NEWS RELEASE

AGM Trading Update

8/6/2020

RNS Number : 2898V

Naked Wines PLC

06 August 2020

Naked Wines plc
("Naked" or the "Group")

AGM Trading Update

Naked Wines plc is holding its Annual General Meeting ("AGM") at 11.30am BST today. In compliance with new legislation relating to company meetings, which came into force on 26 June 2020, the Company will arrange for a quorum for the AGM to be in place by telephone. Due to Covid-19 restrictions in place, the AGM is a closed meeting. While shareholders are unable to attend in person, they are able to submit questions pertaining to AGM business via the Company Secretary at **Cosec@nakedwines.com**. All other investor questions may be directed to the Investor Relations team at **IR@nakedwines.com**.

As announced on 24 July 2020, John Walden will step down as Chairman following the AGM to be succeeded by Ian Harding until Ian's scheduled retirement from the Board in the summer of 2021. The Board would like to extend its thanks to John for his guidance and support and wishes him well for the future.

Trading Update

The Group continues to trade strongly, with total sales in July[1] expected to be +73% vs the prior year. This brings sales growth in the first four months of the financial year to +76%, driven by:

- New customer sales +185%, from investment in new customers +115%
- Repeat customer sales +58% with sales retention of 91%.

The Group has also delivered a c.3 percentage point improvement in repeat contribution margin.

While significant uncertainty remains for the remainder of the year around the ongoing response to Covid-19 and the resultant macro-economic challenges, the Board has reviewed potential scenarios for the Group's performance this year.

Our central case assumes that we see the heightened levels of new customers and repeat purchase frequency reduce over summer, entering peak trading with an increased customer base and more normalised trading patterns for each customer. In this event the board would anticipate:

- Total sales growth for the full year of around 40%
- Repeat customer contribution of £65-70m
- Investment in new customers of £35-40m, at lower year on year margins, impacted by our weighting of first orders to smaller cases to optimise inventory usage
- Fixed costs of £32-34m, plus Marketing R&D spend of £3m as previously indicated

We have reviewed, and continue to maintain, a range of active scenarios for the full year that include both more optimistic and pessimistic scenarios than this central case driven by potential outcomes from sustained lockdown driving accelerated trading through to a deep recession driving high levels of cancellation and less frequent purchasing.

As we consider how to manage the changing environment the Board intends that we remain committed to maximising our investment in new customer acquisition subject to meeting our returns criteria and will invest in inventory and operational capacity to support this.

1. Preliminary and *unaudited*

Nick Devlin, CEO, commented:

"I'm pleased to report continued strong rates of new customer growth and particularly strong repeat trading momentum as we see evidence of new customers recruited during the Covid-19 pandemic converting to repeat customers. I'm especially grateful for the incredible work of our teams around the world who have enabled us to deliver this step change in performance under challenging operating conditions.

The evidence we are seeing across our markets is consistent with our view that Covid-19 has served as an inflection point for the online wine market, with Naked uniquely placed to benefit from that. We have the balance sheet strength and operational agility to enable Naked to continue to focus on ways

to accelerate growth and take advantage of the opportunities presented by the new and evolving consumer landscape."

For further information, please contact:

Naked Wines plc Nick Devlin, Chief Executive Officer James Crawford, Chief Financial Officer	**ir@nakedwines.com**
Investec **(NOMAD & Joint Corporate Broker)** David Flin / Carlton Nelson / Tejas Padalkar	**Tel: 0207 597 5970**
Jefferies International Limited **(Joint Corporate Broker)** Ed Matthews / Harry Clements	**Tel: 0207 029 8000**
Instinctif Partners (PR Agency) Damian Reece / Guy Scarborough	**Tel: 07931 598 593 / 07917 178 920**

About Naked Wines plc

Naked Wines connects everyday wine drinkers with the world's best independent winemakers.

Why? Because we think it's a better deal for everyone. Talented winemakers get the support, funding and freedom they need to make the best wine they've ever made. The wine drinkers who support them get much better wine at much better prices than traditional retail.

It's a unique business model. Naked Wines customers commit to a fixed prepayment each month which goes towards their next purchase. Naked in turn funds the production costs for winemakers, generating savings that are passed back to its customers. It creates a virtuous circle that benefits both wine drinker and winemaker.

Our mission is to change the way the whole wine industry works for the better. In the last year, we have served nearly 600,000 individual customers in the US, UK and Australia, making us a leading player in the fast growing direct-to-consumer wine market.

Our customers (who we call Angels) have direct access to over 200 of the world's best independent winemakers making over 1,000 quality wines in 19 different countries. We collaborate with some of the world's best independent

winemakers like Matt Parish (Beringer, Stags' Leap) and 8-time Winemaker of the Year Daryl Groom (Penfolds Grange).

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact **rns@lseg.com** or visit **www.rns.com**.

END

TSTFLFIATTIEIII