



eve Sleep plc ("eve" or the "Company")

Trading update, Board appointment and Grant of share options

Trading in-line, healthy cash position

eve Sleep ("eve", the "Company"), the direct to consumer sleep wellness brand operating in the UK, Ireland (together the UK&I) and France announces a trading update for the four months ended 30 April 2020 (the Period), ahead of its Annual General Meeting being held at 10.00am this morning. The Company also announces that Cheryl Calverley will formally be appointed to the Board as of 1 June 2020 and as part of her remuneration for her new role has been granted options over the Company's shares. Cheryl became the Company's Chief Executive Officer on 12 May 2020 following a formal handover period.

Highlights

- Group revenues in-line with expectations, including good trading in May
- Positive marketing contribution for the Period, representing profit after all direct costs including marketing but before central overheads
- Cash burn in the Period averaged £0.1m per month
- Net cash at 30 April 2020 of £7.5m (31 December 2019: £8.0m)
- Legacy Woodford shareholding cleared¹

Covid-19 update

The business has adapted quickly and effectively to the lockdown in March. The shift to home working has been seamless with no noticeable impact on productivity. Having previously right sized the business in late 2019 there has been no need to furlough any team members. Supply chain issues have been modest and well managed and our manufacturing partners have now resumed production.

Whilst weekly trading patterns have varied substantially across recent months, overall revenues are in-line with the Board's expectations, with improving trading in April continuing into May, after the disruption of the initial lock-down period from the middle of March. Sales of eve's award winning premium mattress range and bedframes continue to exhibit strong demand, and the Company has experienced an increase in sales of its pillows, bedding, toppers and single mattresses as households adapt to life in lockdown. Most importantly, with the focus on moving to profit and cash generation, the Company has achieved a positive marketing contribution for the Period. eve has now delivered a positive marketing contribution for the eight month period commencing September 2019.

As an online focused business, eve has undoubtedly benefitted from the lack of high street competition following the lockdown in March. Notwithstanding resilient trading to date, there is clearly uncertainty around the trading environment for the remaining seven months of the financial year, including the ongoing strength of consumer demand and industry competition, as store based retailers advance their plans to re-open as early as June.

Appointment to the Board and Grant of share options

As noted above, the Company is also pleased to announce, that Cheryl Calverley will formally be appointed to the Board as of 1 June 2020. Cheryl became the Company's Chief Executive Officer on 12 May 2020 following a formal handover period.

Cheryl has been granted options to subscribe for an aggregate of 3,750,000 ordinary shares in the Company (the "Options") at an exercise price of 0.1p (with a start date for vesting purposes of 1 June 2020). The Options vest from their start date on a straight-line basis over a three-year vesting period in monthly increments, subject to meeting certain performance criteria. Following the grant of the options, Cheryl Nicola Calverley (née Bouton), 40, holds nil ordinary shares in the Company, 204,167 vested unexercised options and 4,295,833 unvested options due to vest over the next 3 years. There is no further information required to be disclosed under Rule 17 or paragraph (g) of Schedule 2 of the AIM Rules for Companies.

Separately, Nikki Crumpton and Tom Enraght-Moony, Non-executive Directors of the Company, were both granted options to each subscribe for an aggregate of 180,000 ordinary shares in the Company, vesting over three years at an exercise price of 0.1p.

Cheryl Calverley, CEO of eve Sleep commented:

“eve has shown remarkable resilience through this complex period, with a robust supply chain and collaborative and responsive team culture. We have grasped the opportunity offered by the depressed TV market to run our existing, highly effective campaigns in both the UK and France, which have seen a strong response and resulted in further gains in marketing efficiency. Our differentiated strategy, focused on the wider sleep wellness market, continues to resonate well with customers and is achieving ongoing improvements in the customer repeat rate and the sales contribution of wider sleep products beyond mattresses.

I am confident that our online focused proposition, core strategy and breadth of our award winning product suite will enable us to navigate ongoing market uncertainty and the return of primarily store based competition. We remain obsessive about seamlessly delivering better sleep for our customers, and carefully and systematically growing our impact on sleep through products, partners and markets.”

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014.

For enquiries, please contact:

eve Sleep plc

Cheryl Calverley, Chief Executive Officer

via M7 Communications LTD

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Footnote

¹The Woodford holding stood at 45% of outstanding share capital following the equity fund raise in February 2019. This holding was subsequently transferred to three asset managers, Jupiter, Link and Standard Life Aberdeen. As at 28 May 2020 all three asset managers have exited their holding, removing what was a substantial stock overhang

The notification below, made in accordance with the requirements of the EU Market Abuse Regulation, provides further detail.

1	<i>Details of the person discharging managerial responsibilities / person closely associated</i>	
a)	<i>Name</i>	Cheryl Calverley
2	<i>Reason for the notification</i>	
a)	<i>Position / status</i>	CEO
	<i>Initial notification / amendment</i>	<i>Initial notification</i>
3	<i>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</i>	
a)	<i>Name</i>	eve Sleep plc

b)	LEI	2138007BAC29AUXWQE67	
4	Details of the transaction(s): section to be prepared for (i) each type of instrument; (ii) each type of transaction; (iii) each date and (iv) each place where transactions have been conducted		
a)	Description of the financial instrument, type of instrument	Ordinary shares of 0.1p each ("Ordinary Shares")	
	Identification code	ISIN: GB00BYWMFT51	
b)	Nature of transaction	Issuance of options over Ordinary Shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		n.a	3,750,000
d)	Aggregated information	N.A	
e)	Date of the transaction	28 May 2020	
f)	Place of the transaction	N.A	

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Tom Enraght-Moony
2	Reason for the notification	
a)	Position / status	NED
	Initial notification / amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	eve Sleep plc

b)	LEI	2138007BAC29AUXWQE67	
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	Identification code	ISIN: GB00BYWMFT51	
b)	Nature of transaction	Issuance of options over Ordinary Shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		n.a	180,000
d)	Aggregated information	N.A	
e)	Date of the transaction	1 April 2019	
f)	Place of the transaction	N.A	

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Nikki Crumpton
2	Reason for the notification	
a)	Position / status	NED
	Initial notification / amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	eve Sleep plc

b)	<i>LEI</i>	2138007BAC29AUXWQE67	
4	<i>Details of the transaction(s): section to be prepared for (i) each type of instrument; (ii) each type of transaction; (iii) each date and (iv) each place where transactions have been conducted</i>		
a)	<i>Description of the financial instrument, type of instrument</i>	Ordinary shares of 0.1p each ("Ordinary Shares")	
	<i>Identification code</i>	ISIN: GB00BYWMFT51	
b)	<i>Nature of transaction</i>	Issuance of options over Ordinary Shares	
c)	<i>Price(s) and volume(s)</i>	<i>Price(s)</i>	<i>Volume(s)</i>
		n.a	180,000
d)	<i>Aggregated information</i>	N.A	
e)	<i>Date of the transaction</i>	1 April 2019	
f)	<i>Place of the transaction</i>	N.A	