



NAKED WINES PLC

COMPANY NO: 02281640

ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD

52 WEEKS ENDED 31 MARCH 2025

A year of substantial progress

Naked Wines plc Annual Report and Accounts 2025

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Due to rounding principals, numbers presented in £m may not sum to the totals provided.
This can also lead to individual numbers being rounded to zero.

Introduction

We're Naked Wines and we look after more than 580,000 wine-loving members globally. At least that's the short version. What really gets us going is connecting wine drinkers with Winemakers and serving our members - better wine for their money, without any guesswork.

We do this by funding independent Winemakers from all over the world, cutting out unnecessary costs like middlemen markups, and giving our makers free rein to make the wines they've always wanted to.

It's a unique model. Our Angels regularly put money away in their very own Naked Wines piggy bank. And in return, they get to buy amazing wines at fair prices. Wines that only exist thanks to our Angels pitching in.

Some would say we're a smarter way to buy wine, and what can we say? We're not the disagreeing sort of wine club.

Winemakers across

4
continents

and members based in the US, UK and Australia. This diversified base means we have a wide range of wines, and a more stable business, with a rare ability to deliver direct to more than

90%
of US consumers

>580K

engaged and loyal members with a member retention rate* of

75%

A broadly stable and profitable base of core** members

Our wines achieve an
average
Vivino score of

3.9

which sits roughly in the 80th percentile between wines which are good (3.8) and wines which are extremely rare (4.2)

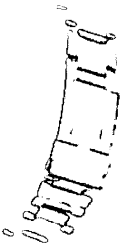
* Member retention rate is the % of members at the start of the financial year that are retained at the end.

** Core members are those who have been with us for more than two years.

01

☐ Governance report ☐ Financials

02



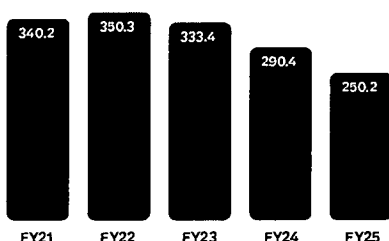
Financial performance summary

Revenue for the 52 weeks ending 31 March 2025

£250.2m

Year-on-year reported
(14)%

Year-on-year constant currency
(13)%

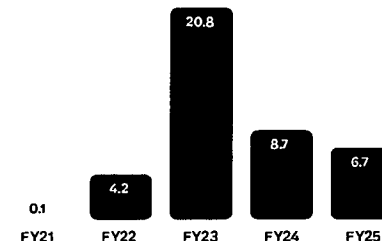


Adjusted EBITDA excluding inventory liquidation and associated costs for the 52 weeks ending 31 March 2025

£6.7m

Year-on-year reported
(23)%

Year-on-year constant currency
(19)%

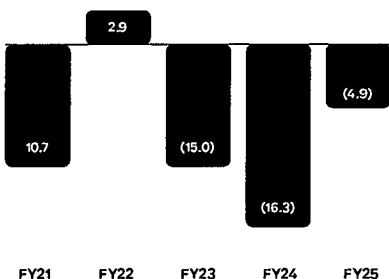


Profit/(loss) before tax for the 52 weeks ending 31 March 2025

£(4.9)m

Year-on-year reported
70%

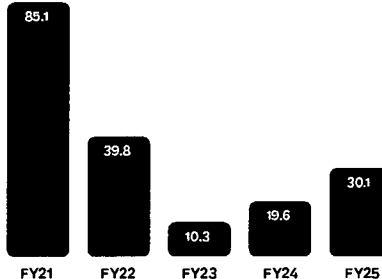
Year-on-year constant currency
70%



Net cash excluding lease liabilities for the 52 weeks ending 31 March 2025

£30.1m

Year-on-year reported
54%



In FY23, we reported a longer, 53-week statutory period, the results reported for FY23 on this page are on a 52-week comparable basis. Reconciliation of previous APM Adjusted EBIT to new APM Adjusted EBITDA can be found on page 144.



Letter from the Chair

As I reflect on the past year, I am pleased to report that Naked Wines is navigating challenging market conditions with resilience and strategic focus, positioning us for sustainable growth and long-term value creation.

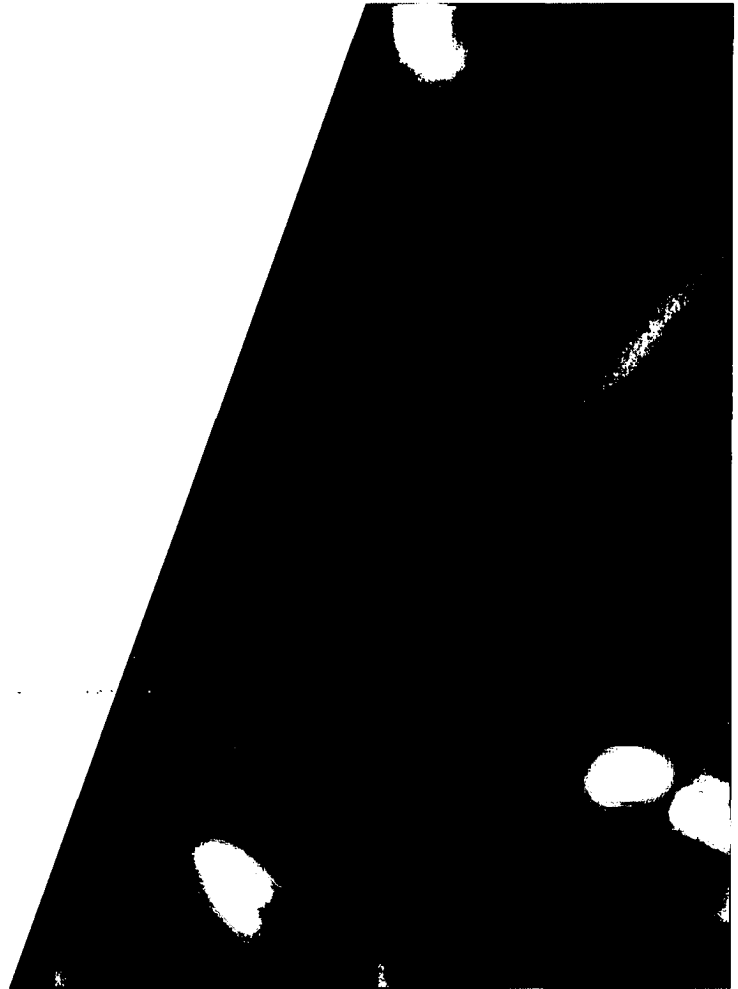
The global economic environment in FY25 remained challenging, marked by inflationary pressures, shifting consumer behaviours, and geopolitical uncertainties. However, we believe that socioeconomic trends, including a growing demand for authenticity, quality, and community-driven experiences, will increasingly play to the heart of our unique business model. By connecting premium wine drinkers directly with independent Winemakers, Naked Wines is well positioned to capitalise on these trends, delivering unparalleled value and fostering a loyal community of Angels. Our ability to offer high-quality wines at fair prices, coupled with a direct-to-consumer model that emphasises transparency and provenance, ensures we remain relevant and competitive in an evolving market.

In FY25, we have continued to see a decline in revenue of 14%, vs 18% decline in FY24. This includes both the normal attrition levels of the exceptionally large cohorts from FY21/FY22, and also a challenging market. Nevertheless, performance is in line with our guidance, and we have seen a return to a small membership growth in Australia, a testament to the effectiveness of our execution and teamwork. We have made significant progress with cash generation as we have reduced our

inventory levels. The £6.5m inventory liquidation and associated costs connected with these resulted in the £2.0m adjusted EBIT loss. Our rigorous test-and-learn approach has provided valuable insights, enabling us to refine our strategies and focus on what drives value. Whilst our CEO, Rodrigo Maza, will elaborate on these achievements, I want to highlight the stabilisation of our financial foundation and the clarity of our strategic direction as key milestones.

At the end of the financial year, we laid out a strategy focused on improving liquidity, strengthening our profitable core, and returning to growth. The details of this strategy, including our progress on inventory liquidation will be covered comprehensively in the CEO and CFO sections.

We have made substantial progress in FY25 and whilst we recognise that there is more work to be done to achieve consistent profitability and sustainable growth, this has been supported by an improved management team with continued support from our dedicated Board. I want to express my deepest gratitude to Rowan Gormley, who stepped down this year after playing a pivotal role in stabilising the business and laying the foundation for our current trajectory. His vision and





dedication have left an enduring legacy that we are committed to furthering. Additionally, we welcomed Dominic Neary as our new CFO. Dominic brings clarity, financial acumen, and a wealth of experience in the consumer and technology sectors, positioning us to execute our strategy with precision.

Beyond financial performance, Naked Wines remains committed to making a positive impact in our communities. Our charity and ESG initiatives, detailed later in this report, reflect our dedication to supporting the communities we serve and the independent Winemakers who are the heart of our business. From rallying around Winemakers during crises to fostering sustainable practices, we are proud to align our purpose with meaningful action.

On capital allocation, we remain focused on generating significant cash flow and making prudent investment decisions. We remain committed to disciplined capital allocation. As outlined by our CFO, future distributions will be made in alignment with our capital allocation policy and be executed in strategic alignment with our stakeholders.

In closing, FY25 has been a year of stabilisation, strategic clarity, and renewed momentum, and it has been a pleasure to serve as interim Chairman for the last several months. I am very pleased that following the conclusion of a comprehensive and competitive recruitment process, on 22 July the Company announced the appointment of Jack Pailing, current Senior Independent Director, as our new permanent Chairman. Jack has known the business well for many years as a shareholder and I look forward continuing to serve as a non-Executive Director on the Board with Jack.

With a robust plan, a talented team, and a community-driven model, we believe Naked Wines is poised to unlock its full potential. We have conviction that our discipline, transparency, and return to growth will deliver compelling value for our shareholders, Angels, and Winemakers alike.

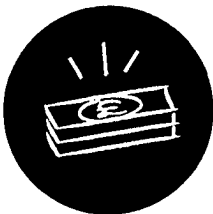
Thank you for your continued support.

Yours sincerely,

Deirdre Rynnette

Interim Chairman

Invest in Naked Wines



1. Value Creation

Naked anticipates reaching a cash balance (net cash excluding lease liabilities) in excess of £70m over the Medium Term with >£30m cash on the balance sheet at year end, >£40m of excess inventory unwinding, and free cash flow which is positive and improving.



2. Profitable and Stable Core

More than 400k core members delivered in excess of £40m in repeat contribution in FY25; retention and cash flows are strong, with adjusted EBITDA expected to reach £9-14m in the Medium Term.



3. Better Wines at Better Prices

Naked customers enjoy award-winning wines at fair prices, thanks to direct winemaker partnerships - consistently validated by Vivino scores vs retail.



4. Diversified

Subscription model + geographic diversification (UK/US/Australia) help position Naked to better withstand economic shocks and market-specific volatility, including tariff risks.



5. Higher-Growth DTC Market

Naked serves a £1bn+ direct-to-consumer (DTC) wine market with Medium Term growth rates we expect to be 4% CAGR*, with access to 27m premium drinkers - most of whom have yet to hear of Naked.



6. Data and Testing Led

With focused experiments run in FY25, Naked applies a rigorous, data-led approach to pricing, onboarding, product formats and retention optimisation.



7. Brand-Led Acquisition

We are rebuilding a more efficient, brand-led acquisition engine - one rooted in storytelling & referrals where word-of-mouth and organic social, are showing early promise and are central to our strategy going forward.

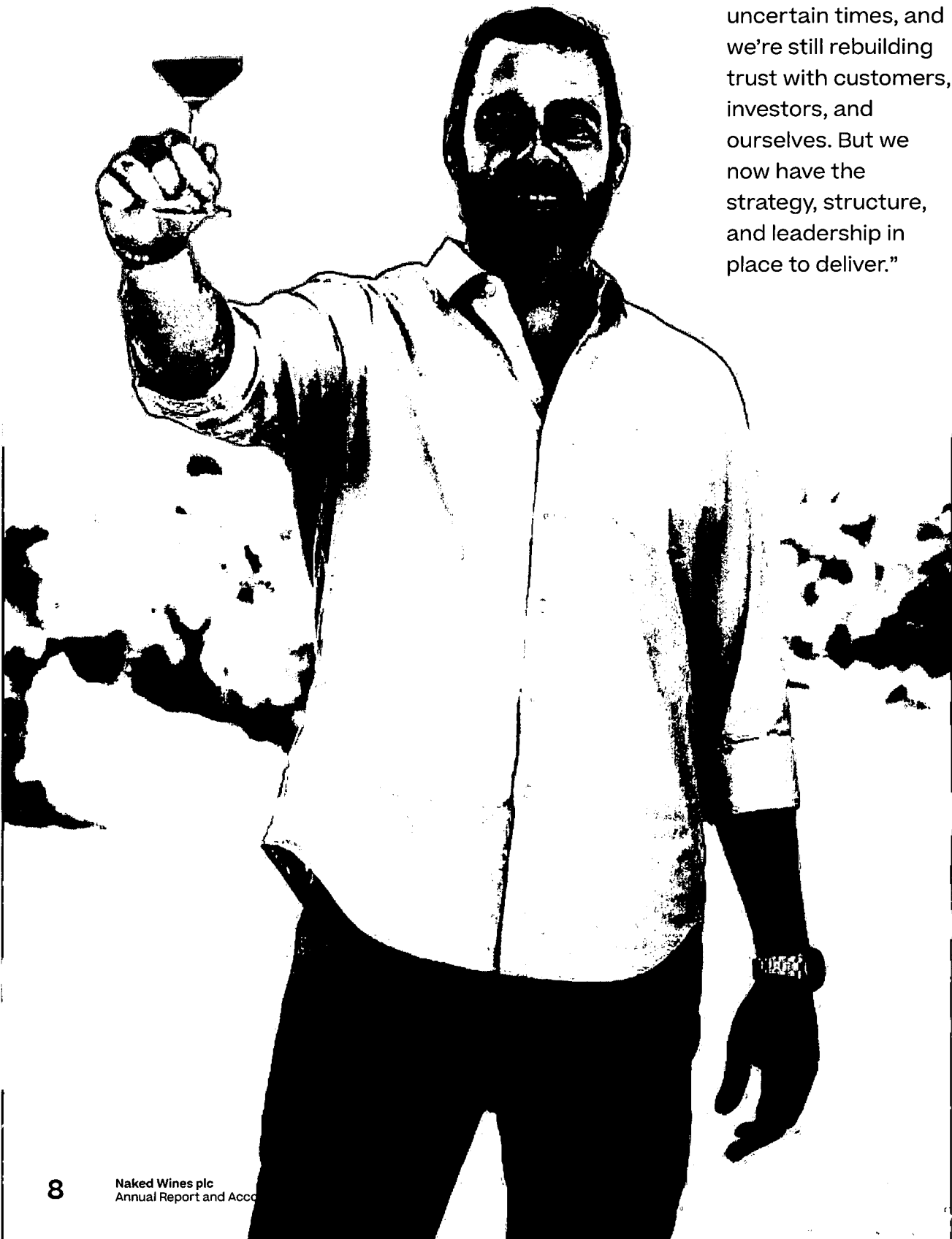


8. World-Class Winemakers innovating through Naked

Over 300 Winemakers use Naked's funding to innovate, plan ahead, and weather volatility, resulting in proprietary products and enduring loyalty.

*4% CAGR growth is Naked Wine's assessment of likely Medium Term growth rates, based on a variety of external information sources, considering both historic growth rates and forecasts within the medium to high quality DTC wine market.

“We are living in economically uncertain times, and we’re still rebuilding trust with customers, investors, and ourselves. But we now have the strategy, structure, and leadership in place to deliver.”



Chief Executive's review

When I stepped into the CEO role last year, I made three commitments: to lead transparently, operate with discipline, and act responsibly. FY25 was the first full year of delivering on those promises.

We focused on fixing the foundations, embedding a data-driven culture, and launching a clear strategy for value creation and growth. While there's still work ahead, we are a stronger, more focused business today, with momentum building across our markets.

Importantly we have delivered FY25 results in line with our guidance. Revenue of £250.2m is down on FY24 by 14%, reflecting the continued attrition of our exceptionally large FY21/FY22 cohorts, the lack of an Easter trading period in the financial year, and a continued challenging market. Importantly we delivered adjusted EBITDA excluding inventory liquidation and associated costs of £6.7m (FY24: £8.7m).

Ensuring Robust Foundations

FY25 was about stabilising our business and rebuilding confidence, and we made real progress:

- We've generated £20m in net cash excluding lease liabilities since the start of FY24, including acceleration of the sale of surplus inventory, and secured a flexible new credit facility that provides us with £27m in liquidity
- While our UK and US membership bases continue to decline, we're seeing encouraging signs, particularly in Australia, where we've returned to growth after two years of decline
- Cash reached £30m at the end of the year, reflecting significant progress in reducing our excess inventory. The £4.9m loss before tax (FY24: loss of £16.3m) includes £6.5m of inventory liquidation and associated costs, which helped to deliver this objective

These results reflect the resilience of our team, the loyalty of our Angels and Winemakers, and validate the tough but necessary decisions we made to reset the business.

Proud to Be Naked

We rebuilt the leadership team and upgraded the way Naked runs.

- We put in place simple, rigorous systems that created real alignment, helping teams focus on what matters, take ownership for outcomes, and grow through clear, consistent feedback
- Built a high-performance culture grounded in accountability and evidence-based decision making
- Strengthened our relationships with Winemakers, driving deeper collaboration, better wines, and smarter investment

We've shifted into a learning culture, one that moves quickly, tests boldly, and doubles down on what works.

Getting Naked Back to Growth

With the foundations stabilised, we launched a focused strategy to reach in excess of £70m in net cash excluding lease liabilities over the Medium Term, built on three priorities:

1. Release excess working capital: Unlock as much of our £30m cash from the balance sheet as we can and an additional £40m from surplus inventory
2. Recalibrate around our profitable core: Focus investment on high-value Angels to deliver annual adjusted EBITDA of £9-14m
3. Return to sustainable growth: Reignite 5-10% top-line growth by getting retention back to historical levels, investing in customer acquisition with discipline, and leveraging our engaged community of Angels and Winemakers

Testing is now at the core of how we operate, from propositions to marketing to operations. We've shut down what no longer works, doubled down where it does, and built a culture where testing isn't a phase. It's how we run the business.

Looking Ahead

We're not naïve about the road ahead. We operate in challenging markets, and we're still rebuilding trust, with customers, investors, and ourselves. But we now have the strategy, structure, and leadership in place to deliver.

We remain focused on organic growth but open to strategic opportunities that drive shareholder value.

The Naked Movement Is Back

What excites me most is that we're getting our edge back, reconnecting with the purpose and energy that made Naked special in the first place. We're connecting passionate wine drinkers with independent Winemakers through quality, transparency, service, and community.

To our shareholders, Angels, Winemakers, and my team... thank you. Your belief got us through our toughest test. Now, it's time to build again.



Rodrigo Maza
Chief Executive Officer

Market opportunity

A Compelling and Growing Market

The online direct-to-consumer (DTC) wine market is poised for robust growth in the coming years; we assess that the market will grow at a CAGR of 4% over the Medium Term across our core markets, the US, UK, and Australia. This market encompasses an estimated 27 million premium wine drinkers, representing a significant untapped opportunity given Naked Wines' current penetration of less than 3% of this audience. With >580,000 members, the company is well-positioned to capture a larger share of this expansive market where awareness of Naked Wines remains low, particularly in the US.

Favourable Market Trends Aligned with Naked's Strengths

Several macro trends in the wine industry play to Naked Wines' unique value proposition:

- Consumers increasingly prioritise high-quality wines with transparent origins. Naked Wines' model, which connects >580,000 members directly with over 300 independent Winemakers, delivers exceptional quality at fair prices, as evidenced by superior Vivino ratings compared to traditional retail brands
- Community and Engagement: Customers seek authentic, community-driven experiences. Naked Wines' Angel-funded model fosters a vibrant community, exemplified by events like the annual tasting tours attended by 4,624 Angels, where customers engage directly with Winemakers
- Innovation and Agility: The shift toward innovative wine formats and varietals aligns with Naked's ability to partner directly with Winemakers to create tailored products, such as low-alcohol wines in Australia or sparkling reds for UK Angels, enabling faster market responsiveness than traditional retailers

Diversified Positioning

Naked Wines operates across three key markets, the US, UK, and Australia, with the majority of revenue split between the UK and US, providing a natural hedge against foreign exchange fluctuations and regional economic downturns. The company's ability to deliver wine legally to over 90% of the US population is a structural competitive advantage, difficult for competitors to replicate due to complex regulatory barriers.

Targeting High-Value Customers

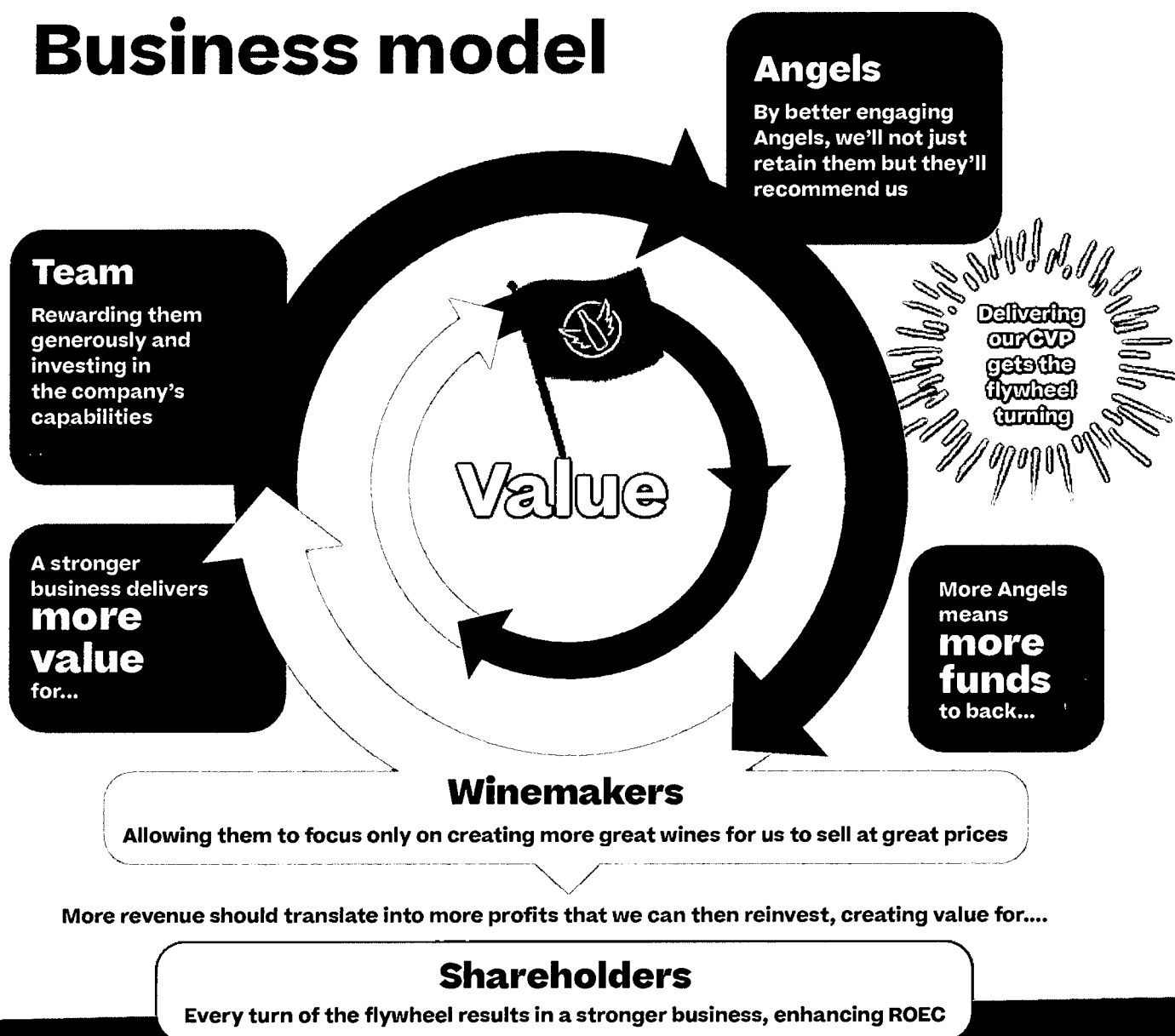
Naked Wines has refined its customer acquisition strategy to focus on high-value, long-term Angels who align with the company's core value proposition: convenience, value, and selection. Insights from extensive FY25 testing reveal that these customers, when effectively targeted, exhibit strong retention and higher lifetime value (LTV). By leveraging data-driven marketing and econometric modeling, Naked Wines is optimising acquisition channels to convert premium wine drinkers at scale, with strong signs of success in Australia demonstrating the potential for 5-10% membership growth.

A Unique Community-Driven Model

At its core, Naked Wines' market opportunity stems from its differentiated business model, which eliminates intermediaries to deliver better wines at better prices while fostering a passionate community of Angels and Winemakers. This model not only drives customer loyalty, but also empowers Winemakers to focus on craft, supported by Naked's innovative funding approach. As consumer preferences shift toward authenticity and engagement, Naked Wines is uniquely positioned to capitalise on these trends, reigniting the "movement" that originally defined the brand and restoring its magic to drive sustainable growth.

¹ Naked Wines has performed an analysis of available market data in the DTC wine market in all 3 regions which suggest CAGR of greater than 4%

Business model



Our Business Model: A Virtuous Circle Driven by Value

At the heart of Naked Wines is a simple idea: when we create value for our customers, Winemakers, employees, and shareholders – everyone wins.

Our flywheel model begins with delivering a compelling **Customer Value Proposition (CVP)** to our Angels. When we better engage them with exceptional wines and a strong sense of community, they stay longer, spend more, and

recommend us, bringing in new customers and unlocking more funds to invest.

These funds go directly to **independent Winemakers**, enabling them to focus solely on crafting outstanding wines. That in turn enhances the customer experience, driving further loyalty and growth.

As the business strengthens, we generate **value** that can be

reinvested across the organisation, in our **team**, in better customer experiences, and in smarter, more efficient ways of working. Ultimately, this fuels long-term, sustainable **returns for shareholders**, closing the loop.

Value sits at the centre of this model – guiding every decision and creating a self-sustaining engine of growth, loyalty, and shared success.

Meet our Winemakers

A Naked original: the green dream of Virgile Joly

Fresh-faced and full of ambition, winemaker Virgile Joly joined us 12 years ago with a dream; to grow his winery big enough to have complete freedom of craft. Spoiler alert: that's no longer a dream. Because thanks to solid Angel funding, Virgile has now expanded his green, South-of-France winery which he runs with his wife and right-hand woman Magda. And the wines? They're some of Languedoc's best.



Virgile & Magda Joly
Naked Wines Winemakers



It's fair to say Virgile is the man of St Saturnin where his wines are made. He's the president of the appellation, knows pretty much everyone, and his new winery is cleverly built into the hillside where he lives with his family.

Virgile's come a long way since the rustic, traditional wines of his early career, back when he was making wine in a few small buildings in the middle of town, running a hose between each one to fill his barrels. He's gone from managing just one hectare of Saint Saturnin's vineyards to over 20 (which is around 10% of the entire appellation).

On top of that, Virgile's got some serious green credentials to shout about and is a champion of all things organic and sustainable. So much so, he won the IWSC's (International Wine & Spirit Competition) Green Wine Initiative award last year. Not bad, Virgile.

And with continued Angel support to back him up, Virgile's going from strength to strength. He's able to invest more into greener practices, like exploring the possibilities of increased biodiversity by installing ponds. Did we mention he's ambitious? But ultimately, he and Magda can keep crafting delicious wines for our members to enjoy. Simple as that.

Tim Atkin describes him as
**"one of the most talented
Winemakers in the world"**



The new it-guy in wine: meet Winemaker Reenen Borman

With his family-run winery, Reenen Borman is one to watch on the South African wine scene. Naturally, we're biased. But when a top critic like Tim Atkin describes him as "one of the most talented young Winemakers in the world", we can't be too far off. Then of course, the fact that Angel funding helped save Reenen's business during Covid is just the cherry on top.

Reenen's Boschklouf estate sits on the edge of Stellenbosch and is a winery with family as its main ingredient. Reenen makes the wines, his dad Jacques looks after the grapes, and his mum, Marina, and wife, Marli, run the office. Together, they're responsible for some of the country's best wines, like Reenan's Epilogue v21 the highest-rated South African red wine ever scored by Tim Atkin. Not bad from one of the UK's leading wine boffins.

But it hasn't always been all roses. When Covid hit, South Africa's strict and sudden lockdown dealt a huge blow to Reenen's small business. Particularly as Reenen previously sold 90% of his wine to restaurants and bars around the world. On top of that, the government banned domestic alcohol sales completely and blocked wine exports.

It was a triple whammy that kicked our Angels into action. With a single order, they rescued 50% of the winery's annual production. A total game changer for Reenen's small business, and the start of him as a fully-fledged Naked Winemaker, where he opened up his treasure chest of top-class wines to Angels exclusively.

New strategic plan

Naked Wines' new strategic plan is designed to reach in excess of £70m in net cash excluding lease liabilities over the Medium Term while restoring the company to sustainable growth. Built on rigorous testing and data-driven insights from FY25, the plan rests on three core pillars: unlocking cash from the balance sheet, recalibrating around a profitable core, and driving a return to growth. This disciplined approach prioritises return on investment (ROI), capital efficiency, and long-term shareholder value, with clear commitments to scale what works, stop what doesn't, and return excess capital to shareholders.

1. Unlocking Cash from the Balance Sheet

Naked Wines is targeting in excess of £70m net cash excluding lease liabilities on its balance sheet over the Medium Term (before distributions).

- **Cash Improvement in FY24 and FY25:** The company has significantly strengthened its liquidity, generating £20m in net cash excluding lease liabilities since the start of FY24 and reaching £30m in net cash excluding lease liabilities as of March 2025. An unused £27m borrowing facility further bolsters financial flexibility.
- **Inventory Opportunity:** Excess inventory, valued at £40m, is being actively liquidated, with progress already evident in FY25 through optimised stock management in the US. This process is disciplined, with liquidation costs factored into the net cash excluding lease liabilities impact.
- **Capital Allocation Discipline:** Excess cash will be managed prudently, with an early focus on distributions, such as share buybacks; other options for distributing excess capital will be discussed with shareholders as the need arises. If investments do not meet stringent return on investment hurdles, surplus capital will be returned to shareholders, consistent with our cash allocation strategy, to maximise value per share.

2. Recalibrating Around a Profitable Core

While our membership base has not yet fully stabilised, we're seeing encouraging signs, and are focusing on a highly profitable core of members to drive sustainable cash flows and profitability.

- **Profitable Membership:** Naked's core members generated in excess of £40m of Repeat Customer contribution in FY25, underpinned by strong engagement and retention metrics. Angel funds have fallen more slowly than member numbers, as these balances are more heavily weighted to core members, with cancellations dropping from 44% in FY21 to 14% in FY25 (FY24: 19%), reflecting robust loyalty.
- **Valuable Membership:** After elevated churn from over-acquisition in FY21 and FY22, we saw improving retention rates for our core members in FY25. The business is free cash flow positive, with adjusted EBITDA targeted to reach £9-14m in the Medium Term, supported by £23m in cost savings (£15m in FY26, including £7m in marketing and £8m in operational efficiencies).
- **Growth:** By restoring retention to historic levels and focusing on higher return on customer acquisition channels, Naked could reach revenue growth of 5-10% by the end of the Medium Term.

3. Driving a Return to Growth

Naked Wines is reigniting growth by enhancing retention, optimising acquisition, and reinvesting in its unique community-driven model.

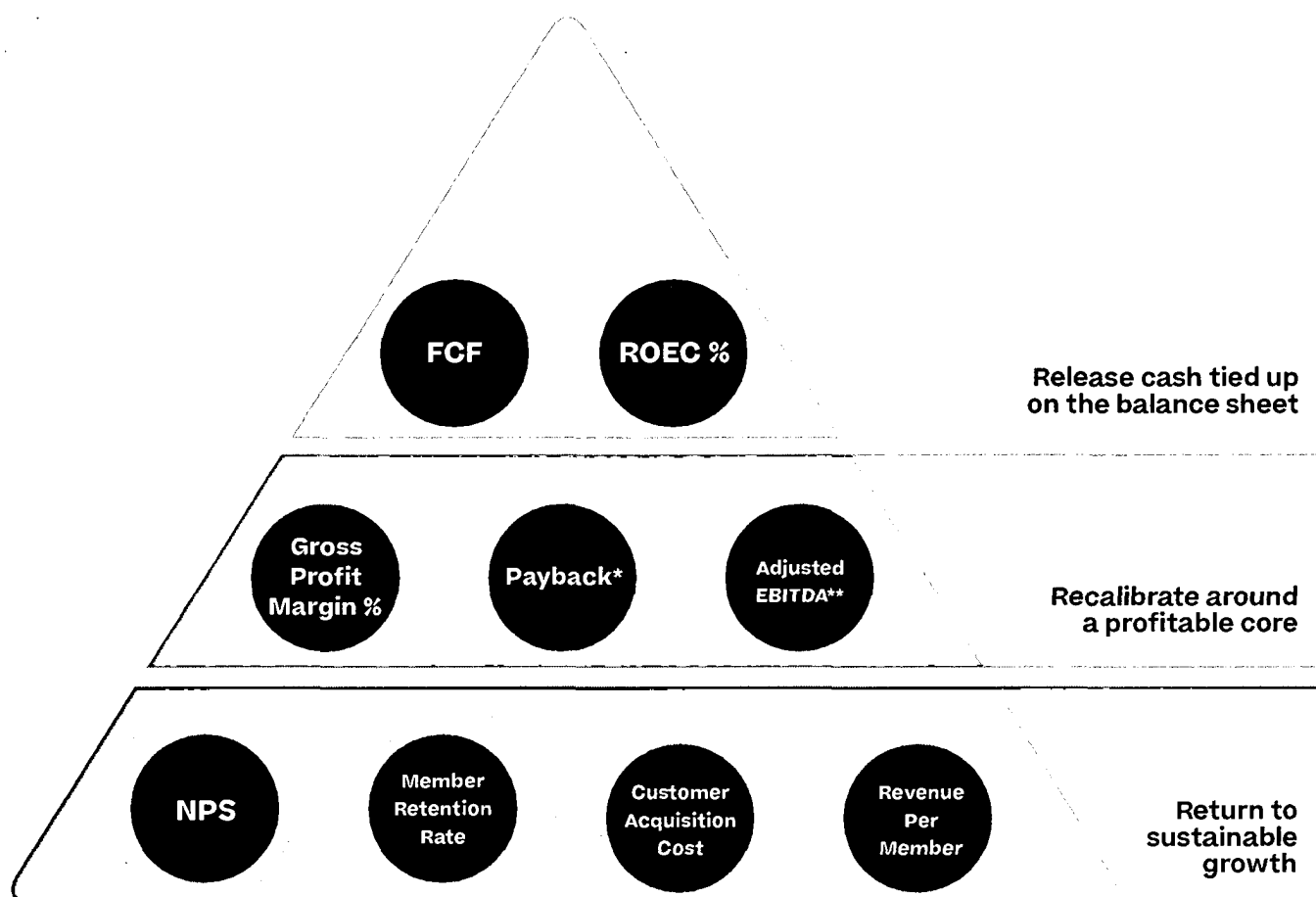
- **Retention and Customer Value Proposition (CVP):**

Retention is critical, with every 1% improvement adding £300,000 to the bottom line. FY25 testing identified three pillars; discovery, delivery, and community, to enhance the Angel experience. Initiatives include simplifying pricing (reducing UK price tiers from 46 to 15), improving delivery flexibility (e.g. testing lower minimum order quantities), and strengthening community engagement through virtual tastings and winemaker interactions. A £3m investment, reserved for scaling proven initiatives, targets a 5% retention uplift vs current levels, with 200 basis points of margin reinvested to drive sustainable engagement.

- **Acquisition Strategy:** Naked has shifted from broad acquisition to targeting high-value Angels, reducing reliance on low-LTV, discount-driven customers. A £7m marketing saving, identified through econometric modeling and geo-holdout tests, will cut inefficient spend by 30% while we expect to maintain 90% of acquisition volume. New channels, such as storytelling and community-driven referrals (leveraging 1/3 to 1/2 of customers acquired via recommendations), are showing promise. Payback metrics are at a two-year high, with plans to return to pre-pandemic unit economics.

- **Community as a Competitive Moat:** Naked is doubling down on its unique Angel model, validated by FY25 tests against alternatives like Wine Genie and standard e-commerce, which showed lower LTV and conversion, respectively. Events like the UK and Australia tasting tours, attended by 4,624 Angels in FY25, exemplify the brand's ability to foster loyalty and advocacy, supercharging organic growth.

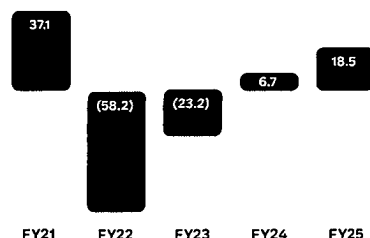
Introducing our new KPIs- how we will track success and delivery on our new strategic plan



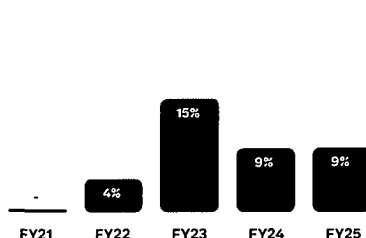
* Revised payback KPI will be launched with FY26 Interim results when we have meaningful data from the new customer acquisition strategy.

** Adjusted EBITDA excluding inventory liquidation and associated costs

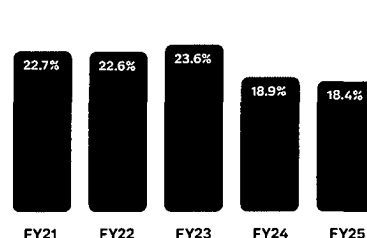
Free Cash Flow (FCF)



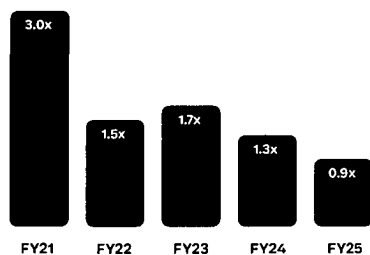
Return on Equity and Cash % (ROEC)



Gross Profit Margin %

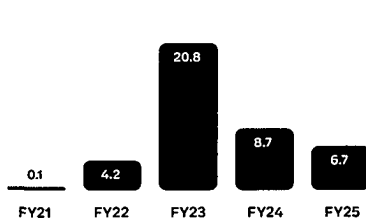


5-Year Forecast Payback

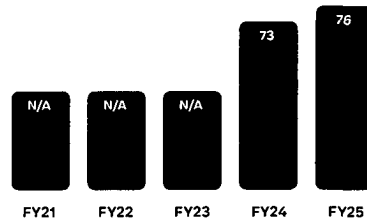


Adjusted EBITDA

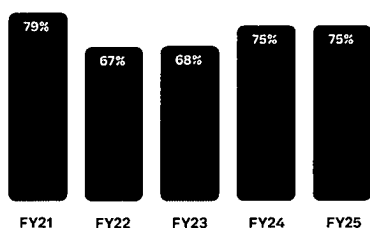
(excluding inventory liquidation & associated costs)



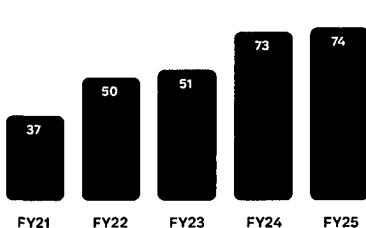
Net Promoter Score (NPS)



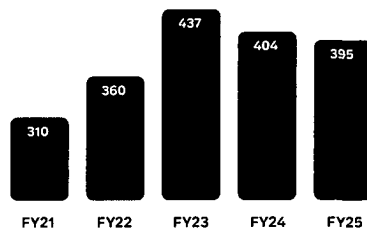
Member Retention Rate %



Customer Acquisition Cost (CAC)



Revenue Per Member (RPM)



Net Promoter Score (NPS)

Measures customer loyalty and satisfaction based on the likelihood of customers to recommend Naked to others. (NPS = % Promoters - % Detractors)

Member Retention Rate

The % of members at the start of the financial year that are retained at the end of the financial year

Customer Acquisition Cost (CAC)

The cost to acquire a new member being investment in new customers divided by new members acquired

Revenue Per Member (RPM)

Repeat customer sales divided by the number of closing members

Gross Profit Margin %

Gross profit as a percentage of revenue

5-Year Forecast Payback

The ratio of projected future Repeat Customer contribution we expect to earn from the new customers recruited in the year, divided by the investment in New Customers. This payback KPI will be replaced with a revised KPI which will be launched with the FY26 Interim results

Adjusted EBITDA excluding inventory liquidation and associated costs

EBITDA excluding adjusted items and any costs directly arising from the excess level of inventory and the liquidation of that inventory, including inventory provisions arising in the year.

Free Cash Flow (FCF)

Operating cash flow less capital expenditure

Return on Equity and Cash (ROEC)

EBITDA excluding inventory liquidation and associated costs, and adjusted items, as a percentage of equity and debt including cash and cash equivalents

Refer to the APM section on pages 144 and 145 for reconciliations of Key Performance Indicators

Bringing the Naked Wines community to life



A great way to get closer to our customers is by investing in physical events. And because seeing is believing, we know these physical touchpoints will deepen trust and amplify the best of Naked; our amazing wines, and the connection between the drinker and the maker.

UK Tasting Tour

This summer will be the 14th year of running our annual UK Tasting Tour: a physical manifestation of our business flywheel and a recurring highlight for Angels, Winemakers and staff. During Tour, Angels get a chance to see our mission and value proposition in action as they sample a diverse selection of wines and interact directly with Winemakers.

“If you love discovering new wines and Winemakers but want to try before you buy, this is an event you really do not want to miss out on.”

Craig Mackay, Angel

What Angels can expect:

Explore our huge range of wines:

Attendees can taste over 100 wines sourced from our global network of independent Winemakers, from red to rosé and even a couple of spirits.

Meet the Winemakers:

At the heart of Tour are 30 talented Winemakers who share their wines, stories and insights, giving Angels a personal and intimate experience in every city and at each event.

Enjoy an interactive atmosphere:

The whole point of Tour is to be informal and fun; a relaxed space to enjoy and learn about wine, with zero stuffiness and pre-existing knowledge.

Last year, Tour took us to 8 cities and 10 different tastings featuring:

4,624
Angels

31
Winemakers

4,240
bottles consumed
(at the events, naturally)

Plus, Tour sales saw a whopping
31,182
bottles sold



Sonoma Tasting Room

This September, Naked plans to open a tasting room in Sonoma USA.

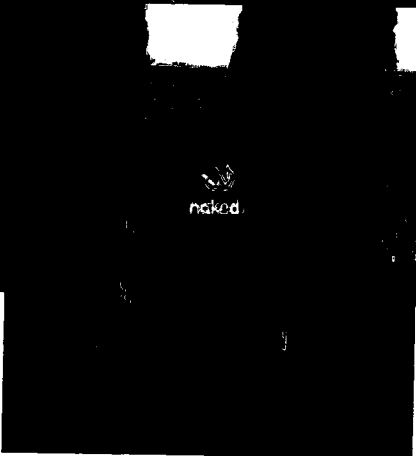
With wine drinkers returning to wine country and visits from Europe beating pre-Covid levels (SVB 2024 Direct to Consumer Wine Survey), we see a great opportunity to showcase best-in-class global wines from independent Winemakers in the heart of the US wine region.

Most Sonoma tasting rooms pour a narrow range of California wines. So thanks to our exceptional global portfolio, we can give customers an innovative and well-rounded experience. Think about it as an authentic Californian wine tasting but with a Naked twist or two.

This tasting room will be rooted in the community and provide people with the opportunity to connect with the brand via interactive events and tasting experiences.

The benefit of having a physical location is to enhance our mission and show that it's real. It also demonstrates that we're invested in craft and proud to put our Winemakers front and centre.

Our new Sonoma location has commercial benefit too. The tasting room is housed within a new facility, where we have immense production and storage capacity. And immense is no exaggeration – it takes a good while to walk round the place. Here we'll generate incremental revenue and reduce overheads, maximising operational efficiency and unlocking the value of idle assets.



“The tour always reminds me how fortunate we are to be a part of this community, and maybe this time around it felt extra special. Lovely to see old friends again and great to meet the newbies too.”
Bill Small, Naked Winemaker

Financial review



“FY25 results are in line with our expectations, free cash flow and adjusted EBITDA are positive. There is likely significant excess cash in the Medium Term.”

Dominic Neary

Overview

My first few months at Naked Wines have been both busy and extremely enjoyable. I'd like to thank Maza and the wider Naked team for their warm welcome. A special thanks to our Winemakers, whose passion for wine is genuinely infectious, and whose products line my shelves at home.

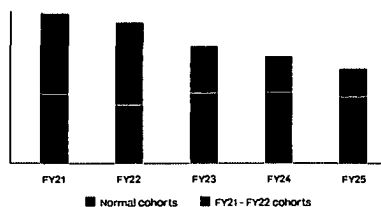
Having managed through a period of liquidity challenges over the past two years, Naked Wines moves into FY26 with a strengthened financial foundation. FY25 results are in line with our expectations, the business has £30m of net cash excluding lease liabilities in the bank, a further circa £27m of unused financing, and is cash generative with adjusted EBITDA profitability.

At our strategy day in March, we reset our financial strategy based on three key pillars:

1) Reach in excess of £70m net cash excluding lease liabilities from the balance sheet:

- a) We have £30m of net cash excluding lease liabilities today, after generating £20m of net cash excluding lease liabilities since the start of FY24.
- b) Inventory has fallen from £166m at the start of FY24 to £108m at the end of FY25, and we anticipate generating circa £40m of net cash excluding lease liabilities in the coming years as we sell through and liquidate our excess stock.
- c) In our refreshed capital allocation policy, the Board has committed that we will be disciplined in how we manage cash and return excess capital to shareholders in a way that maximises value per share or agree another utilisation with investors.

Closing members by FY



Normal cohorts excludes members acquired during FY21/FY22 exceptional acquisition years.

2) Focus on generating adjusted EBITDA from our profitable core members:

- a) Data from the last few years shows that our underlying non-pandemic acquired closing members have been broadly stable (see chart below left). The majority of the decline in members during this time is the result of the huge scale of customer acquisition during FY21 and FY22; this is simply the mathematics of customer retention.
- b) Whilst there are improvements to be made in acquisition, our core members (customers who have been with us for more than two years) continue to be profitable, generating in excess of £40m Repeat Customer contribution in FY25.
- c) To support profitability, we've identified over £23m in cost savings, of which £15m has been secured in Q1 for delivery in FY26.
- d) As a result, we are confident in our ability to grow adjusted EBITDA progressively to exceed an annual £9m by the end of the Medium Term.

3) Our investment approach is rigorously return-on-investment-driven:

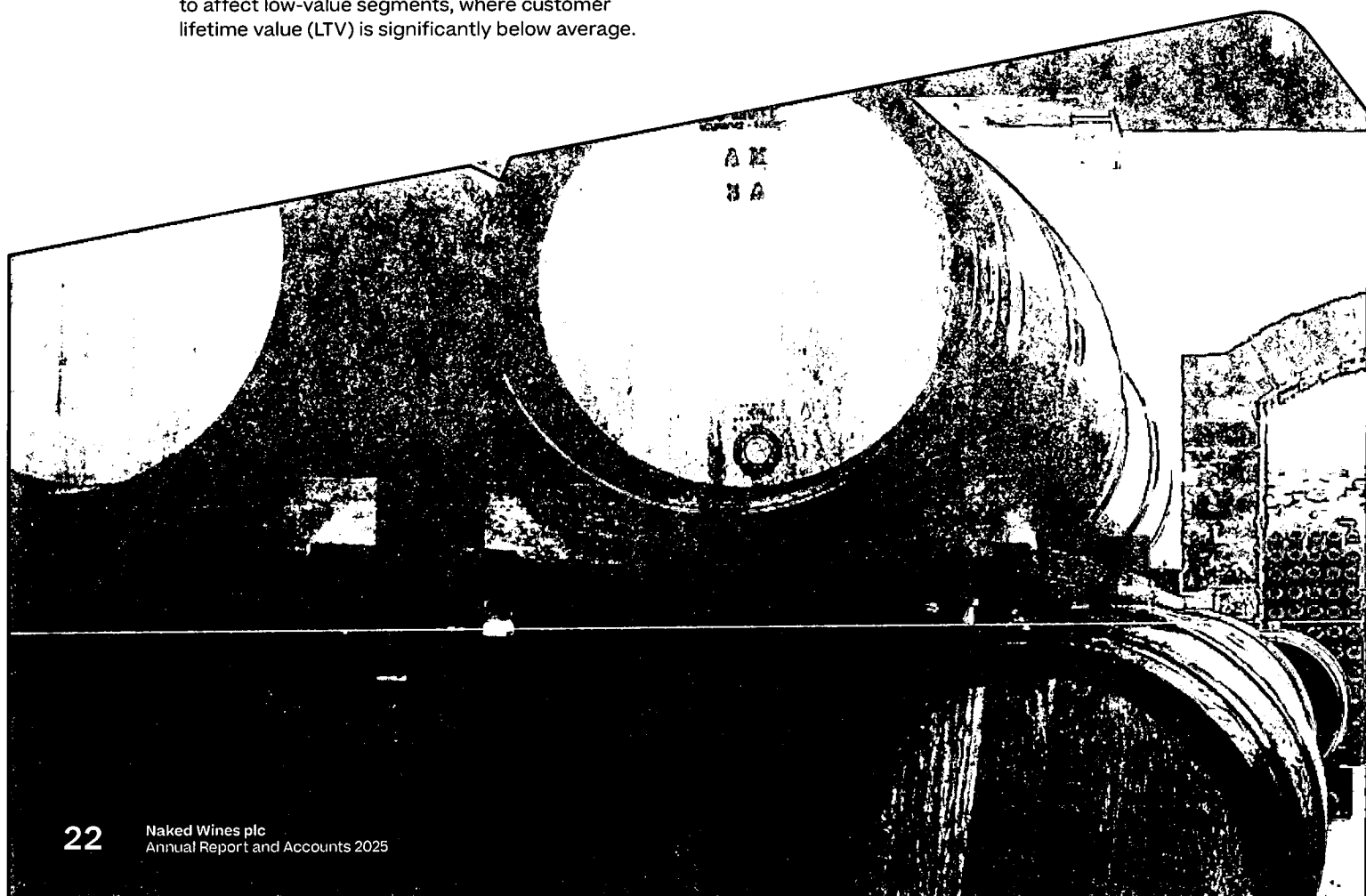
- a) Customer acquisition is governed by clear cost-per-acquisition and payback thresholds.
- b) Budgets are unlocked quarterly against defined performance criteria.
- c) We've identified up to £3m in initiative-based investment, focused on engagement tools like customer guarantees and retention programs. These are expected to support a return to historic retention levels. Management believes that this could result in a 5-10% underlying revenue growth by the end of the Medium Term.
- d) In parallel, we've initiated a two-year roadmap to simplify our technology platform. While primarily justified by cost savings, it will also enable higher customer to member conversion, lower acquisition costs, and scalable growth.

These three pillars, supported by the reinvigorated performance culture at Naked Wines are showing clear benefits already. Free cash flow is positive, net cash excluding lease liabilities generation is strong, and adjusted EBITDA excluding inventory liquidation and associated costs is in line with our plans. We are confident in our ability to generate adjusted EBITDA in excess of £10m by the end of the Medium Term, and to free up significant capital as we do.

Drivers of Group P&L performance

In FY25, our results were in line with our expectations. These results reflect our focus on driving underlying profitability and cash generation. Total revenue of £250.2m was down 14% vs FY24 (down 13% on a constant currency basis). This decline is aligned with the 14% decline in Active members and 11% decline in members, as we focus on a higher-quality, more efficient, core customer base. Key drivers of this were:

- (4)% is the result of very high acquisition levels in FY21 and FY22; during the COVID-19 pandemic, customer acquisition during these two years was 2.7x normal acquisition levels; as a result, the attrition from these cohorts in FY25 has been 2.7x that which we would normally expect it to be. This effect will diminish over time as these cohorts represent a decreasing share of the total member base.
- (2)% is from the strategic reduction to investment in new customers: we estimate that closing members in FY25 were 15,000 lower due to the reduction of inefficient marketing spend in Q3/4 FY25. Management expects the reduced volumes primarily to affect low-value segments, where customer lifetime value (LTV) is significantly below average.
- (2)% impact is from lower revenue per member: this reflects a shift in revenue mix, with a smaller proportion of total revenue generated from the US market, where revenue per member remains highest.
- (6)% impact is from additional external factors: these include the absence of the Easter trading period in the UK in FY25, and broader economic pressures.



On a statutory basis, gross profit has declined by 16% to £46.1m (FY24: £55.0m). This is broadly in line with the decline in revenue and includes the following movements:

- Repeat customer contribution margin improved from 24.7% in FY24 to 24.9% in FY25, the key drivers being 50bps of margin improvement from COGS and other fulfilment cost initiatives, notably in the US. This was partially offset by 20bps of regional mix impact.
- Investment in new customers of £20.8m (FY24: £23.3m) was down 10% on FY24, including advertising costs of £17.8m (FY24: £19.0m), reflecting the reduction of inefficient spend in Q3/4 of FY25 and the subsequent lower volume of new members recruited.
- Gross profit also includes £8.0m of non-trading items: £6.5m of inventory liquidation and associated costs, and £1.5m of adjusted items relating to a £0.8m net gain from inventory disposal after inventory provision release and a charge of £2.3m for under-absorption of current year's winery overheads.

Income statement

	As reported			As reported at constant currency		Adjusted at constant currency		
	FY25 £m	FY24 £m	YoY %	FY24 £m	YoY %	FY25 £m	FY24 £m	YoY %
Revenue	250.2	290.4	(14)%	287.6	(13)%	248.1	285.7	(13)%
Cost of sales	(162.4)	(178.5)	(9)%	(170.5)	(5)%	(154.1)	(165.7)	(7)%
Fulfilment costs	(43.4)	(54.5)	(20)%	(60.4)	(28)%	(43.7)	(60.4)	(28)%
Gross profit pre movement	44.4	57.4	(23)%	56.7	(22)%	50.3	59.6	(16)%
In US inventory provision	1.7	(2.4)	171%	(2.3)	174%	(2.7)	-	n/a
Gross profit	46.1	55.0	(16)%	54.4	(15)%	47.6	59.6	(20)%
Advertising costs	(17.8)	(19.0)	(6)%	(18.8)	(5)%	(17.8)	(18.8)	(5)%
General and administrative costs	(31.7)	(37.9)	(16)%	(37.7)	(16)%	(31.9)	(36.1)	(12)%
Analysed as:								
Operating G&A	(30.6)	(35.9)	(15)%	(35.6)	(14)%	(30.6)	(35.7)	(14)%
Share-based payments	(1.3)	(0.4)	225%	(0.4)	225%	(1.3)	(0.4)	225%
Software as a Service costs ¹	-	(0.1)	n/a	(0.1)	n/a	-	-	n/a
Restructuring costs ¹	-	(1.3)	n/a	(1.4)	n/a	-	-	n/a
Other adjusted items ¹	0.2	(0.2)	200%	(0.2)	200%	-	-	n/a
	(31.7)	(37.9)	(16)%	(37.7)	(16)%	(31.9)	(36.1)	(12)%
Impairment of non-current assets	-	(9.9)	n/a	(9.9)	n/a	-	-	n/a
Operating (loss)/profit	(3.3)	(11.8)	72%	(12.0)	72%	(2.0)	4.7	(143)%
Analysed as:								
Adjusted EBIT	(2.0)	5.0	(140)%	4.7	(143)%	(2.0)	4.7	(143)%
Adjusted items	(1.3)	(16.8)	(92)%	(16.7)	(92)%	(1.3)	(16.7)	(92)%
Operating loss	(3.3)	(11.8)	72%	(12.0)	72%	(3.3)	(12.0)	72%
Operating loss	(3.3)	(11.8)	72%	(12.0)	72%			
Depreciation and amortisation	2.2	3.0	(27)%	2.9	(24)%			
EBITDA	(1.1)	(8.8)	87%	(9.1)	88%			
Add back adjusted items	1.3	16.8	(92)%	16.7	(92)%			
Adjusted EBITDA	0.2	8.0	(97)%	7.6	(97)%			
Add back inventory liquidation charges	6.5	0.7	829%	0.7	829%			
Adjusted EBITDA excluding inventory liquidation and associated costs	6.7	8.7	(23)%	8.3	(19)%			

1. Refer to note 7 Adjusted Items for further details.

As referenced on the contents page, due to rounding conventions, numbers presented in £m may not sum to the totals provided. This can also lead to individual numbers being rounded to zero.

Whilst the 5-year forecast payback for the full year declined to 0.9x (FY24: 1.3x), Q4 performance improved, reaching 1.4x, the highest level in nearly two years, indicating positive early signs of more efficient, targeted investment.

General and administrative (G&A) costs of £31.7m were 16% lower than prior year (FY24: £37.9m). Analysed further (see reconciliation of G&A costs in the APM section on page 144), operating G&A costs were £30.6m, a reduction of 15% vs prior year (FY24: £35.9m) reflecting the annualisation of the cost savings implemented in late FY24.

Share-based payment charges of £1.3m were up £0.9m on FY24; the previous year's charges were exceptionally low. FY25 also included a £0.6m charge reflecting the fact that historic LTIPs were surrendered in exchange for the latest scheme.

This results in an operating loss of £3.3m (an £8.5m improvement on the FY24 loss of £11.8m, which included £9.9m of impairment charges).

Adjusted EBITDA excluding inventory liquidation and associated costs of £6.7m is down on FY24 (£8.7m).

The Group's operating loss of £3.3m reflects the impact of £1.3m of costs relating to adjusted items, the key components of which are set out in the table below:

	FY25 £m	FY24 £m
Right-sizing of US inventory		
Net movement in US inventory provision	5.4	(2.4)
Loss on the disposal of US inventory – contribution loss	(4.6)	(2.8)
Right-sizing of US inventory included in contribution	0.8	(5.2)
Bad debt expense	-	(0.2)
	0.8	(5.4)
Under-absorption of current year's winery overheads	(2.3)	-
Impairment of non-current assets	-	(9.9)
Other adjusted items	0.2	(1.5)
Total adjusted items	(1.3)	(16.8)

Cash flow drivers

In FY25, we have seen a significant step change both in the scale and quality of cash flows. During the year, the Group's net cash excluding lease liabilities balance increased by £10.5m. The drivers of this are set out in the table below.

Significant progress continues to be made with the reduction in inventory levels; both the UK and Australian markets are now at, or close to, 'normal' levels. Nevertheless, we continue to anticipate net cash excluding lease liabilities generation from inventory in excess of £40m, most of which will drop out of the US in the coming years.

Cash flow from operations	FY25 £m	FY24 £m	YoY %
Operating loss	(3.3)	(11.8)	(72)%
Adjustments for:			
Depreciation and amortisation	2.2	3.0	(27)%
Other non-cash charges	(0.6)	2.5	(124)%
Impairments	-	9.9	(100)%
Change in inventory	36.5	14.9	145%
Change in payables	(16.3)	(3.4)	379%
Change in Angel funds and other deferred income	(4.2)	(1.8)	133%
Other working capital movements	5.3	(5.5)	196%
Operating cash flow excluding tax paid	19.6	7.8	151%
Tax and net interest paid	(3.1)	(4.5)	(31)%
Capital expenditure	(1.1)	(1.1)	-
Proceeds from vendor loan note redemption	-	9.0	(100)%
Loan arrangement fees paid	(2.3)	-	-
Lease liabilities paid	(1.8)	(2.0)	(10)%
Net movement in net cash excluding lease liabilities	11.3	9.2	23%
Opening net cash excluding lease liabilities	19.6	10.3	90%
Net movement in net cash excluding lease liabilities	11.3	9.2	23%
Effect of foreign exchange rates	(0.8)	0.1	(900)%
Closing net cash excluding lease liabilities	30.1	19.6	54%

Key movements in the balance sheet are in line with expectations. The inventory decline reflects reductions in all three regions as the business works through excess stock, although as previously mentioned, there remains the equivalent of c£40m net cash excluding lease liabilities which management expects to generate from excess inventory. Angel funds have fallen more slowly than members, as these balances are more heavily weighted to core members (greater than two years maturity). Trade payables reflect both lower inventory purchases, reduced marketing investments and the timing of payments around the year end.

Key balance sheet items (£m)

	FY24	Impact in the year			FY25
		FX	Non-cash US inventory provision	Underlying trading movement	
Net cash excluding lease liabilities	19.6	(0.8)	-	11.3	30.1
Inventory including advances to winemakers	144.9	(2.5)	1.7	(36.5)	107.6
Angel funds and other deferred income	(68.3)	1.2	-	4.2	(62.9)
Trade and other payables *	(38.7)	0.6	-	16.3	(21.8)

* excluding current tax liabilities

Current Trading and Outlook

Post period end and current trading

I am pleased to report that trading to date in FY26 is currently in line with management expectations which indicates continued improvement in the rate of repeat revenue decline, and further cash generation.

Good initial progress has been made towards delivering the key priorities in the new strategic plan:

- £15m of the annualised £23m Medium Term cost-savings target was actioned in Q1 FY26, taking effect during the quarter
- Liquidation of excess inventory is continuing as planned towards the Medium Term target of generating £40m of cash
- In line with the new capital allocation priorities announced in March 2025, we are commencing shareholder distributions

Shareholder distributions policy:

- We are targeting ongoing distributions of up to the lesser of, 40% of 12-month cash creation, or 12-month adjusted EBITDA excluding inventory liquidation and associated costs
- As part of this, proposed share buyback of c£2.0m to commence shortly after the FY25 results announcement
- More significant distributions are envisaged in the Medium Term, supported by cash generation and growth in profitability

Key performance indicators

Measuring our performance through enhanced disclosures; FY24 performance measures to be superseded by the new FY25 measures (as per pages 16 and 17)

We have reviewed our current performance metrics and intend to revise our reporting approach next year. However, for consistency and comparability, we have presented this year's results in line with the prior year's framework.

Financial				
KPI	How are we doing?	What is it?	Why does it matter?	What are the key risks?
Total revenue	£250.2m (FY24: £290.4m)	The GBP value of our sales to customers and its change versus the prior year.	The business has the opportunity to grow at scale. We intend to do this through continued investment in customer acquisition.	● Competition ● Regulation ● Investment
Revenue growth	(14)% (FY24: (18)% growth)			
Net cash excluding lease liabilities	£30.1m (FY24: £19.6m)	The amount of cash we are holding, less borrowings at year end excluding lease liabilities. See page 144 for the calculation of this measure.	Managing cash is essential to ensuring that we have sufficient funds in place to execute our growth plans in the Medium Term.	● Financial performance ● Investment spending and capital requirements ● Liquidity ● Macroeconomic events
Customer experience				
KPI	How are we doing?	What is it?	Why does it matter?	What are the key risks?
Product availability	89% (FY24: 91%)	The average percentage of products we have defined as core to the portfolio that is available to our customers throughout the year.	Maintaining availability of our top-selling products supports customer loyalty and maximises sales.	● Business interruption ● Supply chain interruptions and costs ● Third-party suppliers
Wine quality - "Buy it again" ratings	92% (FY24: 91%)	The percentage of "Yes" scores given by customers in the year indicating that the customer would buy the product again, which we know as our "Buy it again" rating.	Ensuring customers love our exclusive wines and are happy to buy them again supports strong customer loyalty and sales retention.	● Business interruption ● Supply chain ● Third-party suppliers ● Consumer tastes and preferences ● Quality perception
5* Customer Service	90% (FY24: 92%)	The percentage of feedback ratings received by our Customer Happiness teams that expressed 5* satisfaction on a scale from 1 to 5.	Consistently offering 5* service supports customer loyalty and sales retention.	● Data security ● Management/ key staff ● Customer service experience"

Subscription				
KPI	How are we doing?	What is it?	Why does it matter?	What are the key risks?
Investment in New Customers	£(20.8)m (FY24: £(23.3)m)	The amount we have invested in acquiring new customers during the year, including contribution profit/ loss from New Customer sales and advertising costs.	We invest in customers from whom we expect to receive a payback in line with our target payback levels in future years. We are investing meaningfully to take advantage of the opportunity we see before us to maximise future value.	● Investment ● Regulation ● Competition ● Reputation ● Customer acquisition costs
5-Year Forecast Payback	0.9x (FY24: 1.3x)	The ratio of projected future Repeat Customer contribution we expect to earn from the new customers recruited in the year, divided by the Investment in New Customers. We forecast contribution at the customer level using a machine learning algorithm that weighs several characteristics including demographics, interactions and transactions forecast over a five-year time horizon. This is then aggregated to a monthly then annual cohort level for reporting purposes. As this is an undiscounted, forward-looking estimate, it cannot be reconciled back to financial results.	We invest in new customers that are expected to deliver payback at least in line with our medium-term payback target in an effort to ensure we create intrinsic value from our investments. Payback is calculated utilising the history we have of customer activity, enabling us to accurately forecast our investment returns and eliminate poor investments. Therefore, we are able to invest in attracting and retaining high-value customers who fit our target customer profile.	● Investment ● Competition ● Supply risks ● Macroeconomic event

Subscription				
KPI	How are we doing?	What is it?	Why does it matter?	What are the key risks?
Repeat Customer contribution	£57.3m (FY24: £65.3m)	The profit attributable to sales meeting the definition of Repeat Customer sales after fulfilment costs and service costs. A reconciliation of adjusted EBIT to Repeat Customer contribution is shown in note 6 Segmental reporting.	The cost leverage we expect to achieve as we grow will continue to drive Repeat Customer contribution. Not only does this promote the long-term economics of the business model, but contribution from repeat customers also provides us with the cash to reinvest into new customer recruitment and to continue support of our independent Winemakers.	● Competition ● Supply chain risks ● Reputation ● Taxes and duties
Repeat Customer contribution margin	24.9% (FY24: 24.7%)	Repeat Customer contribution as a percentage of Repeat Customer sales.		
Repeat Customer sales retention	77% (FY24: 75%)	The proportion of sales made to customers who met our definition of "repeat" last year and who placed orders again this year, calculated on a monthly basis and summed to calculate the full year retention.	Through a cultural relationship with existing Angels and initiatives like Never Miss Out, we strive to continually improve our Repeat Customer sales retention rate. This results in improving the LTV of existing customers, which drives the long-term value of the business.	● Competition ● Supply risks ● Reputation ● Tax and duties
Active Angels	628,000 (FY24: 723,000)	The number of Angels (or repeat subscription customers) that have placed an order in the prior 12-month period.	Long-term growth overall is expected to come from continued growth of the customer base and to be enhanced through implementation of other initiatives and product introductions and enhancements.	● Investment ● Competition ● Regulation
Active Members	649,000 (FY24: 752,000)	The number of Members (or repeat subscription customers) that have placed an order in the prior 12-month period.	Long-term growth overall is expected to come from continued growth of the customer base and to be enhanced through implementation of other initiatives and product introductions and enhancements.	● Investment ● Competition ● Regulation

See pages 141 and 142 for definitions of alternative performance measures and pages 143 to 145 for reconciliations to statutory figures.

Corporate Social Responsibility report

Environmental considerations

Environmental Responsibility and Climate Impact

Climate change presents both a business risk and a global imperative. At Naked Wines, we recognise the environmental impact embedded across our supply chain – from packaging and production to logistics. While our direct emissions are limited, we are focused on reducing the broader footprint of our operations where possible.

We are integrating environmental and social governance (ESG) principles throughout our business. This includes making decisions that build resilience, support long-term environmental health, and align with our values as a responsible brand.

In FY25, we continued to report transparently in line with the UK's Streamlined Energy and Carbon Reporting (SECR) requirements and progressed a number of carbon reduction initiatives across our operations. A summary of our Scope 1, 2, and 3 emissions, along with supporting commentary, can be found on the following pages.

Scope 1, 2, and 3 reporting

Our Carbon Footprint

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we report annually on our UK energy use and associated carbon emissions. This includes Scope 1 (direct emissions), Scope 2 (indirect emissions from electricity), and Scope 3 (supply chain and distribution).

We are currently working to expand our carbon accounting across international operations and to improve the quality and granularity of our Scope 3 data – particularly as it relates to winemaking, shipping, and packaging.

Element	Baseline year 2019/20 (tCO2e)	Prior year FY24' (tCO2e)	Current year FY25 (tCO2e)
Direct emissions – company vehicle and natural gas (Scope 1)	3.16	1.27	0.34
Indirect emissions from purchased electricity (Scope 2)	57.55	17.66	13.45
Total tCO2e (Scope 1 & 2)	60.71	18.93	13.79
Other indirect emissions (Scope 3) – grey fleet travel and hired vehicles	5.57	10.70	11.77
Overall gross total²	66.28	29.63	25.56
Intensity metric: tCO2e per employee		0.26	0.13
Intensity metric: tCO2e per £m turnover		0.27	0.20
Total energy consumption³ (kWh)	260,127	139,795	119,585

1. FY24 figures have been restated to align with a 3 April 2023 to 1 April 2024 reporting period.

2. Naked Wines' direct emissions from company vehicle use (Scope 1), UK building energy (Scope 1 & 2) and grey fleet/hire vehicles (Scope 3).

3. Naked Wines' direct energy consumption from company vehicle use (Scope 1), UK building energy (Scope 1 & 2) and grey fleet/hire vehicles (Scope 3).



Detailed Carbon Reduction Initiatives



Packaging and Recycling Initiatives

Packaging represents a significant share of our total environmental footprint. In FY25, we made strong progress in reducing packaging emissions:

- In the US, we exceeded Sustainable Wine Roundtable guidelines, achieving an average bottle weight of 397g (410g for sparkling), well below the 420g target.
- In Australia, the proportion of lightweight bottles rose from 57% in FY23 to 82% for FY25 vintage buy plan wines.
- We expanded our capsule-free initiative in the UK, removing decorative foil closures on many bottles.
- We successfully piloted a premium boxed wine format in the US, with two additional SKUs in development.

Recycling Partnerships

- In Australia, 190 wines are now registered with Queensland's Container Exchange programme, with over 550,000 bottles recycled since June 2024 and approximately \$77,000 contributed to the scheme.
- In the US, we remain fully compliant with California's glass redemption scheme and have updated all relevant product labelling.

These efforts form part of our broader commitment to reducing packaging emissions, promoting circular systems, and educating Winemakers and Angels on sustainable best practices.

Non-Mandatory Disclosures

Voluntary ESG Frameworks and Climate-Related Disclosures

In addition to mandatory reporting, we continue to develop our approach to climate risk disclosure and governance, guided by the Task Force on Climate-related Financial Disclosures (TCFD).

In FY25:

- We began internal climate scenario analysis and risk mapping, with a focus on logistics and winemaking regions vulnerable to drought or extreme weather.
- We reviewed ESG issues and began formalising ESG metrics into performance tracking.

While we are not yet subject to mandatory TCFD reporting, we recognise its importance and aim to align progressively with its recommendations, including disclosure of governance, risk, strategy, and metrics related to climate change.

Social Engagement Winemakers & Community

Winemaker Support

Our Winemakers are at the heart of the Naked Wines model – not only as producers, but as partners in innovation, sustainability, and quality. In FY25, we worked closely with over 300 Winemakers to support both their craft and their resilience.

Key initiatives this year included:

- **Organic wine promotion:** In the UK, we launched a new site experience to highlight Winemakers using organic practices, improving visibility for over 25 organic SKUs.
- **Lightweight and low-carbon packaging:** Across all markets, we encouraged adoption of lighter glass bottles to reduce carbon intensity. In Australia, 82% of FY25 vintage bottles were lightweight (up from 57% the year before). We also advanced **capsule-free packaging**, especially in the UK – removing unnecessary waste from cork closures.
- **Sustainable product innovation:** We partnered with Winemakers to develop new formats that respond to customer and environmental needs – including successful trials of premium boxed wines in the US.
- **Recycling partnerships:** In Queensland, Australia, we helped register 190 wines with the **Container Exchange programme**, making our Winemakers active participants in the circular economy. More than 550,000 bottles were recycled through the scheme by the end of FY25, with another 150 registrations underway.

The trust Naked builds with Winemakers is more than contractual – it's personal. As Ruth Simpson shared at our Strategy Day, that support has allowed Winemakers to grow, innovate, and weather challenges that would otherwise have threatened their livelihood.

Rodrigo Maza, CEO

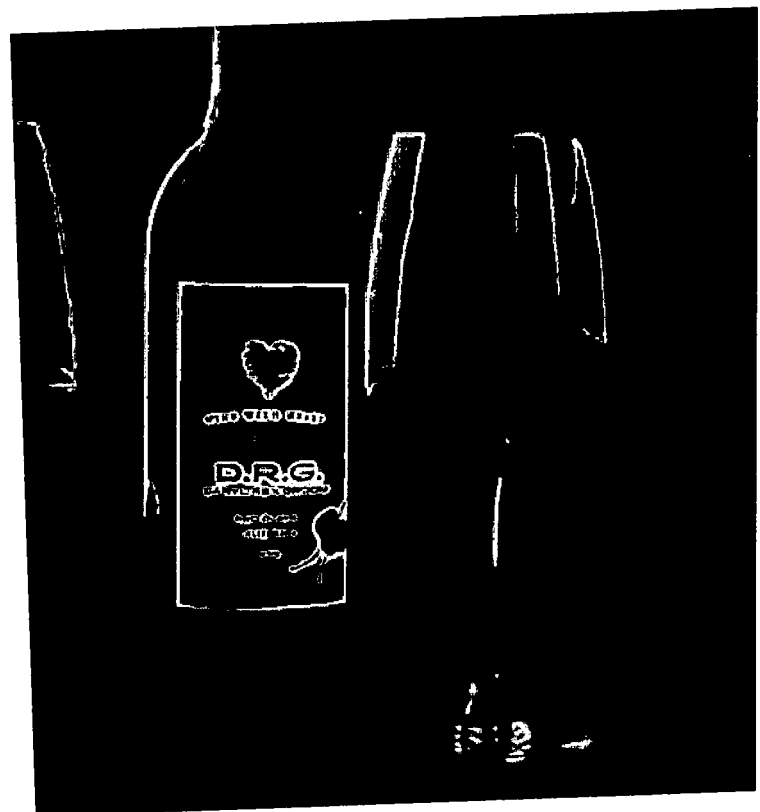
These partnerships reflect our long-term commitment: to help Winemakers do what they do best – make great wine – while meeting modern standards of sustainability, quality, and social responsibility.

Community Giving

Our community of Angels continues to drive meaningful impact:

- Raised approximately £500,000 for Carmen's Kids, a charity feeding children in South Africa.
- Raised \$190,000 for local volunteer firefighters in the US.
- Donated over \$60,000 to heart health charities through the Daryl Groom Wine with Heart program.
- Relaunched the **Macario Montoya Fund** to support up to 14 Latino Winemakers and aspiring professionals in the US wine industry.

We believe Naked's success is inseparable from the communities we serve and support – and that social responsibility is core to sustainable value creation.



Diversity, Equity & Inclusion



Championing Fairness and Representation Across Naked Wines

At Naked Wines, we are committed to fostering a workplace that is inclusive, equitable, and representative of the diverse communities we serve. We believe that diverse perspectives drive innovation, improve decision-making, and help us build a stronger, more resilient organisation.

In FY25:

- Gender Representation: Women represent 50% of our global workforce and 42% of leadership roles (director level and above). Our Executive Leadership Team is 50% female.
- Pay Equity: We conducted a comprehensive gender pay analysis across our UK operations. Our median gender pay gap in FY25 was 42%. We remain committed to regular review and proactive measures to ensure fair and equal pay for all.
- Inclusive Hiring: We have reviewed our recruitment policies and training to reduce unconscious bias and attract candidates from all backgrounds.



Feeding Futures: The Story of Carmen's Kids

Just outside Stellenbosch, the heart of the South African wine industry, four out of five children go hungry every day.



In 2015, Naked Wines winemaker Carmen Stevens and a group of local mothers launched a simple soup kitchen to feed 300 children. When their food and funds ran out, the Naked Wines customer community stepped in, raising enough money to keep it going for a year.

Today, that kitchen has grown into a network of school and community centres that has served over 38 million nutritious meals to hungry children.

Last year, our community raised a staggering **£499,752** – enough to feed over 19,000 children.

But with demand rising, ongoing support is essential.





It only costs:

£25

to feed a child two
meals a day for an
entire school year

£2.50

for a full month
Just **63p for a week**

100%

of every donation goes directly to food. All admin and
fundraising support is donated by Naked Wines UK.

**With your help, we can keep these children fed –
and give them a future**



Stakeholder engagement

Stakeholder engagement (inclusive of section 172 Companies Act 2006 disclosures)

Our stakeholders are central to Naked Wines' long-term success. Throughout FY25, the Directors have complied with the requirements of section 172 of the Companies Act 2006 by acting in good faith and in a way they believe would most likely promote the success of the Company for the benefit of its members and wider stakeholders. This includes shareholders, employees, suppliers (including independent Winemakers), customers, regulators, the government, the community, and the environment.

In doing so, the Directors have had regard to, among other matters:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers, and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the Company.

This section sets out how the Board and senior leadership team have had regard to these factors during FY25, particularly in a year focused on restoring profitability, unlocking shareholder value, and enhancing long-term stakeholder relationships.

Shareholders and institutional investors

We engage regularly with our shareholders and institutional investors through our Annual Report and Accounts AGM, results presentations, and direct discussions with management. In FY25, shareholder engagement focused on the Company's refreshed strategy, new KPIs, financial discipline, and capital allocation priorities.

During the year:

- We hosted a Strategy Day in March to present our medium-term plan and approach to cash generation, profitability, and value creation;

- We appointed a new Chief Financial Officer, Dominic Neary, and shared details of our refined reporting and financial targets;
- We provided regular updates through interim and year-end results presentations; and
- We invited feedback from shareholders to inform our decisions on investment, return of capital, and risk appetite.

As a result:

- Shareholders were kept informed of the Company's financial and strategic progress;
- We used investor feedback to refine our capital allocation framework and stakeholder communications;
- All resolutions presented at the 2024 AGM were approved.

Employees

During FY25, we focused on building a high-performance, transparent, and resilient culture following two years of operational change. Our goal was to empower employees through clarity, shared purpose, and performance accountability.

We engaged with employees by:

- Hosting regular all-hands meetings and cross-market town halls to share strategy, performance, and business priorities;
- Embedding a new culture framework tied to North Star metrics and team-level goals;
- Facilitating employee feedback through pulse surveys and functional feedback loops;
- Maintaining our employee share scheme to align interests with long-term shareholder value;
- Continuing to disclose gender pay gap and broader remuneration insights.

Throughout the year:

- Senior leaders consulted with teams on operational initiatives and cross-functional priorities;
- Employees were kept informed of the Company's financial position, investment decisions, and strategy execution;
- We enhanced transparency and accountability by linking performance expectations to outcomes and progress tracking.



Suppliers (including Independent Winemakers)

Our Winemakers are a critical part of our ecosystem. In FY25, we continued to engage closely with our supplier base, balancing our need for financial discipline with a long-term commitment to sustainable partnerships.

We engaged with Winemakers and other suppliers by:

- Supporting ongoing production and innovation, including the development of low- and mid-alcohol wines, new formats, and region-specific varietals;
- Collaborating on inventory planning and release schedules to support stock liquidation and capital efficiency;
- Reinforcing our Responsible Supplier Policy and Anti-Modern Slavery Policy across all markets;
- Promoting sustainability initiatives including lightweight glass, capsule-free packaging, and recycling schemes in Australia and the US.

In FY25:

- We worked with over 300 Winemakers across key geographies;
- We supported operational flexibility by engaging transparently around changes in purchasing commitments;
- We continued to help suppliers meet ethical sourcing and environmental standards.

Customers

In FY25, our engagement with Angels focused on deepening loyalty, improving the value proposition, and enhancing community connection. We continued to provide high-quality service and personalised wine experiences, while testing new initiatives to improve retention.

We engaged with customers by:

- Gathering feedback through reviews, surveys, and platform features that allow Angels to interact with Winemakers;
- Operating a responsive Customer Happiness Team to resolve enquiries across multiple channels;
- Providing curated recommendations through our Wine Advisor Team to enhance personalisation and discovery;
- Simplifying pricing (e.g. UK price tiers reduced from 46 to 15) and testing customer guarantees to improve onboarding and repeat engagement;
- Hosting annual Winetours and in-person events in the UK and Australia, reinforcing community connection.

In FY25:

- Over 649,000 Active members were served globally;
- 4,624 Angels attended tasting events and met Winemakers in person;
- Service quality remained strong, with a 90% five-star rating for our Customer Happiness Team;
- Retention-focused initiatives were tested and refined, contributing to improved customer lifetime value.

Stakeholder engagement

Regulators and government

We maintain an active and transparent relationship with regulators across all our operating markets. Our legal and compliance teams work closely with relevant authorities to ensure we meet or exceed all applicable legal, environmental, and consumer protection standards.

In FY25, we updated product labelling and reporting protocols in the US to comply with the California Beverage Container Recycling and Litter Reduction Act (AB 2020), and we continued to monitor developments in data privacy, ecommerce, and alcohol regulation globally.

Community and environment

We are committed to responsible corporate citizenship and environmental sustainability across all markets. In FY25, we made meaningful progress in our environmental initiatives, while continuing to support charitable causes aligned with our values.

We engaged with the community and environment by:

- Promoting sustainable packaging practices, including lightweight glass bottles and capsule-free closures across markets;
- Surpassing the Sustainable Wine Roundtable's US bottle weight target, with an average of 397g (410g for sparkling wines);
- Expanding our participation in Australia's Queensland Container Exchange, registering over 190 wines and contributing to the recycling of more than 550,000 bottles;
- Piloting premium boxed wine formats to reduce carbon impact in the US;
- Supporting charitable efforts, including raising £499,752 for Carmen's Kids, \$190,000 for volunteer firefighters, and expanding the Macario Montoya Fund for aspiring Latino Winemakers in the US.

These efforts align with our goal of creating long-term value not just for shareholders, but for the communities and ecosystems we serve.

Outcome of voting at 2024 AGM

No	Type	Nature	% in favour
1	Ordinary	Receipt of Annual Report and Accounts	99.96%
2	Ordinary	Election of Director (Rodrigo Maza)	99.93%
3	Ordinary	Re-appointment of Auditor (KPMG)	99.94%
4	Ordinary	Remuneration of Auditor	99.95%
5	Ordinary	Directors' authority of allot shares	99.65%
6	Special	Disapplication of pre-emption rights	72.04%
7	Special	Company's authority to purchase its own shares	99.90%
8	Ordinary (Advisory)	Directors remuneration report	99.86%
9	Ordinary (Advisory)	Directors' Remuneration Policy	99.86%



Risk management and control environment

Principal risks and uncertainties

Our approach to risk management

The Board has ultimate responsibility for identifying key risks, assessing the potential impact on the business if these risks are realised, and ensuring that appropriate mitigating actions are taken to manage risks to acceptable levels in pursuit of strategic objectives.

The Board is satisfied that, through the processes set out below, it has undertaken a robust assessment of the principal risks which threaten the execution of the strategy and the long-term viability of the Group and is satisfied that appropriate mitigation plans are in place.

The key elements of our risk management process are as follows:

- Executive Directors and local management teams of each business segment are responsible for identifying risks and maintaining local risks registers, encompassing:
 - Risk assessment – Each risk is assessed with reference to risk impact (the impact the realisation of the risk would have on the business and is primarily measured in financial consequence) and risk likelihood (the possibility/probability of the risk being realised)
 - Mitigation – Each risk is assigned a mitigation strategy, mitigation actions and a local risk owner
 - Monitoring – Periodic monitoring of mitigation actions
- Annually, the Audit Committee assesses and aggregates the risks identified by business segments for the purpose of identifying the most significant Group risks and proposing the principal risk items to the Board.
- Throughout the year, the Audit Committee (or Board) are appraised of significant changes in the risk landscape and management's response to it.
- The Board considers the evolving risk environment and the effectiveness of risk management processes as it approves key decisions, budgets and operating plans.

The Board relies on the assurances provided through the periodic reports presented to the Board and Audit Committee and, in this instance, acts as the third line of defence, with the management team as the second line, and the risk control owners as the first.

Characterisation of key risks

The Board considers both strategic and operational risks and for each risk considers the likelihood of its occurrence and the scale of adverse impact it could have on the business.

- Strategic risks are those which could threaten the long-term success of the business model and will typically unfold over an extended period of time. Strategic risks are reviewed periodically by the Board as part of its ongoing development process.
- Operational risks arise from the possible occurrence of specific events. They will typically have an impact on the business and its performance which is either immediate or will play out over a relatively short period of time. Operational risks may arise from external or internal causes.

The mitigation for externally driven operational risks is normally in the form of a contingency plan, and insurance cover is also taken out to protect against such risks where appropriate.

Management seeks to put in place active mitigation for internally driven operational risks, balancing cost and risk as appropriate.

The principal strategic and operational risks which the Board deems most significant are presented below.

While they are not the only ones facing the business, they are the most significant when considering both the likelihood of the risk materialising as well as the overall impact on the business, after taking into account the mitigating effect of the implemented controls.

Climate change and sustainability

The Board has considered climate change as part of the Group's risk management process and acknowledges a potential risk to the Group. The Board is of the view that the risk of climate change is embedded within the key risks listed in this report and, as such, has decided not to list climate change as a standalone risk.

In particular, the Board recognises that Naked is exposed to climate change risks within 'Business interruption'. Key risks include: destruction/damage of wine making materials (e.g. crops) which impacts availability and quality, and increases costs. These risks are mitigated through having multiple sites for key activities as well as a diversified supply chain.

Going concern

In order to assess the appropriateness of the going concern assumption, the Directors have prepared a number of cash flow scenarios extending for a period of at least 12 months from the date of the approval of these financial statements ("the going concern assessment period").

Base case scenario

In its base case scenario, the Directors have used recent trading Key Performance Indicators (KPIs) as well as known factors, including the impact of planned business development initiatives and planned promotional activity, to forecast the cash flow of the business. In addition, a conservative assessment of the impact of strategic development plans, set out in more detail in the Strategic report on pages 1 to 53, and the funding available from existing cash reserves and the Group's 60-month credit facility with PNC Bank, which was signed in the current reported period on 8 July 2024, have been incorporated in order to arrive at the Group's baseline business plan. The Directors have also considered in their deliberations the principal risks and uncertainties of the Group as set out on pages 42 to 53.

Under this scenario, the Group has sufficient liquidity to meet the needs of the trading business and to exceed the springing covenant requirement of its credit facility throughout the going concern assessment period.

Severe but plausible downside scenario

The Directors have then prepared a severe but plausible downside scenario incorporating a number of sensitivities and also incorporating available mitigating actions to both planned business initiatives as well as cost and cash saving opportunities within the operations of the business.

These sensitivities included:

- a reduction of future trading activity of a further 4% below the base case scenario to reflect a continuation of the weakest levels of trading performance observed in recent periods,
- eliminating all but contractually committed future cost savings, and
- the removal of all benefits of strategic initiatives.

The following mitigating actions, both of which are within management's control, were also incorporated:

- changes to expected variable compensation outcomes as a result of a decline in forecast business performance, and
- reductions in controllable expenditure in marketing, general and administrative costs, and the purchase of inventory.

In this severe but plausible downside scenario, the Group would maintain sufficient headroom in the going concern assessment period versus the springing covenant test requirement of \$12m (around £9.6m) of outstanding available liquidity.

Conclusion

After considering the forecasts, sensitivities and mitigating actions available and having regard to potential risks and uncertainties in its operating markets, including the uncertain macroeconomic environment, Naked Wines has sufficient liquidity to trade and meet the obligations of its credit facility and therefore meet its liabilities as they fall due for at least 12 months from the date of the approval of the financial statements. For these reasons, the Board considers it appropriate for the Group and the Company to adopt the going concern basis in preparing these financial statements.

Risk movement

For each risk presented, the Board has assessed the combination of risk likelihood and risk impact and presented its assessment of the risk movement from FY24 to FY25.

- ▲ Increased risk
- ▼ Decreased risk
- ◀▶ Stable risk

Risk characterisation

- s Strategic risk
- o Operational risk

Risk	Risk characterisation
Insufficient liquidity	Operational (internal cause)
Customer volumes (acquisition and retention)	Strategic
Macroeconomic environment	Strategic
Business interruption	Operational (external cause)
Cyber security attack	Operational (external cause)
Reputational damage	Strategic
Competition	Strategic
Regulatory and tax compliance	Operational (internal cause)
Acquisition and retention of talent	Operational (internal cause)





1) Insufficient liquidity

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Insufficient liquidity prevents the effective allocation of capital and/ or challenges the going concern assumption of the business

Potential cause

- Unexpected and sudden failure of banking partners
- Breach of loan covenants
- Bulk withdrawal of funds by Angels due to a negative PR event
- Misalignment of demand and production plans
- Inability to deliver new customer acquisitions in line with plan
- Inability to retain existing customers and generate repeat orders
- Inability to effectively control costs

Potential impact

- Banking partners withdraw capital necessary to operate the business and/or customers and service liabilities as they fall due
- Pressure on working capital prevents/severely restricts Investment in New Customers and the funding of Winemakers to sustain the business model
- Prolonged overstock position (particularly in the US, which has to give long-term inventory purchasing commitments and has a long production lead time) where projected demand is not realised
- Insufficient capital to fund long-term investment in systems and processes in the business

Mitigating actions

Main areas of focus in the current year:

- Maintain focus on cost control and working capital management across the business
- Cash flow and commercial forecasting to identify and proactively address risks (including covenant breaches) before they are realised
- Collaborative and proactive relationship with strategic stakeholders.
- Completed new asset-backed lending (ABL) facility with PNC Bank in July 2024, which provides security of funding for five years, a higher level of available liquidity, and access to working capital in a wide range of trading and economic circumstances

- Use of inventory planning resource to enable nimbleness on volume planning, intake and production phasing and a developing capability to manage global inventory intake between markets
- Re-evaluation of new customer investment strategies to deliver improved return of investment.

Other underlying controls/mitigation:

- Terms and conditions for new customers to the business reduce the risk of bulk withdrawal of Angel funds.
- Offer flexibility to existing Angels to improve retention (e.g. reduced Angel contributions and payment holidays)
- Investment in inventory management and demand planning tools to enhance the evaluation and challenge of inventory buy plans
- Revised and updated Group Statement of Authority including requirements for Board approval of material working capital expenditure
- Exploring new acquisition channels to target optimal customers relative to investment

2) Customer volumes (acquisition and retention)

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Inability to acquire and retain customers in sufficient volume and of sufficient quality to sustain the business model

Potential cause

- Reduced investment in new customer acquisition due to unattractive investment economics (Payback). Driven by a sustained increase in acquisition costs and/or deteriorating Lifetime Value (LTV) of target customers
- Investment in known sub-optimal customers in pursuit of short-term goals
- Ineffective modelling of Payback and Internal Rate of Return (IRR) drives suboptimal new customer acquisition activity.
- Material investment underperformance relative to expectation, driven by a deterioration in customer discretionary spend due to the macroeconomic environment
- Over-dependence and reliance on individual marketing partners that assert greater power

Potential impact

- Investment in poor quality customers results in low lifetime transaction volumes and high customer attrition, which fails to sustain the business model.
- Investment in new customer acquisition does not produce the target return on investment and represents a misallocation of capital
- Ineffective modelling informs an investment approach that undermines the long term viability of the business model
- Material investment underperformance results in inventory misalignment comparative to demand, adversely impacting liquidity and constraining our ability to maintain/enhance the customer experience

Mitigating actions

Key controls/mitigation

Main areas of focus in the current year:

- Developed and optimised alternative customer acquisition channels to attract new customers with improved investment economics and improve the efficiency and cost of customer acquisition and retention
- Regular monitoring of investment economics, resulting in the redeployment of capital where it is not delivering target returns

Other underlying controls/mitigation:

- Exploring revisions to payback and LTV modelling to acknowledge multi-channel investment attribution
- Agreed investment criteria that are subject to regular review
- Detailed deal-level reporting and monthly performance reviews

3) Macroeconomic environment

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Pressure on consumer discretionary spend and inflationary uplifts to our cost base reduces consumer demand and increases costs, impacting profitability

Potential cause

- Economic and geopolitical instability and uncertainty in our core markets adversely impacts consumer confidence
- Continued cost of living pressures reduce consumer discretionary spend

- Tariffs, levies and duties being placed on alcoholic products and packaged products, increasing the cost of the goods and sales price
- Rising inflationary costs within the business (including in the supply chain), leading to higher priced wines.

Potential impact

- An inability to acquire and retain customers in sufficient volume and of sufficient quality impacts revenue and liquidity
- Repeat Customer contribution declines as customers spend more cautiously
- Increased cancellation rates impact liquidity
- Inflationary pressure on the cost base impacts margin and new customer investment economics

Mitigating actions

Key controls/mitigation

Main areas of focus in the current year:

- Clear definition and focus on customer value proposition
- Developed and optimised alternative customer acquisition channels to attract new customers with improved investment economics and improve the efficiency and cost of customer acquisition and retention
- Unique customer proposition encourages customer engagement and loyalty

Other underlying controls/mitigation:

- Board continues to model and monitor a range of potential scenarios to inform decision making
- The ability to manage pricing to minimise the impact of inflationary uplifts in the cost base
- Continued focus upon cost control including the review and tender of significant contracts
- Offer flexibility to existing Angels to improve retention (e.g. reduced Angel contributions and payment holidays)
- Terms and conditions for new customers to the business reduce the risk of bulk withdrawal of Angel funds

4) Business interruption

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Loss/interruption of partner site/head office due to an unforeseen event impacts our ability to trade

Potential cause

- Unforeseen event including extreme weather or natural disaster as a result of climate change affecting the Group's sites and/or supply chain operations (including grape growers and Winemakers)
- Failure of one or more strategic projects
- Material contractual non-performance or breach by strategic partners
- Unexpected and sudden withdrawal of strategic partners from the supply chain
- Systems infrastructure failure and power outages

Potential impact

- Destruction/damage of wine making raw materials (e.g. crops) inflates costs, impacting availability and/or quality
- Destruction of finished and in-progress inventory, impacting availability
- Disruption to trade impacting revenue/profitability and causing reputational damage

Mitigating Actions

Key controls/mitigation

Main areas of focus in the current year:

- Third-party warehousing either has multiple sites or is operated by a third party with access to backup capacity
- Reduction of future inventory commitments to improve business flexibility in the event of business interruption
- New credit facility structured to provide more flexibility in a range of business environments.

Other underlying controls/mitigation:

- Cloud-based infrastructure reducing the risk of physical destruction
- Geographical diversification of suppliers/operations
- Diversified mix of suppliers where there was exclusive or material reliance on single contractors and ongoing maintenance of relationships
- Power generators installed in our office and winery in the US to deal with power outages
- Inclusion of an adverse quality clause in grape contracts
- Steering Committees govern strategic projects
- Business interruption insurance cover in place
- Disaster recovery plans, including IT/system recovery, are in place so that the business can recover from any interruptions related to natural disasters and unforeseen events with minimal impact

5) Cyber security attack



Failure of IT systems to deal with a data security/data breach impacts our ability to trade

Potential cause

- Strategic projects create vulnerabilities that are not identified and mitigated
- Failure to successfully upgrade or maintain core IT system security
- Inability to keep pace with malicious threats that are of increasing frequency and complexity
- Poor systems access control
- Reliance on, and exposure to, third-party software and systems

Potential impact

- Loss of sales and long-term downturn on sales if customers are unable to place orders
- Temporary loss of access to systems resulting in Angels unable to withdraw their funds
- Security breaches lead to significant costs and/or restrict our ability to trade impacting profitability
- Loss of customer data/sensitive business information results in fines and reputational damage impacting profitability

Mitigating actions

Key controls/mitigation

Main areas of focus in the current year:

- Third-party cloud-hosted systems used to support maximum availability
- Use of external consultants where required
- Ongoing investment in technology systems and processes, which also continues into FY26.

Other underlying controls/mitigation:

- Regular review of our cyber strategy
- IT systems, whether procured from third parties or developed internally, are tested for security against attack and periodic penetration exercises are performed
- Dedicated systems security resources to provide assurance across the Group
- The main trading websites and network are protected by a firewall with frequently updated anti-virus software
- Continuing to formalise and improve our disaster recovery plans so that the business can recover from any interruptions related to natural disasters and unforeseen events with minimal impact
- Access reviews of core systems
- Due diligence of vendors
- Cyber insurance in place, which assists with the impact mitigation of a cyber security event

6) Reputational damage

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Failure to meet stakeholder expectations impacts reputation and credibility

Potential cause

- Sale of products that are unfit for consumption or of poor quality
- Data security breach or perception of a data security breach e.g. phishing, account takeover, denial of service attacks, malware and ransomware
- Mistreatment of our Winemakers, growers or strategic partners, including contract cancellations and late payments
- Due diligence of our Winemakers, growers or strategic partners fails to identify ethical/working practice concerns
- Failure to identify and address concerns in respect of the environment, social or governance matters
- Failure to listen to and be transparent with our employees to foster a safe and collaborative working environment
- Failure of a strategic partner which casts doubt on the ability of the business to continue to trade in either the short or longer term

Potential impact

- Negative PR event (including data breach) that undermines customer trust resulting in bulk Angel fund withdrawals impacting liquidity
- Failure to execute customer value proposition erodes drives customers to competitors
- Poor reputation for environmental, social or governance stewardship impacts our ability to attract and retain customers who increasingly value sustainable companies
- Dilution of the Naked culture impacts our ability to attract and retain the best talent

Mitigating actions

Key controls/mitigation

Main areas of focus in the current year:

- Dedicated systems security resources in place to provide assurance across the Group
- Regular company updates and engagement surveys with our employees gather suggestions and drive informed actions
- Using our differentiated business model bring customers and Winemakers together

Other underlying controls/mitigation:

- Due diligence of Winemakers and rigorous quality-control procedures throughout the manufacturing process
- Operating a Responsible Supplier Policy and funding Winemakers via our differentiated business model
- Ad hoc initiatives to support our Winemakers
- Clear policies in place, including the Code of Conduct, Anti Money Laundering and Whistleblowing policies
- Ongoing commitment to ethical behaviour and responsible corporate citizenship
- Developing focus groups to actively identify areas for improvement and propose solutions

7) Competition

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Threat from a new or existing competitor impacts profitability

Potential cause

- Market consolidation results in emerging competition with significant resources
- Threats range from discounters leveraging wine as a loss leader, to more tailored online retailers and subscription offerings
- New entrant into the DtC wine market with access to significant funding and the patience to build a large market share
- Failure to innovate and offer a compelling proposition

Potential impact

- Competitive pressure impacts our ability to acquire and retain customers impacting profitability
- Weakening demand results in inventory misalignment comparative to demand and squeezes liquidity
- Loss of Winemakers erodes the businesses unique selling proposition

Mitigating actions

Key controls/mitigation

Main areas of focus in the current year:

- Unique customer proposition encourages Angel engagement and loyalty
- Enhanced our customer propositions/approach to attract and retain customers
- Focused our approach to marketing spend to attract and retain customers

Other underlying controls/mitigation:

- Maintain close and collaborative relationship with Winemakers
- Leadership teams regularly monitor our competitors' activity
- Trade barriers to entry, especially in the US market where 3-Tier wine distribution legislation requires a vertically integrated operation to make sales direct to customers.

8) Regulatory and tax compliance

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Non-compliance with legal, regulatory and tax requirements, especially in the complex US market

Potential cause

- A change in legal, regulatory and tax rules (especially in the US) that may require us to reconsider the existing business model
- Increased challenge and reinterpretation of regulation by fiscal authorities in all our markets in light of the macroeconomic environment
- Existing software and systems may not be able to meet our compliance/tax needs
- Increased focus of state and local fiscal authorities in the US as we become a more visible and profitable business
- Large-scale data protection breach

Potential impact

- Fines/penalties and trading restrictions impacting profitability
- Inability to respond to tax audits in a timely and adequate manner
- Inability to pay tax liabilities as they fall due
- Reputational damage impacting customer trust

Mitigating actions

Key controls/mitigation

Main areas of focus in the current year:

- Monitoring of regulatory developments to enable timely identification, evaluation and appropriate action
- On-going review of the Group's tax strategy

Other underlying controls/mitigation:

- In-house legal resources to ensure sufficient capability to meet ongoing regulatory burden
- Working with outside legal, accounting and tax experts to navigate and best respond to inquiries and regulatory developments
- Continuing to invest in software and systems where this will benefit our regulatory and tax reporting requirements
- It is the Group's policy not to engage in aggressive or seemingly aggressive tax planning strategies

9) Acquisition and retention of talent

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Inability to attract and retain the best talent to support our strategic objectives

Potential cause

- Inability to offer competitive remuneration and benefits during a period of wage inflation
- Persistent supply pressures in global labour markets
- Not adapting to new ways of working in line with employee expectations
- Mismanagement of employee workload, particularly those occupying dual roles
- Employee uncertainty as the business undergoes a period of organisational change
- Inability to maintain an attractive business culture

Potential impact

- We do not attract or retain the best talent which is required to deliver strategic objectives
- Negative impacts on morale, resulting in inefficiency and poor customer service
- Key employees encounter burnout and exit the business resulting in disruption
- Disengaged workforce that is resistant to change

Mitigating actions

Key controls/mitigation

Main areas of focus in the current year:

- Regular communication and engagement with employees
- Clear business objectives and North Stars
- Alignment of personal objectives to business objectives
- Investment in Culture Amp, including regular employee surveys and performance reviews
- Reorganisation providing new challenges and opportunities
- Common people system and routine

Other underlying controls/mitigation:

- Offering all staff the opportunity to participate in share compensation schemes
- Development of values and behaviours that underpin the way we work
- Paying market-competitive remuneration
- A business that focuses on staff welfare and culture
- Development of succession planning for key roles

Internal controls

The Group has an effective governance framework which includes a system of both financial and non-financial controls, which are regularly reviewed and monitored by the Board, the Audit Committee and management.

While it cannot provide absolute assurances against material misstatement or loss, the Board has ultimate responsibility for the Group's system of controls.

The governance framework, including internal controls and processes, is summarised below. The Board has considered the internal controls and considers them to be appropriate given the size, complexity and risk profile of the Group.

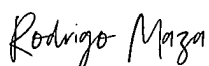
During the year, key controls have been tested and control deficiencies reported to management and the Audit Committee. Identified deficiencies in internal controls are presented to the Audit Committee and flagged as "pending remediation" until satisfactorily resolved.

To further strengthen our legal and fiscal compliance controls, dedicated legal resources are located in the US allowing local management to ensure compliance with regulations and alcohol licensing. The Group General Counsel oversees the regulatory control environment for the US and the Group as a whole.

The main elements of the control function include:

- The Board's approval of the overall strategy taking into account the purpose and objectives of the business, the interests of shareholders, the direction of the business and the risk register;
- The Board's approval of the supporting budgets and plans. There is a robust budgeting and planning process in support of the approved strategy which is approved by the Board. Actual performance of the business is compared to the approved plans and reported routinely to the Board with variance reports versus the budget along with comparisons against prior year performance. Operational forecasts for the remainder of the financial year are prepared monthly;
- The Audit Committee's review of the financial and accounting policies and controls, including the work of the Internal Assurance function and overall compliance with internal policies, processes and legislation;
- The Board's consideration and approval of key policies and procedures;
- The Company's system of investment evaluation, which is applied to all investment opportunities and includes defined financial hurdles and controls that any opportunity must meet. This system is managed directly by the CEO and CFO; and
- New Customer investment is routinely reported to management and reviewed to validate the delivery of anticipated returns.

Approved by the Board of Directors.



Chief Executive Officer
4 August 2025



Chief Financial Officer
4 August 2025



Board of Directors

An experienced team to lead the business



Deirdre Runnette (56)

Interim Chairman*

Appointment Date: June 2022

Committees:

- Remuneration Committee (Chair)
- Audit Committee (Member)
- Nominations Committee (Member)

Deirdre joined the Board in June 2022, taking on the roles of Senior Independent Director and Chair of the Remuneration Committee. In FY25, she assumed the role of Interim Chairman while the Board searched for a permanent successor. In addition to her work for Naked, she is currently the Chief Legal Officer at Bumble, Inc., Deirdre brings a host of valuable experience to the Board, having held various executive leadership roles in retail, consumer products, e-commerce, supply chain technology and telecommunications businesses (Zulily, Flexe, and T-Mobile). She also served as a non-executive director for New Engen, Inc., a venture capital-backed digital marketing startup.



Rodrigo Maza (42)

Chief Executive Officer

Appointment Date: February 2024

Committees: None

Since joining Naked in September 2023, first as MD of the UK business and then as CEO, Maza has quickly demonstrated his strategic capability and business acumen. He has extensive experience in the alcohol beverage industry at both established and entrepreneurial businesses. Prior to joining Naked, Maza launched and scaled several online delivery businesses for alcoholic beverages across a range of e-commerce and subscription models, including AB InBev's TaDa delivery in Latin America and PerfectDraft in Western Europe. He also held various executive roles at Grupo Modelo S.A. de C.V. and AB InBev.



Dominic Neary (49)

Chief Financial Officer

Appointment Date: November 2024

Committees: None

Dominic Neary joined Naked Wines as Chief Financial Officer in November 2024, bringing a wealth of experience from senior finance roles in international high-growth consumer, digital, and FMCG companies. During his tenure at Mind Gym PLC, Dominic played a pivotal role in returning the business to profitability while establishing scalable global operations. Prior to this, he held finance leadership positions at Reckitt Benckiser, Moneysupermarket.com, and Just Eat, where he focused on strategic transformation and integration. His expertise in financial strategy and operational growth positions him well to support Naked Wines' long-term goals.

* On 22 July 2025 Deirdre Runnette stepped down as interim Chairman on the appointment of Jack Pailing as Chairman of Naked Wines plc. Deirdre Runnette remains on the Board of Naked Wines and returns to her role as Senior Independent Director.



Stephen Bolton (63)

Non-Executive Director

Appointment Date: November 2022

Committees:

- Audit Committee (Chair)
- Remuneration Committee (Member)
- Nominations Committee (Member)

Stephen joined the Board in November 2022, taking on the role of Audit Committee Chair. He has 40 years of experience as a finance professional, most recently with Diageo, where he held various finance leadership roles (2006 to 2019). He is also a seasoned non-executive director, currently serving on the boards of Clarks, an international footwear company, where he chairs the audit committee, and Sedex, a world-leading ethical trade membership organisation.



Jack Pailing (38)

Senior Independent Director

Appointment Date: July 2023

Committees

- Nominations Committee (Chair)
- Remuneration Committee (Member)
- Audit Committee (Member)

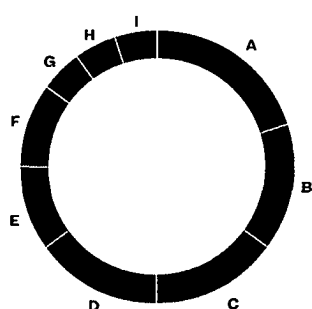
Jack joined the Board in July 2023. He is the portfolio manager at Colebrooke Partners, a London-based investment firm he founded in 2017. Prior to that, he practiced law at SJ Berwin LLP, King & Wood Mallesons LLP and Macquarie Group.

On 22 July 2025, Jack was appointed Chairman of the Board of Directors of Naked Wines plc.

Resignations

- Rowan Gormley served as non-Executive Chairman and also as Executive Chairman from 4 July 2023 to 31 March 2025.
- James Crawford served as Chief Financial Officer and Executive Director until the conclusion of the 2024 AGM.

Board activities



A	Strategy (Financial and operational)	20%
B	Budgeting and plans	15%
C	Risk management and mitigation	15%
D	Trading updates and external reporting	15%
E	Investor relations	10%
F	Auditor reports, appointment and fees	10%
G	Remuneration matters	5%
H	Key policies and governance including AIM compliance	5%
I	Board appointments including succession planning	5%

Board meetings

	Board	Audit	Rem	Nom
2024				
Apr	2	0	0	1
May	0	0	0	0
Jun	1	0	0	0
Jul	1	1	0	0
Aug	0	2	0	0
Sep	3	0	0	0
Oct	2	0	0	0
Nov	3	0	0	0
Dec	0	1	0	0
2025				
Jan	1	0	0	0
Feb	2	0	0	0
Mar	1	1	1	0

In FY25, the Board held 16 Board meetings, five Audit Committee meetings, one Remuneration Committee meeting and one Nominations Committee meeting. Rowan Gormley was absent from one Board meeting. All other Directors attended all meetings during their period of office.

Governance

Quoted Companies Alliance (QCA) Corporate Governance Code

The Company has been a member of the QCA since 2018 and has adopted the QCA Code 2023, which we believe is the most suitable corporate governance code based on our requirements and size. The following is a high-level summary of the Company's compliance with the 10 principles of the QCA Code.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Company strives to promote long-term value for shareholders. Our current strategy and business model, designed to achieve this goal, are discussed on pages 1 to 53 (Strategic report).

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Company upholds the highest ethical standards through policies available on our website at <https://www.nakedwinesplc.co.uk/sustainability/ethics-and-transparency/default.aspx>.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Company prioritises communication with shareholders. Our engagement efforts are discussed on pages 38 to 40 (Stakeholder engagement).

Principle 4: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company engages in efforts to promote equity, diversity, and sustainability, as discussed on pages 38 to 40 (Stakeholder engagement) and pages 30 to 37 (Corporate Social Responsibility report).

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Company has implemented robust controls to minimise and mitigate risk, as discussed on pages 42 to 53 (Risk management and control environment).

Principle 6: Maintain the Board as a well-functioning, balanced team led by the Chairman

The Board comprises talented professionals with extensive and diverse experiences and skill sets. A biography of each Board member is included on pages 54 and 55 (Board of Directors). The Board operates in

accordance with structures and processes that support effective governance, as outlined in the Board charter and Committee Terms of Reference, available on our website at <https://www.nakedwinesplc.co.uk/about-us/board-committees/default.aspx>.

Principle 7: Maintain corporate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills, and capabilities

The Board and its sub committees met regularly during the last financial year to discuss Company performance and strategy, assisting management in achieving Company goals. These activities are detailed on pages 54 and 55 (Board of Directors).

Principle 8: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Company engages in ongoing internal evaluation of the Board's performance to ensure effective governance.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Remuneration Committee evaluates Executive Director performance based on annual financial and non-financial targets, as outlined on pages 59 to 69 (Directors' remuneration report).

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company prioritises communication with all relevant stakeholders, as discussed on pages 38 to 40 (Stakeholder engagement).

Board dynamics and responsibilities

Board member roles and Committee memberships are outlined on pages 54 and 55 (Board of Directors). The Chairman is responsible for effectively leading the Board and overseeing the adoption, delivery, and communication of the Company's corporate governance model. The relationship between the Chairman, Chief Executive Officer, non-Executive Directors (NEDs), and executive management remains collaborative, cordial, and robust. Board members work together in the best interests of the Company, engaging in rigorous and constructive debate, with no individual or group dominating decision-making processes.

The Board has a Charter (Board Charter) that sets out in detail its functions and responsibilities, as well as the clear separation of duties between the Chairman and the Chief Executive Officer. The Company has also established a statement of authority that supplements the Board Charter. The Board has delegated certain powers to the Audit, Remuneration and Nominations Committees, which are outlined in greater detail below.

The Company's Articles of Association require that one third of the Directors retire annually. This year, Deidre Runnette and Dominic Neary will retire from the Board and stand for re-election. Director's contracts are available for inspection at the Company's registered office and will be made available at the 2025 AGM.

The Company holds directors' and officers' liability insurance coverage for any claim brought against the Directors or officers for wrongful acts in connection with their position, but the coverage does not extend to claims arising from dishonesty or fraud.

We keep a running Board and Committees annual work plan, which ensures that all elements of business are addressed across the relevant governance bodies. Meeting dates are aligned with the financial and trading calendars of the Company, ensuring a spread of meetings across the calendar year. The scheduled meetings may be supplemented with additional ad hoc meetings as and when necessary.

Board and Committee Chairs review and approve meeting agendas in advance. The Corporate Secretary takes minutes at all meetings, which are shared with the Directors for comment. The Board follows up on and reviews any action items at the next meeting.

The Board and Committees receive appropriate notice prior to meetings and are provided with relevant information in advance of the meetings. More specifically, NEDs are regularly kept abreast of financial and operational performance or new material developments relating to the business. The Company reports on its monthly headline performance against its agreed budget and the Board reviews variances at each meeting.

The Board held 16 meetings during the year, as detailed on page 55. All members of the Board continue to devote sufficient time and effort to their responsibilities as Directors. Where required, all Directors are able to seek independent professional advice in support of their duties to the Company, at the Company's expense, in addition to having full access to the Company Secretary, the CFO and any member of the management team.

We review overall Company performance and ensure that the necessary resources are available to management to effectuate the strategy. We exercise accountability to the shareholders and are responsible for safeguarding the relevant interests of all stakeholders (see Stakeholder engagement on pages 38 to 40).

As a Board, we consider the independence of all members and have an effective conflict of interests procedure in place. Under this policy, the Directors must declare any other commitments and interests, which assists in the determination of independence. Changes to commitments and interests are reported to the Company

Secretary and, where appropriate, referred to the Board, as and when necessary.

Board Committees

The Board has in place Audit, Remuneration and Nominations Committees, all of which have specific mandates contained in approved Terms of Reference. These cover the composition, key activities and responsibilities of the relevant Committee and can be viewed on our website. The membership of each of the Committees is set out on pages 54 and 55 (Board of Directors).

Audit Committee – the Audit Committee report under the chairmanship of Stephen Bolton is available on pages 70 to 72.

Remuneration Committee – the Directors' remuneration report under the chairmanship of Deirdre Runnette is available on pages 59 to 69.

Nominations Committee – The Nominations Committee is chaired by the Board Chairman, previously Rowan Gormley until his resignation from the Board on 31 March 2025 and now Jack Pailing from that date.

The principal role of the Nominations Committee is to consider and make recommendations for Board appointments and executive roles, to consider succession planning in respect of both the Board members and senior management, and to consider the performance, ongoing training and evaluation of the Board.

The Nominations Committee meets as and when necessary, but at least to consider any Director appointments or resignations and to review Board performance.

Ethical values and behaviour

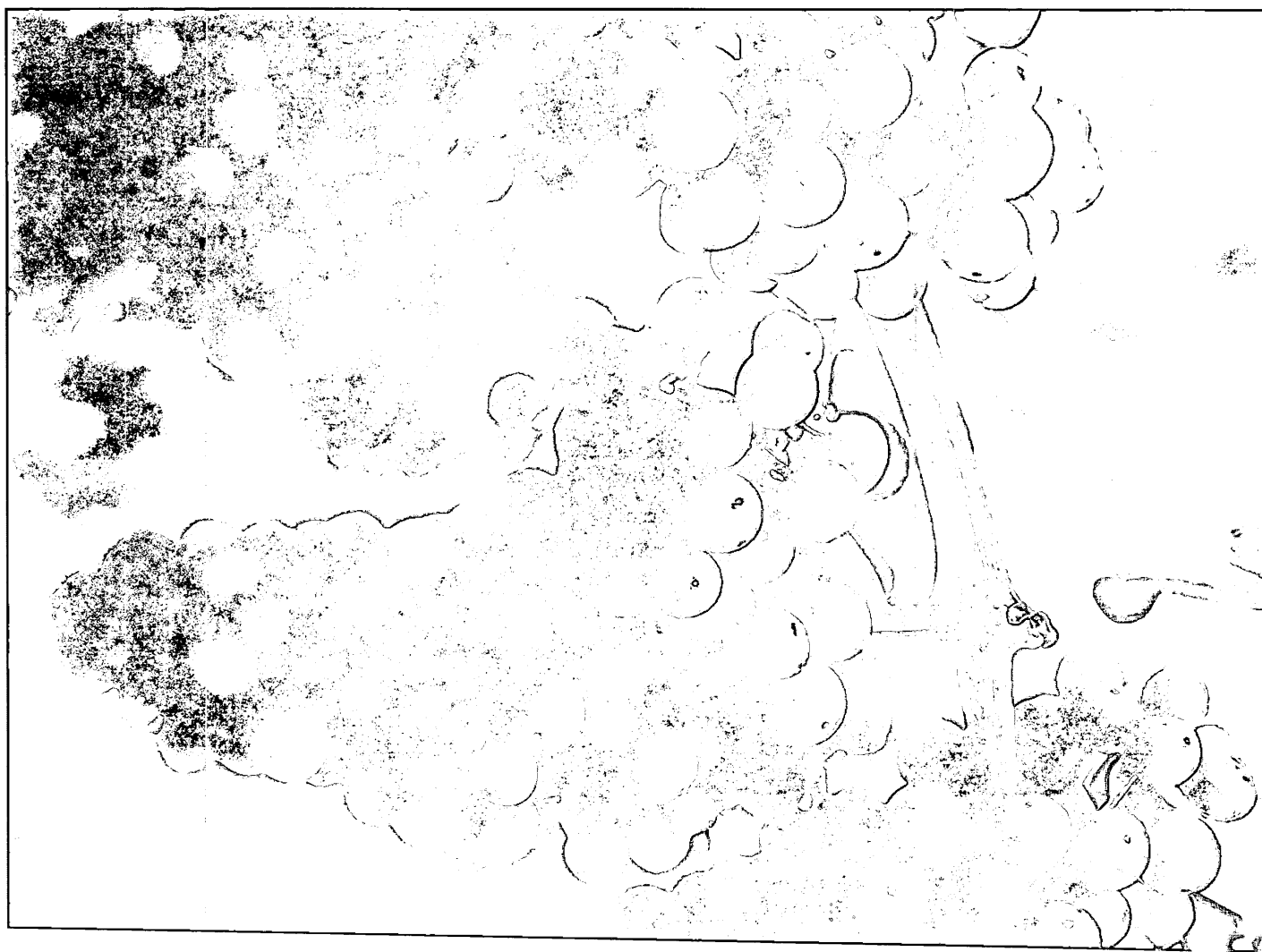
The Board recognises the need to promote an ethical culture and to lead from the top. We have a Code of Conduct which is applicable to all of our employees and makes our expectations of them clear. The Code of Conduct, which is regularly reviewed, is shared with our staff and is available on our website.

Internally, we strive to promote a culture of respect, fairness and non-discrimination. We have a number of policies that underpin this approach, all of which supplement our Code of Conduct and are available on our website. In addition, we have a Whistleblowing Policy and procedure to assist staff in bringing transgressions to our attention.

Externally, we see our Winemakers and other suppliers as part of the Naked Wines family and expect them to adhere to the standards outlined in our Responsible Supplier Policy and Anti-Modern Slavery Statement.

Succession planning

The Board continues to be committed to identifying suitable succession candidates. A summary of the Board's skills and experience is set out on pages 54 and 55.



Directors' remuneration report

FY25 demonstrated the Company's ability to adjust its strategic focus despite challenging market conditions, stabilising the Company and positioning it for sustainable growth and long term value creation.

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' remuneration report for the financial year ended 31 March 2025. FY25 presented yet another challenging year. Our new leadership team faced into this with quick actions to further right-size our team, stabilise our liquidity position and adopt a rigorous approach to testing and learning how to more efficiently attract and retain customers. New additions to the leadership team also brought fresh eyes to the business, accelerating our ability to chart a new strategic direction that, in the mid-term, will deliver profitability and significant cash generation, enabling shareholder value creation.

During the financial year, James Crawford stepped down from his role as CFO on 30 September 2024 and Dominic Neary was appointed to the role of CFO on 11 November 2024. Additionally, our non-Executive Chairman, Rowan Gormley stepped down from his role on 31 March 2025 and I stepped into an interim non-Executive Chair role whilst the company searched for a permanent replacement. Whilst I was interim non-Executive Chair, I retained the role of Chair of the Remuneration Committee and Jack Palling took on the role of Senior Independent Director and Chair of the Nomination Committee.

Continued shifts in the business required that the Committee reassess the incentive structure for senior management and employees mid-year to align to changes in the business and to be able to attract and retain critical talent. We believe that by facing these challenges head-on we have better positioned the Company to return to sustainable growth.

FY25 incentive plan payouts

The annual bonus for FY25 was based on adjusted EBIT and inventory reduction targets, which determined the maximum size of the bonus pool, and North Star metrics comprising five metrics which determined the total bonus payout within the pool. This represents a change to the annual bonus structure devised by the Committee at the beginning of FY25, which was originally based 50% on adjusted EBIT and inventory reduction and a separate 50% based on North Star metrics. The adjustment mid-year strengthened the link to financial performance to ensure affordability and created better alignment to the change in strategic direction of the

business. The total annual bonus payouts for the CEO and new CFO for Group performance in FY25 are based on the amended structure and result in a payout of 52% of maximum (pro-rated for the CFO for time in post). This outcome was based on strong performance against the EBIT and inventory reduction targets and mixed performance against the stretching North Star metrics. The final payout reflects the exercise of Committee discretion taking into account the strategic efforts of the executives, including to stabilise the business, during a period of change. This strategic pivot during the financial year resulted in the approval of our new near and mid-term strategy in Q4, which lays the foundations for future sustainable growth. Full details are contained within this report.

James Crawford, former CFO, was not eligible to receive a bonus for FY25, but did receive the first tranche of his deferred cash bonus award which was paid on 1 July 2024. This deferred bonus incentive was granted in 2022 to recognise James' strong performance in the period prior to joining the Board as Head of the UK business and to provide an additional incentive for James to take up the CFO role and rejoin the Board.

LTP awards

As discussed in the FY24 Remuneration report, there was no intention for an LTP award to be granted during FY25. The Committee's decision not to grant an FY25 LTP recognised the exceptional nature of the 2024 LTP award granted to the CEO, which vests after three years subject to continued service, but did not include any performance criteria, to maximise retention and to focus on long-term shareholder value. The new CFO did, however, receive an award in FY25 equivalent to 51% of base salary at grant in November 2024 and the award will vest on the same terms as the award granted to the CEO. At least half of any of the CFO's vested award will be required to be retained until a shareholding requirement of 200% of salary is achieved.

CFO succession

James Crawford stepped down from the Board and from the role of CFO on 30 September 2024 and moved into an advisory role until 31 October 2024 to ensure a smooth handover with the incoming CFO. Following this, James received the second tranche, £45,833, of his deferred cash bonus award. Whilst this second tranche would ordinarily have been paid on 1 July 2025, the Committee took into account James' performance in role over the past year and his significant involvement in strengthening the financial position of the Company and determined that the award should pay out earlier. There was no bonus payable in respect of FY25 and all outstanding share awards have lapsed.

On 11 November, we were delighted to appoint Dominic Neary to the Board as our new CFO. Dominic's salary was set at £250,000 on appointment, which represents a small discount to the former CFO's salary and the CEO's salary. Dominic's bonus opportunity for FY25 was 100% of salary, pro-rated for the period of active service during the year. The new CFO's package reflects a reweighting to variable pay compared to his predecessor. As explained earlier, Dominic also received an LTIP award of 51% of salary following his appointment.

Remuneration for FY26

Rodrigo Maza's salary was £275,000 on appointment as CEO Designate on 5 February 2024 and remains unchanged for FY26. Dominic Neary's base salary will be unchanged at £250,000. The pension allowance for the CEO and CFO is equivalent to 4.5% of salary.

The annual bonus opportunity for both CEO and CFO will remain 100% of base salary. The Committee has reviewed the performance measures for FY26 to ensure a balanced focus on profitability and growth structure of the FY26 bonus is based on the achievement of a net cash excluding lease liabilities threshold, adjusted EBITDA excluding inventory liquidation and associated costs, member retention and customer acquisition cost performance conditions.

The Company intends to grant LTIP awards to the CEO and CFO in FY26. The Committee believes this is necessary to ensure our executives are incentivised to drive and deliver the ambitious performance required under the new strategic plan announced in March.

The next few years will be critical to ensure the successful execution of the new strategic plan, and it is important the Committee is able to provide appropriate reward for the delivery of this performance. The Committee is comfortable that the dilutive impact of this award remains well within our plan limit of 15% of issued share capital in 10 years. The Committee will consult with key shareholders in relation to the detail of the LTIP following appointment of the new Chair. However, we currently anticipate that the award level would be equivalent to 100% of base salary for the CEO and CFO and would be subject to performance conditions, likely EPS, net cash excluding lease liabilities and TSR, measured at the end of the three financial years. The Committee is currently determining the precise performance target ranges to apply to these measures, which will take into account our stated medium and long-term plan numbers, with stretch performance for maximum payout requiring over achievement against this plan. The performance targets for these awards will be disclosed in next year's remuneration report.

Closing comments

I hope that you find this report clear and insightful and that we have clearly demonstrated the Committee's approach to pay for performance at Naked Wines. The Remuneration Committee believes the changes to the annual bonus during FY25 were necessary in order to ensure the executives and all employees were appropriately incentivised and rewarded for performance that benefits the future of the business for all our stakeholders. The proposed re-introduction of LTIP awards for the CEO and CFO in FY26 will ensure that executives receive a fair, market competitive remuneration package that is weighted to incentives and the delivery of performance. At our forthcoming AGM, there will be an advisory vote on this Annual Report on Remuneration. I would be very pleased to receive any feedback you may have on this report or our approach to remuneration more generally and look forward to your support at the AGM.



Chair of the Remuneration Committee

The Remuneration Committee

Who

- The Remuneration Committee comprises me, as Chair, together with Rowan Gormley (until 31 March 2025), Stephen Bolton and Jack Pailing.
- Executive Directors may attend meetings as invitees, but play no role in decisions relating to their own remuneration.
- None of the members of the Remuneration Committee have any conflict of interests, nor do they have any personal financial interests other than as shareholders. Subject to these qualifications, the Remuneration Committee is considered independent.

What

Responsibilities, in summary

- Develop the Remuneration Policy in line with the business strategy and monitor its ongoing effectiveness
- Determine specific targets and objectives for any performance-related bonus or pay schemes for Executive Directors
- Determine targets for any performance-related bonus or share schemes for staff
- Review and approve Executive Directors' packages upon appointment and any termination payments

Main activities for review period

- Set performance targets for the FY25 annual bonus following the strategic pivot during the year
- LTIP for the CEO and CFO to be considered to incentivise the delivery of the new strategic plan
- Determined the achievement of the performance criteria for the FY25 bonus
- Developed the approach to remuneration in FY26
- Agreed early payment of second and final instalment of cash award to James Crawford and the remuneration arrangements for Dominic Neary on his appointment as CFO

How

- Remuneration Committee Terms of Reference
- Korn Ferry was appointed in March 2021 to provide advice to the Remuneration Committee on remuneration matters

When

- The Remuneration Committee meets as required, and the list of meetings and attendance is on page 55

The Remuneration Policy

1. Introduction

The Remuneration Policy offers fair, competitive and attractive reward packages that are consistent with the *scale and performance of the Company*. It is aligned with our strategy, KPIs, risk management processes and business model. We will seek to attract and retain talent through fair rewards, whilst placing our overall Company wellbeing, values and performance at the heart of our reward practices. We believe the reward process is key to change and establishes and reinforces the outputs and behaviours required in order to achieve strategic business objectives and results.

2. Application

The Remuneration Policy is applicable to the Executive Directors. We seek to be consistent between the policy for Executive Directors and other employees wherever possible.

3. Reward principles

The following overarching principles are applicable:

- We will offer competitive salaries that attract, retain and motivate talented people;
- We will operate transparent, simple and effective reward schemes that incentivise delivery of stretching targets and our long-term business strategy; and
- We will offer the chance for all employees to participate in share schemes so that we all think and act like business owners.

4. Remuneration Policy

Each element of the Remuneration Policy for Executive Directors is summarised in the following.

Fixed	1. Salary
-------	-----------

Policy

Purpose and link to strategy/KPIs:

To recognise individual skill, experience, performance and market value of the role so as to attract, retain and motivate the best people to deliver against the strategy and KPIs, implement our business model, manage our risks and exploit our opportunities, while remaining disciplined about fixed cost management.

Operation – how we determine it:

- Position/role
- Expertise
- Experience
- Competitive salaries relative to the market and jurisdiction
- Affordability (we strive to be competitive but manage costs in line with the Company revenue and budget)

Operation – when we pay it:

Monthly, in cash (in the US, twice monthly in line with local custom).

Limitation:

Maximum increases are no greater than the workforce average unless: (a) there has been a material increase in industry rates; (b) changes in role have taken place with enhanced responsibility; or (c) there has been a reward for individual development.

How it is linked to performance:

It is not, except for consideration of performance expectation when setting and reviewing salaries.

Fixed	2. Pension
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Policy

Purpose and link to strategy/KPIs:

To contribute to post-retirement income, which supports recruitment and retention of talented people to deliver on strategy.

Operation – what we offer:

- Payments in defined contribution schemes and cash alternatives to pension.

Limitation:

The CEO and the CFO receive a pension contribution or cash amount in lieu of pension, equivalent to 4.5% of salary.

How it is linked to performance:

Pension contributions are not conditional on performance, but we believe that they enhance recruitment and retention of talent and improve staff wellbeing.

Fixed	3. Benefits
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Policy

Purpose and link to strategy/KPIs:

To make us competitive within the market while providing financial protection for executives and their families, supporting retention.

Operation – what we offer:

- Paid annual leave
- Enhanced maternity benefits
- Credits to spend on wine
- Private medical insurance
- Life insurance
- Relocation expenses

Limitation:

The level of benefits is set to be appropriate for our business relative to the market.

How it is linked to performance:

Benefits are not conditional on performance, but we believe they enhance recruitment and retention of talent and improve staff wellbeing.

Variable	4. Bonus
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Policy

Purpose and link to strategy/KPIs:

To reward the achievement of key financial, operational and strategic goals annually by selecting measures that drive long-term shareholder value, as well as to reward achievement of customer-centric KPIs that grow and retain the customer base.

Operation – how we determine it:

- We set an “on target” bonus for each role as a percentage of salary
- Bonus targets are normally set at the start of the financial year and performance is reviewed regularly and assessed at the end of the financial year to determine whether targets have been reached
- Bonuses are payable in cash
- The Remuneration Committee may apply discretion to the final bonus payout, taking into account performance against targets and underlying performance of the Company
- Robust clawback and malus provisions apply

Limitation:

Executive Directors' target bonus levels are set at 100% of salary for the achievement of a stretching but achievable target level of performance.

If stretch targets are achieved, a maximum bonus of 130% of salary is payable.

How it is linked to performance:

The bonus will be based on the achievement of an appropriate mix of challenging financial, strategic and/or individual targets.

Variable	5. Shares - LTIP
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Policy**Purpose and link to strategy/KPIs:**

To incentivise and retain staff by delivering shares as part of their package which may be subject to performance, while aligning management interests with the value creation interests of shareholders.

Operation – what we offer:

- Conditional awards of shares which vest after a period of time subject to service and additionally may be subject to the achievement of stretching performance conditions
- Robust clawback and malus provisions apply
- The Remuneration Committee may apply discretion to the final LTIP vesting level, taking into account the underlying performance of the Company

Limitation:

The Remuneration Committee will determine the award levels to Executive Directors and senior management.

We may grant performance linked share awards or structure awards as Restricted Shares, subject to service only, but not performance targets.

The Company's Long-Term Incentive Share Plan rules, adopted by Directors on 23 October 2023, provide for an overall dilution limit of 15% of the Company's issued share capital over a 10-year period.

How it is linked to performance:

- Executive rewards are linked to movements in share price
- Vesting of share awards may be subject to the achievement of performance conditions
- The Executive Directors are subject to minimum shareholding requirements, meaning that they must hold equity in the Company equivalent to 200% of base salary, to be built up over time for new recruits.

We also operate all-employee share plans in which Executive Directors may participate.

5. Recruitment and remuneration

The Recruitment Policy provides the framework for the attraction and selection of talented individuals to lead the Company. Remuneration forms a part of this process and the Remuneration Committee determines the remuneration package for the appointment of any Executive Director position.

Our goal is recruitment of the best candidates to lead the Company and grow shareholder value. In undertaking this, we consider:

- The general principles set out in this policy; and
- What is in the best interests of the Group and its shareholders, without paying more than is necessary to secure the best person for the job.

In addition, the Remuneration Committee takes into account:

- The current incumbent's package;
- The skills and expertise of the candidate;
- The jurisdiction from which the person is recruited and their location of employment;

and

- The appropriate structure of the package; and
- Comparable market compensation packages.

In doing this, the Remuneration Committee may consider the "buyout" of existing equity or other elements of remuneration forfeited on leaving a previous employer.

The limitations the Remuneration Committee imposes on recruitment are as follows:

- The remuneration package will be limited to base salary, pension, benefits, bonus and share plan participation, as applicable in the policy; and
- "Buyout" grants will only be made in exceptional circumstances and will be capped at the current fair value.

6. Service contracts

In order to retain key skills and mitigate risk from unplanned vacancies in key roles, all Executive Directors have rolling employment agreements with notice periods.

Our policy is to ensure that no contract extends beyond a 12-month period, and thus both the CEO's and the CFO's service contract includes a six-month notice period by the Company or the Executive.

Directors' service contracts are available for inspection at the Company's registered office.

7. Policy of payment for loss of office

To ensure a smooth transition for leadership roles during times of change, we maintain a policy on payments for loss of office.

This operates as follows:

- The terms of the service contract and other legal obligations will be upheld;
- The Remuneration Committee will have the authority to approve any final payment taking into account the specific circumstances surrounding the termination, including but not limited to approved leaver criteria, performance, service and health;
- The Remuneration Committee may make such payments as are necessary to settle or compromise any claim or by way of damages, where it is seen to be in the best interests of the Company;
- The Remuneration Committee may waive the need for an Executive to work any notice period and may make a payment in lieu thereof; and
- Where possible, any compensation payments for loss of office will be subject to mitigation, including phased payments and offset against earnings in any new role. We aim to limit any payments for loss of office to a maximum of one year's salary.

8. Non-Executive Directors (NEDs)

Appointment/termination

NEDs, including the Chairman, have letters of appointment from the Company which contain their terms of service. NEDs are appointed for an initial three-year term subject to election and annual re-election by shareholders, unless terminated earlier by, and at the discretion of, either party upon three months' written notice. All Directors (including NEDs) will be subject to the rotation policy, as contained in the Articles of Association of the Company, as well as to the provisions of the Board Charter, the terms of reference of the various committees and the governance codes adopted by the Company from time to time.

Remuneration

NEDs receive a base fee and the Senior Independent Director (SID) and Chair of the Remuneration and Audit Committee receive an additional fee. The remuneration does not include any additional benefits. Payment is made on a monthly basis.

9. Application of discretion

The Remuneration Committee has discretionary authority in a number of instances that are set out in the policy (as well as the various share scheme rules), as well as oversight of how these are applied.

In using its discretion, the Remuneration Committee will apply the following guiding principles:

- Always explain use of discretion, including how and why it is applied;
- Discretion will not be used to reward failure;
- Any decisions made using discretion will be reasonable, impartial and procedurally fair, and will take into account all relevant information;
- Discretion will be exercised having regard to the law, contractual entitlements, policies and the best interests of the Company;
- Application of discretion will be consistent and follow precedent, where possible; and
- Decisions will be based on supporting evidence, which will be retained.

Annual Report on remuneration

This section describes the remuneration payments in respect of the financial year ended 31 March 2025.

Executive remuneration for FY25 (audited)

	Position	Basic salary/fees £'000	Benefits £'000	Annual bonus payments ³ £'000	Long-Term Incentive Plan £'000	Share Incentive Plan £'000	Company pension contributions £'000	Other ^{2,5} £'000	Total FY25 £'000	Total Fixed FY25 £'000	Total Variable FY25 £'000
Rodrigo Maza	CEO	275	30	162	-	-	12	6	485	317	168
Dominic Neary ⁴	CFO	98	1	50	-	-	4	-	153	103	50
James Crawford ^{1,2}	CFO	138	3	-	-	1	6	-	148	147	1
		511	34	212	-	1	22	6	786	567	219

1 James Crawford stepped down as CFO on 30 September 2024; the reported figures reflect remuneration up to this date.

2 During the current year, the Company paid a deferred cash bonus of £138k to James Crawford which was awarded in FY23 and should have been disclosed in that year. This does not effect the table above.

3 In line with his contract, Rodrigo Maza received a guaranteed bonus equal to 16% of his basic salary (£235,000 for FY24), payable monthly over the first 12 months of his employment, amounting to £18.8k for FY25.

4 Dominic Neary was appointed CFO on 11 November 2024. Salary and benefits are from this date onwards.

5 Rodrigo Maza "other" relates to sale of holiday allowance.

Executive remuneration for FY24 (audited)

	Position	Restated basic salary/fees £'000	Benefits £'000	Restated annual bonus payments £'000	Long-Term Incentive Plan ³ £'000	Share Incentive Plan £'000	Restated company pension contributions £'000	Other £'000	Restated total ⁶ FY24 £'000	Restated total fixed FY24 £'000	Restated total variable FY24 £'000
Rodrigo Maza ¹	CEO	43	-	-	-	-	2	-	45	45	-
James Crawford ²	CFO	275	2	10	-	-	12	-	299	289	10
Nick Devlin ⁴	CEO	192	3	-	-	-	7	318	520	520	-
Rowan Gormley ⁵	CEO	128	-	-	-	-	-	-	128	128	-
		638	5	10	-	-	21	318	992	982	10

1. Rodrigo Maza was appointed CEO Designate on 5 February 2024. Salary and benefits are from this date onwards.

2. The remuneration for James Crawford also includes his time spent fulfilling a below-Board role for the UK business alongside the CFO role until 30 September 2023. Note also that James Crawford continued to accrue benefits under the deferred cash bonus awarded to him on his rejoining the Board in December 2022, and disclosed in the FY23 Directors remuneration report.

3. LTIP relates to the 2021 awards which were due to vest in July 2024, but did not meet the performance criteria and as a result lapsed.

4. Nick Devlin resigned as a Director on 7 November 2023. Salary and benefits are for the time he served as a Director. 'Other' relates to the severance he was paid which was equivalent to one year's salary.

5. Rowan Gormley assumed the role of Executive Chairman on the departure of Nick Devlin as CEO on 7 November 2023. He resumed his role as non-Executive Chairman from the start of FY25 following the appointment of Rodrigo Maza as CEO.

6. The prior year comparatives for executive remuneration have been restated for the following reasons. Basic salary/fees disclosed in the prior year excluded salary sacrifice and cycle to work arrangements which should have been included. The amount for Rodrigo Maza has been increased from £40k to £43k, the amount for Nick Devlin has increased £180k to £192k and the amount for James Crawford has been increased from £273k to £275k. In addition, company pension contributions for Rodrigo Maza have been restated from £nil to £2k to reflect amounts which should have been disclosed in the prior year. Lastly, annual bonus payments for James Crawford have been restated from £nil to £10k. This relates to a bonus paid in the current year that should have been disclosed in the prior year as this was when performance conditions were satisfied.

Annual bonus for FY25

As explained earlier in this report, the bonus structure for FY25 was adjusted during the year to strengthen the link to financial performance to ensure affordability and create better alignment to the change in strategic direction.

A minimum adjusted EBIT of £3m had to be met in order for any bonus payout to be made for FY25. The size of the bonus pool for all employees was then determined based on achievement against an adjusted EBIT excluding inventory liquidation and associated costs, plus reduction in inventory and advanced payments to Winemakers target of £23.8m. Depending on performance against this target, the size of the bonus pool could be adjusted by a multiplier of between 0.7 and 1.3. The minimum adjusted EBIT before inventory liquidation target of £3m was met and there was maximum achievement against the Adj EBIT excluding inventory liquidation and associated costs, plus reduction in inventory and advanced payments to Winemakers target of £23.8m which resulted in a 1.3 multiplier to the bonus payout. The bonus payout to Executive Directors was determined based on achievement against the following Group North Star metrics and targets:

Metric	Weighting	Target ¹	Actual performance	Payout (of element)
Unlock				
Adj EBIT pre Inventory liquidation and associated costs	Yes/No	£3.0m	£4.5m	Yes
Size of prize				
Adj EBIT excluding inventory liquidation and associated costs, plus reduction in inventory and advanced payments to Winemakers	70% - 130%	£23.8m	£41.8m	130%
North Star Metrics				
Return to Growth plan ⁴	40%	Group returns to growth	The change in strategic direction during the year in order to stabilise the business resulted in approval of the new strategic plan in Q4, however the Group did not return to growth during the year.	10%
Customer NPS	10%	75	76	10%
Winemaker Success ³	10%	80%	96%	10%
Repeat contribution	30%	£60m	£57.3m	0%
Team Engagement	10%	67%	67%	10%
Total (North Star metrics)	100%			40%
Total Bonus Score²				52%

1. Target achievement results in full payout of this metric.

2. Bonus became payable through a minimum adjusted EBIT excluding inventory liquidation and associated costs, plus reduction to inventory and advanced payments to Winemakers target performance against these measures also drive the bonus multiplier against the performance criteria being the north star metrics, as such the business achieved its maximum gateway multiplier of 130% and 40% out of 100% of bonus criteria, giving 52% of total bonus payable.

3. Winemaker success relates to the proportion of winemakers who have both rated us highly and who we have given a high performance score for commercial, operational and engagement elements. (e.g. Winemaker NPS).

4. Even though the return to growth plan metric was not achieved, the Committee determined that the Company's delivery of a revised strategic plan warranted recognition and the Committee exercised its discretion for an additional 10% of the bonus to payout under the North Star metrics.

The bonuses payable to the CEO and new CFO are set out in the table below. The new CFO's bonus is pro-rated to reflect the date of his appointment on 11 November 2024. James Crawford was not eligible to receive a bonus due to his cessation of employment during the year.

Executive Director	Bonus opportunity	North Star metrics outturn (% of max) ¹	Adjusted EBIT and Inventory reduction multiplier	Final bonus payout (% of max)	Total bonus payable for FY25 £'000
Rodrigo Maza	100% of salary	40%	1.3 x	52%	143
Dominic Neary ²	100% of salary	40%	1.3 x	52%	50

1. Outturn reflects the exercise of Committee discretion to increase the outturn from 30% to 40%.

2. Dominic Neary's bonus has been pro-rated to reflect the date of his appointment on 11 November 2024.

Long-term incentive awards granted during the year

Nil-cost options were granted to Dominic Neary shortly after his appointment to the Board as CFO. These awards are not subject to any performance conditions and will therefore vest solely subject to continued employment after three years.

	Date of grant	Grant level (% of salary)	Options granted	Market price at date of award	Face value of award £'000	Vesting period
Dominic Neary	11 November 2024	51%	227,500	£0.557	127	Three years

Directors' shareholdings and share interests

The table below sets out the interests of the Directors (including those of their connected persons) who served on the Board during the year.

Director	Total beneficially owned shares		Unvested, lapsed LTIP shares (subject to performance conditions)	Unvested shares (subject to continued employment only)	Lapsed and forfeited shares ²	Share holding requirement (% of salary)	Share holding at 31 March 2025 (% of salary)
	1 April 2024	31 March 2025					
Deirdre Runnette	10,000	10,000	-	-	-	-	-
Rodrigo Maza	-	-	-	256,797	-	200%	0%
Dominic Neary	-	-	-	227,500	-	200%	0%
Jack Pailing ¹	120,538	120,538	-	-	-	-	-
Stephen Bolton	40,212	40,212	-	-	-	-	-
Rowan Gormley	2,256,104	2,256,104	-	-	-	-	-
James Crawford ²	269,961	270,405	22,900	-	144,444	200%	85%

* Based on the share price on 31 March 2025 of 86.5p and unvested shares (subject to continued employment only).

¹ Jack Pailing is an officer of Colebrook Partners Ltd, which owns 703,116 shares in Naked Wines plc.

² James Crawford stepped down as Chief Financial Officer (CFO) on 30 September 2024 and left the business on 30 November 2024. During the time he was in the business, 22,900 shares relating to the July 2021 LTIP scheme did not vest and lapsed as a result of performance conditions not being met. At the date of leaving, of the LTIP 2022 scheme, 72,224 shares were forfeited and 72,200 shares had vested and subsequently lapsed after six months.

Non-Executive Directors' remuneration (audited)

The table below sets out the fees received by non-Executive Directors for FY25 and the prior year. Non-Executive Directors are not entitled to receive any remuneration other than fees.

Name	Position	Total fees FY25 £'000	Total fees FY24 £'000
Deirdre Runnette ⁴	NED/Remuneration Committee Chair	47	48
Stephen Bolton	NED	45	45
Jack Pailing	NED	40	30
Rowan Gormley ³	NED/Chairman	100	35
Melanie Allen ¹	NED	-	33
David Stead ²	NED/Chairman	-	26
Total remuneration		232	217

¹ Melanie Allen stepped down as NED on 17 January 2024, the FY24 figures reflect remuneration up to this date.

² David Stead stepped down as NED on 4 July 2023, the FY24 figures reflect remuneration up to this date.

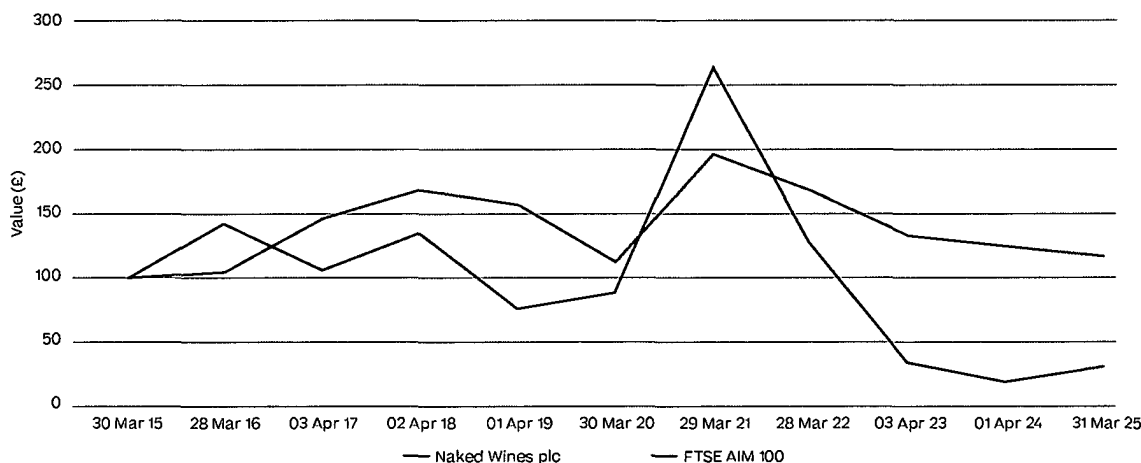
³ Rowan Gormley resigned as Chairman on 31 March 2025, the FY25 figures reflect remuneration for the full financial year.

⁴ Deirdre Runnette was appointed interim Chairman on 31 March 2025, the FY25 figures reflect no remuneration for this role in the financial year.

Total shareholder return performance

The chart below shows the Company's total shareholder return performance over the last ten years as compared with the FTSE AIM 100 Index. Naked Wines is a constituent of this index, and therefore it is considered an appropriate comparator index to use.

Total shareholder return



Deirdre Runnette

Remuneration Committee Chair

On behalf of the Board

4 August 2025

UK gender mix and gender based pay analysis

We are pleased to share continued progress in our efforts to promote gender equity across our UK operations. In 2025, our workforce maintained a balanced gender composition, with equal representation of men and women overall.

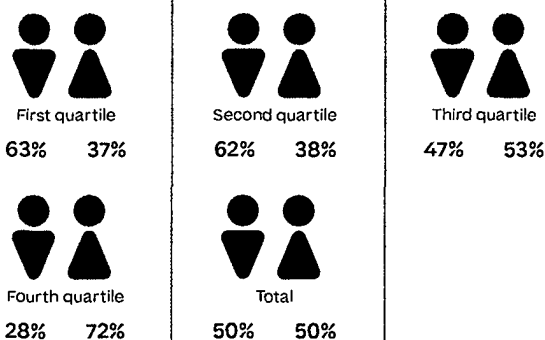
Importantly, we saw a notable increase in the proportion of women in senior and higher-paying roles, reflecting the success of our long-term inclusion strategy.

This year's analysis shows that while the overall gender pay gap remains an area of focus, the disparity in median hourly earnings between men and women has narrowed. Similarly, the gap in bonus payments has reduced significantly compared to the previous year, indicating a positive trend toward greater pay equity.

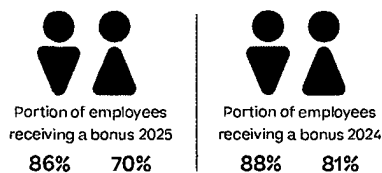
We are also encouraged by the consistently high levels of bonus eligibility for both men and women, further supporting our aim to reward performance fairly and inclusively.

We remain focused on creating an inclusive workplace where all individuals have equal opportunities to thrive and succeed, and we are proud of the meaningful strides made over the past year.

% UK employment men : women



UK Gender pay facts



Gender pay gap analysis

	Hourly pay rate 2025	Hourly pay rate 2024	Bonuses paid 2025	Bonuses paid 2024
Mean gender pay gap	31%	30%	30%	44%
Median gender pay gap	42%	45%	40%	60%

Audit committee report

Focus on process and controls

This year, the Group has improved its financial resilience, through the signing of the Company's new 60-month credit facility in July 2024 and also its continued inventory liquidation activity, both supported by trading in line with management expectations. The Committee and Board have continued to scrutinise the trading outlook for the business carefully and will continue to closely monitor the macroeconomic environment in all our markets, being particularly mindful of the impact of economic uncertainty prevalent in our US market.

Whilst we have continued to focus on quarterly control testing, we have also had a particular focus on inventory processes and controls both through a 'deep dive' on inventory processes undertaken in the year by our Head of Internal Assurance and also addressing control observations from our auditor, and this work remains ongoing. In addition, Management is undertaking work examining our inventory processes to improve efficiency through automation and this will be a focus of the Committee in the forthcoming year.

The Committee has also critically assessed the reporting of transactions associated with inventory liquidation activity as the Company has continued to take steps to reduce its excess inventory, principally in its US market. After careful consideration, the Committee has determined that these transactions should not be reported as adjusted items in the income statement, however that the separate analysis of Inventory liquidation charges within adjusted EBITDA after inventory liquidation and associated costs provides useful additional information to users of the Annual

Report and Accounts.

In my role as Chairman of the Audit Committee, I would like to take this opportunity to formally welcome Dominic Neary, our new Chief Financial Officer, to the Company, who the Board appointed during the year. Under his leadership and as part of laying out our new strategy to unlock cash from the balance sheet, strengthen core profitability and implement new initiatives to return to growth, the Committee agreed with the new Key Performance Indicators set out for the first time for comparison purposes along with our legacy suite of KPIs in this Annual Report, which will be retired in future reporting periods. The Committee believes these revised KPIs will, going forwards, simplify our reporting and bring greater clarity to the reporting of performance.

Finally, now in the second year of their appointment, I am pleased with the rigor and independent challenge that KPMG are bringing as our external auditor. The Committee uses their insight and findings to challenge management in their development of the Company's control environment, and I look forward to KPMG's ongoing insight provided to the Committee in the course of their audit procedures.

Stephen Bolton
Chairman of the Audit Committee
4 August 2025

Key responsibilities

The objective of the Audit Committee is to provide oversight and governance of the Group's financial reports, its internal controls and processes in place, its risk management systems and the appointment of, and relationship with, the external auditor. In accordance with its Terms of Reference, the Audit Committee is required, among other things, to:

- Monitor the integrity of the financial statements of the Group, reviewing any significant reporting issues and judgements they contain;
- Advise on the clarity of disclosure and information contained in the Annual Report and Accounts;
- Ensure compliance with applicable accounting standards and review the consistency of methodology applied;

- Review the adequacy, effectiveness and integrity of the internal control and risk management systems;
- Oversee the relationship with the external auditor, reviewing performance and providing a fair and balanced assessment to the Board regarding their appointment and remuneration; and
- Review reports by management and the Head of Internal Assurance to ensure the independence and effectiveness of systems for internal financial control, financial reporting and risk management, together with monitoring management's responses to control findings.

The Terms of Reference are available on the Naked Wines plc website at <https://www.nakedwinesplc.co.uk/aboutus/board-committees/default.aspx>.

Audit Committee governance

The Audit Committee is chaired by Stephen Bolton. Stephen is an Independent Director and has been a member of the Board and Chairman of the Committee since 21 November 2022. Stephen is a highly experienced finance director, with nearly forty years of experience in all facets of "Blue Chip" organisation finance, including 13 years with Diageo plc. He is also an experienced non-executive director, serving on the boards of Clarks, an international footwear company, where he chairs the Audit Committee, and Sedex, a world-leading ethical trade membership organisation.

The other members of the Audit Committee are Deirdre Runnette and Jack Pailing. In addition to the permanent members and Company Secretary, and at the invitation of the Audit Committee, during the year meetings were also attended by Rodrigo Maza, Chief Executive Officer, Dominic Neary since his appointment as Chief Financial Officer on 11 November 2024, previously James Crawford as Chief Financial Officer, Rowan Gormley non-Executive Chairman, KPMG as external auditors, the Group Finance Director and the Group Head of Internal Assurance as well as other members of the management team as required to understand the risk management and improvement opportunities of the business. The Audit Committee meets a minimum of three times per year, including at least twice a year with the external auditor present. The key work undertaken by the Audit Committee during the year under review and up to the date of this Annual Report and Accounts is detailed below.

Activities of the Audit Committee during the year

Internal controls and risk management

The Board has overall responsibility for the system of internal controls and risk management. The Audit Committee has reviewed these on behalf of the Board. The Group has an established set of standards for key accounting controls, and adherence to these standards is monitored by the Group's Head of Internal Assurance.

During the year, the Committee has reviewed the output of the Group's quarterly control evaluation tests and monitored closely the delivery of agreed remedial actions to identified deficiencies. The Committee has also examined the deep dive analysis performed by the Head of Internal Assurance on the processes and controls around inventory, in particular in the UK and US markets. In addition, the Committee examined carefully a report from the Group's Technology Director on the Company's cyber security, GDPR compliance, access privileges and controls, and technology disaster recovery resilience. The Committee has also continued to routinely receive updates on pending and potential legal matters, instances of identified actual or attempted fraud and any matters raised via the Group's whistleblowing hotline.

The Audit Committee has received and considered reports from the external auditor, KPMG, which included control findings relevant to their audit and has challenged management to ensure these findings are being acted on.

The Audit Committee carries out its own annual review and assessment of key risks, including a comparison of both 'bottom up' risks identified through a business unit appraisal process and a 'top down' management assessment, as well as assessment based on the Committee's own skills and experience. The Risk management and control environment section within the Strategic report on pages 42 to 53 includes further detail on the key business risks identified and actions being taken and represents the output of this annual evaluation process.

Significant reporting issues and judgements

The Audit Committee considered a number of significant reporting matters and judgements, in respect of which it reviewed the recommendations of the finance function and received reports from the external auditor on their findings.

These matters included:

Going concern

The Audit Committee and the Board have reviewed carefully management's cash flow forecasts and papers supporting the going concern basis of preparation of the financial statements. Noting the capacity afforded to the Company by its financing arrangements, the strong net cash excluding lease liabilities generated in the year under review as well as the plans and the forecast of further cash generation in future trading periods, the Directors consider it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

The presentation of adjusted profit alongside statutory profits

The Audit Committee carefully considered the basis of recognition of all items classified as adjusted items in the year and the classification of transactions associated with the ongoing reduction in excess inventory as 'Inventory liquidation charges'. In reaching their conclusions, the Committee examined and challenged management's justifications to ensure consistency with the Group's adjusted item policy and to ensure clear and understandable analysis of costs associated with ongoing inventory liquidation activity.

Examination of the reporting of inventory at the lower of cost and net realisable value

The Audit Committee closely scrutinised management's key financial assumptions underpinning the carrying value of inventory at the lower of cost and net realisable value and, where necessary, the basis of provisions held at the reporting date. Following this review, the Committee concurred with management's assessment for the ongoing need for a material provision against the cost of inventory in the Company's US business segment as it continues to reduce its overstock position and manage future inventory utilisation. The Committee noted that the level of both inventory and inventory provision required in this business unit had declined year-on-year. The Committee was satisfied that appropriate disclosure has been made. See note 4 Critical accounting policies, estimates and judgements and note 18 Inventories for further analysis and disclosure of these conclusions.

The adequacy of climate related financial reporting

In accordance with the ongoing reporting obligations of Climate-related financial disclosure regulations (2022), the Committee continued to monitor its reporting obligations in this regard and concluded that its current disclosures were sufficient to meet its climate-related disclosure obligations.

External audit

The Audit Committee considers a number of areas in relation to the performance of the external auditor, namely their performance in discharging the audit, the scope of the audit and terms of engagement, their independence and objectivity and their remuneration. The external auditor also reports to the Audit Committee on actions taken to comply with professional and regulatory requirements. The Committee invited KPMG to attend its meetings during the year under review up to the reporting date and held discussions with the auditor without the presence of management.

The Committee was satisfied with the independence, objectivity and effectiveness of KPMG LLP in the year and has recommended to the Board that they be reappointed, and there will be a resolution to this effect at the forthcoming AGM.

In addition to their statutory duties, KPMG LLP may also be engaged where, as a result of their position as external auditor, they are best placed to perform non-audit services. This includes, for example, the interim review and other minimal and incidental non-audit work. In the year the only non-audit service provided was the half year interim review.

Stephen Bolton
Chairman of the Audit Committee
4 August 2025

Directors' report

As required under the Companies Act, the Directors present their report and consolidated financial statements for the 52 weeks ended 31 March 2025.

(a) Results and review of the business

The consolidated income statement is set out on page 83. The Directors' report should be read in conjunction with the Strategic report on pages 1 to 53, which includes information about the Group's business performance during the year and an indication of future prospects. Likely future developments in the business of the Company are outlined in the Financial review on pages 20 to 26. Information about the use of financial instruments by the Company and its subsidiaries is provided in note 24 Financial instruments.

(b) Dividends

The Company will not be declaring a dividend for the reporting period. The Directors' intention continues to be to maintain a capital allocation policy aimed at preserving a healthy balance sheet, investing in growth in a disciplined manner, and returning to shareholders any funds in excess of the level reasonably needed to fund growth and manage risk.

(c) Strategic report

The Strategic report, which can be found on pages 1 to 53, sets out the development and performance of the Group's business during the financial year, the position of the Group at the end of the year and a description of the principal risks and uncertainties.

(g) Major shareholders

On 27 June 2025, the following interests of shareholders in excess of 3% have been notified to the Company:

Shareholder	Nuber of ordinary shares held	Ordinary shares as a % of issued share capital
Monega Kapitalanlagegesellschaft mbH	9,405,293	12.71
Punch Card Capital LP	7,394,159	9.99
Chapters Group AG	5,704,272	7.71
Interactive Broker Clients	4,999,441	6.76
SEB-KF Wi Symmetry Invest	3,788,593	5.12
Banque de Luxembourg	2,709,666	3.66
Acacia Partners LP	2,502,269	3.38
Hargreaves Lansdown Asset Mgt Clients	2,234,682	3.02

(d) Significant events since the end of the financial year

There have been no significant events since the end of the financial year.

(e) Articles of Association and applicable legislation

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the OCA Code, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Board Charter, Committee Terms of Reference and Corporate Governance Statement available on the Company's website. The Company is subject to the UK City Code on Takeovers and Mergers.

(f) Share capital

The authorised and called-up share capital of the Company, together with details of the ordinary shares allotted and purchased during the year, is provided in note 27 Share capital and reserves. In accordance with the AIM Rule 2, in so far as the Company is aware, the percentage of the Company's issued share capital that is not in public hands as at 27 June 2025 is 11%. This percentage comprises the holdings of Directors and related parties.

(h) Political donations

The Group made no political donations in FY25. (In FY24 the US business made \$9,650 (£7,677) in donations to New Jersey legislators in connection with its efforts to amend New Jersey state laws that currently prohibit the US business from shipping wine to New Jersey consumers).

(i) Directors' indemnities

The Company agrees to indemnify each Director against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties. The indemnity applies only to the extent permitted by law. No Directors required indemnification during the year.

(j) Annual General Meeting

The Annual General Meeting (AGM) will be held at 3pm on 3 September 2025 at the offices of Panmure Liberum. The Notice of AGM, which sets out the resolutions to be proposed at the AGM, is enclosed with this Annual Report and Accounts and/or is available at www.nakedwinesplc.co.uk. The Notice specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM. All proxy votes will be counted and the numbers for, against or withheld in relation to each resolution will be announced at the AGM and published on the Company's website.

(k) Approval of the Directors' remuneration report at the last AGM

The Directors' remuneration report was last raised for approval by the shareholders of the Company at the 30 September 2024 AGM by means of a non-binding advisory vote. The shareholders approved the resolution by a majority of 99.86%, with 0.14% of votes cast against. Shareholders will be asked to vote on the Directors' remuneration report at the upcoming AGM.

(l) Financial reporting

The Group's trading performance is monitored on an ongoing basis. An annual budget is prepared and specific objectives and targets are set. The budget is reviewed and approved by the Board and a rebudgeting exercise is carried out at least once during the financial year. The key trading aspects of the business are monitored weekly and internal management accounts are prepared monthly. The results are compared with budget and prior year performance. The Group's financial risk management objectives and policies are discussed in note 24 Financial instruments.

(m) Modern slavery

We take the issue of modern slavery very seriously. Our anti-slavery and human trafficking statement is available at: <https://www.nakedwinesplc.co.uk/about-us/corporate-governance/default.aspx>.

(n) Key performance indicators (KPIs)

The Group monitors a number of key performance indicators, both financial and non-financial. A full list of KPIs is available on pages 141 and 142.

(o) Disclosure of information to auditor

In accordance with section 418 of the Companies Act 2006, each Director who held office at the date of this Directors' report confirms that, as far as he or she is aware, there is no relevant audit information of which the Group's auditor is unaware, and he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

(p) Board of Directors

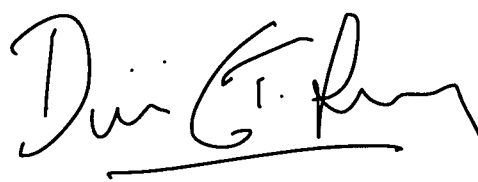
Details on the Board of Directors can be found on pages 54 and 55.

(q) Stakeholder engagement

Stakeholder engagement is addressed in our section 172(1) statement on page 38, as well as our discussion of stakeholder engagement initiatives on pages 38 to 40.

(r) Disabled employee engagement

Naked Wines has been an accredited Disability Confident Employer since October 2018. Should an individual with a disability be invited for an interview, we'll contact him or her to determine if he or she requires any specific arrangements to be made. We will carry out all interviews without prejudice and within the scope of current legislation. If a colleague becomes disabled in the course of his or her employment with us, we will take reasonable steps to accommodate his or her disability, including for example adjusting his or her employment responsibilities to enable him or her to remain employed by us whenever possible.



4th August 2025

DOMINIC NEARY
CHIEF FINANCIAL
OFFICER

Statement of Directors' responsibilities in respect of the Annual Report and Accounts 2025 and the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2025 and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and they have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the Group's profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable, and, in respect of the parent company financial statements only, prudent;
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- For the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution to re-appoint KPMG LLP as auditor of the Group will be raised at the Annual General Meeting. The Directors will also be given the authority to fix the auditor's remuneration.

Approved by the Board of Directors.

Rodrigo Maza
Chief Executive Officer
4 August 2025

Dominic Neary
Chief Financial Officer
4 August 2025

Registered in England and Wales company registration number 02281640



Independent auditor's report

to the members of Naked Wines plc

1. Our opinion is unmodified

We have audited the financial statements of Naked Wines plc ("the Company") for the 52-week period ended 31 March 2025 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity and the related notes, including the accounting policies in notes 3 and 32.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2025 and of the Group's loss for the 52-week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality:		£1,800k (2024: £2,100k)
Group financial statements as a whole		0.7% (2024: 0.7%) of Group revenue
Key audit matters		vs 2024
Recurring risks	Measurement of inventory at the lower of cost and NRV in the US business unit	◀▶
Going concern		▼

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

The risk	Our response
Measurement of inventory at the lower of cost and NRV in the US business unit Inventory provision for the US business unit: £10.5m (2024: £12.5m) Refer to pages 72 (Audit Committee Report), page 93 (accounting policy) and pages 95 and 113 (financial disclosures)	Subjective estimate: Whilst the Group has continued its planned right-sizing of US inventory in the current period, which is intended to reduce the levels of inventory held, a significant proportion of the Group's inventory balance remains held in the US business unit. The Group has recorded a significant inventory provision against this inventory, despite a reduction of £2.0m in relation to overstock in the current year. Determining the net realizable value of the US inventory is subjective due to the inherent uncertainty in forecasting future sales run-rates and determining how much cased wine inventory can reasonably be expected to be sold through normal trading channels for more than cost and before effective commercial expiry of the inventory, particularly given the recent financial performance of the US business unit. In addition, for bulk wine, there is further complexity given some of this inventory is still in the production process and judgements have to be made around the decision to use in future wine projects and the expected proceeds from the disposal of the bulk wine if it is not expected to be used in the planned production process. The effect of these matters is that, as part of our risk assessment, we determined that the measurement of inventory in the US business unit has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 4) disclose the sensitivity estimated by the Group for the US inventory provision. We also identified a potential for management bias in relation to the measurement of the US inventory due to pressures to demonstrate value within the US business unit. We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • Retrospective assessment: We performed a retrospective assessment to understand the nature of any changes in the provision. We compared prior year forecast US sales to actual US sales and considered the outcome of this assessment in our challenge of the forecast sales run-rate assumptions. We also assessed the proceeds of previously provided for inventory to identify if there had been material gains or losses arising in the period. • Benchmarking assumptions: We assessed the appropriateness of key assumptions by comparing to externally derived data, for a selection of items, for expiry dates and current sales prices in the bulk wine market. • Our sector experience: With assistance from our own sector specialist, we challenged the directors' assumptions around expiry dates and the intended strategy for realising bulk wine. • Test of detail: We compared the levels of inventory held at period end with the actual sales run-rate during the current period and, using this assessment, considered the quantity of inventory that might reasonably be expected to be sold in future periods before it reached its expected expiry date. Based on these actual sales run-rates and with reference to the recent performance of the US business unit, for a selection of inventory items, we challenged the Group's assessment of the level of inventory provision recorded. • Assessing transparency: We assessed the adequacy of the Group's disclosures around the degree of estimation uncertainty involved in arriving at the carrying amount of the US inventory.

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Going concern Refer to page 72 (Audit Committee Report) and pages 88 and 95 (financial disclosures)	Forecast-based assessment and disclosure quality: The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risks most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over this period were: • Order frequency and selling prices; • Control of fulfilment, marketing and other costs and consequent margins achieved; • Potential requirements to provide additional liquidity to trading partners should the need arise. There are also less predictable but realistic second-order impacts, such as achievability of expected cost savings and working capital improvements. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed. We also identified a potential for management bias in the underlying forecasts used for the going concern assessment due to historic ineffective controls in place around budget preparation, pressures presented by recent financial performance, the need to achieve remuneration incentive targets, the need to maintain access to the Revolving Credit and Security facility and the arrival of new senior executives in the period.	We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts, taking account of severe but plausible adverse effects that could arise from these risks individually and collectively. We used our knowledge of the Group, its industry, and the general economic environment to identify conditions that presented risks to be taken into account in the going concern assessment. This included risks over potential requirements to provide additional liquidity to trading partners. As a result of this analysis, we identified that there were risks that had not been factored into the directors' initial assessment. We requested the directors to include additional risks in their assessment. Our procedures over the revised directors' assessment included: • Funding assessment: We inspected the Group's Revolving Credit and Security facility entered into on 8 July 2024 to ascertain the committed level of financing and the related covenant requirements. • Historical comparisons: We assessed the directors' ability to forecast accurately by comparing the historical forecasts, including forecasting potential downside scenarios, to actual results. • Our sector experience: With assistance from our Deal Advisory specialists, we evaluated the assumptions used in both the base case and severe but plausible downside forecasts and business plan by the directors, in particular those relating to order frequency, fulfilment costs, marketing costs and other costs, using our own sector experience. We also challenged the directors as to the achievability of their forecasts and business plan, considering the historical accuracy of previous forecasts and wider market factors. • Benchmarking assumptions: We compared the directors' key assumptions, such as projected sales and cost inflation, to externally derived data. • Sensitivity analysis: We considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts. We assessed the severe but plausible downside scenario and in particular whether that scenario reflected plausible impacts of uncertainty in the economy and the challenges relating to consumer demand on the business. • Evaluating the directors' intent: We evaluated the achievability of the actions the directors consider they would take to improve the position should the severe but plausible risks materialise, which included cost reductions, taking into account the extent to which the directors can control the timing and outcome of these. • Assessing transparency: We considered whether the going concern disclosure in note 3.2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities.

We continue to perform procedures over recoverability of non-current assets in the US CGU. However, as an impairment charge was recorded to fully impair the goodwill in this CGU in the prior period, and there were no impairment indicators identified in relation to the recoverability of the other non-current assets in the current reporting period, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit

Our application of materiality

Materiality for the Group financial statements as a whole was set at £1,800k (2024: £2,100k), determined with reference to a benchmark of Group revenue, of which it represents 0.7% (2024: 0.7%). We consider Group revenue to be the most appropriate benchmark as it provides a more stable measure year on year than group loss before tax because of the losses from continuing operations in the period.

Materiality for the parent Company financial statements as a whole was set at £590k (2024: £600k), determined with reference to a benchmark of parent Company total assets, of which it represents 0.4% (2024: 0.7%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2024: 65%) of materiality for the financial statements as a whole, which equates to £1,170k (2024: £1,360k) for the Group and £383k (2024: £390k) for the parent Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies during the prior period, and the level of turnover of senior management and key financial reporting personnel in the current period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £90k (2024: £105k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Overview of the scope of our audit

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

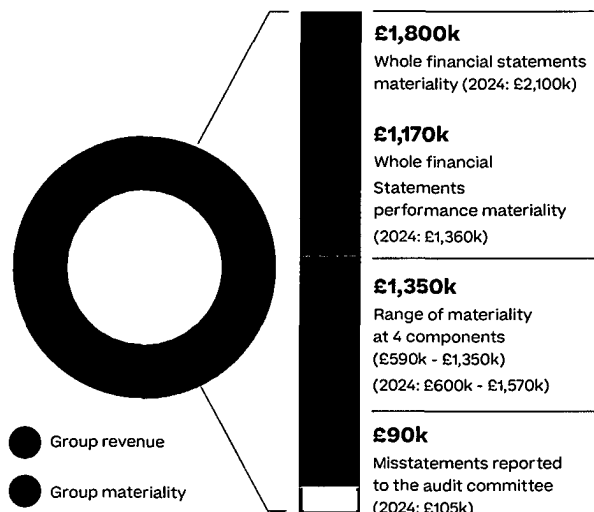
In total, we identified seven components, having considered our evaluation of the Group's operational and legal structure, geographical locations and our ability to perform audit procedures centrally.

Group revenue

£250,216k (2024: £290,412k)

Group materiality

£1,800k (2024: £2,100k)



Overview of the scope of our audit (continued)

Of those, we identified four quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Accordingly, we performed audit procedures on four components, of which we involved component auditors in performing the audit work on two components. We performed the audit of the parent Company.

We set the component materialities, which ranged from £590k to £1,350k, having regard to the mix of size and risk profile of the Group across the components.

Our audit procedures covered 100% of Group revenue.

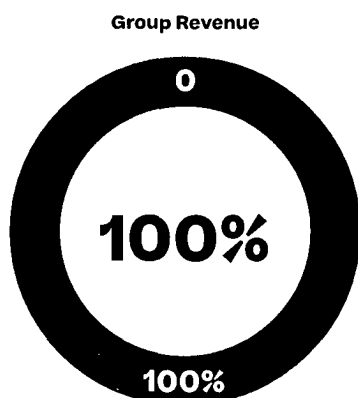
We performed audit procedures in relation to components that accounted for 99% of Group total profits and losses that make up Group loss before tax and 100% of Group total assets. For the remaining components for which we performed no audit procedures, no component represented more than 2% of Group revenue, Group total profit and losses that make up Group loss before tax or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Impact of controls on our group audit

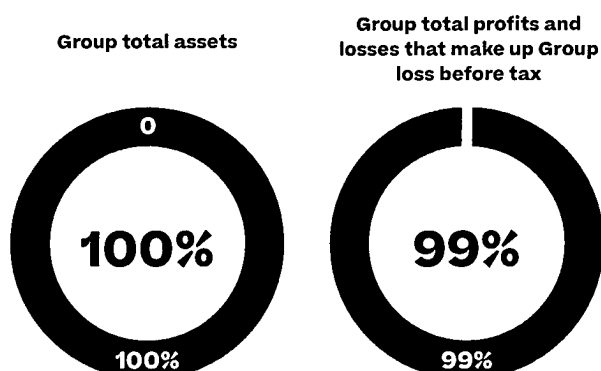
The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

3. Our application of materiality and an overview of the scope of our audit (continued)

Our audit procedures covered the following percentage of Group revenue:



We performed audit procedures in relation to components that accounted for the following percentages of Group total profit and losses that make up Group loss before tax and Group total assets:



Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components, including the key audit matter in respect of the measurement of inventory at the lower of cost and NRV in the US business unit.

We visited one component auditor in the USA to assess the audit risks and strategy. Video and telephone conference meetings were also held with this component auditor and others that were not physically visited. At these visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditors.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on the measurement of inventory at the lower of cost and NRV in the US business unit, inventory, revenue and management override of controls.

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

An explanation of how we evaluated management's assessment of going concern is set out in the related key audit matter in section 2 of this report.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 3.2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee and the internal assurance function and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal assurance function and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board, audit committee and remuneration committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors, including the adjusted EBIT and inventory reduction targets for directors’ remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures to meet profit targets, our overall knowledge of the control environment and the level of turnover of senior management, we perform procedures to address the risk of management override of controls, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates such the measurement of US inventory at the lower of cost and NRV.

We have also identified fraud risks related to the measurement of US inventory and going concern in relation to the potential for management bias in the forecasts used in those areas as a result of pressures to demonstrate value in the US business, the need to achieve remuneration incentive targets, the need to maintain access to the Revolving Credit and Security facility, and recent financial performance. Further details in respect of these are set out in the key audit matter disclosures in section 2 of this report.

On this audit we do not believe there is a fraud risk related to revenue recognition due to the non-complex nature of the revenue, the limited opportunity due to the high correlation to cash and the effect of any manual adjustments to revenue being immaterial.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all scoped-in components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We discussed with the audit committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group’s alcohol license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, money laundering, Consumer Rights Act and Sale of Goods Act, alcohol licensing regulations, food and drug administration and US unclaimed property law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the

Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 75, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our conclusions we have formed.

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Station Road
Cambridge
CB1 2JD
4 August 2025

M. Redwood

Consolidated income statement

For the 52 weeks ended 31 March 2025

Continuing operations

	Note	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Revenue	5	250,216	290,412
Cost of sales		(162,414)	(178,522)
Fulfilment costs		(43,410)	(54,582)
Gross profit pre movement in US inventory provision		44,392	57,308
Movement in US inventory provision	18	1,737	(2,357)
Gross profit		46,129	54,951
Advertising costs		(17,805)	(19,036)
General and administrative costs		(31,662)	(37,869)
Impairment of non-current assets	17	-	(9,877)
Operating loss¹	8	(3,338)	(11,831)
Finance costs	10	(2,088)	(3,359)
Finance income	10	532	1,422
Loss on early redemption of the vendor loan note	10	-	(2,559)
Loss before tax		(4,894)	(16,327)
Tax	11	(6)	(4,516)
Loss for the year		(4,900)	(20,843)
Loss per share			
Basic and diluted	12	(6.6)p	(28.3)p

1. Operating loss analysed as:

	Note	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Analysed as:			
Adjusted EBIT²		(2,017)	4,974
Adjusted items:	7		
Right-sizing of US inventory		776	(5,419)
Under-absorption of current year's winery overheads		(2,313)	-
Impairment of non-current assets		-	(9,877)
Other adjusted items		216	(1,509)
Operating loss		(3,338)	(11,831)

2. Refer to the table in the APM section on page 144 for analysis of adjusted EBIT identifying inventory liquidation and associated costs and a reconciliation of adjusted EBIT to adjusted EBITDA.

The notes to the consolidated financial statements following the primary statements are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the 52 weeks ended 31 March 2025

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Loss for the year	(4,900)	(20,843)
Items that may be reclassified subsequently to the income statement:		
Exchange differences on translation of foreign operations	(1,614)	(1,433)
Other comprehensive loss for the year	(1,614)	(1,433)
Total comprehensive loss for the year	(6,514)	(22,276)

The comprehensive loss for the year and the prior year is wholly attributable to the equity holders of the parent company, Naked Wines plc. The notes to the consolidated financial statements following the primary statements are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the 52 weeks ended 31 March 2025

	Note	Share capital £'000	Share premium £'000	EBT reserve £'000	Capital redemption reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
At 3 April 2023		5,550	21,162	-	363	7,930	63,673	98,678
Loss for the year		-	-	-	-	-	(20,843)	(20,843)
Other comprehensive loss for the year		-	-	-	-	(1,433)	-	(1,433)
Total comprehensive loss for the year		-	-	-	-	(1,433)	(20,843)	(22,276)
Credit to equity for equity-settled share-based payments	28	-	-	-	-	-	365	365
At 1 April 2024		5,550	21,162	-	363	6,497	43,195	76,767
Loss for the year		-	-	-	-	-	(4,900)	(4,900)
Other comprehensive loss for the year		-	-	-	-	(1,614)	-	(1,614)
Total comprehensive loss for the year		-	-	-	-	(1,614)	(4,900)	(6,514)
EBT reserve	27	-	-	(10)	-	-	-	(10)
Credit to equity for equity-settled share-based payments	28	-	-	-	-	-	1,288	1,288
At 31 March 2025		5,550	21,162	(10)	363	4,883	39,583	71,531

The nature and purpose of each reserve is disclosed in note 27 Share capital and reserves.

The notes to the consolidated financial statements following the primary statements are an integral part of these consolidated financial statements.

Consolidated balance sheet

As at 31 March 2025

	Note	31 March 2025 £'000	1 April 2024 £'000
Non-current assets			
Goodwill and intangible assets	14	6,438	5,859
Property, plant and equipment	15	2,012	2,468
Right-of-use assets	16	5,802	2,794
Deferred tax assets	11	4,030	3,425
		18,282	14,546
Current assets			
Inventory staged payments to winemakers	18	10,346	13,273
Inventories	18	97,241	131,581
Trade and other receivables	19	8,493	10,460
Financial instruments at fair value	24	70	21
Cash and cash equivalents	29	30,055	31,851
		146,205	187,186
Current liabilities			
Trade and other payables	20	(21,777)	(38,738)
Current tax liabilities		(34)	(249)
Angel funds and other deferred income	21	(62,872)	(68,314)
Lease liabilities	23	(1,595)	(1,392)
Provisions	25	(1,575)	(1,475)
Borrowings	22	-	(12,248)
Customer-funded bonds	22	(35)	(35)
Financial instruments at fair value	24	(152)	(268)
		(88,040)	(122,719)
Net current assets		58,165	64,467
Total assets less current liabilities		76,447	79,013
Non-current liabilities			
Provisions	25	(99)	-
Lease liabilities	23	(4,817)	(2,246)
		(4,916)	(2,246)
Net assets		71,531	76,767
Equity			
Share capital	27	5,550	5,550
Share premium	27	21,162	21,162
EBT reserve	27	(10)	-
Capital redemption reserve	27	363	363
Currency translation reserve	27	4,883	6,497
Retained earnings		39,583	43,195
Total equity		71,531	76,767

Consolidated financial statements of Naked Wines plc (company registration number 02281640) were approved by the Board and authorised for issue on 4 August 2025 and were signed on its behalf by Dominic Neary.

The notes to the consolidated financial statements following the primary statements are an integral part of these consolidated financial statements.



Consolidated cash flow statement

For the 52 weeks ended 31 March 2025

	Note	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Operating activities			
Net cash flows from operations	29	19,540	7,821
Overseas income tax paid		(2,337)	(2,812)
Net cash from operating activities		17,203	5,009
Investing activities			
Interest received, including interest received on the vendor loan note		528	1,053
Purchase of property, plant and equipment		(595)	(1,136)
Capitalisation of internally developed software		(579)	-
Proceeds on disposal of property, plant and equipment		33	61
Proceeds from early redemption of the vendor loan note		-	9,000
Net cash (used in)/from investing activities		(613)	8,978
Financing activities			
Interest paid		(1,288)	(2,751)
Repayments of principal and interest under lease liabilities		(1,757)	(2,036)
Debt issuance costs paid		(2,268)	-
Drawdown of borrowings		17,096	-
Repayment of borrowings		(29,447)	(16,707)
Net cash (used in) financing activities		(17,664)	(21,494)
Net (decrease) in cash		(1,074)	(7,507)
Cash and cash equivalents at the beginning of the year		31,851	39,474
Effect of foreign exchange rate changes		(722)	(116)
Cash and cash equivalents at the end of the year	29	30,055	31,851

The notes to the consolidated financial statements following the primary statements are an integral part of these consolidated financial statements.

Notes to the financial statements

1 General Information

Naked Wines plc (the Company) is a public limited company and is limited by shares. It is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company is the ultimate controlling party of the Naked Group and its ordinary shares are traded on the Alternative Investment Market (AIM).

The Company's registered address is Norvic House, 29-33 Chapel Field Road, Norwich, NR2 1RP, UK. The Group's principal activity is the direct-to-consumer retailing of wine. The Company's principal activity is to act as a holding company for its subsidiaries.

2 Adoption of new and revised IFRS standards

2.1 New and revised IFRS standards that are effective for the current year

The following new amendments that were required to be adopted in annual periods beginning on, or after, 1 January 2024 did not have a material impact on the financial statements of the Group:

Effective date	IFRS	Subject
1 January 2024	Amendments to IAS 1	Non-current Liabilities with Covenants Classification of Liabilities as Current or Non-current
	Amendments to IFRS 16	Lease liability in Sale and Leaseback
	Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

2.2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Effective date	IFRS	Subject
1 January 2025	Amendments to IAS 21	Lack of Exchangeability
1 January 2026	Amendments to IFRS 9 and 7	Classification and Measurement of Financial Instruments
	Annual Improvements to IFRS Accounting Standards - Volume 11	
1 January 2027	IFRS 18 IFRS 19	Presentation and Disclosure in Financial Statements Subsidiaries without Public Accountability: Disclosures
Effective date deferred indefinitely	Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of accounting

The consolidated financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards.

The Group's financial reporting year represents the 52 weeks to 31 March 2025 and the prior financial reporting year represents the 52 weeks to 1 April 2024. The subsidiaries have the same reporting date and cover the same reporting period as the parent company and use consistent accounting policies.

Notes to the financial statements continued

3 Accounting policies (continued)

3.1 Basis of accounting (continued)

The consolidated financial statements are presented in GBP, the functional and presentational currency of the parent company and the Group. The Group includes foreign entities whose functional currencies are US Dollars and Australian Dollars. On consolidation, the assets and liabilities of those entities are translated at the exchange rates at the balance sheet date and income and expenses are translated at weighted average rates during the period. Translation differences are recognised in other comprehensive income.

Transactions in currencies other than an entity's functional currency are recorded at the exchange rate on the transaction date, whilst assets and liabilities are translated at exchange rates at the balance sheet date. Exchange differences are recognised in the income statement.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The financial statements have been prepared on a historical cost basis except for financial instruments which are measured at fair value as at the end of each reporting period, as explained in the accounting policies below.

The preparation of financial statements in accordance with UK adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Company has taken advantage of the exemption provided in section 408 of the Companies Act 2006 not to publish its individual income statement and related notes. The Company has not made any other comprehensive income and consequently has not presented a statement of comprehensive income for the year, the Company's loss for the year is disclosed on page 130.

3.2 Going concern

In order to assess the appropriateness of the going concern assumption, the Directors have prepared a number of cash flow scenarios extending for a period of at least 12 months from the date of the approval of these financial statements ("the going concern assessment period").

Base case scenario

In its base case scenario, the Directors have used recent trading Key Performance Indicators (KPIs) as well as known factors, including the impact of planned business development initiatives and planned promotional activity, to forecast the cash flow of the business. In addition, a conservative assessment of the impact of strategic development plans, set out in more

detail in the Strategic report on pages 1 to 53, and the funding available from existing cash reserves and the Group's 60-month credit facility with PNC Bank, which was signed in the current reported period on 8 July 2024, have been incorporated in order to arrive at the Group's baseline business plan. The Directors have also considered in their deliberations the principal risks and uncertainties of the Group as set out on pages 42 to 53.

Under this scenario, the Group has sufficient liquidity to meet the needs of the trading business and to exceed the springing covenant requirement of its credit facility throughout the going concern assessment period.

Severe but plausible downside scenario

The Directors have then prepared a severe but plausible downside scenario incorporating a number of sensitivities and also incorporating available mitigating actions to both planned business initiatives as well as cost and cash saving opportunities within the operations of the business.

These sensitivities included:

- a reduction of future trading activity of a further 4% below the base case scenario to reflect a continuation of the weakest levels of trading performance observed in recent periods,
- eliminating all but contractually committed future cost savings, and
- the removal of all benefits of strategic initiatives.

The following mitigating actions, both of which are within management's control, were also incorporated:

- changes to expected variable compensation outcomes as a result of a decline in forecast business performance, and
- reductions in controllable expenditure in marketing, general and administrative costs, and the purchase of inventory.

In this severe but plausible downside scenario, the Group would maintain sufficient headroom in the going concern assessment period versus the springing covenant test requirement of \$12m (around £9.6m) of outstanding available liquidity.

Conclusion

After considering the forecasts, sensitivities and mitigating actions available and having regard to potential risks and uncertainties in its operating markets, including the uncertain macroeconomic environment, Naked Wines has sufficient liquidity to trade and meet the obligations of its credit facility and therefore meet its liabilities as they fall due for at least 12 months from the date of the approval of the financial statements. For these reasons, the Board considers it appropriate for the Group and the Company to adopt the going concern basis in preparing these financial statements.

3 Accounting policies (continued)

3.3 Basis of consolidation

The consolidated financial statements include the financial statements of Naked Wines plc and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has:

- power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated Income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

3.4 Presentation of adjusted items

The Group's income statement and segmental analysis separately identify trading results before certain adjusted items. The Directors believe that presentation of the Group's results in this way is relevant to understanding the Group's financial performance by providing additional useful information for shareholders on underlying trends and performance. Adjusted items are identified by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and provides a meaningful analysis of the trading results of the Group. In determining whether an event or transaction should be adjusted for, management considers quantitative as well as qualitative factors such as the frequency or predictability of the item. Details of adjusted items can be found in note 7 Adjusted items.

3.5 Revenue

Revenue is recognised in accordance with IFRS 15 Revenue from Contracts with Customers as performance obligations are fulfilled to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Up until 8 March 2024, prior to a customer placing an order for wine, amounts received from Angels were recognised as a financial liability under the terms of IFRS 9 Financial Instruments and were not considered to be a contract liability in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers. On 8 March 2024, the terms and conditions of the Angel contributions are amended. Contributions for newly-acquired Angels could be refunded in either wine or cash at the discretion of the Company, consequently, these amounts are recognised as deferred income under IFRS 15 Revenue from Contracts with Customers and are expected to realise within 12 months. For further details, refer to note 21 Angel funds and other deferred income. After consideration of whether a material right to a future discount is created when Angels deposit, management concluded that no such obligation is created on deposit of Angel funds.

The transaction price is allocated upon receipt of the order placed.

Variable consideration, specific to the Group, that may be subject to refund and return is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the related uncertainty is resolved. A provision is made on the basis of observed experience to adjust revenue for the element of sale which is still subject to performance uncertainty. Revenue is recognised when the customer obtains control of their purchase and there is reasonable certainty regarding the recovery of the consideration. Specific to the Group, the performance obligations of the Group are deemed to be fulfilled when our product is delivered to our customer or Angel, which is typically within one to three days following dispatch.

The Group uses its accumulated historical experience to estimate the level of returns on a portfolio level using the expected value method. As an almost exclusively consumer-facing business, the Group does not provide credit terms to its customers.

No warranties or related obligations are offered.

Notes to the financial statements continued

3 Accounting policies (continued)

3.5 Revenue (continued)

Sale of goods

Revenue from the sale of goods represents the sale of principally wine and some spirits through the Group's direct-to-consumer ecommerce channel. Other revenue represents revenue from all activity on secondary markets with the purpose of optimising inventory holding levels.

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

The Group does not offer payment terms and dispatches goods when funds have been received from customers. As such it does not have any significant payment term arrangements.

3.6 Cost of sales

Cost of sales comprise the cost of the product, primarily wine, along with associated dry goods and any allocated internal cost of production and processing, including excise duties, credit card processing charges and online selling teams' costs.

Naked Wines generally trades with its suppliers on a simple purchase price agreement with no complex buying arrangements in place. Any supplier incentives, rebates and discounts are simple in nature and are recognised within cost of sales as they are earned.

3.7 Fulfilment costs

Fulfilment costs comprise warehousing, transport costs, packaging and delivery costs of product to the customer.

3.8 Advertising costs

Advertising costs comprise the cost of media spend, partner spend, cost of inserts and other advertising and marketing spend related to the acquisition of new customers.

3.9 General and administrative costs

General and administrative costs principally comprise salaries and bonus costs for operating business segments, Group corporate functions, global support of technology and legal and professional costs and other support costs of global advertising and marketing functions.

3.10 Software as a Service (SaaS)

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Where costs incurred for the development of software code enhances, modifies, or creates additional capability to existing on-premise systems as part of a SaaS implementation are readily identifiable and meets the definition of and recognition criteria for an intangible asset these costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

3.11 Finance costs and income

Finance costs comprise interest payable on borrowings including the amortisation of debt issuance costs, interest on lease liabilities and other finance costs including collateral examination fees on credit facility, as incurred. Finance income comprises interest receivable on funds invested, positive cash balances and accrued income on the vendor loan note (see accounting policy note 3.25 Financial instruments).

3.12 Share-based payments

From time to time, the Group operates equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of shares or options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of awards granted, including the impact of any market performance conditions. Non-market vesting conditions are included in assumptions about the number of beneficiaries of the awards that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of shares or options and the expected number of the beneficiaries of the awards that are expected to vest and recognises the impact of the revision to original estimates, if any, in the income statement with a corresponding adjustment to equity.

3.13 Tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax

Income tax is recognised in the income statement. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is accounted for in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the asset or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. It is recognised in the income statement except when it relates to items credited or charged directly to other comprehensive income, in which case the deferred tax is also recognised in equity.

Deferred tax assets are also recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax liabilities are recognised for all temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

3.14 Foreign currencies

The Group includes foreign entities whose functional currencies are US Dollars and Australian Dollars. On consolidation, the assets and liabilities of those entities are translated at the exchange rates at the balance sheet date and income and expenses are translated at weighted average rates during the period. Translation differences are recognised in consolidated statement of comprehensive income and are transferred to the Group's currency translation reserve.

Transactions in currencies other than an entity's functional currency are recorded at the exchange rate on the transaction date, whilst assets and liabilities are translated at exchange rates at the balance sheet date. Exchange differences are recognised in the consolidated income statement.

3.15 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date.

Goodwill arises when the fair value of the consideration for a business exceeds the fair value of the net assets acquired. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash generating units (CGUs) or groups of CGUs. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The recoverable amounts of CGU are determined based on the higher of net realisable value and value in use calculations. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the business.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount with the impairment loss being recognised in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in the income statement. The Group does not reverse impairment losses previously recognised on goodwill.

Acquisition related costs are recognised in the income statement as incurred.

Notes to the financial statements continued

3 Accounting policies (continued)

3.16 Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and any impairment losses.

Amortisation is charged to administrative expenses in the income statement on a straight line basis over the estimated useful lives of each asset. The estimated useful lives are as follows:

Customer list and relationships	6 years
Brand	8 years
Software	2-5 years
Facilities and trademarks	8 years

Customer lists and relationships arose only on acquisition of the Naked business. Brands arose on both the acquisition of the Naked business and subsequent brand and trademark purchases.

3.17 Intangible assets - capitalised development costs

Intangible asset development costs are capitalised in accordance with IAS 38. Projects are evaluated in accordance with the capitalisation criteria and are capitalised when all the necessary conditions can be demonstrated.

Capitalised development costs are initially measured as directly attributable cost, most significantly labour. Subsequently, these costs are carried as cost less accumulated amortisation and are subject to impairment evaluation when indicators of impairment are assessed to exist.

Amortisation is charged to administrative expenses in the income statement on a straight line basis over the estimated useful life of between two to five years.

3.18 Impairment reviews

Impairment reviews in respect of other intangible and tangible assets are performed at least on an annual basis and furthermore when an event indicates that an impairment review is necessary. Examples of such triggering events include a significant planned restructuring, a major change in market conditions or technology, expectations of future operating losses or a significant reduction in cash flows. See note 14 Goodwill and intangible assets and note 17 Impairment for further explanation of the basis of impairment testing.

3.19 Property, plant and equipment and right-of-use assets

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease incentives received, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis to write the cost of an asset down to its residual value over the estimated useful lives of each asset. The estimated useful lives are as follows:

Leasehold properties	For the term of the lease
Leasehold improvements	For the term of the lease
Equipment, fittings & vehicles	3-10 years or for the term of the lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

3.20 Inventories and staged payments to winemakers

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition, less any rebates and discounts.

Work in progress

Work in progress comprises purchased, harvested grapes, bulk wines, bottling supplies and other direct costs and related winemaking overheads.

Inventory staged payments to winemakers

These represent advanced payments to Winemakers where Naked Wines has committed to purchase assets in the future, but does not yet have control of the assets and they remain with the winemaker at the balance sheet date.

3.21 Angel funds and other deferred income

Amounts received by the Group from Angels are initially reported as a liability in the balance sheet. These funds are recognised as revenue in the period when Angels use the funds to buy wine and delivery of goods is made. The terms and conditions of the Angel contributions were amended on 8 March 2024. Contributions for newly-acquired Angels after this date can be refunded in either wine or cash at the discretion of the Company. Going forward, these amounts are now disclosed as deferred income under IFRS 15 rather than as a financial liability. See note 21 Angel funds and other deferred income for a fuller explanation of the nature of the sums received from our Angels and the rights and obligations the Group assumes in respect of these amounts.

3.22 Provisions

A provision is made when there is a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefit will be required to settle the obligation and where the amount of the obligation can be reliably measured. Provisions are discounted for the time value of money where the effect is material.

3.23 Leases

Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as leases of a value of less than the equivalent of \$5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from

the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the Group's incremental borrowing rate. If no rate is available, the Group will use the rate implicit in the lease.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets are depreciated over the shorter period of the period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Group does not have any leases that include purchase options or transfer ownership of the underlying asset.

The right-of-use assets are presented as a separate line in the consolidated balance sheet.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the consolidated income statement.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16 Leases. This expense is presented within administrative expenses in the consolidated income statement.

As a practical expedient, IFRS 16 Leases permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

Notes to the financial statements continued

3 Accounting policies (continued)

3.24 Pensions

The Group contributes to a number of defined contribution pension plans in respect of its employees. The contributions are charged as an expense as they fall due. Any contributions unpaid at the balance sheet date are included as an accrual at that date. The Group has no further payment obligations once the contributions have been paid.

3.25 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost adjusted for any loss allowance. Any provision for impairment is established based on an expected loss model.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits, with original maturities at inception of less than three months. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less held for the purpose of meeting short-term cash commitments and bank overdrafts.

Debt issuance costs

Debt issuance costs are recorded on the balance sheet at inception of the facility and amortised over the life of the facility term. If any of the loan is drawn down, fees are offset against the outstanding balance at the balance sheet date, otherwise they are disclosed within prepayments.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade and other payables are initially recorded at fair value and subsequently measured at amortised cost.

Equity instruments issued by the Group are recorded at the amount of the proceeds received, net of directly attributable issue costs.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign currency fluctuations arising from operational activities. These instruments are primarily foreign exchange forward contracts. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are re-measured at fair value at subsequent reporting dates. For derivative financial instruments not designated as a hedge, the gain or loss on re-measurement to fair value is immediately recognised in the income statement.

There were no derivatives accounted for using hedge accounting during the year.

3.26 Commitments

Off balance sheet commitments include securing wine the Group sells to its customers, warehousing facilities, delivery services, logistics, bottling services, the provision of IT services to the Group and other contractual obligations

4 Critical accounting policies, estimates and judgements

Estimates and assumptions underlying the preparation of the financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

Going concern

In concluding on the going concern basis of the financial statements, the Directors have made a number of judgements as set out in accounting policy note 3.2 Going concern. The Directors draw attention to the critical nature of these estimates and judgements in the preparation of these financial statements.

Classification of adjusted items

A number of judgements are made in the presentation of costs and income as adjusted items in the Annual Report and Accounts. The factors considered in making these judgements are set out fully in accounting policy note 3.4. Presentation of adjusted items.

US overstock inventory provision

For both bulk and cased wine inventory in the US, the full range of reasonably possible outcomes in the next financial year is inherently difficult to calculate as it is dependent on key assumptions, such as the expected future sales of wine and the use of the inventory in future wine projects. The Directors highlight, therefore, it is possible that outcomes within the next financial year may differ from their estimates, and that the magnitude of the inventory provision in the Groups US business unit could materially change in the next financial year.

Bulk wine (gross inventory £25.6m, overstock provision £7.9m (FY24: gross inventory £32.1m, overstock provision £7.3m)). If management are not able to realise expected proceeds for bulk wine expected to reach commercial expiry in the next 24 months, the inventory provision required for this inventory would increase by £1.4m. However, were management to meet the upper end of its expectations of expected proceeds, the inventory provision required for this inventory would reduce by £0.5m. Additionally, for every 10% of the remaining bulk wine on hand at the balance sheet date planned for bottling and sale in the normal course of business, which management subsequently could not use in future wine projects, but for which it could achieve expected secondary market disposal proceeds, a further £1.0m increase in provision would be required.

Cased wine (gross inventory £52.3m, overstock provision £2.0m, (FY24: gross inventory £73.9m, overstock provision £4.6m)). In the event that cased wine held on the balance sheet reaches the end of its prime commercial life 12 months earlier than anticipated, the provision required for cased wine reaching expiry before sale would increase by £0.8m.

Other sources of estimation uncertainty

Goodwill and other non-current assets

Carrying value

The Group assesses at the end of each reporting period whether indicators of impairment exist and, if such indicators are identified, the Group calculates the net recoverable amount of each asset. For goodwill, net recoverable amount is evaluated at least annually, or more frequently if indicators of impairment are identified.

Determining whether goodwill and other non-current assets are impaired requires an estimation of the recoverable amount of the CGU to which the goodwill and other non-current assets have been allocated, measured at the higher of value in use and fair value less cost of disposal.

Management is required to make judgements regarding the timing and amount of future cash flows applicable to the CGU, based on current budgets and forecasts and then into perpetuity, taking into account growth rates and expected changes to sales and operating costs as well as future maintenance CAPEX requirements and working capital cash flows. Management is also required to make judgements regarding the appropriate discount rate to use, reflecting current market assessments of the time value of money and the risks specific to the CGU.

The Directors draws attention to the goodwill recognised and allocated to its UK business segment and highlights the assumptions used to determine the value in use of the CGU, as set out above, as sources of estimate uncertainty with regard to the remaining carrying value of goodwill allocated to the UK business. The Directors further draws users' attention to the disclosure of sensitivities relating to this goodwill as part of note 17 Impairment.

At year end, due to the headroom between the carrying value of goodwill and other intangible assets allocated to the UK business segment and the UK business unit's value in use, the measurement of recoverable amounts was not deemed a significant estimate.

4 Critical accounting policies, estimates and judgements continued

Other sources of estimation uncertainty (continued)

Deferred tax asset recognition

The Group has recognised £4.0m of deferred tax assets at the balance sheet date (FY24: £3.4m) after consideration of their recoverability against future profits. As a result of updated profit projections, the amount of deferred tax assets recognised in respect of the US business has increased from £2.8m to £4.0m, primarily driven by cost savings and the amount of deferred tax assets recognised in respect of the UK business has decreased to £nil from £0.6m as a result of the short-term impact of increased duty and the new Producer Responsibility Obligations.

The Directors note that expected recoverability is based on estimates of future profitability and, should trading expectations move adversely in the future, there is a risk that the value of deferred tax assets expected to be utilised will decrease.

In the process of applying the Group's accounting policies, the Directors consider there are no further sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year.

5 Revenue

Revenue represents the total amount receivable for the sales of goods and services, net of discounts and excluding sales taxes, sold, in the ordinary course of business. Other revenue represents revenue from all activity on secondary markets with the purpose of optimising inventory holding levels. See accounting policy note 3.5 Revenue.

All revenue is recognised at a single point in time when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Specific to the Group, the performance obligations of the Group are deemed to be fulfilled when the product is delivered to our customer or Angel, typically within one to three days following dispatch, which is when the customer obtains control of their purchase and there is reasonable certainty regarding the recovery of the consideration.

Deferred Angel fund income and other deferred income are expected to be realised within 12 months.

6 Segmental reporting

IFRS 8 Operating segments requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker (CODM). The Board has determined that the Executive Directors of the Company are the CODM of the business. This is on the basis that they have primary responsibility for the allocation of resources between segments and the assessment of performance of the segments. In line with the information presented to the Executive Directors of the Company, the Group presents its segmental analysis based on the three geographic locations in which the Group operates.

Performance of these operating segments is assessed on revenue and adjusted EBIT (being operating profit excluding any adjusted items), as well as analysing the business between new customer, repeat customer and other lines of business.

These are the financial performance measures that are reported to the CODM, along with other operational performance measures, and are considered to be useful measures of the underlying trading performance of the segments. Adjusted items are allocated in accordance with how they are reported to the CODM.

The following table sets out the basis on which the performance of the business is presented to the CODM. The CODM considers that, as a single route to market and predominantly consumer-facing business in three geographically and economically diverse locations, the business comprises three operating segments. The Group reports revenue from external customers as a single product group, being principally wine and some spirits.

Unallocated assets include goodwill and other intangible assets held by holding companies and unallocated impairment charges relate to impairments recorded against these assets. These assets are unallocated for the purpose of the segmental disclosure as these are not included in the assets and liabilities reported to the CODM for each operating segment. For the purposes of the geographical analysis, these assets are allocated to the UK as these assets arose as a result of an acquisition by a UK holding company. For impairment analysis, these assets are allocated to the relevant CGU (see note 17 Impairment for further details).

Costs relating to global Group functions are not allocated to the operating segments for the purposes of assessing segmental performance and consequently global costs are presented separately. This is consistent with the presentation of those functions to the CODM.

Revenues are attributed to the countries from which they are earned. The Group is not reliant on a major customer or group of customers.

52 weeks ended 31 March 2025	Naked Wines US £'000	Naked Wines UK £'000	Naked Wines Australia £'000	Unallocated £'000	Total £'000
Total segment revenue	111,796	111,401	29,931	-	253,128
Less intercompany revenue	(2,912)	-	-	-	(2,912)
External revenue	108,884	111,401	29,931	-	250,216
Revenue associated with the US inventory impairment	(2,089)	-	-	-	(2,089)
Total adjusted revenue¹	106,795	111,401	29,931	-	248,127
Analysed as:					
New Customer sales	9,220	5,112	2,700	-	17,032
Repeat Customer sales	96,160	106,289	27,231	-	229,680
Other revenue	1,415	-	-	-	1,415
Total adjusted revenue¹	106,795	111,401	29,931	-	248,127
Investment in New Customers	(11,032)	(6,529)	(3,246)	-	(20,807)
Repeat Customer contribution	33,541	16,966	6,816	-	57,323
Other contribution ²	(6,310)	(345)	-	-	(6,655)
Total contribution after advertising costs³	16,199	10,092	3,570	-	29,861
General and administrative costs ⁴	(9,150)	(4,802)	(2,303)	(15,623)	(31,878)
Adjusted EBIT	7,049	5,290	1,267	(15,623)	(2,017)
Adjusted items (see note 7):					
Right-sizing of US inventory	776	-	-	-	776
Under-absorption of current year's winery overheads	(2,313)	-	-	-	(2,313)
Other adjusted items	(2)	101	(2)	119	216
Operating profit/(loss)	5,510	5,391	1,265	(15,504)	(3,338)
Finance costs	(1,530)	(139)	(59)	(360)	(2,088)
Finance income	464	68	-	-	532
Profit/(loss) before tax	4,444	5,320	1,206	(15,864)	(4,894)
Tax	1,093	(617)	(470)	(12)	(6)
Profit/(loss) for the year	5,537	4,703	736	(15,876)	(4,900)
Depreciation	2,093	141	-	-	2,234
Total assets	98,189	37,475	17,605	11,218	164,487
Total liabilities	43,834	34,804	9,816	4,502	92,956
Capital expenditure	457	138	-	579	1,174
52 weeks ended 31 March 2025	US £'000	UK £'000	Australia £'000		Total £'000
Geographical analysis					
Revenue	108,884	111,401	29,931		250,216
Non-current assets excluding deferred tax assets	7,062	7,190	-		14,252

1. Total adjusted revenue is calculated as external revenue excluding revenue associated with the right-sizing of US inventory as analysed in note 7 Adjusted items.

2. Other contribution constitutes loss on inventory liquidation and associated costs.

3. Contribution after advertising costs is calculated as gross profit (£46.1m), less advertising costs (£17.8m), excluding transactions associated with the under-absorption of current year's winery overheads (£2.3m) and transactions associated with the right-sizing of US inventory included in contribution (£0.8m) (details in note 7 Adjusted items).

4. Refer to the table in the APM section on page 144 for a reconciliation of G&A costs to those reported in the income statement.

Notes to the financial statements continued

6 Segmental reporting (continued)

52 weeks ended 1 April 2024	Naked Wines US £'000	Naked Wines UK £'000	Naked Wines Australia £'000	Unallocated £'000	Total £'000
External revenue	131,133	124,411	34,868	-	290,412
Revenue associated with the US inventory impairment	(1,899)	-	-	-	(1,899)
Total adjusted revenue¹	129,234	124,411	34,868	-	288,513
Analysed as:					
New Customer sales	14,213	6,312	3,109	-	23,634
Repeat Customer sales	114,196	118,099	31,759	-	264,054
Other revenue	825	-	-	-	825
Total adjusted revenue¹	129,234	124,411	34,868	-	288,513
Investment in New Customers	(14,456)	(5,822)	(2,992)	-	(23,270)
Repeat Customer contribution	36,735	20,678	7,843	-	65,256
Other contribution	(743)	-	-	-	(743)
Total contribution after advertising costs²	21,536	14,856	4,851	-	41,243
General and administrative costs ³	(11,351)	(6,311)	(3,093)	(15,514)	(36,269)
Adjusted EBIT	10,185	8,545	1,758	(15,514)	4,974
Adjusted items (see note 7):					
Right-sizing of US inventory	(5,419)	-	-	-	(5,419)
Impairment of non-current assets	(19)	-	(696)	(9,162)	(9,877)
Other adjusted items	(259)	(424)	(307)	(519)	(1,509)
Operating profit/(loss)	4,488	8,121	755	(25,195)	(11,831)
Finance costs	(3,249)	(39)	(69)	(2)	(3,359)
Finance income	475	-	-	947	1,422
Loss on early redemption of the vendor loan note	-	-	-	(2,559)	(2,559)
Profit/(loss) before tax	1,714	8,082	686	(26,809)	(16,327)
Tax	(2,116)	(1,120)	(364)	(916)	(4,516)
(Loss)/profit for the year	(402)	6,962	322	(27,725)	(20,843)
Depreciation	2,472	236	108	57	2,873
Amortisation	-	-	-	100	100
Impairment	19	-	696	9,162	9,877
Total assets	121,701	49,895	21,808	8,328	201,732
Total liabilities	65,379	45,233	11,537	2,816	124,965
Capital expenditure	986	136	14	-	1,136
52 weeks ended 1 April 2024	US £'000	UK £'000	Australia £'000		Total £'000
Geographical analysis					
Revenue	131,133	124,411	34,868		290,412
Non-current assets excluding deferred tax assets	4,483	6,638	-		11,121

1. Total adjusted revenue is calculated as revenue excluding revenue associated with the right-sizing of US inventory as analysed in note 7 Adjusted items.
2. Contribution after advertising costs is calculated as gross profit (£55.0m), less advertising costs (£19.0m), excluding transactions associated with the right-sizing of US inventory included in contribution (£5.2m) and cancellation of winemaker contracts in Australia (£0.2m) reported within restructuring costs (details in note 7 Adjusted items).
3. Refer to the table in the APM section on page 144 for a reconciliation of G&A costs to those reported in the income statement.

7 Adjusted items

The Directors believe that adjusted EBIT provides additional useful information for shareholders on trends and performance. These measures are used for performance analysis. Adjusted EBIT is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

In the current year, no inventory provision charges for the US business segment have been reported as an adjusted item and they are now included within adjusted EBIT (see reconciliation of adjusted EBIT excluding inventory liquidation and associated costs to adjusted EBIT on page 144 for further information). The current year net movement in US inventory provision (release of £5.4m, FY24: charge of £2.4m) represents the release of inventory provisions previously provided for as an adjusted item. Right-sizing of US inventory included in contribution (profit of £0.8m, FY24: loss of £5.2m) includes the impact of the disposal of the previously provided for inventory on the secondary market. FY24 comparatives include the net charge and release of inventory provisions made as adjusted items in that year.

The adjustments made to reported loss before tax are:

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Net movement in US inventory provision	5,365	(2,357)
Loss on the disposal of US inventory – contribution loss ¹	(4,589)	(2,819)
Right-sizing of US inventory included in contribution	776	(5,176)
Bad debt expense ²	-	(243)
(a) Right-sizing of US inventory	776	(5,419)
(b) Under-absorption of current year's winery overheads	(2,313)	-
(c) Impairment of non-current assets	-	(9,877)
(d) Other adjusted items:	216	(1,509)
Total adjusted items	(1,321)	(16,805)

1. The contribution loss of £4.6m (FY24: £2.8m) is analysed as sales of £2.0m (FY24: £1.9m) less cost of goods sold of £6.6m (FY24: £4.7m), for inventory that was provided against that has been sold on the secondary market as part the right-sizing exercise for less than historic cost of goods.

2. A bad debt expense of £0.2m was recognised in FY24 relating to a trade receivable due from a bulk wine customer.

(a) Right-sizing of US inventory

As a result of management's US inventory right-sizing exercise strategy, the Group recorded a net credit of £0.8m (FY24: net charge of £5.2m), reflecting the release and utilisation of the inventory provision created in prior years and a contribution loss of £4.6m (analysed as sales of £2.0m less cost of goods sold of £6.6m), (FY24: £2.8m (analysed as sales of £1.9m less cost of goods sold of £4.7m)) where inventory that was provided against has been sold on the secondary market as part this right-sizing exercise for less than historic cost of goods.

In the prior year, the Group also recognised a £0.2m write off of a trade receivable relating to a bulk wine customer.

These amounts relate to purchases made on the basis of continued expected growth following the COVID pandemic and based on the Group's previous strategy of customer acquisition. As a result of the strategic shift from customer acquisition to short-term profitability and cash generation, this charge forms part of an exercise to better align purchasing and inventory management going forwards, whilst still ensuring the Group holds sufficient inventory to meet customer demand.

Management has concluded it is appropriate to include the provision, write off, release and utilisation within adjusted items to provide a more consistent basis with the comparative adjusted EBIT APM.

Notes to the financial statements continued

7 Adjusted items (continued)

(b) Under-absorption of current year's winery overheads

As a result of a reduction in the expected volume of wine to be produced by the Group's US business unit in the year, the Group is unable to allocate all of the associated wine production overhead costs into the wine produced. Per the relevant accounting standard (IAS 2 Inventories), unallocated overheads as a result of low production must be expensed to the income statement in the period in which they are incurred. The charge reported includes the under-absorption of incurred production costs of £2.2m and a provision for the remainder of an onerous third-party production cost relating to current year production of £0.1m.

(c) Impairment of non-current assets

Management has assessed whether indicators of impairment exist for the remaining non-current assets on the balance sheet, and whether indicators exist that previously booked impairments may be reversed. At the end of the current year, management found no evidence of further impairments required, nor any reversals of previously booked impairments required. The Group has therefore recognised £nil for the impairment of non-current assets (FY24: £9.9m). Refer to note 17 Impairment for details.

(d) Other adjusted items

Restructuring costs of £nil (FY24: £1.4m)

In the previous year, the Group undertook a restructuring program seeking to generate improved efficiency and reduce costs. Following this review, one-off termination payments and associated costs were incurred in all three markets.

Software as a Service cost of £nil (FY24: £0.1m)

During the previous year, the Group incurred upfront configuration and implementation costs relating to the development of a new ERP system. As material non-recurring expenditure, these costs were disclosed as an adjusted item.

Fair value movement on foreign exchange contracts and associated unrealised foreign currency inventory of £0.2m (FY24: £nil)

The Group commits in advance to buying foreign currency to purchase wine to mitigate exchange rate fluctuations. UK-adopted international accounting standards require us to mark the value of these contracts to market at each balance sheet date. As this may materially fluctuate, we adjust this, and associated foreign currency inventory revaluation, so as to better reflect our trading profitability.

8 Operating loss

Operating loss for the year has been arrived at after charging/(crediting):

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Depreciation of property, plant and equipment	942	1,050
Amortisation of intangible fixed assets	-	100
Depreciation of right-of-use assets	1,292	1,823
Impairment of non-current assets	-	9,877
Loss on disposal of fixed assets	33	253
Net gain arising on early termination of the right-of-use assets and associated lease liability	(1)	(444)
Inventory write-downs	4,184	5,558
Fair value of forward contracts	(216)	(13)
Net currency exchange losses/(gains)	564	(705)
Expenses on short-term and low-value leases	-	2
Auditor's remuneration		
Fees payable for the audit of the Company's subsidiaries	1,010	1,189
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	88	85
Total audit fees	1,098	1,274
Audit-related assurance services	110	156
Total non-audit fees	110	156
Total fees paid to the Company's auditor	1,208	1,430

9 Staff costs

The average monthly number of employees (including Directors) during the year was as follows:

	52 weeks ended 31 March 2025 number	52 weeks ended 1 April 2024 number
Administrative and distribution	201	232
Sales	146	158
	347	390

Their aggregate remuneration comprised:

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Wages and salaries	20,161	23,369
Social security costs	1,825	2,153
Contributions to defined contribution pension plans	814	921
Share-based payment charges	1,288	365
	24,088	26,808

Notes to the financial statements continued

9 Staff costs (continued)

The total emoluments of key management personnel* comprised:

	52 weeks ended 31 March 2025 £'000	Restated 52 weeks ended 1 April 2024 ^{1,2} £'000
Salary and benefits	783	1,186
Severance payments	-	348
Bonuses earned in the year	212	10
Payments in lieu of pension contributions to money purchase schemes & contributions to money purchase scheme (401(k))	22	41
Emoluments before share-based payment charge/(credit)	1,017	1,585
Share-based payment charge/(credit)	40	(230)
	1,057	1,355

- The prior year disclosures for salary and benefits were shown net of salary sacrifice and cycle to work arrangements which should not have been deducted from salary. The prior year comparatives have therefore been restated from £1,169k to £1,186k. In addition, the prior year comparatives for bonuses earned in the year should have included a bonus related to performance conditions which were satisfied in that year. Consequently, bonuses earned in the year has been restated from £nil to £10k.
- During the current year, the Company paid a deferred cash bonus of £138k to James Crawford which was awarded in FY23 and should have been disclosed in that year. This has no effect on the above table.

* Key management personnel include Executive Directors of the Group and Chief Officers. In FY25, other than the Executive Directors of the Group, there were no other key management personnel (with FY24's numbers inclusive of two key management personnel).

Directors' emoluments comprised:

	52 weeks ended 31 March 2025 ² £'000	Restated 52 weeks ended 1 April 2024 ¹ £'000
Salary and benefits	783	860
Severance payments	-	318
Bonuses earned in the year	212	10
Payments in lieu of pension contributions to money purchase schemes & contributions to a money purchase scheme	22	21
Emoluments before gains on the exercise of share options	1,017	1,209
Gains on the exercise of share options	1	-
	1,018	1,209

Three of the Directors received pension contributions from the Company (FY24: Three of the Directors received pension contributions from the Company).

- The prior year disclosures for salary and benefits were shown net of salary sacrifice and cycle to work arrangements which should not have been deducted from salary. The prior year comparatives have therefore been restated from £843k to £860k. In addition, employer pension arrangements were previously omitted from the disclosure, and therefore the comparative has been restated from £19k to £21k. Lastly, the prior year comparatives for bonuses earned in the year should have included a bonus related to performance conditions which were satisfied in that year. Consequently, bonuses earned in the year has been restated from £nil to £10k.
- During the current year, the company paid a deferred cash bonus of £138k to James Crawford which was awarded in FY23 and should have been disclosed in that year. This has no effect on the above table.

The highest paid Director's emoluments comprised:

	52 weeks ended 31 March 2025 £'000	Restated 52 weeks ended 1 April 2024 ¹ £'000
Salary and benefits	311	277
Bonuses earned in the year	162	10
Pension contributions to money purchase schemes	12	12
Emoluments before gains on the exercise of share options	485	299
Gains on the exercise of share options	-	-
	485	299

- The prior year disclosures for salary and benefits were shown net of cycle to work arrangements which should not have been deducted from salary. The prior year comparatives have therefore been restated from £275k to £277k. In addition, the prior year comparatives for bonuses earned in the year should have included a bonus related to performance conditions which were satisfied in that year. Consequently, bonuses earned in the year has been restated from £nil to £10k.

For detailed disclosure of Directors' emoluments, share options and contributions to pension schemes, refer to the audited sections of the Director's remuneration report on pages 59 to 69.

10 Finance costs and income

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Finance costs		
Interest payable on borrowings	(685)	(2,711)
Interest on lease liabilities	(250)	(322)
Amortisation of debt issuance costs	(550)	(286)
Loan facility costs ¹	(521)	-
Other interest payable	(82)	(40)
	(2,088)	(3,359)
Finance income		
Bank interest receivable	532	475
Interest income on vendor loan note ²	-	947
	532	1,422
Loss on early redemption of the vendor loan note ³	-	(2,559)
Net finance costs	(1,556)	(4,496)

1. Includes costs for collateral examination fees on loan facility
2. The discounting of the initial fair value of the vendor loan note unwound through the income statement up to 12 February 2024 when the Directors accepted and received an offer of £9.0m for early redemption of the vendor loan note.
3. On 12 February 2024, the Directors accepted an offer of £9.0m from CF Bacchus Holdco Limited for early redemption of the vendor loan note. The £12.0m vendor loan note arising as part of the Group's disposal of the Majestic group of companies was due to be paid in December 2024. The vendor loan note was initially measured at fair value of £9.0m and subsequently measured at amortised cost. At the date of redemption, the amortised cost on the balance sheet was £11.6m and this resulted in a loss on early redemption of £2.6m.

11 Tax

(a) Tax charge

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Current tax		
UK tax	-	-
Overseas tax	(487)	(958)
Adjustment in respect of prior periods	(200)	(329)
Current tax charge	(687)	(1,287)
Deferred tax		
Origination and reversal of temporary differences	1,446	(3,468)
Adjustment in respect of prior periods	(73)	(189)
Effect of change in tax rate on prior period balances	(692)	428
Deferred tax credit/(charge)	681	(3,229)
Total tax charge for the year	(6)	(4,516)

Notes to the financial statements continued

11 Tax (continued)

(b) Tax reconciliation

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Loss before tax	(4,894)	(16,327)
Tax credit at the standard UK corporation tax rate of 25% (FY24: 25%)	1,224	4,082
Adjustments in respect of prior periods	(273)	(518)
Disallowable expenditure	(8)	(1,978)
Overseas income tax at different rates	(4)	72
Change in unrecognised deferred tax assets	(208)	(6,495)
Share-based payments	-	(107)
Change in tax rate on prior period deferred tax balances	(737)	428
Total tax charge for the year	(6)	(4,516)
Effective tax rate	(0.1)%	(27.7)%

Deferred tax balances have been calculated at the substantively enacted rate at which they are expected to reverse.

(c) Deferred tax

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
At the beginning of the year	3,425	6,725
Adjustment in respect of prior years	(73)	(189)
Credited/(charged) to the income statement in the year	754	(3,040)
Foreign exchange	(76)	(71)
At the end of the year	4,030	3,425

The Group derecognised £0.3m of deferred tax assets relating to brought-forward trading losses in the UK businesses (FY24: derecognised £1.7m). The forecast, which is consistent with the basis of the Board's baseline going concern assessment, shows that it is more likely than not that UK future profits will not be available against which to offset some of the carried-forward trading losses.

The Group has also recognised deferred tax assets for deductible temporary differences that it believes are recoverable based on the Group's forecast projections in each trading market. These do not include any uncertain tax positions. The basis of the creation of these assets is the examination of underlying documents and relevant law and regulation for temporary timing differences and future profitability forecasts set out in the business plans approved by the Board.

Deferred tax assets	31 March 2025 £'000	1 April 2024 £'000
Fixed assets	(398)	(492)
Tax losses carried forward	-	341
Inventories	3,401	2,512
Deferred income	-	59
Accruals	767	570
Provisions	-	183
Interest limitation	259	252
Unrealised foreign exchange differences	1	-
	4,030	3,425
By geographical region:		
US	4,030	2,796
UK	-	629
	4,030	3,425

The movement in recognised deferred tax assets during the year is shown below:

	1 April 2024 £'000	Recognised in Income statement £'000	Foreign exchange £'000	31 March 2025 £'000
Fixed assets	(492)	85	9	(398)
Tax losses carried forward	341	(341)	-	-
Inventories	2,512	957	(68)	3,401
Deferred income	59	(61)	2	-
Accruals	570	212	(15)	767
Provisions	183	(183)	-	-
Interest limitation	252	12	(5)	259
Unrealised foreign exchange differences	-	-	1	1
	3,425	681	(76)	4,030

Deferred tax liabilities are generally provided for in full. Deferred tax assets are recognised to the extent that it is probable that taxable temporary differences and future taxable profits will be available against which deductible temporary differences can be utilised based on existing tax laws.

Unrecognised deferred tax

Deferred tax assets have not been recognised in these financial statements on the basis that there is insufficient evidence of suitable future taxable profits against which to recover any deferred tax asset created.

Unrecognised deferred tax assets are re-assessed at each reporting date and are considered for the probability that future taxable profits would be available against which such losses can be used. Projections of taxable profits are based on the Group's Board approved forecasts which are the same as the projections used for going concern.

When considering the recoverability of deferred tax assets, the Group assess the likelihood of their being recovered within a reasonably foreseeable timeframe which may be longer than the period covered by the latest Board approved forecasts. Probability weightings are applied to forecasts beyond the time period covered by the normal planning cycle of the business to reflect the higher degree of uncertainty associated with these forecasts.

Deferred tax assets on the following have not been recognised:

- **UK** - Deferred tax assets on losses of £42.4m (FY24: £32.8m) and £0.1m (FY24: £nil) of short-term timing differences.
- **US** - Deferred tax assets on £3.5m (FY24: £12.9m) of inventory provisions and £1.2m (FY24: £1.0m) of unrealised foreign exchange
- **Australia** - Deferred tax assets on £2.2m (FY24 £1.4m) on unrealised foreign exchange and £0.8m (FY24: £0.6m) of other short-term timing differences.

Notes to the financial statements continued

11 Tax (continued)

Refer to note 4 Critical accounting policies, estimates and judgements for further details. There is no expiry date on these unrecognised losses.

(d) Factors that may affect future tax charges

The Group's effective tax rate will continue to differ from the standard UK tax rate as future profits earned by the Naked Wines overseas subsidiaries will be taxed at different statutory rates, currently c23.5% (a blend of Federal and State taxes) in United States of America and 30% in Australia.

Other factors such as changes in tax laws and their interpretation, tax rate changes and other tax regime reforms may impact the Group's effective tax rate.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as, following the enactment of the Finance Act 2009, the Group considers that it would have no liability to additional taxation should such amounts be remitted, nor does it expect to have any remittance in the foreseeable future.

12 Loss per share

Basic and diluted loss per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue of the Company, excluding 135,793 (FY24: 163,856) shares held by the Naked Wines plc Share Incentive Plan Trust and the Naked Wines Employee Benefit Trust (which have been treated as dilutive share-based payment awards). The shares held in the Trusts were allotted ordinary shares of 7.5 pence per share for a consideration of £10,184 (FY24: £12,289).

The dilutive effect of share-based payment awards is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. Share options granted over 311,086 (FY24: 5,508,413) ordinary shares have been excluded from the calculation as they are anti-dilutive.

	52 weeks ended 31 March 2025	52 weeks ended 1 April 2024
Basic and diluted loss per share (pence)	(6.6)p	(28.3)p
Loss for the purposes of basic earnings per share calculation (£'000)	(4,900)	(20,843)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	73,855,634	73,770,908
Dilutive potential ordinary shares:		
Employee share awards	2,856,105	-
Weighted average number of shares for the purpose of diluted earnings per share	76,711,739	73,770,908
Total number of shares in issue	74,004,135	74,004,135

As noted above, the denominator for the purposes of calculating both basic and diluted loss per share has been adjusted to exclude the shares held by the Naked Wines plc Share Incentive Plan Trust and the Naked Wines Employee Benefit Trust.

If all the Company's share option schemes had vested at 100%, the Company would have 78,631,562 issued shares.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

13 Dividends

There were no dividends paid, recommended or declared during, or in respect of, the current or previous financial year.

14 Goodwill and intangible assets

	Goodwill £'000	Facilities and trademarks £'000	Customer lists £'000	Brands £'000	Software £'000	Internally developed software £'000	Total £'000
Cost							
At 3 April 2023	31,541	1,607	14,300	10,100	2,480	-	60,028
Foreign currency	(537)	-	-	-	-	-	(537)
At 1 April 2024	31,004	1,607	14,300	10,100	2,480	-	59,491
Additions	-	-	-	-	-	579	579
Foreign currency	(609)	-	-	-	-	-	(609)
At 31 March 2025	30,395	1,607	14,300	10,100	2,480	579	59,461
Accumulated amortisation and impairments							
At 3 April 2023	(17,737)	(473)	(14,300)	(10,100)	(2,480)	-	(45,090)
Charge for the year	-	(100)	-	-	-	-	(100)
Impairments	(8,128)	(1,034)	-	-	-	-	(9,162)
Foreign currency	720	-	-	-	-	-	720
At 1 April 2024	(25,145)	(1,607)	(14,300)	(10,100)	(2,480)	-	(53,632)
Foreign currency	609	-	-	-	-	-	609
At 31 March 2025	(24,536)	(1,607)	(14,300)	(10,100)	(2,480)	-	(53,023)
Net book value							
At 31 March 2025	5,859	-	-	-	-	579	6,438
At 1 April 2024	5,859	-	-	-	-	-	5,859
At 3 April 2023	13,804	1,134	-	-	-	-	14,938

Impairment testing of goodwill and other intangible assets

Goodwill acquired through business combinations was allocated for impairment testing purposes to the three segments of the business. Goodwill is tested annually for impairment, or more frequently if there are indications that it may be impaired and intangible assets are tested for impairment if there are indications that they may be impaired. During the current year, the Group did not record an impairment charge against goodwill nor against other intangible assets. During the previous year, an impairment charge of £8.1m against goodwill and £1.0m against other intangible assets was recorded. See note 17 Impairment for details.

	31 March 2025			1 April 2024
	Goodwill £'000	Internally developed software £'000	Total £'000	Goodwill £'000
Naked Wines UK	5,859	-	5,859	5,859
Naked Wines plc	-	579	579	-
	5,859	579	6,438	5,859

Amortisation

Intangible assets are amortised on a straight-line basis through the income statement, based on the estimated useful lives as disclosed in accounting policy note 3.16 Other intangible assets. The internally developed software is not yet available for use and consequently no amortisation has been charged in the year.

Notes to the financial statements continued

15 Property, plant and equipment

	Leasehold improvements £'000	Equipment, fittings and vehicles £'000	Total £'000
Cost			
At 3 April 2023	160	5,492	5,652
Additions	150	986	1,136
Disposals	(45)	(742)	(787)
Foreign currency	(6)	(112)	(118)
At 1 April 2024	259	5,624	5,883
Additions	119	476	595
Disposals	(15)	(1,417)	(1,432)
Foreign currency	(5)	(117)	(122)
At 31 March 2025	358	4,566	4,924
Accumulated depreciation			
At 3 April 2023	(123)	(2,772)	(2,895)
Charge for the year	(7)	(1,043)	(1,050)
Impairments	(8)	(3)	(11)
Disposals	16	457	473
Foreign currency	5	63	68
At 1 April 2024	(117)	(3,298)	(3,415)
Charge for the year	(47)	(895)	(942)
Disposals	15	1,351	1,366
Foreign currency	5	74	79
At 31 March 2025	(144)	(2,768)	(2,912)
Net book value			
At 31 March 2025	214	1,798	2,012
At 1 April 2024	142	2,326	2,468
At 3 April 2023	37	2,720	2,757

The gross value of fully depreciated assets in use was £0.5m (FY24: £0.7m).

Impairment of property plant and equipment

Management have assessed whether indicators of impairment exist for the Property, plant and equipment on the balance sheet, and whether indicators exist that previously booked impairments may be reversed. At 31 March 2025, management found no evidence of further impairments required, nor any reversals of previously booked impairments required (FY24: a charge of £0.01m was recorded). See note 17 Impairment for details.

16 Right-of-use assets

	Buildings £'000	Equipment, fittings and vehicles £'000	Total £'000
Cost			
At 3 April 2023	9,237	-	9,237
Additions	1,635	-	1,635
Disposals	(3,769)	-	(3,769)
Foreign currency	(185)	-	(185)
At 1 April 2024	6,918	-	6,918
Additions	4,280	117	4,397
Disposals	(506)	-	(506)
Foreign currency	(245)	(2)	(247)
At 31 March 2025	10,447	115	10,562
Depreciation			
At 3 April 2023	(3,863)	-	(3,863)
Charge for the year	(1,823)	-	(1,823)
Impairments	(704)	-	(704)
Disposals	2,164	-	2,164
Foreign currency	102	-	102
At 1 April 2024	(4,124)	-	(4,124)
Charge for the year	(1,289)	(3)	(1,292)
Disposals	496	-	496
Foreign currency	160	-	160
At 31 March 2025	(4,757)	(3)	(4,760)
Net book value			
At 31 March 2025	5,690	112	5,802
At 1 April 2024	2,794	-	2,794
At 3 April 2023	5,374	-	5,374

The Group leases several buildings for use as offices, warehouses and a winery. The average lease term is 6 years. The total cash outflows on lease payments was £1.8m (FY24: £2.0m).

The maturity analysis of lease liabilities is presented in note 23 Lease liabilities.

Impairment of right-of-use assets

Management have assessed whether indicators of impairment exist for the right-of-use assets on the balance sheet, and whether indicators exist that previously booked impairments may be reversed. At 31 March 2025, management found no evidence of further impairments required, nor any reversals of previously booked impairments required (FY24: a charge of £0.7m was recorded). See note 17 Impairment for details.

Notes to the financial statements continued

17 Impairment

Summary

Management have performed an impairment review of the goodwill and other non-current assets in the UK segment, as required by IAS 36 Impairment of Assets, and concluded that the value in use of this segment is sufficient to support its carrying value and, as such, no impairment charge has been recognised.

Management have determined that no indicators of impairment existed at the balance sheet date in relation to the remaining non-current assets in the US segment and, as such, have not performed an impairment review of this segment. Management have also reviewed whether indicators existed at the balance sheet date that previously booked impairments in the US and Australia segments may be reversed and concluded that, at this time, no such indicators exist.

Prior year summary

In the prior year, an impairment review was undertaken on all three trading segments. As a result of this review, the carrying value of assets held in Naked Wines US and Naked Wines Australia were reduced to their recoverable amount through recognition of an impairment charge of £9.9m against goodwill, other intangibles, property, plant and equipment and right-of-use assets. This charge was recognised within adjusted items in the income statement and is analysed by segment and asset type as set out below.

	Goodwill £'000	Other intangible assets £'000	Property, plant and equipment £'000	Right-of-use assets £'000	Total £'000	CGU value in use ¹ £'000
Naked Wines US	8,128	1,034	-	19	9,181	64,753
Naked Wines UK	-	-	-	-	-	56,546
Naked Wines Australia	-	-	11	685	696	(447)
At 1 April 2024	8,128	1,034	11	704	9,877	120,852

1. The value in use of each CGU is calculated after a full allocation of corporate costs necessarily incurred to generate the cash inflows of the operating business units and in accordance with IAS 36 Impairment of Assets.
2. For the US and Australia segments, value in use relate to those calculated at the HY24 (see US and Australia segment analysis below for further details)

Basis of approach

Impairment reviews are initially conducted at a CGU level (defined as the three geographical markets in which the Group operates, consistent with the operating segments of the business) on a value in use basis. Expected future cash flows are determined with reference to the latest forecasts at the time of preparation and include an estimate of capital expenditure required to maintain these cash flows and expected cash inflows and outflows relating to working capital balances. The expected recoverable amount of each business is compared to its carrying value, including working capital balances at the balance sheet date and any allocation of goodwill and non-current assets directly attributable to the CGU, and an impairment charge is recorded if the expected recoverable amount is below the carrying value. No individual asset is impairment below its expected recoverable amount, being the higher of its value in use, if applicable, and its fair value less cost of disposal.

See note 4 Critical accounting policies, estimates and judgements drawing attention to the valuation of goodwill and other non-current assets as a source of estimation uncertainty.

Key assumptions in CGU value in use calculations

Cash flow assumptions

The primary determinants of cash flow are Repeat Customer sales (principally driven by Repeat Customer retention assumptions) and the cost of sales of those goods, the level of Investment in New Customers and other associated operating costs which relate to the cash flows of the business units. Estimates of cash flows used in the value in use calculations are prepared using the latest Board approved outlook numbers at the time of preparation, which align with the forecast used in the preparation of the going concern analysis at that time, as set out in accounting policy note 3.2 Going Concern. An appropriate risk adjustment has been applied to these forecasts to reflect the uncertainty of future cash flows.

The Directors believe the key assumptions fundamental to its forecast are Repeat Customer retention levels and Repeat Customer contribution margins. The average, risk-adjusted, rates for these assumptions are set out below.

	FY25		FY24	
	Repeat Customer retention	Repeat Customer contribution	Repeat Customer retention	Repeat Customer contribution
Naked Wines US ¹	n/a	n/a	74%	36%
Naked Wines UK	75%	16%	84%	21%
Naked Wines Australia ¹	n/a	n/a	64%	23%

1. For the US and Australia segments, FY24 values relate to those used in the HY24 value in use calculations (see US and Australia segment analysis below for further details).

Discount rate and long-term growth rate assumptions

The discount rate and long-term terminal growth rates used are as set out below:

	FY25		FY24	
	Discount rate	Long-term growth rate	Discount rate	Long-term growth rate
Naked Wines US ¹	n/a	n/a	18.2%	1.0%
Naked Wines UK	17.2%	0.0%	16.9%	2.0%
Naked Wines Australia ¹	n/a	n/a	20.1%	1.0%

1. For the US and Australia segments, FY24 values relate to those used in the HY24 value in use calculations (see US and Australia segment analysis below for further details).

The long-term growth rates used are not considered to be higher than the long-term industry averages.

The discount rates applied to the cash flows of each market are calculated using a pre-tax rate based on the weighted average cost of capital (WACC) which would be anticipated for a market participant investing in each of the Group's markets. Management believes it is appropriate to use a country specific pre-tax WACC for the testing of the Naked Wines goodwill and intangible assets based on the difference in the observed risk-free rate between the US and other industrialised economies and their different headline corporate income tax rates. The Group has considered the impact of the current economic climate in determining the appropriate discount rate to use in impairment testing.

Notes to the financial statements continued

17 Impairment (continued)

UK segment

An impairment review of the UK CGU has been performed at the balance sheet date as goodwill acquired through business combinations is required to be tested for impairment at least annually. As a result of the impairment review performed, management have concluded that the discounted expected future cash flows of £17.7m (FY24: £56.5m) exceed the carrying value of £1.1m (FY24: £6.5m) of this segment and no impairment is required at the balance sheet date. The value of this segment has decreased since the prior year end, predominantly due to the impact of the increase in FY26 of duty and producer packaging levy, increases impacting both Repeat Customer retention percentages and Repeat Customer contribution margins in the short-term.

Sensitivity to future impairment charge

An increase in the discount rate to 738.5% (FY24: 258.7%) and a reduction in forecast cash flows of 93.8% (FY24: 88.5%) would, independently, result in the carrying value of the CGU being equal to its recoverable amount. As such, the Directors have concluded that no reasonably plausible change in these assumptions would lead to a material impairment charge being required.

US segment

At HY24, indicators of impairment were determined to exist for the US trading segment and as a result of the subsequent impairment review, a charge of £9.2m was recorded against the remaining goodwill and other intangible assets in this segment. At FY24, indicators of impairment were identified and an impairment review of the remaining non-current assets comprising £2.3m of property, plant and equipment and £2.2m of right-of-use assets were assessed for impairment based on the higher of their value in use and fair value less cost of disposal. As a result of the review, no impairments were identified.

At FY25, management considered both internal and external indicators of impairment and no such indicators were identified, therefore management have not performed an impairment review at the balance sheet date. Management have also considered if indicators that previously booked impairments against other intangible assets may be reversed and have concluded that although trading in FY25 was broadly in line with expectations, further confirmatory evidence is required before a re-evaluation of the carrying value of the impaired assets should be performed.

Australia segment

At HY24, carrying values of assets held in Naked Wines Australia were impaired to £nil through recognition of an impairment charge of £0.7m. No impairment review was performed at the prior year end as no indicators existed that previously booked impairments may be reversed.

Recent trading in this segment has been marginally ahead of expectations however, management have concluded that further confirmatory evidence is required before a re-evaluation of the carrying value of the impaired assets should be performed and no value in use calculation of the Australia CGU for impairment testing purposes was performed at the year end.

18 Inventories and staged payments to winemakers

	31 March 2025 £'000	1 April 2024 £'000
Raw materials	400	57
Work in progress	18,055	24,472
Finished goods	75,005	104,702
Goods in transit	3,781	2,350
	97,241	131,581
Inventory staged payments to winemakers	10,346	13,273
	107,587	144,854

Recognising the Company's control of the inventory staged payments to winemakers, all inventory has been reported as a current asset in the balance sheet. £2.5m (FY24: £6.9m) of this relates to work in progress where the wine is expected to be received from Winemakers more than 12 months from the balance sheet date.

The cost of inventories recognised as an expense during the year was £150.2m (FY24: £165.8m).

A credit amount of £1.7m (FY24: charge of £2.4m) in respect of movement in the US overstock inventory provision is included on the face of the income statement.

Inventory of £0.04m (FY24: £0.04m) was expensed through the income statement in the year relating to samples and tasting products. The movement in the Group's inventory provision is as follows:

	Overstock inventory provision ¹ £'000	Other inventory provision £'000	Total inventory provision £'000
At 3 April 2023	9,653	1,534	11,187
Additional provision	6,710	694	7,404
Release of provision	(1,203)	(643)	(1,846)
Utilisation of provision	(3,150)	(223)	(3,373)
Foreign currency	(76)	(26)	(102)
At 1 April 2024	11,934	1,336	13,270
Additional provision	7,278	1,350	8,628
Release of provision	(3,650)	(794)	(4,444)
Utilisation of provision	(5,365)	(599)	(5,964)
Foreign currency	(316)	(29)	(345)
At 31 March 2025	9,881	1,264	11,145

1 Included in the above table is US inventory provision of £10.5m (FY24: £12.5m) which is made up of £9.9m (FY24: £11.9m) overstock inventory provision (being £7.9m bulk wine provision and £2.0m cased goods provision) and £0.6m (FY24: £0.6m) other inventory provision. There is a 0.3m reduction in total US inventory provision which relates to FX.

19 Trade and other receivables

	31 March 2025 £'000	1 April 2024 £'000
Current		
Trade receivables	580	529
Credit card receivables and other debtors	3,998	8,512
Prepayments ¹	3,915	1,419
	8,493	10,460

1. The Group's drawdown on the loan facility was £nil at the year end. Consequently, the debt issuance costs remaining on the balance sheet of £1.9m have been included in prepayments as a current asset. £1.5m of this balance, is non-current. At the prior year reporting date, debt issuance costs (all of which were current) amounted to £0.2m and were reported within borrowings.

Notes to the financial statements continued

20 Trade and other payables

	31 March 2025 £'000	1 April 2024 £'000
Trade payables	9,072	12,966
Taxation and social security	2,036	8,578
Accruals	10,495	17,027
Other payables	174	167
	21,777	38,738

Amounts payable in respect of defined contribution pension schemes were £nil (FY24: £0.1m).

21 Angel funds and other deferred income

	31 March 2025 £'000	1 April 2024 £'000
Angel funds - financial liability	56,341	65,212
Deferred Angel fund income - contract liability	4,360	-
Total Angel funds	60,701	65,212
Other deferred income ¹	2,171	3,102
	62,872	68,314

1. Other deferred income includes £1.1m (FY24: £1.7m) of funds received in advance, but the order is yet to be fulfilled or delivered. This will be recognised as revenue when the order is fulfilled or delivered, which is expected to occur within the next six months.

Angel funds and the purchase of inventory from Winemakers

On registering as an Angel with Naked Wines, customers agree to lodge a regular monthly sum into their "Angel Account". These sums accumulate in the Angel's individual account and build a balance to use against their next purchase from Naked Wines. This is disclosed within Angel funds and other deferred income on the face of the balance sheet.

The Company amended its terms and conditions on 8 March 2024. Funds deposited by Angels who joined prior to this date are initially recorded as a financial liability in the balance sheet and recognised as revenue in the period when Angels use the funds to buy wine and delivery of goods is made. Contributions for Angels acquired after 8 March 2024 can be refunded as cash or used to buy wine as the sole discretion of the Company and therefore, these funds are disclosed as deferred Angel fund income under IFRS15.

Naked Wines' operating model is to pool amounts lodged by Angels in their personal Naked Wines accounts to use as working capital within the business. Naked Wines contracts directly with its Winemakers and purchases wine in its own name. Naked Wines retains all risk associated with the purchase of wine from Winemakers and no inventory or funding risk is carried by our Angels. Angels only bear the risk relating to the ongoing liquidity of Naked Wines to the extent of the value of the funds lodged in their Angel account.

Any refund of Angel funds is provided directly by Naked Wines and is not contingent on any associated flows of funds or wine from Winemakers back to Naked Wines.

Naked Wines has provided collateral to its merchant card partners issued by its banking partner which is secured against the Group's revolving credit facility.

Angels are not entitled to interest or any other return on the funds lodged in their Angel accounts. Registration as an Angel entitles a customer to benefit from a lower price than the standard price displayed on the Naked Wines website.

22 Borrowings

	31 March 2025 £'000	1 April 2024 £'000
Current		
Borrowings	-	12,468
Debt issuance costs	-	(220)
	-	12,248
Customer-funded bonds	35	35
	35	12,283

Reconciliation of borrowings

	£'000
At 3 April 2023	29,166
Amortisation of debt issuance costs charged to the income statement	286
Net repayments during the year	(16,707)
Foreign currency	(462)
At 1 April 2024	12,283
Debt issuance costs	(2,268)
Amortisation of debt issuance costs charged to the income statement	550
Net repayments during the year	(12,351)
Transfer debt issuance costs to prepayments ¹	1,936
Foreign currency	(115)
At 31 March 2025	35

1. Refer to note 19 Trade and other receivables

The Group operated under a senior secured credit facility with Silicon Valley Bank as administrative agent and issuing lender for up to \$60m of credit based on the inventory held by Nakedwines.com Inc. The Group had met all of its covenant conditions in all periods up to 8 July 2024, when the Group signed a new 60-month credit facility with PNC Bank. On completion, the Group's commitments and obligations under its previous facility with Silicon Valley Bank fell away.

On 8 July 2024, the Group entered into a 60-month senior secured revolving credit facility with PNC Bank, National Association, as administrative agent and lender for up to \$60m of credit based on the inventory held by Nakedwines.com Inc, www.nakedwines.com Ltd and Naked Wines Australia Pty Ltd. The facility is secured against the assets of the Group.

The principal terms of the new facility are:

- Maximum revolving advance amount of \$60m, with available liquidity based on the value of inventory held (as defined in the facility terms);
- Facility term of five years;
- Margins, depending on facility headroom, of principally the Secured Overnight Financing Rate (SOFR) plus an applicable margin of between 2.75% and 3.25% and an unused line fee; and
- A single financial performance covenant requiring fixed charge cover of greater than 1.2x, but only tested if outstanding available liquidity (as defined in the facility terms) is less than \$12m. No testing of this covenant was required in the year as the condition for testing was not met.

Indicatively, the facility's financial effect, using a representative current SOFR rate which cannot be predicted in the future and average facility margins which may not be representative of actual final applicable margins, is that a representative \$10m of drawdown for 12 months would amount to a total interest and unused line fee payable of approximately £0.8m. In addition, the Group's annual amortisation charges of the new facility arrangement fees is £0.5m.

Notes to the financial statements continued

23 Lease liabilities

The Group leases two wineries (one of the leases expires at the end of June 2025), warehouses and office facilities. The leases run for a period between one and 10 years, with an option to renew the leases after that date. The Group also leases equipment and office space with contract terms of up to four years. These leases are either short-term of year or less and/or low-value items of less than the equivalent of \$5,000 which the Group has elected not to recognise as IFRS 16 leases. The maturity analysis of the lease liabilities is set out below:

	31 March 2025 £'000	1 April 2024 £'000
Maturity analysis		
Due within one year	1,994	1,611
Due between one and two years	1,533	1,238
Due between two and three years	1,342	455
Due after three years	2,624	871
	7,493	4,175
Less: unearned interest	(1,081)	(537)
	6,412	3,638

Analysed as:

	31 March 2025 £'000	1 April 2024 £'000
Current	1,595	1,392
Non-current	4,817	2,246
	6,412	3,638

24 Financial instruments

The Group's financial instruments, other than derivatives, comprise cash and various balances, such as trade receivables and trade payables, all arising directly from its operations.

The Group also enters into forward foreign currency derivative contracts. The purpose of these transactions is to manage the currency risk arising from the Group's operations. The Group does not hold or issue financial instruments for speculative purposes and does not engage in speculative trading.

The principal financial risks to which the Group is exposed relate to liquidity risk, credit risk, interest rate risk, market risk and foreign exchange rates.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. In order to manage liquidity risk, each business unit prepares short-term and medium-term cash flow forecasts. These forecasts are consolidated and reviewed centrally to ensure the Group has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without risking damage to the Group's reputation.

The Group's net funding position can vary from month to month and there is some volatility within months. This reflects seasonal trading patterns, timing of receipts from customers and payments to suppliers, patterns of inventory holdings and the timing of the spend on major capital and restructuring projects. For these reasons, the net funds position levels at the period end date may not be indicative of the funds position at other points throughout the period.

The following table analyses the Group's financial assets and liabilities into relevant maturity groupings based on the contractual undiscounted cash flows. Forward currency assets and liabilities are held at fair value and have been presented separately.

At 31 March 2025	Due within one year £'000	Due between one and two years £'000	Due between two and three years £'000	Due after three years £'000	Total £'000	Carrying value £'000
Financial assets						
Trade and other receivables	4,578	-	-	-	4,578	4,578
Cash and cash equivalents	30,055	-	-	-	30,055	30,055
	34,633	-	-	-	34,633	34,633
Financial liabilities						
Trade and other payables	(19,741)	-	-	-	(19,741)	(19,741)
Angel funds	(56,341)	-	-	-	(56,341)	(56,341)
Lease liabilities	(1,994)	(1,533)	(1,342)	(2,624)	(7,493)	(6,412)
Customer-funded bonds	(35)	-	-	-	(35)	(35)
	(78,111)	(1,533)	(1,342)	(2,624)	(83,610)	(82,529)

At 1 April 2024

Financial assets						
Trade and other receivables	9,041	-	-	-	9,041	9,041
Cash and cash equivalents	31,851	-	-	-	31,851	31,851
	40,892	-	-	-	40,892	40,892
Financial liabilities						
Trade and other payables	(30,160)	-	-	-	(30,160)	(30,160)
Angel funds	(65,212)	-	-	-	(65,212)	(65,212)
Borrowings	(12,468)	-	-	-	(12,468)	(12,248)
Lease liabilities	(1,611)	(1,238)	(455)	(871)	(4,175)	(3,638)
Customer-funded bonds	(35)	-	-	-	(35)	(35)
	(109,486)	(1,238)	(455)	(871)	(112,050)	(111,293)

Financial assets consist of cash and cash equivalents, trade and other. The Group applies the IFRS 9 Financial Instruments simplified approach to measuring expected credit losses as all are considered low risk.

Financial liabilities held at amortised cost consist of trade and other payables, Angel funds - financial liability and customer-funded bonds. See note 21 Angel funds and other deferred income for an explanation of the nature of the funding made by Angels and Naked Wines' rights and obligations in respect of these amounts. All financial liabilities are held at amortised cost except for forward foreign financial liabilities which are held at fair value.

Notes to the financial statements continued

24 Financial instruments (continued)

Liquidity risk (continued)

The following table analyses the Group's simple foreign currency forward purchase contract derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the undiscounted cash flows.

	Due within one year £'000	Due between one and two years £'000	Total £'000
At 31 March 2025			
Outflow	(16,345)	-	(16,345)
Inflow	16,263	-	16,263
	(82)	-	(82)
At 1 April 2024			
Outflow	(21,545)	(2,959)	(24,504)
Inflow	21,364	2,893	24,257
	(181)	(66)	(247)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum credit risk exposure relating to financial assets is represented by its carrying value as at the balance sheet date limited to the value of trade and other receivables. The Group does not have any material exposure to trade or other receivables and therefore exposure to bad debt is negligible. Other receivable amounts are mostly amounts owed from credit card acquirer funds.

Credit risk also arises from cash and cash equivalents and derivative financial instruments. The cash and cash equivalents are held with banks with high credit ratings ranging from A+ to BBB+ assigned by international credit-rating agencies such as Standard & Poors and Moody's. The financial institution used for forward foreign exchange contracts uses a proxy credit default swap rating which in turn partners with Tier 1 banks as a matched principal broker.

The Group does not utilise any reverse factoring or supplier financing.

Trade receivables are shown net of expected credit losses. As at the balance sheet date, the ageing analysis of trade receivables and associated expected credit loss is shown below:

	31 March 2025			1 April 2024		
	Gross carrying amount £'000	Expected credit loss £'000	Net trade receivables £'000	Gross carrying amount £'000	Expected credit loss £'000	Net trade receivables £'000
Current	425	-	425	131	-	131
Up to three months past due	50	-	50	591	(194)	397
Three -six months past due	105	-	105	50	(49)	1
Total trade receivables	580	-	580	772	(243)	529

Geographical analysis of trade receivables

	US £'000	UK £'000	Australia £'000	Total £'000
At 31 March 2025	573	3	4	580
At 1 April 2024	512	10	7	529

Interest rate risk

The Group's interest rate risk arises primarily from its Asset Backed Lending facility. At 31 March 2025, the Group had not drawn any of the loan facility as borrowings.

Interest payable on this facility is calculated on a margin of between +325bps and +375bps above the Secured Overnight Financing Rate (SOFR) with a commitment fee on undrawn funds. As an indicative impact of its financial effect, using a representative current SOFR rate which cannot be predicted in the future and average facility margins and may not be representative of actual final applicable margins, a \$10m of drawdown for 12 months would amount to an interest and commitment fee payable of approximately £0.7m.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group manages foreign currency risk as detailed below. The Group does not currently enter into any interest rate swaps or other derivative financial instruments to mitigate the risk of rising interest rates.

Notes to the financial statements continued

24 Financial instruments (continued)

Foreign currency exchange rates

The Group's presentation currency is sterling, although some transactions are executed in non-GBP currencies, including euros, US dollars and Australian dollars. The transactional amounts realised or settled are therefore subject to the effect of movements in these currencies against GBP. It is the Group's policy to manage the exposures arising using forward foreign currency exchange contracts. Hedge accounting is not sought for these transactions. The Group generates some of its profits in non-GBP currencies and has assets in non-GBP jurisdictions, principally in the US and Australia. The principal foreign currencies affecting the translation of subsidiary undertakings within the Group financial statements are the USD and AUD.

The rates applicable are as follows:

	31 March 2025	1 April 2024
AUD:GBP		
Year-end spot rate	2.072	1.936
Average	1.955	1.911
USD:GBP		
Year-end spot rate	1.291	1.263
Average	1.275	1.257

The Group does not use derivatives to hedge balance sheet and profit and loss translation exposures arising on the consolidation of the US and Australian subsidiaries.

Foreign currency denominated financial assets and liabilities expose the Group to currency risk. The table below details the value of financial assets and liabilities by the currency in which they are denominated. The amounts shown are translated into the Group's functional currency at the year end spot rate.

	GBP £'000	AUD £'000	EUR £'000	USD £'000	Other currencies £'000	Total £'000
At 31 March 2025						
Financial assets						
Trade and other receivables	2,052	239	-	2,287	-	4,578
Cash and cash equivalents	8,615	6,286	85	15,004	65	30,055
	10,667	6,525	85	17,291	65	34,633
Financial liabilities						
Trade and other payables	(9,351)	(2,357)	(687)	(7,299)	(47)	(19,741)
Angel funds	(22,404)	(6,062)	-	(27,875)	-	(56,341)
Lease liabilities	(793)	(344)	-	(6,356)	-	(7,493)
Customer-funded bonds	(35)	-	-	-	-	(35)
	(32,583)	(8,763)	(687)	(41,530)	(47)	(83,610)

At 1 April 2024

Financial assets						
Trade and other receivables	4,344	376	-	4,321	-	9,041
Cash and cash equivalents	18,201	3,039	251	10,341	19	31,851
	22,545	3,415	251	14,662	19	40,892
Financial liabilities						
Trade and other payables	(10,896)	(2,999)	(1,222)	(15,015)	(28)	(30,160)
Angel funds	(25,286)	(7,572)	-	(32,354)	-	(65,212)
Borrowings	-	-	-	(12,468)	-	(12,468)
Lease liabilities	(904)	(772)	-	(2,499)	-	(4,175)
Customer-funded bonds	(35)	-	-	-	-	(35)
	(37,121)	(11,343)	(1,222)	(62,336)	(28)	(112,050)

Sensitivity analysis relating to market risk is calculated by taking the overseas profits/(losses) before tax and forward currency contracts and applying the stated sensitivity. The table below shows the Group's currency exposures that gave rise to net currency gains and losses recognised in the consolidated income statement, with all other variables held constant. A 5% sensitivity has been assumed as it is in excess of currency markets.

	Sensitivity in exchange rate	Impact of increase in rate £'000	Impact of decrease in rate £'000
52 weeks ended 31 March 2025			
AUD:GBP	5%	(40)	44
EUR:GBP	5%	(353)	391
USD:GBP	5%	(273)	302
Other currencies:GBP	5%	(38)	42
52 weeks ended 1 April 2024			
AUD:GBP	5%	(76)	84
EUR:GBP	5%	(737)	814
USD:GBP	5%	(59)	65
Other currencies:GBP	5%	(90)	99

Fair value

The Group enters into forward foreign currency exchange contracts in order to manage the Group's forecast currency requirements. These are held for hedging purposes with fair value movements being recognised in the income statement.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There have been no financial instruments that have transferred between the levels in the hierarchy as detailed above.

Notes to the financial statements continued

24 Financial instruments (continued)

Foreign currency exchange rates (continued)

Fair value (continued)

The nominal and fair value of financial instruments is shown in the following table, all are due within one year. The fair value of the forward currency contracts was determined using quoted forward exchange rates matching the maturities of the contracts and includes counter party credit risk.

The Group's measurement of its financial instruments meets the criteria of Level 2 and hence all have been included in this classification.

	At 31 March 2025			At 1 April 2024		
	Nominal value £'000	Fair Value		Nominal value £'000	Fair value	
		Assets £'000	Liabilities £'000		Assets £'000	Liabilities £'000
Forward foreign currency contracts						
Australian dollar	250	-	(8)	987	-	(16)
Euro	6,073	10	(69)	13,101	4	(204)
New Zealand dollar	512	-	(27)	1,522	-	(39)
US dollar	1,111	-	(28)	1,276	1	(2)
South African rand	213	-	(2)	169	-	(3)
	8,159	10	(134)	17,055	5	(264)
Forward foreign currency swaps						
Australian dollar	157	-	(12)	700	1	-
Euro	2,000	41	-	3,650	10	(3)
New Zealand dollar	360	15	-	1,050	4	(1)
US dollar	648	2	(6)	700	-	-
South African rand	5,021	2	-	1,349	1	-
	8,186	60	(18)	7,449	16	(4)
	16,345	70	(152)	24,504	21	(268)

Capital management

The primary objective of the Group's capital allocation policy* remains to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and protect shareholder value.

In this year's refreshed capital allocation policy, the Board has committed that we will be disciplined in how Naked manages cash and will return excess capital to shareholders in a way that maximises value per share, or agree other utilisation with investors. Whilst the Group continues to invest in returning the business to growth, investments must generate a clear return and the Group has ongoing and regular review processes to ensure that these investments meet return on investment hurdles.

*The Group will continue to make adjustments to its policy in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust shareholder distributions or issue new shares. The Group is not subject to externally imposed capital requirements.

25 Provisions

	Social security cost £'000	Loss on vouchers provision £'000	Refund liability provision £'000	Dilapidations provision £'000	Redundancy provision £'000	Onerous loss provision £'000	Contract exit provision £'000	Total £'000
At 3 April 2023	50	42	1,323	157	151	-	-	1,723
Provided in the year	-	82	601	-	-	-	-	683
Released in the year	-	(42)	(596)	(107)	-	-	-	(745)
Utilised in the year	(7)	-	-	(11)	(151)	-	-	(169)
Foreign currency	-	-	(17)	-	-	-	-	(17)
At 1 April 2024	43	82	1,311	39	-	-	-	1,475
Provided in the year	56	13	13	50	-	179	468	779
Released in the year	-	(82)	(441)	-	-	-	-	(523)
Utilised in the year	-	-	-	(39)	-	-	-	(39)
Foreign currency	-	-	(16)	-	-	(2)	-	(18)
At 31 March 2025	99	13	867	50	-	177	468	1,674

Analysed as:	31 March 2025 £'000	1 April 2024 £'000
Current	1,575	1,475
Non-current	99	-
	1,674	1,475

Social security costs on share-based payment awards

Social security costs which will become payable on exercise of share-based payment awards have been provided and are all non-current (FY24: all current). The share-based payment awards can be exercised at various dates from the balance sheet date to 12 August 2032. The value of social security costs payable on the vesting of share-based payment awards is dependent on the Group's share price at the date of exercise of those share-based payment awards. The provision, which is allocated on a time weighted basis over the period from date of grant to the date that employees become unconditionally entitled to the awards, has been calculated on the share price at the balance sheet date of 86.5p and the assumption that 100% of employees will take up their vested share-based payment awards and that the rate of social security is 15.0% for UK employees, 7.65% for US employees and 0% for Australian employees.

Loss on vouchers provision

This provision calculates the future expected loss Naked is expecting to make on an order that will be placed using vouchers that are currently out in circulation. The number of vouchers in circulation at the balance sheet date is identified and multiplied forecast redemption rates per deal and an average contribution based on historic deals from the past year.

Refund liability provision

Under the requirements of IFRS 15, the Group has

established a right of return provision under the requirements to recognise variable consideration in the form of a sales cancellation provision. The Group uses its accumulated historical experience to estimate the level of returns on a portfolio level using the expected value method. The resulting outflows are expected within six months. Any movement in the refund liability provision is recognised within revenue in the income statement.

Dilapidations provision

This provision relates to dilapidations of one of the office buildings leased by the Group.

Redundancy provision

In the previous year, redundancies were announced prior to the year end and some of the individuals who are expected to receive redundancy payments are due to leave until the following financial year.

Onerous loss provision

A provision has been created for an onerous lease of a third party production contract expiring at the end of May 2025.

Contract exit provision

Cost overruns and legal fees incurred relating to an early exit of one of our warehouse contracts. These have been classified as provisions as they reflect obligations of unknown amounts at the year end and the timing of the outflows are expected to be within 12 months.

Notes to the financial statements continued

26 Commitments

Future minimum amounts payable

	31 March 2025			1 April 2024		
	Inventory £'000	Other £'000	Total £'000	Inventory £'000	Other £'000	Total £'000
Within one year	55,404	1,106	56,510	66,954	765	64,719
Between one and five years	17,951	457	18,408	38,917	332	39,249
	73,355	1,563	74,918	102,871	1,097	103,968

Inventory future minimum amounts payable primarily relate to securing wine the Group sells to its customers, warehousing facilities, delivery services, logistics and bottling services. Included within these inventory commitments are a total of £60.9m (FY24: £76.4m) committed purchases of finished goods including bulk wine commitments. The Group does not have control of this inventory at the balance sheet date. The price under these commitments is fixed. The amounts disclosed in this note assumes all Winemakers are able to meet the committed volumes. The volumes that the Group ultimately obtains, and therefore the amount the Group pays, may be lower if the winemaker is unable to meet the agreed volumes. Other future amounts payable relate to warehousing facilities, delivery services, logistics, IT services and other contractual obligations. During the year, the Group has continued a commitments reduction programme from the previous year and continues to reduce the commitments significantly year-on-year. As part of this programme, the Group also renegotiated its warehousing arrangements.

27 Share capital and reserves

	31 March 2025 and 1 April 2024	
	Number of shares	Value £'000
Authorised		
Ordinary shares of 7.5p each	140,000,000	10,500
Allotted, called up and fully paid		
At the beginning and end of the year	74,004,135	5,550

During the year no ordinary shares of 7.5p each were allotted (FY24: nil).

Share premium

The share premium represents the amounts received by the Company on the issue of ordinary shares that are in excess of the nominal value of the issued shares net of share issue costs.

Capital redemption reserve

The Company, when cancelling its ordinary shares, transfers amounts equivalent to the nominal value of the cancelled shares into the capital redemption reserve to maintain the level of non-distributable reserves in shareholders' equity.

EBT reserve

135,793 (FY24: 163,856) shares are held by the Naked Wines plc Share Incentive Plan Trust and the Naked Wines Employee Benefit Trust which were allotted ordinary shares of 7.5 pence per share for a consideration of £10,184 (FY24: £12,289).

Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of foreign currency subsidiary undertakings.

28 Share-based payments

The charge recognised in the income statement in respect of share-based payments is £1.3m (FY24: £0.4m) including social security costs as follows:

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
IFRS 2 Share-based payment charge	1,288	365
Social security charge	56	-
	1,344	365

The Company operated three share schemes during the year, all of which are equity-settled.

(a) The Naked Wines plc Long-Term Incentive Plan (LTIP) was adopted on 20 July 2016 and is unapproved. The first grant of options under the rules of the scheme was made in July 2016.

All LTIP awards have a three-year vesting period. The LTIPs granted in July and December 2021 were subject to a combination of:

- a relative Total Shareholder Return (TSR) performance condition, where the TSR of the Company over the performance period is compared to the TSR of a comparator group of similar companies
- a non-market condition, Standstill EBIT. This is an internal investment measure defined as the adjusted EBIT that would be reported if investment in new customers was reduced to the level needed to just replenish the current customer base.

On 1 April 2024, the Company granted an award of restricted share units to employees. Further awards of a similar nature were also granted to new senior employees during FY25. This award has no strike price and no performance conditions other than continued employment service with Naked Wines during the vesting period of the award. The award has a vesting period of three years and the shares have a £nil option price.

In exchange for the award granted, employees were asked to relinquish existing unvested LTIP shares and shares that have vested but not yet exercised. Employees were asked to relinquish the following LTIP awards in exchange for the LTIP 2024 shares:

- LTIP shares awarded on 29 July 2021
- LTIP shares awarded on 15 December 2021
- LTIP shares awarded on 12 August 2022 (including both vested and unvested stock options) – refer to (c) below

The principles of modification accounting were considered and determined that the LTIP 24 shares are beneficial to employees as the performance conditions on the July and December 2021 schemes were highly unlikely to be met and the shares awarded in August 2022 were underwater. In addition to this, the LTIP 24 share awards have no strike price and only have service conditions attached to them.

The principles of modification accounting were applied and consequently a fair value price was calculated for each type of award that was relinquished.

For the modified shares, the incremental fair value of the fair value of the shares at the grant date and fair value of the modified shares at the modification date was used.

The fair values of the LTIP awards relinquished were calculated using the following methodology:

- The fair values of shares granted during FY21 and FY22 that that were subject to both non-market conditions and TSR conditions were calculated simulating the share price paths of the 11 peer companies and Naked Wines plc using Geometric Brownian Motion where these simulated prices were correlated using Cholesky decomposition

The fair values of the RSUs awarded are based on the share price on the date of the award.

Notes to the financial statements continued

28 Share-based payments (continued)

The following table lists the range of assumptions applied to the share-based payment awards granted in the respective periods shown.

	Year ended 31 March 2025 LTIP 2024
Weighted average share price at grant	£0.53
Weighted average exercise price	£0.00
Expected life of options (years)	3
Contractual life (years)	3
Volatility (%)	66.3% to 83.4%
Dividend yield (%)	N/A
Risk free interest rate (%)	3.77% to 4.71%
Weighted average fair value of options granted during the year	£0.53

The following table reconciles the number of share options outstanding and the weighted average exercise price (WAEP) for the LTIP scheme:

	52 weeks ended 31 March 2025		52 weeks ended 1 April 2024	
	LTIP shares	WAEP	LTIP shares	WAEP
Outstanding at the beginning of the year	126,024	-	737,917	-
Exercised	-	-	(2,917)	£0.34
Lapsed	(587,689)	-	(608,976)	-
Granted	5,133,916	-	-	-
Outstanding at the end of the year	4,672,251	-	126,024	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life in years	2.08		0.35	
Range of exercise prices	£nil		£nil	

Based on the share price of 86.5p at the year end, the Group expects to transfer an estimated amount of £0.1m (FY24: £nil) to the tax authorities to settle the employees' tax obligation.

- b) The Naked Wines plc Share Incentive Plan (SIP) was adopted on 20 July 2016. The first grant of shares under the rules of the scheme was in July 2017. All SIP awards have a three-year vesting period and are not subject to any performance conditions other than continued employment.

The following table reconciles the number of share options outstanding and the weighted average exercise price (WAEP) for the SIP scheme:

	52 weeks ended 31 March 2025		52 weeks ended 1 April 2024	
	SIP Shares	WAEP	SIP Shares	WAEP
Outstanding at the beginning of the year	83,129	-	124,593	-
Adjustment to the opening balance	-	-	20,910	-
Exercised	(26,743)	£0.54	(53,364)	£0.74
Lapsed	(3,274)	-	(9,010)	-
Outstanding at the end of the year	53,112	-	83,129	-
Exercisable at the end of the year	53,112	-	33,742	-
Weighted average remaining contractual life in years	0.75		4.66	
Range of exercise prices	£nil		£nil	

Based on the share price of 86.5p at the year end, the Group expects to transfer an estimated amount of £nil (FY24: £nil) to the tax authorities to settle the employees' tax obligation.

- c) The Naked Wines plc Long-Term Incentive Plan 2022 was adopted on 10 August 2022. The first grant of options under the rules of the scheme was made in August 2022. This scheme is unapproved. The LTIP award will vest as follows:

25% of the Shares will vest on the first anniversary of the grant date and 6.25% per quarter thereafter subject to continued employment (i.e. the awards will fully vest after four years for all staff who have not relinquished their shares in exchange for the 2024 LTIP award (see (a) above).

The following table reconciles the number of share options outstanding and the weighted average exercise price (WAEP) for the 2022 LTIP scheme:

	52 weeks ended 31 March 2025		52 weeks ended 1 April 2024	
	LTIP Shares	WAEP	LTIP Shares	WAEP
Outstanding at the beginning of the year	1,689,312	£1.575	2,723,550	£1.575
Lapsed	(1,651,455)	-	(1,034,238)	-
Outstanding at the end of the year	37,857		1,689,312	
Exercisable at the end of the year	23,649		689,576	
Weighted average remaining contractual life in years	7.37		8.37	
Range of exercise prices	£1.575		£1.575	

Based on the share price at the year end, the shares are under water, consequently, there will be no employees' tax obligation to settle.

The fair value of equity-settled share is estimated as at the date of grant using the Black-Scholes option pricing model.

Notes to the financial statements continued

29 Notes to the cash flow statement

(a) Cash flows from operations

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Cash flows from operations		
Loss for the year	(4,900)	(20,843)
Adjustments for:		
Tax expense	6	4,516
Net finance costs, including the loss on early redemption of the vendor loan note	1,556	4,496
Depreciation and amortisation	2,234	2,973
Impairment of non-current assets	-	9,877
Loss on disposal of fixed assets	33	253
Net gain arising on early termination of right-of-use assets and associated lease liability	(1)	(444)
Fair value movement on foreign exchange contracts	(165)	(13)
(Decrease)/increase in US inventory provision	(1,737)	2,357
Share-based payment charges	1,288	365
Operating cash (outflows)/inflows before movements in working capital	(1,686)	3,537
Decrease in inventories	36,480	14,886
Decrease in Angel funds and other deferred income	(4,225)	(1,814)
Decrease/(increase) in trade and other receivables	5,311	(5,414)
Decrease in trade and other payables	(16,340)	(3,374)
Net cash flows from operations	19,540	7,821

(b) Analysis of movement in net cash and changes in liabilities arising from financing activities

	1 April 2024 £'000	Cash flows £'000	Non-cash movements ¹ £'000	31 March 2025 £'000
Cash and cash equivalents	31,851	(1,074)	(722)	30,055
Borrowings:				
Borrowings net of issuance costs	(12,248)	14,619	(2,371)	-
Customer-funded bonds	(35)	-	-	(35)
Lease liabilities	(3,638)	1,757	(4,531)	(6,412)
	(15,921)	16,376	(6,902)	(6,447)
Total net cash/(borrowings)	15,930	15,302	(7,624)	23,608

	3 April 2023 £'000	Cash flows £'000	Non-cash movements ¹ £'000	1 April 2024 £'000
Cash and cash equivalents	39,474	(7,507)	(116)	31,851
Borrowings:				
Borrowings net of issuance costs	(29,131)	16,707	176	(12,248)
Customer-funded bonds	(35)	-	-	(35)
Lease liabilities	(5,851)	2,036	177	(3,638)
	(35,017)	18,743	353	(15,921)
Total net cash	4,457	11,236	237	15,930

1. Non-cash movements relate to lease additions, amortisation of debt issuance costs and foreign exchange movements.

30 Events after the balance sheet date

There were no events after the balance sheet date that would have a material impact on the financial position and performance of the Group.

31 Related party transactions

The Group considers its key management personnel to be the Directors of the Company and other executives discharging key management functions. The compensation of key management personnel is disclosed in note 9 Staff costs.

Non-Executive Director, Jack Pailing and Colebrook Partners (in which Jack Pailing has a significant and controlling interest), have a total shareholding in the Company of 823,654 shares as at 31 March 2025.

There are no other related party transactions which require disclosure (FY24: none).

Company balance sheet

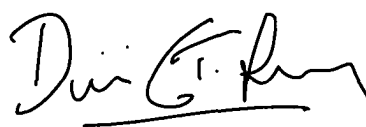
As at 31 March 2025

	Note	31 March 2025 £'000	1 April 2024 £'000
Non-current assets			
Investments in subsidiaries	35	19,455	18,794
Loan notes receivable from subsidiaries	36	135,170	124,035
Intangible assets	37	579	-
Deferred tax assets	38	-	16
		155,204	142,845
Current assets			
Trade and other receivables	39	3,303	1,111
Cash and cash equivalents		172	3,988
		3,475	5,099
Current liabilities			
Trade and other payables	40	(78,497)	(67,779)
Provisions	41	-	(43)
		(78,497)	(67,822)
Net current liabilities		(75,022)	(62,723)
Total assets less current liabilities		80,182	80,122
Non-current liabilities			
Provisions	41	(99)	-
		(99)	-
Net assets		80,083	80,122
Equity			
Share capital	43	5,550	5,550
Share premium	43	21,162	21,162
Capital redemption reserve	43	363	363
EBT reserve	43	(10)	-
Retained earnings		53,018	53,047
Total equity		80,083	80,122

For the 52 weeks ended 31 March 2025, the Company reported a loss of £1.4m (52 weeks ended 1 April 2024: loss of £3.3m).

The financial statements of Naked Wines plc were approved by the Board of Directors and authorised for issue on 4 August 2025. They were signed on its behalf by Dominic Neary.

The notes to the parent company financial statements following the primary statements are an integral part of these parent company financial statements.



Company statement of changes in equity

For the 52 weeks ended 31 March 2025

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	EBT reserve £'000	Retained earnings £'000	Total equity £'000
At 3 April 2023		5,550	21,162	363	-	55,963	83,038
Loss for the year		-	-	-	-	(3,281)	(3,281)
Total comprehensive loss for the year		-	-	-	-	(3,281)	(3,281)
Share-based payment charges:							
Subsidiary employees	28	-	-	-	-	491	491
Company	28	-	-	-	-	(126)	(126)
At 1 April 2024		5,550	21,162	363	-	53,047	80,122
Loss for the year		-	-	-	-	(1,381)	(1,381)
Total comprehensive loss for the year		-	-	-	-	(1,381)	(1,381)
Share-based payment charges:							
Subsidiary employees	28	-	-	-	-	661	661
Company	28	-	-	-	-	627	627
Deferred tax on share-based payments	38	-	-	-	-	64	64
EBT reserve	27	-	-	-	(10)	-	(10)
At 31 March 2025		5,550	21,162	363	(10)	53,018	80,083

Notes to the Company financial statements

32 Material accounting policies

Details of the Company are disclosed in note 1 General information.

Naked Wines plc is the parent company of the Naked Wines group in whose consolidated financial statements its financial statements are consolidated. The Naked Wines plc group Annual Report and Accounts are available to the public and may be obtained via the Investors section of the Naked Wines website: www.nakedwinesplc.co.uk.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective and certain related party transactions.

No income statement is presented by the Company as permitted by section 408 of the Companies Act 2006. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

The financial statements have been prepared on a historical cost basis.

The principal accounting policies adopted are the same as those set out in note 3 Accounting policies to the consolidated financial statements except as noted below.

Revenue

Revenue in the Company represents management fee income from its subsidiary, Naked Wines International Limited. Management fee income is charged and invoiced on a quarterly basis in respect of each financial year.

Software as a Service (SaaS)

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Where costs incurred for the development of software code enhances, modifies, or creates additional capability to existing on-premise systems as part of a SaaS implementation are readily identifiable and meets the definition of and recognition criteria for an intangible asset, these costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Share-based payments

Refer to accounting policy note 3.12 Share-based payments within the Group accounting policies. A capital contribution on share-based payment awards granted to subsidiary employees is booked as an increase to the investment in subsidiaries.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. Detailed cash flow forecasts prepared on a business unit basis reflecting intergroup recharges and the availability of liquidity from Group sources are used as an indicator of impairment when looking at the recoverability of the parent company's investments and loans in subsidiaries.

The Naked Wines plc Share Incentive Plan Trust and the Naked Wines Employee Benefit Trust

The Naked Wines plc Share Incentive Plan Trust and the Naked Wines Employee Benefit Trust have been accounted for as branches in the Company's accounts. The functional currency of the branches is GBP.

Loan notes receivable from subsidiaries

Intercompany balances held within the company largely relate to the investment in its trading subsidiaries through the provision of loan amounts. These loan amounts are unsecured, interest free and repayable on demand. The Company measures the expected credit loss in relation to each loan by determining the period over which the losses shall be assessed, the probability of default over that period, the loss given default and the discount rate to be applied.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any impairment losses. These are directly attributable to the development of digital products and platforms internally generated.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the asset. These assets relate to software and are charged to the income statement between two to five years.

Intangible asset development costs

Refer to accounting policy note 3.17 Intangible asset development costs for basis of accounting treatment.

Impairment review of loan notes receivable from subsidiaries

Impairment reviews in respect of loan notes receivable from subsidiaries are performed at least on an annual basis and furthermore when an event indicates that an impairment review is necessary.

33 Key accounting estimates and judgements

Estimates and assumptions underlying the preparation of the financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, where applicable. Management reviews these investments annually for indications of impairment in accordance with international accounting standards, and also considers whether previously recognised impairment charges remain applicable.

Where indicators of impairment are identified, management is required to estimate the recoverable amount of the investment. The recoverable amount is determined using either a value-in-use model or fair value less costs of disposal, whichever is higher. This process involves significant judgment and estimation.

The key assumptions used in determining the recoverable amounts of investments in subsidiaries include:

- Forecast cash flows: Based on management-approved budgets and strategic plans,
- Discount rates: Determined with reference to the weighted average cost of capital,
- Long-term growth rates: Applied to cash flows beyond the forecast period.

These assumptions are inherently uncertain and may change over time. A change in one or more key assumptions could result in a material adjustment to the carrying amount of the investment. Where appropriate, sensitivity analyses are performed to assess the impact of changes in key assumptions.

At the reporting date, the carrying amount of the parent company's investment in subsidiaries was £19.5m (FY24: £18.8m). No impairment was recognised during the year.

Management has assessed reasonably possible changes in key assumptions. Most significantly, a 31% decrease in forecast cash flows could result in a reduction in the recoverable amount to less than the carrying value of the investments, potentially leading to an impairment charge.

In the process of applying the Company's accounting policies, the Directors consider there are no further sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Company financial statements continued

34 Staff costs

The average monthly number of employees (including Directors) during the year was as follows:

	52 weeks ended 31 March 2025 Number	52 weeks ended 1 April 2024 Number
Administrative	90	82

The aggregate remuneration comprised:

	52 weeks ended 31 March 2025 £'000	52 weeks ended 1 April 2024 £'000
Wages and salaries	6,978	6,603
Social security costs	733	711
Contributions to defined contribution pension plans	273	266
Share-based payment charge/(credit)	627	(126)
	8,611	7,454

Directors' emoluments are as disclosed in note 9 Staff costs.

35 Investment in subsidiaries

	£'000
Cost or valuation:	
At 1 April 2024	59,629
Capital contribution on share-based payment awards granted to subsidiary employees	661
At 31 March 2025	60,290
Amounts provided for:	
At 1 April 2024 and 31 March 2025	(40,835)
Net book value	
At 31 March 2025	19,455
At 1 April 2024	18,794

Details of the Group's subsidiaries at 31 March 2025 are as follows:

Subsidiary	Primary activity	Place of incorporation and operation	% and class of shares held
Naked Wines Employee Share Ownership Trust Limited *	Trustee company	United Kingdom	100% ordinary shares
Naked Wines International Limited*	Holding company	United Kingdom	100% ordinary shares
www.nakedwines.com Limited	Retailing of wines	United Kingdom	100% ordinary shares
Naked Wines Prepayments Trustee Company Limited	Trustee company	United Kingdom	100% ordinary shares
Nakedwines.com Inc	Retailing of wines	United States of America	100% ordinary shares
Nakedwines.com Prepayment Protection Company LLC	Trustee company	United States of America	100% ordinary shares
Naked Wines Australia Pty Limited	Retailing of wines	Australia	100% ordinary shares
NWA (Prepayments) Pty Limited	Trustee company	Australia	100% ordinary shares
Naked Fine Wine Bonds plc	Dormant company	United Kingdom	100% ordinary shares

* Directly owned by the parent company

	Registered Address
Subsidiaries incorporated in the United Kingdom	Norvic House, 29-33 Chapel Field Road, Norwich, NR2 1RP, UK
Subsidiaries incorporated in the United States of America	308 E. Spain Street, Sanoma, California 95476, USA
Subsidiaries incorporated in Australia	18 Sydney Road, Manly, NSW 2095, Australia

All subsidiary undertakings have been included in the consolidation.

The subsidiaries have the same reporting date and cover the same period as that of the consolidated financial statements.

Impairment review

An impairment review was performed in both the current and previous years which resulted in no further impairments in the investment in subsidiaries.

In both the current and previous years, impairment reviews were performed on the investment in Naked Wines International Limited, the holding company for the US, UK and Australia businesses. The following assumptions were used to determine the combined value in use of the US, UK and Australia CGUs (refer to note 17 Impairment for more detail on the basis of approach and key assumptions):

	FY25	FY24
Repeat Customer retention	75-82%	71-84%
Repeat Customer contribution margin	16-37%	21-34%
Discount rate	15.9-18.4%	16.3-18.1%
Long-term growth rate	0%	1-2%

There are no other key assumptions used in arriving at the equity value using an enterprise value determined using the combined value in use of the US, UK and Australian CGUs.

No sensitivities have been disclosed as the Directors have concluded that no plausible change in assumptions would lead to a material impairment. Management have considered whether indicators that previously booked impairments against investments in subsidiaries may be reversed and have concluded that although trading in FY25 was broadly in line with expectations, further confirmatory evidence is required before a re-valuation of the carrying value of the impaired assets should be performed.

Notes to the Company financial statements continued

36 Loans notes receivable from subsidiaries

Intercompany balances held in the Company largely relate to investment in its trading subsidiaries through the provision of loan amounts. As such, these amounts are disclosed as loan notes receivable from subsidiaries reported within non-current assets. Expected credit losses on loan notes receivable from subsidiaries have been assessed at the balance sheet date and no material credit risk has been identified (FY24: £nil). These loan notes receivable have no fixed payment terms and are interest free, but are not expected to be repaid within 12 months and are thus disclosed as non-current assets.

37 Intangible assets

	Internally developed software £'000	Software £'000	Total £'000
Cost			
At 1 April 2024	-	1,580	1,580
Additions	579	-	579
At 31 March 2025	579	1,580	2,159
Accumulated amortisation			
At 1 April 2024 and 31 March 2025	-	(1,580)	(1,580)
Net book value			
At 31 March 2025	579	-	579
At 1 April 2024	-	-	-

Additions in FY25 relate to staff costs of the digital team which have been capitalised as development costs in accordance with IAS 38. These staff costs are directly attributable to the development of digital products and platforms. These are not yet available for use and therefore not being amortised.

38 Deferred tax assets

The Company recognises deferred tax assets for deductible temporary differences that it believes are recoverable. These do not include any uncertain tax positions. The basis of the creation of these assets is the examination of underlying documents and relevant law and regulation for temporary timing differences and future profitability forecasts set out in the business plans approved by the Board.

	1 April 2024 £'000	Recognised in income statement £'000	Recognised in OCI £'000	31 March 2025 £'000
Provisions	16	(16)	-	-
Share-based payments	-	(64)	64	-
	16	(80)	64	-

Deferred tax assets arising from timing differences are not recognised to the extent that these amounts are recoverable through the reversal of the timing difference in the foreseeable future.

Deferred tax on losses of £10.0m (FY24: £9.3m) relating to losses in the Company have not been recognised in these financial statements on the basis that there is insufficient evidence of suitable future taxable profits against which to recover any deferred tax asset created. There is no expiry date on these unrecognised losses.

39 Trade receivables and other receivables

	31 March 2025 £'000	1 April 2024 £'000
Current		
Other debtors	507	858
Prepayments ¹	2,796	253
	3,303	1,111

1. Included in the Company's prepayments are the remaining debt issuance costs of £1.9m relating to the Group's loan facility. Although this has been disclosed as a current asset, £1.5m of this is non-current.

Notes to the Company financial statements continued

40 Trade and other payables

	31 March 2025 £'000	1 April 2024 £'000
Trade payables	763	507
Other taxes and social security	-	203
Amounts due to Group undertakings	75,138	64,044
Accruals and other payables	2,596	2,948
Other payables	-	77
	78,497	67,779

The amounts due to Group undertakings have no fixed payment terms and are interest free.

41 Provisions

	Social security costs £'000
At 1 April 2024	43
Provided during the year	56
At 31 March 2025	99

	31 March 2025 £'000	1 April 2024 £'000
Current	-	43
Non-current	99	-
	99	43

Social security costs on share-based payment awards

Social security costs which will become payable on exercise of share-based payment awards have been provided and are all non-current (FY24: all current). The share-based payment awards can be exercised at various dates from the balance sheet date to 12 August 2032. The value of social security costs payable on the vesting of share-based payment awards is dependent on the Group's share price at the date of exercise of those share-based payment awards. The provision, which is allocated on a time weighted basis over the period from date of grant to the date that employees become unconditionally entitled to the awards has been calculated on the share price at the balance sheet date of 86.5p and the assumption that 100% of employees will take up their vested share-based payment awards and that the rate of social security is 15.0% for UK employees, 7.65% for US employees and 0% for Australian employees.

42 Commitments

	31 March 2025 £'000	1 April 2024 £'000
Future minimum amounts payable:		
Within one year	851	545
Between one and five years	472	332
	1,323	877

Commitments primarily relate to the provision of IT services to the Group.

43 Share capital, share premium and EBT reserve

Details are disclosed in note 27 Share capital and reserves.

44 Share-based payments

Refer to note 28 Share-based payments for:

- a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement
- the weighted average share price at the date of exercise for share awards exercised during the period; and
- the range of exercise prices and weighted average remaining contractual life for share options outstanding at the end of the period.

45 Events after the balance sheet date

There were no events after the balance sheet date that would have a material impact on the financial position and performance of the Group.

46 Related party transactions

The Company has identified key management personnel of the Company as related parties for the purpose of FRS 101. The compensation of key management personnel is disclosed in note 9 Staff costs. The Company has no transactions with or amounts owed to or from subsidiary undertakings that are not 100% owned either directly by the Company or by its subsidiaries.

Non-Executive Director, Jack Pailing and Colebrook Partners (in which Jack Pailing has a significant and controlling interest), have a total shareholding in the Company of 823,654 shares at 31 March 2025. There are no other related party transactions which require disclosure (FY24: none).

47 Ultimate controlling party

The Company, Naked Wines plc, is the ultimate controlling party of the Naked Wines Group.

Information for shareholders

Annual General Meeting

The AGM will be held at the offices of Panmure Liberum, 25 Ropemaker St, London EC2Y 9LY on 3 September 2025 at 3pm. The Notice of Meeting will be separately distributed to shareholders.

Key contacts:

Company Secretary

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Norwich NR2 1RP

Investor Relations

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Nominated Advisor and Joint Corporate Broker

Investec Bank (UK) Limited
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Solicitor

Fladgate LLP
16 Great Queen Street
London WC2B 5DG

Joint Corporate Broker

Panmure Liberum
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London EC2Y 9LY

Tax Advisor

Grant Thornton
30 Finsbury Square
London EC2A 1AG

Auditor

KPMG LLP
20 Station Road
Cambridge CB1 2JD

Banker

PNC Bank,
National Association
300 Fifth Avenue Pittsburgh PA
15222
USA

Registrar

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL

Glossary of definitions, alternative performance measures (APMs) and key performance indicators (KPIs)

Definitions

5-Year Forecast Payback	The ratio of projected future Repeat Customer contribution we expect to earn from the new customers recruited in the year, divided by the Investment in New Customers. We forecast contribution at a customer level using a machine-learning algorithm that weighs several characteristics including demographics, interactions and transactions forecast over a five-year horizon. This is then aggregated to a monthly, then annual, cohort level for reporting purposes. An explanation of why this is used is on page 28. As this is an undiscounted forward-looking estimate it cannot be reconciled back to reported financial results.	Investment Measure
5-Year Lifetime Value (LTV)	The future Repeat Customer contribution we expect to earn from customers recruited in a discrete period of time. We calculate this future contribution using a machine-learning model. Collecting data for a number of key customer characteristics including retention, order frequency and order value along with customer demographics and non-transactional data, the machine-learning algorithms then predict the future (lifetime) value of that customer.	Investment Measure
5* customer service	The percentage of feedback ratings received by our Customer Happiness teams that expressed 5* satisfaction on a scale of 1 to 5.	Customer experience KPI
Active Angel	An Angel that is an active subscriber who has placed an order in the past 12 months.	
Active member	An active subscriber who has placed an order in the last 12 months.	
Adjusted EBIT	Operating profit adjusted for acquisition costs, impairment of non-current assets, restructuring costs, fair value movement through the income statement on financial instruments and revaluation of funding cash balances held and any items that are either material one-time charges we do not expect to be repeated or are non-trading related. A reconciliation to operating profit can be found on the face of the consolidated income statement.	APM
Adjusted EBITDA	Adjusted EBIT plus depreciation and amortisation, but excluding any depreciation or amortisation costs included in our adjusted items e.g. amortisation of acquired intangibles.	APM
Adjusted EBITDA excluding inventory liquidation and associated costs	Adjusted EBITDA as defined above, excluding any costs directly arising from the excess level of inventory and the liquidation of that inventory, including inventory provisions arising in the year.	APM
AGM	Annual general meeting	
Angel	A customer who deposits funds into their account each month to spend on the wines on our website.	
Compound annual growth rate (CAGR)	The year-on-year growth rate required for a number of years for a value to grow from its beginning balance to its ending balance.	
Company, Naked or Naked Wines	Naked Wines plc	
Contribution	A profit measure equal to gross profit. We often split contribution into that from new and repeat customers as they can have different levels of profitability.	
Core members	Member with more than 24 months post-acquisition.	
Customer Acquisition Cost (CAC)	The cost to acquire a new member, calculated as Investment in new customers / new members acquired.	Investment Measure
DtC	Direct-to-Consumer	
EBIT	Operating profit as disclosed in the consolidated income statement.	APM
EBITDA	EBIT plus depreciation and amortisation.	APM
Group	Naked Wines plc and its subsidiary undertakings	

Definitions

Free Cash Flow (FCF)	Operating cash flow less capital expenditure	APM
Gross Profit Margin %	Gross profit as a percentage of revenue	
Immature Angel	An Angel who has had an account for less than three months.	
Investment in New Customers	The Investment in New Customers during the year, including contribution profit/loss from New Customer sales and advertising costs.	Investment Measure
LTIP	Long-Term Incentive Plan	
Mature Angel	An Angel who has had an account for more than three months.	
Member	A subscriber with an Angel or Wine Genie membership.	
Member Retention Rate	The percentage of members at the start of the financial year that are retained at the end of the financial year.	
Net cash excluding lease liabilities	The amount of cash we are holding less borrowings at year end excluding lease liabilities.	APM
New Customer	A customer who, at the time of purchase, does not meet our definition of a repeat customer; for example, because they are brand new, were previously a repeat customer and have stopped subscribing with us at some point or cannot be identified as a repeat customer.	
New Customer sales	Revenues derived from transactions with customers who meet our definition of a new customer. A reconciliation of total sales to New Customer sales is shown in note 6 Segmental reporting.	
Net Promoter Score (NPS)	Measures customer loyalty and satisfaction based on the likelihood of customers to recommend Naked to others. (NPS = % Promoters - % Detractors)	
Other revenue	Revenue from all activity on secondary markets with the purpose of optimising inventory holding levels. Other revenue reported on an adjusted basis is a subset of total other revenue which only includes transactions relating to inventory which has not previously been provided for as an adjusted item. See accounting policy note 3.5 Revenue.	
Other contribution	The profit or loss attributable to sales meeting the definition of other revenue.	Investment Measure
Product availability	The average percentage of products we have defined as core to the portfolio that is available to our customers throughout the year.	Customer experience KPI
Repeat customer	A customer (Angel) who has subscribed and made their first monthly subscription payment.	
Repeat Customer contribution	The profit attributable to sales meeting the definition of Repeat Customer sales after fulfilment and service costs. An explanation of why this is used is on page 29. A reconciliation of adjusted EBIT to Repeat Customer contribution is shown in note 6 Segmental reporting.	Investment Measure
Repeat Customer contribution margin	Repeat Customer contribution as a percentage of Repeat Customer sales.	Investment Measure
Repeat Customer sales	These are the revenues derived from orders placed by customers meeting our definition of a repeat customer at the time of ordering. A reconciliation of total sales to Repeat Customer sales is shown in note 6 Segmental reporting.	
Repeat Customer sales retention	Total sales delivered over a period of time, from customers in place in the same period last year, as a % of the prior period sales.	Investment Measure
Return on Equity and Cash (ROEC)%	Adjusted EBITDA excluding inventory liquidation and associated costs as a percentage of equity and debt including cash and cash equivalents.	Investment Measure
Revenue Per Member (RPM)	Repeat Customer sales divided by the number of closing members	
SIP	Share Incentive Plan	
Total Addressable Market (TAM)	TAM represents the available market which Naked sees as a revenue opportunity which it could serve.	
Wine Genie	A customer who signs up to receive tailor-made cases at the frequency of their choice. This type of customer does not deposit funds into an account.	
Wine quality - "Buy it again" ratings	The percentage of "Yes" scores given by customers in the year indicating that the customer would buy the product again.	Customer experience KPI
Year 1 Payback	This short-term payback measure shows the actual return in this financial year of our investment in the prior year.	Investment Measure

Alternative performance measures (APMs)

Reconciliation of reported to adjusted and comparable FY24 results

		52 weeks ended 31 March 2025			52 weeks ended 1 April 2024				
		Reported £m	Adjusted items £m	Adjusted £m	Reported £m	FX £m	Reported @ constant FX £m	Adjusted items £m	Adjusted @ constant FX £m
Sales	Group								
	New Customer sales	17.0	-	17.0	23.6	(0.2)	23.4	-	23.4
	Repeat Customer sales	229.7	-	229.7	264.1	(2.5)	261.6	-	261.6
	Other revenue	3.5	(2.1)	1.4	2.7	-	2.7	(1.9)	0.8
		250.2	(2.1)	248.1	290.4	(2.7)	287.6	(1.9)	285.7
	Naked Wines US								
	New Customer sales	9.2	-	9.2	14.2	(0.2)	14.0	-	14.0
	Repeat Customer sales	96.2	-	96.2	114.2	(1.7)	112.5	-	112.5
	Other revenue	3.5	(2.1)	1.4	2.7	-	2.7	(1.9)	0.8
		108.9	(2.1)	106.8	131.1	(1.9)	129.2	(1.9)	127.3
	Naked Wines UK								
	New Customer sales	5.1	-	5.1	6.3	-	6.3	-	6.3
	Repeat Customer sales	106.3	-	106.3	118.1	-	118.1	-	118.1
		111.4	-	111.4	124.4	-	124.4	-	124.4
	Naked Wines Australia								
	New Customer sales	2.7	-	2.7	3.1	(0.1)	3.0	-	3.0
	Repeat Customer sales	27.2	-	27.2	31.8	(0.8)	31.0	-	31.0
		29.9	-	29.9	34.9	(0.9)	34.0	-	34.0
Contribution after advertising costs	Group								
	Investment in New Customers	(20.8)	-	(20.8)	(23.3)	0.3	(23.0)	-	(23.0)
	Repeat Customer contribution	57.3	-	57.3	65.3	(0.7)	64.6	-	64.6
	Repeat contribution margin (%)	25%	-	25%	25%	-	25%	-	25%
	Other contribution	(8.2)	1.5	(6.7)	(5.9)	0.1	(5.8)	5.1	(0.7)
		28.3	1.5	29.9	36.1	(0.3)	35.8	5.1	40.9
	Naked Wines US								
	Investment in New Customers	(11.0)	-	(11.0)	(14.5)	0.3	(14.2)	-	(14.2)
	Repeat Customer contribution	33.5	-	33.5	36.7	(0.5)	36.2	-	36.2
	Repeat contribution margin (%)	35%	-	35%	32%	-	32%	-	32%
	Other contribution	(7.8)	1.5	(6.3)	(5.9)	0.1	(5.8)	5.1	(0.7)
		14.7	1.5	16.2	16.3	(0.1)	16.2	5.1	21.3
	Naked Wines UK								
	Investment in New Customers	(6.5)	-	(6.5)	(5.8)	-	(5.8)	-	(5.8)
	Repeat Customer contribution	17.0	-	17.0	20.7	-	20.7	-	20.7
	Repeat contribution margin (%)	16%	-	16%	18%	-	18%	-	18%
	Other contribution	(0.3)	-	(0.3)	-	-	-	-	-
		10.1	-	10.1	14.9	-	14.9	-	14.9
	Naked Wines Australia								
	Investment in New Customers	(3.2)	-	(3.2)	(3.0)	0.1	(2.9)	-	(2.9)
	Repeat Customer contribution	6.8	-	6.8	7.8	(0.1)	7.7	-	7.7
	Repeat contribution margin (%)	25%	-	25%	25%	-	25%	-	25%
		3.6	-	3.6	4.8	-	4.8	-	4.8
General and administrative	Naked Wines US	(9.2)	-	(9.2)	(11.9)	0.2	(11.7)	0.5	(11.2)
	Naked Wines UK	(4.7)	(0.1)	(4.8)	(6.7)	-	(6.7)	0.4	(6.3)
	Naked Wines Australia	(2.3)	-	(2.3)	(3.2)	0.1	(3.1)	0.1	(3.0)
	Unallocated	(15.5)	(0.1)	(15.6)	(16.1)	-	(16.1)	0.5	(15.6)
	Group	(31.7)	(0.2)	(31.9)	(37.9)	0.3	(37.6)	1.5	(36.1)
Other	Impairment	-	-	-	(9.9)	-	(9.9)	9.9	-
EBIT	Naked Wines US	5.5	1.5	7.0	4.5	(0.1)	4.4	5.6	10.0
	Naked Wines UK	5.4	(0.1)	5.3	8.1	-	8.1	0.4	8.5
	Naked Wines Australia	1.3	-	1.3	0.8	(0.1)	0.7	1.0	1.7
	Unallocated	(15.5)	(0.1)	(15.6)	(25.2)	-	(25.2)	9.7	(15.5)
	Group	(3.3)	1.3	(2.0)	(11.8)	(0.2)	(12.0)	16.7	4.7

Alternative performance measures (APMs) continued

Repeat Customer contribution margin

		Naked Wines US	Naked Wines UK	Naked Wines Australia	Group
52 weeks ended 31 March 2025					
Repeat Customer sales	£m	96.2	106.3	27.2	229.7
Repeat Customer contribution	£m	33.5	17.0	6.8	57.3
Repeat contribution margin	%	34.8%	16.0%	25.0%	24.9%
52 weeks ended 1 April 2024					
Repeat Customer sales	£m	114.2	118.1	31.8	264.1
Repeat Customer contribution	£m	36.7	20.7	7.8	65.3
Repeat contribution margin	%	32.1%	17.5%	24.5%	24.7%

General and administrative costs reconciliation

	52 weeks ended 31 March 2025 £m	52 weeks ended 1 April 2024 £m
G&A costs per income statement	(31.7)	(37.9)
Add back adjusted items (see note 7):		
Disposal of US inventory - bad debt expense	-	0.2
Restructuring costs	-	1.3
Software as a Service costs	-	0.1
Fair value movement on foreign exchange contracts	(0.2)	-
G&A costs per segmental reporting in note 6	(31.9)	(36.3)
Add back share-based payment charges	1.3	0.4
Operating G&A costs	(30.6)	(35.9)

Net cash excluding lease liabilities

	31 March 2025 £m	1 April 2024 £m
Cash and cash equivalents	30.1	31.9
Borrowings:		
Borrowings net of issuance costs	-	(12.3)
Net cash excluding lease liabilities	30.1	19.6

Inventory liquidation and associated costs

	52 weeks ended 31 March 2025 £m	52 weeks ended 1 April 2024 £m
Adjusted EBITDA excluding inventory liquidation and associated costs	6.7	8.7
Depreciation and amortisation	(2.2)	(3.0)
Adjusted EBIT excluding inventory liquidation and associated costs	4.5	5.7
Less inventory liquidation and associated costs ¹ :		
Net loss on inventory disposal with no associated release of provision previously made as an adjusted item	(1.7)	(0.7)
US inventory provision ²	(3.6)	-
Winemaker contract cancellation payments	(0.6)	-
Holding costs for bulk wine held for sale on the secondary market	(0.6)	-
Adjusted EBIT	(2.0)	5.0
Adjusted items (see note 7 Adjusted items)	(1.3)	(16.8)
EBIT	(3.3)	(11.8)

1. See also note 7 Adjusted items for net profit or loss on disposal of inventory made with an associated provision previously provided for as an adjusted item.

2. In FY25, overstock inventory provisions created in the US business unit are charged to adjusted EBIT and amount to £3.6m as reported here (FY24: charge of £5.5m included in adjusted items). Net movement in US inventory provision in FY24 and reported in adjusted items amounted to £2.4m (see note 7 Adjusted items) being provision created as set out above and utilisation of £3.2m (see note 18 Inventory and staged payments to winemakers for details).

Reconciliations of new APMs

Free Cash Flow	52 weeks ended 31 March 2025 £m	52 weeks ended 1 April 2024 £m
Operating cash flow excluding tax paid per page 25	19.6	7.8
Less capital expenditure per page 25	(1.1)	(1.1)
Free Cash Flow	18.5	6.7
Return on Equity and Cash %	52 weeks ended 31 March 2025	52 weeks ended 1 April 2024
Adjusted EBITDA excluding inventory liquidation and associated costs (£m)	6.7	8.7
Equity (£m)	71.5	76.8
Debt per note 29(b) Analysis of movement in net cash and changes in liabilities arising from financing activities (£m)	6.4	15.9
Equity and debt (£m)	77.9	92.7
Return on Equity and Cash %	9%	9%
Customer Acquisition Cost	52 weeks ended 31 March 2025	52 weeks ended 1 April 2024
Investment in new customers (£m)	20.8	23.3
New customers acquired ('000)	281	318
Customer Acquisition Cost £	74	73
Revenue Per Member	52 weeks ended 31 March 2025	52 weeks ended 1 April 2024
Repeat Customer sales (£m)	229.7	264.1
Closing members ('000)	581	654
Revenue Per Member £	395	404

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