Management Report & Business Overview

December 2025

SAMPLE REPORT

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Executive Summary

Overview

Resilient December 2025 performance with EBITDA doubling year on year, but liquidity is thin and four risks require immediate action.

- EBITDA doubled YoY to £78.5k despite Black Friday underperformance
- Revenue forecast recovers strongly to £1,809k by March 2026
- Balance sheet solvent but current ratio of 1.0x leaves minimal buffer
- Term Loan 1 fully drawn, refinancing conversations required by mid-2026
- Return rate climbing to 18.4% with no sign of stabilising

Metric	Value	Change
EBITDA	£78.5k	+113% YoY
Revenue	£1,299k	Dec trough
Net Assets	£320.8k	
Current Ratio	1.0x	
LTV:CAC	7.7x	+1.2x YoY
Return Rate	18.40%	+1.3pp YoY
Marketing ROAS	3.1x	
High Risks	4	

Immediate Action

Term Loan 1 refinancing by Q2 2026. Supplier E escalation. Returns policy review in Womenswear and Footwear.

Monitor

Lapsed customer rate. Covenant headroom. Inventory days at 67. Fulfilment capacity at 78%.

Positive Signals

EBITDA doubled. CAC down 13.2%. Reactivation rate 37% above benchmark. Strong Q1 2026 forecast

2

Revenue Performance & Forecast

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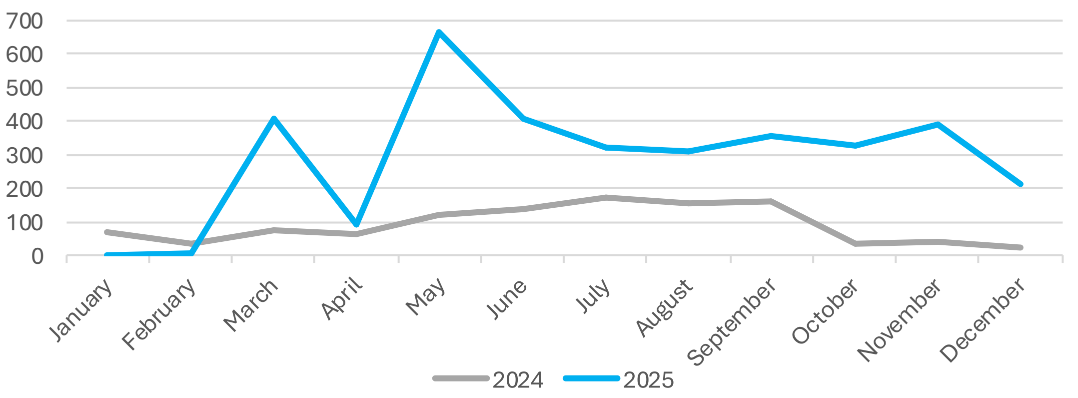
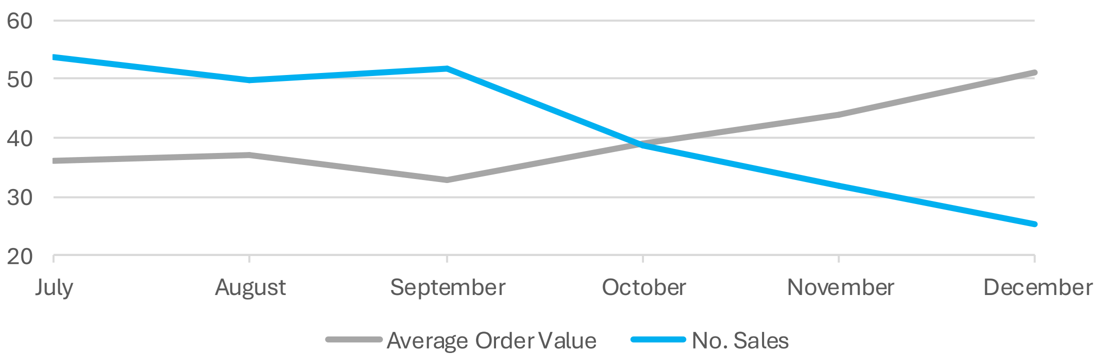
Financial Health Dashboard

Cash Movement	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec
Cash Inflow	1,932.4	1,840.6	1,708.9	1,505.8	1,400.0	1,299.4
Cash Outflow	1,998.0	2,083.8	1,627.2	1,498.7	1,312.6	1,363.8
Net Cash Flow	323.0	308.6	353.3	332.3	391.0	220.7

Cash Position (£'000)



Sales to Order Value



Overview

- The free postage promotion successfully drove average order values from £33k in September to £51k in December, though this came at the cost of transaction volumes which declined sharply from October onwards.
- Inflows declined across H2 whilst outflows were elevated by upfront Christmas stock purchases in August and festive ad spend in Q4, though net cash flow remained positive throughout.
- The business is tracking materially ahead of 2024 across all months, reflecting strong year-on-year growth in liquidity.

figures

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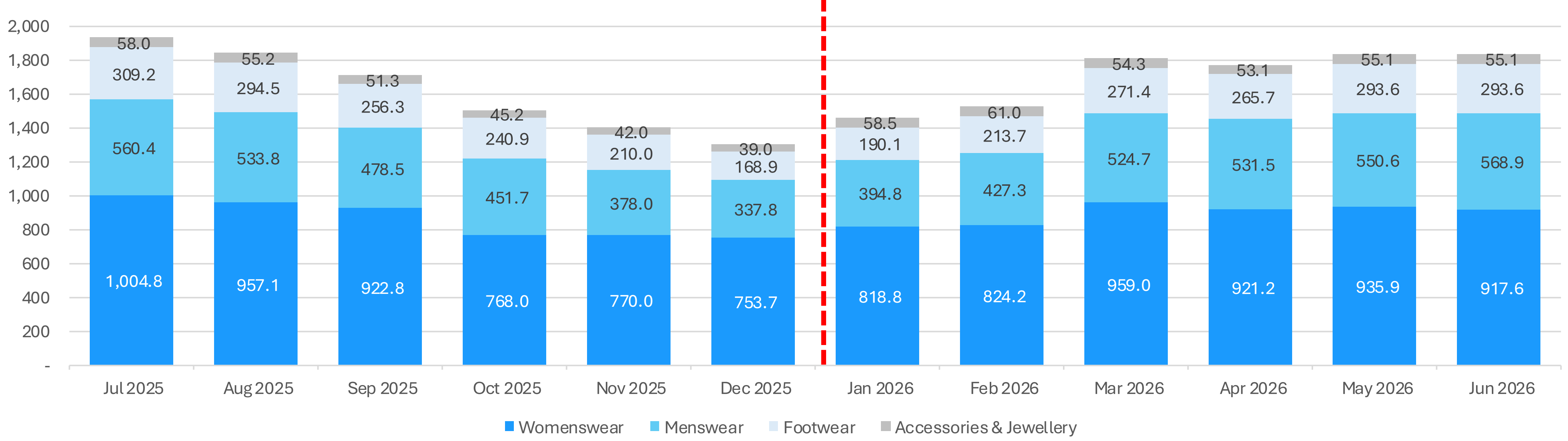
Revenue Performance & Forecast

Black Friday underperformed versus competitors, however historical trends point to a strong Q1 2026 recovery, our New Year sales campaign consistently outperforms our festive promotional activity.

Revenue by Category: FY2025 Actual vs FY2026 Forecast



Overview

- Revenue troughed at £1,299k in December, Black Friday activity was less competitive than rival retailers, and with consumers having already committed discretionary spend, appetite for Christmas purchasing was materially reduced.
- January through March recover strongly, buoyed by year-end sales and Cyber Monday demand carrying into the new year, with March's first promotional campaign of the year lifting revenue to £1,809k and setting a strong platform for H1 2026.

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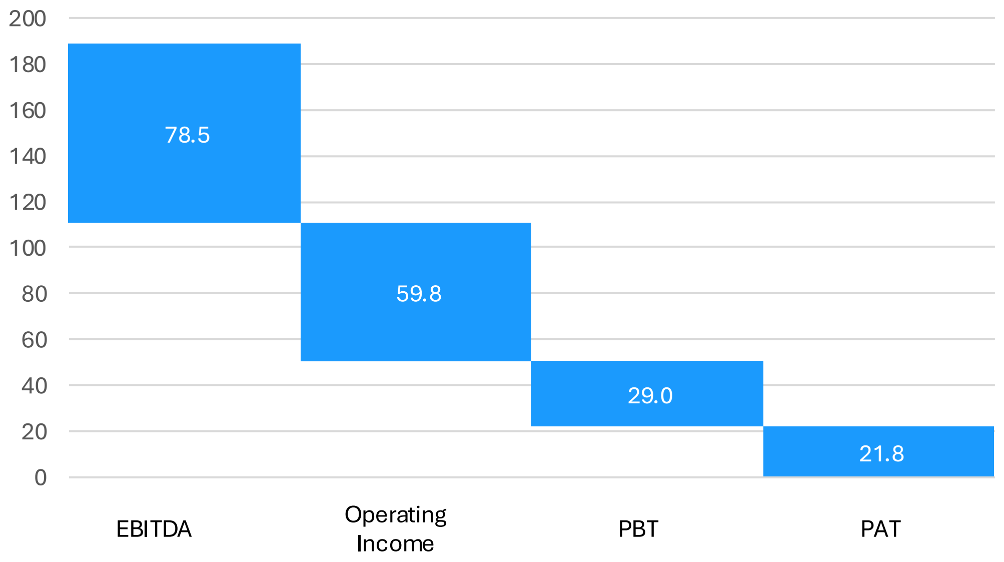
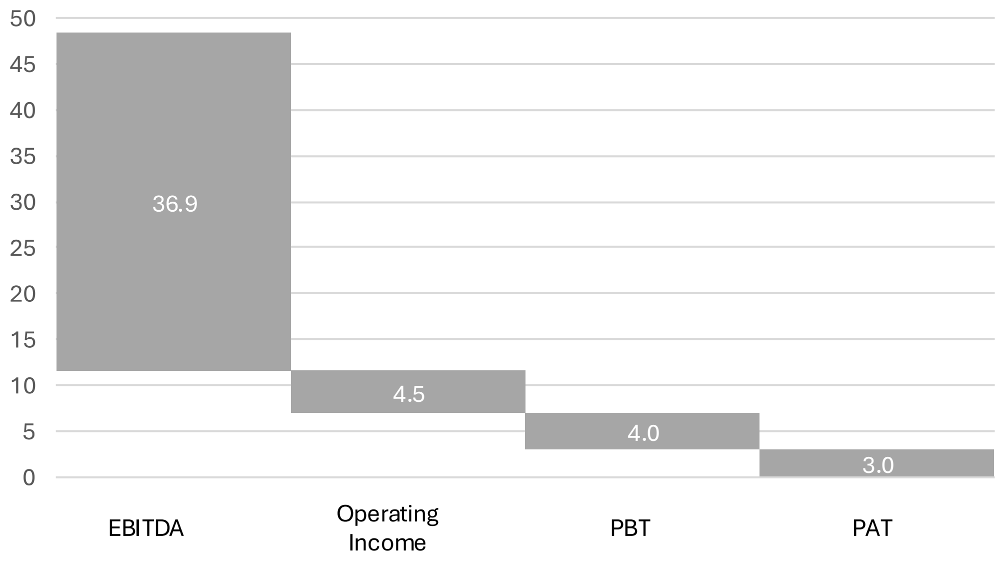
Profit Waterfall

EBITDA-to-PAT conversion improved materially in 2025, reflecting a stronger operational base despite increased interest and tax charges resulting from the loan facility drawdown.

2025	2024





Overview

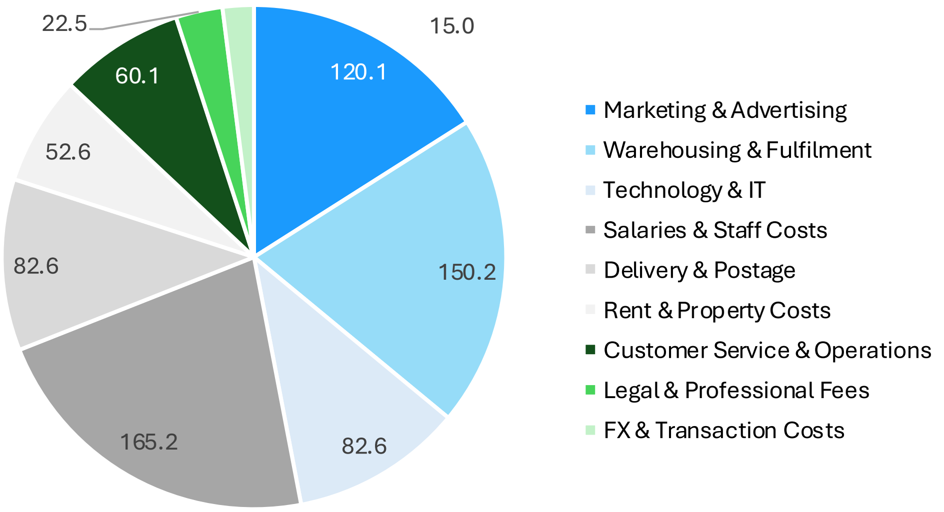
- EBITDA grew from £36.9k in 2024 to £79k in 2025, more than doubling year-on-year, demonstrating significant improvement in operational efficiency, however the step-down to PAT of £22k highlights the material impact of interest charges on the loan facility eroding bottom-line profitability.
- The 2025 waterfall shows a steeper drop between EBITDA and Operating Income compared to 2024, reflecting higher depreciation and amortisation charges, once these non-cash items are stripped out, the underlying cash generation of the business remains stronger than the PAT figure suggests.

Operating Expenses Breakdown

Marketing & Advertising spend increased year-on-year and came in £14k over budget, reflecting a deliberate decision to amplify promotional activity in response to Black Friday discounts falling short of competitors.

Expense	Dec 25 (£'000)	Dec 24 (£'000)	vs Budget
Marketing & Advertising	120.1	95.5	(14.0)
Warehousing & Fulfilment	150.2	127.3	9.0
Technology & IT	82.6	70.0	3.0
Salaries & Staff Costs	165.2	140.0	12.0
Delivery & Postage	82.6	76.4	6.0
Rent & Property Costs	52.6	44.5	-
Customer Service, Operations	60.1	50.9	4.0
Legal & Professional Fees	22.5	19.1	(1.0)
FX & Transaction Costs	15.0	12.7	-
Interest	34.5	0.5	-
Total	**785.4**	**636.9**	**19**

Breakdown of Expenses (£'000)



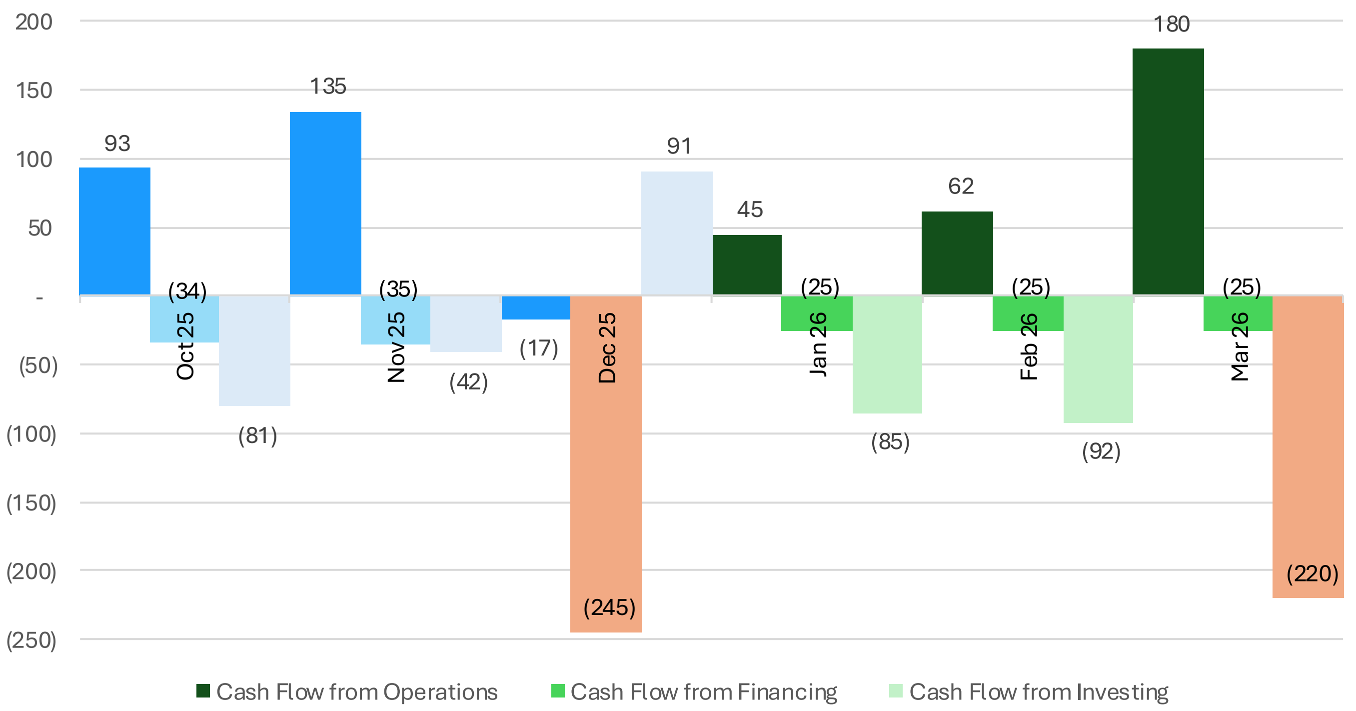
Overview

- Interest expense increased materially year-on-year (£34.5k vs £0.5k in Dec 24), reflecting the drawdown of a loan facility secured to support the business restructuring, expected to normalise as the facility is serviced through 2026.
- Salaries & Staff Costs came in £12k favourable to budget as surplus headcount provisioned for anticipated Christmas trading was not required, a positive variance, though a direct consequence of Q4 sales underperforming expectations.

Cashflow & Capital Expenditure

A significant debt repayment in December 2025 reduced cash reserves, with a planned factory investment in March 2026 representing the business's most material capital commitment of the year.

Cashflow +/- 3 Months



Overview

- Operating Cash Flow recovered strongly through Q1 2026, reaching £180k in March driven by the spring promotional period, demonstrating the business's ability to self-fund post the December trough.
- December 2025 saw a one-off financing outflow of £245k reflecting a scheduled credit facility repayment normalising to -£25k monthly through H1 2026.
- The March 2026 Investing outflow of -£220k covers the new fulfilment facility construction, increasing warehouse capacity by 35% and reducing logistics costs by £180k annually from Q3 2026.
- Operating Cash Flow of £180k in March substantially offsets the Capex commitment, confirming the business can self-fund strategic investment without additional debt.

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Balance Sheet & Working Capital

Balance Sheet Health

Balance sheet is solvent with net assets of £320,800 but liquidity is tight and leaves little room for unexpected pressure.

Assets: 1,716.1
Liabilities: 1,395.3
Net: 320.8

Assets vs Liabilities

The balance sheet is solvent, but the £320.8k net asset buffer is slim, any further deterioration in liabilities requires immediate attention.

1.0

Current Ratio

There is no liquidity buffer, one unexpected liability could put the business under short-term pressure.

0.5

Quick Ratio

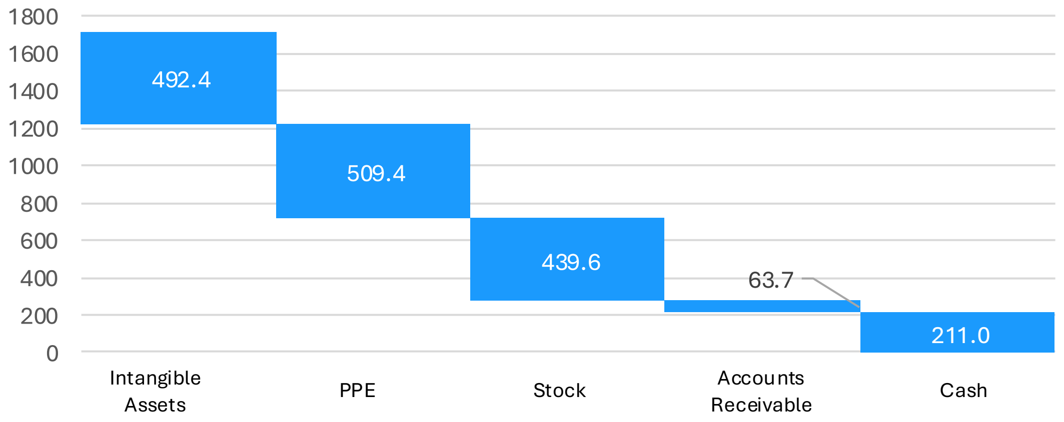
The business is dependent on selling inventory to meet its obligations, if stock doesn't move, cash becomes a problem.

7.8

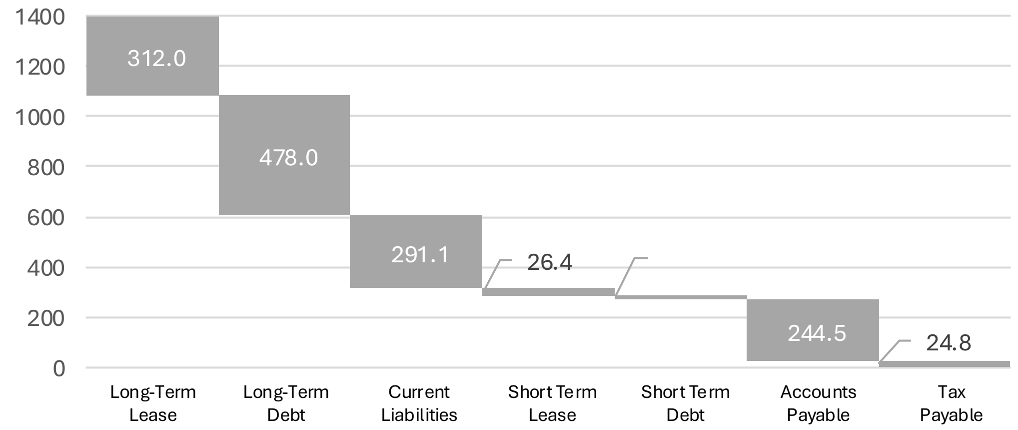
Interest Coverage

Debt is comfortably serviceable and lenders have no grounds for concern at current earnings levels.

Assets



Liabilities



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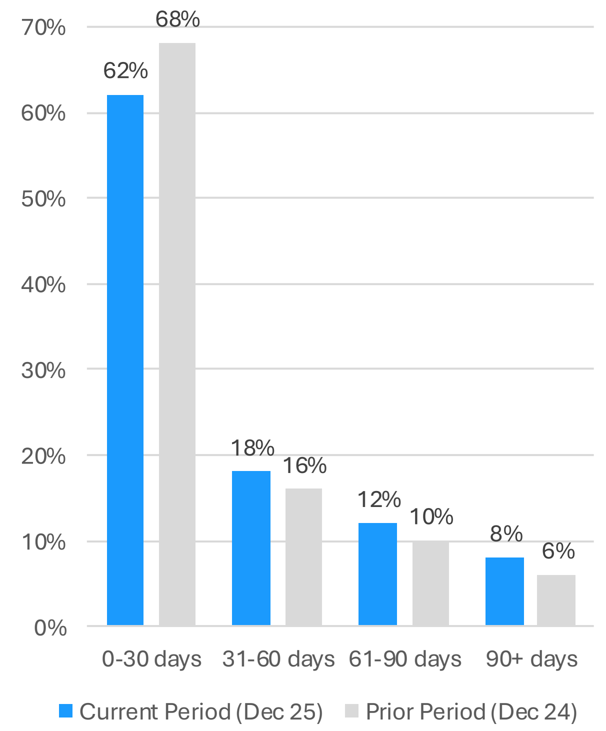
Working Capital Management

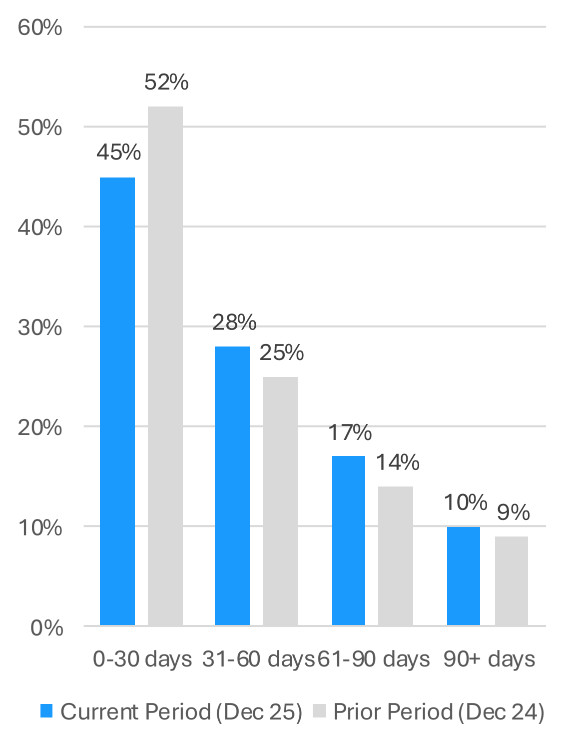
A significant debt repayment in December 2025 reduced cash reserves, with a planned factory investment in March 2026 representing the business's most material capital commitment of the year.

Cash Movement	Dec-25	Dec-24	Change
Debtor Days	42	38	+4 days
Creditor Days	55	51	+4 days
Inventory Days	67	58	+9 days
Trade Debt as % of Revenue	14%	12%	2%
Trade Creditor as % of COGS	18%	16%	2%

Aged Debtors



Aged Creditors



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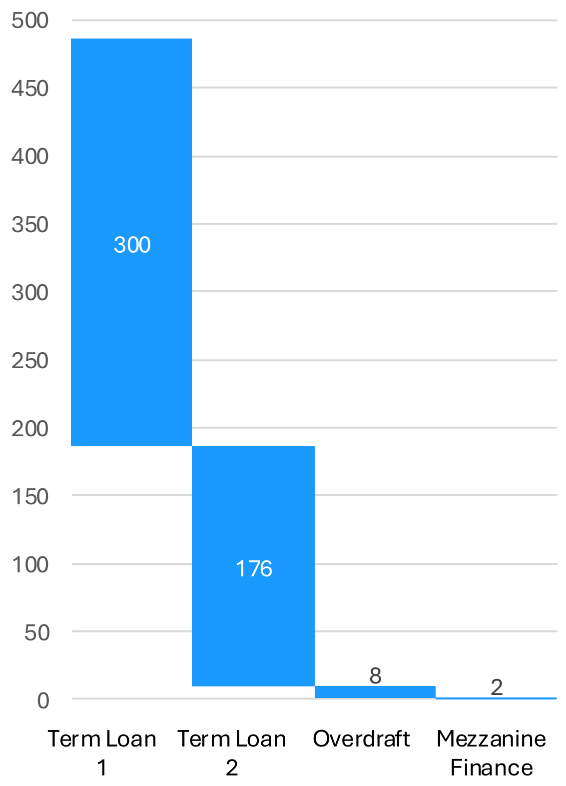
Debt Structure & Banking Position

Total debt of £538m across 4 facilities — 90% utilised with Term Loan 1 refinancing required by mid-2026.

Debt Waterfall



Facility	Facility	Drawn	Maturity	Covenants	Notes
Term Loan 1	£300m	£300m	Dec-27	Leverage Ratio ≤ 4.0x (Net Debt / EBITDA)	Fully drawn, no headroom. Refinancing conversations should begin no later than mid-2026.
Term Loan 2	£200m	£176m	Jun-28	Minimum EBITDA ≥ £85m per annum	£24m headroom remaining. EBITDA performance critical to maintaining covenant compliance.
Overdraft	£18m	£8m	Revolving	Debtor Days ≤ 60 days	£10m available. Debtor days tracking close to covenant limit, credit control needs attention.
Mezzanine	£20m	£2m	Mar-29	Net Debt / EBITDA ≤ 4.5x	Largely undrawn, £18m available. Highest cost facility, only draw if senior capacity exhausted.

Overview & Recommendations

- Total facilities of £538m with £486m drawn at 90% utilisation. Headroom is limited and two facilities require immediate action.
- Term Loan 1 is fully drawn and refinancing conversations must begin this quarter. Approaching a December 2027 maturity with no headroom and no refinancing in progress is not an option.
- Term Loan 2 EBITDA covenant headroom is tight at £24m. Debtor days on the Overdraft are approaching the 60 day covenant limit. Both require a weekly monitoring tracker and a credit control programme implemented before Q2 2026.

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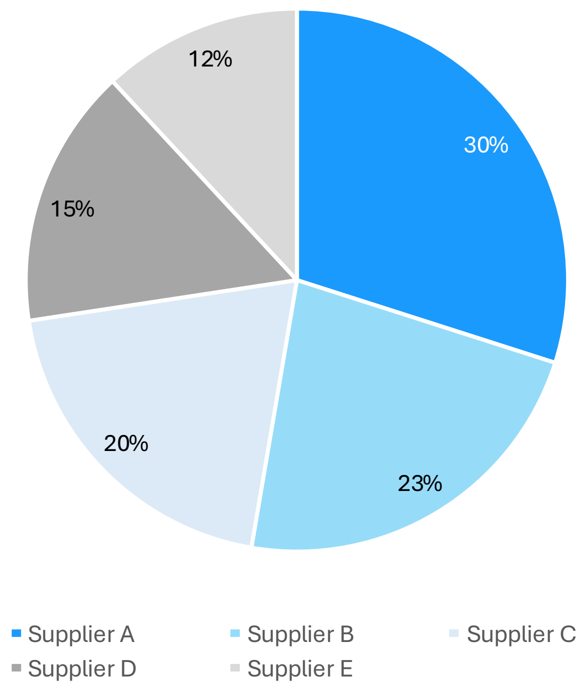
Creditor & Supplier Analysis

£94.9m owed across 5 key suppliers 4 paying beyond agreed terms with average variance of 17 days.

Amount Owed to Key Suppliers



Supplier	Amount Owed	Agreed Terms (Days)	Actual Days	Variance (Days)
Supplier A	28.4	30	44	(14)
Supplier B	21.6	45	51	(6)
Supplier C	18.9	30	42	(12)
Supplier D	14.7	60	60	0
Supplier E	11.3	30	67	(37)

Overview & Recommendations

- Total owed to top 5 suppliers is £94.9m, Supplier A represents 30% of exposure at £28.4m
- 4 of 5 suppliers paid beyond agreed terms, average variance of 17 days across the portfolio
- Supplier E is critical, 67 days actual vs 30 days agreed, risk of supply disruption or legal action
- Formally renegotiate extended terms with Suppliers A, B and C rather than consistently paying late
- Implement a creditor payment calendar to demonstrate control to lenders and auditors

4

Operational Performance

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Operational & Customer Metrics

LTV:CAC of 7.7x signals strong unit economics but rising returns and churn require attention to protect margin.

Metric	Dec-25	Dec-24	Variance
Customer Acquisition Cost (CAC)	£18.40	£21.20	-13.20%
Customer Lifetime Value (LTV)	£142.00	£138.50	2.50%
LTV : CAC Ratio	7.7x	6.5x	+1.2x
Average Order Value	£64.30	£61.80	4.00%
Repeat Purchase Rate	34%	31%	+3pp
Churn Rate	8.20%	9.10%	-0.9pp
Revenue per Employee	£187,400	£182,100	2.90%
Orders per Day	1,840	1,720	7.00%
Fulfilment Capacity Utilisation	78%	74%	+4pp
Return Rate	18.40%	17.10%	+1.3pp
Cost of Returns	£2.1m	£1.9m	10.50%

LTV:CAC	Payback Period
7.7x	**3.8 Months**

Overview & Recommendations

- LTV:CAC ratio of 7.7x is strong. CAC down 13.2% YoY while LTV grew 2.5%, demonstrating improving customer economics
- Average order value up 4% to £64.30 and repeat purchase rate improving to 34%, positive signals on customer loyalty
- Churn reduced to 8.2% but remains material. Every 1pp reduction in churn directly improves LTV
- Return rate creeping up to 18.4% with cost of returns at £2.1m (+10.5% YoY). Biggest margin risk on the slide, requires urgent review of returns policy and product quality
- Fulfilment capacity at 78% with orders per day up 7%. Monitor closely to avoid service level breaches as volume grows

figures

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Risk and Stress Testing

8 risks identified across operations, supply chain and finance 4 rated High, requiring immediate management action.

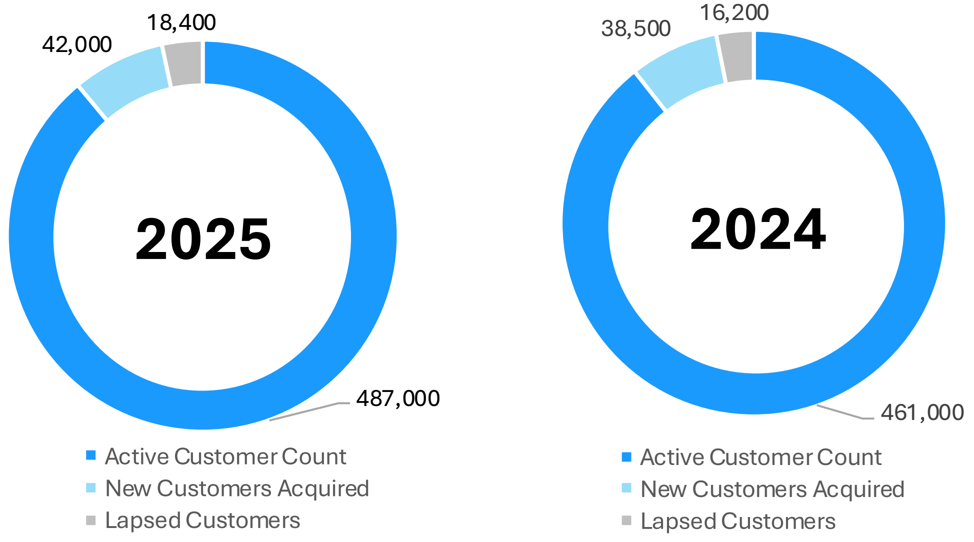
Risk	Likelihood	Impact	Risk Score	Mitigation
Return rate escalation, trending up at 18.4%	High	High	High	Review returns policy and product quality immediately
Supplier concentration, Supplier A is 30% of exposure	High	High	High	Identify and onboard alternative suppliers
Debt covenant breach, Term Loan 1 fully drawn with refinancing due mid-2026	Medium	High	High	Begin lender conversations by Q2 2026
Supplier E relationship breakdown, 37 days over agreed terms	Medium	High	High	Escalate payment or renegotiate terms immediately
Customer churn acceleration, currently 8.2%	Medium	Medium	Medium	Invest in retention and loyalty programme
Fulfilment capacity at 78% with orders growing 7% YoY	Medium	Medium	Medium	Model capacity requirements for next 12 to 18 months
HMRC liability of £24.8m tax payable	Low	High	Medium	Ensure no arrears accumulate and maintain payment schedule
Macroeconomic downturn impacting consumer spending	Low	High	Medium	Stress test revenue assumptions under downside scenario

Customer Metrics

Active customers up 5.6% to 487,000 with AOV and order frequency both improving, but retention must accelerate to protect growth trajectory.

Period	Dec-25	Dec-24	Change
Active Customer Count	487,000	461,000	5.60%
New customers acquired	42,000	38,500	9.10%
Lapsed customers	18,400	16,200	13.60%
Reactivated customers	6,800	5,900	15.30%
Average Order Frequency (annual)	2.1x	1.9x	+0.2x
Average order value	£64.30	£61.80	4.00%

Amount Owed to Key Suppliers



Overview & Recommendations

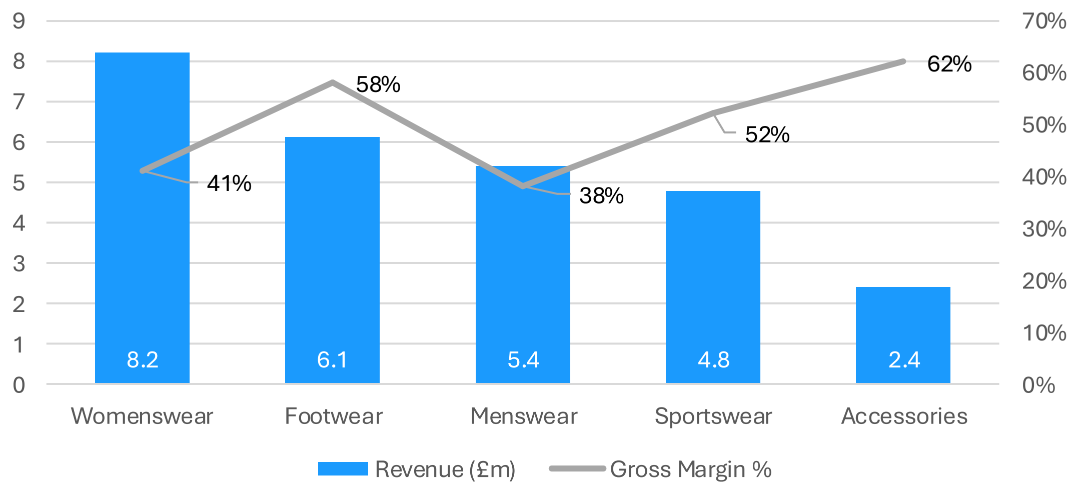
- Active customer base grew 5.6% to 487,000 but lapsed customers growing at 13.6% is outpacing new acquisition growth of 9.1%
- For every new customer acquired, 0.44 are lapsing , target should be below 0.30x to sustain healthy net growth
- Reactivation rate of 37% (6,800 of 18,400 lapsed) is above the 20-30% industry benchmark, showing win-back campaigns are working

figures

Product & Merchandising Performance

Top 5 categories generating £27m revenue, but markdown up 2.4pp to 14.2% and deadstock building in 3 categories is compressing margin.

Amount Owed to Key Suppliers



Markdown as % of Revenue

Metric	Dec-25	Dec-24	Change
Markdown as % of Revenue	14.20%	11.80%	+2.4pp
Total Markdown Value	£1.6m	£1.3m	23.10%

New SKU Introduction Rate

Metric	Dec-25	Dec-24	Change
New SKUs Introduced	142	118	20.30%
SKUs Discontinued	67	54	24.10%
Net SKU Movement	75	64	17.20%

Overview

- Accessories delivers the highest margin at 62% despite being the smallest revenue category. Growing this range is the single biggest margin improvement opportunity on the slide.
- Markdown as % of revenue up 2.4pp to 14.2% with total markdown value rising 23.1% to £1.6m. Rate of increase is unsustainable and requires tighter intake planning.
- 142 new SKUs introduced vs only 67 discontinued. Net addition of 75 SKUs will compound markdown and deadstock pressure if sell-through rates do not keep pace.

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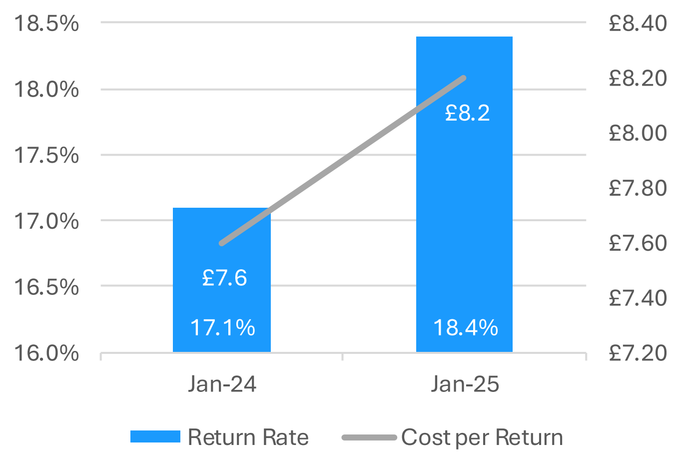
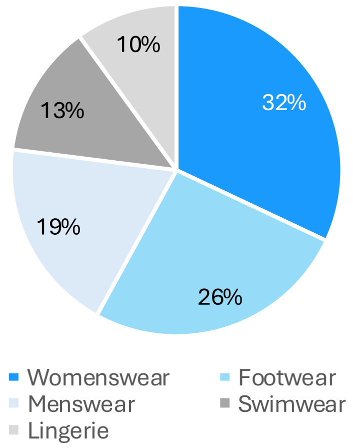
Returns Analysis

Return rate up to 18.4% in Dec-25 with cost per return rising to £8.20, representing an accelerating margin risk across all top 5 categories.

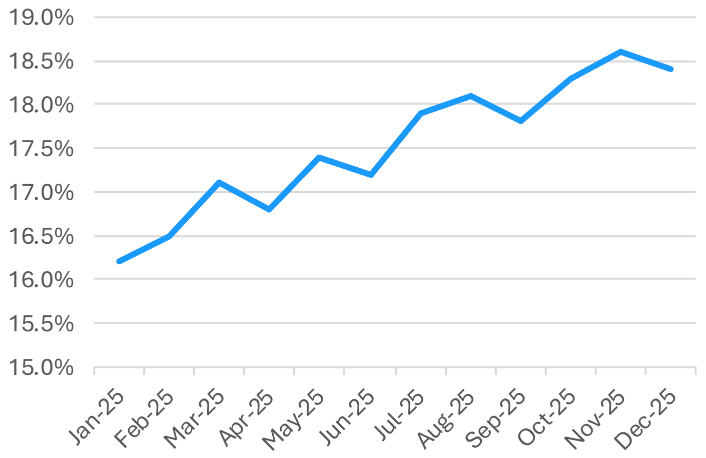
Return Rate & Cost



Returns by Category



Return Rate %



Overview

- Return rate increased from 17.1% to 18.4% YoY with cost per return rising to £8.20, representing accelerating margin pressurewith no sign of stabilising through December 2025.
- Womenswear drives 32% of all returns and is the priority category. A root cause analysis on sizing and fit should be completed before the next peak trading period.
- Introduce friction into the returns process and add size guidance across top returning lines. Every 1% reduction in return rate directly improves margin at no revenue cost.

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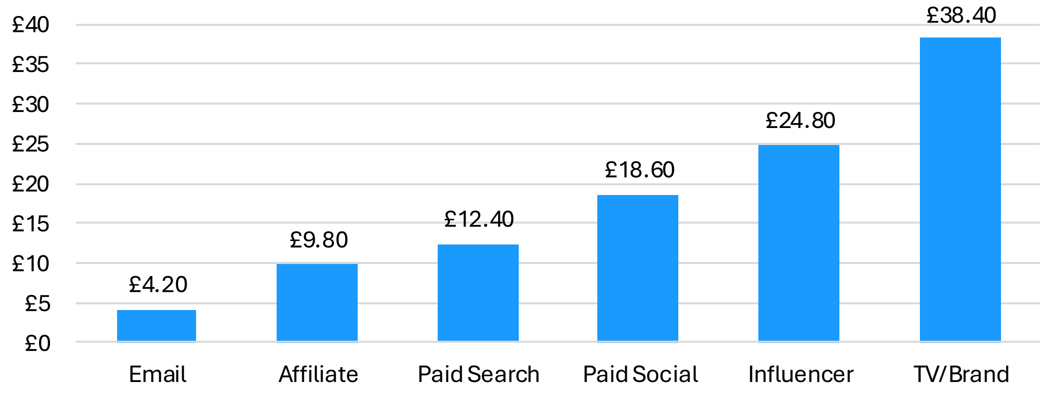
Marketing Effectiveness

Total marketing spend of £1.16m generating £3.66m revenue at 3.1x ROAS, but email delivers 19x ROAS at a fraction of the budget.

Channel	Spend	Revenue Attributed	ROAS
Paid Search	£380,000	£1,520,000	4.0x
Paid Social	£210,000	£630,000	3.0x
Email	£18,000	£342,000	19.0x
Affiliate	£95,000	£380,000	4.0x
Influencer	£140,000	£308,000	2.2x
TV/Brand	£320,000	£480,000	1.5x
Total	£1,163,000	£3,660,000	3.1x

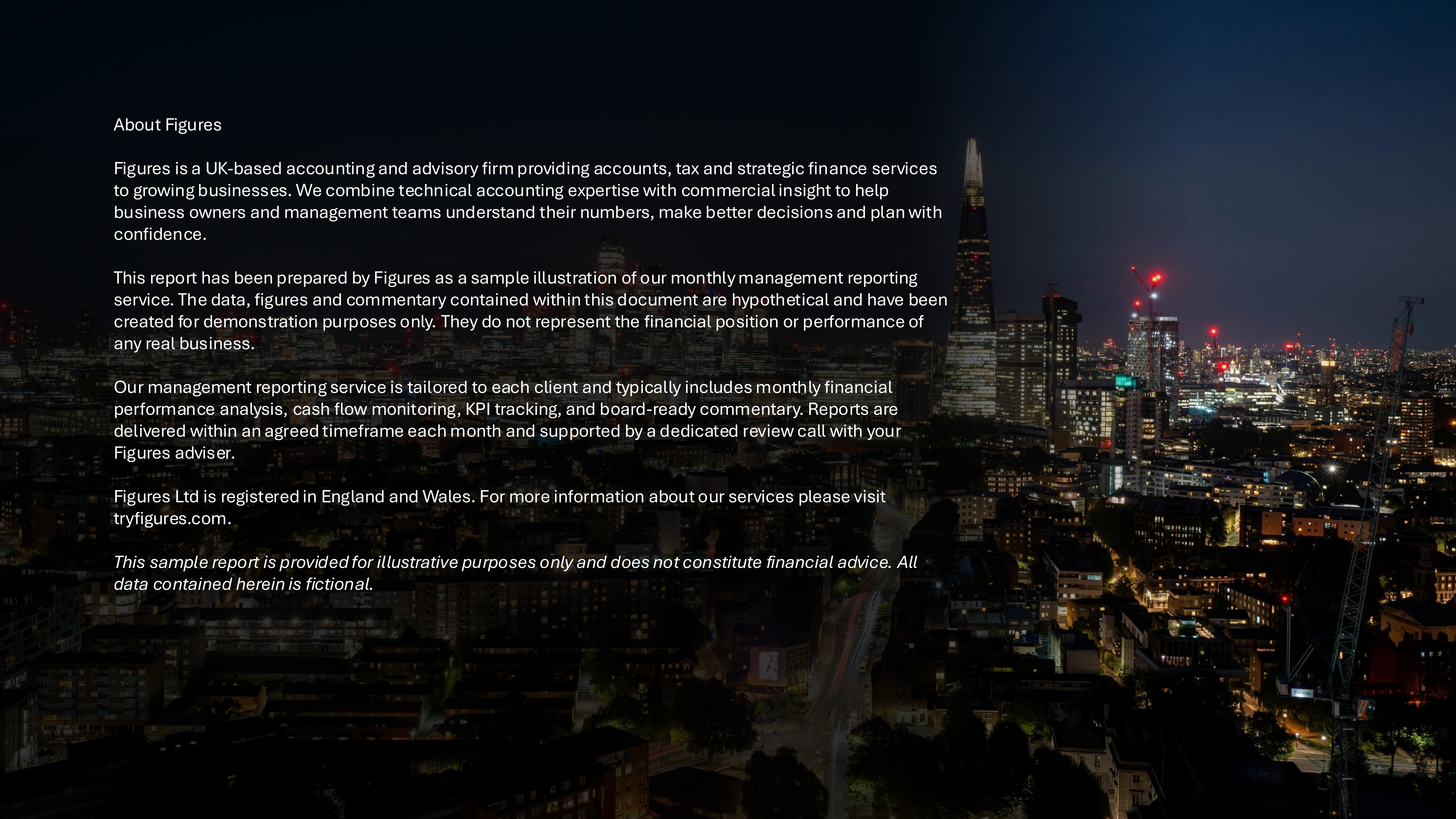
Cost per Acquisition by Channel



Overview

- Email generates 19x ROAS and the lowest CPA at £4.20 yet receives only £18,000 of total spend. Reallocating even 10% of the influencer or TV budget to email would materially improve overall ROAS.
- TV/Brand has the weakest ROAS at 1.5x and highest CPA at £38.40. Whilst brand spend is harder to attribute directly, the current allocation of £320,000 needs to be justified against measurable brand search volume growth.
- Influencer at 2.2x ROAS and £24.80 CPA is underperforming relative to cost. Review influencer partnerships and redirect budget towards Paid Search and Affiliate which both deliver 4.0x ROAS at significantly lower CPA.

figures



About Figures

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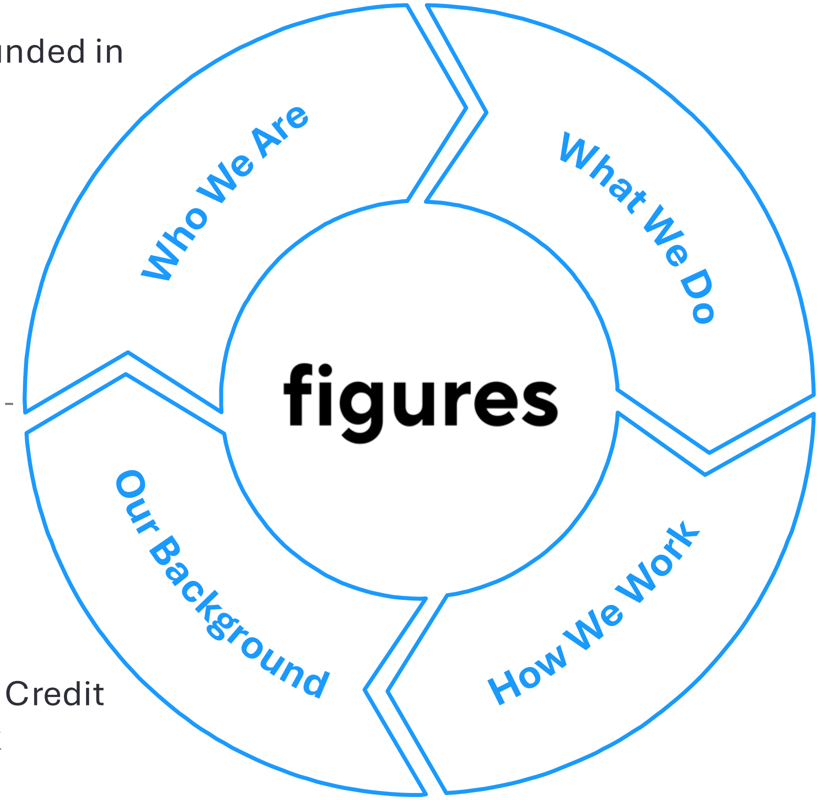
- UK accounting and advisory firm founded in 2023, based in Surrey
- We work with founders and growing businesses who need a finance partner, not just a compliance provider



- Fractional CFO, management reporting, FP&A and core accounting
- From monthly board packs to year-end accounts, the full finance function without the full-time cost

- Founded by a former EY Parthenon executive with Big Four and banking experience
- High-profile engagements including Credit Suisse, Metro Bank and Lloyds Bank

- Same day responses, plain English and proactive advice
- Senior attention on every engagement, not a once-a-year conversation
- We embed ourselves in the business, not just the numbers

Joshua Lee

Education

ICAS – Institute of Chartered Accountants Scotland
2019 – 2022
Qualified Chartered Accountant

University of Kent
2015 – 2019
BA Business and Management with a Year in Industry

Work Experience

Figures, Partner & Co-Founder | January 2023 Present
- Fractional CFO and finance business partner to founder-led and growing businesses across the UK
- Monthly management reporting, cash flow forecasting, budgeting and board pack preparation delivered as an embedded finance function
- Full accounting and tax compliance including year-end accounts, corporation tax, VAT and bookkeeping

Crown Agents Bank, Management Accountant | July 2024 – January 2026
- Owned the month-end close and balance sheet reconciliation process for a listed entity, producing monthly management accounts with P&L commentary for senior stakeholders
- Strengthened financial controls by introducing materiality thresholds and reconciliation frameworks, reducing audit queries

EY Parthenon & EY, Assurance and Restructuring | September 2019 – December 2023
- Advised on capital raises and sell-side debt portfolio transactions for a publicly listed UK consumer lender
- High-profile restructuring engagements including FTX, Credit Suisse, UBS, Metro Bank and Lloyds Bank
- Valuation of complex and unobservable financial instruments using NPV and comparable company analysis
- Coached and reviewed junior Associates across multiple client engagements in Banking and Capital Markets

Barclays Investment Bank, Summer Analyst | June 2019 – August 2019
- Analysed treasury settlement data to identify recurring exceptions and develop suitable remedies