eve Sleep plc (“eve” the “Company”)

Interim Results

EBITDA positive since May, commencing planning for long term growth

eve Sleep, the direct-to-consumer sleep wellness brand operating in the UK, Ireland (together the “UK&I”) and France, today issues its results for the six months ended 30 June 2020 (the “Period”).

Financial Highlights[1]

	2020 H1 £m	2019 H1 £m	Movement
Revenue (UK&I and France)	12.2	12.9	-5%
Gross profit	6.8	6.7	+1%
Gross profit margin	55.6%	52.3%	+330bps
Marketing costs as a % of revenue	25.3%	51.0%	-2570bps
Marketing contribution[2]	1.5	(1.6)	+£3.1m
Underlying EBITDA Loss[3]	(0.8)	(5.9)	+£5.1m
Statutory loss before tax	(1.3)	(6.7)	+£5.4m
Cashflow from operations	1.8	(5.4)	+£7.2m
Net Cash at 30 June	9.2	12.5	-£3.3m

Business Highlights

- Strong improvement in trading from April, with revenues in Q2 increasing year-on-year by 25%
- Customer numbers for the period grew year-on-year by 7%
- Significant year-on-year increase in conversion rate due to the improving quality of website traffic
- Marketing efficiency in the period doubled versus the prior year
- Positive underlying EBITDA at constant currency in May and June – markedly ahead of Board expectations
- Cashflow positive in the period for the first time – ahead of Board expectations

Post Period End

- Partnership with Boots to stock a range of 'well slept' eve Christmas gifting products online and across their UK store estate from October
- New French retail partnership with Olivier Desforges showing initial success and now rolled out to eight stores. Early stage trial in two Casino stores from July
- UK spontaneous brand awareness in August 2020 up 200 bps year-on-year to 17%
- Net cash as at 31 August 2020 of £9m

Current Trading and Outlook

- Strong trading momentum has continued through the summer with revenue guidance for the full year raised on 3 September to at least £22m
- Underlying EBITDA loss for the full year to be lower than the Board's original expectations, following four months of positive EBITDA at constant currency
- Net cash position at the year end to reflect the better than expected trading
- Heightened economic uncertainty is likely to persist but eve is now in a stronger position to withstand challenges and capitalise on opportunities

Cheryl Calverley, CEO of eve Sleep, commented:

"This has been a highly unusual and complex trading period. eve has benefitted significantly from the accelerated switch to online, the temporary closure of high street retailers, and the recent increased consumer investment in the home, which, combined with the hard work on the rebuild strategy, has allowed us to see the fruits of our labour a little sooner than we anticipated.

The focus now is on building towards a longer-term growth plan as we draw closer to our goal of securing a base as a sustainable, profitable business. We do not expect this to be easy, and 2021 like 2020 may well bring both challenges and opportunities as economies shift, consumers reset and competitors rebuild. However, I have confidence in our brand, our products, our customer experience and most importantly, our team that we are now well set up to capitalize upon whatever opportunities the next few years may bring."

Footnotes

1. Financial data has been rounded for presentation purposes. As a result of this rounding the totals, comparatives and calculations presented in this document may vary slightly from the arithmetic totals or calculations using such data.

2. Marketing contribution is defined as the profit/loss after marketing expenditure but before overhead costs; a measure also referred to as operational profitability

3. Underlying EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, impairment, share-based payment charges connected with employee remuneration and fundraising-related expenditure (2019 only)

Summary

The first half

The rebuilding of eve is now two years in the making. Since the summer of 2018 when territorial expansion was reversed and achieving profitability became the central focus of the updated strategy, every aspect of the business has been re-evaluated and reset. The product range has broadened to build credibility in the wider sleep wellness space, the customer journey upgraded, marketing overhauled with a focus on greater effectiveness and efficiency, and the cost base right sized.

The disciplined execution of the rebuild strategy is increasingly evident in the improving performance of the business. Two years ago the business reported results for the six months ended 30 June 2018, which showed an H1 EBITDA loss of £11.9m on revenues of £18.8m, with a cash burn of £10.3m. Results for the six months to 30 June 2020 show that in the last two years EBITDA losses have been cut by 93%, on revenues 35% lower. The improvement in cashflow has been even more dramatic, with the Company reporting its first positive cashflow in a six-month period.

2020 has been a very unusual year to date. eve entered 2020 in good shape, having already completed the bulk of the restructuring and repositioning, including a further significant round of cost savings in Q4 of 2019. This enabled the business to adapt quickly and effectively to the impact of the Covid-19 pandemic. The supply chain proved to be robust and was supported by taking on some additional stock of key lines in advance of the lockdown. As a young, digitally led, progressive business, the shift to home working was seamless, with no noticeable impact on productivity and having previously right sized the business there has been no need to furlough staff.

The overall performance of the business through this complex period has been strong with revenues of £12.2m (H1 2019: £12.9m) and an 86% reduction in losses to £0.8m (H1 2019: £5.9m), both ahead of the Board's expectations. Trading patterns within the period have however fluctuated more than usual, with solid trading in the first two months, followed by a dip in mid-March as the countries eve operate in entered lockdown.

The recovery in all markets started in early April and strengthened in May and June, with the UK notably accelerating significantly ahead of expectations. This was buoyed by a strong homewares market, effective and efficient marketing and eve's online focused proposition, underpinned with tight cost control. Sales of premium mattresses and bedframes were strong representing 38% of volume sales for the period, supported by wider sales across toppers, pillows and duvets, resulting in 25% year-on-year revenue growth in Q2 and the Company's first break even EBITDA quarter at constant currency in its history. This is ahead of Board expectations by some way and reflects a highly unusual and unexpected period whereby upwards of 80% of the competitive set were unable to trade in their primary channel for three of the key trading months.

The strength of trading is also reflected in the net cash position of the business, which as at 30 June 2020 stood at £9.2m. The cash balance is flattered by some £0.5m of tax payments, which as part of the Government's Covid-19 support package for companies now fall due after the period end. Stripping this out the Company achieved an underlying positive net cashflow of £0.7m in the period.

Revenues for the UK&I for the period were £9.9m, marginally below H1 2019 sales of £10.2m, on marketing investment 44% lower year-on-year. The contribution from non-mattress sales held firm at 22%, reflecting the decision in the period to focus investment on mattresses. The greater focus on profitability is evident in the UK&I gross margin, which increased by 250bps to 56.6% as the Company improved product margins, tightened cost control and improved stock management.

French revenues for the period were £2.4m (H1 2019: £2.8m), after marketing investment 77% lower than the previous year. The French market experienced the same broad trading trends during the period as the UK&I, though the acceleration in sales post lockdown has not been as marked as the UK, largely due to the business being at an earlier stage in the development of its brand and customer experience. Nevertheless, the business has made good progress in the period with the gross margin increasing 660bps year-on-year to 51.6% and the marketing contribution improving from a loss of £1.2m in H1 2019 to a profit of £0.3m in H1 2020.

In May Cheryl Calverley was promoted from CMO to CEO, following the decision by James Sturrock to step down from the role that he has held since September 2018 to pursue other opportunities. The transition has been seamless and James continues to provide guidance to the Board in his new role as a Non-Executive Director. As one of the architects of the rebuild strategy and James' first significant hire, the business under Cheryl's leadership continues to focus on the execution of the rebuild strategy and the progress towards profitability.

Developments since the period end

The Company expects to benefit from further product launches and new partnerships in the second half of the year. Its increasingly strong brand positioning around broader sleep wellness has enabled the Company to develop a new 'well slept' range of eve sleep gifting products exclusively available in Boots stores and online. The new product range, which launches in October and will be stocked in some 446 stores across the UK and Ireland, as well as Boots online, represents a first for eve, further amplifying brand awareness and customer penetration.

In line with the strategy of building out its product range into the wider sleep wellness category, eve will be launching a weighted blanket in the autumn to aid a good night's sleep under the new 'well slept' range of sleep accessories, as well as adding to its ranges of bedroom furniture and bedding.

In France, the growing popularity of the brand has facilitated new partnerships with the bedroom and bathroom specialist retailer Olivier Desforges, and a live trial in two Casino supermarkets. Since late May, eve mattresses, bedframes and pillows have been available in Olivier Desforges stores across France and online. Retail partnerships remain an important element of the eve rebuild strategy, enabling eve to reach customers whenever and wherever they choose to shop.

Market overview

Long before Covid-19, wellness was recognised as a mega trend, with consumers expressing an increasing understanding and recognition that sleep sits alongside nutrition and physical fitness as the cornerstones of wellness. There is also a growing body of research and evidence which testifies to the importance of sleep and the risks to physical and mental health of insufficient sleep. In a recent poll of 2,000 UK adults commissioned by eve, 58% of respondents expressed worry about the potential impact a lack of sleep can have on mental and physical health and 8 out of 10 customers tell us they are better slept simply by having one of our products.

With the increasing understanding of the importance of sleep has come consumer change. Consumers are spending more on wellness and the sleep market has been a beneficiary of this. Data from Euromonitor estimates that the European sleep market is worth £26bn, with the Core Markets that eve is focused on (UK&I and France) being worth £6bn. Not only are consumers spending more on sleep wellness related products, but they are willing to spend more on the central element of a good night's sleep: the mattress. Whilst up-to-date macro data is limited, the strength of eve's trading since April 2020, including the strong demand for its premium hybrid mattress suggests that this trend may have been further amplified following Covid-19.

Initially one of the slower categories to transition to online purchasing, there has been increasing willingness on the part of consumers to purchase big ticket items online, with Euromonitor predicting that the online furniture market will be the second fastest growing retail category, with online purchase penetration expected to increase by 55% between 2018 and 2023. This forecast predates Covid-19, which is widely believed to have accelerated the trend to online purchasing.

Whilst the mattress market remains highly fragmented there has been considerable change in the competitive landscape. Primarily online brands Casper and Leesa have closed their European operations, while many store based competitors have reduced their high street footprints. eve's strategy is to differentiate itself from peers, supporting a broader, more varied product set through building a brand around the wider sleep wellness category. This can be seen in its advertising and eve's continued development of new product ranges beyond mattresses.

Progressing the rebuild strategy

The progress made on each of the three pillars of the rebuild strategy is set out below:

1. Differentiated brand positioning

Key to creating shareholder value is to provide a differentiated position from peers. To achieve this the Company aims to become a trusted destination for a wide range of sleep wellness related products, supported by a marketing strategy, focused on the benefits that eve can bring in helping customers sleep better. This is monitored through continuous customer research, tracking a 'sleep wellness score', with currently 8 out of 10 customers claiming they are sleeping better thanks to their eve products.

During the period the Company took advantage of the soft TV market to run existing, highly effective campaigns in both the UK and France. These proved successful, efficiently supporting the trading recovery that commenced in early April. Accordingly, marketing efficiency in the period more than doubled, with marketing investment expressed as a percentage of revenues declining to 25.3%. However, notwithstanding a 44% year-on-year reduction in UK marketing spend, spontaneous brand awareness in the UK increased by a further 200bps year-on-year to 17% in August 2020, supported by the success of the highly effective 'dancing sloth' advertising campaign.

2. Expanded product range

The Company continues to build a range of sleep wellness products to complement the range of hybrid and next generation foam mattresses. These operate at three price points, covering a range of consumer preferences.

Having launched a number of new products in 2019, the focus in 2020 has been on optimising and improving current product ranges, and H1 has seen the launch of one additional mattress, and upgrades and improvements to the bedding and bedframe ranges. This has allowed the value contribution of non-mattress products to remain consistent at 23% (H1 2019: 24%).

3. Lower friction customer experience

Enhancing customer experience through the online journey and in the service proposition in order to drive stronger site conversion and customer satisfaction is central to the rebuild strategy. Improved conversion not only results in higher revenues but also greater marketing efficiency, and stronger customer repeat rates which is key to achieving profitability.

Covid-19 caused an immediate shift in customer needs around product experience. For the period of lockdown, eve extended its usual 100 night trial to 200 nights, cognisant that customers may be focusing on bigger, and more pressing concerns than returning their mattress in this time. Equally, in response to the closure of waste management facilities nationwide, eve accelerated the planned launch of its 'deliver, remove and recycle' service in the UK, allowing customers to have their old mattress removed and recycled by eve. Uptake of this service has been remarkable, with around 30% of customers choosing to use the service over the period since the launch in May.

In addition to improving the online experience for customers, it remains a central element of the strategy to be physically available where customers choose to research and purchase sleep wellness products. Retail partnerships provide an effective and cost-efficient way to reach a wider audience, raise eve's brand awareness and drive additional sales. During the period considerable work was undertaken in France to secure the partnership with Olivier Desforges and the trial with supermarket chain Casino, both of which have gone live post the period end, in addition to the aforementioned launch of the 'well slept' gifting range with Boots in the UK.

The conversion rate has been steadily improving for some time, reflecting the optimisation of both the customer journey and the marketing investment, with the rate of growth accelerating following the start of lockdown. In the UK the conversion rate in the period improved by 70 bps year-on-year, with the French market growing 40 bps.

As a result of this broad, differentiated brand positioning, award winning and widened range of sleep products, and high quality customer experience, some 13% of customers have now returned for second and further purchases from eve in the past 3 years, beginning to drive an underlying organic rate of sale and contributing further to marketing efficiency.

4. Right sizing the cost base

Underlying the three pillars of the rebuild strategy is a sustained focus on costs and margins. Results in the period have benefitted from cost saving measures taken in Q4 of 2019. In addition, the Company has been overhauling its distribution costs, having moved warehouses and switched carriers in 2019. This has driven an immediate improvement in the customer experience but in the short-term has also driven an increase in distribution costs in the period. The financial benefits of the changes are expected to start to come through later in the year and into 2021.

Customer service remains an absolutely core differentiator for eve, and the business is increasing its investment here with new hires in response to the strength of current trading. Over the long term, eve believes developing best in class customer service that can operate at scale is a core differentiating advantage for the business, and this is a key part of its growth plans.

Current Trading and Outlook

As detailed in the statement released on 3 September 2020 the Company raised full year guidance following continued strong trading momentum through July and August. The Board now expects revenues of at least £22m, notwithstanding some important trading periods in the remaining four months of the financial year. The higher than budgeted revenues have had a positive impact on underlying EBITDA losses, with the Company having achieved positive underlying EBITDA on a constant currency basis in the four months from May. Notwithstanding the investment in a new TV led marketing campaign which is planned to launch later this year, underlying EBITDA losses for the full year are now expected to be lower than the Board's original expectation, with a corresponding improvement in the year end net cash position.

Looking ahead uncertainty over Brexit and a trade deal with the EU remains. The Company has to the extent possible put in place mitigations, which centre effectively on separate and local supply chains for its UK and French operations. These are already operating effectively and accordingly are not expected to result in higher costs. In addition, the Company will take on additional stock of popular lines in the run-up to 1 January 2021 in order to minimise the risk of any supply side challenges.

As the Company commences its long term planning for sustainable, profitable growth, it is cognisant that some of the principle drivers underpinning the current strength of trading could partially reverse and that heightened macro economic uncertainty may well continue into 2021, with inflation in raw material and component pricing in particular a challenge for the industry. However, management is confident that the business has been put onto a long term, sounder footing and that the Company is in good shape to withstand challenges and capitalise on the opportunities ahead.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

	Note	6 month period ended 30 June 2020 (Unaudited)	6 month period ended 30 June 2019 (Unaudited)	12 month period ended 31 December 2019 (Audited)
		£m	£m	£m
Revenue	2	**12.2**	**12.9**	**23.9**
Cost of sales	2	(5.4)	(6.2)	(11.2)
Gross profit		**6.8**	**6.7**	**12.7**
Distribution expenses	2	(1.6)	(1.2)	(2.7)
Administrative expenses		(6.3)	(11.5)	(21.3)
Share-based payment charges		(0.1)	(0.4)	(1.1)
Operating loss before fundraise-related expenditure		**(1.3)**	**(6.3)**	**(12.5)**
Fundraise-related expenditure		-	(0.3)	-
Operating loss		**(1.3)**	**(6.6)**	**(12.5)**
Net finance income		0.0	0.0	0.0
Loss before tax		**(1.3)**	**(6.6)**	**(12.5)**
Taxation		-	(0.0)	0.4
Loss for the period		**(1.3)**	**(6.6)**	**(12.1)**
Other comprehensive income				
Foreign currency differences from overseas operations		0.0	(0.1)	0.0
Total comprehensive loss for the period		**(1.3)**	**(6.7)**	**(12.1)**
Basic and diluted loss per share	3	(0.48p)	(2.88p)	(4.92p)

Consolidated Statement of Financial Position

	Note	6 month period ended 30 June 2020 (Unaudited)	6 month period ended 30 June 2019 (Unaudited)	12 month period ended 31 December 2019 (Audited)
		£m	£m	£m
Non-current assets				
Property, plant and equipment		0.3	-	0.5
Intangible assets		0.4	0.8	0.3
		0.7	0.8	0.9
Current assets				
Inventories		0.8	1.2	1.6
Trade and other receivables		1.8	3.3	2.6
Cash and cash equivalents		9.2	12.5	8.0
Current tax receivable		-	-	0.4
		11.7	17.0	12.6
Total assets		12.4	17.9	13.4
Current liabilities				
Trade and other payables		4.3	4.2	4.0
Provisions		1.0	0.7	0.8
Lease liabilities < 12 months		0.3	-	0.5
Total liabilities		5.6	4.9	5.3
Net assets		6.8	12.9	8.2
Equity attributable to the equity holders of the parent				
Share capital	4	0.3	0.3	0.3
Share premium		49.4	48.6	48.9
Share-based payment reserve		0.4	0.5	1.0
Retained earnings		(43.2)	(36.7)	(42.1)
Foreign currency translation reserve		(0.1)	0.2	0.1
Total equity		**6.8**	**12.9**	**8.2**

Consolidated Statement of Changes in Equity

For the 6 months ended 30 June 2020

	Share capital (Unaudited)	Share premium (Unaudited)	Share-based payment reserve (Unaudited)	Retained earnings (Unaudited)	Foreign currency translation reserve (Unaudited)	Total equity (Unaudited)
	£	£	£	£	£	£
Balance at 1 January 2020	**263,445**	**48,887,392**	**998,494**	**(42,109,328)**	**116,030**	**8,156,033**
Issue of new share capital	-	-	-	-	-	-
Exercise of employee share options	3,734	-	-	-	-	3,734
Share-based payment charge	-	-	138,370	9,843	-	148,213
Transfer on exercise of employee share options	-	-	(214,812)	214,812	-	-
Transfer on issue of equity for marketing purposes	5,390	533,658	(539,048)	-	-	-
Total transactions with owners	272,570	49,421,050	383,003	(41,884,673)	116,030	8,307,980
Loss for the period	-	-	-	(1,289,019)	-	(1,289,019)
Other comprehensive income for the period	-	-	-	-	(169,461)	(169,461)
Balance at 30 June 2020	**272,570**	**49,421,050**	**383,003**	**(43,173,692)**	**(53,431)**	**6,849,500**

For the 6 months ended 30 June 2019

	Share capital (Unaudited) £	Share premium (Unaudited) £	Share-based payment reserve (Unaudited) £	Retained earnings (Unaudited) £	Foreign currency translation reserve (Unaudited) £	Total equity (Unaudited) £
Balance at 1 January 2019	**139,735**	**36,716,371**	**250,073**	**(30,073,145)**	**98,720**	**7,131,755**
Issue of new share capital	120,317	11,911,415	-	-	-	12,031,732
Exercise of employee share options	683	-	-	-	-	683
Share-based payment charge	-	-	357,591	-	-	357,591
Transfer on exercise of employee share options	-	-	(93,923)	93,923	-	-
Transfer on issue of equity for marketing purposes	-	-	-	-	-	-
Total transactions with owners	260,735	48,627,786	513,741	(29,979,222)	98,720	19,521,761
Loss for the period	-	-	-	(6,660,017)	-	(6,660,017)
Other comprehensive income for the period	-	-	-	-	54,520	54,520
Balance at 30 June 2019	**260,735**	**48,627,786**	**513,741**	**(36,639,239)**	**153,240**	**12,916,264**

For the 12 months ended 31 December 2019

	Share capital (Audited)	Share premium (Audited)	Share-based payment reserve (Audited)	Retained earnings (Audited)	Foreign currency translation reserve (Audited)	Total equity (Audited)
	£	£	£	£	£	£
Balance at 1 January 2019	**139,735**	**36,716,372**	**250,073**	**(30,073,145)**	**98,720**	**7,131,755**
Issue of shares	120,317	11,911,415	-	-	-	12,031,732
Exercise of employee share options	770	-	-	-	-	770
Share-based payment charge	-	-	1,111,396	-	-	1,111,396
Transfer on exercise of employee share options	-	-	(100,747)	100,747	-	-
Transfer on issue of equity for marketing purposes	2,623	259,605	(262,228)	-	-	-
Total transactions with owners	123,710	12,171,020	748,421	100,747	-	13,143,898
Loss for the year	-	-	-	(12,136,930)	-	(12,136,930)
Other comprehensive income for the period	-	-	-	-	17,310	17,310
Balance at 31 December 2019	**263,445**	**48,887,392**	**998,494**	**(42,109,328)**	**116,030**	**8,156,033**

Consolidated Statement of Cash Flows

	6 month period ended 30 June 2020 (Unaudited)	6 month period ended 30 June 2019 (Unaudited)	12 month period ended 31 December 2019 (Audited)
	£m	£m	£m
Cash flows from operating activities			
Loss for the period	(1.3)	(6.7)	(12.1)
Taxation	0.4	-	-
Adjustments for:			
Amortisation and depreciation	0.3	0.1	0.5
Impairment	-	-	0.6
(Increase)/Decrease in inventories	0.8	(0.1)	(0.4)
(Increase)/Decrease in trade and other receivables	0.9	1.5	1.8
Increase/(Decrease) in trade and other payables	0.3	(0.3)	(0.6)
Increase/(Decrease) in provisions	0.2	(0.2)	(0.2)
Share-based payment charge	0.1	0.4	1.1
Net cash inflow/(outflows) from operating activities	**1.8**	**(5.4)**	**(9.3)**
Cash flows from investing activities			
Development of intangible assets	(0.2)	(0.3)	(0.5)
Net cash outflows from investing activities	**(0.2)**	**(0.3)**	**(0.5)**
Cash flows from financing activities			
Proceeds from the issue of share capital	0.0	12.0	12.0
Lease payments	(0.2)	-	(0.2)
Net cash inflow/(outflow) from financing activities	**(0.2)**	**12.0**	**11.8**
Net cash inflow	**1.4**	**6.4**	**1.9**
Cash at the beginning of the period	**8.0**	**6.0**	**6.0**
Movement in cash	1.4	6.4	1.9
Effect of exchange rate fluctuations on cash held	(0.2)	0.1	0.0
Cash at the end of the period	**9.2**	**12.5**	**8.0**

Notes to the accounts

1. Basis of preparation

The unaudited interim consolidated statements of eve Sleep plc are for the six months ended 30 June 2020 and do not comprise statutory accounts within the meaning of S.434 of the Companies Act 2006. These consolidated financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) as adopted by the EU. They do not include all disclosures that would otherwise be required in a complete set of financial statements. The consolidated financial statements are presented in Sterling, which is also the Group's functional currency.

Statutory accounts for the year ended 31 December 2019 have been delivered to the registrar of companies. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did include a reference to which the auditor drew attention by way of emphasis without qualifying their report in respect of going concern and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

The interim consolidated statements are prepared on a going concern basis notwithstanding that the group is competing and disrupting an established market and as is typical for a business at this stage of its lifecycle is still generating losses as it uses working capital to develop the business model and market share. The business has benefited from UK government Covid-19 support measures and deferred payment of VAT until 2021. No further government support has been utilised.

Changes to accounting standards

The interim consolidated statements have been prepared in accordance with accounting policies that are consistent with the accounts of the year ended 31 December 2019 and that are expected to be applied in the Report and Accounts of the year ended 31 December 2020.

2. Segmental Analysis

IFRS 8, "Operating Segments", requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been determined to be the executive board and has determined that the primary segmental reporting format of the Group is geographical by customer location, based on the Group's management and internal reporting structure.

The executive board assesses the performance of each segment based on revenue and gross profit after distribution expenses, which excludes administrative expenses.

For the period 1 January 2020 - 30 June 2020

(Unaudited)

	UK&I £m	France £m	Rest of Europe £m	Rest of World £m	Total £m
Revenue	9.9	2.4	(0.0)	(0.0)	12.2
Cost of sales	(4.3)	(1.1)	0.0	-	(5.4)
Gross Profit	5.6	1.2	(0.0)	(0.0)	6.8
Distribution expenses	(1.2)	(0.4)	0.0	-	(1.6)
Segmental results	4.4	0.8	(0.0)	(0.0)	5.2
Administrative expenses					(6.3)
Share-based payment charge					(0.1)
Net finance income					0.0
Loss before tax					**(1.3)**

For the period 1 January 2019 – 30 June 2019

(Unaudited)

	UK&I £m	France £m	Rest of Europe £m	Rest of World £m	Total £m
Revenue	**10.2**	**2.8**	**(0.0)**	**0.0**	**12.9**
Cost of sales	(4.7)	(1.5)	(0.0)	(0.0)	(6.2)
Gross Profit	**5.5**	**1.2**	**(0.0)**	**(0.0)**	**6.7**
Distribution expenses	(0.8)	(0.5)	0.1	0.0	(1.2)
Segmental results	**4.7**	**0.7**	**0.0**	**(0.0)**	**5.5**
Administrative expenses					(11.5)
Share-based payment charge					(0.4)
Fundraise-related expenditure					(0.3)
Net finance income					0.0
Loss before tax					**(6.7)**

For the year ended 31 December 2019

(Audited)

	UK&I	France	Rest of Europe	Rest of World	Total
	£m	£m	£m	£m	£m
Revenue	**18.6**	**5.3**	**(0.1)**	**0.0**	**23.9**
Cost of sales	(8.5)	(2.8)	0.1	(0.0)	(11.2)
Gross Profit	**10.0**	**2.6**	**0.1**	**(0.0)**	**12.7**
Distribution expenses	(1.8)	(1.0)	0.1	0.0	(2.7)
Segmental results	**8.2**	**1.6**	**0.2**	**(0.0)**	**10.0**
Administrative expenses					(21.4)
Share-based payment charge					(1.1)
Net finance income					0.0
Loss before tax					**(12.5)**

No analysis of the assets and liabilities of each operating segment is provided to the Chief Operating Decision Maker in the monthly management accounts. Therefore no measure of segmental assets or liabilities is disclosed in this note.

Due to the nature of its activities the group is not reliant on any major customers.

3. Earnings per share

The basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	30 June 2020	**30 June 2019**	**31 December 2019**
	(Unaudited)	**(Unaudited)**	**(Audited)**
Weighted average shares in issue	267,004,775	231,586,565	246,739,240
Loss attributable to the owners of the parent company (£)	(1,270,332)	(6,660,017)	(12,136,930)
Basic earnings/(loss) per share (pence)	(0.48)	(2.88)	(4.92)
Diluted earnings/(loss) per share (pence)	(0.48)	(2.88)	(4.92)

EPS and diluted EPS are not calculated for each class of share as the shares carry the same right to share in profit or loss for the year.

For the periods presented the weighted average number of shares used for calculating the diluted loss per share are identical to those for the basic loss per share. This is because the outstanding share options would have the effect of reducing the loss per share and would not be dilutive under IAS 33.

At 30 June 2020, options outstanding amounted to 16,420,457 (30 June 2019: 12,239,449). Given the loss for the period of (£1,270,332) loss (six months to 30 June 2019: loss of (£6,660,017)), these options are anti-dilutive.

4. Share Capital

Allotted, issued and fully paid:

	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	31 December 2019 (Audited)
Number of ordinary shares	272,569,414	260,735,630	263,444,823
Nominal value per share (£)	0.001	0.001	0.001
Share Capital	272,569	260,736	263,445