

naked wines

Investor Presentation

December 2021



Winemaker: Mike Paterson, New Zealand

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naked^{wines}

Our business

Winemaker: **Carmen Stevens**, South Africa

The wine industry needs Naked

We have an organic, clear and compelling mission:

To disrupt the wine industry for the benefit of customers, winemakers and our people

Wine Drinkers...

The problems

- Consumers are unhappy with the level of choice & knowledge
- Told by the industry what to drink and what to like
- Not giving any input in the process
- Paying too much for good-quality wine

The solutions

- Exclusive access to world class wines & winemakers, with personalised recommendations
- Quality / value advantage with satisfaction & pricing guarantees
- Vibrant community of shared interest

Wine Makers...

The problems

- Winemakers are under immense pressure to meet stringent cost levels & unrealistic production time limits
- Experiencing small business pains including funding, scalability & marketing

The solutions

- Autonomy – creative freedom with the winemaker's own brand
- Security – limited capital risk with guaranteed, multi-year commitment
- Reward – potential for high income & rapid scalability
- Passion – ability to focus on what wine makers love - making great wines

Naked Wines by the numbers

£340.2m

Group sales
(FY20: £202.9m)

£39.3m

Standstill EBIT
(FY20: £9.6m)

3.0x

5-Year Forecast Payback
(FY20: 2.6x)

886,000

active Angels
(FY20: 580,000)

20%

of Angels on subscription
products (Never Miss Out &
Wine Genie)

88%

Repeat Customer Sales
Retention
(FY20: 83%)

Note - Data is for FY21, unless otherwise stated

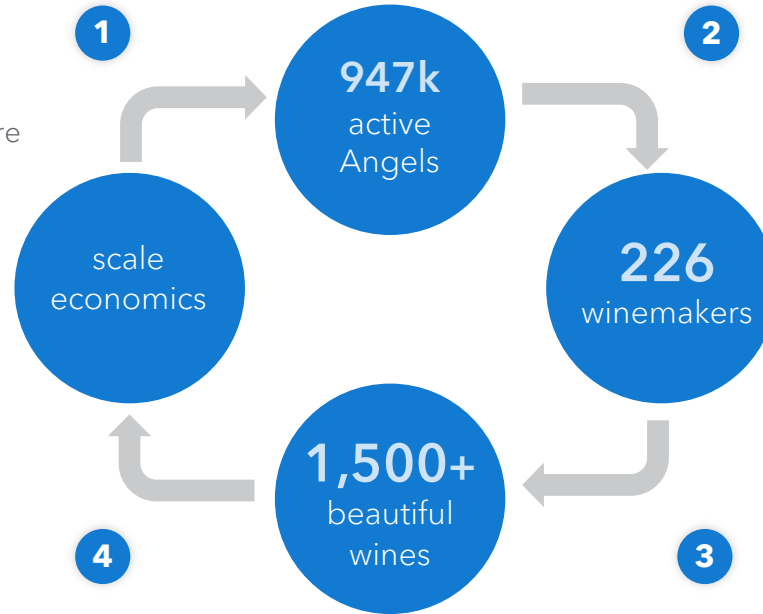
Differentiated model with a virtuous circle

Our subscribers (Angels) generate a stream of cash and product data

The larger the Angel base the more cash we receive from monthly subscription payments

Building a bigger, better business unlocks scale economies

Naked can share efficiencies with winemakers and offer better value to customers, while generating attractive margins



We use this money to back independent winemakers to make wine exclusively for us; the data enables them to make better wine

The more funding we have the more winemakers we can onboard and offer them larger volumes and longer contract terms

Winemakers focus on creating beautiful wines and we handle the rest - resulting in preferential prices

This offers our Angels beautiful wines which drives higher retention

Naked offers winemakers a unique proposition

How we find

Our winemakers

Our teams, led by Lucy in the US, Ray in the UK, and Johan in Australia

Work with existing winemakers who can act as reference

Attend wine fairs to network with talented winemakers who may want to launch solo

Taste every wine we sell to ensure quality

What we look for in

Our winemakers

The credentials and expertise to make truly world-class wines

Local and international recognition

Vision beyond the traditional market

A desire to connect directly with customers

Wines to differentiate our current range and price points

What we offer to

Our winemakers

Autonomy; we offer winemakers creative freedom and their own brand

Security; limited capital risk with guaranteed sales and multi-year commitments

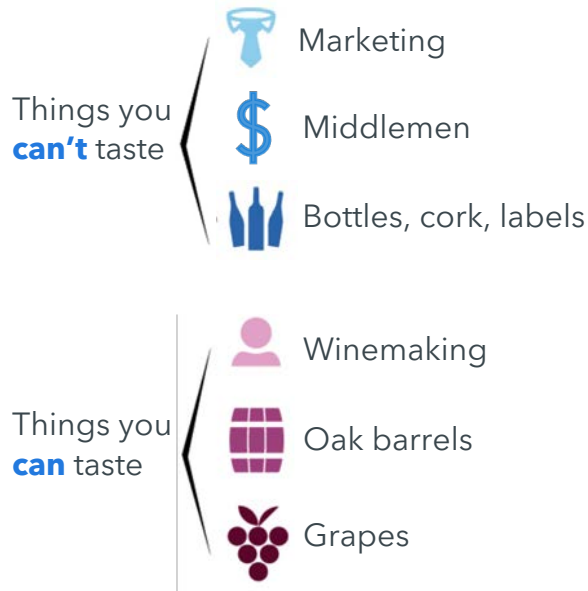
The opportunity to scale rapidly

Access to 886k Angels

High income potential

Model engineered to deliver affordable luxury

Where your money actually goes



In this \$60 bottle of Napa Cab
... there is only \$10 of Napa Cab

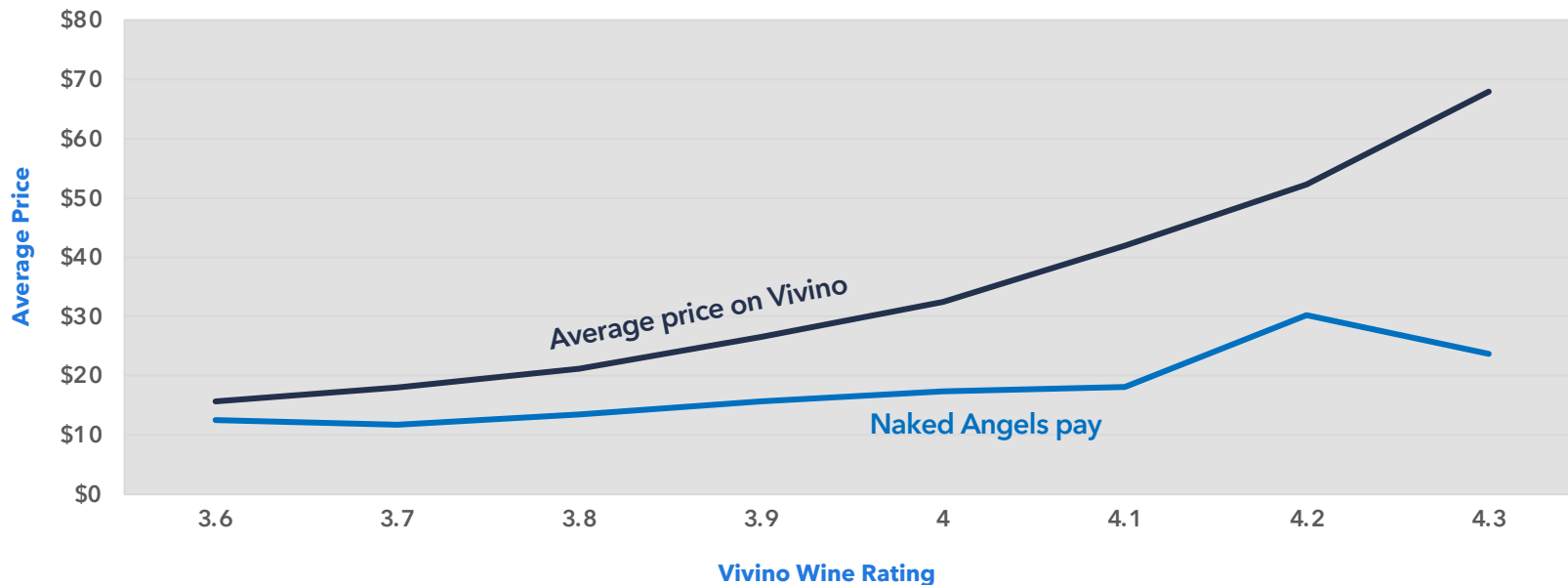
We can sell the same \$10 of
Napa Cab for \$25 - and still
make >50% margin



Sweet Spot
The best value for your money

A measurable value for money advantage for Angels

Naked Pricing vs Vivino Market Average (red wine)



- When consumers come to Naked they get to enjoy even better wine for their money
- Angels get access to exclusive wines from world class winemakers at unbeatable value

Attractive customer profile

36+ Year Olds

82%

Male : Female

48:52

Household Income¹ >\$90k

49%

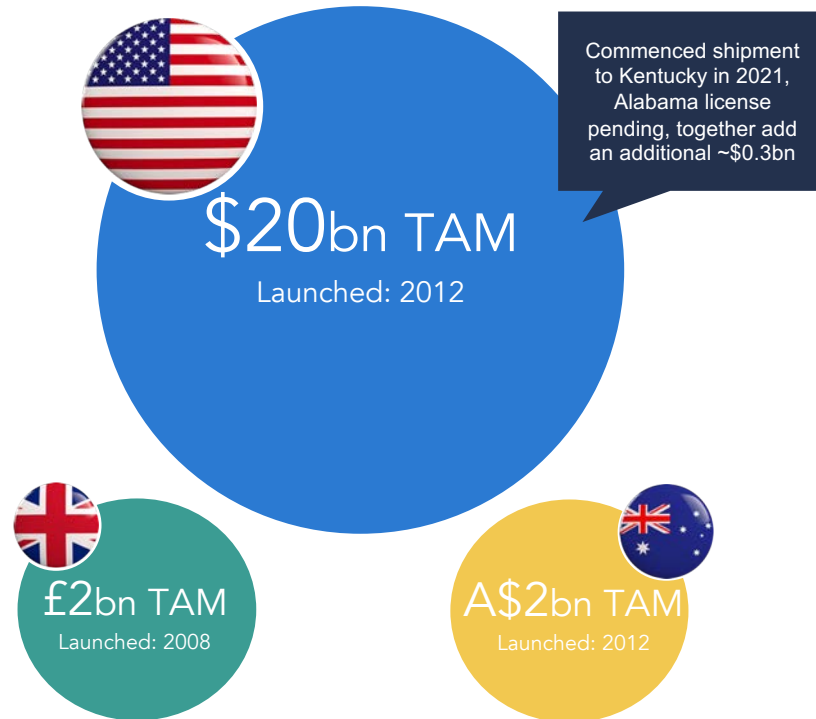
83%

**Long-Term Repeat Customer
Sales Retention Rate²**

1. Reflects the US active Angel base only.

2. FY21 Repeat Customer sales retention was 88%, long-term retention based on FY20 figure of 83%.

Just getting started with Global TAM of \$25m



Source: 2020 Direct to Consumer Wine Shipping report. See <https://www.sovos.com/shipcompliant/resources/wine-dtc-report/>

Combination of DTC & online based on analysis commissioned by the company.

1. Naked Wines held licenses to ship to 42 states and DC in H1'22, representing 91% of US wine market. We anticipate commencing shipping to a further state in Q3'22.

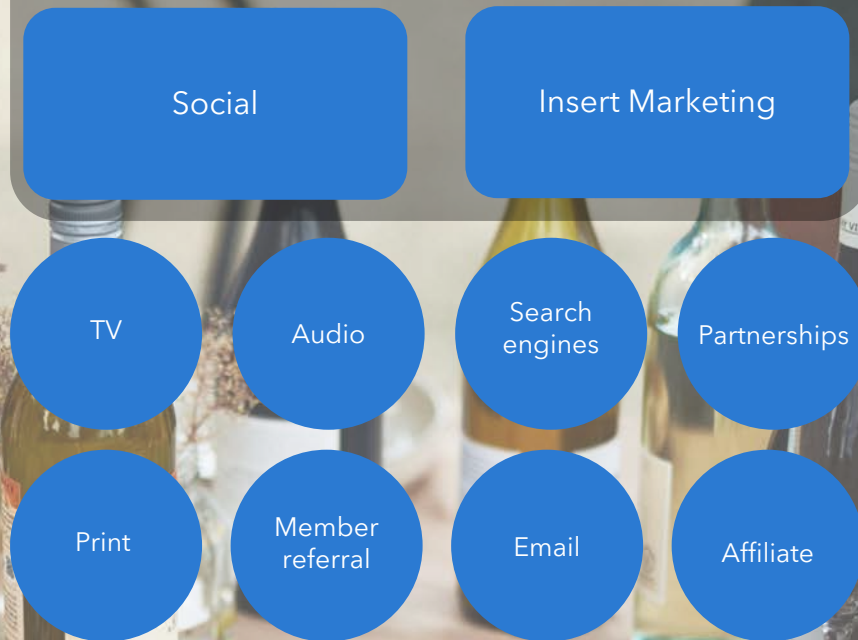
Go-to-Market strategy

Approach based on:

- Testing and developing further marketing channels not previously explored
- Discover which channels produce quality customers and attractive returns
- Investing to generate long-term value
- Prioritising 5-year over immediate returns



Main Channels Today



Our critical assets

Great people with relevant experience	Deep relationships	Strong leadership and culture	Data led	Strong capital position
<ul style="list-style-type: none"> • Strong and experienced management team • Leading winemakers, wine buyers and data analysts 	<ul style="list-style-type: none"> • 235 independent winemakers • 886,000 active Angels • Established marketing partners • Global distribution networks 	<ul style="list-style-type: none"> • Nimble, innovative culture • Data-based decision-making • Lean teams • Community-focused 	<ul style="list-style-type: none"> • 28.9 million ratings and reviews from customers • Analytics drive effective customer targeted advertising • Interactive, engaging platform 	<ul style="list-style-type: none"> • Well funded with £85 million of available cash • Investing for growth to drive future value

High barriers to scale

Established Brand & Network

- ➔ Scalable for wine makers
- ➔ Optimized network of marketing partners
- ➔ Large base of loyal and engaged customers

Effective Operational Platform

- ➔ Valuable technology and data
- ➔ Leverageable customer analytics
- ➔ Interactive winemaker platform

Continued Reinvestment in Ecosystem

- ➔ Recruit winemakers
- ➔ Build a distribution network
- ➔ Grow customer base

Strategic Business Model

- ➔ Sticky DTC platform
- ➔ Exclusive partnerships with winemakers
- ➔ Large TAM with accelerating growth

FY22 Strategic Pillars

1.

**ENHANCE
CUSTOMER
PROPOSITION
TO IMPROVE
LTV**



2.

**LEVERAGE
SCALE TO
ENHANCE
VALUE
CREATION**



3.

**BROADEN AND
ENHANCE GO
TO MARKET
STRATEGY**



FY22 Strategic Pillars

1.

ENHANCE CUSTOMER PROPOSITION TO IMPROVE LTV



- Improving e-commerce infrastructure and user experience
- Enhancing the core shopping experience for our Angels
 - Improving recommendations to aid customer discovery
 - Including more awards and critic reviews
- Extending the scope of subscription products
- Enhancing wine quality perception

FY22 Strategic Pillars

2.

LEVERAGE SCALE TO ENHANCE VALUE CREATION



- Scaling global network to commit to volumes and unlock predictable cost reductions
- Attracting more winemakers and increasing the range and volume capacity
- Delivering even better wine and value for our customers
- Growing our members and expanding our ecosystem

FY22 Strategic Pillars

3.

BROADEN AND ENHANCE GO TO MARKET STRATEGY



- Personalising the new customer offering by tailoring it to individual needs and taste preferences
- Improving the new customer onboarding process
- Continuing to spend £3m p.a. on Marketing R&D to expand the channels through which we acquire customers

Investment highlights

- **Disruptive business model** that delivers a superior product to consumers
- **Large under-penetrated markets**, particularly in the U.S., with positive secular trends
- **Unique solution** for winemakers that leans into their strengths
- **Subscription model** with a loyal customer base, attractive unit economics and recurring revenues
- **Powerful data and analytics** provide better insights and decision making
- **Sufficient cash** to invest in scaling the business

Committed to maximising long-term value

A well-rounded and thoughtful approach to investing

➔ From “Lifetime” to 5-Year Forecast Payback

We believe this is a time horizon that appropriately balances a tangible ability to predict customer behaviour while maintaining a focus on building a business for the long term underpinned by high-quality, highly loyal customers

➔ An agnostic investment approach

We adopt an evidenced based-assessment of likely investment returns when reviewing opportunities to invest in enhancing our customer proposition

➔ Continuing to invest in uncovering new opportunity

We see Naked having the available cash to deploy through various marketing channels and a medium-term opportunity to extend beyond pure direct response investment

A woman with reddish-brown hair, wearing a light green long-sleeved shirt and blue jeans, stands in a vineyard. She is holding a dark wine bottle horizontally with both hands, aiming it directly at the camera in a playful, gun-like manner. To her left is a small table covered with a peach-colored cloth, set with a bottle of wine, glasses, and other items. The background is filled with lush green grapevines and foliage, with sunlight filtering through the leaves.

naked

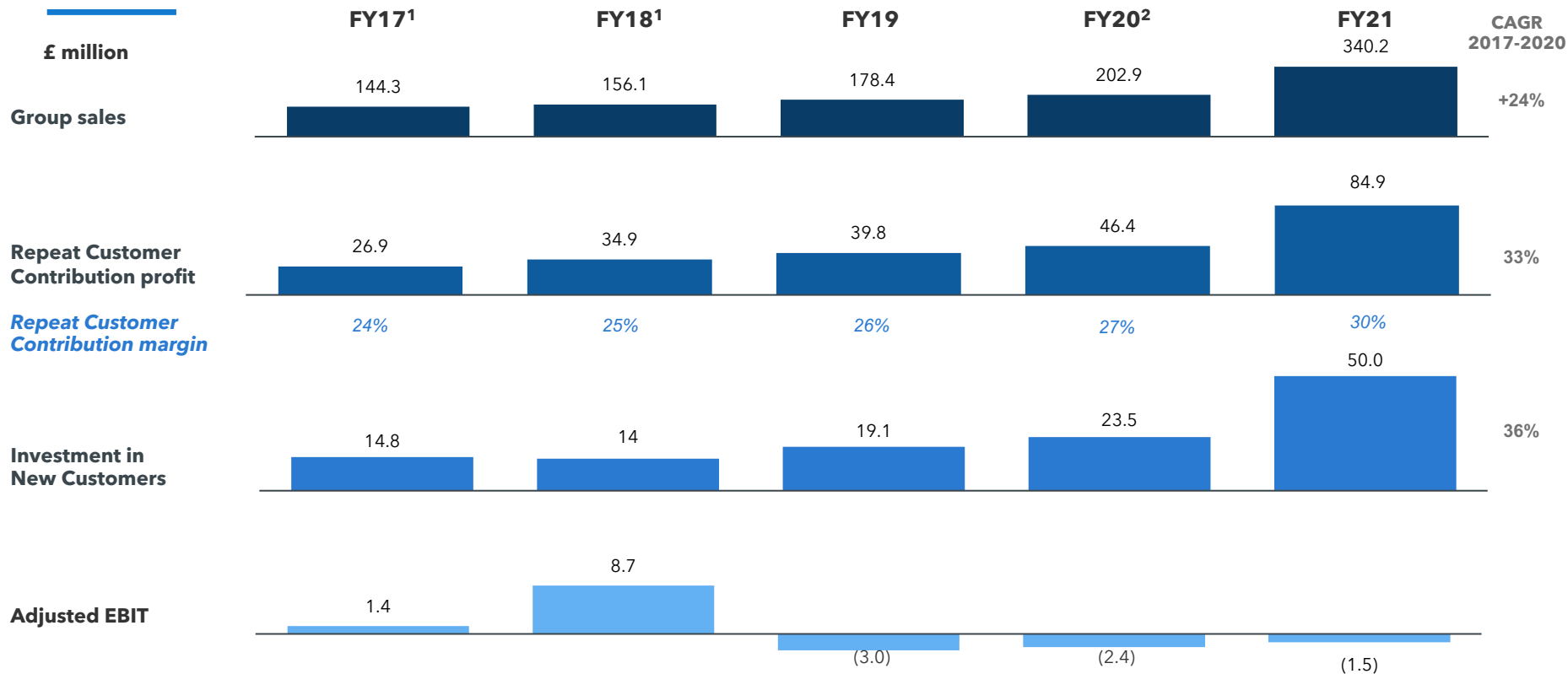
wines

Financials

Winemaker: **Jen Pfeiffer**, Australia

FY21 financials at a glance

£ million



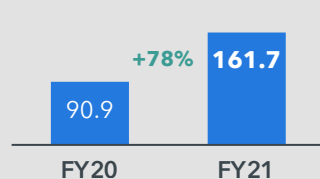
1. FY17 and FY18 figures are as reported for Naked Wines at the time and have not been adjusted for the disposal of Majestic Wines which completed in December 2019, such as the reallocation of central costs.

2. Following a review of the allocation method for fulfilment costs in the current year, we have reallocated costs in the FY20 comparative figures on a consistent basis. This has resulted in a £0.7m movement of costs from Repeat to New Customer costs, which we think more accurately reflects the basis on which these costs arose.

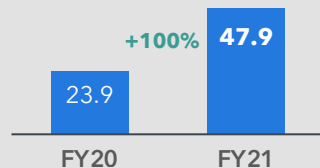
Segmental overview - FY21

US (£ million)

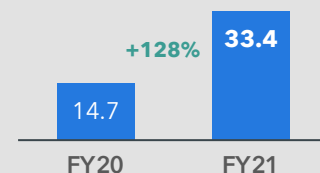
Sales



Repeat Customer Contribution profit

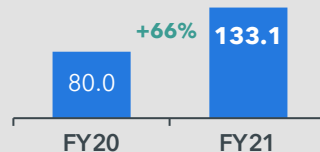


Investment in New Customers

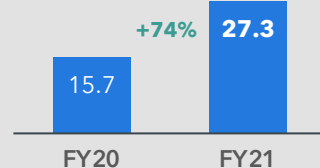


UK (£ million)

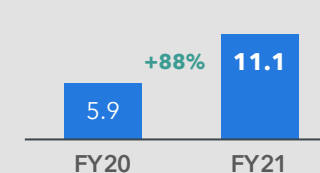
Sales



Repeat Customer Contribution profit

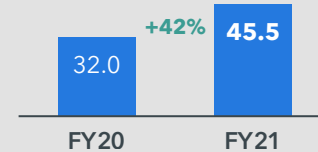


Investment in New Customers

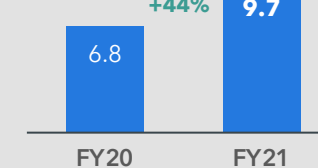


Australia (£ million)

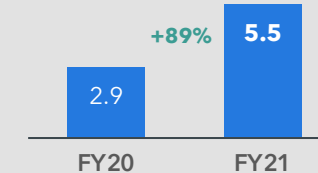
Sales



Repeat Customer Contribution profit



Investment in New Customers



KPIs - FY21

New Customers

	FY21	FY20	Change
New Customer Contribution loss	£7.7m	£3.8m	+105%
+			
Advertising costs	£42.3m	£19.8m	+114%
=			
Investment in New Customers	£50.0m	£23.5m	+113%
5-Year Forecast Payback ¹	3.0x	2.6x	+0.4x
Year-1 Payback	82%	67%	+1,480bps

1. 5-Year Forecast Payback shown here as the original forecast payback for that cohort. Full definitions of our KPIs can be found in the appendix to this presentation.

Repeat Customers

	FY21	FY20	Change
Repeat Customer sales	£283.9m	£173.7m	+63%
Repeat Customer Contribution profit	£84.9m	£46.4m	+83%
Repeat Customer Contribution margin	29.9%	26.7%	+320bps
Repeat Customer sales retention	88%	83%	+565bps
Active Angels	886k	580k	+53%

Balance sheet and cash flow

For the year ended (£m)	FY21	FY20	FY19
Closing cash balance	85.1	54.7	(15.5)
Non-current assets	52.6	59.7	41.9
- Intangibles	34.0	36.0	39.1
- Others	18.6	23.7	2.8
Non-current liabilities	(3.4)	(5.8)	(22.6)
Working capital			
Inventory	76.1	69.9	56.1
Other current assets	7.2	7.2	6.2
Customer funds	(65.8)	(38.4)	(37.8)
Payables and accruals	(48.5)	(33.8)	(20.7)
Net working capital	(31.0)	4.9	3.8
Year on year change in working capital ¹	32.3	(1.5)	(6.3)
Year on year change in Investment in New Customers	26.5	4.4	5.0
Adjusted EBIT	(1.5)	(2.4)	(3.0)
Addback: Depreciation and IFRS 2 charges	2.5	2.6	0.6
Less: Capex	(2.7)	(1.1)	(0.9)
Changes in working capital	32.3	(1.5)	(6.3)
Free Cash Flow	30.6	(2.4)	(9.6)

Well positioned to continue to drive growth and intrinsic value

- Utilising capital to invest in growth
- Sufficient cash position of £85.1 million to execute FY22 Plan, including:
 - Investment in customer acquisition subject to our returns criteria
 - Inventory purchases to increase availability, deliver our growth plans and enhance our customer proposition
 - Investment in strategic initiatives and building operational capacity to support this
- There are significant investment opportunities therefore not proposing any distributions or returns of capital to shareholders at this time
 - If capital in excess of requirements this will be returned to shareholders

1. The difference between the year on year change in working capital and the change in the net working capital presented on the face of the balance sheet relates to the translation of working capital movements from local currency to GBP.

FY22 guidance

- Total sales of £340 million - £355 million
 - Growth of 2% to 7% on a constant currency basis
- Investment in New Customers expected to be £35 million to £45 million
- Repeat Customer Contribution profit of £85 million - £90 million
 - FY22 margin expected to be 100-200 basis points below H1'22, driven by the supply chain and logistics environment and higher inventory storage costs
- General & Administrative expense of £46 million to £49 million, with investments in strategic initiatives



1. General and administrative cost guidance excludes amortisation.

FY21 summary

Market Transformed

USA now largest division

- Online inflection point
- Unprecedented channel shift

Economics Enhanced

29.9%
Repeat Customer
Contribution margin

- +320bps Repeat Customer Contribution margin improvement
- Unit economics delivered at scale
- On track to deliver >10% EBIT margin at scale

Community Strengthened

886,000 Angels

- Improved retention rates
- Over £750,000 raised for good causes

Winemaker Appeal Magnified

Over 60 new winemakers

- Unprecedented challenges for small wineries
- Delivering on our mission: COVID Relief Fund, Stop the Squeeze

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Appendices



Leadership team



Nick Devlin
Chief Executive Officer

Since Jan 2020

Favourite Wine:
Gerd Stepp,
Pfalz Riesling



Shawn Tabak
Chief Financial Officer

Since Dec 2020

Favourite Wine:
Darryl Groom,
Pinot Noir



Clean Power Finance



Max Miller
President of US Business

Since Apr 2020

Favourite Wine
Jesse Katz, Exposed



bluprint



Deloitte Consulting



Alicia Kennedy
AUS Managing Director

Since Jun 2019

Favourite Wine
Tim Smith,
The Triplet GSM



James Crawford
UK Managing Director

Since Dec 2020
(CFO 2014-20)

Favourite Wine
Ramon Do Casar,
Treixadura



David Crawford
Chief Technology Officer

Since Jan 2020

Favourite Wine
Mauricio Lorca,
Lirico Malbec



Camelot GLOBAL



Bryn Snelson
Director of Brand, Proposition & Product

Since Dec 2019

Favourite Wine
Dom Maxwell,
Podcarp Pinot Noir



Jason Scott
Director of Analytics

Since Aug 2015

Favourite Wine
Scott Kelly,
Oregon Tempranillo

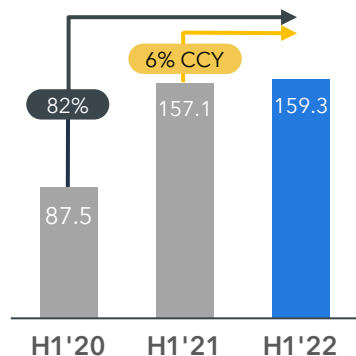


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a Symantec company



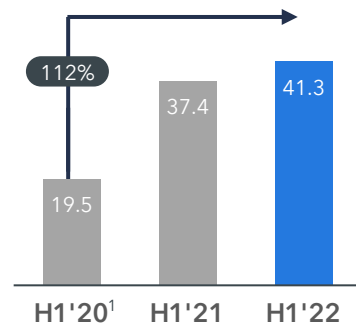
H1'22 financials at a glance

Group Sales (£ million)



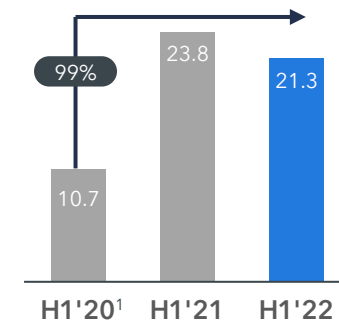
- Group sales +6% on constant currency basis vs. H1'21 (+1% reported)²
- Led by US segment

Repeat Customer Contribution profit (£ million)



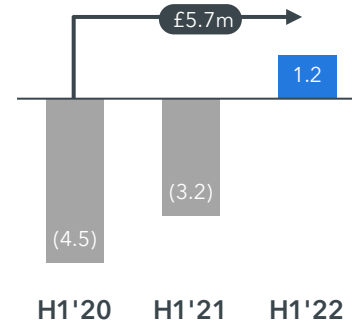
- 21% increase in Repeat Customer Sales vs. H1'21 on a constant currency basis
- Strong Sales retention of 80%, above expectations
- 112% increase over HY'20 highlights continued scale

Investment in New Customers (£ million)



- Reduced investment to address higher CAC and consumer behaviour changes
- £2m of lower payback spend as market shifted faster than expected as economies re-opened

Adjusted EBIT (£ million)



- Continuing to invest for long-term value creation
- Investment in New Customers funded by repeat customer contribution

1. Following a review of the allocation method for fulfilment costs in the current year, we have reallocated costs in the H1'20 comparative figures on a consistent basis. This has resulted in a £0.3m movement of costs from Repeat to New Customer costs, which we think more accurately reflects the basis on which these costs arose.

2. Constant currency basis using current period FX for the translation of the comparative period.

KPIs - H1'22

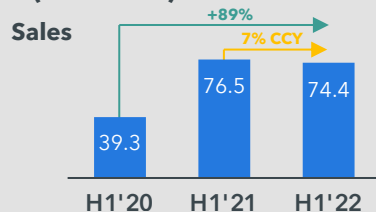
New Customers	H1'20	H1'21	H1'22	2 YOY Change
New Customer Contribution loss	£1.9m	£3.7m	£3.4m	+79%
+				
Advertising costs	£8.8m	£20.1m	£17.9m	+103%
=				
Investment in New Customers	£10.7m	£23.8m	£21.3m	+99%
5-Year Forecast Payback ¹	2.3x	3.9x	1.7x	(0.6x)
Year-1 Payback	66%	67%	101%	+3,400bps

Repeat Customers	H1'20	H1'21	H1'22	2 YOY Change
Repeat Customer sales	£75.4m	£124.9m	£144.7m	+92%
Repeat Customer Contribution profit	£19.5m	£37.4m	£41.3m	+112%
Repeat Customer Contribution margin	25.9%	29.9%	28.5%	+270bps
Repeat Customer sales retention	79%	95%	80%	+110bps
Active Angels	553k	757k	947k	+71%

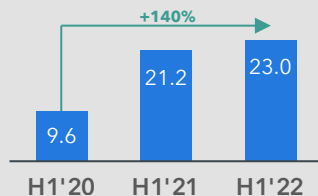
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Segmental overview - H1'22

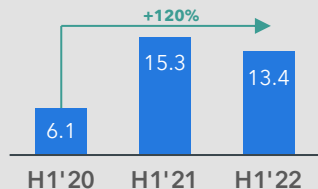
US (£ million)



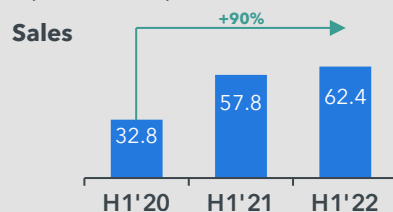
Repeat Customer Contribution profit



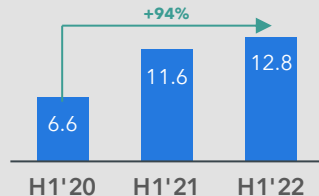
Investment in New Customers



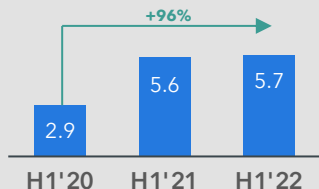
UK (£ million)



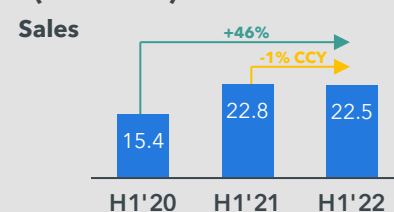
Repeat Customer Contribution profit



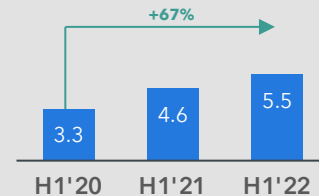
Investment in New Customers



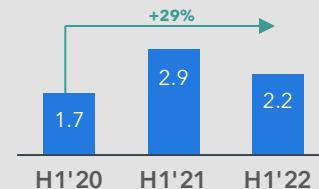
Australia (£ million)



Repeat Customer Contribution profit



Investment in New Customers



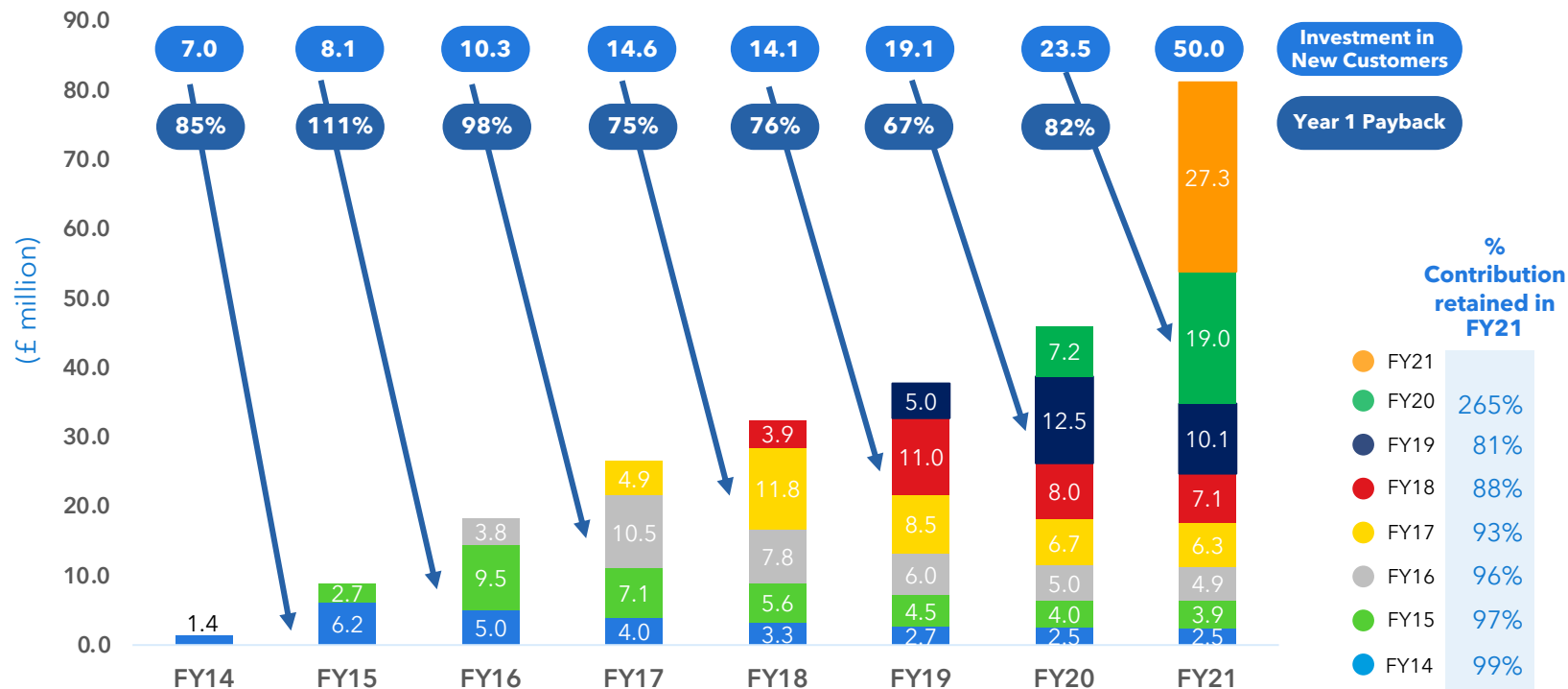
Income statement

£m	FY21	FY20	YoY%	HY20	HY21	HY22	2YoY%
Total sales	340.2	202.9	68%	87.5	157.1	159.3	82%
Cost of sales	(204.7)	(125.3)	63%	(54.0)	(95.2)	(92.7)	72%
Gross profit	135.5	77.6	75%	33.5	61.9	66.6	99%
<i>Gross profit margin</i>	40%	38%	+160bps	38%	39%	42%	+350bps
Fulfilment costs	(58.3)	(35.0)	67%	(15.8)	(28.2)	(28.7)	82%
<i>% of total sales</i>	17%	17%	(10)bps	18%	18%	18%	+5bps
Contribution profit	77.2	42.6	81%	17.7	33.7	37.9	114%
<i>% contribution profit margin</i>	23%	21%	+170bps	20%	21%	24%	+360bps
Advertising costs	(42.3)	(19.8)	114%	(8.8)	(20.1)	(17.9)	103%
<i>% of total sales</i>	12%	10%	+270bps	10%	13%	11%	+120bps
General and administrative costs ²	(36.4)	(25.2)	44%	(13.4)	(16.8)	(18.8)	40%
<i>% of total sales</i>	11%	12%	(175)bps	15%	11%	12%	(350)bps
Adjusted EBIT	(1.5)	(2.4)	(37)%	(4.5)	(3.2)	1.2	127%
New Customer Contribution profit/(loss)	(7.7)	(3.8)	105%	(1.9)	(3.7)	(3.4)	79%
Advertising costs	(42.3)	(19.8)	114%	(8.8)	(20.1)	(17.9)	103%
Investment in New Customers¹	(50.0)	(23.5)	113%	(10.7)	(23.8)	(21.3)	99%
Repeat Customer Contribution profit¹	84.9	46.4	83%	19.5	37.4	41.3	112%
<i>Repeat Customer Contribution margin</i>	30%	27%	+320bps	26%	30%	29%	+270bps

1. Following a review of the allocation method for fulfilment costs in the current year, we have reallocated costs in the FY20 comparative figures on a consistent basis. This has resulted in a £0.7m movement of costs from Repeat to New Customer costs, which we think more accurately reflects the basis on which these costs arose.

2. G&A costs reported here are as per the income statement excluding £3.6m of acquisition related amortisation costs, £2m of fair value adjustments relating to open FX contracts and £0.7m of PLC company foreign exchange revaluations. In FY21, G&A costs now include £1.0m of share-based payment charges, previously reported as adjusted items (FY20: £1.0m) and £3.0m of expenditure in Marketing R&D.

Repeat Contribution by acquisition cohort and payback



1. Analysis excludes revenue recognition adjustments
2. Restated for constant currency

H1'22 5-Year Forecast Payback progression

5-Year Payback Forecast				
Cohort	Age at reporting date	Latest forecast ¹	Original forecast ²	Payback to date
FY16	61-72 months	3.1x (actual)	3.1x (actual)	3.7x
FY17	49-60 months	2.6x	2.5x	2.6x
FY18	37-48 months	2.8x	2.5x	2.1x
FY19	25-36 months	2.4x	2.3x	1.4x
FY20	13-24 months	3.0x	2.6x	1.1x
FY21	0-12 months	3.0x	n/a	0.5x

1. Latest forecast per FY21 expectations.

2. Original forecast shows the expected payback in the year the cohort originated or for earlier years (FY16-FY18) this figures represents the estimate when the 5-Year Payback Forecast was introduced for that cohort.

Standstill EBIT (L12M)

£m	FY19	FY20	FY21
Repeat Customer sales	152.9	173.7	283.9
Repeat Customer Contribution profit	39.8	46.4	84.9
Sales retention	80.7%	83.3%	88.2%
Repeat Customer Contribution lost to attrition	7.7	7.7	10.0
Year-1 Payback (from PY cohort)	78.0%	67.0%	82.0%
Spend to replenish lost Repeat Contribution	9.9	11.6	12.2
SS EBIT is calculated as			
Repeat Customer Contribution profit	39.8	46.4	84.9
Less: replenishment spend	(9.9)	(11.6)	(12.2)
Less: Naked G&A costs	(13.8)	(14.2)	(18.5)
Less: PLC G&A costs	(10.4)	(11.0)	(14.9)
Standstill EBIT	5.7	9.6	39.3
Standstill EBIT margin			13.8%

Standstill EBIT is a measure of our annual profitability that would be reported if investment in new customers was reduced to the level needed to just replenish the current customer base. This proforma EBIT measure highlights the profitability of the business today.

Glossary of terms

Alternative performance measures

Adjusted EBIT	Operating profit adjusted for amortisation of acquired intangibles, acquisition costs, impairment of goodwill, restructuring costs and fair value movement through the income statement on financial instruments and revaluation of funding cash balances held
EBIT	Operating profit as disclosed in the Group income statement per the Annual Report
EBITDA	EBIT plus depreciation and amortisation
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
Adjusted PBT	Adjusted EBIT less net finance income / (charges)
Free cash flow	Cash generated by operating activities less capital expenditure and before adjusted items and taxation
Net cash	Cash at year end less amounts committed to remaining shareholder bonds and held under guarantee to meet statutory guarantee obligations

Glossary of terms (continued)

Investment measures

5-Year Forecast Payback	The ratio of projected future Repeat Customer Contribution profit we expect to earn from the new customers recruited in the year over the Investment in New Customers. We forecast contribution at a customer level using a machine learning algorithm which 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. As this is an undiscounted forward-looking estimate it cannot be reconciled back to reported financial results. As we can refine this expectation over time, we also update the expected returns from prior year investment. For this year, we will also show the lifetime payback for comparative purposes.
General and administrative costs	Administrative costs excluding advertising cost
Investment in New Customers	The Investment in New Customers during the year, including contribution profit/loss from New Customer sales and advertising costs. Please note we have updated the description of this term to elaborate on its components, but the underlying calculation has not changed
5-Year Lifetime value	The future Repeat Customer Contribution profit we expect to earn from customers recruited in a discrete period of time. We calculate this future contribution using a Machine Learning (ML) 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 ML algorithms then predict the future (lifetime) value of that customer
Repeat Customer Contribution profit	The profit attributable to sales meeting the definition of sales to repeat customers after fulfilment and service costs
Repeat Customer sales retention	The proportion of sales made to customers who met our definition of "Repeat" last year that were realised again this year from the same customers. Using our website data, the population who were subscribers in the prior year are identified and their sales in the current year then assessed. This is done for each month and summed to calculate the full year retention
Year One Payback	This short-term payback measure shows the actual return in this financial year of our investment in the prior year, removing the need to use a model to forecast the future

Glossary of terms (continued)

Definitions	
Angel	A customer who deposits funds into their Angel account each month to spend on the wines on our website
CAGR	Compound annual growth rate. 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 between gross profit and EBIT, calculated as gross profit less the costs of fulfilling and servicing (e.g. credit card fees, delivery costs, customer facing staff costs). We often split contribution into that from new and repeat customers as they can have different levels of profitability
DtC	Direct to consumer
ESO	Employee Stock Option
Group	Naked Wines plc and its subsidiary undertakings
LTIP	Long Term Incentive Plan
Marketing	Expenditure focused on researching and testing new marketing channels and creative approaches, with the aim of opening up significant new growth investment opportunities
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
New Customer sales	Revenues derived from transactions with customers who meet our definition of a new customer
Repeat Customer	A customer ('Angel') who has subscribed and made their first monthly subscription payment
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
SIP	Share Incentive Plan
Standstill EBIT	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
TAM	Total Addressable Market (TAM) represents the available market which Naked sees as a revenue opportunity which it could serve

Glossary of terms (continued)

Customer experience KPIs

Product availability	% of targeted range available on websites as indicated by our inventory reporting
Wine quality - 'Buy it again ratings'	% of "Yes" scores in the last 12 months as recorded by websites/apps
Service ratings - '5* customer service'	The number of service ratings scoring 5* as a % of total ratings in the last 12 months as recorded by websites/apps/telephone feedback