TRU | FIN

INTERIM FINANCIAL REPORT

For the six months ended 30 June 2021

(Unaudited)

CONTENTS

FINANCIAL HIGHLIGHTS
For the six months ended 30 June 2021

Interim Financial Report for the six months ended 30 June 2021 (Unaudited)

- Combined gross revenue for the Group increased 18% to £4.9m (H1 2020: £4.2m). H1 2020 benefited from income from Distribution Finance Capital Ltd ("DFC"). Excluding this income, H1 2021 gross revenue rose by 28% over H1 2020
- Gross revenue at Playstack Ltd ("Playstack") increased 79% to £2.2m (H1 2020: £1.2m)
- Gross revenue at Oxygen Finance Group Limited (together with its subsidiaries, Oxygen Finance Limited, Oxygen Finance Americas Inc. and Porge Limited) ("Oxygen") increased by 6% to £1.8m (H1 2020: £1.7m)
- Gross interest income and fee income at Satago Financial Solutions Limited's ("Satago") core invoice financing division was £0.3m (H1 2020: £0.4m) as Satago focused on Lending-as-a-Service ("LaaS") solutions with Lloyds Bank plc ("Lloyds Bank" or the "Bank") and other potential strategic partners
- Gross interest income and fee income at Vertus Capital Limited ("Vertus") increased 26% to £0.6m (H1 2020: £0.5m)
- TruFin Group's loss before tax improved to £5.2m (H1 2020: £5.5m)

[1] excluding interest and fees from Playstack and Vertus pre acquisition

Financials and KPI's (Unaudited)	6 months to 30 June 2021 £'000	6 months to 30 June 2020 £'000	6 months to 31 December 2020 £'000
Gross Revenue	4,941	4,191	10,641
Loss before tax	(5,173)	(5,459)	(3,468)
Loss before tax includes: share-based payment charge	(70)	(273)	(272)
Net Assets	34,655	45,198	39,736*

**Audited figures*

Post period end developments and outlook

- Playstack signed two further contracts with global technology platforms during September 2021, underpinning the company's confidence in its gaming IP and go-to-market strategy. Playstack's new brand offering introducing real world brands into the gaming space, is expected to launch in Q4 2021.
- Oxygen's Q3 2021 revenue is expected to be 20% ahead of the same period in 2020. Having maintained consecutive positive quarterly EBITDA throughout 2021, Oxygen will post its first cash flow positive month during 2021.
- Alongside positive momentum with its existing trial partner, Lloyds Bank, Satago is in discussions with several other potentially significant partners.
- After a £0.5m capital injection into Vertus by TruFin and another existing shareholder, Vertus has successfully renegotiated the terms of its collaboration with IntegraFin Holdings plc ("IntegraFin") and is renewing terms of finance with the high street bank it partners with. These multi-year renewals are expected to position Vertus for meaningful growth in profitability in the coming years.

FINANCIAL HIGHLIGHTS (CONTINUED)
For the six months ended 30 June 2021

James van den Bergh, Chief Executive Officer commented:

"Notwithstanding the challenges posed by the pandemic, I am pleased with the Group's progress. TruFin invests at the early stage of a company's life cycle, guiding the company towards sustainable growth, profitability and ultimately an exit. As such, it is pleasing to report that during 2021 both Oxygen and Vertus will record their first cash generative months. This underscores the Group's strategy and supports the Board's decision not to divest either of these subsidiaries earlier in the year.

Alongside Satago's trial with Lloyds Bank, which continues apace, management continue to work on further potentially significant strategic partnerships.

Given the progress made at every level of the Group we believe there remains significant scope for value creation in the near and medium term and I look forward to updating shareholders on our continued progress before year end.

With a significantly reconstituted institutional shareholder base and meaningful progress across all the subsidiaries, we can look to the future with confidence."

CHIEF EXECUTIVE'S STATEMENT
For the six months ended 30 June 2021

The subsidiaries within the TruFin Group have been resilient in the first six months of 2021 and the board remains confident regarding prospects for the remainder of 2021.

As at 31 August 2021, the following assets were not less than:

- £9.0m of cash or cash equivalents
- £0.6m of assets within the Satago Group's loan book
- £2.3m share of net assets in Vertus Capital Limited

The TruFin Group has no more than £3.5m in near-term liabilities.

Playstack

Playstack is a gaming technology business providing publishing and financing services to the mobile game and console sector. Playstack, as previously announced, was the Group's entry point into the highly attractive growth market of mobile game lending and is a niche player in the gaming ecosystem.

Playstack experienced significant growth during 2020, driven by the successful launch of its console game Mortal Shell. During September 2021, Playstack signed two further deals with global technology partners, underpinning its confidence for full year 2021.

In addition, Playstack continues to develop its own innovative technology that increases the revenue generating potential of its game portfolio. The official launch of this technology has been delayed, due to the lack of in-person events and brands initially retrenching their marketing spend, focusing instead on existing channels; we now expect to launch the platform by the year end.

Oxygen

Through progressive payment practices, big data and expertise, Oxygen allows public sector and private organisations to trade more effectively. Payments become frictionless and data becomes information, driving growth and efficiency, resulting in better social and economic outcomes.

During the first half of 2021, Oxygen's gross revenues increased by 6%, although we do not believe this fully reflects the progress made during the period. As Covid-19 compensation payments rolled off late in 2020, Oxygen was exposed to a short term lull in demand as some clients took longer to return to normal. Oxygen has always believed that strong long-term relationships trump short term gains and has worked constructively with its clients to ensure the early payment programmes were rapidly re-activated and returned to pre-pandemic levels.

Oxygen has maintained its quarterly EBITDA profitability record since Q4 2020 and will record its first cash flow positive month during 2021. Given the long-term contracts and the period taken for contracts to produce meaningful revenues, we expect Oxygen to continue to increase its profitability in the coming years benefiting from operational gearing. The board believes that Oxygen is becoming an increasingly attractive asset uniquely positioned within its sector.

Oxygen's clients' total procurement spend increased to £22.5bn as at 30 June 2021 (30 June 2020: £21.6bn), whilst the transacted spend eligible for discounts to be applied on the Oxygen platform rose to £315m, an increase of 24% over the prior year. This equates to an addition of approximately £25m each month to client programmes, significantly outperforming previous years. Total suppliers onboarded rose by 130 during the first half of 2021 increasing to 3,252 as at 30 June 2021. With an ever-growing client base this trend is expected to continue and is the direct driver of revenue from Early Payment Programmes.

Oxygen's FreePay product continues to gather momentum, providing councils with the ability to pay local, small and micro suppliers early without charge. Over 2,000 suppliers now benefit from this unique working capital benefit. FreePay is viewed by management and clients alike as crucial support to the local economies within the UK and contributes directly to the social value agendas of Oxygen's clients.

The appetite for solutions continues to grow, despite the impact of delayed decisions due to the Covid-19 pandemic and local elections, as evidenced by new client wins for Oxygen in the first half of 2021. As at the end of June 2021, Oxygen had 52 early payment clients (and 108 unique clients versus 92 at the same stage in 2020) and has maintained its 100% renewal record for early payment clients. The pipeline of new prospects continues to remain strong.

Oxygen dominates its niche market and despite the distraction Oxygen endured during the sales process in the first half of 2021, it has achieved monthly profitability ahead of schedule.

Satago

Satago offers its customers a technically advanced invoice finance and cashflow management system via its online software platform. As reported during 2020, its core lending has been impacted by the Covid-19 pandemic, through both the decreased trading activities of its client base and disruption in the lending market caused by the Government backed lending schemes.

As a result of these measures, coupled with Satago's strategy of focusing on the LaaS solutions, revenues from its invoice finance offering declined in the first half.

Satago's trial with Lloyds Bank, announced in December 2020, was extended during June 2021 and we will update shareholders before the year end as to the conclusion of the trial. As part of the partnership, Satago is developing further integrations with the Bank's infrastructure, driving additional reach throughout the Bank's regional sales network.

As the demand for LaaS solutions grows, Satago will continue to lend from its own balance sheet. However, discussions with strategic partners have highlighted significant appetite from these organisations to lend from their own balance sheets. As a result, going forward, Satago will operate a hybrid model of both 'own balance sheet financing' and 'partner balance sheet financing' in line with its new focus on LaaS solutions and an embedded finance model.

As previously outlined, Satago is in discussions with a number of other potential strategic partners which could, if successful, result in additional growth for the business.

Vertus

Vertus provides succession finance for the IFA space through its collaboration with IntegraFin. This is a scalable niche lending space as more Financial Planners are expected to retire in the coming years, leading to further consolidation in the advice market. Vertus ensures that planning firms can remain independent and offer their clients quality and bespoke advice throughout a succession process.

The loan book has performed exceptionally well throughout 2020 and 2021, with no credit losses incurred since inception (August 2016). We anticipate Vertus' loan book growth will remain strong into year end and the renegotiation of Vertus' collaboration with IntegraFin and its financing agreement with a high street bank will solidify Vertus' position in the market and improve future profitability.

We expect that Vertus will be profitable on a monthly basis during 2021 and that with the successful conclusion of a £0.5m capital increase, in which TruFin participated, the capital base for Vertus is now in place to enable further growth and profitability. Vertus is now targeting a loan book of £22m by the end of Q1 2022 (from £12m as at 31 December 2020) and has a three-year loan book target of £50m.

Covid-19 pandemic impact update

In relation to the Covid-19 pandemic, the safety of our employees was, and is, of paramount importance. The Company ensured it gave continuous support to employees around flexible working, wellbeing issues and other concerns and all the subsidiaries are now looking at how best to work on an ongoing basis.

It is important to note the impact the Covid-19 pandemic has had on the Group, specifically:

- Vertus has seen their deal cycle extend due to slower regulatory processing times (specifically FCA approvals for change of control).

- Similar to 2020, Satago's subscription software sales flattened during the first half of 2021. However, due to a strong pipeline and distribution deals with large partners, management is confident of future growth.
- Oxygen's predominantly public sector client base absorbed much of the frontline challenges associated with the Covid-19 pandemic and, whilst spending associated with social care increased, other planned spend, such as construction, was reduced.
- Clients gave priority to supporting their local communities by accelerating payments to their own supply chains in line with government guidance. Some of Oxygen's clients temporarily suspended discounts for a period, with Oxygen compensated for this change. Transacted spend eligible for discounts has now recovered to pre-Covid-19 pandemic levels.
- The pandemic has impacted the growth of Playstack's brand division as clients retrenched their marketing spend and focused it on existing channels. However, Playstack is excited by the opportunity and looks forward to showcasing the technology to shareholders in due course, with a formal launch expected by year end.

TruFin has maintained an excellent dialogue with Arrowgrass Master Fund Limited since they sold 53.83% of the Company in February 2021 and the Board continue to focus on maximising value for all shareholders.

The Board looks to the future with confidence and will keep shareholders updated on the Company's progress.

INDEPENDENT REVIEW REPORT TO TRUFIN PLC
For the six months ended 30 June 2021

Introduction

We have been engaged by TruFin Plc (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 of the Company which comprises the unaudited condensed interim consolidated statement of comprehensive income, the unaudited condensed interim consolidated statement of financial position, the unaudited condensed interim consolidated statement of changes in equity, the unaudited condensed interim consolidated statement of cash flows, and related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the TruFin Group are prepared in accordance with IFRSs as adopted by the United Kingdom. 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 Kingdom.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the United Kingdom and the AIM Rules of the London Stock Exchange

Crowe U.K. LLP
Statutory Auditor
London, United Kingdom

28 September 2021

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2021

	Notes	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Interest income	3	813	1,201	2,578
Fee income	3	1,899	1,743	3,846
Publishing income	3	2,229	1,247	8,408
Interest, fee and publishing expenses		(2,196)	(1,332)	(6,512)
Net revenue		**2,745**	**2,859**	**8,320**
Staff costs	5	(5,766)	(6,180)	(11,532)
Other operating expenses		(1,762)	(1,771)	(4,927)
Depreciation & amortisation		(389)	(379)	(799)
Net impairment (loss)/gain on financial assets		(1)	12	11
Operating loss		**(5,173)**	**(5,459)**	**(8,927)**
Loss before tax		**(5,173)**	**(5,459)**	**(8,927)**
Taxation	9	(20)	(1)	(2,476)
Loss for the year		**(5,193)**	**(5,460)**	**(11,403)**
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Exchange differences on translating foreign operations		21	(166)	85
Other comprehensive income for the period/year, net of tax		**21**	**(166)**	**85**
Total comprehensive loss for the period/year		**(5,172)**	**(5,626)**	**(11,318)**
Loss after tax attributable to:				
Owners of TruFin plc		(5,033)	(5,242)	(10,971)
Non-controlling interests		(160)	(218)	(432)
		(5,193)	**(5,460)**	**(11,403)**
Total comprehensive loss for the period/year attributable to:				
Owners of TruFin plc		(5,013)	(5,408)	(10,886)
Non-controlling interests		(159)	(218)	(432)
		(5,172)	**(5,626)**	**(11,318)**

Earnings per share	Notes	6 months ended 30 June 2021 (Unaudited) pence	6 months ended 30 June 2020 (Unaudited) pence	Year ended 31 December 2020 (Audited) pence
Basic and Diluted EPS	15	(6.2)	(6.5)	(13.6)
Adjusted EPS	15	(6.1)	(6.1)	(12.9)

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Notes	As at 30 June 2021 £'000 (Unaudited)	As at 31 December 2020 £'000 (Audited)
Assets			
Non-current assets			
Intangible assets	10	21,324	21,041
Property, plant and equipment	11	100	140
Deferred tax asset	9	27	43
Loans and advances	12	12,047	9,301
Total non-current assets		**33,498**	**30,525**
Current assets			
Cash and cash equivalents		12,211	17,728
Loans and advances	12	2,829	5,359
Trade receivables		1,209	1,992
Other receivables		1,892	1,962
Total current assets		**18,141**	**27,041**
Total assets		**51,639**	**57,566**
Equity and liabilities			
Equity			
Issued share capital	13	73,548	73,548
Retained earnings		(15,689)	(10,730)
Foreign exchange reserve		65	45
Other reserves		(24,393)	(24,395)
Equity attributable to owners of the company		**33,531**	**38,468**
Non-controlling interest		1,124	1,268
Total equity		**34,655**	**39,736**
Liabilities			
Non-current liabilities			
Borrowings	14	9,916	8,507
Total non-current liabilities		**9,916**	**8,507**
Current liabilities			
Borrowings	14	2,146	2,204
Trade and other payables		4,922	7,119
Total current liabilities		**7,068**	**9,323**
Total liabilities		**16,984**	**17,830**
Total equity and liabilities		**51,639**	**57,566**

The financial statements were approved by the Board of Directors on 28 September 2021 and were signed on its behalf by:

James van den Bergh
Chief Executive Officer

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital £'000	Retained earnings £'000	Foreign exchange reserve £'000	Other reserves £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2021	**73,548**	**(10,730)**	**45**	**(24,395)**	**38,468**	**1,268**	**39,736**
Loss for the period	–	(5,033)	–	–	(5,033)	(160)	(5,193)
Other comprehensive income for the period	–	–	20	–	20	1	21
Total comprehensive loss for the period	**–**	**(5,033)**	**20**	**–**	**(5,013)**	**(159)**	**(5,172)**
Share-based payment	–	70	–	–	70	–	70
Adjustment arising from change in change in non-controlling interest	–	4	–	–	4	(4)	–
Issuance of subsidiary shares to employees	–	–	–	–	–	19	19
Intragroup transfer of subsidiary	–	–	–	2	2	–	2
Balance at 30 June 2021 (Unaudited)	**73,548**	**(15,689)**	**65**	**(24,393)**	**33,531**	**1,124**	**34,655**

	Share capital £'000	Retained earnings £'000	Foreign exchange reserve £'000	Other reserves £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2020	**73,548**	**(63)**	**(40)**	**(24,395)**	**49,050**	**1,293**	**50,343**
Loss for the period	–	(5,242)	–	–	(5,242)	(218)	(5,460)
Other comprehensive income for the period	–	–	(166)	–	(166)	–	(166)
Total comprehensive loss for the period	**–**	**(5,242)**	**(166)**	**–**	**(5,408)**	**(218)**	**(5,626)**
Share-based payment	–	273	–	–	273	–	273
Issuance of subsidiary shares to employees	–	(289)	–	–	(289)	455	166
Balance at 30 June 2020 (Unaudited)	**73,548**	**(5,321)**	**(206)**	**(24,395)**	**43,626**	**1,530**	**45,156**

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the six months ended 30 June 2021

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Cash flows from operating activities			
Loss before income tax	(5,173)	(5,459)	(8,927)
Adjustments for			
Depreciation of property, plant and equipment	47	74	128
Amortisation of intangible fixed assets	646	577	1,209
Share-based payments	70	273	545
Increase in provision	–	–	(700)
Finance costs	310	226	412
Impairment of intangible assets	–	–	222
Loss on disposal of fixed assets	2	–	–
Loss on intragroup transfer of subsidiary	2	–	–
	(4,096)	**(4,309)**	**(7,111)**
Working capital adjustments			
Movements in loans and advances	(215)	6,708	13,045
Decrease /(increase) in trade and other receivables	870	421	30
(Decrease)/increase in trade and other payables	(2,185)	(371)	2,384
	(1,530)	**6,758**	**15,459**
Tax paid	(15)	–	(17)
Interest and finance costs paid	(280)	(160)	(276)
Net cash (used in)/generated from operating activities	**(5,921)**	**2,289**	**8,055**
Cash flows from investing activities:			
Additions to intangible assets	(935)	(874)	(1,905)
Additions to property, plant and equipment	(10)	(13)	(31)
Net cash used in investing activities	**(945)**	**(887)**	**(1,936)**
Cash flows from financing activities:			
Issue of ordinary share capital of subsidiary	–	166	166
New borrowings	1,347	1,961	4,382
Net cash generated from financing activities	**1,347**	**2,127**	**4,548**
Net (decrease)/increase in cash and cash equivalents	**(5,519)**	**3,529**	**10,667**
Cash and cash equivalents at beginning of the period/year	17,728	6,971	6,971
Effect of foreign exchange rate changes	2	(168)	90
Cash and cash equivalents at end of the period/year	**12,211**	**10,332**	**17,728**

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. Accounting policies

Basis of preparation

The annual financial statements of TruFin plc are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom.

The condensed set of financial statements included in this Interim Financial Report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34'). This condensed set of Financial Statements has been prepared by applying the accounting policies and presentation that were applied in the preparation of the TruFin Group's published Financial Statements for the year ended 31 December 2020.

The condensed set of financial statements included in this Interim Financial Report for the six months ended 30 June 2021 should be read in conjunction with the annual audited financial statements of TruFin plc for the year ended 31 December 2020, which were delivered to the Jersey Financial Services Commission. The audit report for these accounts was unqualified and did not draw attention to any matters by way of emphasis.

Going concern

The Directors are satisfied that the TruFin Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of the report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Group information

The TruFin Group ("the Group") is the consolidation of;

- TruFin plc,
- TruFin Holdings Limited,
- Oxygen Finance Group Limited, Oxygen Finance Limited, Oxygen Finance Americas Inc. and Porge Ltd (the activities of which were hived up into Oxygen Finance Limited in 2020), together the ("Oxygen Group"),
- TruFin Software Limited,
- Satago Financial Solutions Limited, Satago SPV 1 Limited, Satago SPV 2 Limited, Satago Financial Solutions z.o.o, together ("Satago"),
- AltLending (UK) Ltd,
- Vertus Capital Limited and Vertus SPV 1 Limited, together ("Vertus"), and
- Playstack Limited, Bandana Media Ltd, Playignite Ltd, Playstack z.o.o, Playstack OY, Foxglove Studios AB, Playtest Ltd (dissolved 24 March 2020), Playstack Inc and Playignite Inc, together the ("Playstack Group").

Additionally, the Playstack Group also includes four associate companies incorporated in the UK which have been accounted for using the equity method. These are;

- A 49% interest in PlayFinder Games Ltd,
- A 49% interest in Snackbox Games Ltd,
- A 42% interest in Military Games International Ltd, and
- A 26% interest in Stormchaser Games Ltd.

The principal activities of the Group are the provision of niche lending, early payment services and mobile game publishing.

The financial statements are presented in Pounds Sterling, which is the currency of the primary economic environment in which the Group operates. Amounts are rounded to the nearest thousand.

Significant accounting policies and use of estimates and judgements

The preparation of interim consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting judgements and key sources of estimation uncertainty. It also requires the exercise of judgement in applying the TruFin Group's accounting policies. There have been no material revisions to the nature and the assumptions used in estimating amounts reported in the annual audited financial statements of TruFin plc for the year ended 31 December 2020.

The accounting policies, presentation and methods of computation in the audited financial statements have been followed in the condensed set of financial statements.

2. General information

TruFin plc is a public limited company incorporated in Jersey. The shares of the Company are listed on the Alternative Investment Market. The address of the registered office is 26 New Street, St Helier, Jersey, JE2 3RA.

A copy of this Interim Financial Report including Condensed Financial Statements for the period ended 30 June 2021 is available at the Company's registered office and on the Company's investor relations website (www.trufin.com).

3. Gross revenue

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Interest income	813	1,201	2,578
Total interest income	**813**	**1,201**	**2,578**
EPPS* contracts	1,146	1,224	2,243
Consultancy fees	131	26	288
Implementation fees	26	–	301
Subscription fees	596	493	1,014
Total fee income	**1,899**	**1,743**	**3,846**
IAP revenue	200	224	410
Advertising revenue	139	223	410
Console revenue	1,880	733	7,500
Brand revenue	10	67	88
Total publishing income	**2,229**	**1,247**	**8,408**
Gross revenue	**4,941**	**4,191**	**14,832**

*Early Payment Programme Services

4. Segmental reporting

The results of the Group are broken down into segments based on the products and services from which it derives its revenue:

Short term finance:

Provision of invoice discounting and succession financing for the IFA space. For results during the reporting period, this corresponds to the results of Satago, Vertus and AltLending.

Payment services:

Provision of Early Payment Programme Services. For results during the reporting period, this corresponds to the results of the Oxygen Group.

Publishing:

Publishing of video games. For results during the reporting period, this corresponds to the results of the Playstack Group.

Other:

Revenue and costs arising from investment activities. For results during the reporting period, this corresponds to the results of TruFin Software Limited, TruFin Holdings Limited and TruFin plc.

The results of each segment, prepared using accounting policies consistent with those of the Group as a whole, are as follows:

6 months ended 30 June 2021 (Unaudited)	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	896	1,816	2,229	–	4,941
Cost of sales	(424)	(305)	(1,467)	–	(2,196)
Net revenue	**472**	**1,511**	**762**	**–**	**2,745**
Adjusted operating loss*	(1,993)	(443)	(1,463)	(1,204)	(5,103)
Loss before tax	**(1,993)**	**(443)**	**(1,463)**	**(1,274)**	**(5,173)**
Taxation	(17)	–	(3)	–	(20)
Loss for the period	**(2,010)**	**(443)**	**(1,466)**	**(1,274)**	**(5,193)**
Total assets	21,894	7,267	15,001	7,477	51,639
Total liabilities	(12,505)	(1,649)	(2,254)	(576)	(16,984)
Net assets	**9,389**	**5,618**	**12,747**	**6,901**	**34,655**

*adjusted operating loss excludes share-based payment expense

6 months ended 30 June 2020 (Unaudited)	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	907	1,711	1,247	326	4,191
Cost of sales	(340)	(271)	(721)	–	(1,332)
Net revenue	567	1,440	526	326	2,859
Adjusted operating loss*	(1,983)	(322)	(1,732)	(1,149)	(5,186)
Loss before tax	(1,983)	(322)	(1,732)	(1,422)	(5,459)
Taxation	(1)	–	–	–	(1)
Loss for the period	(1,984)	(322)	(1,732)	(1,422)	(5,460)
Total assets	20,328	9,846	15,665	12,605	58,444
Total liabilities	(8,767)	(1,714)	(1,233)	(1,532)	(13,246)
Net assets	11,561	8,132	14,432	11,073	45,198

*adjusted operating loss excludes share-based payment expense

Year ended 31 December 2020 (Audited)	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	2,020	3,490	8,408	914	14,832
Cost of sales	(730)	(760)	(5,022)	–	(6,512)
Net revenue	1,290	2,730	3,386	914	8,320
Adjusted operating loss*	(3,318)	(1,111)	(2,458)	(1,495)	(8,382)
Loss before tax	(3,318)	(1,111)	(2,458)	(2,040)	(8,927)
Taxation	42	(2,504)	(14)	–	2,476
Loss for the period	(3,276)	(3,615)	(2,472)	(2,040)	(11,403)
Total assets	22,7988	7,430	17.765	9,573	57,566
Total liabilities	(1,276)	(1,858)	(3,559)	(1,137)	(17,830)
Net assets	11,522	5,572	14,206	8,436	39,736

*adjusted operating loss excludes share-based payment expense

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

5. Staff costs

Analysis of staff costs:

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Wages and salaries	4,609	4,885	9,311
Consulting costs	183	166	313
Social security costs	703	637	1,019
Pension costs arising on defined contribution schemes	223	219	442
Share-based payment	70	273	545
Government grants	(22)	–	(98)
	5,766	**6,180**	**11,532**

Consulting costs are recognised within staff costs where the work performed would otherwise have been performed by employees. Consulting costs arising from the performance of other services are included within other operating expenses.

Average monthly number of persons (including Executive Directors) employed:

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Management	16	19	17
Finance	7	8	8
Sales & marketing	32	30	33
Operations	54	39	37
Technology	43	64	54
	152	**160**	**149**

Directors' emoluments

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Combined remuneration	370	425	1,032

6. Employee share-based payment transactions

The employment share-based payment charge comprises:

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Performance Share Plan and Joint Share Ownership Plan Founder Award	59	233	465
Performance Share Plan Market Value Award	11	40	80
Performance Share Plan 2019 Award	–	–	–
Performance Share Plan 2018 Award	–	–	–
Total	**70**	**273**	**545**

Performance Share Plan and Joint Share Ownership Plan Founder Award ("PSP and JSOP")

On 21 February 2018, 3,407,895 shares were granted to selected founder members of senior management of which the share price at date of grant was £1.90 per share. The awards are structured as a Performance Share Plan and a Joint Share Ownership Plan. The Performance Share Plan is structured as a nil cost option with no performance conditions attached. The awards were also granted subject to continued employment until February 2021. The Joint Share Ownership Plan allows the employee to participate in the growth in value over and above the grant price of £1.90. The shares vest 25% on each anniversary of the grant date.

The first 25% of shares (851,973 shares) vested on 21 February 2019 when the share price was £1.98. As a result 817,550 shares subject to the Joint Share Ownership Plan became fully owned by the trustee of the Company's employee benefit trust (the "EBT") and 34,423 became fully owned by senior management.

At the time of Distribution Finance Capital Ltd's ("DFC's") demerger from the Group, there was a modification to the Founder Award. The £1.90 price above which the employee was able to participate in value growth under the Joint Share Ownership Plan was adjusted proportionally by reference to the respective share prices of DFC and TruFin to £0.85. This modification has not resulted in a change in the valuation of the award and this continues to be recognised over the remainder of the original vesting period.

As part of the demerger, holders of Founder Awards also received an award in respect of DFC shares which gave rise to an employer's National Insurance liability of £419,000, which was paid in July 2019.

On 11 September 2019, in connection with his change of role, the unvested Founder Awards in respect of 1,369,244 shares held by Henry Kenner fully vested, the result of which was that all of the relevant shares ceased to be subject to the Joint Share Ownership Plan and instead become fully owned by the EBT. In addition, 1,369,244 shares subject to the Performance Share Plan ceased to be subject to continued employment condition.

The second 25% of Founder Awards held by James van den Bergh vested on 21 February 2020 when the share price was £0.26. As a result, 395,560 shares subject to the Joint Share Ownership Plan became fully owned by the EBT and James' nil cost option under the Performance Share Plan vested in respect of the same number of shares.

On 27 November 2020, Henry Kenner exercised his nil cost option under the Performance Share Plan which resulted in 1,807,217 shares being transferred from the EBT to Henry Kenner on 22 December 2020. This gave rise to an Employer's National Insurance liability of £82,000 which was paid in January 2021.

The third 25% of Founder Awards held by James van den Bergh vested on 21 February 2021 when the share price was £0.78. As a result, 395,560 shares subject to the Joint Share Ownership Plan became fully owned by the EBT and James' nil cost option under the Performance Share Plan vested in respect of the same number of shares.

Performance Share Plan Market Value Award ("PSP Market Value")

On 21 February 2018, options to acquire 4,868,420 shares were granted to the senior management team. The vesting of this award is based on market-based performance conditions. The vesting of these awards is subject to the holder remaining an employee of the Company and the Company's share price achieving five distinct milestones - vesting at 20% each milestone. The exercise price of the awards at the time of grant was £1.90 per share. A Monte Carlo simulation was used to determine the fair value of these options. The model used an expected volatility of 10% and a risk free rate of 1.3%.

In order to reflect the impact of the demerger, the PSP Market Value Award was split into two:

- Part of the award remained as an option in respect of TruFin plc shares ("TruFin Market Value Award")
- Part of the award became an award in respect of DFC shares ("DFC market Value Award")

The TruFin Market Value Award is on the same terms as the original PSP Market Value Award except that:

- The exercise price was adjusted to £0.85, and the share price milestones were adjusted to reflect the demerger
- The exercise price was further adjusted to £0.80, and the share price milestones were further adjusted, to reflect the return of value to shareholders in June 2019
- The exercise price was further adjusted to £0.71, and the share price milestones were further adjusted to reflect the return of value to shareholders in December 2019

The modification has not resulted in a change in the valuation of the award and this continues to be recognised over the remainder of the original vesting period.

The grant of the DFC Market Value Award gave rise to an employer's National Insurance liability for the Company of £265,000 which was paid in July 2019.

Performance Share Plan 2018 Award ("PSP 2018")

On 21 February 2018, options to acquire 1,000,001 shares were granted to the senior management team. The PSP 2018 Award is structured as a nil cost option. The vesting of this award is subject to the holder being in continued employment until February 2021 and the subsidiary companies achieving certain financial metrics over a three-year period.

In order to reflect the impact of the demerger, and as the performance condition relating to the business of DFC was deemed to be achieved in full due to the demerger, the PSP 2018 Award was adjusted as follows:

- the award part vested and was satisfied by way of a cash payment calculated by reference to 50% of the shares subject to the award and a price of £1.90 per share. The cash payments were made in September 2019; and
- the awards have otherwise continued in respect of 100% of the TruFin plc shares, but the performance condition now relates solely to the business of the Oxygen Group.

In 2019, PSP 2018 Awards in respect of 736,843 shares lapsed following members of senior management leaving the Group and changing roles.

The remaining performance condition of this award has not been met and as such no charge has been recognised (2020: £nil).

Performance Share Plan 2019 Award ("PSP 2019")

On 11 September 2019 an option to acquire 320,000 shares was granted to James van den Bergh. The PSP

2019 Award is structured as a nil cost option. The vesting of this award is subject to the holder being in continued employment until September 2022 and subsidiary companies achieving certain financial metrics over a three-year period. It is highly improbable that the vesting conditions will be met and as such there has been no charge in the period (2020: £nil).

7. Issuance of subsidiary shares to employees

On 6 May 2021, 32,500 unallocated B ordinary shares in Oxygen Finance Group Limited ("OFGL") were allocated to key Oxygen staff as part of its Management Incentive Plan ("Oxygen MIP"). To date 115,000 B ordinary shares have been issued to Oxygen staff, which is 11.6% of the issued and fully authorised share capital of OFGL.

On 9 March 2020, Satago Financial Solutions Limited ("SFSL") implemented its Management Incentive Plan ("Satago MIP"). Under the Satago MIP key Satago managers were given the opportunity to acquire new created ordinary shares in the capital of SFSL. 20% (750,000 ordinary shares) of the fully diluted share capital has been made available under the Satago MIP, and, to date, 590,625 ordinary shares have been issued to Satago managers.

8. Loss before income tax

Loss before income tax is stated after charging:

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Depreciation of property, plant and equipment	47	74	128
Amortisation of intangible assets	646	577	1,209
Staff costs including share-based payments charge	5,766	6,180	11,532
Audit fees payable to the Group's auditor	127	61	127
Non-audit fees payable to Group's auditor	12	12	12

9. Taxation

Analysis of tax charge recognised in the period/year

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Current tax charge	4	1	16
Deferred tax charge	16	–	2,460
Total tax charge	**20**	**1**	**2,476**

Deferred tax asset

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Balance at start of the period/year	43	2,503	2,503
Debit to the statement of comprehensive income	(16)	–	(2,460)
Balance at end of the period/year	**27**	**2,503**	**43**
Comprised of:			
Losses	27	2,503	43
Total deferred tax asset	**27**	**2,503**	**43**

A deferred tax asset was recognised in the prior year in respect of Vertus Capital SPV 1 Limited, as it became profitable.

In the prior year, the deferred tax asset in respect of Oxygen was derecognised.

10. Intangible assets

	Client contracts £'000	Software licences and similar assets £'000	Separately identifiable intangible assets £'000	Goodwill £'000	Total £'000
Cost					
At 1 January 2021	4,689	1,834	1,642	15,796	23,961
Additions	542	393	–	–	935
Exchange differences	(1)	(6)	–	–	(7)
At 30 June 2021 (unaudited)	**5,230**	**2,221**	**1,642**	**15,796**	**24,889**
Amortisation					
At 1 January 2021	(956)	(814)	(742)	–	(2,512)
Charge	(305)	(177)	(164)	–	(646)
Exchange differences	–	1	–	–	1
At 30 June 2021 (unaudited)	**(1,261)**	**(990)**	**(906)**	**–**	**(3,157)**
Accumulated impairment losses					
At 1 January 2021	(408)	–	–	–	(408)
Charge	–	–	–	–	–
At 30 June 2021 (unaudited)	**(408)**	**–**	**–**	**–**	**(408)**
Net book value					
At 30 June 2021 (unaudited)	**3,561**	**1,231**	**736**	**15,796**	**21,324**
At 31 December 2020	3,325	1,020	900	15,796	21,041

Audited	Client contracts £'000	Software licences and similar assets £'000	Separately identifiable intangible assets £'000	Goodwill £'000	Total £'000
Cost					
At 1 January 2020	3,574	1,109	1,642	15,796	22,121
Additions	1,180	725	–	–	1,905
Disposals	(61)	–	–	–	(61)
Exchange differences	(4)	–	–	–	(4)
At 31 December 2020	**4,689**	**1,834**	**1,642**	**15,796**	**23,961**
Amortisation					
At 1 January 2020	(479)	(471)	(414)	–	(1,364)
Charge	(538)	(343)	(328)	–	(1,209)
Disposals	61	–	–	–	61
At 31 December 2020	**(956)**	**(814)**	**(742)**	**–**	**(2,512)**
Accumulated impairment losses					
At 1 January 2020	(186)	–	–	–	(186)
Charge	(222)	–	–	–	(222)
At 31 December 2020	**(408)**	**–**	**–**	**–**	**(408)**
Net book value					
At 31 December 2020	**3,325**	**1,020**	**900**	**15,796**	**21,041**
At 31 December 2019	2,909	638	1,228	15,796	20,571

Client contracts comprise the directly attributable costs incurred at the beginning of an Early Payment Scheme Service contract to revise a client's existing payment systems and provide access to the Group's software and other intellectual property. These implementation (or "set up") costs are comprised primarily of employee costs.

The useful economic life for each individual asset is deemed to be the term of the underlying Client contract (generally 5 years) which has been deemed appropriate and for impairment review purposes, projected cash flows have been discounted over this period.

The amortisation charge is recognised in fee expenses within the statement of comprehensive income, as these costs are incurred directly through activities which generate fee income.

Software, licenses and similar assets comprises separately acquired software, as well as costs directly attributable to internally developed platforms across the Group. These directly attributable costs are associated with the production of identifiable and unique software products controlled by the Group and are probable of producing future economic benefits. They primarily include employee costs and directly attributable overheads.

A useful economic life of 3 to 5 years has been deemed appropriate and for impairment review purposes projected cash flows have been discounted over this period.

The amortisation charge is recognised in depreciation and amortisation on non-financial assets within the statement of comprehensive income.

Goodwill and "Separately identifiable intangible assets" arise from acquisitions made by the Group.

11. Property, plant and equipment

	Fixtures & fittings £'000	Computer equipment £'000	Right of Use Asset £'000	Total £'000
Cost				
At 1 January 2021	52	60	429	541
Additions	1	9	–	10
Disposals	–	(4)	–	(4)
Exchange differences	(1)	–	–	(1)
At 30 June 2021 (Unaudited)	**52**	**65**	**429**	**546**
Depreciation				
At 1 January 2021	(36)	(26)	(339)	(401)
Charge	(4)	(9)	(34)	(47)
Disposals	–	2	–	2
At 30 June 2021 (Unaudited)	**(40)**	**(33)**	**(373)**	**(446)**
Net book value				
At 30 June 2021 (Unaudited)	**12**	**32**	**56**	**100**
At 31 December 2020	16	34	90	140

Audited	Leasehold improvements £'000	Fixtures & fittings £'000	Computer equipment £'000	Right of Use Asset £'000	Total £'000
Cost					
At 1 January 2020	44	247	36	429	756
Additions	–	7	24	–	31
Disposals	(44)	(202)	–	–	(246)
At 31 December 2020	**–**	**52**	**60**	**429**	**541**
Depreciation					
At 1 January 2020	(36)	(219)	(9)	(255)	(519)
Charge	(8)	(19)	(17)	(84)	(128)
Disposals	44	202	–	–	246
At 31 December 2020	**–**	**(36)**	**(26)**	**(339)**	**(401)**
Net book value					
At 31 December 2020	**–**	**16**	**34**	**90**	**140**
At 31 December 2019	8	28	27	174	237

12. Loans and advances

	30 June 2021 (Unaudited) £'000	31 December 2020 (Audited) £'000
Total loans and advances	14,884	14,670
Less: loss allowance	(8)	(10)
	14,876	**14,660**

Past due receivables relating to loans and advances are analysed as follows:

	30 June 2021 (Unaudited) £'000	31 December 2020 (Audited) £'000
Neither past due nor impaired	14,874	14,401
Past due: 0–30 days	2	254
Past due: 31–60 days	–	2
Past due: 61–90 days	–	–
Past due: more than 91 days	–	3
	14,876	**14,660**

The financial risk management procedures disclosed in the 31 December 2020 audited financial statements have been and remain in place for the period to 30 June 2021.

13. Share capital

	Share Capital £'000	Total £'000
80,822,204 shares at £0.91 per share at 30 June 2021 (unaudited)	**73,548**	**73,548**

All ordinary shares carry equal entitlements to any distributions by the Company. No dividends were proposed by the Directors for the period ended 30 June 2021.

14. Borrowings

	30 June 2021 (Unaudited) £'000	31 December 2020 (Audited) £'000
Loans due within one year	2,146	2,204
Loans due in over one year	9,916	8,507
	12,062	**10,711**

Movements in borrowings during the period/year

The below table identifies the movements in borrowings during the period/year.

	£'000
Balance at 1 January 2021	10,711
Funding drawdown	2,902
Interest expense	255
Origination fees paid	(28)
Fees amortisation	69
Repayments	(1,569)
Interest paid	(252)
Loan written off	(14)
Effect of foreign exchange rate changes	(12)
Balance at 30 June 2021 (Unaudited)	**12,062**
Balance at 1 January 2020	6,194
Funding drawdown	5,840
Interest expense	279
Origination fees paid	(2)
Fees amortisation	133
Repayments	(1,458)
Interest paid	(275)
Balance at 31 December 2020 (Audited)	**10,711**

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2021

15. 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 period/year.

The calculation of the basis and adjusted earnings per share is based on the following data:

	6 months ended 30 June 2021 (Unaudited) £'000	6 months ended 30 June 2020 (Unaudited) £'000	Year ended 31 December 2020 (Audited) £'000
Number of shares			
At period/year end	80,822,204	80,822,204	80,822,204
Weighted average	80,822,204	80,822,204	80,822,204
Earnings attributable to ordinary shareholders	**£'000**	**£'000**	**£'000**
Loss after tax attributable to the owners of TruFin plc	(5,033)	(5,242)	(10,971)
Adjusted earnings attributable to ordinary shareholders			
Loss for the period/year attributable to the owners of TruFin plc	(5,033)	(5,242)	(10,971)
Adjusted for:			
Share-based payment	70	273	545
Adjusted loss after tax attributable to the owners of TruFin plc	(4,963)	(4,969)	(10,426)
Earnings per share*	**Pence**	**Pence**	**Pence**
Basic and Diluted	(6.2)	(6.5)	(13.6)
Adjusted[1]	(6.1)	(6.1)	(12.9)

* All Earnings per share figures are undiluted and diluted.

Adjusted[1] EPS excludes share-based payment expense, exceptional items and discontinued operations from loss after tax

Management has been granted 5,451,578 share options in TruFin plc (See note 6 for details). These could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS as they are antidilutive for the periods presented, as the Group is loss making.

16. Related party disclosures

Transactions with directors

Key management personnel disclosures are provided in notes 5 and 6.

17. Post balance sheet events

On 13 July 2021 TruFin Holdings invested £340,000 in Vertus Capital Limited as part of a £500,000 capital injection with one other existing shareholder, which increased its ownership percentage in Vertus Capital Limited from 51% to 54%.

In September, Vertus renegotiated its existing facility agreement with IntegraFin Holdings plc, increasing it from £7.5m to £11.25m and extending the terms of debt to 31 August 2028 (from 31 March 2026).

TruFin plc

www.TruFin.com