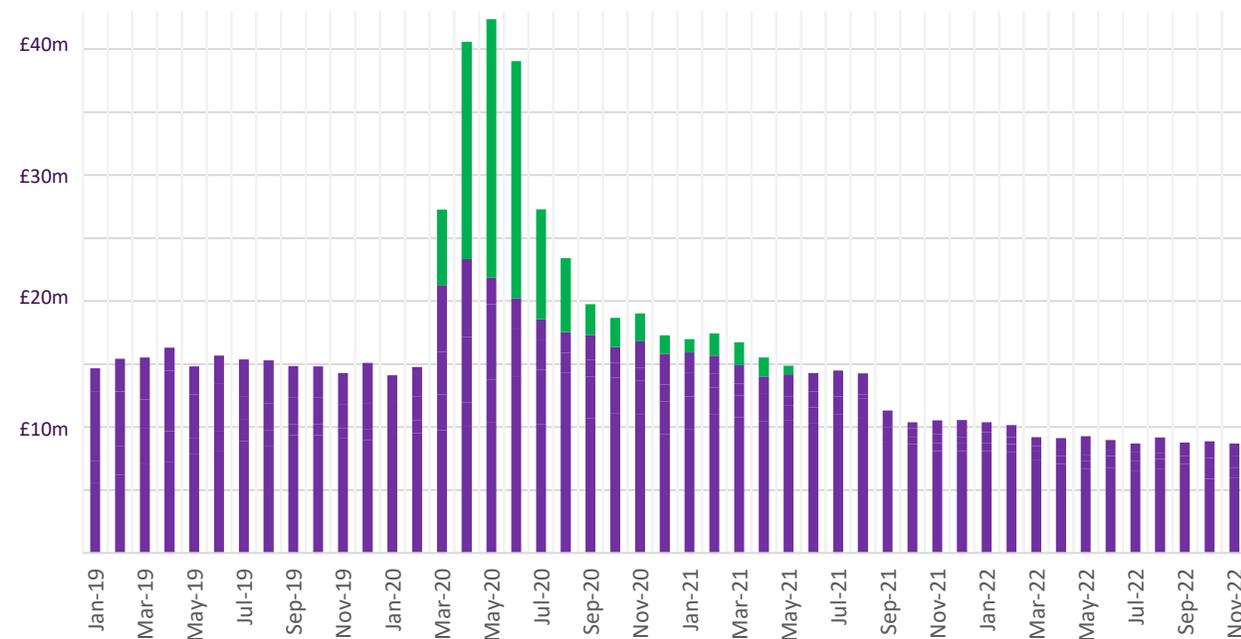
Tangible Assets stand at £59.7m as at 30 November 2022 and, after removing goodwill and intangible assets, Net Tangible Assets are £32.1m.

Gross Lending Book:
At record highs

	£'m
May 19	£141.7
May 20	£122.9
May 21	£115.7
May 22	£136.8
Nov 22 (unaudited)	£152.7

Gross lending book compares to a pre-pandemic high of £144.1m in Feb '20 and a pandemic induced low of £116m in May '21.

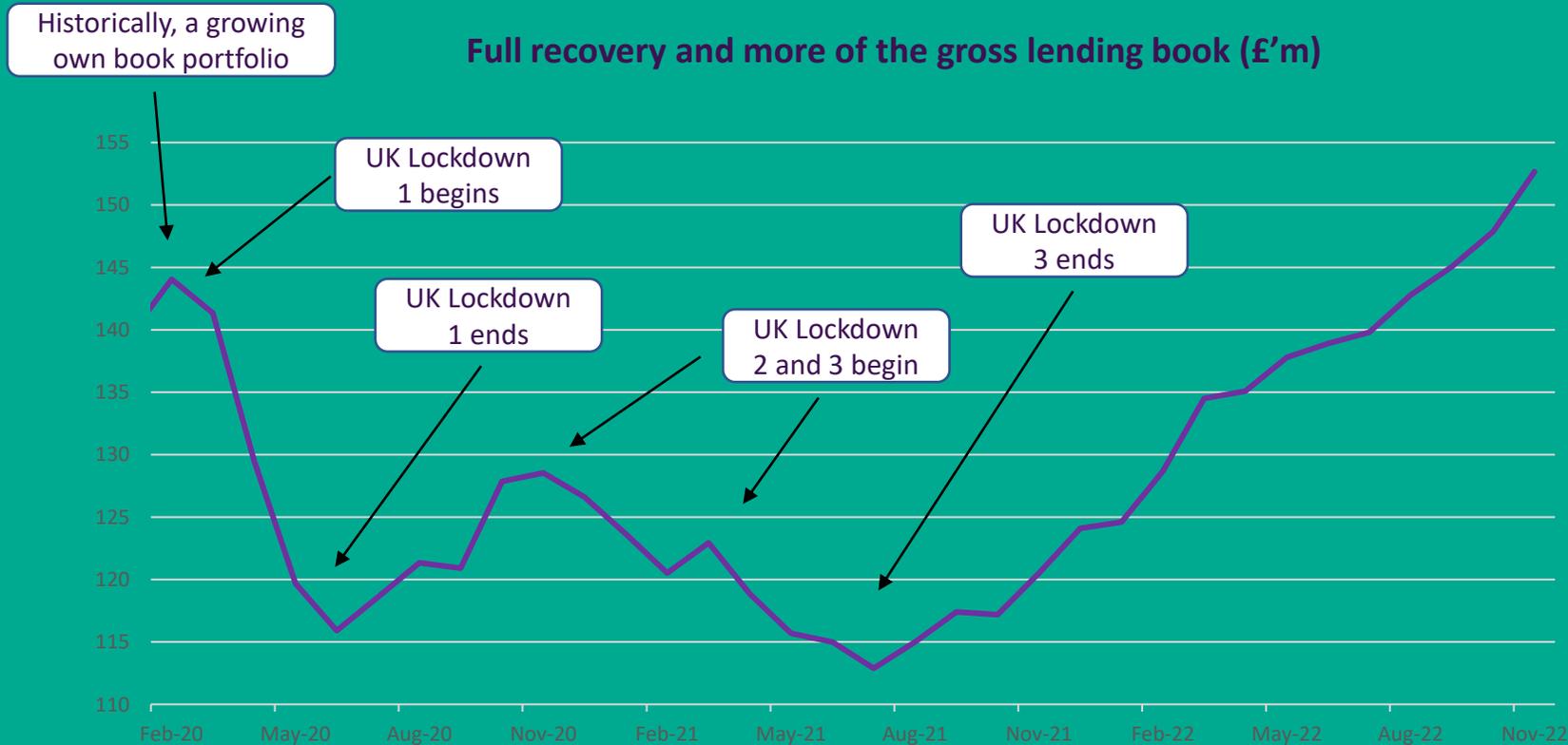
Net Arrears:
Well below pre-pandemic levels for over a year



The purple bars represent total net arrears by value and the green forbearance granted as a result of the pandemic. Pre-pandemic, arrears as a percentage of the gross lending book stood relatively consistently at c10%; During H1 FY22/23 they have fallen to a relatively consistent c6%.

Record high lending book and other metrics

Own-book lending is key to the strategy, driving of revenue and profit growth



The lending book contracted with every lockdown followed by a subsequent bounce-back when the country reopened. Since the last lockdown ended the book has grown steadily and consistently through to November 22. It has now surpassed the pre-pandemic highs and stands at record levels.

Other strategic plan metrics

i. Increased average deal size:

£27k in Nov 22 compared to £14k at start of strategy . An increase of over 90%.

ii. Continued focus on spread

Top ten sectors by value accounts for less than 30% of the lending book.

Largest sector by value accounts for less than 10% of the lending book.

iii. Sensible approach to provisioning

The bad debt provision represents c3% of the total net book exposure.

iv. Rates increased with recent rises

Majority of recent interest rate rises have been passed on with average rate c2% up.

SECTION 3

SUMMARY AND OUTLOOK





Summary

- Exit of non-core businesses now complete
- Key hires now embedded in core parts of the business
- Multi-product offering expanded
- Continued growth in own-book lending, focussed on Hard Asset and Invoice Finance
- Focus on NIM to gain appropriate risk and reward
- Profile and brand recognition continues to increase

Outlook

- Continued focus on current strategy
- Market conditions remain challenging but this presents opportunities
- The medium-term aims remain the same and positive momentum is being maintained
- Expected to significantly exceed original market expectations for financial year to 31 May 23

SECTION 4

Appendices



Appendix 1: Who we are and what we do

Time Finance plc is a business committed to ensuring that UK businesses can access a multi-product range of funding solutions to support their growth plans. In summary:

**Alternative
finance
provider**

A non-Bank, alternative
finance provider

**Supporting
UK
businesses**

Helping c10,000 UK
SMEs to access the
finance they need for
growth

**Lending on
our
own-book**

Focused primarily on
own-book lending on
our own balance sheet

**Flexibility
to broke
on deals**

We have the flexibility to
broke-on deals that don't
fit with our criteria

**Multi
Product
portfolio**

Offering Asset Finance,
Invoice Finance and
Loan Finance

Appendix 2: Our core products

Asset Finance



- Soft and Hard Assets (including a small broked-on element)
- Introduction channels: finance brokers, equipment suppliers/manufacturers & existing clients
- Deal size: £1k to £250k
- “Sweet Spot”: c£10k Soft asset; c£50k Hard asset
- Typical yield: 8-18%
- Funding: Wholesale block funders

Invoice Finance



- Disclosed and Confidential
- Introduction channels: finance brokers, insolvency practitioners, professional firms
- Deal size: £10k to £2.5m
- “Sweet Spot”: c£200k-£400k
- Typical yield: 10-20%
- Funding: Corporate banker back-to-back facility

Commercial Loans



- Commercial loans
- Introduction channels: brokers, professional firms
- Deal sizes: £5k-500k
- “Sweet Spot”: unsecured c£25k; secured c£100k
- Typical yield: c11-18%
- Funding: Wholesale block funders and HNW Loan Note

Appendix 3: Why we stand out from the crowd



	 Time Finance®	Traditional Banks	Challenger Banks	Alternative finance platforms	Quoted companies	Private companies
Flexibility	✓	X	X	✓	✓	✓
Speed of service	✓	X	✓	✓	✓	✓
Personal approach	✓	X	X	X	X	✓
Range of products	✓	✓	✓	X	X	X