



Company Announcement

31 March 2021

LIKEWISE GROUP PLC
("Likewise" or the "Group")
Trading Update

Further to our Trading Update at the end of October 2020 we are pleased to advise that the Group has made significant further progress in the last five months.

We will demonstrate that H2 2020 was profitable when we announce Full Year Results for 2020 at the end of May 2021. This was a material improvement on Q1 and Q2 2020.

The Group has exceeded its internal Budgets for Q1 2021. These were prepared and agreed before the COVID-19 Lockdown restrictions announced on 4 January 2021 and the original Budget not adapted since. While January and February are seasonally lower trading months, March will be profitable and well ahead of expectations.

From the initial Lockdown in the Spring of 2020 the Group has managed its Cash Flow and worked with Suppliers in order to comply with payment terms whilst ensuring that we are well within our Banking Facilities.

Our successful trading during the Non-Essential Retail Lockdown during late 2020 and early 2021 has been achieved through Flooring Installers being allowed to operate in consumers' homes as advised in Government Guidelines, plus activities in the Commercial flooring market.

With retail due to return to some normality on 12 April, we have extensive product and display initiatives prepared which will significantly increase our retail market presence during April and May. This will be applicable to Carpet, Residential Vinyl, Laminate, Artificial Grass, Luxury Vinyl Tile and other products in our sector.

Our new Distribution Hub in Morley, Leeds is now fully operational providing a foundation for the residential network with an overnight trunking operation established to Glasgow, Newcastle, Sudbury and Peckham. Whilst sales through the Factory Flooring Brand have not met expectations, the acquisition of Heatseam has undoubtedly been the catalyst to propel the Group forward and create a meaningful business in residential flooring products.

We have further enhanced our logistics network by closing the small Leasehold premises in Daventry and relocating the operations to our much larger Freehold Distribution Centre in Sudbury. This provides a significantly improved delivery service to customers in the South East of England.

This logistics network is underpinned by the development of a single IT solution which is now implemented in all operations, except A&A which is able to operate independently in the immediate future.

All of the Likewise businesses established in 2019; Scotland, North East, North and South East are profitable and well ahead of our original expectations. This justifies our strategy to increase the number of employed Sales Management and Representatives to increase customer relationships and geographical presence.

Following some initial operational issues in H1 2020, Likewise Matting achieved a much improved performance in H2 2020 and this progress has continued in Q1 2021. This business is now extremely

well positioned to further develop business to its diverse customer base in multiple and independent retail.

A&A based in Manchester has performed extremely well since we acquired the business in February 2020. A&A has established an independent product portfolio and we will further increase their residential market presence and strategically increase the geographical reach.

The performance of the Group in the last 10 months combined with hopefully the COVID-19 pandemic being under control, gives the Group every confidence to now make further investments to propel the business forward. Whilst we will continue to evaluate acquisitions, the success of the Likewise Branded Businesses provides every reason to accelerate the opportunities for organic growth.

Tony Brewer
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Likewise Group PLC

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