

29 September 2023

**TruFin plc**

("TruFin" or the "Company" or together with its subsidiaries "TruFin Group" or the "Group")

**Interim Financial Report for the six months ended 30 June 2023 (Unaudited)**

- Combined gross revenue for the Group increased 35% to £8.5m (H1 2022: £6.3m)
- Gross revenue at Oxygen Finance Group Limited (together with its subsidiaries) ("Oxygen") increased by 8% to £2.7m (H1 2022: £2.5m), driven by growth in its core UK Early Payments market. EBITDA was flat at £0.3m as Oxygen executed a targeted investment program focused on maximising the revenue potential embedded in its client base
- Gross revenue at Satago Financial Solutions Limited ("Satago") increased 180% to £1.7m (H1 2022: £0.6m) with strong growth in subscription services and invoice financing facilities
- Playstack Ltd ("Playstack") recorded 7% revenue growth to £2.5m (H1 2022: £2.3m), with the highly anticipated launch of *The Last Faith* on track for a Q4 release
- Gross revenue at Vertus Capital Limited ("Vertus") increased 67% to £1.5m (H1 2022: £0.9m), driven by new facilities, interest rate rises and early settlements
- TruFin Group's EBITDA loss improved 12% to £3.8m (H1 2022: £4.3m)
- TruFin Group's loss before tax was £6.2m (H1 2022: £4.8m) as a result of a one-off net impairment loss of £1.3m on goodwill (due to the anticipated sale of TruFin's stake in Vertus) plus a depreciation and amortisation charge of £1.2m (H1 2022: £0.5m)

Financials and KPI's (Unaudited)	6 months to 30 June 2023 £'000	6 months to 30 June 2022 £'000	12 months to 31 December 2022* £'000
Gross Revenue	8,497	6,281	16,119
EBITDA	(3,786)	(4,320)	(6,425)
Loss before tax	(6,220)	(4,795)	(8,020)
Net Assets	34,228	42,419	40,104
*Audited figures			

**Key milestones during the period:**

- Approximately 30% of Oxygen's EP clients purchased two or more products during the period (H1 2022: c15%)
- Migration of existing Lloyds Banking Group's factoring clients onto the platform has started with the remainder of the factoring book expected to be materially progressed during 2024
- Following the success of its *Mortal Shell* game, which has sold more than one million units, Playstack signed an agreement to develop and licence *Mortal Shell 2* and *Mortal Shell 3*
- Successful Placing and Open Offer raising £7.6m before expenses, enabling Playstack to secure the *Mortal Shell* franchise and provide the Group with additional working capital

**Key milestones post period end:**

- Satago has today signed a Letter of Intent with a UK challenger bank - covering the adoption of Satago's LaaS solution. This will enable the Challenger Bank to offer invoice financing to its customers and to simplify and automate internal processes
- To build on Satago's platform launch with Lloyds Banking Group and execute on the significant opportunities

ahead, Satago has today agreed a £4m Convertible Loan Note ("CLN") with existing shareholders

- Playstack signed a new, multi-year partnership with a major technology platform for more than \$2m to develop a series of sequel games based on existing published IP. In addition, Playstack's proprietary discovery technology has sourced four new titles for release throughout 2024
- TruFin received and conditionally accepted a non-binding cash offer for its shares in Vertus. Due diligence and contract negotiations are ongoing and, if successful, the deal is expected to complete before year end. If completed, TruFin expects to receive cash proceeds of approximately £3.2m

### James van den Bergh, Chief Executive Officer commented:

"We have made positive progress during 2023, with growth across the Group. It was pleasing to successfully conclude TruFin's fundraise in June 2023, and I would like to personally thank shareholders for their ongoing support. The fundraise has enabled targeted additional investment in Playstack, Oxygen and Satago which the Board believes will maximise the equity value of these businesses for shareholders.

The proceeds allowed Playstack to enter into an agreement to develop and licence further games in the *Mortal Shell* franchise - an exceptional series that the whole team is excited to work on. Playstack's signing of a further multi-million-dollar, multi-year partnership to develop a series of sequel games based on existing published IP is further testament to the momentum within the business.

The fundraise has also allowed us to participate in Satago's CLN. Already delivering on its next generation lending platform for Lloyds Banking Group, today's announcement of the signing of a Letter of Intent with a UK Challenger Bank marks a big moment in Satago's development. Having shifted focus from a lending business to a software business, Satago will soon be a tech player with multiple enterprise customers, forward-thinking and united in a desire to offer SMEs a fully digitised end-to-end proposition. In so doing they are helping SMEs unlock their potential in the face of economic uncertainty.

As we look to reveal the full value embedded within Oxygen, we have made various tactical investments to make the company as attractive as possible to the largest number of potential acquirers. The value Oxygen adds to its customer base cannot be underestimated, and its cross-selling opportunities remain significant.

TruFin is very well positioned, and the Board looks to the future with excitement."

### For further information, please contact:

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TruFin plc is the holding company of an operating group comprising four growth-focused technology businesses operating in niche markets: early payment provision, invoice finance, IFA finance and mobile games publishing. The Company was admitted to AIM in February 2018 and trades under the ticker symbol: TRU. More information is available on the Company website: [www.TruFin.com](http://www.TruFin.com)

## Chief Executive's Statement

### Oxygen

Oxygen's position as a financial technology company delivering social value strengthened significantly during H1 2023.

Gross revenue at Oxygen increased by 8% to £2.7m (H1 2022: £2.5m). Oxygen's core Early Payments ("EP") revenue grew 20% to £1.8m (H1 2022: £1.5m) whilst other revenue predominantly comprising of Software as a Service ("SaaS") and partnership revenues was flat at £0.9m.

Momentum within Oxygen's EP market continues to build, with combined supplier spend totalling £24bn at the end of June 2023, up 9.4% from 30 June 2022.

An unprecedented number of clients' suppliers participated in EP programmes in H1 2023, with on-boarded annual supplier spend exceeding £1.2bn across 4,600 suppliers, growth of 20% over H1 2022. A record amount of new supplier spend, £201m, was also added during H1 2023, an increase of 22% over H1 2022.

Transacted spend attracting an early payment discount reached £468m in H1 2023, up 12% versus H1 2022. Total rebates generated were £5.1m in H1 2023, up 20% on H1 2022.

Oxygen's entrenchment into client procurement activity is illustrated by the continuing growth of its "Freepay" initiative. This sees Oxygen help clients deliver social value to their local communities by enabling them to pay local micro and small suppliers early, at no cost. By the end of June 2023 more than 11,000 suppliers were participating in this programme (up from 6,000 as at end June 2022). These local micro and small suppliers enjoyed early invoice payments totalling £275m, without charge, during the first six months of the year.

SaaS H1 revenues were flat at £0.7m, despite some irrational competitor pricing potentially prompted by financial strain. Oxygen's management believes this may lead to consolidation in the marketplace. Oxygen remains the market leader, unrivalled in its knowledge of local authority procurement and trusted partner status. Approximately 30% of Oxygen's Early Payments clients purchased two or more products during the period (H1 2022: circa 15%).

Partnership revenues which relate to third party products sold into Oxygen's client base grew strongly to £134,000 (H1 2022: £7,000). This highlights the strength of Oxygen's client relationships and distribution capabilities and has significant growth potential.

To fully exploit its dominant market position and client pipeline, Oxygen invested in its technology and people and continued to opt for higher revenue gain share over up-front fees, benefitting out-year revenue. These targeted initiatives have suppressed the 2023 year-on-year revenue growth rate, and added £0.2m of cost, temporarily suppressing EBITDA growth. However, they are anticipated to benefit both revenue and profit in 2024 and beyond.

### Satago

Satago offers its customers technically advanced invoice finance and cashflow management systems via its online software platform.

Satago is continuing its transition from predominantly self-funding its balance sheet to a hybrid model incorporating "partner balance sheet financing" which utilises Satago's lending-as-a-service ("LaaS") solutions and embedded finance

partner balance sheet financing which underpins Satago's lending-as-a-service (LaaS) solutions and embedded finance model. This strategy remains anchored by the company's five-year commercial agreement and partnership with Lloyds Banking Group, and its strategic partnership with Sage to offer embedded finance in a number of Sage products.

During the period, Satago migrated a small set of Lloyds Banking Group's factoring clients onto the platform. Large scale migration is now due to begin in 2024; with migration anticipated to be materially progressed during 2024. Platform functionality for onboarding new clients and supporting the Sage50 embedded finance customers remains the primary focus in Q4 2023.

Satago more than doubled revenues in the first half of the year to £1.7m (H1 2022: £0.6m), driven by LaaS income and increases in interest and fee income (£605,000 versus £252,000 in H1 2022) as it builds on its existing partnerships while growing its invoice financing capabilities.

Subscription numbers with one of Satago's existing strategic technology partners continue to grow strongly, with active subscriptions increasing 134% to 640 over the same period in 2022 (H1 2022: 273). Based on the success of this year's UK and Irish roll out, Satago and its strategic partner have agreed, subject to contract, to roll out the same offering in the US and Canada in H1 2024.

Satago has recently extended its £5m facility with a specialist niche funder to £7m, in order to continue its expansion plans. The facility is currently £5.7m drawn.

## Playstack

Playstack is a gaming technology business providing publishing and related services to the mobile game and console sector. Playstack is the Group's entry point into the highly attractive growth market of video game publishing.

Playstack continues to target positive EBITDA and operating cash generation in 2023.

Playstack has continued to track to its three-year commercial plan and expects to deliver significant growth from 2022 through to 2024 and beyond. During the period, the Group signed an agreement to develop *Mortal Shell* 2 and 3 following the success of *Mortal Shell* which has sold over one million copies. The securing of the *Mortal Shell* franchise has generated real excitement across the gaming landscape and provided Playstack a multi-year release programme.

Additionally, through valuable platform and technology partnerships, Playstack has been able to deliver valuable revenue visibility ahead of games launches, de-risking development spend.

Playstack continues to develop its own innovative technology suite that sets it apart from market rivals.

## Vertus

Vertus provides succession finance to Independent Financial Advisers ("IFAs"). The business originates deals through its collaboration with IntegraFin Holdings plc ("IntegraFin") and various business brokers focused on the IFA market.

Given the increase in cost of debt and equity capital, the deal market has softened during 2023. However significant consolidation persists as Financial Planners continue to retire from the industry, pressured by age and regulation (consumer duty being the most recent regulatory driver).

Private Equity-backed consolidators proliferate and continue to drive high valuations and significant deal activity with aggressive integration strategies. In contrast, Vertus funds a succession process that ensures planning firms can remain independent and meet client demand for quality and bespoke advice.

The loan book continues to perform well, with the value of the underlying security increasing as Vertus' borrowers retain and grow their client bases. The combination of higher interest rates and suppressed equity and bond markets has put downward pressure on ad valorem recurring revenue for firms, which has introduced early signs of stress on the profitability of firms. Furthermore, competition with yields on cash and the impact of inflation on household budgets has reduced new inflows. Despite this, borrowers are managing the environment well and Vertus remains without credit losses since inception.

The increasing interest rate environment has precipitated some early settlements for Vertus, which has helped early settlement charge profitability, whilst hampering growth in the loan book. Despite the increase in these settlements, Vertus is aiming to end 2023 with a loan book of £24m (31 December 2022: £21.9m).

Vertus is developing further capital products to enable independent succession in the UK IFA market and has good prospects for the future.

## Post period end developments and outlook

### Oxygen

Oxygen's core EP revenue maintained strong organic growth, with EP revenues to the end of August up by 22% year-on-year.

Seven of the eight EP client contracts due to expire in FY23 have already been re-signed or had renewal confirmed, for multi-year periods.

Additionally, three new EP client contracts were signed by the end of August 2023, with an exceptionally strong pipeline expected to deliver a record number of new clients in 2023. The Board is confident of continued and significant financial progress in 2024 and beyond.

Partnerships continue to develop. Oxygen anticipates these will contribute more than £0.25m to full year revenues, from reselling services and referral fees. Seventeen EP clients now purchase one or more additional service from Oxygen.

The turmoil of the Covid pandemic has now passed with record numbers of attendees at the various local government conferences that Oxygen attends and hosts annually, enabling Oxygen to build its client prospect pipeline.

The normalisation of remote working post-Covid continues to benefit Oxygen, with ongoing efficiencies achieved particularly with new client implementation. Moreover, councils in England alone are expected to increase procurement expenditure to £74bn in 2023, up 4% over 2022. These favourable tailwinds, coupled with rising interest rates and inflation, make Oxygen's supply side offer even more compelling.

### Satago

Full client migration of Lloyds Banking Group's factoring clients is set to be materially progressed during 2024.

In addition, platform functionality for onboarding clients and supporting the Bank's embedded finance customers within Sage50 is anticipated to be delivered in November 2023.

Building on this success, today Satago is pleased to announce that it has signed a Letter of Intent with a UK Challenger Bank ("Challenger Bank"), covering the adoption of Satago's LaaS solution. This will enable the Challenger Bank to offer invoice financing to its customers and to automate internal processes.

This Letter of Intent demonstrates the ongoing demand for the compelling product which Satago has built and further solidifies Satago's place as a Critical Integration Platform for incumbent Banks globally. Conversations are ongoing with multiple strategic partners in other territories.

To build on Satago's successful Platform launch with Lloyds Banking Group and execute on the significant opportunities ahead, Satago has today agreed £4m CLN from existing shareholders. TruFin is investing £3m via the CLN which will earn interest of 15% per annum and convert to common equity at a material discount to the price of a future equity fund raise

interest of 10% per annum and convert to common equity, and material amounts to the price of a future equity raise have been completed by Satago.

## Playstack

Playstack's two new PC and console releases -*AK-Xolotl* and *The Last Faith* - combined with the securing of further platform deals are key to delivery of revenues for the current year.

*AK-Xolotl* launched on 14 September to strong critical acclaim, performing in-line with expectations. *AK-Xolotl* has been released across PC, Xbox 1, Xbox Series S/X, PlayStation 4, PlayStation 5 and Nintendo Switch. This was Playstack's first simultaneous release across six platforms and is testament to the business's strong operational capability.

*The Last Faith* is slated for release in November 2023 and is enjoying strong wish-list momentum following the release of a new playable demo.

During September Playstack secured a new multi-million-dollar, multi-year partnership with a major technology platform to develop a series of sequel games based on existing published IP. This contract underpins Playstack's ambition to sequel high quality existing IP via a fully funded model.

Playstack's proprietary discovery technology has sourced several high potential games, including four new titles for release throughout 2024 with more in the pipeline.

## Vertus

In August 2023 the TruFin board received and conditionally accepted a non-binding cash offer for its shares in Vertus. Due diligence and contract negotiations are ongoing and, if successful, the deal is expected to complete before year end.

Vertus has originated new facilities of £4m and the pipeline is experiencing increased volumes. The company's loan book is forecast to grow to £24m (from £21.9m as at 31 December 2022). Loan book growth has been largely offset by an increase in early settlements as borrowers seek to pay down debt subject to higher interest rates.

The subsidiaries within the TruFin Group have been resilient in the first six months of 2023 and the board remains confident regarding prospects for the remainder of 2023.

As at 31 August 2023, the following assets were not less than:

- £7.8m of cash or cash equivalents
- £6.9m of assets within the Satago Group's loan book

The TruFin Group has no more than £2.4m in net near-term liabilities.

## UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Interest income	3	2,093	1,003	2,619
Fee income	3	3,930	2,955	7,183
Publishing income	3	2,474	2,323	6,317
<b>Gross revenue</b>	3	<b>8,497</b>	<b>6,281</b>	<b>16,119</b>
Interest, fee and publishing expenses		(2,564)	(1,947)	(5,075)
<b>Net revenue</b>		<b>5,933</b>	<b>4,334</b>	<b>11,044</b>
Staff costs	5	(6,737)	(6,433)	(12,609)
Other operating expenses		(2,922)	(2,215)	(4,810)
Depreciation & amortisation		(1,171)	(479)	(1,596)
Net impairment loss on financial assets		(69)	(6)	(50)
Impairment of goodwill	9	(1,250)	-	-
Share of (loss)/profit from associates		(4)	4	1
<b>Loss before tax</b>		<b>(6,220)</b>	<b>(4,795)</b>	<b>(8,020)</b>
Taxation	8	241	230	1,214
<b>Loss for the period/year</b>		<b>(5,979)</b>	<b>(4,565)</b>	<b>(6,806)</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit and loss</b>				
Exchange differences on translating foreign operations		103	9	(65)
<b>Other comprehensive income for the period/year, net of tax</b>		<b>103</b>	<b>9</b>	<b>(65)</b>
<b>Total comprehensive loss for the period/year</b>		<b>(5,876)</b>	<b>(4,556)</b>	<b>(6,871)</b>
Loss after tax attributable to:				
Owners of TruFin plc		(5,995)	(3,716)	(6,637)
Non-controlling interests		16	(849)	(169)
		<b>(5,979)</b>	<b>(4,565)</b>	<b>(6,806)</b>
Total comprehensive loss for the period/year attributable to:				
Owners of TruFin plc		(5,894)	(3,706)	(6,704)

Non-controlling interests		(5,876)	(850)	(167)
		<u>(5,876)</u>	<u>(4,556)</u>	<u>(6,871)</u>
Earnings per share		6 months ended 30 June 2023 (Unaudited) pence	6 months ended 30 June 2022 (Unaudited) pence	Year ended 31 December 2022 (Audited) Pence
Basic and Diluted EPS	14	(6.4)	(4.3)	(7.3)

## UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2023 £'000 (Unaudited)	As at 31 December 2022 £'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	23,718	24,411
Property, plant and equipment	10	320	345
Deferred tax asset	8	165	250
Loans and advances	11	15,955	15,016
<b>Total non-current assets</b>		<b>40,158</b>	<b>40,022</b>
<b>Current assets</b>			
Cash and cash equivalents		4,993	10,273
Loans and advances	11	10,615	9,145
Interest in associate		-	4
Trade receivables		1,777	2,149
Other receivables		4,891	3,899
<b>Total current assets</b>		<b>22,276</b>	<b>25,470</b>
<b>Total assets</b>		<b>62,434</b>	<b>65,492</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued share capital	12	85,706	85,706
Retained earnings		(30,879)	(24,884)
Foreign exchange reserve		38	(63)
Other reserves		(26,531)	(26,531)
<b>Equity attributable to owners of the company</b>		<b>28,334</b>	<b>34,228</b>
Non-controlling interest		5,894	5,876
<b>Total equity</b>		<b>34,228</b>	<b>40,104</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	13	15,688	16,764
<b>Total non-current liabilities</b>		<b>15,688</b>	<b>16,764</b>
<b>Current liabilities</b>			
Borrowings	13	5,449	1,783
Trade and other payables		7,069	6,841
<b>Total current liabilities</b>		<b>12,518</b>	<b>8,624</b>
<b>Total liabilities</b>		<b>28,206</b>	<b>25,388</b>
<b>Total equity and liabilities</b>		<b>62,434</b>	<b>65,492</b>

The financial statements were approved by the Board of Directors on 28 September 2023 and were signed on its behalf by:

James van den Bergh

Chief Executive Officer

## UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	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 2023	85,706	(24,884)	(63)	(26,531)	34,228	5,876	40,104
Loss for the period	-	(5,995)	-	-	(5,995)	16	(5,979)
Other comprehensive income for the period	-	-	101	-	101	2	103
<b>Total comprehensive loss</b>							

Total comprehensive loss for the period	-	(5,995)	101	-	(5,894)	18	(5,876)
Balance at 30 June 2023 (Unaudited)	85,706	(30,879)	38	(26,531)	28,334	5,894	34,228
Balance at 1 January 2022	73,548	(17,731)	4	(24,393)	31,428	1,023	32,451
Loss for the period	-	(3,716)	-	-	(3,716)	(849)	(4,565)
Other comprehensive income for the period	-	-	10	-	10	(1)	9
Total comprehensive loss for the period	-	(3,716)	10	-	(3,706)	(850)	(4,556)
Issuance of shares	12,158	(496)	-	(2,138)	9,524	-	9,524
Issuance of shares to subsidiary	-	-	-	-	-	5,000	5,000
Balance at 30 June 2022 (Unaudited)	85,706	(21,943)	14	(26,531)	37,246	5,173	42,419

## UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Notes	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
<b>Cash flows from operating activities</b>				
Loss before tax		(6,220)	(4,795)	(8,020)
Adjustments for				
Depreciation of property, plant and equipment	55	55	55	108
Amortisation of intangible fixed assets	1,637	822	822	2,377
Impairment of intangible assets	1,250	-	-	-
Finance costs	820	384	384	974
Share of loss/(profit) from associates	4	(4)	(4)	(1)
		(2,454)	(3,538)	(4,562)
<b>Working capital adjustments</b>				
Movements in loans and advances	(2,408)	(5,744)	(5,744)	(8,029)
(Increase)/decrease in trade and other receivables	(415)	566	566	(34)
Increase/(decrease) in trade and other payables	511	(1,511)	(1,511)	60
Net payables on acquisition of subsidiary	-	(76)	(76)	(67)
		(2,312)	(6,765)	(8,070)
Tax credit received/(paid)	88	(4)	(4)	668
Interest and finance costs paid	(686)	(308)	(308)	(777)
<b>Net cash used in operating activities</b>		<b>(5,364)</b>	<b>(10,615)</b>	<b>(12,741)</b>
<b>Cash flows from investing activities:</b>				
Additions to intangible assets	(2,204)	(1,054)	(1,054)	(3,159)
Additions to property, plant and equipment	(28)	(72)	(72)	(113)
Acquisition of subsidiaries	(157)	(1,234)	(1,234)	(1,217)
Cash on acquisition of subsidiary	-	19	19	19
<b>Net cash used in investing activities</b>		<b>(2,389)</b>	<b>(2,341)</b>	<b>(4,470)</b>
<b>Cash flows from financing activities:</b>				
Issue of ordinary share capital	-	9,524	9,524	9,524
Issue of ordinary share capital of subsidiary	-	5,000	5,000	5,000
Net borrowings	13	2,471	3,744	5,370
Lease payments	(42)	(27)	(27)	(28)
<b>Net cash generated from financing activities</b>		<b>2,429</b>	<b>18,241</b>	<b>19,866</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,324)</b>	<b>5,285</b>	<b>2,655</b>
Cash and cash equivalents at beginning of the period/year		10,273	7,608	7,608
Effect of foreign exchange rate changes	44	12	12	10
<b>Cash and cash equivalents at end of the period/year</b>		<b>4,993</b>	<b>12,905</b>	<b>10,273</b>

## NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Accounting policies

#### Basis of preparation

The consolidated interim financial statements have been prepared in accordance with the accounting policies set out below.

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

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 2022.

The condensed set of financial statements included in this Interim Financial Report for the six months ended 30 June 2023 should be read in conjunction with the annual audited financial statements of TruFin plc for the year ended 31 December 2022, 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 and Oxygen Finance Americas Inc., 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, Magic Fuel Games Inc, Playstack Inc and Playignite Inc, together the ("Playstack Group").

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

- A 49% interest in Snackbar Games Ltd, and
- A 26% interest in Stormchaser Games Ltd.

On 13 March 2023, the Group disposed of its 49% interest in one associate company, PlayFinder Games Ltd.

On 18 April 2023, Military Games International Limited, a company in which the Group had a 42% interest was dissolved.

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 2022.

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 2023 is available at the Company's registered office and on the Company's investor relations website ([www.trufin.com](http://www.trufin.com)).

## 3. Gross revenue

	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Interest income	2,093	1,003	2,619
<b>Total interest income</b>	<b>2,093</b>	<b>1,003</b>	<b>2,619</b>

EPPS* contracts	1,939	1,519	3,335
Consultancy fees	135	247	597
Implementation fees	1,015	412	1,644
Subscription fees	841	777	1,607
<b>Total fee income</b>	<b>3,930</b>	<b>2,955</b>	<b>7,183</b>
IAP revenue	80	207	342
Advertising revenue	78	299	453
Console revenue	2,316	1,816	5,521
Brand revenue	-	1	1
<b>Total publishing income</b>	<b>2,474</b>	<b>2,323</b>	<b>6,317</b>
<b>Gross revenue</b>	<b>8,497</b>	<b>6,281</b>	<b>16,119</b>

\*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 factoring 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 2023 (Unaudited)	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	3,241	2,748	2,490	18	8,497
Cost of sales	(908)	(521)	(1,135)	-	(2,564)
Net revenue	<b>2,333</b>	<b>2,227</b>	<b>1,355</b>	<b>18</b>	<b>5,933</b>
Loss before tax	(3,256)	(493)	(1,378)	(1,093)	(6,220)
Taxation	(85)	104	222	-	241
Loss for the period	<b>(3,341)</b>	<b>(389)</b>	<b>(1,156)</b>	<b>(1,093)</b>	<b>(5,979)</b>
Total assets	33,279	7,892	20,781	482	62,434
Total liabilities	(22,161)	(1,816)	(3,532)	(697)	(28,206)
Net assets	<b>11,118</b>	<b>6,076</b>	<b>17,249</b>	<b>(215)</b>	<b>34,228</b>
6 months ended 30 June 2022 (Unaudited)	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	1,491	2,467	2,323	-	6,281
Cost of sales	(441)	(398)	(1,108)	-	(1,947)
Net revenue	<b>1,050</b>	<b>2,069</b>	<b>1,215</b>	<b>-</b>	<b>4,334</b>
Loss before tax	(2,298)	(232)	(1,085)	(1,180)	(4,795)
Taxation	(1)	-	231	-	230
Loss for the period	<b>(2,299)</b>	<b>(232)</b>	<b>(854)</b>	<b>(1,180)</b>	<b>(4,565)</b>
Total assets	30,837	8,208	19,406	6,039	64,490
Total liabilities	(16,907)	(1,859)	(2,572)	(733)	(22,071)
Net assets	<b>13,930</b>	<b>6,349</b>	<b>16,834</b>	<b>5,306</b>	<b>42,419</b>



\*adjusted loss before tax excludes share-based payment expense

Year ended 31 December 2022 (Audited)	Short term finance £'000	Payment services £'000	Publishing £'000	Other £'000	Total £'000
Gross revenue	4,469	5,311	6,330	9	16,119
Cost of sales	(1,153)	(889)	(3,033)	-	(5,075)
Net revenue	<b>3,316</b>	<b>4,422</b>	<b>3,297</b>	<b>9</b>	<b>11,044</b>
Loss before tax	(3,879)	(220)	(1,569)	(2,352)	(8,020)
Taxation	218	395	601	-	1,214
Loss for the year	<b>(3,661)</b>	<b>175</b>	<b>(968)</b>	<b>(2,352)</b>	<b>(6,806)</b>
Total assets	34,200	8,258	20,407	2,627	65,492
Total liabilities	(19,747)	(1,792)	(2,911)	(938)	(25,388)
Net assets	<b>14,453</b>	<b>6,466</b>	<b>17,496</b>	<b>1,689</b>	<b>40,104</b>

\*adjusted loss before tax excludes share-based payment expense

## 5. Staff costs

### Analysis of staff costs:

	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Wages and salaries	5,392	5,269	10,365
Consulting costs	452	193	379
Social security costs	662	744	1,411
Pension costs arising on defined contribution schemes	231	227	454
	<b>6,737</b>	<b>6,433</b>	<b>12,609</b>

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 2023 (Unaudited) Number	6 months ended 30 June 2022 (Unaudited) Number	Year ended 31 December 2022 (Audited) Number
Management	16	18	17
Finance	8	11	10
Sales & marketing	43	34	30
Operations	57	50	78
Technology	60	54	43
	<b>184</b>	<b>167</b>	<b>178</b>

### Directors' emoluments

	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Combined remuneration	376	376	715

## 6. Employee share-based payment transactions

The employment share-based payment charge comprises:

	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Performance Share Plan and Joint Share Ownership Plan	-	-	-
Founder Award	-	-	-
Performance Share Plan Market Value Award	-	-	-

Performance Share Plan 2019 Award	-	-	-
Performance Share Plan 2018 Award	-	-	-
Total	-	-	-

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

The final 25% of Founder Awards held by James van den Bergh vested on 22 February 2022 when the share price was £0.81. As a result, 395,558 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.

#### Performance Share Plan 2018 Award ("PSP 2018")

The unvested performance condition of this award had not been met at the end of the vesting period.

#### Performance Share Plan 2019 Award ("PSP 2019")

The performance conditions had not been met at the end of the vesting period.

## 7. Loss before income tax

Loss before income tax is stated after charging:

	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Depreciation of property, plant and equipment	55	55	108
Amortisation of intangible assets	1,637	822	2,377
Staff costs including share-based payments charge	6,737	6,433	12,609

## 8. Taxation

### Analysis of tax credit/charge recognised in the period/year

	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Current tax credit	(326)	(230)	(1,267)
Deferred tax charge	85	-	53
Total tax credit	<u>(241)</u>	<u>(230)</u>	<u>(1,214)</u>

### Deferred tax asset

	6 months ended 30 June 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
Balance at start of the period/year	250	303	303
Debit to the statement of comprehensive income	(85)	-	(53)
Balance at end of the period/year	<u>165</u>	<u>303</u>	<u>250</u>

Comprised of:

Losses	165	303	250
Total deferred tax asset	<u>165</u>	<u>303</u>	<u>250</u>

A deferred tax asset was recognised in 2021 in respect of Vertus Capital SPV 1 Limited, as it became profitable.

## 9. Intangible assets

	Client contracts	Software licences and similar assets	Separately identifiable intangible assets	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 January 2023	6,399	4,773	3,237	16,569	30,978
Additions	441	1,763	-	-	2,204
Disposals	(114)	-	-	-	(114)
Exchange differences	(1)	(24)	-	-	(25)
At 30 June 2023 (unaudited)	<u>6,725</u>	<u>6,512</u>	<u>3,237</u>	<u>16,569</u>	<u>33,043</u>
<b>Amortisation</b>					
At 1 January 2023	(2,496)	(2,082)	(1,581)	-	(6,159)
Charge for the period	(521)	(792)	(324)	-	(1,637)
Disposals	114	-	-	-	114
Exchange differences	-	15	-	-	15
At 30 June 2023 (unaudited)	<u>(2,903)</u>	<u>(2,859)</u>	<u>(1,905)</u>	<u>-</u>	<u>(7,667)</u>
<b>Accumulated impairment losses</b>					
At 1 January 2023	(408)	-	-	-	(408)
Charge	-	-	-	(1,250)	(1,250)
At 30 June 2023 (unaudited)	<u>(408)</u>	<u>-</u>	<u>-</u>	<u>(1,250)</u>	<u>(1,658)</u>
<b>Net book value</b>					
At 30 June 2023 (unaudited)	<u>3,414</u>	<u>3,653</u>	<u>1,332</u>	<u>15,319</u>	<u>23,718</u>
At 31 December 2022	<u>3,495</u>	<u>2,691</u>	<u>1,656</u>	<u>16,569</u>	<u>24,411</u>
	Client contracts	Software licences and similar assets	Separately identifiable intangible assets	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 January 2022	5,490	2,579	1,642	15,746	25,457
Additions	905	2,254	-	-	3,159
On Acquisition	-	3	1,595	823	2,421
Disposals	-	(75)	-	-	(75)
Exchange differences	4	12	-	-	16
At 31 December 2022	<u>6,399</u>	<u>4,773</u>	<u>3,237</u>	<u>16,569</u>	<u>30,978</u>
<b>Amortisation</b>					
At 1 January 2022	(1,607)	(1,181)	(1,070)	-	(3,858)
Charge	(889)	(977)	(511)	-	(2,377)
Disposals	-	75	-	-	75
Exchange differences	-	1	-	-	1
At 31 December 2022	<u>(2,496)</u>	<u>(2,082)</u>	<u>(1,581)</u>	<u>-</u>	<u>(6,159)</u>
<b>Accumulated impairment losses</b>					
At 1 January 2022	(408)	-	-	-	(408)
At 31 December 2022	<u>(408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(408)</u>
<b>Net book value</b>					
At 31 December 2022	<u>3,495</u>	<u>2,691</u>	<u>1,656</u>	<u>16,569</u>	<u>24,411</u>
At 31 December 2021	3,475	1,398	572	15,746	21,191

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 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.

## Vertus

In July 2019, the Group converted into ordinary shares its existing convertible loan with Vertus Capital in full satisfaction and discharge of the loan. This, together with a further cash payment, gave the Group 51% ownership of Vertus Capital and Vertus SPV 1.

Goodwill of £1,714,000 arose from this transaction and has been included within the short term finance segment of the business. In 2021, the Group increased its ownership of Vertus Capital from 51% to 53.8%, resulting in a £50,000 adjustment to Goodwill.

Separately identifiable intangible assets of £255,000 primarily related to the value of existing third party relationships on acquisition have been identified.

These are being amortised over 5 years and the amortisation charge for the year was £26,000 (2022: £51,000).

Net Book value of these assets at 30 June 2023 was £55,000 (2022: £81,000).

In August 2023, the Group accepted a non-binding offer for its shares in Vertus Capital. Following this, Goodwill related to this transaction has been impaired by £1,250,000.

Goodwill related to this transaction excluding Separately identifiable intangible assets at 30 June 2023 was £158,000 (2022: £1,408,000).

## 10. Property, plant and equipment

Group	Fixtures & fittings £'000	Computer equipment £'000	Right-of-Use Asset £'000	Total £'000
<b>Cost</b>				
At 1 January 2023	139	96	276	511
Additions	14	14	-	28
Exchange differences	1	(1)	-	-
At 30 June 2023	<b>154</b>	<b>109</b>	<b>276</b>	<b>539</b>
<b>Depreciation</b>				
At 1 January 2023	(60)	(61)	(44)	(165)
Charge	(15)	(12)	(28)	(55)
Exchange differences	-	1	-	1
At 30 June 2023	<b>(75)</b>	<b>(72)</b>	<b>(72)</b>	<b>(219)</b>
<b>Net book value</b>				
At 30 June 2023	<b>79</b>	<b>37</b>	<b>204</b>	<b>320</b>
At 31 December 2022	<b>79</b>	<b>34</b>	<b>232</b>	<b>345</b>

  

Group	Fixtures & fittings £'000	Computer equipment £'000	Right-of-Use Asset £'000	Total £'000
<b>Cost</b>				
At 1 January 2022	53	78	429	560
Additions	86	27	276	389
Disposals	-	(9)	(429)	(438)
At 31 December 2022	<b>139</b>	<b>96</b>	<b>276</b>	<b>511</b>
<b>Depreciation</b>				
At 1 January 2022	(44)	(44)	(407)	(495)
Charge	(16)	(26)	(66)	(108)
Disposals	-	9	429	438
At 31 December 2022	<b>(60)</b>	<b>(62)</b>	<b>(44)</b>	<b>(166)</b>

**Net book value**

At 31 December 2022

**79****34****232****345**

At 31 December 2021

**9****34****22****65****11. Loans and advances**

	30 June 2023 (Unaudited) £'000	31 December 2022 (Audited) £'000
Total loans and advances	26,714	24,215
Less: loss allowance	(144)	(54)
	<b>26,570</b>	<b>24,161</b>

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

	30 June 2023 (Unaudited) £'000	31 December 2022 (Audited) £'000
Neither past due nor impaired	26,142	23,875
Past due: 0-30 days	243	129
Past due: 31-60 days	49	77
Past due: 61-90 days	7	41
Past due: more than 91 days	48	39
Impaired	81	-
	<b>26,570</b>	<b>24,161</b>

The financial risk management procedures disclosed in the 31 December 2022 audited financial statements have been and remain in place for the period to 30 June 2023.

**12. Share capital**

	Share Capital £'000	Total £'000
94,182,943 shares at £0.91 per share at 30 June 2023 (unaudited)	<b>85,706</b>	<b>85,706</b>

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 2023.

**13. Borrowings**

	30 June 2023 (Unaudited) £'000	31 December 2022 (Audited) £'000
Loans due within one year	5,449	1,783
Loans due in over one year	15,688	16,764
	<b>21,137</b>	<b>18,547</b>

**Movements in borrowings during the period/year**

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

	£'000
Balance at 1 January 2023	18,547
Funding drawdown	5,789
Interest expense	758
Fee amortisation	55
Origination fees paid	(41)
Repayments	(3,278)
Interest paid	(686)
Exchange differences	(7)
<b>Balance at 30 June 2023 (Unaudited)</b>	<b>21,137</b>
Balance at 1 January 2022	12,985
Funding drawdown	8,707
Interest expense	852
Fee amortisation	110
Repayments	(3,337)
Interest paid	(777)

Exchange differences

7

Balance at 31 December 2022 (Audited)

18,547

## 14. 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 2023 (Unaudited) £'000	6 months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
<b>Number of shares</b>			
At period/year end	94,182,943	94,182,943	94,182,943
Weighted average	94,182,943	86,727,509	90,485,862
<b>Earnings attributable to ordinary shareholders</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Loss after tax attributable to the owners of TruFin plc	(5,995)	(3,716)	(6,637)
<b>Earnings per share*</b>	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
Basic and Diluted	(6.4)	(4.3)	(7.3)

\* All Earnings per share figures are undiluted and diluted.

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.

## 15. Related party disclosures

### Transactions with directors

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

During the period, the Group made loans to Storm Chaser UG, a company based in Germany. Storm Chaser UG is 100% owned by Storm Chaser Games - an associate company of Playstack (see note 1). The balance of the loans including interest at the reporting date was £756,000 (2022: £525,000)

## 16. Post balance sheet events

On 10 July 2023, the Company issued 11,653,744 ordinary shares through a Placing and an Open Offer. These were issued at £0.65 per share, raising gross proceeds of £7,575,000.

On 27 July 2023, the Company awarded the first three tranches of awards under a new Long Term Incentive Plan ("LTIP"). These are in the form of options over a total of 3,116,667 Ordinary Shares (the "Options") to the Chief Executive Officer and other senior employees.

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