

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF MAR. WITH THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE ("RIS"), THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

30 September 2024

**Likewise Group plc**  
**("Likewise", the "Company" or the "Group")**  
**Interim results for the six months ended 30 June 2024**

***Continued growth towards medium term objectives***

Likewise Group plc (AIM:LIKE), the fast growing UK floor coverings distributor, is pleased to announce its unaudited interim results for the six months ended 30 June 2024 (the "Period" or "H1 2024") and a continued increase in sales, notwithstanding a prolonged period of challenging market conditions.

**Summary highlights**

- Total Sales revenue increased by 6.2% to £70.7m (H1 2023: £66.6m)
- Continued growth in Likewise Floors sales of 16.8%
- Gross margin increase of 1.1% to 31.1% in H1 2024 (H1 2023: 30.0%)
- Underlying EBITDA<sup>1</sup> of £3.63m (H1 2023: £3.11m)
- Underlying profit from operations of £1.21m (H1 2023: £1.19m)
- Underlying profit before tax<sup>2</sup> of £0.34m (H1 2023: £0.71m) reflecting the rising cost of interest
- Positive cash generation from Operating Activities of £2.88m (H1 2023: £1.68m)
- Deferred consideration of £4.27m paid in settlement of all outstanding acquisition obligations
- Interim Dividend of 0.125 pence per share to be paid on 15 November 2024 - a 25% increase on H1 2023 (0.1p per share)

<sup>1</sup> Underlying EBITDA is defined as profit before finance costs, tax, depreciation, amortisation, separately disclosed items and share based payments.

<sup>2</sup> Underlying profit before tax is defined as profit before amortisation, separately disclosed items and share based payments.

**H1 2024 highlights**

Likewise is pleased to announce further positive progress towards its medium term objectives during the first six months of 2024.

Despite challenging market conditions and widely publicised unprecedented events throughout all sectors of the UK flooring industry, Likewise increased total sales revenue by 6.2% with the organic growth through Likewise Floors specifically of 16.8% during H1 2024 compared to the corresponding period last year.

The Group continues to invest in the logistics infrastructure plus extensive sales and marketing initiatives including the recruitment of 14 additional Sales Executives in the last twelve months taking the total number to 94.

Notwithstanding the increased investment, particularly in the various Sales Teams, Underlying Operating Profit of £1.21 million is ahead of the previous year.

Reflecting the confidence in the future of the Group, the Board proposes to pay an Interim Dividend of 0.125 pence per Ordinary Share. The interim dividend will be paid on 15 November 2024

**Operations**

The Group has developed with support from its key manufacturing partners and has now further strengthened following additional strategic developments with other important European manufacturers. The product launches in Q3, and planned for Q4 2024, are at a significantly higher level than at any time during our short history and gives us every confidence that we will be able to continue to grow the business strongly into 2025.

Valley Wholesale Carpets ("Valley") makes an important contribution to Group profitability and positive Cash Flow. Valley is currently undertaking a number of initiatives to increase geographical market presence, enlarge product portfolio into various types of resilient flooring, extensive Point of Sale & Display Stands and expanding the core Carpet Range. All of which provides Valley with every opportunity to increase Sales and Profitability through the

excess capacity in the established Logistics Network of Ernt, Derby and Newport.

In Likewise Floors the Glasgow Distribution Hub established in 2023 is now making a meaningful contribution to the Likewise Logistics Network and capacity will be increased further in the Spring 2025 to help facilitate the growth of Likewise Floors in Scotland in addition to England and Wales.

Likewise North and North East are very well established in both Residential and Commercial Flooring. Their strong relationship with Flooring Retailers and Contractors provides every opportunity with the extensive product launches planned throughout the business in Q3 and Q4 2024 and into 2025.

A&A is now operational from its new Logistics Centre in Manchester and whilst the delay in moving impacted the business in the short term, A&A is now really well positioned to capitalise on the market opportunities before them.

Likewise Midlands now has a particularly strong presence in the Central Region and the Distribution Hub is a key contributor to the Likewise Floors Network.

In Newport South Wales, Likewise Wales formed in January 2024 has now established itself and will further invest in additional Sales Executives to expand their presence. The Group is now exploring planning consent to enlarge the Distribution Centre to become a 4<sup>th</sup> Hub in Likewise Floors in addition to creating extra capacity for Valley. This will provide the Group with meaningful additional processing capability from 2026. The project will be funded through existing facilities and free cash flow.

Floors by Lewis Abbott has just launched its new Collection of Premium Carpet Products at the recent Harrogate National Flooring Exhibition. Innovative Displays will be placed into Retailers during Q4 2024, enhancing the business during this period but more so providing an exciting future into 2025 and beyond.

Recent management changes at Delta Carpets will allow this semi-national business to fulfil its potential in Residential Flooring.

The businesses of Likewise South, Likewise London and Likewise South East are all making good progress in the South of England but still have huge untapped potential in this very important geographical area.

Likewise Rugs and Matting continues to develop its business in DIY, Garden Centres, Hardware Stores and General Independent Retailers.

Throughout the businesses of Valley, A&A, Delta, H&V, Floors by Lewis Abbott and Likewise Floors, the Group has 94 external Sales Executives visiting Flooring Retailers and Contractors each day to position new Point of Sale continually increasing the Group's market presence.

The Group is intending to increase its geographical reach into the South West of England with an additional Logistics Centre for both the Valley and Likewise businesses.

The current Logistics Network has capacity to comfortably exceed £200 million Sales Revenue and with limited investment, particularly in the Newport Distribution Hub can progress much further in 2026 and 2027.

The Group has banking relationships with NatWest, Barclays and HSBC and is operating well within the facilities provided. In addition, the Group has £22.0m of freehold property with very limited fixed debt.

The Board would like to thank all Suppliers, Customers, Management, Staff and Shareholders for their support and contribution to the ongoing development of Likewise Group.

## **Dividend**

The Board is pleased to announce a 25% increase in the interim dividend compared to H1 2023, reflecting its commitment to a progressive dividend policy, and its confidence in the long-term strategy of the Group.

The interim dividend of 0.125 pence per Ordinary Share will be paid on 15 November 2024 to shareholders on the register at the close of business on 11 October 2024, the ex-dividend date being 10 October 2024.

Shareholders can also take advantage of the Dividend Reinvestment Plan ("DRIP") by registering their intentions with the Company's registrar by 25 October 2024.

## **Outlook**

With extensive Sales and Marketing initiatives throughout its businesses, the Group looks forward to taking advantage of the traditionally busy Autumn trading period in Q4.

However, the quantum of the upturn in Q4 remains very difficult to predict given the unprecedented widespread restructuring in the UK flooring industry.

More importantly the Group is strategically well positioned to maximise the opportunities presented in the medium term and the Board is particularly confident in 2025, 2026 and beyond.

## **Tony Brewer, Chief Executive of Likewise Group plc, said:**

"The Group remains committed in its ongoing investment to ultimately maximise future opportunities, however the immediate return is diluted by difficult market conditions. Therefore, whilst the short term profit aspirations remain challenging, the Board is absolutely confident that the foundations are being prepared for a much larger business to achieve the medium term objectives.

With the longstanding relationship with flooring manufacturers and customers, combined with the flooring product knowledge of the people throughout our business and the Logistics Infrastructure established over the last three years, the Group is in an unrivalled position to take huge advantage of the opportunities before us. Notwithstanding the further progression as consumer demand and markets return to more normal levels."

## **For further information, please contact:**

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**CAUTIONARY STATEMENT**

Certain statements included or incorporated by reference within this announcement may constitute "forward-looking statements" in respect of the Group's operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as "anticipates", "aims", "due", "could", "may", "will", "should", "expects", "believes", "intends", "plans", "potential", "targets", "goal" or "estimates". By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the Group, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Group. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Statements in this announcement reflect the knowledge and information available at the time of its preparation.

**FINANCIAL OVERVIEW**

Likewise is pleased to report its interim financial results for the Period ended 30 June 2024. In addition to the Statement of Profit or Loss the below provides an overview of the Underlying performance of the Group.

	<b>H1 2024</b>		
	<b>Underlying</b>	<b>Non-Underlying</b>	<b>Reported</b>
<b>Revenue</b>	70,745,379	-	70,745,379
Cost of Sales	(48,771,849)	-	(48,771,849)
<b>Gross Profit</b>	<b>21,973,530</b>	<b>-</b>	<b>21,973,530</b>
Other operating income	-	-	-
Administrative expenses	(11,381,028)	(587,190)	(11,968,218)
Distribution costs	(9,306,676)	(46,248)	(9,352,924)
Impairment losses on trade receivables	(77,164)	-	(77,164)
<b>Profit/(loss) from operations</b>	<b>1,208,662</b>	<b>(633,438)</b>	<b>575,224</b>
Finance Income	31,651	-	31,651
Finance costs	(905,256)	-	(905,256)
Loss on revaluation of consideration on acquisition	-	(18,985)	(18,985)
<b>Profit / (loss) before tax</b>	<b>335,057</b>	<b>(652,423)</b>	<b>(317,366)</b>

	<b>H1 2023</b>		
	<b>Underlying</b>	<b>Non-Underlying</b>	<b>Reported</b>
<b>Revenue</b>	66,563,280	-	66,563,280
Cost of Sales	(46,619,938)	-	(46,619,938)
<b>Gross Profit</b>	<b>19,943,342</b>	<b>-</b>	<b>19,943,342</b>
Other operating income	-	-	-
Administrative expenses	(10,029,710)	(990,064)	(11,019,774)
Distribution costs	(8,655,326)	(30,537)	(8,685,863)
Impairment losses on trade receivables	(73,264)	-	(73,264)
<b>Profit/(loss) from operations</b>	<b>1,185,042</b>	<b>(1,020,601)</b>	<b>164,441</b>
Finance Income	21,417	-	21,417
Finance costs	(499,520)	(176,367)	(675,887)
Loss on revaluation of consideration on acquisition	-	-	-
<b>Profit / (loss) before tax</b>	<b>706,939</b>	<b>(1,196,968)</b>	<b>(490,029)</b>

Non-underlying items represent exceptional items, which include share based payment transactions, acquisition costs, amortisation of acquisition intangibles and strategic project costs. These represent non-GAAP metrics used by management to appraise the underlying performance of the business.

**Revenue & Margin**

Notwithstanding the challenges faced by the sector in 2024, Likewise has continued to benefit from its underlying business growth. Group revenues rose by 6.2% in the six months leading up to 30 June 2024, reaching £70.7 million (H1 2023: £66.6 million).

While the more mature businesses within the Group are naturally more sensitive to broader macroeconomic conditions, the Board is particularly pleased with the progress of Likewise Floors. The business achieved a 16.8% increase in sales compared to the same period in 2023, showcasing the strength of its established trade brand.

In response to current market challenges, the management team has developed a range of new sales and product

initiatives aimed at positioning the Group for growth as consumer demand improves in the latter half of 2024, and more importantly, as they look ahead to 2025.

Gross margin improved by 1.1% compared to the previous period, driven primarily by a favourable mix of sales and stock purchases. Likewise Wales, launched in January 2024, is performing ahead of expectations and continues to build on its strong foundation. Similarly, A&A Carpets' relocation to a new distribution centre in Manchester has enhanced materials handling capabilities, integration within the broader Likewise network, and provided an improved working environment for employees, all of which present significant growth opportunities in the northwest.

The increase in overhead costs reflects the continued investment in the business and its growth. However, the Board acknowledges that as the significant investment requirement reduces over time, incremental margin generation will lead to increasing return on sales.

Underlying profit before tax has decreased compared to the same period last year due to higher interest costs on the Group's variable-rate financing facilities. With cash generation expected to increase, the Group continues to carefully monitor its capital allocation.

## Balance Sheet and Cash Flow

The Group maintains a robust balance sheet, supported by £22.0 million in largely unencumbered freehold property assets.

Net working capital utilisation increased by £0.5 million, primarily driven by the increase in trade receivables during the period. Inventory growth was significantly higher in the same period in 2023 due to investments in initial stock builds for new facilities. Whilst the Group continues to invest in logistics infrastructure to support its medium-term ambitions, there were no major capital projects undertaken in H1 2024, leading to reduced cash outflows for property, plant and equipment investments.

The overall decrease in cash and cash equivalents is largely due to the Group's £4.3 million settlement of contingent consideration related to the acquisitions of Valley and Delta in 2022. While the cash settlement occurred in 2024, the liability had been recognised in the previous year's financial statements. This payment marks the important milestone of successfully meeting the Group's final major obligation, aside from its day-to-day commitments.

The Group continues to utilise invoice financing facilities as its primary source of finance, benefitting from flexibility and relatively low-interest costs. In addition, the Group holds a modest fixed-term bank loan secured against one of its properties. The Group also has access to a £1.75 million Trade Loan Facility in Valley, providing further flexible financing if needed. As of the reporting date, the Trade Loan Facility was unutilised with further headroom available on the invoice finance facility. The Group continues to appraise its financing arrangements but acknowledge the current arrangements provide suitable funding and flexibility to the Group to allow it to realise its growth ambitions.

## Interim Consolidated Statement of Profit or Loss and Other Comprehensive income (Unaudited) for the period

		6 month period ended	6 month period ended
		30 June 2024	30 June 2023
			<i>As restated</i>
	Notes	£	£
<b>Revenue</b>	<b>3</b>	<b>70,745,379</b>	66,563,280
Cost of sales		<b>(48,771,849)</b>	(46,619,938)
<b>Gross profit</b>		<b>21,973,530</b>	19,943,342
Administrative expenses		<b>(11,968,218)</b>	(11,019,774)
Distribution costs		<b>(9,352,924)</b>	(8,685,863)
Impairment losses on trade receivables		<b>(77,164)</b>	(73,264)
<b>Profit from operations</b>	<b>4</b>	<b>575,224</b>	164,441
Finance income		<b>31,651</b>	21,417
Finance costs		<b>(905,256)</b>	(675,887)
Loss on revaluation of consideration on acquisition		<b>(18,985)</b>	-
<b>Loss before tax</b>		<b>(317,366)</b>	(490,029)
Taxation	<b>5</b>	<b>(11,749)</b>	-
<b>Loss for the financial period</b>		<b>(329,115)</b>	(490,029)
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Revaluation of land and buildings		<b>154,870</b>	154,724
<b>Items that will or may be reclassified to profit or loss:</b>			
Exchange losses arising on translation of foreign operations		<b>(5,488)</b>	(10,147)
<b>Total comprehensive loss for the financial period</b>		<b>(179,733)</b>	(345,452)
<b>Earnings per share</b>		Pence per share	Pence per share
Basic loss per share	<b>6</b>	(0.13)	(0.20)
Diluted loss per share	<b>6</b>	(0.13)	(0.19)

Interim Consolidated Statement of Financial Position (Unaudited)		30 June 2024	31 December 2023
	Notes	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	8	5,624,284	5,624,284
Other intangible assets	9	3,811,980	3,938,497
Property, plant and equipment	10	29,229,808	29,442,007
Right-of-use assets	10	17,692,465	18,943,682
		<u>56,358,537</u>	<u>57,948,470</u>
<b>Current assets</b>			
Inventories		20,973,125	20,253,799
Trade and other receivables		20,127,286	17,679,986
Cash and cash equivalents		3,232,600	5,709,229
		<u>44,333,011</u>	<u>43,643,014</u>
<b>Total assets</b>		<u>100,691,548</u>	<u>101,591,484</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	11	(2,289,402)	(2,342,222)
Lease liabilities	11	(17,002,877)	(18,401,597)
Deferred tax liability		(1,866,950)	(1,866,950)
		<u>(21,159,229)</u>	<u>(22,610,769)</u>
<b>Current liabilities</b>			
Trade and other liabilities		(28,390,134)	(29,765,971)
Loans and borrowings	11	(7,561,724)	(5,273,300)
Lease liabilities	11	(4,312,596)	(4,373,760)
Provisions	13	(45,103)	(45,103)
		<u>(40,309,557)</u>	<u>(39,458,134)</u>
<b>Total liabilities</b>		<u>(61,468,786)</u>	<u>(62,068,903)</u>
<b>Net assets</b>		<u>39,222,762</u>	<u>39,522,581</u>
<b>Equity</b>			
Share capital	14	2,452,835	2,439,645
Share premium	14	17,514,900	17,396,190
Employee Benefit Trust shares	14	(223,636)	-
Warrant reserve		128,170	128,170
Share option reserve	15	874,945	903,295
Revaluation reserve		2,756,826	2,626,976
Foreign exchange reserve		(52,990)	(47,502)
Retained earnings		15,771,712	16,075,807
<b>Total equity</b>		<u>39,222,762</u>	<u>39,522,581</u>

#### Interim Consolidated Statement of Changes in Equity (Unaudited)

	Share £	Capital £	Share Premium Account £	EBT shares £	Revaluation reserve £	Retained earnings £
<b>Balance at 1 January 2024</b>		2,439,645	17,396,190	-	2,626,976	16,075,807
Loss for the period		-	-	-	-	(329,115)
Other comprehensive income		-	-	-	154,870	-
Share options exercised		13,190	118,710	-	-	-
Transfer between reserves		-	-	-	(25,020)	25,020
Share option valuation		-	-	-	-	-
Purchase of own shares into EBT		-	-	(223,636)	-	-
Dividends		-	-	-	-	-
<b>Balance at 30 June 2024</b>		<u>2,452,835</u>	<u>17,514,900</u>	<u>(223,636)</u>	<u>2,756,826</u>	<u>15,771,712</u>
		<b>Share option reserve £</b>	<b>Warrant reserve £</b>	<b>Foreign exchange reserve £</b>	<b>Total £</b>	
<b>Balance at 1 January 2024</b>		903,295	128,170	(47,502)	39,522,581	
Loss for the period		-	-	-	(329,115)	
Other comprehensive income		-	-	(5,488)	149,382	

Share options exercised	-	-	-	131,900
Transfer between reserves	-	-	-	-
Share option valuation	(28,350)	-	-	(28,350)
Purchase of own shares into EBT	-	-	-	(223,636)
Dividends	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>874,945</b>	<b>128,170</b>	<b>(52,990)</b>	<b>39,222,762</b>

	Share Capital £	Share Premium Account £	Revaluation reserve £	Retained earnings £
<b>Balance at 1 January 2023</b>	2,438,360	17,384,625	2,662,384	15,909,763
Loss for the period	-	-	-	(490,029)
Other comprehensive income	-	-	154,724	-
Share options exercised	225	2,025	-	-
Share option valuation	-	-	-	-
Dividends	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>2,438,585</b>	<b>17,386,650</b>	<b>2,817,108</b>	<b>15,419,734</b>

	Share option reserve £	Warrant reserve £	Foreign exchange reserve £	Total £
<b>Balance at 1 January 2023</b>	628,454	128,170	(40,487)	39,111,269
Loss for the period	-	-	-	(490,029)
Other comprehensive income	-	-	(10,147)	144,577
Share options exercised	-	-	-	2,250
Share option valuation	114,955	-	-	114,955
Dividends	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>743,409</b>	<b>128,170</b>	<b>(50,634)</b>	<b>38,883,022</b>

#### Interim Consolidated Statement of Cash Flows (Unaudited) for the period

	6 month period ended 30 June 2024 £	6 month period ended 30 June 2023 £
<b>Cash flows from operating activities</b>		
Loss for the period	(329,115)	(490,029)
<b>Adjustments for:</b>		
Depreciation and amortisation	2,651,539	2,255,228
Revaluation of consideration	18,985	-
Profit on disposal of tangible fixed assets	(8,750)	(74,021)
Finance income	(31,651)	(21,417)
Finance costs	905,256	675,887
Taxation	11,749	-
Decrease in provisions	-	(4,972)
Revaluation of share options	(28,350)	114,955
Net foreign exchange loss	(5,488)	(9,880)
	<b>3,184,175</b>	<b>2,445,751</b>
<b>Movements in working capital:</b>		
Increase in inventories	(719,326)	(2,201,266)
Increase in trade and other receivables	(2,696,419)	(2,539,302)
Increase in trade and other payables	2,870,239	3,972,387
	<b>2,638,669</b>	<b>1,677,570</b>
<b>Cash flows from operations</b>	<b>2,638,669</b>	<b>1,677,570</b>
Income tax received	241,809	-
	<b>2,880,478</b>	<b>1,677,570</b>
<b>Net cash from operating activities</b>	<b>2,880,478</b>	<b>1,677,570</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(477,779)	(2,865,150)
Purchase of intangibles	(99,830)	-
Proceeds from disposal of property, plant and equipment	12,623	88,197
Deferred consideration paid	(4,269,500)	-
Interest received	31,651	21,417
	<b>(4,802,835)</b>	<b>(2,755,536)</b>
<b>Net cash used in investing activities</b>	<b>(4,802,835)</b>	<b>(2,755,536)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(310,432)	(675,887)
Consideration for new shares	131,900	2,250
Purchase of own shares	(223,636)	-
Increase in invoice discounting	2,281,995	637,435
Repayment of lease liabilities	(2,387,708)	(533,601)
Cash received on leased assets	-	305,600

Repayment of loans	(46,391)	(47,029)
<b>Net cash used in financing activities</b>	<b>(554,272)</b>	<b>(311,232)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,476,629)</b>	<b>(1,389,198)</b>
Cash and cash equivalents at the beginning of financial period	5,709,229	5,913,155
<b>Cash and cash equivalents at end of financial period</b>	<b>3,232,600</b>	<b>4,523,957</b>
<b>Comprising</b>		
Cash at bank	3,232,600	4,523,957
	<b>3,232,600</b>	<b>4,523,957</b>

## Notes to the consolidated (unaudited) financial statements for the period ended 30 June 2024

### 1. General information

The Company is a public company limited by shares, registered in England and Wales and listed on the Alternative Investment Market (AIM). The registered company number is 08010067 and the address of the registered office is Unit 4 Radial Park, Radial Way, Birmingham Business Park, Solihull, England, B37 7WN.

The principal activity of the Group is the wholesale distribution of floorcoverings and associated products.

### 2. Accounting policies

#### Basis of preparation

The condensed and consolidated interim financial statements for the period from 1 January 2024 to 30 June 2024 have been prepared in accordance with International Accounting Standards ('IAS') 34 Interim Financial Reporting as adopted by the UK and on the going concern basis. They are in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2023 and those expected to be applied for the year ended 31 December 2024 unless otherwise stated below.

Employee Benefit Trusts ("EBTs") are consolidated on the basis that the Group has control, thus the assets and liabilities of the EBT are included in the consolidated statement of financial position and shares held by the EBT in the Company are presented as a deduction from equity.

These interim financial statements do not include all of the information required in annual financial statements in accordance with UK adopted International Accounting Standards and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

The comparatives shown are for the period 1 January 2023 to 30 June 2023, and at 31 December 2023 and do not constitute statutory accounts, as defined in section 435 of the Companies Act 2006, but are based on the statutory financial statements for the year ended 31 December 2023.

A copy of the Group's statutory accounts for the year ended 31 December 2023 has been delivered to the Registrar of Companies and the accounts are available to download from the Company website at [www.likewiseplc.com](http://www.likewiseplc.com).

The financial information is presented in pounds sterling, which is the functional currency of the Group and rounded to the nearest £. The financial statements are prepared on the historical cost basis unless otherwise specified within these accounting policies.

#### Going concern

The Group continues to utilise invoice financing arrangements in some subsidiaries and has the option to draw on additional authorised facilities to support working capital requirements. The Group has operated within these facilities throughout the period and continues to do so. The directors are confident that the Group will be able to operate within the finance facilities available to us.

The Group also has a trade loan facility, providing the Group with flexible short-term working capital to support its

trading activities, of up to £1.75m. As at the period end, there were no amounts drawn down from the facility.

The Board have also undertaken assessments of going concern by building a cash flow model through to December 2025, based on 2023 actuals, 2024 budget and forecast performance for 2025. These cashflows indicate that the business has adequate resources to continue to operate for the foreseeable future and within the current financing arrangements in place.

Overall, given the strength of the Group's balance sheet, cash reserves on hand, availability of financing arrangements and the strong forecast performance of the Group, this provides the directors with sufficient assurance on the Group's ability to continue as a going concern, and therefore adopt the going concern basis of accounting in preparing the interim financial statements.

### Impact of new international reporting standards

There are no accounting pronouncements which have become effective from 1 January 2024 that have a significant impact on the Group's interim condensed consolidated financial statements.

### Judgements and key sources of estimated uncertainty

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to consolidated financial statements for the year ended 31 December 2023.

### 3. Segmental reporting

For the purposes of segmental reporting, the company's Chief Operating Decision Maker (CODM) is considered to be the Executive Board of Directors. The Board has not identified any separate operating segments within the business. The Board reviews revenue and expenses for the business as a whole and makes decisions about resources and assesses performance based on this information.

Revenue is derived from continuing operations and arises entirely through the wholesale of goods. Segmental analysis is therefore not presented.

The Group is not reliant on any one customer and no customer exceeds 10% of total annual turnover.

The Group generates revenue from both the UK and overseas as detailed below:

	<b>6 month period ended 30 June 2024</b>	6 month period ended 30 June 2023 <i>As restated</i>
	£	£
UK	<b>70,602,934</b>	66,381,007
Other EU	<b>142,445</b>	167,623
Rest of the World	-	14,650
	<b>70,745,379</b>	66,563,280

### Seasonal fluctuations

The overall demand for the wholesale of floorcoverings has previously been higher in the third and fourth quarters of the year. In the previous six month period to 30 June 2023, revenue equated to 47.7% of the annual revenue generated.

### 4. Operating profit

Operating profit is stated after charging:

	<b>6 month period ended 30 June 2024 £</b>	<b>6 month period ended 30 June 2023 £</b>
Depreciation of property, plant and equipment including right-of-use assets	<b>2,425,192</b>	2,058,794
Amortisation of intangible assets	<b>226,347</b>	196,434
Share based payments	<b>(28,350)</b>	114,955
Impairment of inventories	<b>442,574</b>	274,075
Short term lease expense	<b>247,292</b>	196,610
Strategic restructuring and relocation costs	<b>376,165</b>	693,033
Loss from new operations	<b>89,289</b>	-
Muelebeke restructuring cost	-	47,122
Exceptional investment in point of sale	-	145,424
	=====	=====

## 5. Taxation on ordinary activities

Tax is calculated at 25% for the six months ended 30 June 2024 representing the average annual effective tax rate expected to apply for the full year. No income tax is expected in the period given the losses previously incurred by the Group. The tax charge of £11,749 for the period relates to amendments to prior period charges.

The Group has tax losses available to be carried forward. Due to uncertainty around timing of the Group's projects, management have not considered it appropriate to recognise all losses as an asset in the financial statements. Tax losses of £13,955,031 were available for offset against future taxable profits at 31 December 2023. A deferred tax asset of £1,318,295 was not recognised at 31 December 2023 in relation to these losses. In addition, a deferred tax asset of £162,970 was not recognised in relation to the future tax benefit on the future exercise of employee share options.

## 6. Earnings per share

Basic loss per share is based on the loss after tax for the period and the weighted average number of shares in issue during each period.

	<b>6 month period ended 30 June 2024 £</b>	<b>6 month period ended 30 June 2023 £</b>
Loss attributable to equity holders of the company	<b>(329,115)</b>	(490,029)
	=====	=====
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>244,638,112</b>	243,843,314
Adjustments for calculation of diluted earnings per share:		
Shares held by EBT	<b>(995,408)</b>	-
Options	<b>2,497,509</b>	5,268,969
Warrants	<b>2,900,000</b>	2,800,000
<b>Weighted average number of shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</b>	<b>249,040,213</b>	251,912,283
	=====	=====
	<b>Pence per share</b>	<b>Pence per share</b>
Basic loss per share (pence)	<b>(0.13)</b>	(0.20)
	=====	=====
Diluted loss per share (pence)	<b>(0.13)</b>	(0.19)

## 7. Dividends

Dividends were declared for the period to 30th June 2024 totalling £Nil (2023 - £Nil).

## 8. Goodwill

	<b>Goodwill</b>
	£
<b>Cost and net book value</b>	
At 31 December 2023	5,624,284
	<hr/>
<b>At 30 June 2024</b>	<b>5,624,284</b>
	<hr/> <hr/>

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The Directors have considered the impact of the current economic uncertainty on the value of the goodwill but did not deem there to be any impairment required as at 30 June 2024 (31 December 2023 - £Nil).

## 9. Other intangible assets

	<b>Delta Carpets Customer Base £</b>	<b>Likewise Floors Base £</b>	<b>Carpets Brand Name £</b>	<b>Likewise Floors Brand Name £</b>	<b>Software Modifi- cations £</b>	<b>Total £</b>
<b>Net book value</b>						
At 31 December 2023	423,790	1,450,272	446,086	1,495,869	122,480	3,938,497
Additions	-	-	-	-	99,830	99,830
Amortisation	(25,683)	(70,745)	(27,036)	(72,971)	(29,912)	(226,347)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2024</b>	<b>398,107</b>	<b>1,379,527</b>	<b>419,050</b>	<b>1,422,898</b>	<b>192,398</b>	<b>3,811,980</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Directors have considered the impact of the current economic uncertainty on the value of other intangibles but did not deem there to be any impairment required as at 30 June 2024 (31 December 2023 - £Nil).

## 10. Property, plant and equipment

	<b>Land and buildings £</b>	<b>Other owned assets £</b>	<b>Right-of-use assets £</b>	<b>Total £</b>
<b>Net book value</b>				
At 31 December 2023	22,022,872	7,419,135	18,943,682	48,385,689
Additions	25,845	451,934	344,064	821,843
Disposals	-	(3,873)	(11,064)	(14,937)
Depreciation	(154,870)	(686,105)	(1,584,217)	(2,425,192)
Revaluation	154,870	-	-	154,870
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2024</b>	<b>22,048,717</b>	<b>7,181,091</b>	<b>17,692,465</b>	<b>46,922,273</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 11. Loans and borrowings

	<b>Consolidated 30 June 2024 £</b>	<b>31 December 2023 £</b>
<b>Current borrowings - Secured</b>		
Bank loans and invoice discounting facility	7,561,724	5,273,300
Lease liabilities	4,312,596	4,373,760
	<hr/>	<hr/>
	<b>11,874,320</b>	<b>9,647,060</b>
	<hr/> <hr/>	<hr/> <hr/>

## Non-current borrowings - Secured

Bank loans	<b>2,289,402</b>	2,342,222
Lease liabilities	<b>17,002,877</b>	18,401,597
	<b>19,292,279</b>	20,743,819

The directors consider that the carrying amount of the invoice discounting facility and bank loan approximates their fair value.

The invoice discounting facility is secured against the related trade debtor balances and by a floating charge over the assets of the Group. The invoice discounting facility is denominated in Sterling. The invoice discounting facility is held for Likewise Floors Limited and has a fixed service charge of £18,000 per annum.

Lease liabilities are secured against the assets to which they relate.

	Carrying Amount	
	30 June 2024 £	31 December 2023 £
<b>Amounts repayable under bank loans</b>		
Within one year	<b>124,597</b>	118,168
In the second to fifth year inclusive	<b>485,852</b>	462,401
Beyond five years	<b>1,803,550</b>	1,879,821
	<b>2,413,999</b>	2,460,390

During 2023 the Company restructured their bank loans resulting in a principal loan value of £2,495,000 drawn down in July 2023. Repayments commenced in September 2023 and will continue until July 2038. The loan is secured by a fixed and floating charge over the Group's assets. The loan carries interest on a floating rate basis with interest at Bank of England rate plus a margin of 2.35%.

The loan is at a floating interest rate and exposes the Group to fair value interest rate risk.

During 2024 the subsidiary company, Valley Wholesale Carpets Limited, extended the trade loan facility agreement with Barclays Bank Plc. This agreement provides the company with the facility to drawdown up to a maximum limit of £1,750,000 available at their request. No funds were drawn down at 30 June 2024.

## 12. Financial Instruments

The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The only financial instruments the Group holds which are measured at fair value through the Income Statement (as level 2 above) are forward currency contracts and, in the prior period, deferred consideration. All other financial assets and liabilities are held at amortised cost.

The tables below set out the Group's accounting classification of each class of its financial assets and liabilities.

	30 June 2024 £	31 December 2023 £
<b>Financial assets at amortised cost</b>		
Trade receivables	<b>14,534,259</b>	12,432,679
Other receivables	<b>2,728,885</b>	2,938,182
Cash and cash equivalents	<b>3,232,600</b>	5,709,229
	<b>20,495,744</b>	21,080,090

All of the above financial assets' carrying values are approximate to their fair values, as at each reporting date disclosed.

	<b>30 June 2024 £</b>	31 December 2023 £
<b>Non-current financial liabilities at amortised cost</b>		
Bank loans	<b>2,289,402</b>	2,342,222
Lease liabilities	<b>17,002,877</b>	18,401,597
	<b>19,292,279</b>	20,743,819
	<b>30 June 2024 £</b>	31 December 2023 £
<b>Current financial liabilities at amortised cost</b>		
Trade payables	<b>24,574,841</b>	21,638,744
Other payables	<b>515,461</b>	533,997
Accruals	<b>1,460,636</b>	1,462,027
Invoice discounting facility	<b>7,437,127</b>	5,155,132
Bank loans	<b>124,597</b>	118,168
Lease liabilities	<b>4,312,596</b>	4,373,760
Deferred consideration - held at fair value	<b>-</b>	4,250,515
	<b>38,425,258</b>	37,532,343

All of the above financial liabilities' carrying values are considered by management to be approximate to their fair values, as at each reporting date disclosed.

At 30 June 2024, subsidiary companies held time option and forward Euro contracts totalling €932,624 and time option and forward USD contracts totalling 4,215,256. These contracts had a fair value of £(35,225) at period end and crystallise between 1 July 2024 and 31 December 2024.

### 13. Provisions

Provisions primarily relate to future dilapidation charges expected to be incurred in respect of the Group's leasehold property portfolio.

### 14. Share capital

<b>Consolidated and Company Issued and fully paid</b>	<b>30 June 2024 No.</b>	31 December 2023 No.
Ordinary shares of £0.01 each (2023: Ordinary shares of £0.01 each)	<b>245,283,480</b>	243,964,480

The Company has one class of ordinary share which carry no right to fixed income.

On 18 March 2024, the Company allotted 1,044,000 new £0.01 shares for consideration of £0.10 per share, totalling £104,400. These shares were issued under the Company's SAYE scheme.

On 10 May 2024, the Company allotted 275,000 new £0.01 shares for consideration of £0.10 per share, totalling £27,500. These shares were issued under the Company's SAYE scheme.

At the Annual General Meeting of the Company held on 20 June 2024, special resolutions were passed by members of the Company to authorise the disapplication of pre-emption rights in respect of shares allotted by the authority of the Directors of up to 10% of the issued share capital of the Company. In addition, a special resolution was passed to authorise the Directors of the Company to purchase own shares up to an aggregate 10% of the Company's issued share capital, where the Directors believe that it is in the interests of the Company to do so. The authority granted under each resolution expires at the earlier of, the end of the next AGM of the Company or 15 months from the date of the AGM in which the authority was granted. More information can be found in the Company's AGM notice on 23 May 2024. This can be found on the company website [www.likewiseplc.com/documents-reports-and-presentations](http://www.likewiseplc.com/documents-reports-and-presentations).

At 30 June 2024, the Company held in Trust 995,408 of its own shares with a nominal value of £9,954 which were purchased for consideration of £223,636. The shares were purchased at the market value at the date of each transaction. The Employee Benefit Trust has waived any entitlement to the receipt of dividends in respect of its holding of the Company's ordinary shares. The market value of these shares at 30 June 2024 was £141,846. In the current period 945,408 shares were repurchased and transferred into the Trust.

## 15. Share-based payments

The Group has a number of share options plans including a Savings-Related Share Option Plan ("SAYE") for all employees of the Group. In accordance with the terms of the plan, as approved by shareholders, employees of the Group may be granted options to purchase ordinary shares. There are no performance criteria for the SAYE and options are issued to participants in accordance with HMRC rules. Vesting is conditional on continuity of service.

As at 31 December 2023, 9,584,334 share options remained active. During the current period no new options were issued and 4,457,790 options lapsed on employees leaving the Group. During the current period, 1,319,000 options were exercised as detailed in note 14. The average remaining contractual life of the remaining 3,807,544 options is approximately 1.5 years.

In addition, as at 31 December 2023, 10,800,000 share options remained active which were issued under Enterprise Management Incentives (EMIs). There were no options granted, lapsed or exercised in the period leaving 10,800,000 options active as at 30 June 2024. The remaining contractual life of these options is approximately 0.5 years.

In addition, as at 31 December 2023, 4,900,000 share options remained active which were issued under a Company Share Option Plan ("CSOP"). There were no options granted, lapsed or exercised in the period leaving 4,900,000 options active at 30 June 2024. The remaining contractual life of these options is approximately 2.5 years.

Share options are valued using the Black-Scholes model. The inputs to the model are the option price and share price at date of grant, expected volatility (20%), expected dividend rate (0%) and risk free rate of return (4%). The model has been adjusted for expected behavioural considerations.

The cost of options is amortised to the Statement of Comprehensive Income over the service life of the option resulting in a credit of £28,350 for the period (2023 - charge of £114,955). A deferred tax asset has not been recognised in relation to the charge for share based payments.

## 16. Retirement benefit plans

Likewise Floors Limited, a subsidiary of the Group, operates a pension scheme providing benefits based on final pensionable pay. The Scheme is closed to new members and is closed to future accrual. For pensions earned after 5 April 1997 and for Guaranteed Minimum Pensions earned between 6 April 1988 and 5 April 1997, increases in payment will be in line with CPI rather than RPI. Revaluations of pensions in deferment are linked to RPI.

The assets of the Scheme are held separately from those of the Group in trustee-administered funds. The level of contributions is determined by a qualified actuary on the basis of triennial valuations. The liabilities have been rolled forward based on data at 31 December 2020.

The latest set of workings and assumptions can be found in the full Likewise Group Plc financial statements to 31 December 2023. At 31 December 2023, there was no recognition on the statement of financial position as the pension scheme assets were in excess of the defined benefit obligation. An updated valuation could not be obtained at 30 June 2024 and so no further disclosure has been made in this set of interim financial statements.

## 17. Restatement of comparatives

Management have restated the prior period comparatives within the subsidiary companies Valley Wholesale Carpets Limited and Likewise Floors Limited to ensure that classification of cost of sales, distribution expenses and administrative expenses are in line with the classifications of Likewise Group Plc.

The impact of this has been to:

- Decrease revenue by £30,852 from £66,594,132 to £66,563,280
- Decrease cost of sales by £174,415 from £46,794,353 to £46,619,938

- Decrease cost of sales by £174,413 from £40,794,555 to £40,619,500
- Increase administrative expenses by £652,592 from £10,367,182 to £11,019,774
- Decrease distribution costs by £509,029 from £9,194,892 to £8,685,863

There have been no amendments to the prior period Statement of Financial Position or overall loss for the financial period as a result of these reclassifications.

#### **18. Post balance sheet events**

On 5 July 2024, the Company made a dividend payment of £613,209.

On 8 July 2024, the Company allotted 300,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totalling £30,000. These shares were issued under the Company's SAYE scheme.

On 30 August 2024, 100,000 Ordinary Shares of £0.01 each were allotted to W H Ireland Limited to satisfy the exercise of warrants granted on 24 October 2023. The warrants have been exercised at a price of £0.05 per Ordinary Share, for an aggregate value of £5,000.

On 6 September 2024, the Company allotted 900,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totalling £90,000. These shares were issued under the Company's EMI scheme.

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