16 January 2019

1pm plc
(the "Group" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2018
Strong trading momentum from continued organic growth;
Record half-year deal origination, revenues and profits;
First interim dividend declared

1pm plc, the AIM listed independent specialist finance provider of funding facilities to UK SMEs and consumers, is pleased to announce its financial results for the six-month period ended 30 November 2018 ("Results" or "Interims").

The Interims reflect continued strong demand for finance from UK SMEs and consumers across the wide range of products offered, fulfilled through commercial underwriting and underpinned by cautious provisioning policies. The strong trading results are a product of the increased scale of the Group's activities following the successful integration of multiple acquisitions over the past three years; the strategy of being a multi-product provider of finance (asset, vehicles, loan and invoice finance); the effective, flexible business model of being able to act as both a funder and a broker; and increasing Group synergies and efficiencies. Own-book funding continues to be solely for UK SME finance with the Group acting as a broker for consumer and vehicle finance.

Financial Highlights:

- New business origination increased 10% to £82.3m (H1 2017/18: £74.9m)
- Group revenue increased 15% to £16.0m (H1 2017/18: £13.9m)
- Group operating profit before exceptional items increased 14% to £4.1m (H1 2017/18: £3.6m)
- Basic earnings per share increased 12% to 3.62 pence (H1 2017/18: 3.23 pence)
- Net Assets at 30 November 2018 increased 6% to £51.0m (31 May 2018: £47.9m)
- Net bad debt write-offs in the period were £0.5m (H1 2017/18: £0.7m)
- At period end, total bad debt provisions were £2.4m representing 2.0% of the total net portfolio (30 November 2017: £2.1m representing 1.8% of the total net portfolio)

Operational Highlights:

- Flexible operating model of either funding on 'own-book' or generating broking commissions resulted in approximately 60% of all origination being brokered on to other lenders for commissions (H1 2017/18: 58%)
- Combined 'own-book' assets, loans and invoice finance portfolio increased 9% to £142.1m (30 November 2017: £130.1m)
- Funding facilities available to the Group as at 30 November 2018 stood at £169.5m (31 May 2018: £162.6m)
- Blended cost of borrowings in the period was 4.0% (year to 31 May 2018: 4.1%)
- Integration of business functions continues to accelerate with origination of new leads from cross-selling the Group's products progressing in line with management expectations

In line with the positive background of these Results, and the Group's enhanced and progressive dividend policy announced on 26 July 2018, the Board is pleased to declare an interim dividend for the first time of 0.28p per share for the half year period ended 30 November 2018 to be paid on 1 May 2019 to shareholders on the register at 1 April 2019.

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

"We are pleased these Interims show that the recent focus on organic growth has delivered another set of strong results. This is particularly encouraging given continuing economic and political uncertainties. Furthermore, this performance demonstrates the effectiveness of our strategy of being a multi-product provider of finance to UK SMEs and consumers, allied to the flexibility of either own-book funding or broking on. This strategic and market positioning has enabled the Group to generate robust levels of demand whilst being able to maintain margin, control credit and spread risk. The Group is strategically and operationally well positioned to deliver further growth."

A video detailing further comments and insights on the Interim Results from Ian Smith and James Roberts can be viewed by following this link: http://bit.ly/OPM_H1_19

For further information, please contact:

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About 1pm:

The Company was admitted to AIM in August 2006.

1pm plc is a group of established independent finance companies focused on providing SMEs with accessible funding to add value to their businesses. All customers must have good credit histories and proven ability to repay their finance commitments.

1pm plc's purpose is "to grow together" and its goal is to be "the specialist finance provider of choice".

More information is available on the Company website www.1pm.co.uk

CHIEF EXECUTIVE OFFICER'S STATEMENT
FOR THE SIX MONTH PERIOD ENDED 30 NOVEMBER 2018

Financial Results
I am delighted to report that the Group has continued to make good progress in the first half of the current financial year, delivering in line with our expectations.

Our focus over the past 12 months, spanning the second half of the financial year ended 31 May 2018 and the first half of the current financial year, has been on driving organic growth, delivering synergies and transitioning to a fully-fledged group, whilst continuing to increase investment for the future in key areas. While this transition process continues, it is a pleasing and noteworthy performance that, against the well-publicised backdrop of current economic and political uncertainty, new business origination increased in the half-year to 30 November 2018 to £82.3m, compared with £74.9m for the same period in the prior year.

Group revenue in the half year amounted to £16.0m (H1 2017/18: £13.9m) an increase of 15%, of which 80% is interest and other lending related income and 20% is commission income from broking. The £12.9m (H1 2017/18: £11.6m) of interest and other income from direct lending activities represented an increase of 11% and the £3.1m (H1 2017/18: £2.3m) of commission income from broking activities, an increase of 35% over the previous year.

Cost of sales, which principally comprise funding costs, introducer commissions paid out and bad debt costs, amounted to £5.2m (H1 2017/18: £4.8m) an increase of 8%. The result was an increase in Gross Profit and Gross Margin for the period to £10.7m and 67.2% respectively (H1 2017/18: £9.3m and 65.6% respectively).

Operating and Administrative costs, principally comprising staff and premises costs, amounted to £6.6m (H1 2017/18: £5.5m) an increase of 20%, which reflects investment in our capability in Group functions, such as Compliance and Governance, Marketing, HR, Finance and the 'Platform 1' systems project.

Profit before tax increased to £3.9m (H1 2017/18: £3.5m), an increase of 11%. Profit after tax in the period rose to £3.1m (H1 2017/18: £2.7m), whilst earnings per share ("EPS") increased 12% to 3.62p (H1 2017/18: 3.23p). EPS has been calculated on a weighted average basis. At the period end, a total of 87,596,428 ordinary shares were in issue.

The Board is pleased to declare an interim dividend for the first time of 0.28p per share for the half year ended 30 November 2018 to be paid on 1 May 2019 to shareholders on the register at 1 April 2019. The Group paid a single final dividend in respect of the financial year ended 31 May 2018 of 0.65p per share.

At the period end, the Group's consolidated net assets stood at £51.0m (31 May 2018: £47.9m), an increase of 6%.

Strategy
The board is pleased with the progress made to date in delivering its strategic objectives. Those set out in the Group's buy-and-build plan devised in 2014 are complete with the exception of the 'Platform1' systems integration project, which is planned to be completed during this calendar year. Plans have now been developed and are being specified for the next phase of the Group's strategic growth for the period through to the financial year ended 31 May 2023. In the next phase of development, the Group's overall goal is to become "the speciality finance provider of choice". To achieve this goal, the Group's objectives are to:

- Continue to add scale through both organic growth and carefully selected acquisitions with a view to building a lending portfolio of approximately £350m

- Continue to reduce the cost of borrowing through optimising the size, term, cost and mix of funding facilities
- Increase the amount of new business origination funded on balance sheet while maintaining the flexibility to act as a broker to other lenders
- Invest in marketing, branding, business intelligence, innovation and systems to further enhance the use of FinTech and our digital capability
- Invest in key hires, training and succession
- Exploit the leverage available to the Group from its multi-product offering, cross-selling and operational synergies
- Consider new products and additional territories for further expansion

The Group now comprises four product divisions, namely Asset Finance, Vehicles, Loan and Commercial Finance, operating from 7 sites in the UK with 185 employees serving over 20,000 SME businesses and consumers.

The Board is confident that the Group is maintaining its commitment to provide a range of finance solutions to support the UK SME sector and UK consumers whilst delivering growth in order to increase shareholder value.

Funding

The Group's capital management objective is to maintain a strong capital base to support its current operations and planned growth through to 2023 whilst continuing to reduce the cost of capital in order to provide returns for shareholders and benefits for other stakeholders. To meet these objectives, the Group has implemented a centralised Treasury function and adopted a policy of sourcing different funding instruments appropriate to each of the financial products it provides:

- In respect of Asset Finance, the Group is continuing to increase its block discount facilities, such as the £35m facility with British Business Bank and to pursue complementary credit instruments that will reduce the overall cost of borrowing.

- In respect of Loans, the Group utilises block discount facilities and a Secured Loan Note facility, comprising loans from high net worth individuals.

- In respect of Commercial Finance, the Group utilises 'back-to-back' bank facilities for lending against clients' receivables.

In each case, security is provided to each lender in the form of an assignment of the underlying lease, loan or invoice receivables.

Outlook

Demand for business-critical asset, loan and invoice finance from UK SMEs and cost-effective vehicle and property finance for consumers continues to be robust. This level of demand is encouraging given an increasingly competitive market for bank and alternative finance and against the current background of political and economic uncertainty. The Board continues to see opportunities for further organic and strategic growth and, with trading in line with Board expectations, looks forward with optimism to the continued success of the business.

Ian Smith
Chief Executive Officer, 1pm plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS TO 30 NOVEMBER 2018

	Note	**Unaudited 6 months to 30 November 2018**	Unaudited 6 months to 30 November 2017	Audited 12 months to 31 May 2018
		£'000	£'000	£'000
REVENUE		**15,967**	13,916	30,013
Cost of sales		**(5,245)**	(4,784)	(10,118)
GROSS PROFIT		**10,722**	9,132	19,895
Administrative expenses		**(6,634)**	(5,512)	(11,979)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		**4,088**	3,620	7,916
Exceptional items		**(89)**	(92)	254
Share-based payments		**(110)**	(66)	(204)
OPERATING PROFIT AFTER EXCEPTIONAL ITEMS		**3,889**	3,462	7,966
Finance income		**46**	35	63
Finance expense		**(79)**	(39)	(179)
PROFIT BEFORE TAXATION		**3,856**	3,458	7,850
Taxation		**(728)**	(774)	(1,448)
PROFIT AND TOTAL COMPREHENSIVE INCOME		**3,128**	2,684	6,402
Attributable to equity holders of the company		**3,128**	2,684	6,402
Profit per share attributable to the equity holders of the company during the Period		**Pence per share**	Pence per share	Pence per share
- basic	**6**	**3.62**	3.23	7,57
- diluted	**6**	**3.14**	2.72	6,46

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 NOVEMBER 2018

	Unaudited 6 months to 30 November 2018	Audited 12 months to 31 May 2018 Restated Note 8
	£'000	£'000
NON-CURRENT ASSETS		
Goodwill	**27,847**	27,847
Intangible assets	**512**	465
Property, plant and equipment	**1,426**	1,612
Trade and other receivables	**45,489**	50,096
Deferred tax	**569**	568
	75,843	80,588
CURRENT ASSETS		
Inventories	**484**	365
Cash and cash equivalents	**1,023**	2,070
Trade and other receivables	**80,454**	75,787
	81,961	78,222
TOTAL ASSETS	**157,804**	158,810
EQUITY		
Called up share capital	**8,761**	8,621
Share premium account	**25,131**	24,721
Employee Shares	**295**	295
Treasury Shares	**(300)**	(300)
Retained earnings	**17,120**	14,552
TOTAL EQUITY	**51,007**	47,889
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	**31,815**	33,256
Financial liabilities – borrowings	**1,041**	1,603
Provisions	**685**	1,903
	33,541	36,762
CURRENT LIABILITIES		
Trade and other payables	**68,156**	69,398
Financial liabilities – borrowings	**2,863**	2,625
Provisions	**1,350**	1,218
Tax payable	**887**	918
	73,256	74,159
TOTAL LIABILITIES	**106,797**	110,921
TOTAL EQUITY AND LIABILITIES	**157,804**	158,810

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 NOVEMBER 2018

	Unaudited 6 months to 30 November 2018	Unaudited 6 months to 30 November 2017
	£'000	£'000
Cash generated from operations		
Profit before tax	**3,856**	3,458
Depreciation and amortisation charges	**637**	653
Finance costs	**79**	39
Finance income	**(46)**	(35)
Decrease/(Increase) in inventory	**(119)**	(230)
Decrease/(Increase) in trade and other receivables	**(60)**	(12,918)
(Decrease)/Increase in trade and other payables	**(2,688)**	7,290
Movement in non-cash items	**(42)**	66
	1,617	(1,677)
Cash flows from operating activities		
Interest paid	**(79)**	(39)
Tax paid	**(759)**	(147)
Net cash generated from operating activities	**779**	(1,895)
Cash flows from investing activities		
Interest received	**46**	35
Acquisition of subsidiaries	**-**	(9,542)
Contingent consideration paid	**(536)**	-
Purchase of software, property, plant & equipment	**(451)**	(378)
Net cash generated from investing activities	**(941)**	(9,885)
Cash flows from financing activities		
Loan repayments in period	**(651)**	(744)
Loans issued in period	**326**	300
Issue of shares net of costs	**-**	12,133
Dividends paid	**(560)**	(419)
Net cash generated from financing activities	**(885)**	11,270
Increase in cash and cash equivalents	**(1,047)**	(510)
Cash and cash equivalents at the beginning of the period	**2,070**	2,078
Cash and cash equivalents at the end of the period	**1,023**	1,568

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS TO 30 NOVEMBER 2018

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	**Total Equity £'000**
Balance at 31 May 2018	8,621	24,721	14,552	(300)	295	**47,889**
Total comprehensive income	-	-	3,128	-	-	**3,128**
Transactions with owners						
Issue of share capital	140	410	-	-	-	**550**
Equity settled share-based transactions	-	-	-	-	-	**-**
Dividends	-	-	(560)	-	-	**(560)**
Balance at 30 November 2018	**8,761**	**25,131**	**17,120**	**(300)**	**295**	**51,007**
Balance at 31 May 2017	5,494	14,170	8,755	-	91	**28,510**
Total comprehensive income	-	-	2,684	-	-	**2,684**
Transactions with owners						
Issue of share capital	3,117	10,507	-	-	-	**13,624**
Equity settled share-based transactions	-	-	-	-	96	**96**
Dividends	-	-	(419)	-	-	**(419)**
Balance at 30 November 2017	**8,611**	**24,677**	**11,020**	**-**	**187**	**44,495**

1 BASIS OF PREPARATION

The financial information set out in the interim report does not constitute statutory accounts as defined in section 434(3) and 435(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 May 2018 prepared in accordance with IFRS as adopted by the European Union and with the Companies Act 2006 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies set out in the most recently available public information, which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 May 2018. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

The financial information for the six months ended 30 November 2017 and the six-month period to 30 November 2018 are unaudited and do not constitute the Group's statutory financial statements for these periods. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Going Concern

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

Recent Accounting developments

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies as a result of adopting IFRS 15 'Revenue from Contracts with Customers' and change its accounting policies and make retrospective adjustments as a result of adopting IFRS 9 'Financial Instruments'. The impact of IFRS 15 did not have any significant impact on the Group's financial statements. The adoption of IFRS 9 and the retrospective adjustments to the prior period are disclosed in note 8 below.

IFRS 16, 'Leases' has been issued but is not effective until January 2019. The new standard has not been adopted as application was not mandatory for the year. The standard will eliminate the classification of leases as either operating or finance leases and result in operating leases being treated as finance leases. This will result in previously recognised operating leases being treated as property, plant and equipment and a finance lease creditor. The issue of the standard will increase the value of property, plant and equipment and the finance lease liability on the balance sheet, but the adoption of this standard will not have a material impact on the profit of the Group.

2 SEGMENTAL REPORTING

The Group has one business segment to which all revenue, expenditure, assets and liabilities relate.

3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

4 TAXATION

Taxation charged for the period ended 30 November 2018 is calculated by applying the directors' best estimate of the annual tax rate to the result for the period.

5 SHARE CAPITAL

The Articles of Association of the company state that there is an unlimited authorised share capital.

Each share carries the entitlement to one vote.

On 23 October 2018 the Company issued 1,388,888 Ordinary £0.10 shares at £0.3975 per share, being deferred consideration to the vendors of Positive Cashflow (Holdings) Limited, as part of the Share Purchase Agreement entered into on 29 June 2017.

6 EARNINGS PER ORDINARY SHARE

The earnings per ordinary share has been calculated using the profit for the period and the weighted average number of ordinary shares in issue during the period. For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares.

	6 months to 30-Nov-18 £'000	6 months to 30-Nov-17 £'000	12 months to 31-May-18 £'000
Earnings attributable to ordinary shareholders	**3,130**	2,684	6,402
Basic EPS			
Weighted average number of shares	**86,503,533**	83,011,885	84,600,672
Per-share amount pence	**3.62**	3.23	7.57
Diluted EPS			
Weighted average number of shares	**99,617,558**	98,695,456	99,085,727
Per- share amount pence	**3.14**	2.72	6.46

7 DIVIDENDS

	6 months to 30-Nov-18 £'000	6 months to 30-Nov-17 £'000	12 months to 31-May-18 £'000
Ordinary shares of £0.10 each			
Final	**560**	419	419

The company paid a final dividend of £560,349 on 1 November 2018 being 0.65 pence per Ordinary £0.10 share for the financial year ending 31 May 2018.

8 CHANGES IN ACCOUNTING POLICIES

These Interim results are the first to be reported under the new IFRS 9 'Financial Instruments' accounting standard which has replaced the previous IAS 39 'Financial Instruments: Recognition and measurement'.

Under IFRS 9, impairment provisions are now recognised on the inception of any lending based on the probability of expected default and the typical loss arising on defaults, in effect the recognition of impairment on client receivables through an expected loss model. This differs from the previous treatment under IAS 39 which followed an incurred loss model with specific provisions only being reflected when there was 'objective evidence of impairment'.

The adoption of the new standard has meant that results for the financial year ended 31 May 2018 have been restated to enable a like-for-like prior year comparison.

As at 31 May 2018, the Group reported bad debt impairment provisions of £1,825,356. The IFRS 9 restatement increases the provision held on the Balance Sheet as at 31 May by £185,670 to £2,011,026.

9 COPIES OF THE INTERIM REPORT

Copies of the Interim Report are available from www.onepmfinance.co.uk and the Company Secretary at the registered office: 2nd Floor, St James House, The Square, Lower Bristol Road, Bath, BA2 3BH.