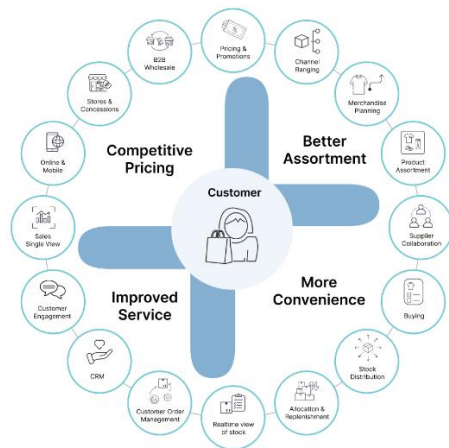


# itim Unify



# Interim Report

30 June 2024

# Financial Highlights

<b>Group revenue</b>  <b>£8.8m</b> Half Year 2023 (“HY23”): £7.4m Full Year 2023(“FY23”): £16.1m	<b>Booked Recurring Revenue</b>  <b>£6.6m</b> HY23: £6.4m FY23: £12.7m	<b>Recurring revenue percentage of Group revenue</b>  <b>75%</b> HY23: 86% FY23: 79%
--	--	--

<b>ARR<sup>1</sup></b>  <b>£13.2m</b> HY23: £13.2m FY23: £13.2m	<b>Annual growth in ARR<sup>1</sup></b>  <b>0%</b> HY23: £5% FY23: 0%
---	---

<b>Adjusted EBITDA<sup>2</sup></b>  <b>£1.2m</b> HY23:( £0.2)m FY23: £0.7m	<b>Adjusted EBITDA<sup>2</sup> margin</b>  <b>13%</b> HY23: (3)% FY23: 4%	<b>(Loss)/profit before tax</b>  <b>(£0.1)m</b> HY23: (£1.1)m FY23: (£1.1)m
--	---	---

<b>Cash</b>  <b>£3.0m</b> HY23: £2.7m FY23: £1.9m
---

<b>Earnings per share</b>  <b>(0.27) pence</b> HY23: (3.02) pence FY23: (2.86) pence	<b>Adjusted Earnings per share<sup>3</sup></b>  <b>0.18 pence</b> HY23: (3.02) pence FY23: (2.86) pence
--	---

Full year numbers quoted above are audited and half year numbers quoted above are unaudited

1. Annual recurring revenue
2. EBITDA has been adjusted to exclude share-based payment charges, exceptional items, along with depreciation, amortisation, interest and tax from the measure of profit-
3. The profit measure has been adjusted to exclude exceptional items and share option charge

## CEO Statement

I am pleased to report that our Company is gaining significant traction in the market. Our half-year results demonstrate measurable progress across key metrics. In the three years since our successful IPO, we have strategically invested the capital raised to expand our product portfolio and enhanced our core capabilities.

Our recent announcements underscore the growing confidence that both existing customers and prospects are placing in our platform. This positive momentum is a testament to our team's dedication and the value we deliver to our clients.

We have also refined our branding and positioning to better communicate our unique value proposition. When retail executives ask us, who we are, and what we do, and what makes us different:

**The answer is clear.**

***We are 'retail engineers' specialising in the transformation of retail businesses into high-performing organisations through technology enablement. Our mission is to guide retailers towards omni-channel excellence and facilitate their transition to a customer-centric Unified Retail Business Model.***

*Our definition of high performance is ambitious yet achievable: for our clients - we target sales increases of 30-50% and profit improvements of 50-100%. While these figures may seem bold, our case studies demonstrate their feasibility. We believe that recent technological advancements have created a once-in-a-decade opportunity for a step change in retail productivity.*

## Our Approach

*We focus on five areas to drive transformational change:*

- *Enhanced Customer targeting and engagement*
- *End-to-end process integration for increased efficiency and effectiveness*
- *Elevated omni-channel service and convenience to improve customer experience*
- *Digital connectivity with consumers (mobile) and suppliers (marketplace strategies)*
- *AI-driven optimisation of critical processes:*
  - *Sales & Marketing*
  - *The Assortment (Merchandising)*
  - *The intake of stock*
  - *Stock and space distribution*
  - *Price and promotions*

*These efforts culminate in a significant performance uplift for our clients.*

*This is enabled by our UNIFY platform, with its four pillars of sales, stock, price & supply, which supplements or replaces elements of the retailer's system stack, as appropriate. We have 80 customers using elements or the end-to-end platform. We do this cost-effectively with minimum CAPEX expenditure.*

## Our Unique Market Position

Our approach distinguishes us from competitors in several key ways:

1. As retail engineers, we go beyond consulting to provide actionable solutions
2. We build upon retail expertise and best practices to deliver tangible results
3. Our focus is on the end-to-end operating model, and end-to-end processes, which is different from competitors, who as best of breed providers, focus on functional excellence
4. We are not software salesmen, but use our UNIFY platform to supplement and replace part of a retailer's system stack to deliver end-to-end excellence
5. Our emphasis is on delivering outcomes, with software serving as a critical enabler

The recent appointment of a former McKinsey partner as non-executive Chairman reinforces our commitment to delivering high-value solutions and strengthening our services revenue. This strategic move, coupled with our growing subscription revenues should take us to the goal of becoming cash generative again and over the coming years see more retailers move onto our platform.

In conclusion, I am excited about the future of our Company. We have a clear vision, a defined purpose, a unique market position, and a growing base of supportive customers. Our value proposition is both exciting and tangible, and I am confident in our ability to drive continued growth and success in the retail transformation space.

#### Outlook

The Directors believe that as a consequence of the positive momentum and new contract wins, in addition to trading in the period since the end of the period under review, the Group is now trading ahead of market expectations for the year ended 31 December 2024.

# Consolidated Statement of Comprehensive Income

## for the half-year ended 30 June 2024

		Six month period ended 30 June 2024 Unaudited £000	Six month period ended 30 June 2023 Unaudited £000	Year ended 31 December 2023 Audited £000
<b>Continuing operations</b>				
<b>Revenue</b>		<b>8,835</b>	<b>7,425</b>	<b>16,130</b>
Cost of sales		(5,451)	(5,514)	(11,090)
<b>Gross profit</b>		<b>3,384</b>	<b>1,911</b>	<b>5,040</b>
Administrative expenses		(2,233)	(2,108)	(4,356)
<b>EBITDA</b>		<b>1,151</b>	<b>(197)</b>	<b>684</b>
Amortisation of intangible assets		(702)	(574)	(1,146)
Share option charge		-	-	-
Depreciation		(30)	(23)	(49)
Depreciation of leased assets		(299)	(275)	(545)
<b>Profit/(Loss) from operations</b>		<b>120</b>	<b>(1,069)</b>	<b>(1,056)</b>
Exceptional		(141)	-	-
Other interest – right of use assets		(52)	(21)	(41)
<b>Loss before taxation</b>		<b>(73)</b>	<b>(1,090)</b>	<b>(1,097)</b>
Taxation		(12)	149	205
<b>Loss for the period/year</b>		<b>(85)</b>	<b>(941)</b>	<b>(892)</b>
<b>Other comprehensive income</b>				
Exchange differences on retranslation of foreign operations		(57)	(77)	(56)
<b>Total comprehensive income for the period/year net of tax</b>		<b>(142)</b>	<b>(1,018)</b>	<b>(948)</b>
<b>Earnings per share</b>				
Basic	2	(0.27p)	(3.02p)	(2.86)p
Diluted	2	(0.27p)	(3.02p)	(2.86)p

# Consolidated Statement of Financial Position

as at 30 June 2024

	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023
	Unaudited £000	Unaudited £000	Audited £000
<b>Non-current assets</b>			
Intangible assets	11,163	10,349	11,109
Plant and equipment	316	586	476
Right-of-use assets	938	380	1,058
Deferred tax	-	83	13
	<b>12,417</b>	<b>11,398</b>	<b>12,656</b>
<b>Current assets</b>			
Trade and other receivables	4,062	4,537	5,385
Cash and cash equivalents	2,976	2,697	1,930
	<b>7,038</b>	<b>7,234</b>	<b>7,315</b>
<b>Total assets</b>	<b>19,455</b>	<b>18,632</b>	<b>19,971</b>
<b>Current liabilities</b>			
Trade and other payables	(6,146)	(5,673)	(6,398)
Right-of-use liability	(308)	(214)	(287)
	<b>(6,454)</b>	<b>(5,887)</b>	<b>(6,685)</b>
<b>Non-current liabilities</b>			
Trade and other payables due in more than one year	(248)	(444)	(347)
Right-of-use liability	(669)	(209)	(795)
Deferred tax	(697)	(633)	(615)
	<b>(1,614)</b>	<b>(1,286)</b>	<b>(1,757)</b>
<b>Total liabilities</b>	<b>(8,068)</b>	<b>(7,173)</b>	<b>(8,442)</b>
<b>Net Assets</b>	<b>11,387</b>	<b>11,459</b>	<b>11,529</b>
<b>Capital and reserves</b>			
Called up share capital	1,561	1,561	1,561
Share premium account	7,398	7,398	7,398
Share options reserve	513	513	513
Capital redemption reserve	1,103	1,103	1,103
Foreign exchange reserve	37	73	94
Retained profit/(loss)	775	811	860
<b>Shareholders' funds</b>	<b>11,387</b>	<b>11,459</b>	<b>11,529</b>

# Consolidated Statement of Cash Flow

## for the half-year ended 30 June 2024

	Six month period ended 30 June 2024 Unaudited £000	Six month period ended 30 June 2023 Unaudited £000	Year ended 31 December 2023 Audited £000
<b>Cash flows from operating activities</b>			
Profit after taxation	(85)	(941)	(892)
<b>Adjustments for:</b>			
Taxation	12	(149)	(205)
Share option charge	-	-	-
Other interest on leases	52	21	41
Amortisation and depreciation	1,031	872	1,740
<b>Cash flows from operations before working capital changes</b>	<b>1,010</b>	<b>(197)</b>	<b>684</b>
Movement in trade and other receivables	1,397	305	(1,297)
Movement in trade and other payables	(237)	(59)	678
<b>Cash generated from operations</b>	<b>2,170</b>	<b>49</b>	<b>65</b>
Corporation tax	(18)	(23)	462
<b>Net cash flow from operating activities</b>	<b>2,152</b>	<b>26</b>	<b>527</b>
<b>Cash flow from investing activities</b>			
Capital expenditure on intangible assets	(797)	(906)	(1,870)
Purchase of plant and equipment	(6)	(24)	(77)
Stamp duty on ROU lease renewal	-	-	(6)
<b>Net cash flow from investing activities</b>	<b>(803)</b>	<b>(930)</b>	<b>(1,953)</b>
<b>Cash flow from financing activities</b>			
Interest repayments	-	(16)	(16)
Payment of lease liabilities	(293)	(266)	(528)
Loan issued	-	(18)	-
<b>Net cash flow from financing activities</b>	<b>(293)</b>	<b>(300)</b>	<b>(544)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,056</b>	<b>(1,204)</b>	<b>(1,970)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1930</b>	<b>3,922</b>	<b>3,922</b>
Exchange (losses)/gains on cash and cash equivalents	(10)	(21)	(22)
<b>Cash and cash equivalents at end of year</b>	<b>2,976</b>	<b>2,697</b>	<b>1,930</b>

# Consolidated Statement of Changes in Equity

as at 30 June 2024

	Share capital £000	Share Premium £000	Share option reserve £000	Capital Redemption Reserve £000	Foreign exchange reserve £000	Retained Earnings £000	Total Equity £000
<b>At 1 January 2024</b>	<b>1,561</b>	<b>7,398</b>	<b>513</b>	<b>1,103</b>	<b>94</b>	<b>860</b>	<b>11,529</b>
Comprehensive income for the year	-	-	-	-	-	(85)	(85)
Foreign exchange movement	-	-	-	-	(57)	-	(57)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(57)</b>	<b>(85)</b>	<b>(142)</b>
<b>At 30 June 2024 (unaudited)</b>	<b>1,561</b>	<b>7,398</b>	<b>513</b>	<b>1,103</b>	<b>37</b>	<b>775</b>	<b>11,387</b>
<b>At 1 January 2023</b>	<b>1,561</b>	<b>7,398</b>	<b>513</b>	<b>1,103</b>	<b>150</b>	<b>1,752</b>	<b>12,477</b>
Comprehensive income for the year	-	-	-	-	-	(941)	(941)
Foreign exchange movement	-	-	-	-	(77)	-	(77)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(77)</b>	<b>(941)</b>	<b>(1,018)</b>
<b>At 30 June 2023 (unaudited)</b>	<b>1,561</b>	<b>7,398</b>	<b>513</b>	<b>1,103</b>	<b>73</b>	<b>811</b>	<b>11,459</b>
<b>At 1 January 2023</b>	<b>1,561</b>	<b>7,398</b>	<b>513</b>	<b>1,103</b>	<b>150</b>	<b>1,752</b>	<b>12,477</b>
Comprehensive income for the year	-	-	-	-	-	(892)	(892)
Foreign exchange movement	-	-	-	-	(56)	-	(56)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(56)</b>	<b>(892)</b>	<b>(948)</b>
<b>At 31 December 2023 (audited)</b>	<b>1,561</b>	<b>7,398</b>	<b>513</b>	<b>1,103</b>	<b>94</b>	<b>860</b>	<b>11,529</b>



# Notes to the Financial Information

## 1. General information

itim Group plc is a public limited Company ("Company") incorporated in the United Kingdom under the Companies Act 2006 (registration number 03486926). The Company is domiciled in the United Kingdom and its registered address is 2<sup>nd</sup> Floor, Atlas House, 173 Victoria Street, London SW1E 5NH. The Company's ordinary shares are admitted to trading on the AIM market of the London Stock Exchange ("AIM").

The Group's principal activities have been the provision of technology solutions to help clients drive improvements in efficiency and effectiveness.

The Group's interim report and accounts for the six months ended 30 June 2024 have been prepared using the recognition and measurement principles of International Financial Reporting Standards and Interpretations as endorsed by the European Union (collectively "Adopted IFRS").

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with the AIM Rules for Companies and should be read in conjunction with the financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS as adopted by the European Union. The interim report and accounts do not include all the information and disclosures required in the annual financial statements.

The interim report and accounts have been prepared on the basis of the accounting policies, presentation and methods of computation as set out in the Group's December 2023 Annual Report and Accounts, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2024, and will be adopted in the 2024 annual financial statements.

The interim report and accounts do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. These interim financial statements were approved by the Board of Directors on 23<sup>rd</sup> September 2024. The results for the six months to 30 June 2024 and the comparative results for the six months to 30 June 2023 are unaudited. The figures for the period ended 31 December 2023 are extracted from the audited statutory accounts of the Group for that period.

The Directors believe that a combination of the Group's current cash, projected revenues from existing and future contracts will enable the Group to meet its obligations and to implement its business plan in full. Inherently, there can be no certainty in these matters, but the Directors believe that the Group's internal trading forecasts are realistic and that the going concern basis of preparation continues to be appropriate.

# Notes to the Financial Information

## 2. Earnings per share

Basic and diluted (loss)/earning per share is calculated by dividing the (loss)/profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. For the avoidance of doubt the deferred shares have been excluded as they have no rights to profits or capital. The Company's share options have a dilutive effect over the two year period.

	6 months ended 30 June 2024 Unaudited £000	6 months ended 30 June 2023 Unaudited £000	Year ended 31 December 2023 Audited £000
<b>Loss after tax for the year</b>	<b>(85)</b>	<b>(941)</b>	<b>(892)</b>
Exceptional items	141	-	-
Share option charge	-	-	-
<b>Adjusted loss after tax for the year</b>	<b>56</b>	<b>(941)</b>	<b>(892)</b>
<b>Weighted average number of shares</b>			
Basic - 000	31,211	31,211	31,211
Potentially dilutive share options – 000	3,657	3,657	3,657
Diluted average number of shares – 000	34,868	34,868	34,868
<b>Earnings per share:</b>			
Basic – pence on continuing operations	(0.27)	(3.02)	(2.86)
Diluted – pence on continuing operations	(0.27)	(3.02)	(2.86)
Adjusted earnings – Basic – pence on continuing operations	0.18	(3.02)	(2.86)
Adjusted earnings – Diluted – pence on continuing operations	0.16	(3.02)	(2.86)

# Directors and Advisers

## Directors

M E W Jackson  
M A Athar  
I D Hayes  
S S Ribeiro  
R N Frosell  
L J Williams  
J M King (resigned 14<sup>th</sup> June 2024)  
D Hopkins

## Registrars

Neville Registrars Limited  
Neville House Halesowen  
West Midlands  
B62 8HD

## Auditor

RPG Crouch Chapman LLP  
40 Gracechurch Street  
London EC3V 0BT

## Secretary

I D Hayes

## Company registration number

03486926

## Registered office

2nd Floor  
Atlas House  
173 Victoria Street  
London  
SW1E 5NH

## Website

[www.itim.com](http://www.itim.com)