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INTERIM REPORT  
6 MONTHS TO  
DECEMBER 2018

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VIVOBAREFOOT

EXECUTIVE DIRECTORS

G J D Clark  
A M Clark  
D Peat  
P Walker  
M Arnold  
A Sumra  
L Ashton

NON-EXECUTIVE DIRECTORS

N A Beart (Chairman)  
L Chen Li Ming

COMPANY SECRETARY

Marc Arnold

REGISTERED NUMBER

0 3474829

REGISTERED OFFICE

Vivobarefoot Ltd, 28 Britton Street  
London EC1M 5UE

ACCOUNTANTS

Blick Rothenberg Chartered Accountants  
1st Floor, 7 10 Chandos Street  
London W1G 9DQ

# INTERIM REPORT 6 MONTHS TO DECEMBER 2018

REPORT FROM CEO, GALAHAD CLARK

Dear Shareholder,

When I wrote to you in last year’s annual report, I was pleased to announce our best year ever. We have continued that momentum in the first six months of the current financial year with further growth .

We’ve sold 230k pairs of Vivobarefoot shoes in the first half of this year, giving us sales of £13m, up 40% on last year, compared to £9.3m in the first 6 months of 2017/18.

Once again we are on track to generate enough profits to fund the growth of the business and to invest in growing the brand.

I wanted to share with you a few of the many highlights as we continue to spread our bare-foot-print across the planet.





# FESTIVAL FIRST

In August, we invited you, our shareholders, to join us at the Wilderness Festival and I was happy to hang out with some of you, dancing as the sun went down.

Wilderness was a Vivo festival first and left us with happy memories for the winter months. We’re planning on returning this year with a lot more fun.







## SUSTAINABILITY

In September, Asher led the team in launching the Primus Bio at the Outdoor show in Denver, USA –where we were awarded ‘Best in Show’ for the 2nd time in 3 years.

Continuing our eternal quest to develop the perfect shoe - perfect for feet and with minimal environmental impact on the planet - the Primus Bio is one of the first athletic shoes made almost entirely from Bio Polymers (renewable polymers from plants). It is another exciting step away from single use petroleum-based materials and towards our goal of 100% sustainable materials.



# EVENTS

Vivobarefoot was a presence at more events than ever in 2018: from the Swim Run World Championships in Sweden, through to events in Wales, England, Spain, France, Croatia, Prague, Germany, Switzerland, Austria, Washington, California, Maine, North Carolina, Virginia, New York, Illinois, Minnesota, Colorado and many more!

We are proud to continue our support of all these events and more in 2019. Please do join us when you can – find out where we will be at: [vivobarefoot.com](http://vivobarefoot.com)







## VVAGON

For 2019 we are incredibly proud to launch the the VVagon – our mobile Vivobarefoot experience which will be travelling the UK in 2019.

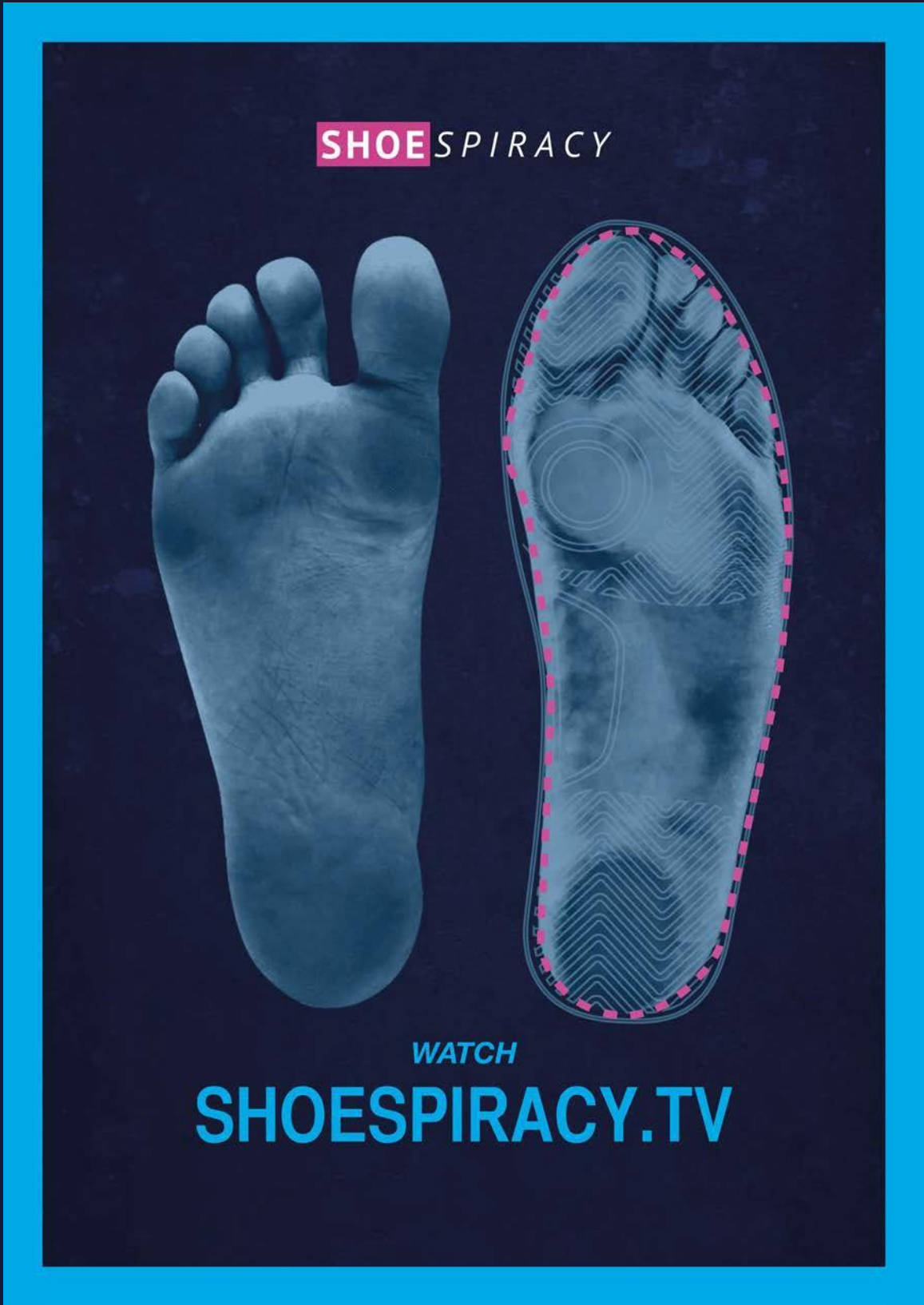
Check out our website to find the route and when it stops in a town or at a beautiful vista near you!



# EDUCATION

We launched our new documentary, Shoespiracy, in March 2019 – please check it out at [www.shoespiracy.tv](http://www.shoespiracy.tv).

While we know the shoe industry is not necessarily a conspiracy, the fact that so many big shoe companies knowingly make children’s shoes that inhibit the natural development of a child’s foot is, in our view at least, a public health scandal.





## WORLD RECORDS

Ross Edgley, the world's fittest human and Vivobarefoot ambassador, became the first person to swim the 2,000 miles around the coast of mainland Great Britain, setting 3 world records in the process. During his 157 days at sea, Ross's feet and legs jellyfied – and when he had completed his swim it took him several days just to be able to walk on land.

Vivobarefoot supported Ross all the way around and then helped him with the transition back to his world-beating strength and fitness on land. This culminated in the Sea to Summit Challenge, where he ran from the coast to the top of the highest peak in the Lake District!



# MADE TO FEEL

We have launched our new marketing creative platform: Made to Feel. A collaboration with the artist Brendan Dawes.

Brendan is a multi-dimensional artist/scientist who collected brain waves and foot plantar pressure readings. These were presented in beautiful photography showing people moving through nature in the latest Vivobarefoot shoes!

As part of the project we also collaborated with one of the most exciting young poets in London: Caleb Femi who inspired us to Reject a Cushioned Life!





# PRODUCT

Alongside ‘Made to Feel’, we have launched wonderful new designs including the new Ryder, Borough, Kanna Hi and Magna Trail (shown below).

## RYDER



## BOROUGH



## KANNA HI



## MAGNA TRAIL





# FUTURE FOOTWEAR

We continue our work with the Future Footwear Foundation (FFF) and along with helping to rebuild a cobblers workshop in the Kalahari we worked with Dr. Catherine Willems to launch the book: “Do you want your feet back? Barefoot Cobblers.”

FFF has also released new exciting research alongside the University of Liverpool showing that wearing barefoot shoes can help you have strong and healthy feet.





# PEOPLE

The team at Vivobarefoot is growing and it’s a huge privilege to be a part of it. We have people from all walks of life, running the full gamut of professions.

As the team grows, we are striving to be one of the best places to work in the UK. We will continue to invest in our people, alongside new systems and marketing as we look to deliver on our plan set out to Crowdcube investors some three years ago.

Walking a path less trodden is never easy and we know there are many challenges that lie ahead but we are committed to proving that a successful business can be a force for good in society as we strive to leave gentle footprints on our journey.

As always, we owe a truly heartfelt thank you to all our investors, customers, Barefoot ambassadors and Vivobarefoot team members around the world for joining us on our journey. We are greatly indebted to you all and we are determined to reward early stage investors, inspire our consumers to move more and reconnect with nature!

Best Foot Forwards,  
Galahad





**Q. What’s your name and what you do?**

My name is Dale and I am the international Sales Manager. I have been selling Vivobarefoot shoes for over 5 years now.

**Q. Tell us about your barefoot journey?**

I found Vivobarefoot through a running injury and the book “Born to Run”. After receiving my first pair around 2012, I started trying to get the shoes into my beloved South Africa. Things turned out well and after a series of events I ended up on the island of the UK and working for Vivobarefoot. I run high mileage and have been injury-free ever since taking the Vivobarefoot pill.

**Q. Your Favourite Vivobarefoot shoes and why?**

I live in shorts almost all year round and am fairly active. I have a lot of favourites but can’t live without my Primus Trail SG’s.



Dale –International Sales

**Q. What’s your name and what you do?**

My name is Lina and I am the Digital Product Manager. I’m responsible for the development and optimisation of our website.

**Q. Tell us about your barefoot journey?**

Since I started to wear barefoot shoes when I joined Vivo and my knees are now pain free and I am enjoying my running again.

**Q. Your Favourite Vivobarefoot shoes and why?**

Primus Lite. It is the perfect shoe for any occasion; gym, running or an everyday look. It is our most pure barefoot shoe and it’s created with recycled plastic bottles- good for you and good for the planet!



Lina –Digital Product Manager

**Q. What’s your name and what you do?**

My name is Zchoezchett, people call me Zee. I work in the Operations team as Customer Administrator, being a first point of contact for our Distributors in Europe and further afield.

**Q. Tell us about your barefoot journey?**

My Barefoot journey started a year ago, it has definitely made me look at feet differently and feel more.

**Q. Your Favourite Vivobarefoot shoes and why?**

My favourite shoe is the Kanna Sock. The most comfortable shoe I have ever worn.



Zchoezchett –Customs Administrator

**Q. What’s your name and what you do?**

My name is Jamie and I look after Digital Performance Marketing.

**Q. Tell us about your barefoot journey?**

It took me a while to transition over to barefoot, especially with exercise shoes. My feet became stronger over time and now I wouldn’t wear any other shoe.

**Q. Your Favourite Vivobarefoot shoes and why?**

My favourite shoe is the Magna –a very versatile and comfortable shoe.



Jamie –Digital Performance Marketing



## FINANCIAL HEADLINES

In the original Crowdcube plan in 2016, we outlined a 5-year plan to grow sales from £10m to £30m by 2021.

I am delighted to share with you that we remain very much on track to deliver our original sales plan.

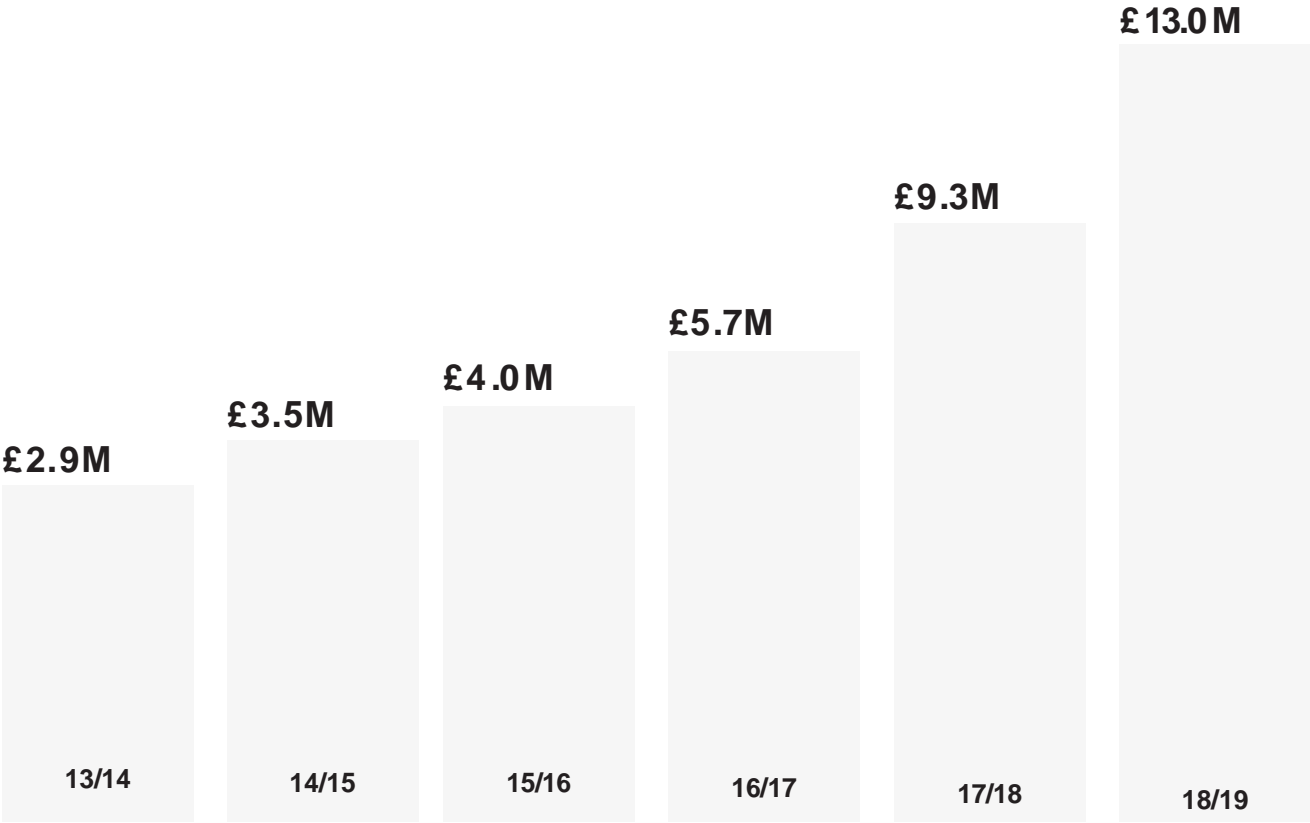
In the first 6 months of this year we delivered £13m sales (£9.3m – 2017/18), which is more than we sold in the whole year 2016/17 and represents 40% year on year growth to December 2018.

Even more pleasingly, from a margin point of view, the sales growth was driven by our E-commerce business which delivered £7.8m sales in this period, up 61% on last year (£4.8m – 2017/18), and which now accounts for 60% of our total sales (52% half one 2017/18).

When we made the Crowdcube pitch in 2016, we highlighted that the money we raised would not be used to repay any of the £2m of original shareholder loans. The repayment of shareholder loans would only take place once the business had generated sufficient profit to do so.

We are now generating meaningful profit and we have begun to repay some of the initial shareholder loans. In the first half of 2018/19 we made £110k of shareholder loan repayments. Rest assured, we shall only continue to repay these loans as and when the performance of the business is sufficient to support these repayments.

SALES FOR THE FIRST 6 MONTHS OF EACH FINANCIAL YEAR





# FINANCIAL HEADLINES

## CONTINUED

The next 6 months and indeed beyond will not be plain sailing. We know there will be challenges – the world is an increasingly uncertain place with many potential macro-economic pitfalls, but we remain focused and confident that we can achieve and indeed better our original target of £28m sales by 2020.

We are more confident than ever that there is an opportunity to build a truly significant and global barefoot shoe business that is much, much bigger than we originally planned and we think our recent performance supports our beliefs.

As we noted in the annual report that we sent out to you in December 2018, the team will invest more into marketing and product development over the next two years than we originally planned three years ago in order to build a far brighter future.

This will slightly hold back the growth in profits for the second half of this year but we are confident that this is the best way to build a truly global business and achieve sales and profits in excess of our original plan.

## CURRENT PERFORMANCE & HISTORIC PERFORMANCE FROM THE LAST 5 YEARS

Shown below are the results for the first six months of this financial year compared to the full 12 months of the previous 4 financial years.

	Half Year 18/19	Full Year 17/18	Full Year 16/17	Full Year 15/16	Full Year 14/15
Pairs of Shoes Sold in thousands	229	429	319	264	259
Sales in £ thousands	£13,023	£19,422	£12,958	£8,854	£6,501
Profit in £ thousands	£638	£655	£73	£11	£(1)

## CURRENT PERFORMANCE AGAINST CROWDCUBE PERFORMANCE

Shown below are the results for the first six months of this financial year against the original Crowdcube plan published in early 2016.

	Actual	Plan
Pairs of Shoes Sold	229	240
Sales	£13,023	£9,661
Profit	£638	£658



PROFIT & LOSS

	Half Year 18/19	Full Year 17/18	Full Year 16/17	Full Year 15/16	Full Year 14/15	Full Year 13/14
Turnover	13,022,606	19,422,081	12,958,999	8,845,170	8,432,525	6,501,429
Cost of Sales	(4,755,989)	(10,773,898)	(7,624,475)	(5,274,035)	(5,677,877)	(4,058,981)
GROSS PROFIT	8,266,617	8,648,183	5,334,524	3,571,135	2,754,648	2,442,448
Administrative expenses	(7,615,668)	(7,928,748)	(5,352,269)	(3,502,672)	(2,666,459)	(2,467,343)
OPERATING PROFIT/(LOSS)	650,949	719,435	(17,745)	68,463	88,189	(24,895)
Interest payable	(12,699)	(63,900)	(35,363)	(57,226)	(76,440)	(15,029)
PROFIT/(LOSS) BEFORE TAX	638,250	655,535	(53,108)	11,237	11,749	(39,924)
Tax on profit	-	-	126,164	-	-	38,989
NET PROFIT	638,250	655,535	73,056	11,237	11,749	(935)



BALANCE SHEETS

	DEC-18	DEC-17
<strong>FIXED ASSETS</strong>		
Intangible assets	5,335	6,273
Tangible assets	306,452	202,985
	<strong>311,787</strong>	<strong>209,258</strong>
<strong>CURRENT ASSETS</strong>		
Stock	2,378.903	1,718,411
Trade debtors	1,918,924	1,334,865
Other debtors	194,021	195,031
Cash	1.528.588	1,758,065
	<strong>6,020,435</strong>	<strong>5,006,372</strong>
<strong>CURRENT LIABILITIES</strong>		
Trade Creditors	(3,020,879)	(2,063,969)
Other Creditors	(560,572)	(1,509,189)
Other Taxation & Social Security	(250,956)	(130,559)
	<strong>(3,832,407)</strong>	<strong>(3,703,717)</strong>
<strong>NET CURRENT ASSETS</strong>	<strong>2,188,028</strong>	<strong>1,302,655</strong>
Creditors > 1Year	(161,3220)	(46,579)
<strong>NET ASSETS</strong>	<strong>2,338,493</strong>	<strong>1,465,334</strong>
<strong>CAPITAL &amp; RESERVES</strong>		
Shareholder Loans	1,899,99	2,000,000
Share Capital	4,594,462	4,595.795
Share Premium	6,892,644	6,892,644
Closing Reserves	(11,048,611)	(12,023,105)
<strong>SHAREHOLDERS FUNDS</strong>	<strong>2,338,493</strong>	<strong>1,465,334</strong>

PRIMUS  
SWIMRUN

The official shoe of the  
Ötillö Swimrun World Series.



ACCOUNTING  
PRINCIPLES

TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the first 6 months of the financial year, exclusive of Value Added Tax and trade discounts.

INTANGIBLE FIXED ASSETS AND  
AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

- Plant and machinery – 3 years straight line
- Motor vehicles – 5 years straight line
- Fixtures and fittings – 3 years straight line
- Office equipment – 3 years straight line
- Computer equipment – 3 years straight line

INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

OPERATING LEASES

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the life of the lease.

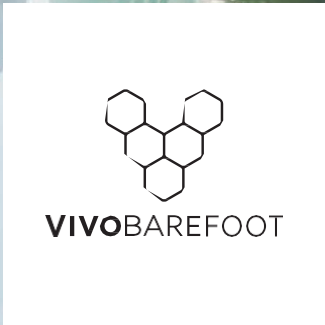
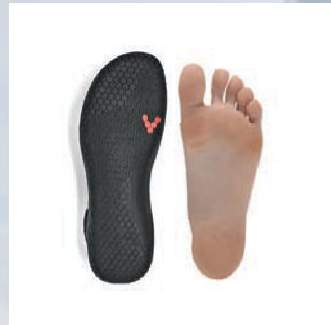
STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and Loss Account.





MADE  
TO FEEL