

**30 September 2024**

**Huddled Group plc**

**("Huddled", the "Company" or the "Group")**

**Interim Results & Trading Update**

Huddled Group plc (AIM:HUD), the circular economy e-commerce business, is pleased to announce its unaudited interim results for the six months to 30 June 2024, along with an update on trading for Q3 2024 to date.

**Highlights**

**Group**

*H1 Highlights*

- H1 2024 revenue £5,274,000, an increase of 123.4% compared with H2 2023 (H2 2023: £2,361,000)
- 44.5k new customers in period
- Completion of the acquisition of Food Circle Supermarket Limited on 11 April 2024 (since rebranded Nutricircle)

*Q3 Highlights to date*

- Q3 revenue expected to exceed £3.5m, an increase of circa 13% compared to Q2 2024
- Investment in production of TV advertisement for Discount Dragon - aired on ITV1 regionally in July 2024 and nationally at the end of September 2024
- Cash on hand of circa £2.0m, following circa £0.5m further investment in stock in anticipation of the Q4 period. Total stock on hand is circa £1.8m. (inclusive of Let's Explore stock).
- Acquisition of 75% controlling stake of Boop Beauty Limited on 5 July 2024, post-period end

**Discount Dragon**

*H1 Highlights*

- H1 2024 revenue up 61.3% to £4,903,000 (H2 2023: £3,039,000)
- H1 2024 orders placed up 54.0% to 137.8k (H2 2023: 89.5k)
- Average order value (AOV) up 3.8% to £34.99 (H2 2023: £33.70)
- New customers added in the period up 70.6% to 41.5k (H2 2023: 24.3k)

*Q3 Highlights to date*

- Q3 2024 revenue expected to exceed Q2 2024
- Removal of £30 minimum spend threshold in August 2024

- Q3 2024 AOV expected to exceed £39, an increase of circa 11% compared with Q2 2024. AOV increased month-on-month during the quarter with September 2024 AOV expected to exceed £41
- Q3 2024 new customers expected to be circa 16k

### **Nutricircle**

#### *H1 Highlights (12 April - 30 June 2024)*

- Revenue of £349,000 in the period
- 9.8k orders in the period
- AOV of £35.83 in the period
- 3.0k new customers in the period

#### *Q3 Highlights to date*

- Q3 2024 revenue expected to exceed £550,000 an increase of 58% compared to the Q2 2024 post-acquisition period
- AOV for Q3 2024 expected to exceed £36.50
- New customers expected to exceed 6,000, an increase of 100% on H1
- Expected to generate a modest operating profit contribution in September

### **Boop Beauty**

- Site successfully relaunched on 12 September 2024 with enhanced range
- Winner of Marie Claire Magazine Sustainability Award 2024
- Encouraging website traffic and sales expected to be circa £25,000 from relaunch to the end of September

### **Martin Higginson, Chief Executive Officer of Huddled, commented:**

*“H1 2024 was all about investment and growth, expanding our offering and solidifying the foundations of the business. Alongside this, we were pleased to deliver continued growth in revenues exceeding £5m. The acquisition of Food Circle Supermarket, now rebranded Nutricircle, followed by Boop Beauty in Q3 have strengthened the Group’s e-commerce portfolio, and underpinned our commitment to saving surplus stock from going to waste. We have demonstrated to manufacturers and suppliers alike that there is an alternative, allowing customers to save money on some of their favourite brands, from coffee to cosmetics, perfumes to protein shakes. The positive comments we receive on TrustPilot, as well as the thousands of customers that come back month after month is testament to our strategy.*

*“H2 2024 is now about continued growth, while also driving efficiencies from shared Group operations and expertise, all of which we believe will deliver a profitable and sustainable business model.”*

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## **Chairman's statement**

Group revenue continues to grow strongly, as well as improving the key performance indicators of average order value (AOV) and basket margin. This successful formula will, we believe, drive the operating businesses forward towards monthly profitability.

The team continues to deliver growth as demonstrated by the performance in Q3 2024. We believe the decision to remove the minimum order value on Discount Dragon has proven to be the correct one, resulting in AOV and basket margin (revenue less cost of goods, packaging and processing fees) improving significantly. This has allowed customers the choice of placing smaller orders and paying for postage, or spending over £30 to get free postage.

The acquisition of both Nutricircle (formerly Food Circle Supermarket) and Boop Beauty have been excellent additions alongside Discount Dragon, and fit perfectly into our strategy of saving surplus products from waste, whilst providing customers with great deals. Early signs following the rebranding of Nutricircle are encouraging and suggest further growth for Q4. We also look forward to seeing the impact of our initial improvements, including a new website, and a much broader range, on the Boop Beauty business over the balance of the current financial year.

Overall, the team has delivered a period of good progress in the year to date. Now with a portfolio of complementary e-commerce businesses utilising shared fulfilment, marketing and finance resources, the team is focused on growing revenue in Q4 and reaching the tipping point for profitability in the three core trading businesses.

## **Chief Executive's review**

### ***Group***

With a focus very much on top line growth we saw Group revenues for H1 2024 grow to £5,274,000. Bolstered by the Nutricircle acquisition, trading in Q2 2024 saw solid progress delivering £3,130,000 of revenue for the period, an increase of circa 46% vs £2,144,000 in Q1 2024.

The Group reported an expected adjusted EBITDA loss of £1,550,000 for the period (net of £602,000 PLC costs), as we invested in the building blocks for future growth. We have grown the e-commerce and marketing teams, invested in the production of a TV advert, further developed and rebranded our websites, as well as strengthening the warehouse operations along with increased marketing spend. In the period we attracted over 44,000 new customers helping us drive revenue to over £5m.

During the period we continued to invest in stock, strengthening selected categories such as alcohol and homeware for Discount Dragon, and deepening the stock for Nutricircle.

At the half year stock levels had increased to some £1.3m for the Group (31 December 2023: £0.7m). Our ability to be able to react to stock opportunities quickly and efficiently has enabled us to establish deeper relationships with key suppliers, and to open new sources of supply, and take steps in developing direct relationships with manufacturers. We believe our approach to surplus stock resonates with suppliers and brands as they look to reduce waste and improve their ESG footprint.

We are pleased with the progress we have made in the H1 2024, and look forward to driving further operational synergies over the coming months. We have continued to invest across all areas in Q3 2024, fuelling further growth in revenues to circa £3.5m, which would represent an increase of circa 13%, against Q2 2024. Nutricircle has moved into operational profitability, Boop Beauty has

relaunched successfully, and the losses at Discount Dragon have reduced significantly as we move towards operational profitability.

### **Discount Dragon**

Discount Dragon's revenue increased 61.3% to £4,903,000 in the period (H2 2023: £3,039,000). This was driven by a 53.9% increase in the number of orders to 137.8k (H2 2023: 89.5k) and a 3.8% increase in AOV to £34.99 (H2 2023: £33.70)<sup>1</sup>. The business added 41.5k new customers in the period, an increase of 70.6% from the prior period.

In what was a period of heavy investment in operational capabilities, the division made an adjusted EBITDA loss of £731,000. As demonstrated by the table below, divisional basket margin was £953,000, with strong quarter-on-quarter growth in both revenue and margin per cent.

As Nutricircle and Boop Beauty are integrated into the Group's central operations, both marketing and warehouse personnel costs will be shared across the three brands and the current cost of Nutricircle's warehouse and related personnel will be saved.

	<b>Q1 2024</b>	<b>Q2 2024</b>	<b>H1 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revenue	2,133	2,770	4,903
Product, postage & packaging and payment processing costs	(1,760)	(2,190)	(3,950)
<b>Basket margin</b>	<b>373</b>	<b>580</b>	<b>953</b>
	<b>17.5%</b>	<b>20.9%</b>	<b>19.4%</b>
Advertising expenses	(199)	(223)	(422)
Warehouse personnel	(244)	(393)	(637)
<b>Gross loss</b>	<b>(70)</b>	<b>(36)</b>	<b>(106)</b>
	<b>(3.3%)</b>	<b>(1.3%)</b>	<b>(2.2%)</b>

Warehouse personnel costs increased significantly in Q2 2024, predominantly due to additional shifts to be able to service increased levels of demand. A substantial element of the warehouse personnel costs are fixed meaning that additional picking and packing capacity can be added to existing shifts incrementally as needed and costs do not grow pro-rata to order levels, such that the overall warehouse staff costs per order should fall with increasing volume. With effect from its relaunch earlier this month, Boop Beauty's orders are being fulfilled from Discount Dragon's Leigh warehouse and Nutricircle's warehousing is expected to be absorbed into the same operation in October 2024. Fulfilment capacity across the Group will increase substantially as of February 2025, following the doubling of the operational space and related fit-out at the current facility.

<sup>1</sup> As previously reported, AOV in Q1 2024 was negatively impacted by incentives given to new customers. Q2 2024 AOV was £36.87 and Q3 2024 is trending above that.

In July 2024 we produced and ran a regional trial of a TV advertisement on ITV1 in Granada and Yorkshire and a trial on Heart and LBC radio, the results were encouraging, with some important data points coming out of the trial. On the back of this we decided to remove the minimum £30 spend threshold, and invest in improvements to the website, making the User Experience (UX) easier to navigate, as well as easier to checkout. We reduced advertising spend in August and early September whilst these changes were made. The TV and Radio advertising campaign was resumed as of 23 September 2024.

Following the removal of the £30 minimum order threshold, allowing customers to purchase as little or as much as they need, along with the UX improvements, we have seen improved customer satisfaction, and a steady increase in AOV with September 2024 AOV expected to exceed £41. In addition, we have seen a steady increase in basket margin, along with returning customer numbers - 74% of August 2024 orders came from returning customers.

Having successfully driven up the AOV and basket margin in Q3, we will now look to scale marketing to drive further growth and harness the efficiencies which will flow from running three businesses from the one location.

### ***Nutricircle***

We have been pleased with Nutricircle's progress following the completion of its acquisition on 11 April 2024.

The business generated £349,000 revenue and delivered gross profit of £53,000 in the period from its acquisition to 30 June 2024.

In late August 2024 the rebrand to Nutricircle was completed. This has been extremely well received with September 2024 revenue not only exceeding expectations but delivering the brand's best performance to date, and driving this operational business into profitability. September 2024 revenue is expected to be circa £225,000 allowing the business to deliver a modest profit contribution, and paving the way for further growth and synergies over the coming months.

As noted above, we expect fulfilment of all Nutricircle orders will be absorbed into our centralised warehouse in Leigh during October 2024 which should result in significant net cost savings. The move will also allow us to migrate the postage to a single Royal Mail contract, which we expect to yield future volume discounts, as well as allowing Nutricircle to join Discount Dragon and Boop Beauty in being able to deliver to any location in the UK, including Northern Ireland, the Highlands of Scotland and the Channel Islands, all of which are currently charged a significant premium on the delivery charges. This combination should not only aid sales growth but also reduce overall delivery costs.

With Nutricircle already turning a modest profit contribution we look forward to building on this and driving further synergies as we continue to exploit the benefits of Group fulfilment, marketing and website user experience knowledge.

### ***Boop Beauty***

On 5 July 2024, Huddled acquired a controlling stake of 75% of the share capital in Boop Beauty Limited, an e-commerce business specialising in surplus beauty and cosmetic products. Boop Beauty was founded by Yasmine Amr, formerly a L'Oreal in-house lawyer, who remains with the business in

an advisory role. Since the acquisition, we have introduced a new website, improving the stock offering, and preparing for launch. The business was officially relaunched on 12 September 2024.

Whilst still early days, we are pleased with the initial sales performance which has exceeded our expectations. The range being offered to consumers is impressive with products from many well known brands such as Sol de Janeiro, Drunk Elephant, L’Oreal, ESPA and many more at substantial discounts to high street prices.

With over £3 billion of cosmetics going to waste each year it was clear to us there was a need for a business like Boop Beauty, helping cosmetic companies solve their waste challenges, as well as allowing customers to purchase products, some of which they would sample for the first time, often at a huge discount to their retail price.

The strategy of the business was further endorsed recently when Boop Beauty was awarded the Marie Claire 2024 Sustainability Award in the category of Small Business: Best Multi-Brand Retailer for beauty, health & wellness.

### ***Let’s Explore***

On 10 May 2024, the Group entered into a strategic partnership with Wicked Vision Limited. Under the terms of the agreement, Wicked Vision initially acquired a 25% stake in the business, with Huddled retaining 75% ownership. The agreement allows Wicked Vision to increase its stake to 50% once Huddled has received a net inflow of circa £400,000, being the value of the working capital in the business at the time the deal was completed. Wicked Vision has taken charge of the day-to-day operations of the Let’s Explore business and we have already started to observe encouraging signs of progress.

Post-period end, in July 2024, an updated Vodiak Pro product, which includes a new and improved headset and 100 VR experiences, was launched on QVC USA. The new product was received well with all 6,000 units ordered selling out across two airings. QVC USA has since ordered a further 15,000 units to be delivered in November, and QVC UK some 6,000 units.

In addition to the QVC sales and a number of smaller B2B sales, we have commenced our Q4 B2C, and Amazon sales strategy for the Let’s Explore range, including Oceans, Wildlife and Space. In total we hold circa 12,000 units which we plan to sell in Q4 2024 via Amazon and via our website priced at \$99.

**HUDDLED GROUP PLC**  
**CONSOLIDATED INCOME STATEMENT**  
for the six months ended 30 June 2024

	Notes	Unaudited Six months to 30 June 2024 £'000	Unaudited Six months to 30 June 2023 £'000	Audited 12 months to 31 December 2023 £'000
<b>Continuing operations</b>				
Revenue		5,274	62	2,423
Cost of sales		(5,402)	(139)	(2,468)
<b>Gross loss</b>		<b>(128)</b>	<b>(77)</b>	<b>(45)</b>
Other income	4	6	129	244
Administrative expenses		(1,809)	(1,353)	(2,813)
<b>Operating loss</b>		<b>(1,931)</b>	<b>(1,301)</b>	<b>(2,614)</b>
<b>Memorandum:</b>				
<b>Adjusted EBITDA</b>		<b>(1,550)</b>	<b>(455)</b>	<b>(1,333)</b>
Depreciation		(38)	(10)	(28)
Amortisation		(210)	(86)	(241)
Share based payments		-	(332)	(337)
One-off costs	5	(133)	(418)	(675)
<b>Operating loss</b>		<b>(1,931)</b>	<b>(1,301)</b>	<b>(2,614)</b>
Finance costs		(1)	(1)	(2)
Finance income		92	189	337
<b>Loss before taxation</b>		<b>(1,840)</b>	<b>(1,113)</b>	<b>(2,279)</b>
Taxation		81	(4)	(8)
<b>Loss for the period from continuing operations</b>		<b>(1,759)</b>	<b>(1,117)</b>	<b>(2,287)</b>
Profit after tax from discontinued operations		-	15,177	15,268
<b>Profit/(loss) for the period</b>		<b>(1,759)</b>	<b>14,060</b>	<b>12,981</b>
<b>Attributable to:</b>				
Equity holders of the company		(1,745)	14,060	12,981
Non-controlling interests		(14)	-	-
		<b>(1,759)</b>	<b>14,060</b>	<b>12,981</b>



**HUDDLED GROUP PLC**  
**CONSOLIDATED INCOME STATEMENT (CONTINUED)**  
for the six months ended 30 June 2024

	Unaudited Six months to 30 June 2024 £'000	Unaudited Six months to 30 June 2023 £'000	Audited 12 months to 31 December 2023 £'000
<b>Other comprehensive income/(expense) for the period</b>			
Profit/loss for the period	(1,759)	14,060	12,981
Profit/(loss) on translation of subsidiaries	2	(285)	(282)
Cumulative translation differences transferred to the income statement on disposal of subsidiaries	-	155	155
<b>Total comprehensive income/(expense) for the period</b>	<b>(1,757)</b>	<b>13,930</b>	<b>12,854</b>
<b>Attributable to:</b>			
Equity holders of the company	(1,743)	13,930	12,854
Non-controlling interests	(14)	-	-
	<b>(1,757)</b>	<b>13,930</b>	<b>12,854</b>

	Notes	Unaudited Six months to 30 June 2024 £0.01	Unaudited Six months to 30 June 2023 £0.01	Audited 12 months to 31 December 2023 £0.01
<b>Earnings/(loss) per share</b>				
<b>From continuing and discontinued operations</b>				
Basic EPS	6	(0.55)	3.50	4.04
Diluted EPS	6	(0.55)	3.50	4.04
<b>From continuing operations</b>				
Basic EPS	6	(0.55)	(0.28)	(0.71)
Diluted EPS	6	(0.55)	(0.28)	(0.71)
<b>From discontinued operations</b>				
Basic EPS	6	-	3.78	4.75
Diluted EPS	6	-	3.78	4.75

**HUDDLED GROUP PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the six months ended 30 June 2024**  
**(Unaudited)**

	Share capital £'000	Share premium £'000	Foreign exchange reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Equity reserve £'000	Retained (deficit)/ earnings £'000	Total equity £'000
Balance at 1 January 2023	166	20,556	93	-	-	-	(15,494)	5,321
Profit for the period	-	-	-	-	-	-	14,060	14,060
Currency translation of overseas subsidiary	-	-	(285)	-	-	-	-	(285)
Cumulative translation differences transferred to the income statement on disposal of subsidiaries	-	-	155	-	-	-	-	155
Exercise of share options	19	1,159	-	-	-	-	-	1,178
Reduction in share premium	-	(20,572)	-	-	-	-	20,572	-
Buyback and cancellation of shares	(109)	-	-	-	109	-	(12,527)	(12,527)
Equity settled share-based payments	-	-	-	-	-	-	332	332
<b>Balance at 30 June 2023</b>	<b>76</b>	<b>1,143</b>	<b>(37)</b>	<b>-</b>	<b>109</b>	<b>-</b>	<b>6,943</b>	<b>8,234</b>
Loss for the period	-	-	-	-	-	-	(1,079)	(1,079)
Currency translation of overseas subsidiary	-	-	3	-	-	-	-	3
Buyback and cancellation of shares	(1)	-	-	-	1	-	(153)	(153)
Acquisition of subsidiaries	52	-	-	2,823	-	417	-	3,292
Equity settled share-based payments	-	-	-	-	-	-	5	5
<b>Balance at 31 December 2023</b>	<b>127</b>	<b>1,143</b>	<b>(34)</b>	<b>2,823</b>	<b>110</b>	<b>417</b>	<b>5,716</b>	<b>10,302</b>

**HUDDLED GROUP PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
for the six months ended 30 June 2024  
(Unaudited)

	Share capital £'000	Share premium £'000	Foreign exchange reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Equity reserve £'000	Non- controlling interests £'000	Retained (deficit)/ earnings £'000	Total equity £'000
Balance at 1 January 2024	127	1,143	(34)	2,823	110	417	-	5,716	10,302
Loss for the period	-	-	-	-	-	-	(14)	(1,745)	(1,759)
Currency translation of overseas subsidiary	-	-	2	-	-	-	-	-	2
Acquisition of subsidiaries	1	-	-	53	-	54	-	-	108
Partial disposal of subsidiary	-	-	-	-	-	-	28	(28)	-
<b>Balance at 30 June 2024</b>	<b>128</b>	<b>1,143</b>	<b>(32)</b>	<b>2,876</b>	<b>110</b>	<b>471</b>	<b>14</b>	<b>3,943</b>	<b>8,653</b>

**HUDDLED GROUP PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2024

	Notes	Unaudited 30 June 2024 £'000	Unaudited 30 June 2023 £'000	Audited 31 December 2023 £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8	208	152	209
Right-of-use assets	8	36	-	-
Intangible assets	9	4,244	159	3,935
<b>Total non-current assets</b>		<b>4,488</b>	<b>311</b>	<b>4,144</b>
<b>Current assets</b>				
Inventories		1,312	47	724
Trade and other receivables	10	694	1,594	1,819
Contract assets		11	17	95
Cash and cash equivalents		3,280	6,827	4,268
<b>Total current assets</b>		<b>5,297</b>	<b>8,485</b>	<b>6,906</b>
<b>Total assets</b>		<b>9,785</b>	<b>8,796</b>	<b>11,050</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	11	(995)	(529)	(580)
Contract liabilities		(16)	-	-
Provisions		-	-	(53)
Loans		(20)	(10)	(10)
IFRS 16 leases		(36)	-	-
<b>Total current liabilities</b>		<b>(1,067)</b>	<b>(539)</b>	<b>(643)</b>
<b>Non-current liabilities</b>				
Loans		(28)	(23)	(18)
IFRS 16 leases		(7)	-	-
Deferred tax		(30)	-	(87)
<b>Total non-current liabilities</b>		<b>(65)</b>	<b>(23)</b>	<b>(105)</b>
<b>Total liabilities</b>		<b>(1,132)</b>	<b>(562)</b>	<b>(748)</b>
<b>NET ASSETS</b>		<b>8,653</b>	<b>8,234</b>	<b>10,302</b>
<b>CAPITAL AND RESERVES</b>				
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>				
Share capital	12	128	76	127
Share premium	13	1,143	1,143	1,143
Foreign exchange reserve	13	(32)	(37)	(34)
Merger reserve	13	2,876	-	2,823
Capital redemption reserve	13	110	109	110
Equity reserve	13	471	-	417
Non-controlling interests	13	14	-	-
Retained earnings	13	3,943	6,943	5,716
<b>TOTAL EQUITY</b>		<b>8,653</b>	<b>8,234</b>	<b>10,302</b>

**HUDDLED GROUP PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the six months ended 30 June 2024

	Unaudited Six months to 30 June 2024 £'000	Unaudited Six months to 30 June 2023 £'000	Audited 12 months to 31 December 2023 £'000
<b>OPERATING ACTIVITIES</b>			
Loss before tax from continuing operations	(1,840)	(1,113)	(2,279)
Profit before tax from discontinued operations	-	15,185	15,276
<b>Adjustments for:</b>			
Depreciation	38	183	201
Amortisation	210	125	280
Loss/(gain) on disposal of non-current assets	-	3	3
Gain on disposal of subsidiary undertakings	-	(15,115)	(15,206)
Costs relating to the disposal of subsidiaries	-	(528)	(437)
Share based payments	-	332	337
Foreign exchange profit/(loss)	2	(285)	(282)
Finance costs	1	5	6
Finance income	(92)	(189)	(337)
Tax (paid)/refunded	7	(12)	(16)
<b>Operating profit/(loss) before changes in working capital and provisions</b>	<b>(1,674)</b>	<b>(1,409)</b>	<b>(2,454)</b>
(Increase)/decrease in inventories	(522)	36	(41)
Decrease in trade and other receivables	1,211	400	195
Increase/(decrease) in trade and other payables	98	(427)	(901)
<b>Net cash flows from / (used in) operating activities</b>	<b>(887)</b>	<b>(1,400)</b>	<b>(3,201)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(28)	(266)	(278)
Purchase of intangible assets	(61)	(100)	(157)
Proceeds from sale of subsidiary undertakings	-	19,846	19,818
Cash disposed on sale of subsidiary undertakings	-	(354)	(354)
Cash paid to acquire subsidiaries	(100)	-	-
Cash acquired with subsidiaries	9	-	45
<b>Net cash flows from investing activities</b>	<b>(180)</b>	<b>19,126</b>	<b>19,074</b>
<b>FINANCING ACTIVITIES</b>			
Finance costs	(1)	(5)	(6)
Finance income	92	189	337
Loan and finance lease repayments	(12)	(63)	(763)
Issue of ordinary shares	-	1,178	1,178
Share buybacks	-	(12,527)	(12,680)
<b>Net cash flows from financing activities</b>	<b>79</b>	<b>(11,228)</b>	<b>(11,934)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(988)</b>	<b>6,498</b>	<b>3,939</b>
Cash and cash equivalents brought forward	4,268	329	329
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>3,280</b>	<b>6,827</b>	<b>4,268</b>

**HUDDLED GROUP PLC**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**for the six months ended 30 June 2024**

**1 Corporate information**

The interim consolidated financial statements of the Group for the period ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 27 September 2024. Huddled Group plc (“the Company”) is a Public Limited Company quoted on AIM, incorporated in England and Wales. The interim consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

**2 Statement of accounting policies**

**2.1 Basis of preparation**

The interim consolidated financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with the UK-adopted International Accounting Standard 34 *Interim Financial Reporting*.

The entities consolidated in the interim financial statements of the Group for the six months to 30 June 2024 comprise the Company and its subsidiaries (together referred to as “the Group”).

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 31 December 2023.

The directors are satisfied that, at the time of approving the interim consolidated financial statements, it is appropriate to adopt a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

In reaching this conclusion, the directors considered the financial position of the Group and prepared forecasts and projections for the next 12 months, taking into account reasonably possible changes in trading performance and capital expenditure requirements.

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

**2.2 Accounting policies**

The principal accounting policies adopted in the preparation of these interim statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023 other than the Group has adopted amended financial standards effective as of 1 January 2024. None of the amendments adopted on 1 January 2024 have had a material impact on the interim statements of the Group.

The preparation of these consolidated interim financial statements requires management to make judgments, 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 these consolidated interim financial statements.

### 3 Segmental information

The Group's primary reporting format for segmental information is business segments which reflect the management reporting structure in the Group. The information for discontinued segments is aggregated and shown as a separate segment.

#### Six months to 30 June 2024

	Discount Dragon £'000	Nutricircle £'000	Let's Explore £'000	Head Office £'000	Total £'000
Revenue	4,903	349	22	-	5,274
Cost of sales	(5,009)	(296)	(97)	-	(5,402)
<b>Gross profit/(loss)</b>	<b>(106)</b>	<b>53</b>	<b>(75)</b>	<b>-</b>	<b>(128)</b>
Other income	-	-	-	6	6
Admin expenses*	(625)	(61)	(134)	(608)	(1,428)
<b>Adjusted EBITDA**</b>	<b>(731)</b>	<b>(8)</b>	<b>(209)</b>	<b>(602)</b>	<b>(1,550)</b>
Depreciation	(18)	(7)	(1)	(12)	(38)
Amortisation	(154)	-	(55)	(1)	(210)
One-off costs	(74)	-	-	(59)	(133)
Finance costs	-	(1)	-	-	(1)
Finance income	-	-	-	92	92
Taxation	72	2	7	-	81
<b>Loss for the period</b>	<b>(905)</b>	<b>(14)</b>	<b>(258)</b>	<b>(582)</b>	<b>(1,759)</b>

\*Administrative expenses exclude depreciation, amortisation and one-off costs.

\*\*Adjusted EBITDA is a non-GAAP metric.

#### Geographical disclosures

The geographical breakdown of the Group's revenue, assets and net tangible capital expenditure is as follows.

	External revenue by location of customer			Location of assets			Net tangible capital expenditure by location of assets		
	30 June 2024 £'000	30 June 2023 £'000	31 Dec 2023 £'000	30 June 2024 £'000	30 June 2023 £'000	31 Dec 2023 £'000	30 June 2024 £'000	30 June 2023 £'000	31 Dec 2023 £'000
UK	5,260	59	1,934	9,564	8,763	11,301	28	159	173
USA & Canada	14	3	489	221	33	320	-	-	-
<b>Total</b>	<b>5,274</b>	<b>62</b>	<b>2,423</b>	<b>9,785</b>	<b>8,796</b>	<b>11,621</b>	<b>28</b>	<b>159</b>	<b>173</b>

The Group had no customers representing 10% or more of the Group's total revenue in the period.

<b>4 Other income</b>	<b>Unaudited Six months to 30 June 2024 £'000</b>	<b>Unaudited Six months to 30 June 2023 £'000</b>	<b>Audited 12 months to 31 Dec 2023 £'000</b>
Transitional services provided to disposed subsidiaries	6	129	244
	<hr/>	<hr/>	<hr/>
<b>5 One-off costs</b>			
	<b>Unaudited Six months to 30 June 2024 £'000</b>	<b>Unaudited Six months to 30 June 2023 £'000</b>	<b>Audited 12 months to 31 Dec 2023 £'000</b>
Business restructuring	83	12	25
Costs of acquiring subsidiaries	40	-	244
Other one-off costs	10	-	-
Costs related to the capital reduction and share buybacks	-	225	225
Bonuses awarded in relation to the LBE business sale	-	181	181
	<hr/>	<hr/>	<hr/>
	<b>133</b>	<b>418</b>	<b>675</b>
	<hr/>	<hr/>	<hr/>



6 Earnings per share

	Unaudited Six months to 30 June 2024 £'000	Unaudited Six months to 30 June 2023 £'000	Audited 12 months to 31 Dec 2023 £'000
<b>Profit attributable to shareholders</b>			
Continuing operations	(1,745)	(1,117)	(2,287)
Discontinued operations	-	15,177	15,268
<b>Total profit attributable to shareholders</b>	<b>(1,745)</b>	<b>14,060</b>	<b>12,981</b>
Basic weighted average number of shares	319,226,653	401,733,235	321,686,426
Diluted weighted average number of shares	348,424,673	450,865,644	355,153,905
	<b>£0.01</b>	<b>£0.01</b>	<b>£0.01</b>
<b>Earnings per share</b>			
Basic earnings per share	(0.55)	3.50	4.04
Diluted earnings per share	(0.55)	3.50	4.04
<b>Earnings per share from continuing operations</b>			
Basic earnings per share from continuing operations	(0.55)	(0.28)	(0.71)
Diluted earnings per share from continuing operations	(0.55)	(0.28)	(0.71)
<b>Earnings per share from discontinued operations</b>			
Basic earnings per share from continuing operations	-	3.78	4.75
Diluted earnings per share from continuing operations	-	3.78	4.75

Earnings/(loss) per ordinary share has been calculated using the weighted average number of shares outstanding during the relevant financial periods. In accordance with IAS 33, diluted EPS is presented when a company could be required to issue shares that would decrease earnings per share or increase the loss per share. However, IAS 33 stipulates that diluted EPS cannot show an improvement compared to basic EPS. In this case, as the inclusion of potential ordinary shares would result in an improvement, they have been disregarded in the calculation of diluted EPS.

## 7 Business combinations

On 11 April 2024, the Company announced that it had acquired 100% of the ordinary shares in Nutricircle Limited (formerly Food Circle Supermarket Limited) for consideration of up to £308,000.

The assets and liabilities of the acquired company were as follows:

	<b>Book Value £'000</b>	<b>Fair Value Adjustment £'000</b>	<b>Fair Value to Group £'000</b>
Property, plant and equipment	2	-	2
Right-of-use assets	43	-	43
Intangible assets: customer database	-	66	66
Cash and cash equivalents	9	-	9
Inventories	65	-	65
Trade and other receivables	7	-	7
Trade and other payables	(170)	-	(170)
Contract liabilities	(16)	-	(16)
Loans	(27)	-	(27)
IFRS 16 lease	(47)	-	(47)
Deferred tax	-	(17)	(17)
<b>Net assets on acquisition</b>	<b>(134)</b>	<b>49</b>	<b>(85)</b>
Goodwill on acquisition			393
<b>Total consideration</b>			<b>308</b>
Consideration discharged by:			
Initial cash consideration			100
Initial equity consideration			54
Deferred equity consideration			54
Contingent cash consideration			100
			<b>308</b>

On 11 April 2024, the Company paid £100,000 in satisfaction of the initial cash consideration.

Also on 11 April 2024, the Company issued 2,096,436 new ordinary shares at a fair value of 2.6p each in satisfaction of the £54,000 initial equity consideration.

Subject to any adjustments to the purchase price in the event of warranty claims against the vendors, the Company will issue a further 2,096,436 new ordinary shares in satisfaction of the deferred consideration on the first anniversary of the acquisition. The deferred consideration shares have been valued at completion date fair value of 2.6p each.

An additional £100,000 in cash will be payable if Nutricircle meets certain targets during its first 12 months post-acquisition.

A net deferred tax liability of £17,000 has been recognised in relation to fair value adjustments arising on the business combination.

The goodwill on consolidation of £393,000 includes assets acquired which did not meet the criteria for separate recognition such as supplier relationships and employees' 'know-how'.

Costs of £40,000 relating to the acquisition are included within administrative expenses in the period.

**8 Property, plant and equipment**

	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Right-of-use assets £'000	Total £'000
<b>Cost</b>				
At 1 January 2024	94	162	-	256
Acquired with subsidiary	11	-	132	143
Additions	28	-	-	28
<b>At 30 June 2024</b>	<b>133</b>	<b>162</b>	<b>132</b>	<b>427</b>
<b>Depreciation</b>				
At 1 January 2024	25	22	-	47
Acquired with subsidiary	9	-	89	98
Depreciation of owned assets	19	12	-	31
Depreciation of leased assets	-	-	7	7
<b>At 30 June 2024</b>	<b>53</b>	<b>34</b>	<b>96</b>	<b>183</b>
<b>Net book value</b>				
<b>30 June 2024</b>	<b>80</b>	<b>128</b>	<b>36</b>	<b>244</b>
31 December 2023	69	140	-	209

The method of depreciation for each class of depreciable asset is:

Fixtures, fittings and equipment	- three years on a straight-line basis
Motor vehicles	- between three and seven years on a straight-line basis
Right-of-use assets	- over the term of the lease on a straight-line basis

9 Intangible assets

	Development costs £'000	Goodwill on consolidation £'000	Other intangible assets £'000	Total £'000
<b>Cost</b>				
At 1 January 2024	570	1,635	2,251	4,456
Acquired with subsidiary	-	393	65	458
Additions	57	-	4	61
<b>At 30 June 2024</b>	<b>627</b>	<b>2,028</b>	<b>2,320</b>	<b>4,975</b>
<b>Amortisation</b>				
At 1 January 2024	426	-	95	521
Amortisation charge	60	-	150	210
<b>At 30 June 2024</b>	<b>486</b>	<b>-</b>	<b>245</b>	<b>731</b>
<b>Net book value</b>				
<b>30 June 2024</b>	<b>141</b>	<b>2,028</b>	<b>2,075</b>	<b>4,244</b>
31 December 2023	144	1,635	2,156	3,935

Development costs are comprised of software, virtual reality and augmented reality content. Development costs are amortised on a straight-line basis over 3 years. No amortisation is charged against projects which are still in development.

Other intangible assets comprise the Discount Dragon brand, Discount Dragon and Nutricircle customer databases, website development and trademark costs. Other intangible assets are amortised over two or three years.

Amortisation is charged to administrative costs in the income statement.

**10 Trade and other receivables**

	Unaudited 30 June 2024 £'000	Unaudited 30 June 2023 £'000	Audited 31 Dec 2023 £'000
Trade receivables	151	81	449
Prepayments	389	103	184
Other receivables	154	1,410	1,186
	<u>694</u>	<u>1,594</u>	<u>1,819</u>

**11 Trade and other payables**

	Unaudited 30 June 2024 £'000	Unaudited 30 June 2023 £'000	Audited 31 Dec 2023 £'000
Trade payables	380	54	233
Accruals	521	173	274
Taxation and social security	74	296	58
Other payables	20	6	15
	<u>995</u>	<u>529</u>	<u>580</u>

**12 Share capital**

	Shares	£'000
<b>Ordinary shares of 0.040108663 pence issued and fully paid up</b>		
As at 1 January 2024	318,305,143	127
Shares issued as purchase consideration	2,096,436	1
<b>As at 30 June 2024</b>	<u><b>320,401,579</b></u>	<u><b>128</b></u>

**13 Reserves**

Full details of movements in reserves are set out in the consolidated statement of changes in equity. The following describes the nature and purpose of each reserve within owners' equity:

Share premium: Amount subscribed for share capital in excess of nominal value.

Merger reserve: Premium above the nominal value of shares issued for equity consideration.

Capital redemption reserve: Nominal value of the Company's own shares purchased and cancelled.

Retained deficit: Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

Foreign exchange reserve: Reserve arising on translation of the Group's overseas subsidiaries.

Equity reserve: Deferred equity consideration in relation to the Huddled Holdings Limited (formerly Huddled Group Limited) acquisition.

Non-controlling interests: The net value of assets and liabilities held on the Group's balance sheet attributable to third parties holding equity interests in the Group's subsidiaries.

#### **14 Related party transactions**

M J Higginson, a director of Huddled Group plc, is a director and controlling shareholder of M Capital Investment Properties Limited. Services to the value of £12,000 (year to 31 December 2023: £24,000) were invoiced in the period by M Capital Investment Properties Limited to Huddled Group plc. At 30 June 2024, Huddled Group plc owed £Nil (31 December 2023: £Nil) to M Capital Investment Properties Limited.

R Miller, a director of Huddled Group plc, is a director of Robin Miller Consultants Ltd. In the period, services totalling £8,000 (year to 31 December 2023: £28,000) were billed to Huddled Group plc from Robin Miller Consultants Ltd. At 30 June 2024, £1,000 (31 December 2023: £Nil) was owing from Huddled Group plc to Robin Miller Consultants Ltd.

D Marks, a director of Huddled Group plc, was advanced a loan in a prior period. Interest is currently charged on the loan at 2% per annum. At 30 June 2024, D Marks owed £17,000 (31 December 2023: £17,000) inclusive of interest, to the Group.

D F G Wortley, a director of Huddled Group plc, was advanced a loan in a prior period. Interest is currently charged on the loan at 2% per annum. At 30 June 2024, D F G Wortley owed £5,000 (31 December 2023: £5,000) inclusive of interest, to the Group.

D Marks, a director of Huddled Group plc, was advanced funds in a prior period. At 31 December 2023, D Marks owed £9,000 to the Group (31 December 2023: £9,000).

M J Higginson, a director of Huddled Group plc, was advanced funds in a prior period. At 31 December 2023, M J Higginson owed £10,000 to the Group (31 December 2023: £10,000).

S J Higginson, the son of M J Higginson, a director of the Company, charged consultancy fees of £45,000 to the company during the period (2023: £90,000). At the period end the company owed £8,000 to S J Higginson (2023: £nil).

The key management personnel are considered to be the Board of Directors. The total amounts paid to key management personnel during the period was £326,000. The total amounts paid to key management personnel during the year to 31 December 2023 was £914,000.

#### **15 Post balance sheet events**

On 5 July 2024, the Company acquired 75% of the equity in Boop Beauty Limited, an e-commerce business specialising in surplus beauty and cosmetic products for consideration of £9,000.