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BOOHOO GROUP PLC

ANNUAL REPORT AND ACCOUNTS 2022

ANNUAL REPORT & ACCOUNTS

BOOHOO GROUP PLC

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2022

Founded in Manchester in 2006, boohoo is an inclusive and innovative global brand targeting young, value-orientated customers, pushing boundaries to bring its customers up-to-date and inspirational fashion, 24/7.

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GOVERNANCE

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VISIT US ONLINE AT **BOOHOOPLC.COM**

OUR INVESTMENT CASE

What started as one brand, growing extensively in the UK and internationally, is today a **platform of multiple brands** servicing customers globally, generating sales in excess of **£1.9 billion.**

FOR MORE INFORMATION **ABOUT OUR BRANDS** GO TO PAGES **08 TO 11**

boohoo group is a highly successful business, delivering **innovative** fashion brands, targeting **style** and **quality-conscious** consumers with up-to-date and **inspirational fashion.**

FOR MORE INFORMATION **ABOUT OUR GROUP** GO TO PAGES **16 TO 17**

We now have **20 million customers** globally with the potential to reach **500 million** as a group.

FOR MORE INFORMATION ABOUT OUR GLOBAL SCALE GO TO PAGES **12 TO 15**

We are a **sustainability-conscious** business with a clear focus on our new **sustainability plan**. To develop this plan, we've identified our priority issues: **better materials**; **textile waste**; **carbon** and **supply chain management**; we have interviewed colleagues and consumers; and we have developed **clear goals** and **targets**.

FOR MORE INFORMATION **ABOUT OUR UP.FRONT PLAN AND ESG PROGRESS** GO TO PAGES **41 TO 53**

BUILDING ON STRONG FOUNDATIONS

CAPTURING MARKET SHARE

Our diverse brand portfolio has enabled us to increase our market share. Gross sales before returns grew by 28% and our customer base increased from 18 million to 20 million.

We have relaunched and integrated four new brands, Wallis, Burton, Dorothy Perkins and Debenhams into our strong portfolio, adding to our reach and market share.

Our womenswear brands target a wider age range than ever before, from 16–45-year-olds, while covering diverse styles and price points. Our menswear range continues its rapid growth and reach with the addition of Burton menswear. We are building Debenhams into a digital department store with a significant beauty offering, adding greatly to our product diversity and market share potential.

... CONTROLLING THE CHALLENGES OF A VOLATILE MARKET

The impact of the pandemic has had far-reaching and some unexpected consequences for businesses: customer demand has been dampened by continued and unpredictable lockdowns in different parts of the world; and sudden price inflation and restricted availability in the transportation of goods have both impacted service levels and reduced profitability. Nevertheless, we have remained profitable at EBITDA level across all geographies, albeit at a reduced level compared to previous years. We begin the next financial year with renewed optimism for the beginning of a return to normality as we proactively adjust our operations to respond to global economic and logistical challenges. We have invested significantly in our infrastructure, in preparation for the return to higher growth rates in our businesses globally.

... CONTINUING OUR SUSTAINABLE JOURNEY

Our Agenda for Change programme has seen us publish our full global product supplier list, open a state-of-the-art factory in Leicester, establish a vibrant sustainability team, and highlight our vision for the future. We have appointed an independent non-executive director to oversee the environment, social and governance functions and to accelerate us along our sustainability journey.

STRATEGIC REPORT

FACING UP TO THE FUTURE

We are facing up to the future, doing more for our customers, our suppliers, their communities and our impact on the environment.

We have looked hard both inside and outside our business, and developed a plan that will help us be ready for the future.

There is work to be done, and we are going to be open and upfront on the progress we are making. Our next chapter is still in the making.

WE HAVE DEVELOPED OUR GROUP'S SUSTAINABILITY PLAN...

- Clothes made smarter
- Our business taking action
- Suppliers on better terms

...TO KEEP OUR BUSINESS TRANSPARENT AND UPFRONT...

- Publication of our global supplier lists
- New responsible sourcing team delivering enhanced supplier audits and compliance
- Appointment of an independent non-executive director to oversee Environmental, Social and Governance ("ESG")

...TO FACE UP TO THE FUTURE OF FASHION.

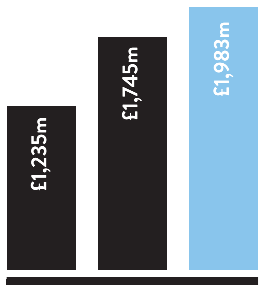
- Launching the READY FOR THE FUTURE initiatives across our brands
- We have joined groups such as the Sustainable Apparel Coalition, Sustainable Clothing Action Plan, Fast Forward and the Microfibre Consortium
- Developing a new resale marketplace with PrettyLittleThing ("PLT") to launch in 2022

STRATEGIC REPORT

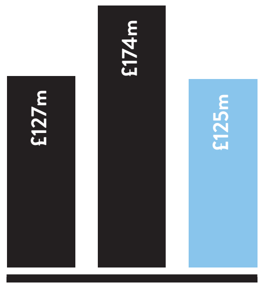
GROUP FINANCIAL, OPERATIONAL, SUSTAINABILITY AND GOVERNANCE HIGHLIGHTS

OUR PERFORMANCE

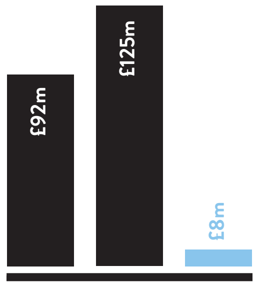
Revenue
£1,983 MILLION



Adjusted EBITDA
£125 MILLION



Profit before tax
£8 MILLION



YEAR TO FEBRUARY	**2022 £ million**	2021 £ million	2022 change on 2021	2020 £ million	2022 change on 2020[1]
Revenue	**1,982.8**	1,745.3	+14%	1,234.9	+61%
Gross profit	**1,041.1**	945.2	+10%	666.3	+56%
Gross margin	***52.5%***	*54.2%*	*-170bps*	*54.0%*	*-150bps*
Profit before tax	**7.8**	124.7	-94%	92.2	-92%
Diluted (loss)/earnings per share	***(0.32)p***	*7.25p*	*-104%*	*5.35p*	*-106%*
Net cash[2] at year-end	**1.3**	276.0	-£275 million	240.6	-£239 million
Adjusted measures[3]:					
Adjusted EBITDA[4]	**125.1**	173.6	-28%	126.6	-1%
% of revenue	***6.3%***	*10.0%*	*-370bps*	*10.2%*	*-390bps*
Adjusted EBIT[5]	**84.1**	149.3	-44%	107.0	-21%
% of revenue	***4.2%***	*8.6%*	*-440bps*	*8.7%*	*-450bps*
Adjusted profit before tax[6]	**82.5**	149.9	-45%	108.3	-24%
Adjusted diluted earnings per share[7]	**4.39p**	8.67p	-49%	5.88p	-25%

1 2022 change on 2020, two years ago, compares current trading to the pre-pandemic period to give a better understanding of performance when compared to the unusual growth and characteristics of trade in 2021.
2 Net cash is cash less borrowings, excluding lease liabilities.
3 Adjusted items, which are not statutory measures, show the underlying performance of the group excluding large, non-cash and exceptional items.
4 Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payment charges and exceptional items.
5 Adjusted EBIT is calculated as profit before tax, interest, amortisation of acquired intangible assets, share-based payment charges and exceptional items.
6 Adjusted profit before tax is calculated as profit before tax, excluding amortisation of acquired intangible assets, share-based payment charges and exceptional items.
7 Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangible assets, share-based payment charges and exceptional items.

Financial highlights

- Revenue £1.983 billion, up 14% (14% CER[1]), and up 61% on 2020
  - UK growth at 27% emphasises good brand positioning and strength of brand portfolio
  - International performance impacted by COVID-19 challenges, down 3%
- Growth of 14% achieved while set against exacerbated comparative year, highlighting very strong two-year performance: UK up 77%; international up 40%
- International revenue is now 39% of total (2021: 46%), reflecting strong organic UK growth and mix impact from brands acquired in the last two years
- Gross margin 52.5%, down 170bps from 54.2% (2020: down 150bps)
- Adjusted EBITDA £125.1 million down 28%, with Adjusted EBITDA margin of 6.3% (2021: 10.0%; 2020: 10.2%), after £60 million of pandemic-related shipping cost headwinds and investment in launching our new brands
- £261.5 million capital expenditure investment, building infrastructure for growth, including freehold properties and significant expansion and automation of distribution network
- Strong balance sheet with net cash of £1.3 million (2021: £276.0 million; 2020: £240.6 million). Operating cash flow of £10.3 million (2021: £201.1 million; 2020: £127.3 million). New £325 million RCF agreed in March 2022, underpinning the group's investment programme

Operational highlights

- Significant investment into broadening our operational and warehouse capacity, ensuring global infrastructure is fit for the future and ready for sustained growth and to support over £4 billion of net sales
- 20 million active customers, up 10%, and up 43% on 2020
- Two new UK distribution centres, Daventry and Wellingborough, launched and now fully operational
- Automation fit-out of a warehouse commenced with expected completion in September 2022, unlocking additional operational efficiencies and multiple service enhancements
- Announcement of plans for US distribution centre in 2023, supporting the group's next phase of growth
- Relaunch of Debenhams, adding a new dimension of a digital department store to the group's portfolio and extending the group's target addressable market
- Integration and relaunch of the newly acquired Dorothy Perkins, Wallis and Burton brands, complementary additions to the group's scalable, multi-brand platform
- Purchase of new offices in the heart of London's West End, housing the group's London-based brands and their employees

Sustainability and governance highlights

- Agenda for Change process completed, with action items established into business as usual operations, following publication of fifth Leveson report in March 2022
- Economic Impact Assessment conducted. Commitment to investing over £500 million and creating over 5,000 jobs over five years, highlighting the group's significant ongoing contribution to the UK economy
- Board strengthened with appointment of two non-executive directors, including one to chair the newly constituted ESG Committee
- Publication of the group's sustainability strategy, further establishing ongoing commitment to transparency. Significant progress made against our 2021 goals

1 CER designates Constant Exchange Rate translation of foreign currency revenue, which gives a truer indication of the performance in international markets by removing year-to-year exchange rate movements when local currency sales are converted to sterling.

STRATEGIC REPORT

AT A GLANCE

TWENTY

Founded in the heart of Manchester's historic textile district in 2006 by Mahmud Kamani and Carol Kane as boohoo, the group today is home to a portfolio of innovative fashion brands targeting style and quality-conscious consumers with up-to-date and inspirational fashion. What started as one brand, growing extensively in the UK and internationally, is today a platform of multiple brands servicing customers globally, generating sales in excess of £1.9 billion.

We want to operate a business that is fair to all, and kind to the environment, and we are working hard to live up to these ambitions. We know that there is a lot to fix in the fashion industry and we are keen, willing and able to play our part.

OUR SUSTAINABILITY STRATEGY

- Clothes made smarter
- Suppliers on better terms
- Our business taking action

OUR BUSINESS PRINCIPLES

- Challenging the fashion market
- Responsible
- Inspired
- Global
- Connected
- Fast

OUR STRATEGIC PILLARS

- Platform
- Product
- People
- Planet
- Performance

OUR BUSINESS MODEL

We draw upon our formidable network of relationships and resources and expertise in design, sourcing, marketing and customer services to deliver value to all our stakeholders.

OUR VALUES

Passion
Each day we are inspired to be the best we can be. We are focused and committed to giving our customers the experience they want.

Creative
We are unique and aspirational. We are not afraid of doing things our way, daring to be different. We are creative in thinking and design.

Agile
We are constantly evolving to stay one step ahead. We embrace change and grab new opportunities with both hands. We are lean, effective and efficient.

Team
We listen and respond to create a place where everyone's contribution is important. Building success through our people and sharing in it together. We remember to have fun along the way.

OUR VISION

To be leading the e-commerce fashion market for 16–45-year-old.

Our vision is at the very core of our business.

Our Business Model, Values and Strategy are all working towards achieving this vision to the best of our ability. Our Business Principles underpin how we are making our decisions for the forward focus of the business. As of this year, we are ensuring everything in our business aligns with our Sustainability Strategy, so that we grow our business in a sustainable way.

FOR MORE INFORMATION ABOUT **OUR BUSINESS MODEL** GO TO PAGES **16 TO 17** OF THE REPORT

FOR MORE INFORMATION ABOUT **OUR SUSTAINABILITY STRATEGY** GO TO PAGES **41 TO 53** OF THE REPORT

FOR MORE INFORMATION ABOUT OUR **STRATEGY** GO TO PAGES **12 TO 15** OF THE REPORT

OUR BUSINESS PRINCIPLES

01 CHALLENGING THE FASHION MARKET
We understand what customers want. We operate in an efficient and profitable way, delivering value to our stakeholders. We invest to create a sustainable business.

02 RESPONSIBLE
We operate with responsibility towards all our stakeholders – including our customers, employees and partners – and in a sustainable way to reduce environmental impact.

03 INSPIRED
With a finger on the pulse of fashion, we spot the latest trends from all over the world.

04 GLOBAL
We operate in a global market, unhindered by borders, languages and physical presence.

05 CONNECTED
Through a large social media following, we connect with millions globally.

06 FAST
Our 'test and repeat' model means more efficiency, less waste and more speed. We make to demand, with top sellers re-bought within days, and hundreds of new products added daily.

TWENTY TWO

STRATEGIC REPORT

GROWING OUR GROUP

In the year ended 28 February 2022, we developed a broader portfolio of brands and a significantly larger target addressable market with 500 million potential customers in key markets.

Each brand is able to increase the group's share in each of our markets and is chosen specifically to increase the density of our portfolio. Our group incorporates clothing, shoes, accessories and beauty products targeted at 16–45-year-old consumers globally.

2006

boohoo

boohoo is the young girl's fashion best friend, offering the most up-to-date fashion at incredible prices with unbeatable choice, great quality and excellent service. The brand's core values are fun, fashion, social and inclusive. This translates into a product range for every young woman around the world.

DEVELOPMENTS

This iconic brand continues its solid growth and increasing its market share.

2019

COAST

Coast believes that life is for living, fashion should be fun and dressing up is for every day. The brand produces versatile pieces that are easy to wear and are an effortless addition to a woman's own style.

DEVELOPMENTS

This high-growth brand now has a strong wedding and occasion wear range to capitalise on the return to normal life.

UP.FRONT

FASHION.READY FOR THE FUTURE

Our new sustainability strategy, UP.FRONT, has been embedded into all of our brands through a number of key developments over the past year. We have launched Ready for the Future in many of our brands which are our sustainable clothing ranges.

2013

BOOHOOMAN

Combining cutting-edge design with an affordable price tag, boohooMAN brings young men the latest styles and looks in a youthful package, 24/7.

DEVELOPMENTS

Strong international growth with gathering momentum as the brand increases market share.

2017

PRETTYLITTLETHING

PrettyLittleThing is a youthful trend leader in online women's fashion, offering a wide range of products at great prices, supported by an engaging global social media presence. The brand aims to help every girl feel like a celebrity with her clothes.

DEVELOPMENTS

A hugely popular brand that has performed well in the year, increasing its market share and has exciting plans to open an online clothes exchange shop in 2022.

2017

NASTY GAL

Rooted in LA, Nasty Gal is a bold and distinctive brand for fashion-forward, free-thinking young women, offering limited edition clothing and vintage pieces to a global audience. The brand's largest market so far has been in the USA, giving them a global reach with enormous potential for growth.

DEVELOPMENTS

This iconic US brand has established a strong following in the UK. Fabulous LA style finds.

2019

KAREN MILLEN

Karen Millen is known globally for creating beautifully crafted fashion for confident women who know their own style. Targeted at driven and career-minded women in their 30s and 40s, the brand offers high-quality clothes for that modern, polished and feminine look.

DEVELOPMENTS

Exceptional growth in the USA is adding to an already highly successful relaunch of this iconic brand.

GROWING OUR GROUP

CONTINUED

2019

MISSPAP

MissPap is aimed at fashion-conscious young women who love fashion and want to create looks that are worth sharing with friends.

DEVELOPMENTS

MissPap continues to provide statement pieces with an affordable price tag.

2020

OASIS

Oasis creates hard-working easy pieces that are made for modern life and non-stop schedules. The brand's collection of crafted silhouettes, beautiful shapes and pretty detailing breathes life into faithful staples.

DEVELOPMENTS

Growing rapidly, this renowned British brand focuses on lifestyle dressing for every occasion.

2020

WAREHOUSE

Warehouse is a British-born fashion brand with a city state of mind. With trending pieces designed for every moment, an urban edge and essence of tough femininity, the brand captures the spirit of club culture in styles that look good now and even better later.

DEVELOPMENTS

Building the product range with nearly 60% more options online.

2021

DEBENHAMS

An online retail market place offering everything from fashion, beauty, sport, and homeware, Debenhams provides its customers with a unique, differentiated and exclusive mix of brands.

DEVELOPMENTS

Beauty, lingerie, homeware, electricals, and jewellery – everything you loved about the great department store, now online.

2021

BURTON

Burton is a British brand offering menswear clothing and accessories that combine heritage tailoring with modern style. Burton's exclusive collection includes everything from suits to casuals.

DEVELOPMENTS

Aiming to be the leading pure-play brand for the 25–45 year-old modern man.

2021

DOROTHY PERKINS

Dorothy Perkins is a feminine, versatile and affordable brand with rich British heritage. The brand has been inspiring and dressing women for over 100 years, striving to provide flattering fits across all pieces with the mantra; if you feel good, you should wear it.

DEVELOPMENTS

This iconic British brand is delighting us with its relaunch success and targets 25–45 year-olds.

2021

WALLIS

"We understand real women and design clothes to help them look and feel great." Wallis is a British brand offering exclusive, modern styles aimed at women in their 30s and 40s.

DEVELOPMENTS

Continuing to establish itself as the go-to destination for the forever 40 woman looking for stylish outfits for all occasions.

OUR STRATEGY

DELIVERING GROWTH AND INCREASING MARKET SHARE

Our focus is to maintain an outstanding customer proposition, with the latest fashion at great prices, combined with excellent customer service.

To this end, we have a plan of continuous investment in our systems, infrastructure and technology to ensure we offer an optimal online shopping experience as we look to build for the future and further cement our position as a leader in global fashion e-commerce. This strategy rests on developing our Five Strategic Pillars:

Our Strategy is underpinned by our Business Principles:

- CHALLENGING THE FASHION MARKET
- RESPONSIBLE
- INSPIRED
- GLOBAL
- CONNECTED
- FAST

01 PLATFORM

STRATEGIC FOCUS

We have developed a unique platform, through years of investment in technology and processes, supply chain relationships and with the expertise of a great team of people. This platform enables us to penetrate markets and expand rapidly, operating multiple brands as we progress with our ambition to lead the online fashion market.

PROGRESS IN THE YEAR

Integration of four new brands in the year, including the set-up of a marketplace solution for Debenhams. Additional warehouses opened in Daventry and Wellingborough. Automation of Sheffield warehouse underway. New offices in London for newly acquired brands.

UNDERPINNING PLATFORM

- Challenging the fashion market
- Fast
- Inspired

02 PRODUCT

STRATEGIC FOCUS

Product is at the heart of what we do. Our teams take inspiration from the latest trends from around the world, launching hundreds of new products daily. We operate with responsibility towards all stakeholders and take many steps to ensure our supply chain operates in a responsible and sustainable way.

PROGRESS IN THE YEAR

Recommendations from the Agenda for Change fully implemented with independent oversight. Strengthened supply chain functions, ESG Committee established. International supplier list published.

UNDERPINNING PRODUCT

- Responsible
- Fast
- Inspired

03 PEOPLE

STRATEGIC FOCUS

Our people are the fabric of our business. We want everyone who works with us, directly or indirectly, to be treated fairly, to have the opportunity to realise their full potential and to be proud to be part of the boohoo family.

PROGRESS IN THE YEAR

ESG Committee, with board oversight, established. Award of free shares to all employees.

UNDERPINNING PEOPLE

- Connected
- Responsible

04 PLANET

STRATEGIC FOCUS

We will continue to deliver outstanding growth, while working to reduce our impact on the planet. We will not be able to solve all the challenges we face immediately, but we have set ourselves challenging and material environmental goals. We will focus on areas where we can have the biggest impact first and we will report our actions and results in an open and transparent way.

PROGRESS IN THE YEAR

Publication of sustainability strategy, driving change throughout our business operations. More products with recycled or sustainable fabric content, less waste, tighter supply chain monitoring.

UNDERPINNING PLANET

- Responsible
- Connected
- Global

05 PERFORMANCE

STRATEGIC FOCUS

We will continue to add appeal and excitement by investing in the areas that our customers, our people, our suppliers and our stakeholders care about to deliver growth in a sustainable manner through organic and acquisitive means, which will be driven by our relentless focus on product, our brands, markets that we operate in and our customers.

PROGRESS IN THE YEAR

Integration of four new brands, Dorothy Perkins, Wallis, Burton and Debenhams, into our ever-growing portfolio. International wholesale operations commenced, boosting revenue. Planning commenced for a distribution centre in the USA in 2023. Further gains in market share across key regions such as the UK and US, building on strong growth achieved in the previous year.

UNDERPINNING PERFORMANCE

- Challenging the fashion market
- Inspired
- Global

STRATEGIC REPORT

HOW WE PLAN TO LEVERAGE OUR STRENGTHS TO EXPLOIT OUR OPPORTUNITIES

BUSINESS MODEL

THE GROUP'S BUSINESS MODEL

DELIVERING VALUE FOR ALL OUR STAKEHOLDERS

We have created a formidable suite of relationships and resources and combined this with our insight and understanding of changing consumer demands to build a business platform that delivers value to all our stakeholders.

RELATIONSHIPS AND RESOURCES

RELATIONSHIPS

Employees

Our employees are our greatest asset, delivering a truly awesome package of skills and knowledge that enables us to tackle the most challenging feats

Suppliers

We have developed a comprehensive network of suppliers from all corners of the world and we continue to work with them to bring us the product and services that drive our success

Customers and partners

Our customers and partners are our life-blood. We engage, listen, learn, create and repeat successfully. Our partners help us reach customers globally

RESOURCES

Brands

A portfolio of diverse brands, with a rich heritage and consumer loyalty, renewed and developed for today, enables us to grow market share

Infrastructure

We have invested millions in state-of-the-art, automated distribution centres and great office facilities for our talented teams

Technology

Our formidable technology platform comprises best-of-kind systems and enables us to operate a huge volume business with efficiency and accuracy

Financial

Financial resources from our shareholders have been boosted by retained profits that have enabled us to build a business with the capacity for investment and acquisitions

HOW WE OPERATE

We design, source, market and sell fashion clothing, shoes, accessories and beauty products to 16–45-year-old consumers globally. We implement a 'test and repeat' model that brings the latest trends and fashion inspiration in a matter of days or weeks to our consumers across the world

01 DESIGN AND INSPIRATION

Our skilled designers and buyers have their fingers on the pulse of fashion around the world to spot the latest trends

02 SOURCING AND PRODUCTION

Buyers tap into a global network of approved suppliers to find the best mix of quality and price to deliver outstanding value to our customers

03 MARKETING AND CUSTOMER ENGAGEMENT

We connect with our consumers through social media and innovative advertising, supported by influencers and celebrities, and through our engaging websites and apps, offering the customer the very best online shopping experience

04 DELIVERY AND CUSTOMER CARE

Great customer service is provided by a comprehensive choice of delivery options, payment methods, and a highly rated customer service centre takes care of the entire customer journey

05 ENGAGEMENT AND REPEAT

Sophisticated monitoring of marketing and product success enables us to respond rapidly to consumer demand and optimise customer reach

VALUE GENERATED FOR STAKEHOLDERS

EMPLOYEES

We provide our employees with the opportunity to develop their skills and experience in a dynamic business and give them a share in its success through share ownership plans and bonuses

SUPPLIERS

We operate with our suppliers in a transparent way, enabling suppliers to participate in our success as we grow and working to improve factory standards. We have invested in building a more visible, more sustainable supply chain of approved partners

CUSTOMERS

We provide our customers with great product and value at prices below those of the high street and with a service that is convenient and safe at home

COMMUNITY

We engage with the wider community through our charitable work, the Leicester Garment and Textile Workers' Trust and through the provision of jobs in our offices and distribution centres that benefit the local area and our suppliers

INVESTORS

Investors have the opportunity for capital growth from the enlarged group and potential 500 million addressable customer base

PLANET

We are determined to play our part in reducing the environmental impact of clothing and our operations through our increased focus on sustainability and with the ambitious environmental targets we have set for ourselves

OUR BUSINESS MODEL IS UNDERPINNED BY OUR BUSINESS PRINCIPLES AS WE ARE CHALLENGING THE FASHION MARKET, WHILST REMAINING RESPONSIBLE, INSPIRED, CONNECTED AND FAST ON A GLOBAL SCALE.

FOR MORE INFORMATION ABOUT OUR STAKEHOLDER GROUPS GO TO PAGES 73 TO 76 OF THE STRATEGIC REPORT

AGENDA FOR CHANGE

A STRONGER MORE SUSTAINABLE FUTURE

In September 2020, the group announced its Agenda for Change programme: a series of commitments designed to strengthen corporate governance, purchasing practices and entrench the group's support for the UK garment manufacturing sector more broadly.

The programme encompassed 17 commitments recommended by Alison Levitt QC in her independent report, with the commitments broken down into the 34 deliverables that formed the Agenda for Change.

Progress and the validity of completion against each of the commitments was overseen, scrutinised and examined by two independent parties: Sir Brian Leveson, whose reports the group made available publicly in line with its transparency; and experts at KPMG.

We have faced into these issues and are proud of the significant progress that we have made, which in turn is influencing sustainable change in British apparel manufacturing, impacting the people who make the products that we sell and the wider garment sector.

In March 2022, KPMG formally recognised the completion of all aspects of the group's Agenda for Change programme. However, the group remains focused on driving continual improvement and has embedded future actions within the various streams of its board-led committees, including the Risk Committee, Supply Chain Compliance Committee and the new ESG Committee.

We have implemented both procedural and cultural change, driven internally by our own teams and informed by the extensive work that we have done through working in partnership with multiple external stakeholder and NGO groups.

After 18 months of dedicated and hard work by our talented teams, the boohoo group is a stronger and more sustainable business that is looking to the future. We are working side by side with approved suppliers who share our values to support our aim of backing British manufacturing.

Worked with slave-free alliance to create whistleblowing training

SLAVE-FREE ALLIANCE
Working Towards a Slave-free Supply Chain

Established our Agenda for Change programme

Mapped, monitored and consolidated our supply chain

Published our international supplier list

Mandated all suppliers to cease subcontracting CMT work

Appointed Sir Brian Leveson to provide oversight

Appointed 2 new non-exec directors

Conducted over 1,000 audits

Significantly Grown our responsible and ethical sourcing team

Established the garment and textile workers trust and donated £1.1m

Delivered ethical sourcing, whistleblowing and modern slavery training

Opened up our supply chain to the public, media and stakeholders

Grown with great suppliers

SPEAK UP.

Launched speak up: a new compliance hub

Created an ongoing dialogue with key government enforcement agencies

Built in-country sourcing teams to support our international suppliers

Created a new governance and ethical compliance committee that reports to the board

Mandated that all UK suppliers move to fast forward

fast forward
Building sustainable supply chains

Worked with local training providers to deliver NVQ training to garment workers

Created a brand new supplier hub, order app and portal

FASHION ENTER

Gifted £85,000 of our apprenticeship levy to Fashion enter

Published a brand new sustainability strategy

boohoo group plc
Thurmaston Lane Leicester

Opened a brand new manufacturing site in Leicester

CHAIRMAN'S STATEMENT

“
We continue to gain market share, having grown the group significantly over the last two years.”

INCREASING OUR MARKET SHARE AND INVESTING IN OUR PEOPLE AND OUR INFRASTRUCTURE

GROUP ACTIVITIES AND PERFORMANCE

Set against extreme comparatives, we are proud to have grown revenue by 14% on 2021 and by 61% on two years ago. Our UK performance, up 27%, highlights the strength of our brand portfolio and gives us confidence in our business strategy. Overall, the customer base has risen by 10% to 20 million. We continue to gain market share, having grown the group significantly over the course of the last two years, when apparel markets globally remain below pre-pandemic levels.

The financial performance this year is subdued, especially when compared to the excellent results of the prior years that included the extraordinary events brought on by the global COVID-19 pandemic. A unique confluence of factors has reduced profitability this year: overseas customer demand has been subdued by lockdowns; rising household costs and the effect of extended delivery times; outbound carriage costs have risen exponentially due to lack of freight capacity; and inbound shipping costs have risen equally as steeply, together with extended in-transit times. As the cost headwinds subside, we will see a return to more normal profitability levels, driven by the growth potential in our larger and more diverse portfolio of brands, an improved service proposition, a more efficient infrastructure and the far greater demographic and number of customers that we now serve. In addition, we are at an inflection point in our growth strategy: we have acquired and relaunched four new brands that are undergoing a continued rebuilding process and have set up operations for them in new warehouses and offices in London. This investment comes at a short-term impact on profitability, as the overheads to revenue ratio is greater for the new brands. Work to scale the new brands continues at pace.

INVESTMENT FOR THE FUTURE

Our strong balance sheet has enabled us to continue to invest in our infrastructure and our new brands. These investments will allow us to capture a greater market share from our brand diversity, keep ahead of technology to continue to deliver an outstanding customer proposition and improve efficiency in the distribution centres. We have acquired new offices in London and continued to improve and renovate our offices in Manchester city centre, all of which give our colleagues vibrant workplaces. Our distribution centre capacity has been extended through the acquisition of two new facilities in Wellingborough and Daventry and the automation project in Sheffield continues at pace, which is expected to yield significant cost savings. We have also announced our intention to open a distribution centre in the USA to improve our customer proposition in the Americas. This warehouse will be key in improving lead times to the surrounding geographies, which should in turn enhance our international customer proposition.

SUSTAINABILITY

I feel especially proud of the achievements of our sourcing, compliance and sustainability teams, who have worked hard to deliver the Agenda for Change. As Sir Brian Leveson mentioned in his final report, supplier compliance monitoring is a continuous programme, and one we are committed to in full, but we have completed the initial goals we set ourselves in establishing rapid change necessary to our business operations. We have to be a sustainable business if we are to continue to prosper and our sustainability section in this report lays out our strategy in this regard.

OUR TEAM

As always, on behalf of the board, I extend our thanks and appreciation to all our colleagues and partners who have contributed to our success and who are a foundation of our business ambition.

Mahmud Kamani
GROUP EXECUTIVE CHAIRMAN

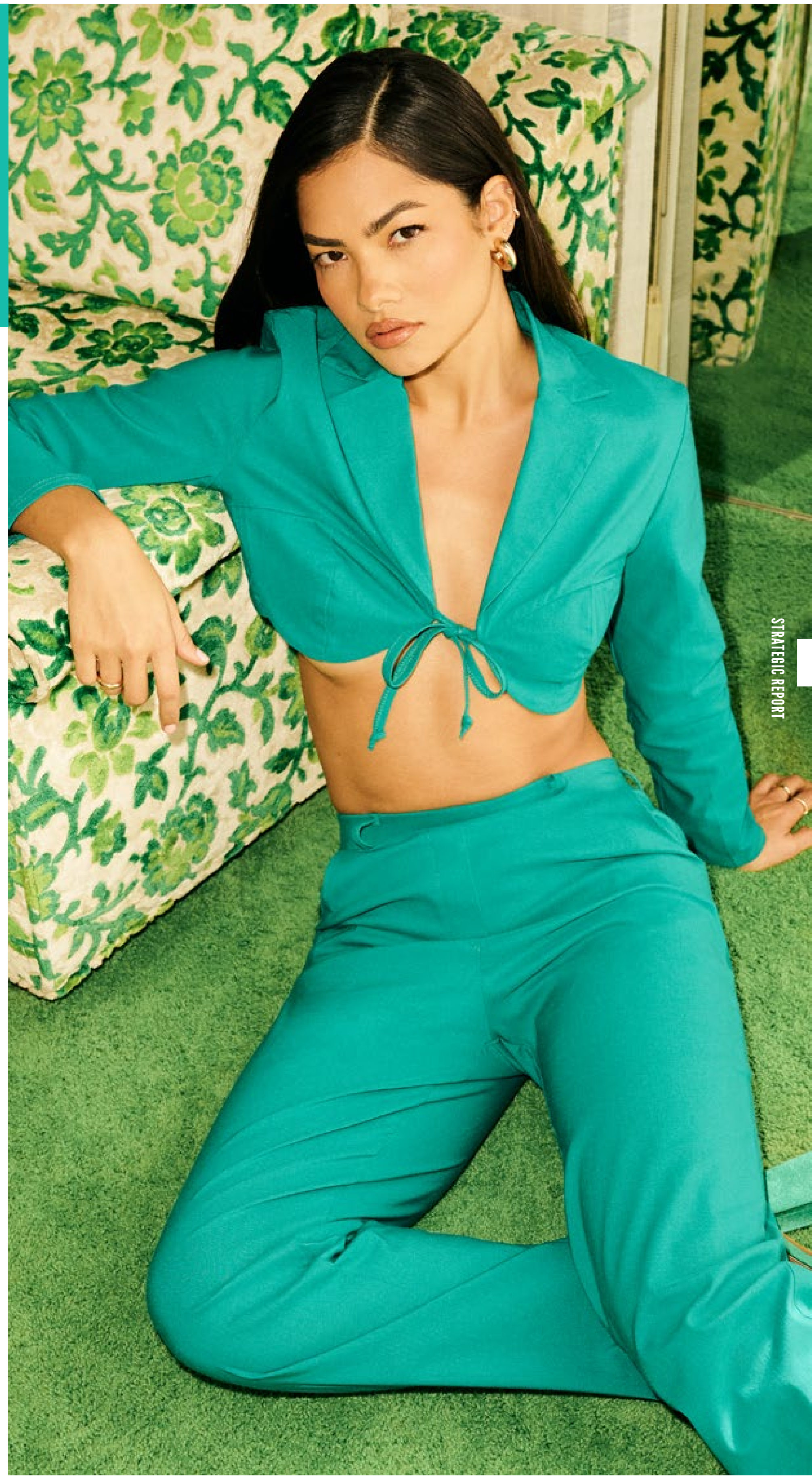
3 May 2022

OUR COVID-19 RESPONSE

The group continues to monitor and implement the government's advice on safe working conditions in all of its facilities and offices in the UK and overseas, so that all colleagues are kept safe and can continue to work effectively.

These measures were subject to change throughout the pandemic. There were periods during the last two years when all office staff worked from home, periods with limited rotational workplace visits and periods when all but essential workers worked at home.

Throughout this and the prior year, we broadcasted frequent reminders and updates to colleagues on safety procedures and practices and monitored and tracked COVID-19 cases. The business provided rapid lateral flow testing in all locations to keep our colleagues, their families and their communities as safe as possible. At the time a writing, we are relieved that life and business operations are returning to normality, and our hope is that this trend continues both at home and abroad.



STRATEGIC REPORT

REVIEW OF THE BUSINESS

PERFORMANCE DURING THE YEAR

GROUP OVERVIEW

Group revenue for the year increased by 14% (14% CER) to £1.983 billion from £1.745 billion in 2021 and over the two-year period increased by 61% from £1.235 billion in 2020, at a time when apparel markets globally remain below pre-pandemic levels. International revenue growth was dampened by the continued impacts of the pandemic, due to extended delivery times and weaker consumer demand. Growth in the UK, however, was very strong, supported by organic growth in the existing brands and augmented by the newer acquisitions. Return rates climbed to pre-pandemic levels, following the exceptionally low levels in the previous year, which impacted net sales growth in the second half of the financial year.

Adjusted EBITDA was £125.1 million (2021: £173.6 million; 2020: £126.6 million), a decrease of 28% on the previous year and 1% on 2020. Gross product margin was maintained at a level only 170bps lower than in the prior year at 52.5%, despite inbound shipping expenses rising substantially due to the shortage of shipping containers and lack of airfreight capacity, which, after mitigation, presented approximately £22 million of headwind. Relative to 2020 rates, volume-adjusted marketing costs have been higher by £22 million in the face of weaker demand and investment in the newer brands. Outbound carriage expenses continued to be elevated, and represented a £38 million increase above pre-pandemic rates. These headwinds together have reduced profitability and resulted in Adjusted EBITDA margin of 6.3% (2021: 10.0%; 2020: 10.2%). Profit before tax was £7.8 million (2021: £124.7 million; 2020: £92.2 million), a decrease of 94% on 2021 and 92% on 2020.

+61%
two-year growth

£125M
Adjusted EBITDA

6.3%
Adjusted EBITDA margin

Adjusted diluted earnings per share was 4.39p, down 49% on the prior year and 25% on 2020. Diluted (loss)/earnings per share was (0.32)p, a decrease of 104% (2021: 7.25p; 2020: 5.35p).

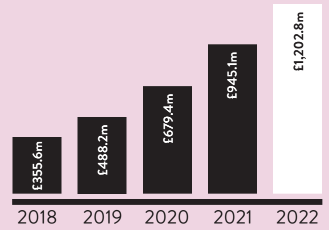
During the year, the group incurred a number of significant, non-recurring costs, which have been shown as exceptional items in the financial statements and have not been included in the adjusted performance measures. These items relate to: dual running and inefficiency costs within warehouses; legal expenses and redundancy costs associated with the acquisition of the new brands in February 2021; additional costs of working at the Sheffield warehouse during the automation installation; and irrecoverable sales taxes on customer returns from the EU during the period after Brexit and before simplified procedures in the EU became operational. These exceptional items amounted to £35.8 million and are detailed in note 1 of the financial statements.

Cash generation was lower than prior years due to the inventory build to service the brand portfolio and to the longer product lead times caused by the global issue of lengthy shipping times and the expansion of the supplier base that included a larger overseas element, reflecting the group's larger portfolio of brands.

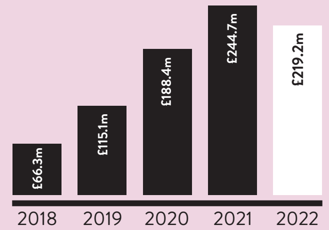
OVERVIEW	2022 £ million	2021 £ million	2022 change on 2021	2020 £ million	2022 change on 2020[1]
Revenue	**1,982.8**	1,745.3	+14%	1,234.9	+61%
Gross profit	**1,041.1**	945.2	+10%	666.3	+56%
Gross margin	**52.5%**	*54.2%*	*-170bps*	*54.0%*	*-150bps*
Profit before tax	**7.8**	124.7	-94%	92.2	-92%
Diluted (loss)/ earnings per share	**(0.32)p**	7.25p	-104%	5.35p	-106%
Net cash[2] at year-end	**1.3**	276.0	-£275 million	240.6	-£239 million
Adjusted measures[3]:					
Adjusted EBITDA[4]	**125.1**	173.6	-28%	126.6	-1%
% of revenue	**6.3%**	*10.0%*	*-370bps*	*10.2%*	*-390bps*
Adjusted EBIT[5]	**84.1**	149.3	-44%	107.0	-21%
% of revenue	**4.2%**	*8.6%*	*-440bps*	*8.7%*	*-450bps*
Adjusted profit before tax[6]	**82.5**	149.9	-45%	108.3	-24%
Adjusted diluted earnings per share[7]	**4.39p**	8.67p	-49%	5.88p	-25%

1 Change on 2020, two years ago, compares current trading to the pre-pandemic period to give a better understanding of performance when compared to the unusual growth and characteristics of trade in 2021.
2 Net cash is cash less borrowings, excluding lease liabilities.
3 Adjusted items, which are not statutory measures, show the underlying performance of the group excluding large, non-cash and exceptional items (note 1).
4 Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payment charges and exceptional items.
5 Adjusted EBIT is calculated as profit before tax, interest, amortisation of acquired intangible assets, share-based payment charges and exceptional items.
6 Adjusted profit before tax is calculated as profit before tax, excluding amortisation of acquired intangible assets, share-based payment charges and exceptional items.
7 Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangible assets, share-based payment charges and exceptional items.

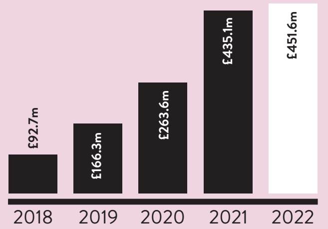
GEOGRAPHIC REVENUE GROWTH (£m)



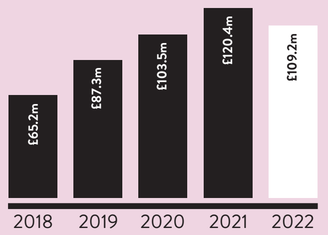
UK



RO EUROPE

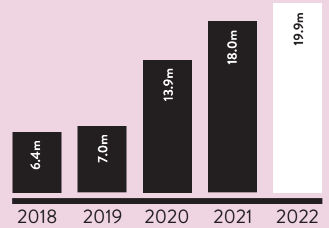


USA



RO WORLD

ACTIVE CUSTOMER GROWTH (m)



Operating cash flow was £10.3 million (2021: £201.1 million; 2020: £127.3 million). Net cash flow was down £174.7 million (2021: £30.6 million; 2020: £47.6 million), following significant infrastructure capital expenditure of £261.5 million. Our net cash balance at the year-end reduced to £1.3 million (net cash, 2021: £276.0 million; 2020: £240.6 million), with total liquidity of £101.3 million. After the year-end, the group secured a new £325 million rolling capital facility, increasing from the previous £100 million facility, which was fully drawn at the year-end.

The group has invested heavily in preparation for growth from both its existing brands and more recent acquisitions. Two new distribution centres have been opened and become operational in Wellingborough and Daventry and the automation of the Sheffield distribution centre has commenced, with an estimated completion date of September 2022. Capital expenditure on these facilities has amounted to £120.3 million. The acquisition of our London office was completed in April 2021 and additional studio facilities in London were acquired in September 2021 for a combined £88 million. We have also invested in our IT systems, with £32.0 million of expenditure that enhances both platform stability and additional operating abilities, such as marketplace.

Active customer numbers in the last 12 months increased by 10% to 19.9 million and have increased 43% over the last two years, as a result of organic growth from our brands and extension of our target addressable market through brand acquisitions. Order frequency increased marginally from 3.03 to 3.14 times p.a. and average order value increased by 8% to £48.16. The number of items per basket decreased from 3.34 to 3.04, driven partly by the addition of the new brands with lower basket sizes and partly to a return to closer to pre-pandemic basket sizes in our established brands.

PERFORMANCE BY MARKET

UK

The UK market continues to be the largest for the group, accounting for 61% of revenue (2021: 54%). Overall growth across all brands was strong, up 27% on 2021 and up 77% on 2020, driven by the success of our multi-brand strategy. Return rates have increased back to pre-pandemic levels, being 9.8%pts above the prior year at 33.7%. This is partly attributable to the change in the product mix from more casual items to occasion wear and to the introduction of the newer, higher price point brands, which all have higher return rates.

Gross margin reduced slightly from 50.9% to 49.4%, despite the substantial increases in inbound shipping. Prices were raised across some product lines to offset the increased logistics costs, where we were unable to change sourcing to alternative geographic regions to reduce the impact of these cost increases. Nevertheless, we are greatly encouraged by the progress we are making in growing our market share in the UK.

Rest of Europe

Our revenue in the rest of Europe decreased by 10% over 2021, although increased by 16% on 2020, as the effect of continued lockdowns has hampered the recovery of demand together with the longer delivery times. Return rates were only marginally higher than in the prior year. Gross margin remained healthy at 54.5%, down 1.7%pts on the prior year.

USA

Growth in the USA was 4% up on 2021 and up 71% on 2020. Return rates increased marginally, but the continued extended delivery times, driven by reduced airfreight capacity, have subdued demand on the group's established brands. Menswear has grown strongly as it gains market share and gathers momentum, as have the newer brands, albeit from a low base. Gross margin decreased slightly by 0.1%pts to 59.8%.

Rest of World

Revenue in the rest of the world has decreased by 10% on the prior year to £109.2 million (increased by 5% on 2020), impacted undoubtedly by the delays in the distribution network caused by greatly reduced airfreight capacity. Gross margin declined slightly from 54.9% to 52.5%, a relatively small reduction given the challenging conditions in overseas territories brought about by the pandemic.

Airfreight capacity constraints, caused by the pandemic, also kept distribution costs to the more distant markets high and these are expected to continue for some time to come. Nevertheless, the region delivered growth in the fourth quarter as a result of the positive contribution from wholesale.

Agenda for Change

Progress continued at pace in the Agenda for Change, with the publication of the full UK manufacturer list in March 2021 and the international manufacturer list in September 2021. Sir Brian Leveson's fifth and final report on Agenda for Change was published in March 2022 and highlighted, in particular, the strengthening of the product compliance, sourcing, sustainability and quality assurance teams and completion of the actionable items contained in the Levitt Review. Further details of the progress of the Agenda for Change are contained in a separate section in this report on page 18.

Corporate Governance

The group has delivered on its commitment to strengthen its corporate governance with the appointment of two new and independent non-executive directors. Tim Morris joined the board in May 2021 and brings a wealth of experience built on his career in legal services and in business entrepreneurship, which will be invaluable as he focuses on the oversight of risk and corporate governance. Additionally, Kirsty Britz joined the board in October 2021. Kirsty has spent a large part of her career on sustainability and professional standards and brings expertise that will assist the group in defining and executing its sustainability practices. The group has recently constituted an ESG Committee, which will oversee its ESG strategy and provide recommendations to the Executive ESG group. These enhancements ensure that key ESG matters are considered by leaders and decision-makers, who are appraised of the relevant information, at the appropriate time.

With the completion of the Agenda for Change programme, we are embedding the core themes of the programme – corporate governance, purchasing practices and our support for the garment sector – into sustainability KPIs across our business that we monitor monthly.

Sustainability

We recognise the environmental impact of fashion and our responsibility to reduce the negative aspects of production, waste and poor longevity of apparel. We have built a sustainability function in our business and have developed a strategy to target three material areas of focus: clothes made smarter; suppliers on better terms; and our business taking action. The ESG function is overseen by a non-executive director with expertise in the subject. Full details on our sustainability strategy and our results to date can be found on pages 46-66 and within our published documents on our corporate website.

In the last year, the group published its sustainability strategy, UP.FRONT, with three pillars:

1. Clothes made smarter;
2. Suppliers on better terms; and
3. Our business taking action.

Clothes made smarter: the group is targeting increases in products made from more sustainable materials (targeting all polyester and cotton to be more recycled or sustainably sourced by 2025); improvements in sustainably-designed products; the introduction of resale and recycling offers across our brands by 2023 (with the PLT resale marketplace due to launch in FY2023); and increases in recycled content in our labelling and packaging.

Suppliers on better terms: focuses on transparency, standards and programmes. Global supplier and factory lists have been published, as well as our responsible purchasing practices. More robust supplier standards and a rigorous management programme have been implemented by our sourcing teams, supported by improved systems to order, monitor and track products ordered from our suppliers. The group also became a member of Fast Forward, and by September 2022 will have completed the Fast Forward audit programme in its UK supply chain. In the last year, the group has also set up and donated £1 million to the Garment and Textile Works Trust in Leicester and recently opened its manufacturing centre of excellence in Thurmaston Lane.

Our business taking action: the group has made progress in the last year under its third sustainability pillar; embedding sustainability risks and opportunities into decision-making and KPIs (and the constitution of a dedicated ESG Risk Committee). The group has set out climate change targets based on the Science-Based Targets Initiative, with the goal of achieving carbon reductions across our value chain that are equivalent to 52% reduction in emissions relative to our growth by 2030.

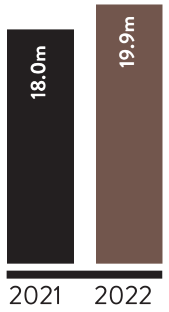
KEY PERFORMANCE INDICATORS

Revenue

£1,983 MILLION

Active Customers

19.9 MILLION



Number of Orders

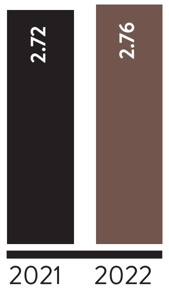
62.4 MILLION

Order Frequency

3.14

Conversion Rate to Sale

2.76%



Average Order Value

£48.16

Number of Items per Basket

3.04

CONTINUED PROFITABLE GROWTH
FINANCIAL REVIEW

REVENUE BY GEOGRAPHICAL MARKET	**2022 £ million**	2021 £ million	2022 change on 2021	2022 change on 2021 CER	2020 £ million	2022 change on 2020
UK	**1,202.8**	945.1	+27%	+27%	679.4	+77%
Rest of Europe	**219.2**	244.7	-10%	-9%	188.4	+16%
USA	**451.6**	435.1	+4%	+4%	263.6	+71%
Rest of world	**109.2**	120.4	-9%	-10%	103.5	+6%
	1,982.8	1,745.3	+14%	+14%	1,234.9	+61%

KPIS	**2022**	2021	2022 change on 2021
Active customers[1]	**19.9 million**	18.0 million	+10%
Number of orders	**62.4 million**	54.7 million	+14%
Order frequency[2]	**3.14**	3.03	+4%
Conversion rate to sale[3]	**2.76%**	2.72%	+4bps
Average order value[4]	**£48.16**	£44.59	+8%
Number of items per basket	**3.04**	3.34	-9%

1 Defined as having shopped in the last 12 months on the website and app, including marketplace.
2 Defined as number of website and app orders in last 12 months divided by number of active customers.
3 Defined as the percentage of website and app orders taken to internet sessions.
4 Calculated as gross sales including sales tax divided by the number of orders.
Note: 2020 data not available due to improved data gathering introduced in 2021 and 2022.

FINANCIAL REVIEW
CONTINUED

CONSOLIDATED INCOME STATEMENT	2022 £ million	2021 £ million	2022 change on 2021	2020 £ million	2022 change on 2020
Revenue	**1,982.8**	1,745.3	+14%	1,234.9	+61%
Cost of sales	**(941.7)**	(800.1)	+18%	(568.6)	+66%
Gross profit	**1,041.1**	945.2	+10%	666.3	+56%
Gross margin	**52.5%**	*54.2%*	*-170bps*	*54.0%*	*-150bps*
Operating costs	**(916.1)**	(772.6)		(539.9)	
Other income	**0.1**	1.0		0.2	
Adjusted EBITDA	**125.1**	173.6	-28%	126.6	-1%
Adjusted EBITDA margin %	**6.3%**	*10.0%*	*-360bps*	*10.2%*	*-400bps*
Depreciation	**(32.0)**	(20.1)		(16.6)	
Amortisation of other intangible assets	**(9.0)**	(4.2)		(3.0)	
Adjusted EBIT	**84.1**	149.3	-44%	107.0	-21%
Adjusted EBIT margin %	**4.2%**	*8.6%*	*-440bps*	*8.7%*	*-450bps*
Adjusting items:					
Amortisation of acquired intangible assets	**(12.8)**	(5.5)		(5.1)	
Equity-settled share-based payment charges	**(26.1)**	(19.7)		(11.0)	
Exceptional items	**(35.8)**	–		–	
Operating profit	**9.4**	124.1	-92%	90.9	-90%
Finance income	**–**	0.9		1.7	
Finance expense	**(1.6)**	(0.3)		(0.4)	
Profit before tax	**7.8**	124.7	-94%	92.2	-92%
Tax	**(11.8)**	(31.3)		(19.3)	
(Loss)/profit after tax for the year	**(4.0)**	93.4	-104%	72.9	-105%
Diluted (loss)/earnings per share	**(0.32)p**	7.25p	-104%	5.35p	-106%
Adjusted profit after tax for the year	**56.3**	113.8	-51%	86.0	-35%
Amortisation of acquired intangible assets	**(12.8)**	(5.5)		(5.1)	
Share-based payment charges	**(26.1)**	(19.7)		(11.0)	
Exceptional items	**(35.8)**	–		–	
Adjustment for tax	**14.4**	4.8		3.0	
(Loss)/profit after tax for the year	**(4.0)**	93.4		72.9	
Adjusted profit for the year attributable to shareholders of the company	**56.3**	108.5	-48%	69.9	-19%
Adjusted diluted earnings per share	**4.39p**	8.67p	-49%	5.88p	-25%

Revenue in the financial year grew 14% (up 61% on a two-year basis), with strong growth in the UK partly offset by weaker demand in overseas markets due largely to extended delivery timeframes, which negatively impacted the group's international proposition to customers. Gross margin declined 170bps year-on-year, as a consequence of elevated inbound shipping costs arising from the pandemic.

Operating costs, comprising distribution costs and administrative expenses excluding depreciation and amortisation, have increased by 190bps to 46.2% of revenue, driven by higher marketing costs and continued high levels of overseas distribution costs caused by the pandemic.

Adjusted EBITDA, which is not a statutory measure, represents earnings before interest, tax, depreciation, amortisation, non-cash share-based payments charges and exceptional items. It provides a useful measure of the underlying profitability of the business. Adjusted EBITDA decreased by 28% from £173.6 million to £125.1 million and, as a percentage of revenue, decreased from 10.0% to 6.3%.

Adjusted profit after tax, as with Adjusted EBITDA, provides another more consistent measure of the underlying profitability of the business by removing non-cash amortisation of intangible assets relating to the acquisition of new brands (being their trademarks and customer lists), share-based payment charges and exceptional items.

Exceptional items relate to: dual running and inefficiency costs of the warehouses; legal expenses and redundancy costs of some employees associated with the acquisition of the new brands in February 2021; additional costs of working at the Sheffield warehouse during the automation installation; and irrecoverable sales taxes on customer returns from the EU during the period after Brexit and before simplified procedures in the EU became operational. These exceptional items amounted to £35.8 million. Exceptional items are shown in more detail in note 1 of the financial statements on page 113.

TAXATION

The effective rate of tax for the year was 151.3% (2021: 25.1%), which is higher (2021: higher) than the UK statutory rate of tax for the year of 19.0% (2021: 19.0%), due to the revaluation of deferred tax liabilities in line with the increase in corporation tax rates to 25%, expenditure not deductible for tax purposes, being principally depreciation on buildings and fit-out, disallowable legal claims and share-based payment charges on growth shares.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2022 £ million	2021 £ million	2020 £ million
Intangible assets	**128.5**	118.3	42.3
Property, plant and equipment	**349.2**	141.6	119.2
Right-of-use assets	**49.7**	16.7	14.6
Financial assets	**2.8**	13.1	4.5
Deferred tax asset	**7.5**	3.2	6.0
Non-current assets	**537.7**	292.9	186.6
Working capital	**(12.7)**	(90.9)	(63.9)
Lease liabilities	**(51.9)**	(18.3)	(16.2)
Net financial assets/(liabilities)	**7.4**	12.6	(9.0)
Cash and cash equivalents	**101.3**	276.0	245.4
Interest-bearing loans and borrowings	**(100.0)**	–	(4.8)
Deferred tax liability	**(25.3)**	(4.2)	(3.6)
Net current tax asset/(liability)	**7.8**	4.4	(6.6)
Net assets	**464.3**	472.5	327.9

There has been a substantial investment in property and distribution centres to facilitate our next growth phase, which has been partly funded out of cash resources and partly from the fully drawn rolling capital facility of £100 million. Working capital has increased largely because of the build in inventory to service the new brands along with the growth of the business in general.

INTANGIBLE AND FIXED ASSET ADDITIONS	2022 £ million	2021 £ million	2020 £ million
Purchased intangible and fixed assets			
Intangible assets			
Trademarks and customer lists	**–**	73.4	19.4
Software	**32.0**	12.3	3.8
	32.0	85.7	23.2
Tangible fixed assets			
Distribution centres	**120.3**	16.9	15.4
Offices, office equipment, fixtures and fit-outs	**109.0**	20.0	6.6
Motor vehicles	**0.2**	0.1	0.4
	229.5	37.0	22.4
Total intangible and fixed asset additions	**261.5**	122.7	45.6

LIQUIDITY AND FINANCIAL RESOURCES

Operating cash flow was £10.3 million compared to £201.1 million in the previous year and free cash outflow after tax was £251.2 million compared to an outflow of £121.8 million in the previous financial year. Capital expenditure and intangible asset purchases were £261.5 million, which includes a £120.3 million investment in our distribution centres to support projected growth in the business. The closing cash balance for the group was £101.3 million and the net cash balance £1.3 million. In March 2022, a new £325 million rolling capital facility was secured.

FINANCIAL REVIEW

CONTINUED

CONSOLIDATED CASH FLOW STATEMENT

	2022 £ million	2021 £ million	2020 £ million
(Loss)/profit after tax for the year	**(4.0)**	93.4	72.9
Share-based payments charge	**26.1**	19.7	11.0
Depreciation charges and amortisation	**53.8**	29.8	24.7
Finance income	**–**	(0.9)	(1.7)
Finance expense	**1.6**	0.3	0.4
Loss on sale of fixed assets	**–**	–	0.2
Tax expense	**11.8**	31.3	19.3
Increase in inventories	**(134.5)**	(45.8)	(32.3)
Increase in trade and other receivables	**(17.7)**	(8.8)	(9.4)
Increase in trade and other payables	**73.2**	82.1	42.2
Operating cash flow	**10.3**	201.1	127.3
Capital expenditure and intangible asset purchases	**(261.5)**	(49.3)	(26.2)
Acquisition of new brands	**–**	(73.4)	(19.4)
Acquisition of non-controlling interest in PrettyLittleThing	**–**	(161.9)	–
Tax paid	**–**	(38.3)	(11.6)
Free cash outflow after tax	**(251.2)**	(121.8)	70.1
Net proceeds from the issue of ordinary shares	**6.8**	201.4	2.7
Purchase of own shares by EBT	**(19.2)**	(39.4)	(14.9)
Finance income received	**–**	1.2	1.8
Finance expense paid	**(0.9)**	(0.1)	(0.3)
Dividend paid to non-controlling interests	**–**	–	(3.4)
Lease payments	**(10.2)**	(5.9)	(6.0)
Increase in/(repayment) of borrowings	**100.0**	(4.8)	(2.4)
Net cash (out)flow	**(174.7)**	30.6	47.6
Cash and cash equivalents at beginning of year	**276.0**	245.4	197.8
Cash and cash equivalents at end of year	**101.3**	276.0	245.4

TRENDS AND FACTORS LIKELY TO AFFECT FUTURE PERFORMANCE

The global market for online fashion is forecast to continue to grow, which provides a favourable backdrop for the group with much opportunity for further growth. Customers throughout the world are seeking a wide choice of quality fashion forward products at value prices, generally lower than those available on the high street, with the convenience of home delivery. The group's target market has a high propensity to spend on fashion and the market has proven to be quite resilient to external macroeconomic factors.

The pandemic has impacted our business and is most significantly seen in the unpredictability of customer demand, the rate of customer returns, the increase in shipping times and the cost of shipping on both inbound and outbound products. Some of these factors, such as the rate of customer returns, have already reverted from the low rates during the pandemic to rates seen before the pandemic, while other factors such as the shipping cost increases are taking longer to move towards pre-pandemic levels. We expect shipping costs to continue at elevated levels during FY2023. Wage costs have also risen, given heightened levels of inflation, and in the UK the group will incur a 1.25% increase in National Insurance and a 6.6% increase in the National Living Wage expected from April 2022. Higher levels of inflation have also been seen in materials and the group will work to mitigate these costs across labour and materials where possible.

OUTLOOK

Heading into the new financial year, the group is planning the business on the basis that the pandemic-related external factors impacting performance in FY2022 will continue for the year ahead. The group's priorities therefore are focussing on optimising its operations, including:

- **Sourcing and freight**

  Targeting increased sourcing from near-shore markets, leveraging the flexibility that exists in the group's diverse supplier base to reduce lead times that have been negatively impacted through global supply chain challenges in FY2022 and exposure to fluctuating inbound freight costs that remain elevated.

- **Stock management and returns**

  Operating with lower levels of inventory through tighter stock management and increased levels of open to buy, giving greater flexibility to react to changes in demand mid-season. Whilst returns rates are expected to remain around current levels during FY2023, the group will annualise material increases in return rates in the first half of the new financial year.

- **Cost management**

  The group has commenced a cost efficiency programme, and by scaling recent acquisitions that have already received significant investment, overheads across the group can be leveraged.

- **Unlocking strategic enablers**

  Focusing resources and capital investment into key projects to support strategic growth, including: onboarding new wholesale partnerships; upgrading the Debenhams technology platform; going live with automation in our Sheffield distribution centre; and progressing our US distribution centre ahead of go-live in 2023

By focusing on these areas, the group will be in a position of greater financial and operational strength, and well-positioned to rebound strongly as pandemic-related headwinds ease, allowing it to capitalise on its significantly expanded target addressable market, returning towards normalised growth rates of 25% per annum post-pandemic and adjusted EBITDA margin rebuilding back to 10%.

LONGER-TERM COMPETITIVE POSITIONING AND OPPORTUNITY TO TAKE MARKET SHARE UNCHANGED

The group expects to emerge from the pandemic in a far stronger position compared to two years ago. Reflecting significant and ongoing investments in its platform, brands, distribution and people, the group has:

- A broader portfolio of brands and a significantly larger target addressable market with 500 million potential customers across key markets
- Greater infrastructure capacity capable of supporting in excess of £4 billion of net sales, with automation investments driving future efficiencies
- Committed to opening a new distribution centre in the USA, significantly strengthening the customer proposition
- 20 million customers globally
- Numerous growth opportunities through the group's direct to consumer proposition, Debenhams and strategic partnerships with select partners globally.

We remain extremely confident in the group's future growth prospects, and as short-term demand uncertainty and material cost headwinds as a result of the pandemic unwind, the group's belief that it continues to be capable of executing its strategy aimed at leading the fashion e-commerce market remains unchanged.

RISK MANAGEMENT
HOW WE MANAGE RISK

"I am personally delighted of the progress we have made but it is important to highlight that our journey is ongoing."

A MESSAGE FROM SHAUN MCCABE

Dear Shareholders,

The board recognises that a robust risk management framework is a fundamentally important part of our ability to maintain stakeholder confidence. Since the establishment of the Risk Committee in December 2020, we have dedicated focus to the evolution of our internal risk controls, policies and procedures as part of our commitment to deliver the Agenda for Change programme. I believe such has been integral to achieving our aim of entrenching effective risk management throughout the business.

As the Agenda for Change shifts to being embedded as part of business as usual, the board has given clear indications of its appetite for dealing with risk and willingness to introduce enhanced audit where required. The board is alive to the need to ensure that the high level of oversight achieved during the past 18 months is not lost in this transition. The Risk and Audit Committees will have an important role to play in this area, alongside the newly established ESG Committee.

I am personally delighted of the progress we have made but it is important to highlight that our journey is ongoing. As part of our commitment to shareholders, we will closely monitor independent assurance from the internal audit function as to the adequacy and effectiveness of the group's internal controls and risk management systems, particularly as they relate to key Agenda for Change programme risks.

The board remains vigilant to significant risks faced by the group, including unprecedented and fluctuating supply chain costs and the increasing likelihood of complex data breaches and ransomware attacks from external threats. In the year ahead, we will renew our focus on the continued development of our cybersecurity strategies and internal controls, and spend time understanding, managing, controlling, and mitigating key strategic risks across the business.

Shaun McCabe
NON-EXECUTIVE DIRECTOR AND CHAIR OF THE RISK AND AUDIT COMMITTEES

3 May 2022

The board has overall responsibility for risk management, validating the appropriateness of the supporting system of internal controls and for reviewing their effectiveness. Effective risk management is an evolving and continuous process; our aim is to embed effective risk management throughout the business in order to manage risk in a way that helps the group achieve its objectives.

During the last financial year there have been ongoing improvements to the risk management framework at boohoo group plc and the way we manage risk, this includes but is not limited to:

- The evolution of the risk management policy, approved annually by the board;
- The establishment of additional risk focused governance structures;
- The provision of risk management training to senior executives;
- Continued assessment of risk appetite at board level;
- Dedicated risk management resource within the internal audit and risk team;
- The introduction of a leading risk management and audit software system; and
- Liaising with external partners, including KPMG, on ensuring the Agenda for Change programme is comprehensively transitioned within the risk management framework.

RISK GOVERNANCE

In the year ended 28 February 2021, the group had established an Executive Risk Group and Risk Committee to oversee and monitor the improvements being made in relation to risk management. Below this level, we had established functional risk groups across the business to identify, assess, monitor and manage risks held at a functional level.

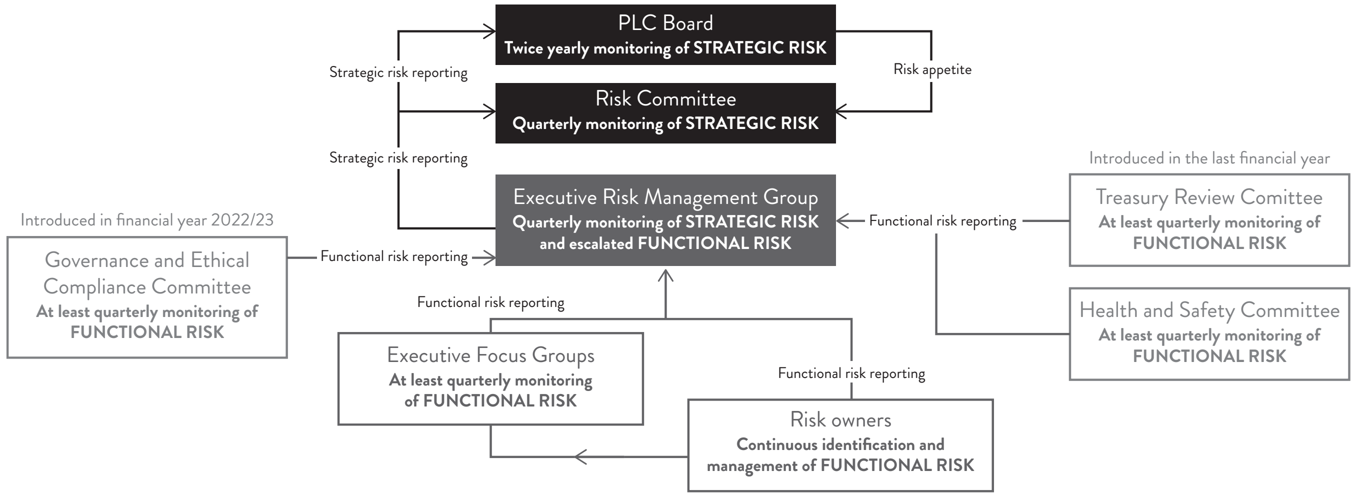
In the year to February 2022, further governance structures have been embedded into the group. The Treasury Review Committee and Health and Safety Committee report functional risks to the Executive Risk Group and Risk Committee.

The Supply Chain Compliance Committee was formed as part of the Agenda for Change programme as the stand-alone governance committee overseeing supply chain risks and issues and reporting to the board. Over the last financial year, this has formed a key part of our supply chain governance processes. With the conclusion of the Agenda for Change programme, the reporting and governance for supply chain compliance moves into the risk management framework with a Governance and Ethical Compliance Committee, reporting to the Executive Risk Group, Risk Committee and board.

As noted in the Corporate Governance section on page 69 there are a number of other governance improvements that have been made in the last financial year that all directly, or indirectly, report risk-related matters into the Executive Risk Group and Risk Committee. There are also new governance structures being embedded into the group in the financial year 2023.

RISK MANAGEMENT
HOW WE MANAGE RISK
CONTINUED

OUR RISK MANAGEMENT APPROACH



- **Identify** – Top down and bottom up identification methods including workshops, interviews, committees, focus groups and ad hoc.
- **Assess** - Prioritisation and measurement of risks using consistent risk assessment methods and against risk appetites agreed with the board.
- **Manage** – Identifying, improving, reviewing and auditing control measures that reduce risk impact or likelihood.
- **Monitor** – Monitoring and reporting on the status of risks.

At a functional level, each business function is responsible for preparing and maintaining their functional risk registers and, with the assistance of the risk team, identifying, assessing, managing and monitoring risks and reviewing emerging risks within their function. Each risk is assigned an owner through which ongoing activities, control measures and any actions related to that risk are updated.

At strategic level, the Executive Risk Group oversees the monitoring of escalated functional risks as well as key strategic risks to the group. The Risk Committee reviews the strategic risks facing the group and assesses the mitigating factors, reviews emerging risks, performs deep dives on key risks, and assists the board in setting the risk appetite of the group, against which risks are evaluated. Each risk is assigned to a senior executive, through which ongoing activities, control measures and any actions related to that risk are updated.

Functional, strategic and project risk registers are prepared using a consistent risk management methodology approved annually by the board. The registers are used to evaluate business impact and likelihood ratings, both before (inherent) and after (residual) the effect of any mitigating activities or controls.

Where there are projects that will have, or could have, a material impact on any strategic risk, or where a project could introduce new material risk into the business, specific project level risk registers are maintained following the same risk management methodology as functional and strategic risks.

The risk management process is underpinned and documented across the group using a leading risk management software system introduced in the last financial year. The software enables the Internal Audit and Risk team, risk and control owners, accountable directors and senior leadership real time access to up-to-date and accurate risk information at a strategic and functional level, as well as ensuring appropriate documentation and trend analysis.

Internal Audit planning is strongly aligned to the key strategic and operational risks defined by the board via the Risk Committee and Executive Risk Group and the results of internal and external audits are factored into the regular review of strategic and functional risks.

Our risk management process is an ongoing assessment of the key risks facing our business, such that it is updated whenever there is a major change in the principal risks and uncertainties.

The Executive Risk Group and Risk Committee perform a full review of the strategic risks, on a line-by-line basis twice a year in congruence with the financial reporting timetable. Considered in this review are the addition or removal of strategic risks, the risk rating of each risk and impact of current mitigating factors and actions. The Executive Risk Group meets every six weeks formally, with direct lines of communication established for real-time consideration, should there be material changes to the risks faced by the business between meetings.

STRATEGIC REPORT

KEY (movement in year)

↑ INCREASED ↔ LEVEL ↓ DECREASED N NEW

The following are considered to be the principal risks and uncertainties as at the year ending 28 February 2022.

STRATEGIC RISKS

Risk heading and risk owner	Risk factors	Mitigation
SUPPLY CHAIN ETHICS **Director of Responsible Sourcing and Group Product Operations** ↓	As a result of complexity inherent within the supply chain and non-compliance with required supply chain standards, there is a risk that inappropriate, unethical or illegal practices go undetected which could lead to investigations from regulatory bodies and may cause reputational damage.	• UK and EMEA (Turkey, Italy, Paris) sourcing and compliance teams now in place • UK supply chain published March 2021, ROW published September 2021, both lists have been updated twice, in December 2021 and February 2022 • Bureau Veritas nominated audit partner and auditing programme in place, non-compliance correction process managed through UK ethical compliance team. UK manufacturing supply chain under-going Fast Forward audit programme • Supplier hourly production outputs programme underway • Responsible Purchasing Practices built by brands and part of brand buying practices. Modern slavery, anti-bribery and ethical compliance training programmes and plans in place in all areas of boohoo business • During the financial year, this risk has been primarily managed through the Agenda for Change programme. As agreed and supported by the Agenda for Change external advisers, we have transitioned the day-to-day management of this risk and relevant controls into business as usual, this activity is monitored via the Governance and Ethical Sourcing Committee
COMPETITION RISK **CEO and CFO** ↑	The business operates in a broad and open market, with many competitors. There are many factors that influence customers' choices, including service, fashion, price and brand. As a result of the above factors, there is a risk that market share may not grow or could decline.	• Operating a differentiated business model, across brand and geographies insulates against specific brand competitors as a group • Investment in brands, both at an individual level and through acquisition • Competitor activity and offerings are reviewed regularly to remain abreast of market developments and identify competitive advantages • Consumers' changing preferences are monitored internally and by market research to ensure product and service is relevant to demand • Developments in e-commerce trends are monitored to keep abreast of the latest developments and innovations • Performance targets control key deliverables (product quality, customer service and traffic)
SUSTAINABILITY **Director of Responsible Sourcing and Group Product Operations** ↑	As a result of sustainability and environmental factors, there is a risk that customer perception is damaged, which could negatively impact the brand. Longer term, consumers may reduce consumption of fast fashion due to environmental concerns.	• Sustainability Strategy published 2021 with ambitious targets, product sustainability targets updated and published fortnightly via dedicated governance committee • Dedicated and experienced Sustainability Team in place • Partnership with Cotton Connect and a Pakistan-based NGO to grow sustainable cotton in Rajanpur, Pakistan. Styles containing more sustainably grown cotton published on brand websites • Members of Sustainable Apparel Coalition, top 50 and all UK suppliers currently completing Facilities Environmental Module • Fabric waste collection programme being rolled-out across all UK manufacturers • New ESG Committee and 'E' 'S' and 'G' sub-committees established

STRATEGIC REPORT

RISK MANAGEMENT
HOW WE MANAGE RISK
CONTINUED

STRATEGIC RISKS

Risk heading and risk owner	Risk factors	Mitigation
GOVERNANCE **CFO** ↓	As a result of historical governance issues there is a risk of the business not meeting the best interests of its stakeholders.	• Sustainable change has been driven by A4C and embedded within business practices • New non-executive directors have been recruited to improve governance • New committee structure established including new standalone governance committees relating to supplier compliance, treasury, health and safety and ESG • See Corporate Governance section on page 58 for further details
ETHOS AND CULTURE **Chief People Officer** ↑	As a result of business change, developing and implementing new systems, controls and significant acquisitions, there is a risk that culture is impacted, which could lead to a decrease in brand ethos and morale, impacting operations.	• Board commitment to positive change, led from within the business and increased communications from senior leadership • Investment in colleague engagement, including regular town halls, listening sessions and improved on-boarding processes • Investment in colleague training to support change • New starter breakfast breakfast and focus group sessions • Group personal behaviour values developed for all levels • Team building sessions and away days
REGULATORY COMPLIANCE **Group Legal Counsel** ↓	As a result of complex data privacy regulations and continuous increase in threats to data, there is a risk of a regulatory breach, which could lead to regulatory investigation and financial penalties. As a result of operating in many international markets and variations in local regulation in those different markets, compliance risks are increased. Specifically, those where websites are located, pricing and promotion restrictions are in place and any countries with complex legal marketplace compliance (e.g. US) laws, there is a risk of non-compliance and regulatory-related investigations, which could lead to financial penalties and reputational damage. As a result of emerging regulations, there is a risk that additional compliance costs are incurred in the future. As a result of a large or high profile acquisitions and the associated market share implementation, there is a risk of investigation and review by the competition authority, which may lead to financial costs and delays to processing of the deal.	• Comprehensive and refreshed training of colleagues on the importance of GDPR and data security • Advice sought and acted upon from experts in data privacy to provide guidance on mitigating the risk to the group – with regular updates on progress presented to the Executive Risk Group, Risk Committee and board • Privacy policies and procedures reviewed and updated regularly • Understanding and compliance to key laws and compliance thereto • Impact reduced by skilled legal team in house and utilising specific expert advice from external lawyers in territories concerned • Corporate Affairs team in place, which monitors emerging regulations to ensure the business is best placed for any new compliance requirements – e.g. buy-now-pay-later • Expert counsel taken to fully understand M&A risks prior to acquisitions

STRATEGIC REPORT

KEY (movement in year)

↑ INCREASED ↔ LEVEL ↓ DECREASED N NEW

STRATEGIC RISKS

Risk heading and risk owner	Risk factors	Mitigation
TAXATION AND DUTIES **CFO** ↔	Governments may impose additional corporation taxes on online businesses. Governments are increasingly reducing duty and tax-free thresholds on imports and imposing tax collection responsibility on sellers, thereby increasing prices to consumers.	• Impact of potential future corporation tax rates is considered in future plans • Sales taxes are already imposed in all major markets and the group believes that its products will remain competitive due to its online proposition and with customs warehousing, the impact of duty costs can be minimised
SUPPLY CHAIN COSTS AND DELAYS **CEO** N	As a result of increased freight and distribution costs seen across industries around the world, there is a risk that products do not achieve an acceptable margin or that supply chain delays have an impact on speed.	• Dedicated sourcing team and inbound team, which looks to identify market opportunities for keeping costs down • Differentiated supply chain mechanisms so as to not be wholly reliant on one form of transport • Approximately 25% of products are sourced from the UK, which limits macro exposure • Work ongoing to establish US distribution centre to improve market offering in US

STRATEGIC REPORT

RISK MANAGEMENT
HOW WE MANAGE RISK
CONTINUED

OPERATIONAL RISKS

Risk heading	Risk factors	Mitigation
IT AND CYBERSECURITY **CIO** ↔	There is a risk of a cyber-attack, which could lead to application, system and operational downtime and may impact trading and operations across the group.	• Board engagement in cyber risks, mitigations and plans. Regular updates at Executive Risk Group and Risk Committee • Perimeter security regularly updated and tested • Industry leading tooling to prevent and detect attacks • 24/7 security operations centre • Continued and expanding investment in IT tools and security teams • Training of both technical and non-technical teams regarding cybersecurity
CHANGE **CIO** ↔	As a result of a high number of critical projects running in parallel, including upgrading key IT systems, there is a risk that delivery is not completed in line with proposed timelines and business-as-usual activities are not appropriately established, thereby not meeting the expectations of both internal and external stakeholders, which could lead to reputational damage.	• Growth of projects capability including head of delivery and project function, business analysts and project managers • Investment in replacing the Enterprise Resource Planning (“ERP”) system and connective infrastructure • The Change Advisory Board (“CAB”), consisting of senior leadership and executive directors, ensures that approvals are obtained in advance of changes being implemented • Established project methodology including the right level of governance for each project • Resourcing managed and reviewed to ensure key projects are prioritised • Material projects go through full boohoo risk management methodology
THIRD PARTIES **CIO** ↔	As a result of reliance placed on third parties, there is a risk that key third parties are not performing in line with expectations, which could lead to operational and technological disruption.	• A defined supplier framework and governance structure, which outlines the relationship owners exists • Supplier security assessments are conducted • Diversification of the service providers, where appropriate to spread risk • Technology suppliers managed through regular cadence of meetings
BUSINESS CONTINUITY/ DISASTER RECOVERY **CFO/CIO/Supply Chain director** ↔	As a result of an unplanned business continuity incident/event there is a risk that warehouses and key operations facilities are required to close, which could lead to reduced productivity and operations across the group. As a result of a critical IT failure, when enforcement of disaster recovery is required, there is a risk that key recovery objectives are not met, which could lead to data or financial loss.	• Warehouses are protected by 24-hour security, access control, fire protection and sprinkler systems • Head office is protected by security alarm, access control, fire protection and sprinkler systems • Electric power continuity is protected by back-up generators • Consideration has been given to location diversification, resulting in more options to move sites in the event that a business continuity incident occurs at one site • Business Continuity Plans are in place for all sites • IT disaster recovery covers critical applications and third-party contracts with appropriate service level agreements • Investment on monitoring and alerting governance and change management • Tech colleagues can work 24/7 from anywhere

KEY (movement in year)

↑ INCREASED ↔ LEVEL ↓ DECREASED N NEW

OPERATIONAL RISKS

Risk heading	Risk factors	Mitigation
PEOPLE RISK **Chief People Officer** ↑	Competitors are inclined to poach key staff and talented individuals. Employees may leave the company for better pay and prospects elsewhere. Macro-environmental changes resulting in increased staff turnover across industries. As a result of these risk factors, there is a risk that the group’s ability to recruit and retain staff affects its ability to operate as a market leader.	• Smarter Working Policy introduced • Evolved and redesigned appraisal process • Employee listening groups held across sites • Renewed exit interview process and learning from feedback • Review of employee benefits packages • Improved benchmarking against industry standards • ‘Thank you’ scheme launched across sites • Improved communication and explanation of the share incentive schemes in place
PRODUCT RISK **Director of Responsible Sourcing and Group Product Operations** ↔	As a result of health and safety regulations in relation to products, there is a risk of product liability costs and potential legal implications. As a result of product quality issues, there is a risk of a decline in customer satisfaction.	• Product Compliance Team in place in the UK and Turkey • boohoo product performance lab opened, programme to test suppliers’ products and educate suppliers and buying teams • Product performance manuals in place, continuous training seminars underway on categories such as cosmetics, kids and footwear, with buyers and suppliers • All brands bar boohoo and MissPap now operating on a 2.4 AQL (previously 4.0), next steps – boohoo and MissPap • Product compliance checks have commenced in Turkey and due to begin in Italy

FINANCIAL RISKS

Risk heading	Risk factors	Mitigation
FINANCIAL RISK **CFO** ↔	Poor business performance, or lack of appetite for the sector, may impede raising of capital. Exchange rate fluctuations may erode margins. The increase in supply chain costs also negatively impacts available working capital.	• Regular budgeting and forecasting ensures working capital is sufficient for business requirements and rapid reaction to adverse business performance • Uncertainty due to fluctuating exchange rates is reduced by appropriate forward-looking hedging policies • Significant improvements have been made to the treasury function • New Treasury Committee established to oversee treasury matters

RISK MANAGEMENT
WHAT'S ON OUR RADAR

Through the ongoing work of risk owners and the Internal Audit and Risk Team, such as regular workshops, interviews and risk and control update sessions, the business continues actively to identify emerging risks and issues that could impact the group's activities across the world.

PLC Board
Sets strategic direction, ensures compliance and provides counsel and oversight

↑

ESG Committee
Sets and oversees ESG strategy and provides recommendations to Executive ESG Group

↑

Executive ESG Group
At least quarterly monitoring of strategic risk and making recommendations to the Board and its Committees

↑

Environmental and Climate Change Committee
At least quarterly monitoring of functional risks

CLIMATE CHANGE

Ahead of the requirement to disclose in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") guidelines in future annual reports, this financial year has seen us take action with regards to analysing our physical and transitional risks associated with climate change.

Governance

As can be seen in the Corporate Governance section on page 69, the group has established a dedicated Environment and Climate Change Committee, consisting of leaders across different functions of the business and chaired by our Head of Sustainability. This group reports directly into the new Executive ESG Group in order to be accountable for our efforts in managing our physical and transitional risks related to climate change.

Strategy

This year saw us enlist the help of external experts in mapping both physical risks, those related to both our physical estate (distribution centres/offices) and our global supply chain, as well as our transitional risks, such as government policy, taxation, customer sentiment and reputation under a range of different climate scenarios.

Over the course of the next financial year, we will look to ensure the results of this risk analysis and evaluation exercise is aligned with the group's strategic ambitions and plans.

Risk management and metrics and targets

Now that the initial risk identification process has been completed, we will take action on ensuring the recommendations outlined in the external report are addressed and bring the climate change risk management process into the wider group risk management framework, with medium and long-term actionable targets and a constant re-evaluation of the risks facing the group. The metrics, targets, actions and goals of this process will be actively managed by the Environment and Climate Change Committee and overseen by the Executive ESG Group.

INCREASED LEVEL OF RETURNS

As a result of changing buying behaviours since the COVID-19 pandemic, we have experienced an increased level of returns. We have dedicated returns processes within the distribution centres and are constantly reviewing the processing of returns to ensure, where possible, product can be returned to the supply chain or processed for resale.

MACROECONOMIC FACTORS

The group continues to monitor macroeconomic conditions and geopolitical situations across the markets in which it operates.

In the UK, the group is conscious of material increases in the cost of living impacting its customers. Through our differentiated brand model, we ensure our product offering and our position in the market is continuously managed, so as to continue to grow our market share to mitigate the impact of this risk

Globally, geopolitical unrest is monitored continuously to ensure the group's exposure to the markets, distribution or supply base affected is managed appropriately.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

"The decision to establish a board sub-committee dedicated to ESG is an important next step to oversee progress over the coming years."

Dear Shareholders,

The group has direct experience of how ESG performance impacts people, communities, its reputation, and its ability to create value and profitability. It is 15 months since the group published the Alison Levitt QC independent report and committed to implementing all of the recommendations. The group established its 'Agenda for Change' programme, resolving to take urgent action to meet all 17 of the recommendations. In February this year, all 17 of these actions were signed off as complete by Sir Brian Leveson and independently assured as such by KPMG. See page 18 to learn more.

Over the last 12 months, the group has broadened its attention beyond the supply chain to the wider management of ESG. The group has grown significantly over the last two years and the board and the leadership team recognise the need to learn from the Agenda for Change programme and undertake a commitment to embed ESG into the operations, culture and governance of the group. It is in this context that last year the group announced UP.FRONT, its first sustainability plan, and the first step towards embedding a comprehensive ESG strategy, one which reflects the size and breadth of the business of today.

This plan tackles three material areas; more sustainable design and manufacturing of clothes, stronger standards and relationships with suppliers and taking action in responsible business practices. Last year saw progress in all three areas:

- The group has started its journey to improve transparency of product composition through the READY FOR THE FUTURE initiative. The intention is to continue to invest to provide more sustainable products that our customers will continue to buy, wear and love in years to come.
- Work is underway to source centrally more sustainable fabrics, with a focus on recycled materials and alternatives to conventional cotton. boohoo group plc is a member of the Better Cotton Initiative ("BCI") and has made progress in sourcing of BCI cotton. I am particularly pleased that, in partnership with Cotton Connect, we are supporting farmers in Pakistan to grow responsible environment-enhanced, livelihood ("REEL") cotton and look forward to the opportunities this presents.
- A critical part of the group's ESG strategy will be to develop its understanding, strategy and management of climate change risks. This year, the group has again calculated and published its carbon emissions across its value chain, had its science-based targets approved by the Science-Based Targets Initiative and started to the lay the foundations for its carbon programme. As a clothing retailer, the group's carbon emissions are primarily driven by the manufacturing of products sold and distribution of those products. The group is aware it has a challenging journey ahead in achieving its science-based targets. This year its progress in emissions reductions has been affected by global freight challenges. The introduction of logistics and transportation efficiency measures combined with the group's product sustainability programmes, will help set the group in the direction of achieving its climate change goals.
- Finally, the group has a proud history of supporting the communities where it operates and this has been taken a step further this year:
  - The recent announcement to donate 1% of the group's pre-tax profits to good causes as part of its new social impact strategy
  - As a business that has given hundreds of young people the first step on their careers, the group will have a particular focus on inspiring and championing young people whose path into the fashion industry may not be straightforward
  - The commitment to use the group's size and scale to help make the social media space kinder, more transparent and real, to ensure that young people can recognise what's real and what's not

The decision to establish a board sub-committee dedicated to ESG is an important next step to oversee progress over the coming years. I am pleased to chair this committee, which will support the next phase of growth and the group's path to building a sustainable future.

Kirsty Britz
NON-EXECUTIVE DIRECTOR AND CHAIR OF THE ESG COMMITTEE

3 May 2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTINUED

BRINGING GROWTH THROUGH OUR NEW SUSTAINABILITY STRATEGY UP.FRONT

We published our sustainability strategy in March 2021. In developing the strategy, we went through a comprehensive process. We began by conducting a materiality assessment – an evaluation of the key environmental, social and governance issues that matter most to our business and stakeholders, and on which we stand to make the greatest impact. We worked with an expert third party to make sure that this was an effective, objective exercise. They interviewed people across our business, reviewed sustainability indices, analysed major industry and sustainability campaigns, mapped industry-wide issues and stakeholder views. This helped to prioritise the issues and focus our strategy. On top of this assessment, we layered further insight from our business and customer research teams, using this to refine our priorities and identify relevant goals and targets. We involved teams around the business, including buying, marketing and operations and consulted the executive team and board too. UP.FRONT is designed to make progress on the sustainability issues, where we can and should make a real difference to work in an open, collaborative way in order to get there.

There are three focus areas in our UP.FRONT strategy. This year, we have focused on laying the foundations to deliver our strategy and making progress in each of our priority areas.

CLOTHES MADE SMARTER

There's an environmental cost to producing clothes, but there are ways we can be smarter and leave a lighter footprint.

We're focusing our efforts on the areas that will have the biggest impact on the future of the clothes that we produce – materials, design, waste, packaging and finding ways to keep our clothes in use for longer.

And this is just the start. We are going to work with experts to develop more focused plans on water, chemicals, biodiversity and microfibres.

FOR MORE INFORMATION ABOUT **OUR APPROACH** GO TO PAGE **44** OF THE REPORT

SUPPLIERS ON BETTER TERMS

Our business is growing. We rely on strong relationships with our suppliers to provide our customers with on trend products at great prices.

We've been building our team so we can engage with suppliers in the UK and beyond to make sure we have a clear map of all the factories producing our clothes, and that our standards are followed to protect the workers in those factories.

We will embed enhanced ethical and environment standards in the UK and globally, working alongside those who make our clothes to help ensure that our role in the fashion supply chain is a positive one.

FOR MORE INFORMATION ABOUT **OUR APPROACH** GO TO PAGE **45** OF THE REPORT

OUR BUSINESS TAKING ACTION

We're passionate about fashion, our business and the role that we can play in the wider industry.

We're going to be up front about how we work, our environmental impact and our role in the global fashion community – starting with tackling carbon emissions across our value chain, creating great jobs, promoting responsible marketing and strong governance, and acting as a force for good in local communities.

FOR MORE INFORMATION ABOUT **OUR APPROACH** GO TO PAGES **46 TO 47** OF THE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
PROGRESS IN THE YEAR TO 28 FEBRUARY 2022

FOCUS AREA 1: CLOTHES MADE SMARTER

BETTER MATERIALS

2025 All our polyester and cotton will be more recycled or more sustainably sourced

2030 All our clothes will be made with more sustainable materials

Working closely with our supply chain to forecast required metres of materials, our fabric manager identifies opportunities for consolidation each season by looking at materials in use across the group. This allows us to transition to more sustainability sourced materials at affordable prices for our brands and customers. We have a robust compliance process in place for evidencing our product level sustainability communications.

We have calculated our materials mix. By volume, around 85% of the materials we use are polyester and cotton. We use better cotton and REEL cotton as alternatives to conventional cotton and recycled polyester as an alternative to virgin polyester.

Our READY FOR THE FUTURE strapline is used on garments made of more than 20% of our stated 'better materials'. This is an absolute minimum and our buying teams aim to achieve over 50%. As of year-end 2022, one in five of our products on order across the group contained one or more of our more sustainably sourced materials. We have held training sessions for our buying teams on more sustainable fabrics and communication guidelines.

We have a long way to go before we reach our better material targets. We have made a good start and are committed to continuing to make progress with the support of our teams.

SUSTAINABLE DESIGN

2025 Design innovation to reduce waste, increase durability and improve recyclability

Our product sustainability specialists have conducted sustainable design and circularity training with our design and buying teams across four brands. Putting our knowledge of circular principles into practice, we have launched upcycled, repurposed and more sustainable collections. We will continue to explore opportunities for collections that minimise waste.

To improve the durability and quality of our product, we conduct quality and compliance testing. With the launch of the boohoo lab, we now have an in-house textile and apparel laboratory, which is working with our suppliers to conduct these tests in-house.

TEXTILE WASTE

2023 Launch resale and recycling offers across our brands

2025 No textile waste direct to landfill in our UK supply chain.

We use a test and repeat approach. This means that our production runs are small and we only order more of the products our customers like. This helps to reduce waste. To help extend the lifetime of garments, we are launching a branded marketplace for re-sale of used garments and piloting a take back solution with Thrift+ to help keep clothes in use for longer.

In May 2021, we launched a supplier waste pilot with waste management provider, Reconomy, and 11 of our key manufacturers in Leicester. Reconomy provided training in best practices in waste management to each facility. Fabric offcuts, cardboard and plastic film were collected.

Of the total waste collected ~85% was textile waste, followed by cardboard (9–10%), and plastic (<5%). Diverting the high volume of textile waste from landfill significantly improves factory sustainability, reducing waste in the supply chain. Building off the success of our waste pilot, we will expand the programme across our Tier 1 manufacturing suppliers in Leicester and identify suitable recycling partners.

PACKAGING

2030 All customer garment packaging will be reusable, recyclable or compostable, and any plastic used will contain over 50% recycled content.

This year, across all our brands, we have implemented measures to increase the use of recycled content in our labelling. We have reduced the size of our swing tickets and removed non-recyclable finishes. We are helping our suppliers transition to using swing tickets made from 100% recycled card and care labels made from 100% recycled polyester.

In setting consistent standards across our brands, we have introduced labelling options that our garment suppliers can refer to for more sustainable packaging and labelling. We have also developed brand specific labelling and supplier manuals.

FUTURE FOCUS

2023 Publish our position on water, chemicals, biodiversity and microfibres

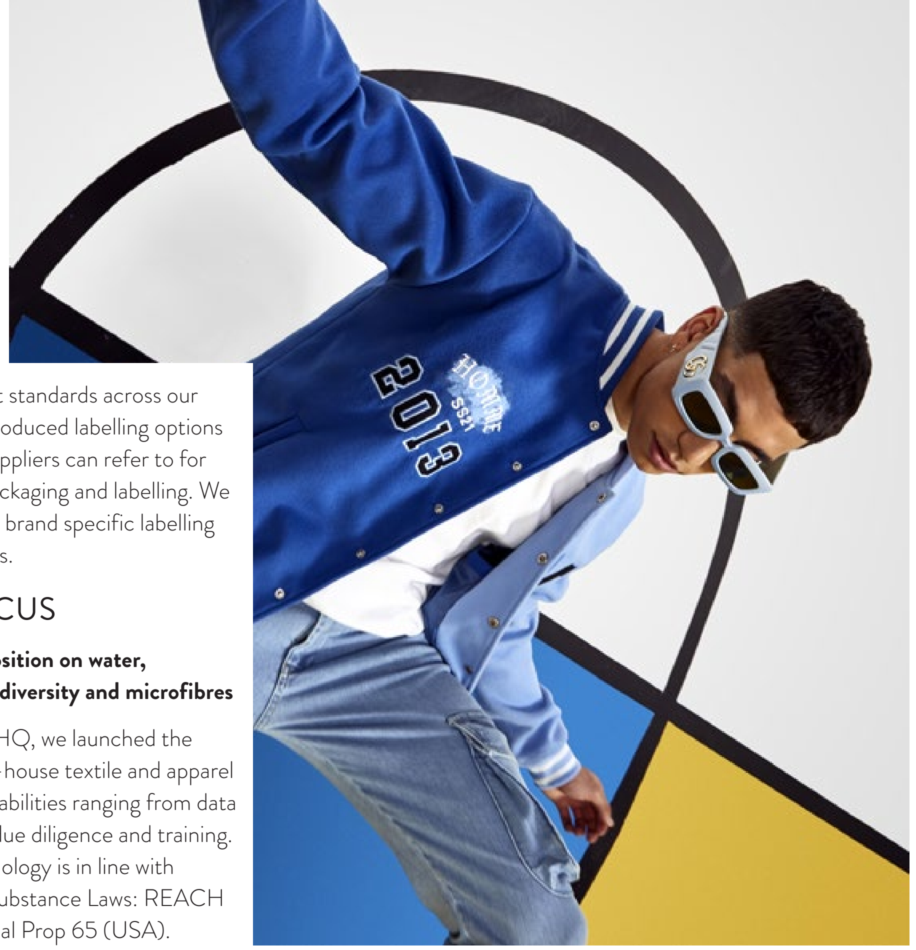
In our Manchester HQ, we launched the Boohoo Lab, our in-house textile and apparel laboratory, with capabilities ranging from data collection, testing, due diligence and training. Our testing methodology is in line with Global Restricted Substance Laws: REACH (UK and EU) and Cal Prop 65 (USA).

As members of the Microfibre Consortium, we are conducting tests on select key recycled fabrics that our UK suppliers use in our garments. The test results will contribute to the Microfibre Consortium's database.

Compared to our value chain, our direct operations are not a major user of water. Much of our water footprint lies in our broader value chain in supplier and customer usage. As part of our supply chain environmental programme, our top suppliers are collecting data on their water use. Our Sustainability Hub launched in February 2022. Here customers can find information on product care to help reduce the impact of garments during the use phase and extend product lifetime.

We are aware that many of the materials we use come from nature. Cotton is a natural fibre that is 31% of our fibre mix. Through our partnership with Cotton Connect, we are growing traceable, REEL cotton over 12,000 acres in Pakistan and training the farmers in agricultural management practices that help to reduce environmental impact. The cotton produced is responsibly sourced and traceable – tracked through our supply chain, from village to garment, with chain of custody using Cotton Connect's proprietary traceability software TraceBale.

In the upcoming year we will publish our restricted substance list ("RSL") and define our positions on water stewardship and biodiversity.



FOCUS AREA 2: SUPPLIERS ON BETTER TERMS

TRANSPARENCY

2021 Disclose our supplier and factory list

2021 Publish our purchasing practices

2025 Map our raw materials supply chain for key fibres

Transparency is a key priority for our business, as reflected by the commitments and changes we have made through our Agenda for Change programme. See page 18 to learn more about the Agenda for Change programme. We published our UK supply chain list in March 2021. Our global factory list was published in September 2021 with updates in December 2021 and January 2022. We have registered with the Open Apparel Registry ("OAR") and shared our global Tier 1 manufacturing list. In collaboration with the OAR, we now have an interactive map of our global facilities on our website. We published our responsible purchasing practice guidelines in September 2021.

STANDARDS

2023 Demonstrated improvements in UK garment factories and the positive impact on workers

2025 Demonstrate the impact of our improved supplier management programme over five years

Our sourcing team has implemented a more robust set of supplier standards and a rigorous management programme. We have internal compliance teams on the ground conducting factory visits and spot checks in key sourcing countries.

We have also improved the systems we use to order, monitor and track products with the following:

- Site Selection Requirement – An order can only be placed with a known, audited and approved supplier.
- Staged Approval Process – A supplier must provide confirmation of audit verification and commercial considerations before production can start.

Whistleblowing in the boohoo group is managed independently through the Unseen Portal. Working with Unseen ensures that workers within our supply chain are able to speak out in confidence and with anonymity.

We became members of Fast Forward in May 2021. Fast Forward is a leading UK auditing and improvement programme. All UK manufacturing sites will be subject to Fast Forward audits in 2022 and will join the Fast Forward Supplier Engagement Programme to access labour standards training, online guidance and resources, and a collaborative network. Currently 20.3% of the boohoo group's UK supply chain has already been through a Fast Forward audit and all Leicester suppliers are signed up for the Supplier Engagement Programme. The Fast Forward audit programme will first start in our UK supply chain in March 2022. We intend on completing the Fast Forward audits by September 2022.

We are signatories to the International Accord, which is committed to improving health and safety within the garment and textile industry in Bangladesh. We are also members of the Slave Free Alliance ("SFA"). SFA will be supporting our overseas offices with advice and Guidance on NGO's, which can support with salient human rights issues.

PROGRAMMES

2021 Set up and donate £1 million to the Garment Workers' Trust in Leicester

2021 Launch manufacturing centre of excellence

Last year we set up the Garment and Textile Workers Trust in Leicester. The purpose of the trust is to help champion workers' rights and provide support for vulnerable garment workers in Leicester. The Trust is overseen and managed by an independent board of six trustees, which bring a wealth of knowledge and expertise of Leicester and garment manufacturing. Working with Nottingham University's Rights Lab, the Trust is conducting a piece of research that examines the challenges the Leicester textile sector faces from the perspective of the people employed in the sector and those working closely with them.

Thurmaston Lane, our manufacturing centre of excellence, is an 85,000 square feet site located in Leicester. Thurmaston Lane offers end-to-end garment production and digital printing for our brands. We started production on 26 January 2022. Thurmaston Lane will set the standard for UK garment industry and champion strong workplace standards. The facility will be used for supplier learning and development. The site is creating 170 jobs for on-site workers, part of our extended boohoo family. It is now home to the boohoo UK Leicester-based compliance team.

STRATEGIC REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
PROGRESS IN THE YEAR TO 28 FEBRUARY 2022

CONTINUED

FOCUS AREA 3: OUR BUSINESS TAKING ACTION

GOVERNANCE

2021 Embed sustainability risks and opportunities in business decisions and KPIs

We have strengthened our approach to governance with the appointment of Kirsty Britz, our new non-executive director, with a background in ESG. To ensure there is adequate oversight of ESG-related issues, the board has also established an ESG Committee chaired by Kirsty Britz, an Executive ESG Group chaired by the Group CEO, and standalone 'E' 'S' and 'G' sub-committees chaired by senior leaders across the business.

The ESG committee will comprise three non-executive directors ("NEDs") to oversee the ESG strategy and provide recommendations to the Executive ESG group. These enhancements will help ensure that key ESG matters are considered by leaders and decision-makers, who are appraised of the relevant information, at the appropriate time.

With the completion of the Agenda for Change programme, we are embedding the core themes of the programme – corporate governance, purchasing practices and our support for the garment sector – into sustainability KPIs across our business that we monitor monthly.

OUR PEOPLE

To receive independent external recognition via an award, accreditation or kitemark for:

- **Being an organisation that cares about doing things right and values it's people; or**
- **Being an organisation that has a genuine and authentic commitment to driving diversity and inclusion change in the workplace and wider society**

It is our aim to create a sense of belonging in the boohoo family for all of our employees, creating a workplace where people grow, love what they do and feel valued. We cultivate employee wellness through workshops, webinars and onsite gym and yoga studios. We also have mental health first aiders throughout the business. See the people section on page 54 to learn more.

CLIMATE CHANGE

2030 Achieve carbon reductions across our value chain aligned with science-based targets equivalent to 52% reduction in emissions relative to our growth.*

* **4.2% absolute reduction in operational emissions year-on-year, and 7% reduction in value chain emissions year-on-year relative to our growth.**

Our science-based targets have been validated by the Science-Based Targets Initiative ("SBTi").

We have completed the installation of 5,818 solar panels at our distribution centre in Burnley, which are now operational. These will provide up to 2.7 MW of power to the facility.

With our streamlined sea freight booking system, we are reducing our reliance on airfreight.

As part of our membership with the Sustainable Apparel Coalition ("SAC") we are asking all UK suppliers to complete the Facilities Environment Module ("FEM"). This gives us a view of suppliers' environmental management and performance, which means we can understand where we can work with suppliers to lower their carbon emissions.

See page 48 to see our carbon footprint for 2022.

MARKETING

2021 Publish responsible marketing principles

Make it easier for customers to make sustainable choices with us

Following the guidance of the Competition Markets Authority ("CMA") Green Claims Code, we are ensuring that when we use the READY FOR THE FUTURE strapline that we are explicitly stating the product composition. We want our claims to be accurate and understood by all.

This past year we worked to understand customer insights about sustainability. We conducted a sustainability specific customer survey in April 2021. From the results of the survey, we gained new insights in our customers' views about sustainability and the role it plays in their fashion choices.

We launched the #boohoofilterfree campaign to reduce comparison culture, eradicate filter abuse and empower our customers to feel confident in their own skin. The #boohoofilterfree campaign is a powerful reminder of what life is like beyond the filter, bringing images that are more real and relatable to the forefront.

COMMUNITY

2021 Publish our social impact commitment to support local communities

We have announced our Social Impact Strategy. We are committing to spend at least 1% of pre-tax profit to empower individuals to be who they want to be, both now and in the future.

We will empower our colleagues to continue with the great work they have already been doing and continue to support local charities. Supporting local charities through fundraising activities and product donations.

CARBON REPORTING

In the calendar year 2021, the group's market-based carbon footprint has increased from 791,252 tCO_2e to 1,018,964 tCO_2e since the previous reporting year. This 29% increase in emissions is largely due to business growth, industry-wide international freight challenges and response to the COVID-19 pandemic.

The focus for this year has been laying the foundations for our carbon management programme, improving data quality, having our targets validated by the SBTi, identifying the hotspot emissions areas and kick starting our product sustainability programme. Achieving our targets will be very challenging, but we recognise the importance of understanding, managing and disclosing our carbon impact.

We are aware of the reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As such, we will continue to calculate and publish our energy and carbon reporting transparently to our stakeholders in line with these guidelines. We have calculated our emissions across all three scopes for every calendar reporting year from 2019 onwards and have made the results publicly available.

SUMMARY

The market-based emissions increase we have seen in 2021 is attributed to an increase in the number of products sold, freight emissions and procurement associated with business growth. In our own operations (Scopes 1 and 2) there has been an emissions increase of 29% due to additional office space, distribution centre expansions, and our newly acquired facilities that were on historical non-renewable energy contracts.

We have committed to bringing our carbon footprint down in line with the requirements set out by the Paris Agreement by setting a science-based target that has been approved by the SBTi. As a result, the group is now working to reduce its emissions across Scope 1, 2, and 3 by 52%, relative to our growth in line with a 1.5-degree reduction pathway.

The 2020/2021 29% emissions increase is a similar trajectory to the 2019/2020 increase of 33%. To achieve our goal of reducing emissions across Scope 1, 2, and 3 by 52%, relative to our growth, we have identified the following priorities:

- Work towards eliminating fossil fuels from our direct operations
- Transition our London office and Burnley warehouse to renewable electricity
- Increasing our use of recycled and more sustainable materials to reduce our product footprint
- Improve airfreight efficiency measures and give priority to sea, road and rail freight
- Investigate and increase renewable energy use in our supply chain

PERFORMANCE

Since the previous reporting year, market-based emissions have increased by 29% from 791,252 tCO_2e to 1,018,964 tCO_2e; this increase is largely driven by a 27% increase in tonnes of material produced, COVID-19-related transport and distribution impacts.

To reduce our product footprint, we will increase our use of recycled and more sustainable materials.

See page 44 for further information.

In addressing transportation and distribution impacts we have streamlined the way we receive products from suppliers to reduce sea freight lead times. This means more items can travel via sea freight, a less carbon intensive method. In addition, we have introduced a more stringent sign-off processes to reduce air freight.

Currently, we are working on an internal project dedicated to the launch of our US distribution centre ("DC"). The launch of this DC will allow us to reduce our inbound and outbound carbon emissions. Stock will be shipped directly from our suppliers to the US DC rather than going through our UK DC.

OPERATIONAL MARKET-BASED EMISSIONS SCOPE 1 AND 2

Operational location-based emissions (Scope 1 and 2) have increased by 29% from 3,173 to 4,086 tCO_2e. This has been driven by two main factors:

- 64% increase of gas consumption across existing and new properties; including an 87% increase at the Manchester headquarters (49–51 Dale Street) as colleagues returned to work after covid; and
- 41% increase of electricity consumption driven primarily of the inclusion of a new distribution centre in Daventry and opening of our London office.

As a result of these changes, and in conjunction with renewable electricity purchases, operational market-based emissions have increased from 498 tCO_2e to 1,016 tCO_2e. We remain committed to having 100% renewable electricity, however, our newly acquired London office and Burnley warehouse were on historical non-renewable contracts. As a result, it has not been possible to maintain 100% renewable energy in our Scope 2. Our newly acquired facilities will soon be transitioning to renewable energy contracts.

SCOPE 3

In 2021, we increased the scope of emissions reported in Scope 3 by including water and hotel stays accounting for 5 and 89 tCO_2e respectively.

Product

This year there has been a 27% increase in tonnes of materials procured. Polyester and cotton are still the largest proportion of emissions accounting for 53% and 28% respectively. However, this year recycled polyester has been introduced, which is 15% less carbon intensive than non-recycled polyester.

We have also started to introduce more sustainable fabric sources, such as BCI Cotton, to continue to reduce the environmental impact of our products.

Transportation

This year within our transportation of goods, both tonnage of product shipped and, therefore, emissions produced, have increased. This is to be expected alongside our increase in sales. Total Upstream Transportation and Distribution emissions have increased by 21% versus the previous reporting year 2020, from 157,551 tCO_2e to 190,018 tCO_2e. Primarily, this increase has come from our inbound freight where we have had to use more airfreight as a result of global freight challenges.

Our outbound tonnage has increased as a result of selling more product. However, the majority of this increase has been through road freight, which has a much lower carbon intensity than air transport, and, therefore, has not caused a significant increase in emissions. Furthermore, distance shipped for road shipments has decreased in 2021, further reducing emissions.

Downstream Transportation and Distribution emissions are estimated based on the carbon intensity per unit of outbound road shipments. As a result, the total emissions for this category have decreased.

Business Travel

We also saw an increase in business travel as COVID-19 restrictions eased. In particular, flights have increased 54% year-on-year, from 476 tCO_2e to 736 tCO_2e. Prior to the pandemic, emissions from business travel in 2019 were 2,436 tCO_2e.

Emissions associated with employee commuting have increased from 1,030 tCO_2e to 1,682 tCO_2e, as a result of the growth of number of employees in the period.

CARBON REPORTING
CONTINUED

ENERGY EFFICIENCY ACTION

In 2021, the group has carried out several initiatives to drive energy efficiency across our own operations, these include:

- 2.7 MW capacity of solar panels installed at the Burnley distribution centre;
- Continued rolling programme of installing LED lights across the facilities; and
- Energy Management System installed across our Manchester offices to monitor energy usage.

CARBON EMISSIONS TCO_2E

CARBON EMISSIONS TCO_2E	**Current reporting year 2021: UK and offshore[1]**	Current reporting year 2020: UK and offshore	Comparison reporting year 2019: UK and offshore
Scope 1			
Company Cars	**30**	66	111
Fleet	**24**	–	–
Natural Gas	**447**	273	240
Other Fuels	**13**	13	15
Refrigerant	**146**	146	146
Scope 2			
Electricity (market-based)	**356**	–	2,608
Electricity (location-based)	**3,426**	2,674	2,928
Company Cars (Battery Electric)	**<1**	–	–
Scope 3 categories			
Upstream emissions			
Purchased goods and services	**769,768**	613,877	436,700
Capital goods	**39,870**	4,188	–
Fuel and energy-related activities	**1,368**	686	310
Upstream transportation and distribution	**190,018**	157,551	139,120
Waste generated in operations	**161**	91	63
Business travel	**878**	526	2,436
Employee commuting	**1,682**	1,030	459
Upstream leased assets	**18**	20	22
Downstream emissions			
Downstream transportation and distribution	**3,176**	4,104	2,730
End of life treatment of sold products	**11,009**	8,681	3,023
Total emissions market-based	**1,018,964**	791,252	587,983
Total emissions location-based	**1,022,034**	793,926	588,303
Energy reporting[2]: total energy usage (kWh)	**18,946,547**	12,717,546	13,065,849

INTENSITY METRICS (UK AND OFFSHORE)[3]

Total revenue (£ million)	1,983	1,674	1,172	18%
All scopes (1, 2 and 3) emissions (tCO_2e)/ total revenue (£ million)	514	473	502	9%

1 Boohoo Group report on UK and offshore emissions only. All assets within the group's operational control boundary that are reported under Scope 1 and 2 are based in the UK and, therefore, have no associated global emissions. For Scope 3, it is currently impractical to split these emissions by UK and global-based emissions and have thus all been included under UK and offshore emissions.
2 Energy reporting includes kWh from Scope 1, Scope 2 and Scope 3 employee cars only (as required by the SECR regulation).
3 Energy intensity metrics have not been split by UK, offshore, and global as the group does not have global Scope 1 and 2 emissions and it is currently impractical to split these out for Scope 3. Intensity metrics are calculated using Scopes 1, 2, and 3 emission scopes as most of the group's emissions are in Scope 3.

METHODOLOGY

This report has been prepared in line with HM Government's guidance: Environmental Reporting Guidelines: Including streamlined energy and carbon reporting.

Our carbon footprint has been calculated in accordance with the internationally recognised corporate accounting and reporting standard, the Greenhouse Gas Protocol, developed by the World Resources institute ("WRI") and the World Business Council for Sustainable Development ("WBCSD"). It adheres to the best practice of relevance, completeness, consistency, transparency, and accuracy. The carbon footprint assessment was carried out by an independent sustainability consultancy Avieco.

The group's carbon emissions are measured in carbon dioxide equivalents or CO_2e. This metric includes the six greenhouse gases covered by the Kyoto Protocol: carbon dioxide ("CO_2"), methane ("CH4"), nitrous oxide ("N_2O"), hydrofluorocarbons ("HFCs"), perfluorocarbons ("PFCs"), and sulphur hexafluoride ("SF6").

The carbon reporting period is from 1 January 2021 to 31 December 2021. This is offset from the business's financial reporting period 1 March 2021 to 28 February 2022 to allow sufficient time to capture 12 months of data for our carbon assessment in preparation for the group's end of year reporting.

The carbon emissions calculations followed the operational control approach, which means that all emissions over which the group has direct control is included in its Scope 1 and 2 boundary.

The emissions calculations breakdown into three reporting scopes. These include:

- Scope 1 – this includes all direct emissions from assets over which the group has control over, including company cars, fleet, natural gas and other fuels used in our operations and any refrigerant gas leakages
- Scope 2 – this includes indirect emissions associated with the generation of electricity. In line with best practice, market and location-based emissions are both reported on:
  - Market-based emissions – which reflect the actual emissions from the electricity agreements with the business's suppliers
  - Location-based – which reflect the average emissions intensity of the grids in which the consumption occurs
- Scope 3 – this includes other indirect emissions generated along our value chain, which predominately consists of goods for resale, goods not resale, and distribution and transportation of goods. It also includes non-company cars as per the SECR regulations

The group's carbon emissions calculations used three approaches depending on the availability of data across its operations and supply chains in accordance with the GHG Protocol. These approaches included:

- Process-based approach – uses quantity-based consumption data to estimate the carbon emissions associated with a given activity e.g. litres of fuel used. This approach was used for Scope 1, 2, and some Scope 3 emissions. For goods for resale, a subcategory of purchased goods and services the Higgs Index carbon emissions benchmarks were applied
- Spend-based approach – using extended economic input-output modelling. This approach combines industry and trade flow data between industries with total emissions data from a given industry to estimate the carbon emissions associated with £1 million spend in each industry. This approach was used for goods not for resale (a subcategory of purchased goods and services and capital goods)

CLIMATE RISK

It is critical that we understand the range of physical and transitional climate risks faced by our business and how our exposure varies by geography, time horizon and future warming projection.

In 2021, we collaborated with advisers, Marsh Ltd., to gain a better, quantitative understanding of how climate-related risks and opportunities may impact the boohoo group. As outlined in the table below, our analysis assesses five different potential future emissions pathways ranging from a 'Paris Aspiration' scenario (1.5°C warming) through to 'No Policy' (>4°C warming) scenario. This analysis is principally aimed at supporting both internal risk management decision-making and external sustainability disclosures such as TCFD, and we are currently finalising how the analysis will develop and inform our UP.FRONT sustainability strategy.

OVERVIEW OF FUTURE EMISSIONS PATHWAYS COVERED BY SCENARIO ANALYSIS

Scenario name	Warming projection by 2100	Description
NO POLICY	>4°C	A no policy scenario represents a slow-down on current emissions reductions targets, with a global emissions reduction target of -50% by 2100.
CURRENT POLICY	3°C	A current policy scenario is a continuation of current emissions reductions targets, with a global emissions reduction target of -50% by 2100.
STATED POLICY	2.5°C	A stated policy scenario reflects the government polices already in place, with a global emissions reduction target of -75% by 2100.
PARIS AGREEMENT	2°C	The Paris Agreement scenario is the binding international treaty on climate change, looking at achieving Net Zero emissions by 2070.
PARIS ASPIRATION	1.5°C	The Paris aspiration scenario is the agreement to keep within 1.5°C of temperature increase, by achieving global Net Zero emissions by 2050.

Our climate scenario analysis assesses both physical and transition risk impacts, as shown in the table below. To model physical risks, we examine how key perils such as flooding, wind and drought could impact both our own facilities and raw material supply chain today and under future warming scenarios by 2040. To assess climate-related transition risks, we examine how key scenarios such as global policy change or market preference change, may impact our business and consumers as global society moves through the different warming scenarios described above.

PHYSICAL AND TRANSITION RISK SCENARIOS TESTED

	Physical risk	Transition risk
SUMMARY	Physical risks refer to climate-related hazards, which are influenced by future increases in global warming. We consider both acute perils (such as flood, wind and extreme rainfall) and chronic perils (such as drought, heat stress and water stress).	• Transition risks refer to risks that arise from the gradual transition to a lower-carbon economy. The rate of global transition (i.e. how quickly society reduces emissions) may control the relative impact of transition risks.
SCENARIO OVERVIEW	We have identified three physical risk scenarios to be tested within our scenario analysis; • Physical asset damage (e.g. flooding) • Operational disruption (losses incurred from (in)direct impacts of a given peril) • Raw material impacts to the supply chain (e.g. availability of cotton affecting purchasing, sourcing and/or quality of product)	We have identified several principal transition risks that may impact our business, including: • Market risk – changes in consumer preference towards more sustainable fabric types • Policy risk – increases in carbon taxation affecting energy/raw material costs • Reputational risk – potential changes in consumer demands • Technology risk – knock-on impacts of value chain decarbonisation costs • Liability risk – increased litigation due to environmental impacts

While we are still working to finalise outputs, the outcome of the climate scenario analysis will provide critical information on the most material risks and opportunities for boohoo. Importantly, the results will support the development of a robust approach for tackling climate-related risks, identifying actionable recommendations to build into our UP.FRONT strategy. See page 40 of our Risk Report.

STRATEGIC REPORT

PEOPLE

INTRODUCTION

People are at the very heart of everything we do here at the boohoo group. The culture at boohoo is our greatest unique selling point as an employer and makes the boohoo group what it is today.

Our vision is 'To be the best employer within the e-commerce fashion market' and it is our aim to create a sense of belonging to the boohoo family for all of our colleagues, creating a workplace where people grow, love what they do and feel valued.

Our people strategy is based on the following six pillars:

- Listening and engaging with our colleagues
- Improving our ways of working
- A better place to work
  - Your career
  - Recognising and rewarding your achievements
  - Operating at our best

These pillars enable our colleagues to continue to grow, innovate and deliver world-class customer service across the globe. In addition, the pillars all support the business to drive a more diverse and inclusive workplace and provide greater job enrichment and increased engagement.

Our boohoo family culture enables our people to learn from the best and be empowered to take on challenges and learn new things. We celebrate diversity and our mission is clear – 'A workplace where everyone is respected, their individual differences are valued, and they can be themselves at work, without exception'.

Our values are at the heart of everything we do and our 6000+ colleagues demonstrate them in abundance on a daily basis.

PACT Values

Our PACT values that seal the deal for the boohoo group...

Passionate
Believing in the boohoo family and believing in ourselves. Loving what we do and being inspired to be the best we can be. Focused and committed to giving our customers the experience they want.

Creative
Being unique, aspirational and always boohoo. Doing it our way, not being afraid to be different. Creative in thinking and design.

Team
Listening and responding to create a place where everyone's contribution is important and valued. Building success through people and sharing in it together. Remembering to have fun along the way.

We recognise it is a continuous journey; there is always so much more that can be done and we are always listening to our employees through our variety of listening and engagement forums. As a result of feedback through these forums, we have introduced a suite of boohoo people awards to recognise loyalty and key achievements across the group, championed hybrid working to provide greater flexibility and offered incentives to encourage physical activity and improved mental wellbeing.

Our message to our colleagues is simple, they are the fabric of our business and make the boohoo group the amazing business that it is today.

LISTENING AND ENGAGING WITH OUR COLLEAGUES

We wanted to reshape our colleague feedback mechanism in 2022 and make it feel a 'bit more boohoo'. Our previous annual survey felt outdated and slow for our 'pacey' team and we knew we needed to make changes. Although we are still at the start of redeveloping our new listening system, we feel we have made a solid start to understanding what our colleagues really want in this area. Through our new 'instant insights' framework we have already found a formula that works to communicate with our colleagues and crucially take action on the feedback and insights gained, reinforcing the value of employee listening. Our distribution centres have a structured 'Your Voice' colleague forum with quarterly meetings and actions that ensure they own their people agenda. In addition, our Breakfast with the Boss, new starter focus groups, monthly Town Halls and Stay/Leave forums continue to provide us with invaluable feedback. Our 'boohoo for you' and 'Club PLT' employee intranets, alongside our boohoo family emails, also enable daily interaction with our teams.

IMPROVING OUR WAYS OF WORKING

Things have changed significantly within boohoo in the last 12 months. We are now 13 brands with global operations, 6,000+ employees and we have welcomed over 1,500 new head office colleagues in 2022 alone. We have opened up two distribution centres, a retail Debenhams beauty store, and a new garment factory in Leicester. Thurmaston Lane opened as part of our Agenda for Change commitment with our colleagues recruited locally through an engaging and robust recruitment drive. We have also opened an office in Soho and are undergoing renovations in both our Dale Street and PLT offices in Manchester. This is to provide our teams with a great working environment with a brand new reception area, restaurant and seating area, agile working space including desks, booths, pods and flexible meeting space and on-site gyms with classes such as yoga to help with wellbeing.

We launched our SMART working policy and framework, which empowers our leaders to do what's best for them and their teams and have provided tools for colleagues and managers to support each other in hybrid and remote working environments.

This year we took the opportunity to focus on our performance review process to help give our colleagues better development, have a richer conversation with and build more of a connection with their line managers. This was something our colleagues told us they had missed while working remotely. The new process, which includes implementing a distribution curve to enable a fair distribution of appraisal grades, has insured equity and fairness across our departments and locations and allowed us to highlight our exceptional performers. Our colleagues and teams have received training on the new end-to-end process including how to set inspiring and meaningful goals for the year ahead. Other new additions to the Annual Review Conversation include a focus on careers and questions on how our colleagues embody our PACT values. Moving forwards we intend to adopt a more regular check in/looking forward approach to ensure our colleagues feel listened to, supported and that their career is managed in the best possible way.

In our post pandemic world, we have taken a step back and reconsidered our induction process. More than ever, we have needed to build a connection for our new starters from day one and our induction process is now designed to celebrate and share our boohoo culture from the very first day. Our colleague feedback has led us to add more touch points with our new starters following their first week in order to further strengthen their boohoo connection, whether that be in person or virtually. The new induction now features updates on our sustainability agenda, charity work in the community and celebrates the great news stories from within our brands.

With our continuous growth, it is imperative that we invest in and evolve our talent attraction and acquisition strategies. We are both building and evolving a hiring culture at boohoo that encourages the diversity and inclusivity that we're aspiring to achieve in our workplace, and we've invested this year in a new recruitment system that enhances our candidate experience, encourages a collaborative approach to hiring across the business and gives us robust data to ensure we are continually able to improve how we hire.

With the help of our colleagues, we have developed our boohoo Employee Value Proposition, defining who we are (and who we are not) and what really makes the boohoo group unique. We have interviewed and profiled many of our people across the group and listened to their stories so that we can share these with future candidates. Our new careers site aims to give our candidates as much knowledge and insight as possible before applying to join us and is the first place to showcase our new boohoo group employer branding, which will be rolled out across our entire employee experience.

The focus for the year ahead will continue to be on consolidating our employer branding via our internal and external social media channels, our colleague referral scheme and most importantly optimising our exceptional talent with movement opportunities around our boohoo group.

A BETTER PLACE TO WORK

DEVELOPING OUR INTERNAL TALENT AND PROVIDING A CLEAR CAREER PATHWAY

We are always investing in people at the start of their career journey and love spotting early talent. We have over 100 people engaged in apprentice programmes right across our business, partnering with 15+ outstanding providers. Our apprentices not only have the chance to grow with us but get unrivalled progression opportunities in their chosen industry. Our apprenticeship programmes are open to our entire business and continue to be a key part of our learning strategy. From management skills to an MBA, the opportunities are endless.

In addition, the group has gifted over £85k of its apprenticeship levy to support young people within the wider supply chain outside of the boohoo group who might otherwise not have had access to apprenticeship opportunities. We have partnered with Fashion Enter, who will provide training and arrange placements for the students on behalf of the boohoo group, with a focus on candidates from underrepresented communities within the Leicestershire area.

Our well-established intern programme allows university students to get real life experience in the fashion industry and build a network that will last a lifetime. Our interns make an impact at the heart of the business by getting exposure to all our key business areas. We give our interns a true taste of life in the fast fashion world that really shapes their career choices in the future. We also like to stay connected with our ambitious students and we keep them updated on all our new career opportunities.

Our colleagues expect and desire development in their roles that will help them keep pace with others in the industry by continuously shaping their skills, mind-set and behaviours. As a result, our brand new 'Learning Lab' development offer has been developed to support people to future-proof themselves in their industry and engage them to stay with boohoo for a career worth sticking around for. For our career-driven work force, an offer that develops people both personally and professionally is crucial and our new targeted webinars, IRL training sessions and bite-size learning initiatives hit the mark for our people.

It is critical to our ongoing boohoo success that our leaders are engaged and stretched in their roles and the wider business and that our leaders have a 'kit bag' of behaviours and experience to deliver our future growth. As a result, 2022 saw the introduction of the following for our senior leaders:

- The introduction of a boohoo leadership programme – leading self, leading others, leading business. The start of a future legacy for director and head of level
- Individual strengths-based assessments
- The introduction of a coaching and mentoring framework, working with both internal and external coaches and mentors
- A 360 feedback process with a development plan to support
- Insights personality profiling for both individuals and teams
- Strategy team builds and development

COLLEAGUE ENGAGEMENT

With a business as young as ours, we enjoy the opportunity to get together as the 'boohoo family'. We have an unrivalled social calendar with something for everyone to enjoy and we know how to throw a legendary party. Our teams regularly enjoy payday drinks, where they can socialise with other departments and there are loads of other events throughout the year too, from Valentine's Day to summer BBQs.

With up to a 40% discount on all our boohoo group brands, this is much enjoyed by our colleagues along with our regular sample sales where the proceeds go to charity.

PEOPLE
CONTINUED

RECOGNISING AND REWARDING YOUR ACHIEVEMENTS

We offer an outstanding reward and benefits framework where, irrespective of role, all our colleagues can share in the success of boohoo's incredible growth.

SHARE AWARDS

We want all colleagues in the boohoo family to feel that they are part of the business, and there is no better way to do that than by ensuring they share in our future success. We have gifted free shares to colleagues through our Share Incentive Plan ("SIP") scheme and we offer an annual Save As You Earn ("SAYE") scheme, where colleagues have the option to buy boohoo shares at a discounted price.

OTHER BENEFITS

We offer a wide range of benefits for our colleagues to enjoy, such as amazing staff discount across all 13 of our brands, annual bonus and incentive schemes, life assurance and various health and wellbeing benefits. Where possible, we try to do this in the most cost-effective manner and, from April 2022, we will be moving to a pension salary sacrifice arrangement, enabling colleagues to keep more of their salary each month.

OPERATING AT OUR BEST

Across our boohoo family, we celebrate our diversity. Our teams are as individual as our customers are and by bringing everyone's talents together our products come to life and keep setting trends.

Who we are, how we think, and the different backgrounds we come from mean we can share our views and life experiences.

It is a continuous journey; there is always so much more that can be done – we are on a mission towards being the best we can be for everyone.

GENDER PAY AND DIVERSITY

At boohoo, we have always encouraged diversity in the workplace. As at the end of February 2022, female colleagues accounted for 54% of our workforce. This is the same proportion as in 2021. Female colleagues now hold 50% of our most senior management positions, an improvement from 41% a year ago.

NUMBER OF COLLEAGUES BY GENDER

	Male	Female
Executive directors/non-executive directors	7	2
Senior managers	81	81
Other employees	2,542	3,007
	2,630	**3,090**

The gender pay gap data for the boohoo group, prepared using the data from April 2021, showed females were paid more than males irrespective of whether this is calculated using the mean or median result. The mean gender pay gap is 3.1% in favour of females; this increases to 6.2% when we look at the median gender pay gap. Both figures are significantly better the national average as reported by ONS, where males typically earn 15% more than females.

As an organisation that loves to nurture talent from an early age, it is no surprise to see that we have a predominantly young workforce. The average age of a boohoo colleague is just 31.

OTHER D&I ACTIVITY

- We have developed a D&I strategy for the group with three clear pillars of focus:

  Attracting and on-boarding – Create a workforce broadly reflective of the larger community

  Engaging and developing – Support our colleagues in building the skills to work in an inclusive manner with one another and with the communities we serve

  Building the culture – Build a welcoming workplace in which our colleagues recognise that their unique characteristics, skills and experiences are respected, valued and celebrated

- We have formulated a D&I steering group with clear business sponsorship. Carol Kane, Co-founder and Group Executive Director being our executive sponsor
- We have a clear view of our generational and gender split across our business – millennials make up 54% of our workforce
- Beginning with our distribution centres, we have started to collect demographic data in the group across gender identity, sexual orientation, ethnicity, religion and disability
- We have been recognised as committed to D&I in the Inclusive Employers Standard 2021
- We have embraced external partnerships with both Diversity in Retail ("WHITL") and Inclusive Employers to help support us in driving D&I change across the business
- We actively support, engage and run colleagues initiatives that support, to name but a few:
  - National Inclusion Week
  - Mental Health Awareness
  - International Men's and Women's Day
  - EID
  - Black History Month
  - Pride

EMPLOYEE WELLBEING

We take the wellbeing of our boohoo colleagues seriously. We cultivate colleague wellbeing by:

- Having an employee assistance programme and healthcare cash plan in place
- Having mental health first aiders in all of our office locations to support our colleagues with their mental health and wellbeing
- Onsite gyms and exercise classes
- A development offer that includes wellbeing and resilience workshops and encouraging colleagues to operate at their best
- Engaging with external experts to bring the very best learning to the business
- Recognition and support of Mental Health awareness week
- Partnerships with external partners such as Calm, British Heart Foundation and Mind
- Our boohoo for you and Club PLT communication sites making all of the above accessible to all

It is our priority to continue to make the workplace more inclusive for everyone, where our boohoo family feels comfortable showing up as themselves. We aim to drive culture change throughout our business and embrace the diverse and ethnic social backgrounds represented in our boohoo family.

In the year ahead, we will be implementing diversity improvement targets and measures. We will educate our senior leadership team on driving D&I change throughout the group, continue to collect demographic data across our business, establish employee representative groups and celebrate the diversity across our business through employee events.

The year ahead is an exciting one for our boohoo family. We will deliver our people strategy for 2022/23 and aligned with our PACT values, we will foster our talent, continue to engage and grow our employees and identify opportunities for support, all while continuing to deliver amazing customer service.

On behalf of the board

John Lyttle **Neil Catto**
3 May 2022

GOVERNANCE

BOARD OF DIRECTORS

MAHMUD KAMANI

GROUP EXECUTIVE CHAIRMAN

Mahmud founded boohoo with Carol Kane in 2006, leveraging over 30 years of experience in the fashion and clothing industry. Mahmud is an entrepreneur, with expertise encompassing all areas of the supply chain from sourcing, to import and wholesale. Mahmud is an inspirational leader, having built a strong team and engendered loyalty from many long-serving employees.

CAROL KANE

GROUP CO-FOUNDER AND EXECUTIVE DIRECTOR

Carol has over 30 years of experience in the fashion industry. Starting her career as a designer, then fashion buyer, Carol has worked with Mahmud Kamani for the past 27 years supplying high street retailers. Carol co-founded boohoo in 2006 and since inception has worked on marketing, product and brand strategy both domestically and abroad.

JOHN LYTTLE

CHIEF EXECUTIVE

John previously spent eight years at Primark, a division of Associated British Foods, as Chief Operating Officer. During his tenure, turnover grew 158% to £7 billion.

Prior to joining Primark, John held senior roles at Matalan and Arcadia group.

NEIL CATTO

CHIEF FINANCIAL OFFICER

Neil qualified as a chartered accountant with Ernst & Young and spent nine years working in their Manchester, Palo Alto and Reading offices. He was previously Finance Director of dabs.com plc and has held senior financial positions in BT plc and The Carphone Warehouse Group plc.

COMMITTEE KEY

A	E	N	R	RI	_
AUDIT COMMITTEE	ESG COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE	RISK COMMITTEE	CHAIRMAN

BRIAN SMALL

DEPUTY CHAIRMAN, NON-EXECUTIVE DIRECTOR AND SENIOR INDEPENDENT DIRECTOR

N A RI R

Brian is Deputy Chairman, Senior Independent Director, Chairman of the Nomination Committee and sits on the Audit, Risk and Remuneration Committees.

Brian was CFO of JD Sports plc from 2004 to 2018. Prior to this role, he was Operations Finance Director at Intercare Group Plc and has also been finance director of a number of other companies.

Brian is also a non-executive director and Audit Committee Chair at Mothercare plc and Pendragon plc. He qualified as an accountant with Price Waterhouse in 1981.

KIRSTY BRITZ

NON-EXECUTIVE DIRECTOR

E A RI

Kirsty joined the board in October 2021. Kirsty is Chair of the ESG Committee and a member of the Risk and Audit Committees.

Kirsty has extensive ESG and sustainability experience across financial services, telecommunications and technology sectors. She is currently serving as the Director of Sustainable Banking at Natwest Group plc and as an independent member of the Professional Standards Committee at HMRC. Prior to joining Natwest Group, she held the role of Director of Citizenship at Barclays. Prior to this Kirsty held various sustainability, brand strategy and marketing roles in retail, telecommunications and advertising sectors.

SHAUN MCCABE

NON-EXECUTIVE DIRECTOR

A RI E R N

Shaun is Chair of the Audit and Risk Committees and sits on the Remuneration, ESG and Nomination committees.

Shaun has extensive financial experience across e-commerce and retail. He is currently serving as Chief Financial Officer at Trainline plc and as a non-executive director at AO World plc where he is a member of its Audit and Remuneration Committees. Prior to joining Trainline plc, he held the roles of International Director at ASOS and Chief Financial Officer for Amazon Europe.

IAIN MCDONALD

NON-EXECUTIVE DIRECTOR

R A N

Iain is Chair of the Remuneration Committee and sits on the Audit and Nomination Committees.

Iain is the founder of Belerion Capital, a specialist technology & e-commerce company and was an early investor in a number of technology businesses including Asos, The Hut Group, Eagle Eye Solutions, Anatwine and Metapack.

Iain is a non-executive director of The Hut Group, and also AIM-listed software business CentralNic. Prior to founding Belerion Capital, Iain was a partner of the William Currie Group, a technology and e-commerce private family office.

TIM MORRIS

NON-EXECUTIVE DIRECTOR

A E R RI N

Tim Morris joined the board in May 2021. Tim is a member of the Audit, Nomination, Remuneration, Risk and ESG Committees.

Tim is currently Group General Counsel & Company Secretary at TalkTalk Telecom Group Limited, which was on the main list of the London Stock Exchange until March 2021, joining prior to its IPO in 2010. He held similar positions at Carphone Warehouse Group PLC prior to its IPO in 2000 until 2015. He is also a founding Partner of Freston Ventures Investments LLP. Tim is a solicitor who worked in private practice before 2000, specialising in corporate finance.

GOVERNANCE

CORPORATE GOVERNANCE REPORT

This financial year was one of important progress as we delivered the Agenda for Change programme and embedded a new governance framework across the business."

Mahmud Kamani
EXECUTIVE CHAIRMAN

A MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

This financial year was one of important progress as we delivered the Agenda for Change programme and embedded a new governance framework across the business. The board took decisive action to make the necessary changes with pace and we enter the next financial year confident that we have built strong foundations required for the board to execute its growth strategy and achieve long-term sustainable growth for all stakeholders.

STRENGTHENING GOVERNANCE WITH KEY APPOINTMENTS

In this unprecedented economic climate, it is imperative the board possesses a wide range of skills to guide us through this difficult period so that we emerge well placed to take advantage of new opportunities. A key focus has been to develop our leadership capabilities and we have made significant progress in enhancing the composition of the board.

I was delighted to welcome Tim Morris and Kirsty Britz who joined as non-executive directors on 5 May 2021 and 4 October 2021 respectively. Tim is a highly experienced professional who brings legal, business and corporate governance expertise to the board. Kirsty's extensive ESG experience will help ensure the board remains focused on making balanced and sustainable decisions that factor the impact of our strategy on multiple stakeholder groups. I look forward to both of them making significant contributions to the board in the years ahead.

I am particularly proud of the strong and diverse board we have now assembled, which is equipped with a compelling mix of skills and experience relevant to boohoo and the challenges and opportunities it faces.

ESG GOVERNANCE

Solid governance and appropriate oversight of risks remains at the core of the board's list of priorities. During the year, the board implemented a new governance framework as set out on page 69. To ensure there is adequate oversight of ESG-related issues, the board established an ESG Committee chaired by Kirsty Britz, an Executive ESG Group chaired by the Group CEO, and standalone 'E' 'S' and 'G' sub-committees chaired by senior leaders across the business. These enhancements ensure that key ESG matters are considered by effective leaders and decision-makers, who are appraised of the relevant information at the appropriate time.

The group's sustainability strategy, UP.FRONT, is an integral part of this new governance framework and key to our responsible growth strategy. We have worked hard to develop product sourced with more sustainable materials that will help us achieve our sustainability goals and raise customer awareness on sustainability more generally. We have also taken active steps to anticipate how climate change will affect our business. It is with this in mind that we look forward to working with the government to support its efforts to decarbonise all sectors of the UK economy and meet net zero targets by 2050.

Further information on the sustainability strategy is on pages 41 to 47 and our carbon report and climate risk assessment are on pages 48 to 53.

EXECUTIVE REMUNERATION

We were pleased that the remuneration policy received a significantly improved level of shareholder support at our AGM in 2021. During the year, the Remuneration Committee undertook a further review of the policy and consulted extensively with major shareholders on proposed changes. We recognised that there are significant commercial benefits derived from a reward package for the executive team determined in part by performance-related ESG criteria, and introduced specific and measurable ESG-related targets into the executive bonus and LTIP schemes. The revised policy, which is tailored to boohoo's specific challenges, is set out on pages 77 to 88 and will be put to an advisory vote at our AGM in June 2022.

BOARD EVALUATION

Korn Ferry ran our board evaluation externally again this year. It was encouraging to see real progress has been made on key issues such as succession planning, particularly since the appointment of our new Chief People Officer in March 2021, and increased representation by independent non-executive directors, who now represent a majority of the board.

Key themes that emerged from the latest review include board appetite for increased focus on strategy and succession planning, and opportunities for direct engagement by board members across the business as we emerge from COVID-19. Further detail can be found on page 67 of this report.

BOARD EFFECTIVENESS AND DEVELOPMENT

The board recognises that improving board effectiveness forms an important part of the development and execution of the group's strategy and will ultimately contribute to the continued success of the group for years to come. To mark the opening of Thurmaston Lane, the board visited suppliers and garment workers in Leicester to gain first-hand insight into the opportunities and challenges facing the garment industry and its workers.

Further, as part of the board's commitment to ensuring the highest standards of governance for the group, each board member attended training on:

- the issues raised in the Korn Ferry independent effectiveness review, including how to increase the operational effectiveness of the board;
- latest trends and developments in ESG-related matters and the importance of these issues to investors and on the long-term performance of the company;
- sector-related climate risks and the requirement to report in line with the Taskforce on Climate-related Financial Disclosures ("TCFD") framework; and
- directors' duties and managing health and safety risks.

READY FOR THE FUTURE

Finally, on behalf of the board, I would like to extend my thanks to all of our shareholders for your continued support as we navigate our course during these unusual and challenging times. Looking ahead, the board will continue to lead the business in a way that is honest, transparent and accountable. This transparency is key to the delivery of the group's strategy and value creation for our shareholders. In 2022, we will continue to focus on our growth agenda and in further improving our financial performance and strength, all underpinned by a robust governance framework.

Mahmud Kamani
GROUP EXECUTIVE CHAIRMAN

A MESSAGE FROM THE CHAIRMAN OF THE NOMINATION COMMITTEE

Dear Shareholders,

During the year, as part of our commitment under the Agenda for Change programme to providing an appropriate balance of independent directors on the group's board, the Committee led the selection process for the appointment of Tim Morris and Kirsty Britz. I am satisfied that the board now has a good blend of skills and experience to ensure our board and committees continue to operate effectively for the benefit of all of our stakeholders. The directors' biographies appear on pages 60 to 61.

The complex and fast-moving nature of the business is such that succession planning poses a significant challenge across the organisation. While there has been a significant improvement since the appointment of the Chief People Officer in March 2021, the expectation is that the work of the Committee will continue to develop in the year ahead, particularly in relation to clearer succession planning at board and management level across our brands. Crucially, as the business continues to scale, we will ensure management has appropriate bandwidth and review key roles in the context of our structure to ensure they remain appropriate. The Chief People Officer will be a key facilitator of this review process.

In recognition that the board and its committees must have appropriate ESG oversight, the Committee updated the terms of reference to ensure that ESG skills and experience are taken into account in relation to board composition, appointments, succession planning, performance and training. A copy of the updated terms of reference can be located on the company's website.

A further evaluation of the board was carried out to build upon the progress made by the 2021 evaluation, which was externally facilitated by Korn Ferry. While the size of the board has increased as part of the review process in the past 12 months, the general sense is that this is a well-rounded and effective board with a strong team dynamic. An area of focus for the Committee this year will be to ensure the independent directors gain greater exposure to management that sits below the executive team to obtain a deeper understanding of the talent pool within the business. Further details on the board evaluation are on page 67.

The Committee will review the aggregate competencies required by the board and wider management, adding skills and background as appropriate, as the external environment evolves and the business continues to pursue its growth agenda.

Brian Small
DEPUTY CHAIRMAN, SID AND CHAIRMAN OF THE NOMINATION COMMITTEE

CORPORATE GOVERNANCE REPORT
CONTINUED

The company has adopted the 2018 Quoted Companies Alliance Corporate Governance Code ("QCA Code"). The board believes that the QCA Code provides the most appropriate framework of governance arrangements for a public listed company of boohoo's size and complexity.

The board acknowledges the importance of the ten QCA Code principles and sets out the group's current approach below.

DELIVER GROWTH

01 Establish a strategy and business model, which promotes long-term value for shareholders

The group owns the brands boohoo, boohooMAN, PrettyLittleThing, Nasty Gal, Miss Pap, Coast, Karen Millen, Warehouse, Oasis, Debenhams, Dorothy Perkins, Burton and Wallis and designs, sources, markets and sells clothing, shoes, accessories and beauty products targeted at 16-45-year-old consumers in the UK and internationally. The group has a strong presence in the UK, US, Australia, France and Ireland, and sells products to customers in almost every country in the world.

The group's business model is entirely focused on its customers and every element of the model begins and ends with them – we engage, we listen, we learn, we create and repeat.

The group's ambition and growth prospects are underpinned by forecast growth in both the domestic and international online fashion retail markets, a highly efficient product sourcing model and a robust infrastructure development plan. The group's vision is to be a leading e-commerce fashion market for 16-45-year-olds, which will be driven through the following strategic priorities:

- **Insight** – creating a competitive customer proposition
- **Investment** – delivering organic growth to increase market share
- **Innovation** – driving customer engagement
- **Integration** – integrating new brands

A fuller explanation of how the strategy and business model are executed can be found on page 12 to 17.

02 Seek to understand and meet shareholder needs and expectations

The board is informed of shareholder views as part of the regular reporting process and matters for discussion, and maintains an active dialogue with its shareholders through a planned programme of investor relations. This activity is a keystone of boohoo's corporate communications programme and is headed by the Executive Board, supported by an Investor Relations team and the Company Secretary. The group's Non-Executive Deputy Chairman (who is also Senior Independent Director) acts as an additional link between the shareholders and the group's executive directors.

The programme includes formal presentations of the group's full year and interim results and meetings between institutional investors, analysts and senior management on a regular basis. Regular communication with shareholders also takes place through the group's annual and interim report and via the group website (www.boohooplc.com), which contains up-to-date information on the group's activities.

The Chairman of the Remuneration Committee has actively engaged and consulted with shareholders on major changes to the remuneration policy during the year.

The board recognises that the Annual General Meeting is an important opportunity for communication with both institutional and private shareholders.

There is also a designated email address for shareholder liaison – investorrelations@boohoo.com – and all contact details are included on the investor relations website.

03 Take into account wider stakeholder and social responsibilities and their implications for long-term success

The board recognises the importance of maintaining strong relationships with its stakeholders in order to create sustainable long-term value, and the board encourages active dialogue and transparency with all its stakeholder groups.

Further information on stakeholder engagement can be found on page 73.

The board believes that modern slavery is a significant global issue presenting a challenge for businesses worldwide and has committed to continually reviewing its practices to combat slavery. The board has a zero-tolerance approach to modern slavery and is committed to ensuring that its group companies and supply chain acts ethically and with integrity.

Our Modern Slavery Statement can be found on the group's website or is available on request from the Company Secretary.

04 Embed effective risk management, considering both opportunities and threats, throughout the organisation

The board has overall responsibility for the group's systems of internal control and risk management and for reviewing the effectiveness of those systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide reasonable and not absolute assurance against material misstatement or loss.

The board confirms that there are procedures for identifying, evaluating and managing significant risks faced by the group, and will review these formally with management before each financial year-end (as well as the ongoing review of risks, which emerge throughout the year).

The board has implemented an internal risk management framework to identify, with relevant management, the major business risks facing the group and to put in place appropriate policies and procedures to manage those risks. Internal and external risks, which are assessed on a continual basis, may be associated with a variety of internal or external sources, including control breakdowns, disruption in information systems, competition, inadequate financing, poor business performance, natural catastrophe and regulatory requirements. These involve a process of control, self-assessment and reporting that will be established to provide a documented trail of accountability, which will be reported to the board.

The Executive Risk Group reports on its review of the risks and how they are managed to both the board and Risk Committee,

CORPORATE GOVERNANCE REPORT

CONTINUED

whose role it is to review the key risks inherent in the business and the systems of control necessary to manage those risks. The Executive Risk Group, which includes the CEO and CFO, reports to the Risk Committee and provides assurance over risks and internal controls. The Risk Committee presents its findings to the board as appropriate. The Executive Risk Group also reports to the Risk Committee on major changes in the business and external environment, which affect significant risks. Where areas for improvement in the systems are identified, the board considers the recommendations made by the Executive Risk Group and the Risk Committee.

In a move to adopt a more structured approach to managing ESG risks and opportunities, the board have established a new governance framework to ensure there is adequate board oversight and monitoring of significant ESG issues. The Executive ESG Group is chaired by the Group CEO and reports to the ESG Committee chaired by Kirsty Britz, Non-Executive Director. The primary purpose of the ESG Committee is to independently review, on behalf of the Board, the actions of the Executive ESG Group and its 'E' 'S' and 'G' sub-committees to run the group as an environmentally and socially sustainable, responsible business, capable of generating long-term value for its stakeholders.

Further details of the governance structure are set out at Principle 9.

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

05 Maintain the board as a well-functioning, balanced team led by the chair

The board currently comprises of four executive directors and five non-executive directors. The board has an Executive Chairman and a Non-Executive Deputy Chairman who also acts as the Senior Independent Director.

The board as a whole is collectively responsible for the success of the boohoo group and provides entrepreneurial leadership of the group within the framework of effective controls, which enable risk to be assessed and managed. It sets out the group's values and standards and ensures that its obligations to shareholders and other stakeholders are understood and met.

Guidelines are in place concerning the content, presentation and timely delivery of papers by management to directors for each board meeting so that the directors have enough information to be properly briefed. Where issues arise at board meetings, the Chairman ensures that all directors are properly briefed and, when necessary, appropriate further enquiries are made. The current division of responsibilities between the Chairman and Chief Executive and the Chairman and the Deputy Chairman have each been agreed by the board.

It is intended that the board meets at least eight times a year, the Audit Committee at least three times a year, the Nomination Committee at least once a year, the Remuneration Committee at least twice a year, and the Risk and ESG Committees four times per year.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The table below shows the attendance of individual directors at board meetings and committee meetings of which they are members during the year.

	Board		Audit Committee		Risk Committee		Remuneration Committee		Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mahmud Kamani	10	10	–	–	–	–	–	–	–	–
Carol Kane	10	10	–	–	–	–	–	–	–	–
John Lyttle	10	10	–	–	–	4 by invitation	–	2 by invitation	–	1 by invitation
Neil Catto	10	10	–	3 by invitation	–	4 by invitation	–	3 by invitation	–	–
Kirsty Britz	4	4	1	1	2	2	–	–	–	–
Shaun McCabe	10	10	3	3	4	4	4	4	1	1
Iain McDonald	10	10	3	3	4	4	4	4	1	1
Tim Morris	8	8	2	2	4	4	3	3	1	1
Brian Small	10	10	3	3	4	4	4	4	1	1
Pierre Cuilleret	2	1	1	1	–	–	1	1	–	–

As at 3 May 2022, the board has met twice since the end of the financial year. As the ESG Committee meetings started in April 2022, they are not included in the above table.

All directors have access to the advice and services of the Chief Financial Officer and Company Secretary, who are responsible for ensuring that the board procedures are followed, and that applicable rules and regulations are complied with. In addition, procedures are in place to enable the directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the company's expense.

06 Ensure that between them, the directors have the necessary up-to-date experience, skills and capabilities

The directors' biographies appear on pages 60 and 61.

The board has a blend of different experience and backgrounds. Each of Brian Small, Iain McDonald, Shaun McCabe, Tim Morris and Kirsty Britz were, prior to appointment, considered to be 'independent' non-executive directors under the criteria identified in the QCA Code. The board has access to independent advice, in particular from boohoo's Nominated Adviser (Zeus Capital), TLT LLP (from a legal perspective), and our auditor PKF Littlejohn LLP. During the year, the Remuneration Committee took advice from Korn Ferry.

The board is kept informed on an ongoing basis by the Company Secretary about their duties and any update in relation to legal and governance requirements for the group. Training is provided to the board each year regarding their duties.

07 Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Korn Ferry completed the most recent external evaluation of the board in February 2022. The evaluation confirmed that the board continued to operate effectively.

The evaluation was structured around seven key areas, each addressed through a series of critical questions that all directors responded to through an online survey. The survey was supported by telephone interviews on specific areas for further questioning.

The key recommendations from the external evaluation include:

a. the need to review the appropriate level of oversight of A4C as it moves to being part of business as usual– including in the context of the ESG Committee;
b. further sessions (facilitated through the Nomination Committee) to review succession and development plans for key executive roles across the business;
c. increase the time spent on strategy – with the view that a full strategy away day becomes a fixture as part of the board calendar moving forward;
d. Improve the structure of board papers with clearer sign-posting of key information and items for debate, reviewing the format of financial information to facilitate decision-making and the potential benefit of including external perspectives on key trends in board discussions;
e. Increase opportunities for board members to gain first-hand exposure to the business and make use of virtual tools to support the non-executives' engagement across the business;
f. consideration of the most appropriate method of engaging non-executive directors in strategic opportunities so that they are fully utilised in the strategic decision-making process; and

CORPORATE GOVERNANCE REPORT

CONTINUED

g. Consideration of the structures necessary to support the company's ambitious growth targets and implement changes ahead of time to ensure that the growth plan can be achieved.

boohoo's wider succession plan is the role and responsibility of the Nomination Committee, to ensure that the board is comprised of appropriately skilled and capable individuals. The Nomination Committee Chair will identify gaps in the skill set required to oversee the group's development, and will seek to recruit suitably qualified individuals with support from the Chief People Officer.

08 Promote a corporate culture that is based on ethical values and behaviours

boohoo is guided by its values of Passion, Agility, Creativity and Teamwork. The company prides itself on its inclusive culture and team spirit, and in operating in a fair and sustainable manner.

boohoo takes the welfare of all its employees extremely seriously and continues to invest in its people, who are encouraged to develop and grow with the business. boohoo continually strives to improve the working environment and benefits of its people. This is done by listening to and actioning feedback given through the open Your Voice sessions and internal HR channels, with immediate attention paid to any concerns raised. boohoo is continually improving the support provided to managers to help ensure they are leading and ensuring the people in our organisation feel valued and are listened to, shown in the significant investment made to upgrade all the facilities and working environment.

Further information can be found on pages 54 to 57 of this report.

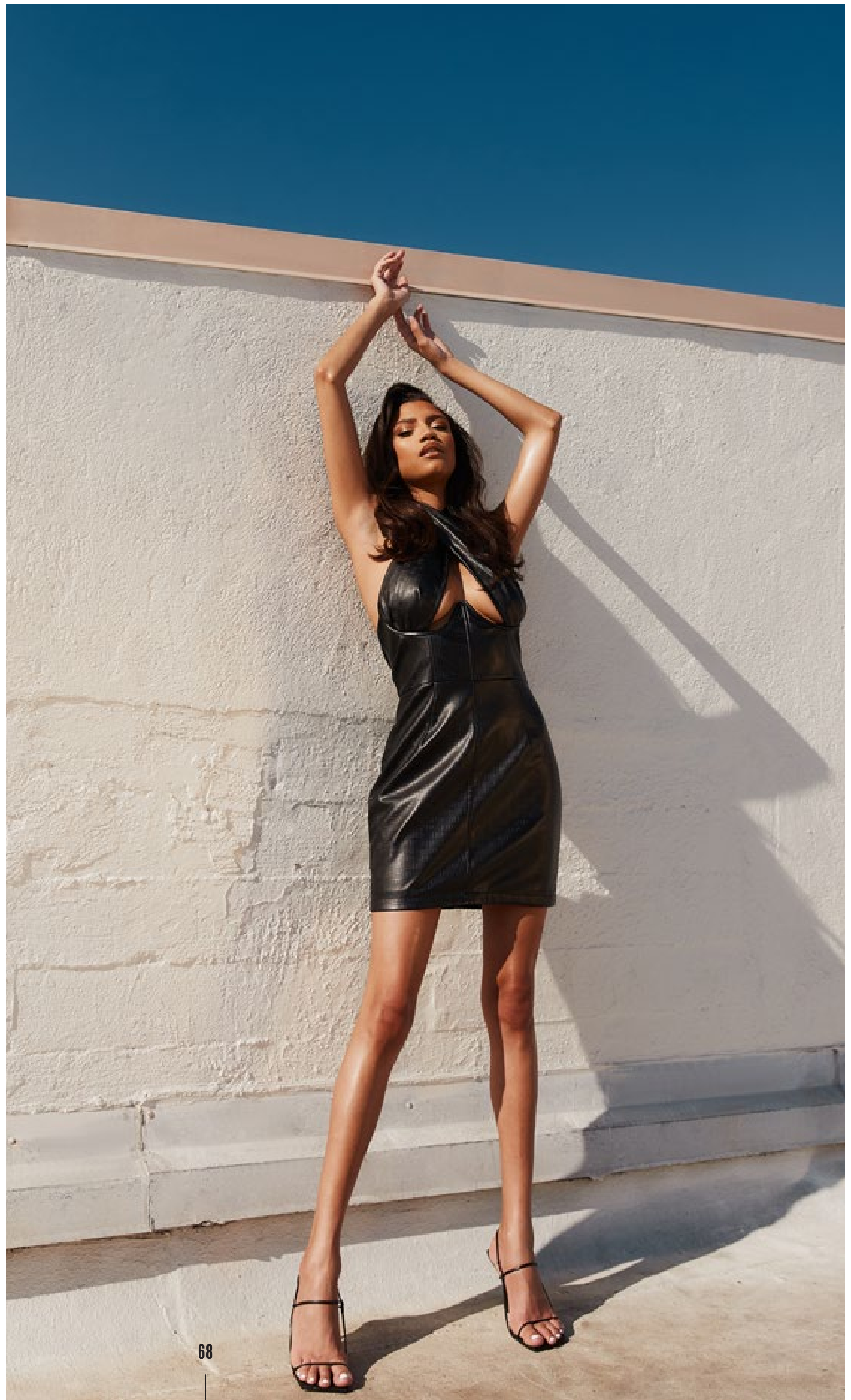
09 Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The board has a formal schedule of matters reserved to it for decision, including approval of strategic plans and the annual operating plan, significant investments and capital projects, treasury and risk management policies. All directors take decisions objectively in the interests of the group. Further details of the roles and responsibilities of the directors is set out at principle 6.

boohoo continues to look at how best to improve its corporate governance; and as a fast-growing company, boohoo is constantly looking for ways to strengthen its board, while ensuring that the business is led by people with the right experience, passion and enthusiasm. During the year, the board appointed two new independent directors to ensure the balance of the board is in favour of non-executive directors.

The enlarged and strengthened board structure has substantially enhanced the bandwidth to execute our multi-brand strategy and provide oversight of key ESG risks and opportunities. The structure enables the directors to use their extensive commercial experience in developing the wider group and its strategy for the benefit of the company's stakeholders.

In summary, this structure enables the retention of key skill-sets within the company while facilitating the enhancement of the executive director base and the continuing development of the board and committee membership otherwise in line with the QCA Code's key principles.



Governance Framework

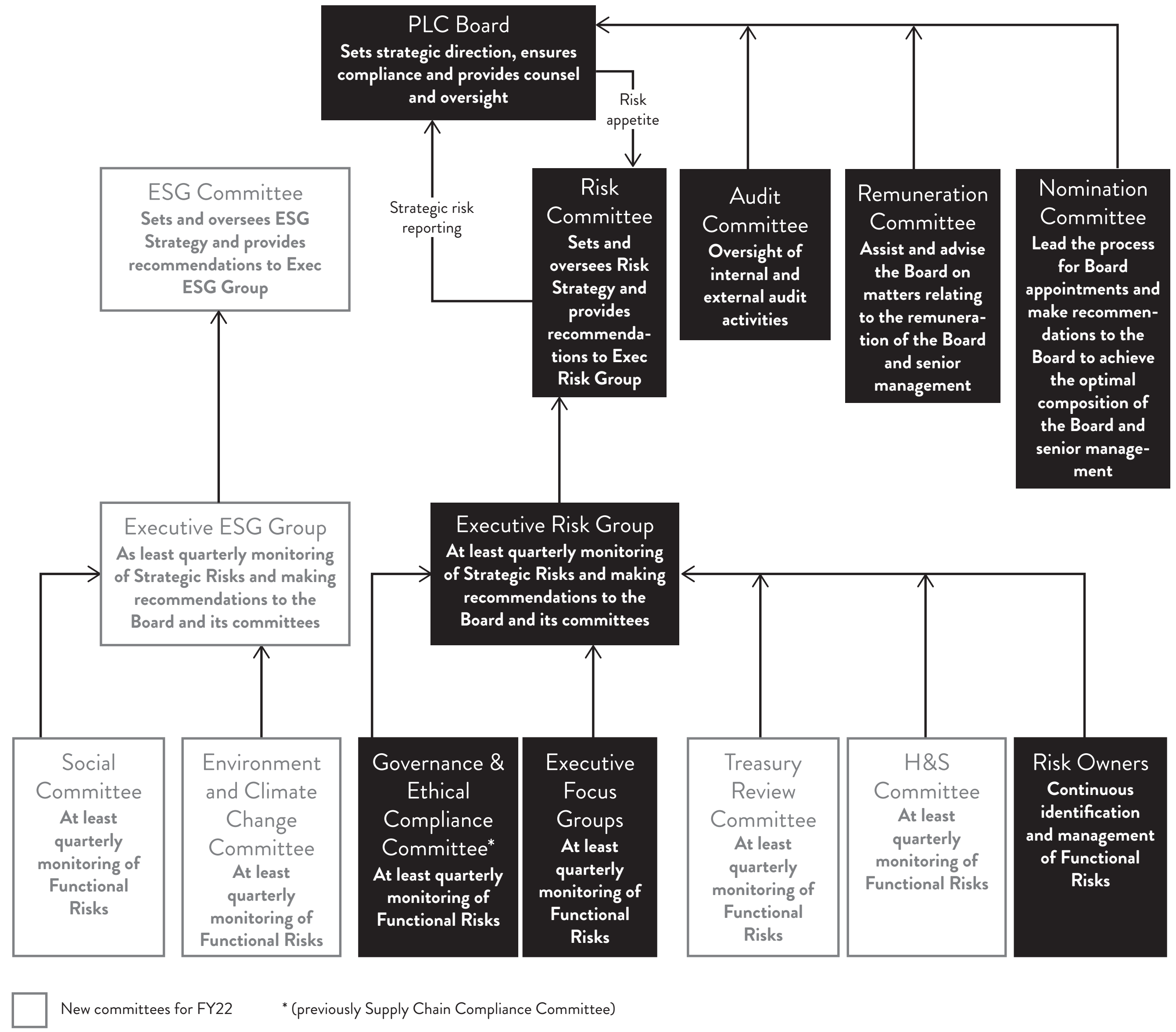
During the year, the board established a new governance framework to provide increased oversight of key risks and strategic matters, with a particular focus on ESG oversight. The aim is to ensure that the full board is focusing on the most significant strategic matters while still maintaining broad oversight of ESG opportunities and risks. The Executive ESG committee and sub-committees undertake key ESG activities to drive and execute the group's sustainability strategy.

The board is cognisant of the need to maintain an appropriate level of oversight of Agenda for Change as it moves to being part of business as usual, including in the context of the newly established ESG Committee. Recognising the new framework is in its early stages, the Governance and Ethical Compliance Committee (which replaces the Supply Chain Compliance Committee) will continue to report into the Executive Risk Group and Risk Committee to ensure there is continuity of an appropriate level of board oversight of Agenda for Change assurance and management.

The audit, nomination, risk and remuneration committees have each been assigned respective responsibilities for oversight of discrete ESG matters that are most consistent with their current responsibilities and area of expertise.

The terms of reference for each committee are published on the company website or are available on request from the Company Secretary. The roles and responsibilities of each committee are detailed below.

New structure for FY23



GOVERNANCE

CORPORATE GOVERNANCE REPORT

CONTINUED

AUDIT COMMITTEE

Shaun McCabe is the Chairman of the Audit Committee, which has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the company is properly measured and reported on and reviewing reports from the company's auditors relating to the company's accounting and internal controls, in all cases having due regard to the interests of shareholders. Brian Small, Iain McDonald, Tim Morris and Kirsty Britz are the other members of the Audit Committee.

The Audit Committee meets three times a year and after the year-end. Matters considered at these meetings include:

- reviewing and approving the annual report and financial statements for the year and half year-end;
- discussion with the external auditors to confirm their independence and scope for audit work;
- considering the reports from the external auditors identifying any accounting or judgemental issues requiring the Board's attention and the auditors' assessment of internal controls;
- reviewing and approving the group's tax strategy;
- considering the work of the corporate social responsibility and supplier conformance functions;
- reviewing compliance with minimum pay legislation and fairness at work procedures; and
- considering the adequacy of the whistle-blowing facility, the anti-bribery training and monitoring and data protection policy and procedures.

The Audit Committee Chair maintains dialogue with the auditors outside of the scheduled meetings and meets with the auditors without the presence of executive directors and members of the finance team.

The group's internal audit function is overseen by and reports independently to the Audit Committee.

The Audit Committee reports to the board on the effectiveness, value and independence of the auditors on an annual basis. The board is satisfied with the independence and objectivity of PKF Littlejohn LLP.

RISK COMMITTEE

The Chair of the Risk Committee is Shaun McCabe. This committee reviews management's recommendations on risk management, particularly in relation to the structure and implementation of the risk strategy, system of governance, risk management framework, the quality and effectiveness of the related internal controls and reporting processes, risk appetite limits and exposures, and the overall risk profile of the business. The Risk Committee meets at least four times a year. Brian Small, Tim Morris and Kirsty Britz are the other members of the Risk Committee.

The responsibilities and activities of the Risk Committee are set out in more detail in the Risk Management Report on page 32.

NOMINATION COMMITTEE

Brian Small is the Chair of the Nomination Committee, which identifies and nominates, for the approval of the board, candidates to fill board vacancies as and when they arise. The committee also considers matters of succession planning. The Nomination Committee meets at least once a year and otherwise as required. Iain McDonald, Shaun McCabe and Tim Morris are the other members of the Nomination Committee.

REMUNERATION COMMITTEE

The Chair of the Remuneration Committee is Iain McDonald. This committee reviews the performance of the executive directors and determines their terms and conditions of service, including their remuneration and the grant of share awards, having due regard to the interests of shareholders. The Remuneration Committee meets at least twice a year. Shaun McCabe, Brian Small and Tim Morris are the other members of the Remuneration Committee.

The responsibilities and activities of the Remuneration Committee are set out in more detail in the Directors' Remuneration Report on page 77.

ESG COMMITTEE

The Chair of the ESG Committee is Kirsty Britz. The ESG Committee advises the board on the effectiveness of the company's ESG strategy and management of ESG risks and opportunities. The ESG Committee meets at least four times a year. Shaun McCabe, Tim Morris and Carol Kane are the other members of the ESG Committee.

Matters considered at these meetings include:

- considering updates on the company's progress towards achieving its targets regarding climate change, raw materials sourcing, waste management, circularity and other environmental impacts such as biodiversity, water, chemicals and microplastics;
- receiving updates on the group's social impact strategy and actions, ensuring focus on issues of most material impact and opportunity; and
- reviewing the governance and effectiveness of the integration of environmental and social impact into the company's operations, policies, practices and product development.

The company's ESG Report can be found on page 41.

BUILD TRUST

10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The AGM is an important opportunity for communication with both institutional and private shareholders and involves a short statement on the company's latest trading position. Shareholders may ask questions of the full board, including the chairs of the Audit, Remuneration, Nomination, Risk and ESG Committees.

The result of the proxy votes submitted by shareholders in respect of each resolution will be available on the company's website or on request to the Company Secretary.

As outlined at principle 2, the company maintains an active dialogue with its shareholders through a planned programme of investor relations.

DIRECTORS' REPORT

The directors present their directors' report and annual report and financial statements for the year ended 28 February 2022.

REGISTERED OFFICE

The registered office is 12 Castle Street, St Helier, Jersey, JE2 3RT.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company. The principal activity of its subsidiary undertakings is that of online clothing retailers.

BUSINESS REVIEW

The directors are required by Company Law to set out a fair review of the business, its position at the year-end and a description of the principal risks and uncertainties facing the group and to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS") as adopted by the UK. The review of the business on pages 58 to 70 provides this review and financial position and these are incorporated by cross-reference and form part of this report. The Corporate Governance Report on pages 58 to 71 should be read as forming part of the Directors' Report.

RESULTS AND DIVIDENDS

Group loss after tax for the year to 28 February 2022 was £4.0 million (2021: profit £93.4 million). The audited financial statements for the year for the group and company are set out on pages 104 to 107.

The directors do not recommend the payment of a dividend (2021: no dividend) so that cash is retained in the group for capital expenditure projects that are required for the rapid growth and efficiency improvements of the business and for suitable business acquisitions and capital expenditure.

DIRECTORS AND COMPANY SECRETARY

The biographies of the directors who held office throughout the year and subsequently are set out on pages 60 and 61. The Company Secretary is Thomas Kershaw.

The interests of the directors in the shares of the company and their share options and awards are detailed in the Remuneration Report on page 78.

The company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against the directors. The company has also provided an indemnity for its directors, which is a qualifying third-party indemnity provision and was in place during the year and up to the date of approval of the financial statements.

SHARE CAPITAL AND RESTRICTIONS ON SALE OF SHARES

The authorised and issued share capital of the company and details of shares issued during the year are shown in note 23. The issued share capital as at 28 February 2022 was 1,267,634,949 shares of 1p.

Powers related to the issue and buy-back of the company's shares are included in the company's articles of association and such authorities are renewed annually by shareholders at the Annual General Meeting.

SHARE INCENTIVE PLAN TRUST

The Share Incentive Plan ("SIP") trust is used by the company to provide free shares as share incentives to its employees. The trustees are Link Asset Services, an independent UK professional body. The SIP trustee buys shares and holds them in trust for the benefit of employees who remain with the company for three years. The trust held 32.3 million shares as at 28 February 2022. The trustees may vote on the beneficiaries' shares in accordance with the beneficiaries' instructions.

DIRECTORS' REPORT
CONTINUED

SUBSTANTIAL SHAREHOLDERS

Shareholders holding more than 3% of the company's shares as at 31 March 2022:

Shareholder	Number of ordinary shares held	Percentage held
Mahmud Kamani*	157,979,880	12.5%
T Rowe Price Associates	103,542,235	10.9%
Norges Bank Investment Mgmt	80,247,061	6.3%
Hargreaves Lansdown	74,879,670	5.9%
Rabia Kamani*	51,240,509	4.0%
Interactive Investor	41,287,406	3.3%

Shareholders marked as * are considered to be a concert party.

ASSESSMENT OF PROSPECTS AND VIABILITY

The group's business activities together with the factors that are likely to affect the future development, performance, position and risks of the group are set out in the review of the business on pages 35 to 40.

The continued impact of the COVID-19 crisis on the group is not expected to change materially over the next year, provided that governments' actions in controlling the virus and its variants continue to be effective. Trading during the year to February 2022 has shown that online sales have some resilience during lockdowns in many countries. The group has cash resources and credit facilities sufficient to continue solvent trading in the face of an unforeseen downturn in demand. The credit facility has been increased from £100 million to £325 million after the year-end and additional facilities are expected to be brought into use later in 2022 to support capital expenditure.

The directors considered the prospects of the group through an analysis of the markets for the group's product offering online in the UK and overseas and concluded that potential growth rates remain strong as the markets continue to develop as more customers become comfortable with online shopping. This provides great opportunities for future expansion. There is a diverse supply chain with no key dependencies, enabling sourcing to be dynamic. Major expense categories relate to carriage and marketing services, which are widely diversified amongst suppliers. The business model affords a great deal of flexibility in responding to demand and economic changes: the wide range of products and relatively low buy quantities reduce inventory risk; a large customer base across many countries reduces specific economic and fashion dependencies; retail customers pay at the time of order with a small risk of default; and the high marketing expenditure is very controllable over a short time period.

The group operates a regular budgeting, forecasting and long-range planning cycle, which is integrated with strategic plans and objectives. This planning cycle, in which the board is substantively involved, ensures, as far as is possible, that the profitability, cash flow and capital requirements of the business are sufficient to ensure its ongoing viability. Annual budgets, against which performance is compared, are prepared in advance of the next financial year. A cadence of weekly, monthly and quarterly forecasts is operated to monitor, control and report on performance in the current financial year. These forecasts form the basis upon which the board satisfies its requirements to update stakeholders with relevant financial performance and prospects. Twice a year, five-year financial plans are prepared to assess the medium and longer-term prospects of the group and its finance requirements, based on its strategic plans.

The directors have reviewed the group's profitability in the five-year plans, the annual budgets and medium-term forecasts, including assumptions concerning capital expenditure and expenditure commitments and their impact on cash flow. The directors consider that a five-year plan is the appropriate period to project financial plans with a reasonable level of certainty in line with their current strategic objectives.

A sensitivity analysis was performed on the five-year plan in which revenue was assumed to grow at 20% less than the most reasonable base case. The results of this test showed that the facilities and cash generation were sufficient for the group to continue trading with a comfortable margin of error.

Based on their assessment of prospects and viability, the directors confirm that they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due in the five-year period ending February 2027.

GOING CONCERN

Having considered the prospects and viability as detailed above, the directors considered it appropriate to prepare the financial statements on the going concern basis, as explained in the basis of preparation in note 1 to the financial statements.

FINANCIAL RISK MANAGEMENT

Financial risk management is detailed in note 27 to the financial statements.

GOVERNANCE

SECTION 172
HOW THE BOARD PROMOTES THE SUCCESS OF THE COMPANY

"The board recognises that effective engagement with key stakeholders is a key component of long-term sustainability and success."

THE BOARD'S APPROACH

The board has voluntarily chosen to follow the section 172 guidance from UK law, although this is not required under Jersey regulations.

The board recognises the importance of maintaining strong relationships with our stakeholders in order to create sustainable long-term value, and encourages active dialogue and transparency with all its stakeholder groups. The board exercises skill and judgment in good faith, having regard to the likely consequences of their decisions, to promote actions that lead to the long-term success of the group.

It is essential to running a successful business that we speak to our investors, suppliers, customers and colleagues. We take time to engage with, and listen to, the views of our stakeholders in order to shape our decision-making and to continue improving the way we do things.

When developing strategy, the board has regard to financial considerations as well as the need to engage with a wide range of stakeholders. The board ensures that these relationships are managed effectively and that there is sufficient visibility of stakeholder engagement activities in the boardroom to inform decision-making and delivery of strategy. Board materials and discussions therefore seek to consider appropriately the impact and views of key stakeholder groups while always ensuring the need to promote the success of the group for the benefit of its members as a whole. You can read more about board decision-making on page 68.

As well as acknowledging a responsibility towards society and the environment, the board recognises that effective engagement with key stakeholders is a key component of long-term sustainability and success. The board considers that the interests of the group and its shareholders are aligned in seeking sustainable value creation over the longer term through the group's operations. More information is set out in our ESG Report on page 41.

Consideration of the impact that the group and its operations have on all stakeholders is central to the culture and values of boohoo – more information about our values and culture can be found on page 54.

HIGH STANDARDS OF BUSINESS CONDUCT

The way we work and boohoo's expectations for conduct and behaviour are set out in our group policies. These policies cover areas such as whistleblowing, bribery and corruption, employee and supplier conduct and human rights.

The board recognises the importance of corporate governance and a description of how the group has adopted the QCA Corporate Governance Code 2018 can be found on pages 64 to 70.

ACTING FAIRLY BETWEEN DIFFERENT STAKEHOLDERS OF THE GROUP

As a board of directors, we recognise our shareholders as an important stakeholder group and treat them fairly and equally, so they too may benefit from the growth of the business and the value we create.

Below we have mapped out our seven key stakeholder groups, the material issues that they have raised throughout the year and how the board has responded.

GOVERNANCE

SECTION 172
HOW THE BOARD PROMOTES THE SUCCESS OF THE COMPANY

CONTINUED

Stakeholders	What they care about	How the board engaged during the year	Read more
EMPLOYEES	Working environment Culture Learning and development Pay and benefits Wellbeing	• Held regular employee Townhalls and Q&A sessions throughout the year with the Founders, CEO and CFO • Launched a colleague engagement steering group across our supply chain providing opportunities for colleagues to make a real tangible difference to boohoo working practices • Engaged and upskilled colleagues in delivering on our sustainability strategy through our supply chain forum called 'sustain2gain' • Developed and implemented targeted engagement plans in response to survey results listening forum feedback, exit interviews and general feedback • Introduced a suite of people awards to recognise loyalty and key achievements across the group, hybrid working as a permanent benefit to provide greater flexibility and incentives to encourage physical activity and time away from desks • Launched an updated L&D programme 'Learn It' which provides a development offer for all levels across the business and a group-wide leadership programme amongst our directors consisting of insights, modules, executive coaching and internal mentoring	Page 54
SUPPLIERS	Payment Transparency Human rights Material sourcing Sustainability Future business growth	Sustainability • Educated our suppliers on sustainability, product accreditation and traceability within supply chains • Environmental team launched UK sustainability strategy to encourage boohoo suppliers to use renewable energy and to focus on reducing their carbon footprint Product Quality • Provided training seminars for suppliers to educate and support their understanding in product safety • Opened boohoo product performance lab to test our products and educate both brand teams and suppliers alike in product and fabric testing and performance Ethical Trade • Hosted supplier country specific webinars on boohoo code of conduct and importance of traceability within their supply chains • Adopted the Fast Forward audit methodology approach for all boohoo UK manufacturing suppliers Sourcing • Launched boohoo group responsible purchasing practices to train and educate boohoo brand teams and to promote supplier on good terms approach	Page 45
CUSTOMERS	Product quality, design and safety Affordable on-trend fashion Sustainability Customer service	• Used NPS and Trust Pilot feedback and reviews to formulate and confirm product development and improvements to our customer journey • Held regular 'Voice of the Customer' sessions, across multiple stakeholder groups including supply chain, product and finance. Using contact (customer) and refund data to drive business change and performance • Proactively communicated to circa 2.6million customers throughout the year • Protected our acquisition brands through transition by putting our impacted customers first	Page 44

Stakeholders	What they care about	How the board engaged during the year	Read more
COMMUNITY AND ENVIRONMENT	Sustainability Climate change Charity support	• Establishment of the ESG Committee • Formation of the climate change steering group to focus efforts on emissions reductions and addressing climate risks • Cotton Connect programme to improve cotton farming practices in Pakistan, benefiting the environment and workers • Continued our engagement with Textiles 2030, microfibre consortium and sustainable apparel coalition • Installed a significant solar project at the Burnley distribution centre • Had our science-based targets signed off and validated • Begin our journey of using TCFD as a tool to measure climate risk and opportunities	Page 46
GARMENT WORKERS	Working conditions Safety Communication Living wage	• The Garment and Textile Workers' Trust commissioned the experts at Nottingham Universities Rights Lab to conduct and in-depth piece of research to inform the Trust's purpose and scope • This work involved academics speaking to a broad range of stakeholders including but not limited to: government officials, NGO's, Union representatives, community leaders, manufacturers and employees from the garment industry • Convened a meeting with senior representatives from the following government agencies: GLAA, HSE, DWP to discuss the findings of our Agenda for Change programme • Proactively communicated with an extended group of stakeholders on the progress of Agenda for Change programme. Subsequent meetings were held with various stakeholders including: Dame Sara Thornton, Baroness Young of Hornsey, APPG groups, Fashion Roundtable and many others	Page 45
SHAREHOLDERS	Transparency Open communication ESG management Financial Performance	• As part of the board's commitment to operating transparently, published all five of Sir Brian Leveson's reports • The management team conducted investor roadshows in May and October coinciding with publication of the group's annual and half year results • A comprehensive all-year investor relations programme, involving regular attendance at investor conferences through a series of 1:1 and group meetings • Ongoing regular engagement with shareholders, non-shareholders and investment analysts to discuss latest results, strategy and themes • The board reviewed shareholder feedback following publication of results and ongoing regular Investor Relations feedback from investors on key topics • The board undertook a consultation with shareholders with regard to executive remuneration for FY2023; the consultation resulted in direct engagement with approximately 40% of the shareholder register and over 50% of independent shareholders • Incorporated ESG targets into executive remuneration awards and incentive plans • The board received training on ESG in the context of impact on the share price and importance to investors	Page 65

SECTION 172
HOW THE BOARD PROMOTES THE SUCCESS OF THE COMPANY

CONTINUED

Stakeholders	What they care about	How the board engaged during the year	Read more
GOVERNMENT AND NGOs	Compliance with laws and workers' rights	• This year, due to the relaxation in COVID-19 restrictions, we have significantly increased our engagement with government departments and Senior NGO representatives for example: BEIS and DiT • We are active members of the AGM PPP • We became a signatory of the International Accord for Health and Safety, a binding agreement designed to protect those working in the garment industry • We engaged with the Living Wage Commission and the Real Living Wage Foundation • We provide regular briefings to government ministers and the Shadow Cabinet	Page 45

Our impacts on, and engagement with, our stakeholder groups is considered further within the group's Sustainability Strategy on pages 41 to 47.

HEALTH AND SAFETY

The group is committed to providing a safe place of work for employees. Group policies are reviewed on a regular basis to ensure that policies regarding training, risk assessment, safe working and accident management are appropriate. There are designated officers responsible for health and safety and issues are reported at each board and executive meeting.

GREENHOUSE GAS EMISSIONS

As a group, boohoo recognises that its global operations have an environmental impact and we have a responsibility to understand, manage and minimise such impacts. That is why we have chosen to set our goal aligned with science-based targets and reduce our carbon emissions year-on-year in line with the Paris Agreement.

We are also aware of the UK reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which the board is following voluntarily as a Jersey registered company. As such, this year we have enhanced our energy and carbon reporting to meet these new requirements and to increase the transparency with which we communicate our environmental impact to our stakeholders. The section on environment, social responsibility and governance on pages 48 to 53 is incorporated into this report by cross-reference.

STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

ANNUAL GENERAL MEETING

Further details of the format and date of the annual general meeting will be communicated to shareholders in due course and in the usual way and the notice of the meeting will be available to view on the group's website www.boohooplc.com at least 21 days before the meeting.

On behalf of the board

John Lyttle **Neil Catto**

3 May 2022

DIRECTORS' REMUNERATION REPORT

ANNUAL STATEMENT BY THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear shareholder,

I am pleased to present the report of the Remuneration Committee on behalf of the directors. This Directors' Remuneration Report will be put to an advisory shareholder vote at the forthcoming Annual General Meeting.

REMUNERATION POLICY

The Remuneration Committee is committed to complying with the principles of good corporate governance in relation to the design of the directors' remuneration policy. As such, our policy takes account of the UK Corporate Governance Code and the QCA Corporate Governance Code (against which the company formally reports compliance). The Committee also considers other best practice guidance (for example, the QCA Remuneration Committee Guide and the Investment Association's Principles of Remuneration), as far as is appropriate to the group's management structure, size and listing. We also endeavour in this report to provide information on the remuneration policy and its implementation in a manner broadly consistent with the reporting regulations as they apply to Premium Listed companies.

Our approach to remuneration is governed by our directors' remuneration policy. The primary objectives of the policy continue to be to attract and retain the highest calibre directors and to design remuneration, which promotes the long-term success of the group. In order to put these objectives into effect, we provide the opportunity for executives to receive short-term and long-term variable pay, dependent upon appropriate performance conditions, ensuring a clear link is established between shareholder value creation and the pay of our directors.

Each year, the Committee reviews overall levels of pay and the operation of the incentive arrangements for executive directors to ensure they remain appropriate in light of the current business strategy and the interests of shareholders.

PERFORMANCE AND REWARD FOR THE YEAR ENDED 28 FEBRUARY 2022

For the year ended 28 February 2022, the business made considerable progress against its strategic objectives but also faced a number of pandemic-related headwinds. The annual bonus plan set up at the start of the year was based on satisfying various financial and non-financial targets, the non-financial element having been introduced to ensure management were focused on addressing some of the wider strategic issues, which arose during the course of the previous year. These non-financial objectives were based on successfully completing Agenda for Change (15% of the overall bonus) and the successful integration of the newly acquired brands (10%). Management performance against these objectives was exceptional: as Sir Brian Leveson noted in his final report, the group completed the Agenda for Change workstreams during the year and has now subsumed Agenda for Change within business as usual. All of the new brands have been integrated seamlessly within boohoo. As a result, the Committee was comfortable all of the related objectives had been achieved and, therefore, a bonus of 25% of the maximum was payable.

Unfortunately, the group did not achieve either of the very stretching revenue growth or Adjusted EBITDA growth targets set at the start of the financial year, which required very significant year-on-year growth in each case. Although revenue increased, EBITDA was impacted by disruption to the international delivery proposition and significant and unforeseen pandemic-related cost inflation.

The Committee reflected at length on the overall achievements during the year and decided that a bonus outturn of 25% of maximum would fail to reflect the tremendous progress made by management over the year in laying the foundation for the next stage of sustainable growth for the business. This is demonstrated by the significant gains in market share and the robust level of performance in the UK, which clearly validates the boohoo model and positions the business well for the next stage of the strategy, which is focused on improving the international proposition, with continued investment in the global distribution network to generate incremental sales potentially in excess of £5 billion.

As a result, the Committee decided that an annual bonus of 75% of the maximum opportunity should be payable to John Lyttle, the CEO, and Neil Catto, the CFO. Although this is higher than the formulaic outcome of the performance assessment, for the reasons set out above it is viewed as fully consistent with the performance of the business as a whole over the financial year and in the best long-term interests of shareholders. Reflecting that in some respects this is a payment for performance that positions the business well for the future, the directors are required to invest two-thirds of the bonus in shares, which must be held for at least two years. This level of deferral is higher than the one-third expectation set out in the directors' remuneration policy.

The bonuses for the CEO and CFO are consistent with pay out levels under incentive schemes for other high performing senior managers in the organisation.

The founders of the company, Mahmud Kamani and Carol Kane, indicated to the Committee that they did not wish to be considered for a bonus payment for the year. They are both material shareholders in boohoo and their preference is that the

DIRECTORS' REMUNERATION REPORT

CONTINUED

rewards for performance over the year are focused on the CEO, CFO and other senior managers in the interests of ongoing retention and motivation for this group.

To date, Neil Catto has been the only director to participate in the Long-Term Incentive Plan ("LTIP"). His LTIP award granted in 2019 was based on performance measured to the end of the year ending 28 February 2022. Two-thirds of the award was subject to the achievement of challenging Aggregate Adjusted Earnings per Share targets, with the other third dependent on Total Shareholder Return targets being met. EPS performance over the period resulted in vesting at a level of 100%, for the two-thirds element based on EPS, with TSR not vesting. Combined, the overall level of vesting was, therefore, 67%.

REMUNERATION FOR THE YEAR ENDING 28 FEBRUARY 2023

Having made substantial changes to the remuneration policy last year to take into account the events that occurred during the prior year and the views of major boohoo shareholders, remuneration for the financial year ending 28 February 2023 will be based on the following elements:

- Basic salaries for the executive directors will increase by 3% with effect from May 2022, in line with the average increase for the workforce as a whole.
- Maximum bonus opportunity will continue to be up to 100% of salary for Neil Catto and up to 200% for Mahmud Kamani and Carol Kane. We have also decided that the bonus opportunity for John Lyttle will increase to 200% of salary, to ensure he has a market-competitive overall remuneration package and to align his incentive opportunity with that of the founder directors. A bonus limit at this level is also considered to reflect more accurately his responsibilities and contribution as group CEO.
- There will continue to be an equity deferral element such that a minimum of one-third of any bonus earned must be invested in shares and held for at least two years.
- We will continue to supplement the financial performance conditions for the annual bonus with a mix of ESG and strategic non-financial targets. As a result, 30% of the 2023 bonus will be based on revenue, 45% on EBITDA, 15% on targets linked to our UP.FRONT sustainability strategy and 10% based on UK manufacturing and international supply chain milestones. This will ensure that a maximum bonus pay out will depend on the achievement of an exceptionally strong level of performance across multiple key areas of focus. Full details of the performance targets will be disclosed in next year's report.
- As trailed in last year's Directors' Remuneration Report, the Committee has reviewed long-term incentive provision for the executive directors in order to ensure that appropriate arrangements are in place. Following this review, we have decided that all of the executive directors should receive an award under the LTIP in the 2023 financial year. This is to ensure ongoing incentivisation over the longer term and beyond the timeframe of the long-term incentive plans put in place in 2019 and 2020. The LTIP offers a conventional long-term incentive with a three-year performance period which we feel will work well for the next stage of the evolution of the business, and our expectation going forward is that we will offer a new LTIP grant to the directors each year.
- For 2023, we intend to grant awards to all four executive directors at a level of 200% of basic salary. An award at 200% of salary will provide an incentive opportunity, which is competitive and provides a real incentive to drive outperformance over the next period of growth. A grant level of 150% of salary would not be considered to provide the necessary level of incentivisation for a company of boohoo's size and complexity. Furthermore, a grant at 200% will act as a powerful retention tool as we face the reality that the Growth Share Plan for John Lyttle (introduced in 2019) and the Management Incentive Plan ("MIP", introduced in 2020) may not vest at the levels originally hoped for.
- Having reviewed the existing LTIP, which was introduced in 2016, we have concluded that a new set of plan rules should be approved by shareholders at the forthcoming AGM. This will ensure that the plan can accommodate the award levels at the 200% of salary level (in all circumstances - the previous limit was 150% of salary barring exceptional circumstances where there was no limit) and allows all executive directors to participate. The new plan also provides updated provisions in line with investor expectations, for example in relation to clawback and malus.

- Vesting of the FY2023 award will be subject to the achievement of stretching performance targets. We will use a suite of four measures, with the following weightings: TSR (40%), EPS (20%), revenue (20%), and ESG (20%). EPS and revenue are key financial performance indicators and measures, which are closely tracked internally and by investors and analysts. We will assess TSR on a relative basis by comparing boohoo's performance with the companies comprising the FTSE 250 Index. Although boohoo is not a member of this index, it is a widely recognised broad market benchmark, which contains companies of a similar size and complexity. The ESG measures we have chosen are all closely linked to the goals we have set in the UP.FRONT strategy. Full details of the specific targets for all of these measures are set out on page 96.

ENCOURAGING EQUITY OWNERSHIP ACROSS THE BUSINESS

The Remuneration Committee regularly reviews the pay arrangements for all employees. We remain committed to encouraging all our employees, as well as our senior executives, to be shareholders in the business. As part of facilitating this policy objective, as stated above, we made a further award of free shares worth £3,600 per person to all eligible employees under a UK HMRC-approved Share Incentive Plan in January 2022. This award recognised the outstanding contribution made by boohoo employees to the performance of the business over a challenging period. The award follows those made in the 2015, 2016, 2019, 2020 and 2021 financial years.

Options were issued under an HMRC-approved Save As You Earn ("SAYE") plan in each of the financial years ended 2016 to 2022. There has been a high level of participation by employees, and we intend to continue with similar arrangements in subsequent years.

SHAREHOLDER FEEDBACK

The Remuneration Committee recognises that dialogue with shareholders plays a key role in informing the design of the remuneration policy. Shortly after the end of the 2022 financial year, we consulted with shareholders on our plans for 2023 and explained the decisions we had taken in respect of remuneration in 2022. We will keep executive remuneration under regular review and will continue to consult with significant shareholders where major changes are proposed.

We hope you will support the advisory vote on the Directors' Remuneration Report at the forthcoming Annual General Meeting and the separate resolution approving the new LTIP rules, as the directors will do in respect of their own beneficial shareholdings.

Iain McDonald

CHAIRMAN OF THE REMUNERATION COMMITTEE

DIRECTORS' REMUNERATION REPORT

CONTINUED

UK CORPORATE GOVERNANCE CODE

As indicated in the Remuneration Committee Chairman's Annual Statement, the remuneration policy takes into account the provisions of the UK Corporate Governance Code, despite boohoo not being formally required to report the extent of its compliance against the Code. The Remuneration Committee believes that in the vast majority of areas the remuneration policy complies with the principles and provisions of the Code. This was enhanced through changes to the policy made last year, such as the alignment of directors' pension provision with the wider workforce with effect from January 2023 and the introduction of post-employment shareholding requirements.

The main point where the policy is not currently fully compliant with the Code is that certain share awards do not have a total vesting and holding period of five years or more. This applies to awards made under the LTIP, and to the Management Incentive Plan ("MIP") structure introduced for certain executive directors during 2020. In both cases, awards vest subject to extremely challenging performance conditions to be met over a three-year period. Although there are no formal post-vesting holding periods in place for these awards, the executive directors are obliged to comply with shareholding requirements, which, as noted above, also apply for a period of time following cessation of employment. As such, the Committee believes that the current structures are sufficiently long-term in nature. It should also be noted that the Growth Share Plan, introduced for the CEO in 2019, has a five-year performance period and is thus compliant with the Code.

The Committee has considered the principles set out in Provision 40 of the Code and believes that the policy sufficiently addresses these principles, as set out opposite:

CLARITY	The remuneration policy and its application are set out in detail in this Directors' Remuneration Report, providing shareholders with full information on all elements of directors' pay and how the policy is set. The level of detail provided reflects the Committee's desire to report in line with best practice, and the vast majority of the reporting requirements for Premium Listed companies have been adopted.
SIMPLICITY	The Committee believes strongly that simple remuneration structures based around easily understood performance measures are likely to be the most effective in terms of incentivising outperformance. For example, the annual bonus scheme rewards performance against a relatively small number of financial and non-financial metrics. The Growth Share Plan (for the CEO) and the MIP (for the other executive directors) pay out primarily due to the growth in the market capitalisation of boohoo. While additional measures are being introduced to the LTIP awards which will be granted in 2023, these are designed to be fully aligned with key business priorities for the group.
RISK	The remuneration policy is designed to be compatible with the group's risk policies and systems. The policy rewards strong levels of growth in the business and has been instrumental in the group's success since Admission. Changes to the incentive schemes introduced by the Committee last year provided additional reassurance that executives would be directly focused on resolving the supply chain issues that emerged and not focused solely on growth without due recognition of wider stakeholder interests. This has been given further impetus for 2023 with the new ESG performance measures, which have been introduced for the annual bonus scheme and LTIP.
PREDICTABILITY	The extent of potential remuneration outcomes for directors is clear from the policy and implementation disclosures in this report. There is a limit on the size of annual bonus payments and awards under the standard LTIP. Although there is a wide range of potential outcomes under the Growth Share Plan and MIP, both plans are capped in the sense that individual participants cannot earn more than specified amounts.
PROPORTIONALITY	The extent of potential remuneration outcomes for directors is clear from the policy and implementation disclosures in this report. There is a limit on the size of annual bonus payments and awards under the standard LTIP. Although there is a wide range of potential outcomes under the Growth Share Plan and MIP, both plans are capped in the sense that individual participants cannot earn more than specified amounts.
ALIGNMENT TO CULTURE	boohoo's fast-moving and performance-driven culture has been integral to its success and the incentive schemes have been designed to reflect this approach. The changes discussed in this report will also help ensure that incentives take due account of the need for growth to be matched with a focus on the management of stakeholder relationships, which are critical to the long-term value of the brand.

POLICY REPORT

PAY PHILOSOPHY

The Remuneration Committee ("Committee") is responsible for determining, on behalf of the board, the group's pay philosophy and the policy on the remuneration of the executive directors, the Chairman and other senior executives of the group.

The aim of the remuneration policy is to ensure that high calibre senior executives are provided with remuneration, which is designed to promote the long-term success of the group. The policy includes performance-related elements, which are transparent, stretching and rigorously applied to encourage enhanced performance and to reward, in a fair and responsible manner, individual contributions to the success of the group. The remuneration policy is designed to be compatible with risk policies and systems and to be aligned to the group's long-term strategic goals. The policy framework is structured so as to adhere to the principles of good corporate governance and has been developed taking into account the principles of the UK Corporate Governance Code and the QCA Corporate Governance Code.

The performance-related variable pay component makes up a significant proportion of the overall package for senior executives and is designed to incentivise the delivery of the group's growth strategy and other strategic and business objectives. The interests of the executives are designed to align with the interests of shareholders through encouraging equity ownership and, in support of this, awards under the group's equity incentive plans are made where appropriate.

CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE GROUP

When setting the remuneration policy for executive directors, the Committee takes into account the overall approach to reward for, and the pay and employment conditions of, other employees in the group, especially when determining annual salary increases. This process ensures that any increase to the pay of executive directors is set in an appropriate context, especially relative to increases proposed for other employees. The Committee is also provided with periodic updates on employee remuneration practices and trends across the group.

The principle of encouraging our senior executives to be shareholders in the business is reflected across the group as a whole and a key aim of the remuneration policy is to encourage widespread equity ownership across the whole employee base. In support of this objective, we operate an HMRC-approved Share Incentive Plan and an approved SAYE option plan.

The Committee has not consulted directly with employees in designing the remuneration policy for the directors.

DIRECTORS' REMUNERATION REPORT

CONTINUED

CONSIDERATION OF SHAREHOLDER VIEWS

The Committee pays close attention to the views of shareholders when setting the remuneration policy for executive directors. This includes consideration of shareholder voting on the Directors' Remuneration Report resolution at each AGM, the published guidelines of investors and their representative bodies and individual feedback received by the Committee. In recent months, the Committee has also had discussions with major shareholders on the remuneration decisions taken in respect of FY2022 and the plans for FY2023.

CHANGES TO THE REMUNERATION POLICY

In general, we believe that our pay philosophy and the broad structure of our remuneration policy has served the company well and has been a key factor in driving exceptional levels of performance. We intend to retain the overall broad framework but, as explained in the Annual Statement by the Chairman of the Remuneration Committee, we intend to make a number of changes to the incentive approach for FY2023 to improve the alignment with shareholders and key stakeholders in the business.

SUMMARY OF OUR REMUNERATION POLICY

The table below provides a summary of the key aspects of the group's remuneration policy for executive directors.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance

Base salary	• To aid recruitment and retention
	• To reflect experience and expertise
	• To provide an appropriate level of fixed basic income
		• Normally reviewed annually, with any increase usually becoming effective 1 May
		• Set initially at a level required to recruit suitable executives reflecting their experience and expertise
		• Any subsequent increase influenced by:
		  • Scope of the role
		  • Experience and personal performance in the role
		  • Average change in total workforce salary
		  • Performance of the group
		  • External economic conditions, such as inflation
		• Account taken of practice in comparable companies (e.g. those of a similar size and complexity)
		• No recovery or withholding provisions apply
			• Annual increases will generally be restricted to those of the average of the wider workforce
			• Increases beyond those awarded to the wider workforce (in percentage of salary terms) may be awarded in certain circumstances such as where there is a change in responsibility or experience, or a significant increase in the scale or complexity of the role and/or size and value of the company
				• The Committee reviews the salaries of executive directors each year taking due account of all the factors described in the salary policy

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
Annual bonus	• To reward the annual delivery of short to medium-term objectives relating to the business strategy	• All bonus payments are at the discretion of the Committee • Not pensionable • Payable following the end of the year based on targets set at the start of the year • Targets are set and/or reviewed annually • A minimum of one-third of any bonus earned must be invested in shares and held for at least two years. The remainder of the bonus is payable in cash • Recovery provisions apply in certain circumstances at the discretion of the Committee (including where there has been a misstatement of accounts, an error in assessing any applicable performance condition, misconduct on the part of the participant, serious reputational damage to the company, and/or corporate failure)	• Up to 200% of salary for Mahmud Kamani, Carol Kane and John Lyttle and up to 100% of salary for other executive directors, dependent on performance	• Bonuses are based on performance measures with appropriate targets set and assessed by the Committee at its discretion • Those financial measures that are identified as key indicators of success against the strategy (e.g. EBITDA and revenue) will represent the majority of bonus, with any other measures (e.g. strategic, ESG and/or personal objectives), where appropriate, representing the balance • Performance is measured over a single financial year • 30% of maximum bonus will be payable for achievement of a threshold level of performance, rising to 100% of maximum bonus for reaching stretch targets • Measures and weightings may change each year to reflect any year-on-year changes to business priorities at the discretion of the Committee • Targets for threshold and stretch performance will be disclosed retrospectively
Long-Term Incentive Plan ("LTIP")	• Intended to align the long-term interests of senior executives with those of shareholders • To incentivise the delivery of key strategic objectives over the longer term	• Awards are normally granted in the form of nominal cost options • Ability to exercise is dependent on performance targets being met during the performance period and continued service of the directors • Recovery and withholding provisions apply in certain circumstances at the discretion of the Committee (including where there has been a misstatement of accounts, an error in assessing any applicable performance condition, misconduct on the part of the participant, serious reputational damage to the company, and/or corporate failure)	• Subject to shareholder approval at the forthcoming AGM, the maximum annual limit contained within the plan rules will be 200% of salary for executive directors • Awards are at the discretion of the Committee and may be made at lower levels than this	• Award vest based on challenging targets measured over a three-year period and are dependent upon continued service • At least half of awards will normally be based on financial performance metrics (such as, inter alia, revenue or EPS) • Prior to each award, the Committee will set threshold and stretch targets along with an intermediate vesting range. Details of these will be disclosed in the Annual Report on Remuneration for the year in which the award was granted unless the targets are commercially sensitive, in which case they will be disclosed retrospectively

GOVERNANCE

DIRECTORS' REMUNERATION REPORT

CONTINUED

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
Growth Share Plan	• Intended to align the long-term interests of the CEO with those of shareholders • To incentivise the delivery of key strategic objectives over the longer term	• John Lyttle was required to pay an amount to the company on grant of the award. This investment is intended to reflect his commitment to the group • Vesting of the award is dependent on performance targets being met during the performance period and John Lyttle's continued service • Recovery and withholding provisions apply in certain circumstances at the discretion of the Committee (including where there has been a misstatement of accounts, an error in assessing any applicable performance condition, misconduct on the part of the participant, serious reputational damage to the company, and/or corporate failure)	• The maximum value that can be paid out to John Lyttle is £50 million (satisfied at the discretion of the company by either cash or boohoo group plc shares valued at the end of the five-year performance period)	• The performance measure is based on the compound annual growth rate of the company's market capitalisation measured over a five-year performance period • In addition, vesting of any part of the award will require the successful implementation of the Agenda for Change programme
Management Incentive Plan ("MIP")	• Intended to align the long-term interests of certain executive directors (Mahmud Kamani, Carol Kane and Neil Catto) and senior executives with those of shareholders • To incentivise the delivery of key strategic objectives over the longer term	• Participants were required to pay an amount to the company on grant of the award. This investment is intended to reflect their commitment to the group • Vesting of the award dependent on performance targets being met during the performance period and continued service of the participants • Recovery and withholding provisions apply in certain circumstances at the discretion of the Committee (including where there has been a misstatement of accounts, an error in assessing any applicable performance condition, misconduct on the part of the participant, serious reputational damage to the company, and/or corporate failure)	• The maximum value that can be paid out to all participants is £150 million (satisfied at the discretion of the company by either cash or in boohoo group plc shares valued at the end of the three-year performance period) • The maximum value that can be paid out to Mahmud Kamani and Carol Kane is £50 million each • The maximum value that can be paid out to Neil Catto is £10 million	• The performance measure is based on the achievement of stretching increases in market capitalisation measured over a three-year performance period starting in June 2020 • In addition, vesting of any part of the award will require the successful implementation of the Agenda for Change programme
Pension	• To aid recruitment and retention • To provide an appropriate level of fixed income	• Executive directors may receive an employer's pension contribution or cash allowance	• Employer's defined contribution or cash allowance up to 6.2% of salary • From 1 January 2023 this will be aligned with the average contribution rate for the wider workforce (currently 5%)	N/A

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
Other benefits	• To provide a competitive benefits package	• Executive directors may receive benefits including health care, income protection and life assurance, as well as other standard group-wide benefits offered by the company from time to time • Executive directors are also eligible to participate in any all-employee share plans operated by the company on the same basis as for other eligible employees (and in line with relevant HMRC rules) - Mahmud Kamani and Carol Kane have chosen not to participate in these schemes	• The value of benefits may vary from year-to-year depending on the cost to the company	N/A
Shareholding requirement	• To support long-term commitment to the company and the alignment of executive director interests with those of shareholders	• The Remuneration Committee has adopted formal shareholding guidelines that will encourage executive directors to build up over a five-year period and then subsequently hold a shareholding equivalent to a percentage of base salary. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements • These guidelines will continue to apply for a minimum of two years following a director's cessation of employment	• 200% of salary for executive directors, rising to 400% of salary on maturity of the Growth Share Plan/MIP	None

DIRECTORS' REMUNERATION REPORT

CONTINUED

CHOICE OF PERFORMANCE MEASURES AND APPROACH TO TARGET SETTING

The performance metrics and targets that are set for the executive directors via the various incentive arrangements are carefully selected to align closely with the group's strategic plan and key performance indicators.

Growth Share Plan and MIP

The primary performance measure selected for John Lyttle's Growth Share Plan and for the MIP is market capitalisation growth over a five-year and three-year period respectively. The targets reflect the ambitious growth plans for the group and the performance measure ensures that executive directors' and senior managers' interests are fully aligned with shareholders. Vesting of any awards also requires successful implementation of the Agenda for Change programme, thus tying management reward more closely to this critical priority for the business.

Annual bonus

Annual bonuses are determined on the basis, primarily, of performance against financial measures, which are identified as the key indicators of success against the strategy set annually. For the financial year ending 28 February 2022, additional non-financial metrics were introduced to the bonus scheme, and this will continue for the year ending 28 February 2023. The precise metrics chosen, along with the weightings of each, may vary from year-to-year. The Committee will review the performance measures and targets each year and vary them as appropriate to reflect the priorities for the business in the year ahead.

LTIP

In terms of the LTIP, metrics will be set at the time of each grant but will normally include at least half-based on financial performance or TSR, in line with our key objectives of delivering returns to shareholders through achievement of our growth strategy. The Committee will disclose the targets for each award to the executive directors in advance in the annual report on remuneration unless the targets are commercially sensitive, in which case they will be disclosed retrospectively. The Committee will review the choice of performance measures and the appropriateness of the performance targets prior to each LTIP grant.

Challenging targets are set whereby modest rewards are payable for the delivery of threshold levels of performance, rising to maximum rewards for the delivery of substantial outperformance of our financial and operating plans.

DIFFERENCES IN REMUNERATION POLICY FOR EXECUTIVE DIRECTORS COMPARED TO OTHER EMPLOYEES

The Committee has regard to pay structures across the wider group when setting the remuneration policy for executive directors. The Committee, in particular, considers the general basic salary increase for the broader workforce when determining the annual salary review for the executive directors. Overall, the remuneration policy for the executive directors is more heavily weighted towards performance-related pay than for other employees. Performance-related long-term incentives are provided for those employees considered to have the greatest potential to influence overall levels of performance and those whose retention within the group is regarded as important. That said, while the use of the LTIP, Growth Share Plan and MIP is confined to the more senior management in the group, there is a commitment to encouraging widespread equity ownership through, for example, our use of an HMRC-approved Share Incentive Plan and SAYE share option scheme.

The level of performance-related pay varies within the group by grade of employee and is informed by the specific responsibilities of each role as appropriate.

The Committee has not consulted directly with employees in designing the remuneration policy for the directors.

SERVICE CONTRACTS AND LOSS OF OFFICE PAYMENTS

Executive directors are not employed on fixed term contracts. Service contracts normally continue until the executive director's agreed retirement date or such other date as the parties agree. The company's policy is that executive directors will be employed on a contract that can be terminated by the company on giving no more than one year's notice, with the executive director required to give up to one year's notice of termination.

A director's service contract may be terminated without notice and without any further payment or compensation, except for sums earned up to the date of termination, on the occurrence of certain events such as gross misconduct. The circumstances of the termination (taking into account the individual's performance) and an individual's duty and opportunity to mitigate losses are taken into account by the Committee when determining amounts payable on/following termination. Our policy is to reduce compensatory payments to former executive directors where they receive remuneration from other employment during the compensation period. The Committee will consider the particular circumstances of each leaver on a case-by-case basis and retains flexibility as to at what point, and the extent to which, payments would be reduced. Details will be provided in the relevant Annual Report on Remuneration should such circumstances arise.

In summary, the contractual provisions are as follows:

Provision	Detailed terms
Notice period	Maximum of 12 months from both the company and the executive director
Termination payment	Payment in lieu of notice of base salary only, normally subject to mitigation and paid monthly[1] subject to the discretion of the Committee In addition, any statutory entitlements would be paid as necessary
Change of control	There are no enhanced provisions on a change of control

[1] The Committee may elect to make a lump sum termination payment (up to a maximum of 12 months' base salary) as part of an executive director's termination arrangements where it considers it appropriate to do so.

Annual bonus on termination

There is no contractual entitlement to annual bonus on termination. At the discretion of the Committee, in certain circumstances a pro rata bonus may become payable at the normal payment date for the period of active service only.

LTIP, Growth Share Plan and MIP on termination

Any share-based entitlements granted under the company's share plans will be determined on the basis of the plan rules. In determining whether an executive director should be treated as a good leaver under the plan rules, the Committee will take into account the performance of the individual and the reasons for their departure and, in the event of this determination being made, will set out its rationale in the following Annual Report on Remuneration.

DIRECTORS' REMUNERATION REPORT

CONTINUED

APPROACH TO RECRUITMENT AND PROMOTIONS

The remuneration package for a new executive director would generally be set in accordance with the terms of the company's remuneration policy in force at the time of appointment and would be subject to the individual limits set out in the policy table above. In addition, with specific regard to the recruitment of new executive directors (whether by external recruitment or internal promotion), the remuneration policy will allow for the following:

- Where new joiners or recent promotions have been given a starting salary at a discount to the mid-market level, a series of increases above those granted to the wider workforce (in percentage of salary terms) may be awarded over the following few years, subject to satisfactory individual performance and development in the role.
- The Committee may offer additional cash and/or share-based elements when it considers these to be in the best interests of the company and its shareholders. Any such additional payments would aim to reflect the terms and value of remuneration relinquished when leaving the former employer.
- The annual bonus would operate in accordance with the terms of the policy, subject to the overriding discretion of the Committee. Depending on the timing and responsibilities of the appointment, it may be necessary to set different performance measures and targets in the first year.
- For an internal executive appointment, any variable pay element awarded in respect of the former role would be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment would continue.
- For external and internal appointments, the Committee may agree that the company will meet certain relocation expenses as appropriate.

For the appointment of a new chairman or non-executive director, the fee arrangement would generally be set in accordance with the fee policy in force at that time.

EXTERNAL NON-EXECUTIVE DIRECTOR POSITIONS

The company allows executive directors to hold external directorships subject to agreement by the Chairman on a case-by-case basis and, at the discretion of the Committee, to retain the fees received from those roles.

NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The non-executive directors do not have service contracts with the company, but instead have letters of appointment. The letters of appointment are usually renewed every three years. Termination of the appointment may be earlier at the discretion of either party on one month's written notice for non-executive directors. None of the non-executive directors is entitled to any compensation if their appointment is terminated. Appointments will be subject to re-election at the Annual General Meeting by rotation.

NON-EXECUTIVE DIRECTORS' FEES

The non-executive directors' fees policy is described below:

Element	Purpose and link to strategy	Operation	Maximum opportunity
Fees	• To recruit and retain high calibre non-executives	• Fees are determined by the board, with non-executive directors abstaining from any discussion or decision in relation to their fees • Non-executive directors are paid an annual fee for all board duties, which will include an annual award of shares (with the value of shares normally determined at the market price in February of each year) • In relation to the cash element, fees are normally paid monthly • In relation to the share element there will be certain restrictions that prevent the director selling these shares during the period of their appointment • Non-executive directors will not receive awards under any of the company's incentive arrangements or receive any pension provision • The fee levels are reviewed on a periodic basis, with reference to the time commitment of the role and market levels in companies of comparable size and complexity • In exceptional circumstances, if there is a temporary yet material increase in the time commitment for non-executive directors, the board may pay extra fees to recognise the additional workload • Non-executive directors shall be entitled to have reimbursed all expenses that they reasonably incur in the performance of their duties, including taxes payable thereon	• There is no cap on fees • Fees may be increased to ensure they continue to appropriately recognise the time commitment of the role, increases to fee levels for non-executive directors in general and fee levels in companies of a similar size and complexity

GOVERNANCE

ANNUAL REPORT ON REMUNERATION

This section of the Remuneration Report contains details as to how the group's remuneration policy was implemented during the year ended 28 February 2022.

DISCLOSURE OF DIRECTORS' SINGLE-FIGURE TOTAL REMUNERATION FOR THE YEAR – AUDITED INFORMATION

The total single-figure remuneration of the directors during the year ended 28 February 2022 is set out below:

		Fixed remuneration				Variable remuneration		
		Base salary and fees £	Benefits £	Pension equivalent £	Other £	Annual bonus £	Long-term incentives £	Total £
Executive directors								
Mahmud Kamani	**2022**	**461,250**	**63,298**	**–**	**–**	**–**	**–**	**524,548**
	2021	450,000	42,747	–	–	900,000	–	1,392,747
Carol Kane	**2022**	**465,900**	**5,851**	**23,947**	**–**	**–**	**–**	**495,698**
	2021	450,000	5,331	27,900	–	900,000	–	1,383,231
John Lyttle	**2022**	**636,730**	**3,649**	**32,728**	**3,000**	**712,631**	**–**	**1,388,738**
	2021	615,000	3,777	33,388	3,599	922,500	–	1,578,264
Neil Catto	**2022**	**310,600**	**2,686**	**15,965**	**3,000**	**231,750**	**120,170**	**684,171**
	2021	300,000	2,959	18,600	3,599	300,000	435,155	1,060,313
Total executive directors	**2022**	**1,874,480**	**75,483**	**72,640**	**6,000**	**944,381**	**120,170**	**3,093,154**
	2021	1,815,000	54,814	79,888	7,198	3,022,500	435,155	5,414,555
Non-executive directors								
Kirsty Britz	**2022**	**24,615**	**–**	**–**	**10,000**	**–**	**–**	**34,615**
	2021	–	–	–	–	–	–	–
Pierre Cuilleret	**2022**	**15,692**	**–**	**–**	**–**	**–**	**–**	**15,692**
	2021	60,000	–	–	10,000	–	–	70,000
Shaun McCabe	**2022**	**70,000**	**–**	**–**	**10,000**	**–**	**–**	**80,000**
	2021	20,192	–	–	10,000	–	–	30,192
Iain McDonald	**2022**	**70,000**	**–**	**–**	**10,000**	**–**	**–**	**80,000**
	2021	70,000	–	–	10,000	–	–	80,000
Tim Morris	**2022**	**49,384**	**–**	**–**	**10,000**	**–**	**–**	**59,384**
	2021	–	–	–	–	–	–	–
Brian Small	**2022**	**120,000**	**–**	**–**	**20,000**	**–**	**–**	**140,000**
	2021	126,859	–	–	20,000	–	–	146,859
Total non-executive directors	**2022**	**349,691**	**–**	**–**	**60,000**	**–**	**–**	**409,691**
	2021	277,051	–	–	50,000	–	–	327,051
Total	**2022**	**2,224,171**	**75,483**	**72,640**	**66,000**	**944,381**	**120,170**	**3,502,845**
	2021	2,092,051	54,814	79,888	57,198	3,022,500	435,155	5,741,606

Figures in the single total figure remuneration include the following for the financial year:

Base salary and fees	The amount of salary or non-executive directors' fees.
Pension and pension equivalent	Where an executive has elected to forego company pension contributions, due to pension cap restrictions, an amount of 6.2% is paid as a supplementary element, being the company cost-neutral equivalent of the pension cost and employer's NI foregone.
Other	The value of SIP awards and SAYE options granted in the financial period for executive directors (SAYE option calculated as the 20% discount at grant on the three-year plan) and the value of free shares issued to non-executive directors as part of their fees.
Annual bonus	The amount of performance-related bonus receivable. Further details of the performance outcome can be found below.
Long-term incentives	The value of long-term incentives vesting based on performance ending in the year under review. Further details of the share options granted in 2019 and vesting on 21 April 2022 based on performance measured to 28 February 2022 can be found below. A share price of 106p (the three-month average share price to 28 February 2022) has been used for the purposes of valuing the gain. Of the amount stated in the table, £nil is attributable to share price appreciation.

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Benefits	The value of private medical insurance, income protection, life assurance, company car and fuel costs based on the taxable value and driver services

ANNUAL BONUS

For the year ended 28 February 2022, Mahmud Kamani's and Carol Kane's maximum potential bonus was 200% of basic salary, John Lyttle's 150% and Neil Catto's 100%. The 2022 bonus targets were: 30% based on revenue; 45% on Adjusted EBITDA; 15% on continued progress on the 2022 Agenda for Change milestones; and 10% on the successful integration of the newly acquired brands. Bonus entitlement targets were as follows:

Financial target range	Bonus entitlement %
Financial target range	
Revenue target:	
Threshold £2,200 million	9%
Upper limit £2,350 million or more	30%
Adjusted EBITDA target:	
Threshold £210 million	13.5%
Upper limit £227 million or more	45%
Non-financial targets	
Progress on Agenda for Change	15%
Successful integration of new brands	10%

For the financial targets set out above, the amount of bonus payable varies on a sliding scale between the threshold and upper limit shown. For the financial year ended 28 February 2022, revenue was £1,983 million and adjusted EBITDA £125 million, with neither target being reached. The non-financial objectives were based on successfully completing Agenda for Change (15% of the overall bonus) and the successful integration of the newly acquired brands (10%). Management performance against these objectives was exceptional: as Sir Brian Leveson noted in his final report, the group completed the Agenda for Change workstreams during the year and has now subsumed Agenda for Change within business as usual. All of the new brands have been integrated seamlessly within the group. As a result, the Committee was comfortable all of the related objectives had been achieved and, therefore, the bonus of 25% of the maximum for this element was payable.

As a result of the formula-driven assessment of performance, the executive directors were entitled to bonus payments equivalent to 25% of the maximum. The Committee reflected at length on this outturn and considered that it would fail to reflect the tremendous progress made by management over the year in laying the foundation for the next stage of sustainable growth for the business. As explained further in the statement from the Chairman of the Remuneration Committee, the Committee therefore exercised its discretion to permit bonuses at a level of 75% of the maximum opportunity to be payable. The Committee further required that two-thirds of this amount be invested in shares, with the shares held for at least two years. This is significantly greater than the minimum one-third deferral required under the directors' remuneration policy.

Bonuses were subsequently payable as follows:

Name	Bonus % of salary
Mahmud Kamani	-
Carol Kane	-
John Lyttle	112.5%
Neil Catto	75%

Mahmud Kamani and Carol Kane indicated to the Committee that they did not wish to be considered for a bonus payment for the year under review.

LONG-TERM SHARE INCENTIVES

Neil Catto holds options under the LTIP subject to the achievement of performance conditions as follows:

Name	Option scheme	No. of ordinary shares under option	Exercise price pence	Date of grant	Exercise period
Neil Catto	2016 LTIP	404,822	1	30/06/16	30/06/19 to 30/06/26
Neil Catto	2017 LTIP	120,546	1	13/06/17	13/06/20 to 13/06/27
Neil Catto	2018 LTIP	119,088	1	28/06/18	28/06/21 to 28/06/28
Neil Catto	2019 LTIP	168,570	1	11/12/19	21/04/22 to 21/04/29
Neil Catto	2020 LTIP	164,865	1	03/11/20	03/11/23 to 03/11/30

The awards in respect of the years 2016 to 2018 have vested and the shares under option reflect the position after assessment of the performance conditions. For the 2019 and 2020 awards, the awards are the number granted before the assessment of the performance conditions, summarised below.

2019 grant
The performance targets for the shares granted on 11/12/19 were based upon the achievement of two key criteria, Three-Year Aggregate Adjusted Earnings per Share (67%) and Total Shareholder Return (33%) over a three-year period to the end of FY2022. Minimum 'threshold' and 'stretch' targets have been established by the Committee against these criteria. The EPS element vested on a straight-line basis between target intervals from 16p for a 20% vesting to 19p for 100% vesting. The actual vesting was 100%. The TSR element vests on a straight-line basis between target intervals from 55.3% growth in TSR for a 25% vesting to 84.1% growth in TSR for a 100% vesting. The actual vesting was nil. The combined vesting was, therefore, 67%.

2020 grant
The performance targets for the shares granted on 03/11/20 are based upon the achievement of two key criteria, Three-Year Aggregate Adjusted Earnings per Share (67%) and Total Shareholder Return (33%) over a three-year period to the end of FY2023. Minimum 'threshold' and 'stretch' targets have been established by the Committee against these criteria. The EPS element vests on a straight-line basis between target intervals from 28p for a 20% vesting to 33p for 100% vesting. The TSR element vests on a straight-line basis between target intervals from 50% growth in TSR for a 25% vesting to 75% growth in TSR for a 100% vesting.

ALL-EMPLOYEE SHARE INCENTIVE PLAN ("SIP")

The HMRC-approved all-employee Share Incentive Plan purchases shares and holds them in trust for the benefit of employees who remain with the company for three years. There are no performance criteria for the SIP shares. The directors hold the following options over shares under this scheme:

Name	No. of ordinary shares held in trust	Purchase price pence	Date of grant	Maturity date
Neil Catto	6,000	50	14/03/14	14/03/17
Neil Catto	3,571	28	19/06/15	19/06/18
Neil Catto	938	213	27/09/18	27/09/21
Neil Catto	884	226	23/08/19	23/08/22
Neil Catto	974	370	19/02/21	19/02/24
Neil Catto	3,136	115	13/01/22	13/01/25
John Lyttle	884	226	23/08/19	23/08/22
John Lyttle	974	370	19/02/21	19/02/24
John Lyttle	3,136	115	13/01/22	13/01/25

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SAVE AS YOU EARN SHARE SCHEME ("SAYE")

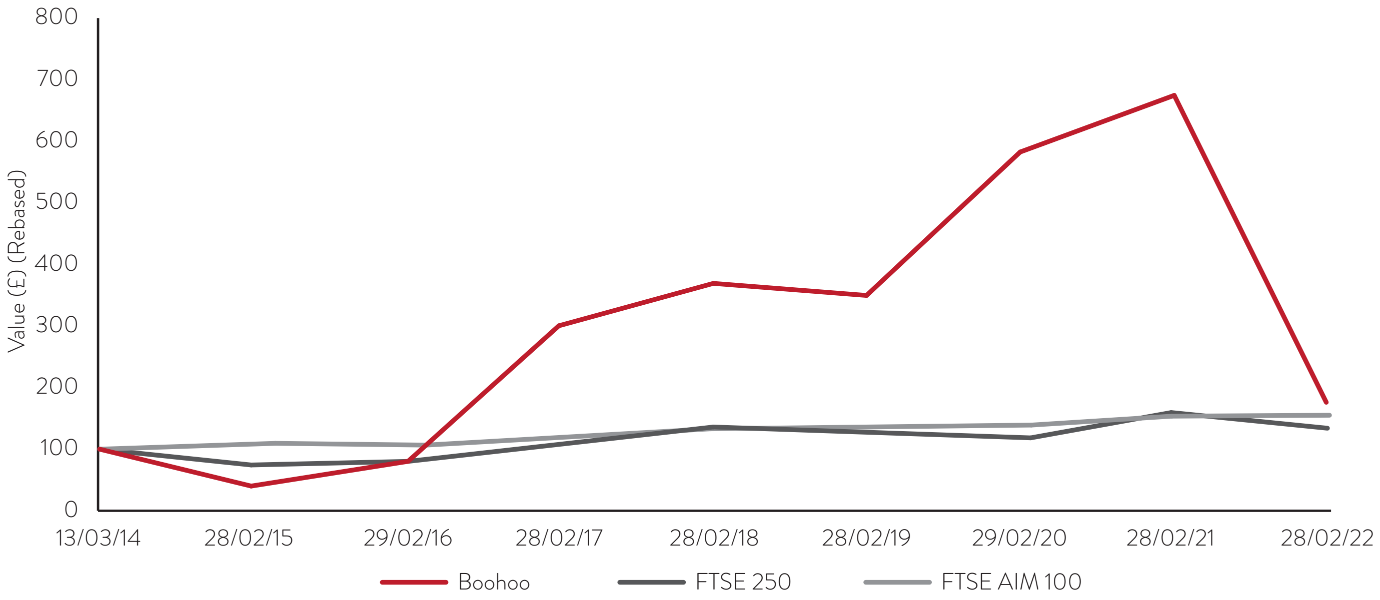
The HMRC-approved all-employee Save As You Earn scheme allows employees to purchase shares at a 20% discount to market price at date of grant on the future option date. There are no performance criteria for the SAYE shares. The directors hold the following options over shares under this scheme:

Name	Estimated shares to be purchased at option date	Option price pence	Date of grant	Option date
Neil Catto	8,297	216.9	30/10/19	30/10/22
John Lyttle	8,297	216.9	30/10/19	30/10/22

PERFORMANCE GRAPH AND TABLE

The graph below illustrates boohoo's Total Shareholder Return since Admission in March 2014 relative to two broad equity market indices, the FTSE AIM 100 index and the FTSE 250 index.

TOTAL SHAREHOLDER RETURN



The table below sets out the total remuneration of the CEO over the period since Admission, as disclosed in the Single Figure table in each year's Directors' Remuneration Report. Mahmud Kamani and Carol Kane served as Joint CEOs until John Lyttle's appointment in March 2019.

	2015		2016		2017		2018		2019		2020	2021	2022
	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	John Lyttle	John Lyttle	John Lyttle
Total Single Figure (£000)	217	235	379	390	396	410	893	914	1,062	1,072	2,702	1,578	1,389
Annual bonus payment (% of maximum)	0%	0%	90%	90%	100%	100%	100%	100%	100%	100%	100%	100%	75%
LTIP vesting level (% of maximum)[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1 During their tenure as Joint CEOs, Mahmud Kamani and Carol Kane did not participate in long-term incentive arrangements. For John Lyttle, there were no long-term incentives, which vested in respect of FY2020, FY2021 or FY2022. This excludes the shares he received as compensation for the loss of short and long-term incentives, which lapsed on leaving his previous employer, as disclosed in the 2020 Directors' Remuneration Report.

CHIEF EXECUTIVE'S REMUNERATION COMPARED TO ALL OTHER EMPLOYEES OF THE GROUP

Percentage change of Chief Executive's base salary in the year compared to that of all employees:

Percentage increase in Chief Executive's annualised base salary	3.5%
Average percentage increase in all employees' base salaries	6.0%

The Chief Executive's total single figure remuneration ratio to the equivalent pay for the lower quartile, median and upper quartile UK employees, calculated using option A of the Companies (Miscellaneous Reporting) Requirements 2018 is as follows:

Year	25th percentile ratio	50th percentile ratio	75th percentile ratio
2022	63:1	53:1	39:1
2021	76:1	65:1	49:1
2020	151:1	130:1	95:1

Option A was chosen as it represents the most accurate means of identifying the relevant employees at each percentile level. The workforce comparison is based on data for the years ended 28 February. The median is considered to be representative of the wider pay and reward of the UK workforce. As indicated in the table, there was a significant reduction in the pay ratio reported for 2021 when compared to that reported for 2020. This was primarily a consequence of the notably lower total single figure remuneration reported for the CEO for 2021, as a result of his having no long-term incentive award vesting in respect of 2021. (In 2020, his single figure remuneration included the value of the buyout award he received on joining boohoo.) The group believes that the median pay ratio accurately reflects the comparison between the CEO's remuneration and the pay for UK employees and is consistent with wider pay, reward and progression policies affecting UK employees. There is an obvious differential between the pay for the CEO and for the wider employee base, with the CEO's remuneration reflecting market norms for leaders of listed companies. For all employees, we strive to offer a competitive pay and benefits package relevant to the roles performed. This includes participation in the SIP and SAYE share schemes (offered to all eligible employees) and, at more senior levels, participation in additional bonus and long-term incentive schemes.

		2022		2021		2020
Pay data £000	**Base salary**	**Total pay and benefits**	Base salary	Total pay and benefits	Base salary (annualised)	Total pay and benefits
Chief Executive remuneration	**637**	**1,389**	615	1,578	615	2,702
UK employees 25th percentile	**20**	**22**	19	21	18	18
UK employees 50th percentile	**23**	**26**	21	24	19	21
UK employees 75th percentile	**32**	**36**	29	32	26	29

DIRECTORS' INTERESTS IN SHARES

The table below sets out the beneficial and non-beneficial interests in the number of ordinary shares as at the year end.

Name	Beneficially owned at 28 February 2021	Free share award under NED remuneration policy	Shares acquired during the year	Shares disposed of during the year	Beneficially owned at 28 February 2022	As a % of share capital	Outstanding share options	Shares held under SIP	SAYE options granted	**Total interests in shares at 28 February 2022**
Mahmud Kamani	157,979,880	–	–	–	157,979,880	12.46%	–	–	–	**157,979,880**
Carol Kane	33,330,421	–	–	–	33,330,421	2.63%	–	–	–	**33,330,421**
John Lyttle	–	–	357,446	(169,274)	188,172	0.02%	–	4,994	8,297	**201,463**
Neil Catto	79,735	–	–	–	79,735	0.01%	995,382	15,503	8,297	**1,178,652**
Kirsty Britz	–	10,627	–	–	10,627	0.00%	–	–	–	**10,627**
Iain McDonald	621,336	10,627	100,000	–	731,963	0.06%	–	–	–	**731,963**
Shaun McCabe	102,855	10,627	–	–	113,482	0.01%	–	–	–	**113,482**
Tim Morris	–	10,627	15,670	–	26,297	0.00%	–	–	–	**26,297**
Brian Small	62,481	21,253	15,000	–	98,734	0.01%	–	–	–	**98,734**

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GROWTH SHARE PLAN

As explained in the 2020 report, John Lyttle, Chief Executive, has subscribed for 1,950 A ordinary shares of 0.1p each ("A Ordinary Shares") in boohoo Holdings Limited, an intermediary holding company of the group, as part of a Growth Share Plan.

The value of the award under the Growth Share Plan is directly linked to the creation of significant growth in shareholder value as set out below:

- The value of the award will be determined by the compound annual growth rate ("CAGR") in market capitalisation of the group over the five-year period starting on the date John joined as Chief Executive, 15 March 2019 (the "Period").
- The CAGR will be calculated using a base market capitalisation of £2.037 billion, being the market capitalisation on the date of the announcement on 17 September 2018 that John would be joining the group.
- The value of the award under the Growth Share Plan is capped at £50 million of gross value before tax in the event of achieving CAGR of at least 23% at the end of the Period. CAGR of less than 10% yields nil value.
- The Growth Share Plan provides for adjustments to be made for increases in market capitalisation arising from corporate events, such as the issue of shares for acquisitions, so that the benefits derived from the Growth Share Plan only arise from organic growth and the Growth Share Plan also provides clawback and malus provisions, which allow repayment in defined circumstances.
- John Lyttle agreed to an amendment to the terms of his award under the Growth Share Plan such that the vesting of the award is also subject to the Committee being satisfied that the Agenda for Change programme has been successfully implemented over the performance period.

MANAGEMENT INCENTIVE PLAN

In line with the announcement to the market on 26 June 2020, Mahmud Kamani, Carol Kane and Neil Catto have subscribed for 1,950, 1,950 and 390 B ordinary shares of 0.1p each ("B Ordinary Shares"), respectively, in boohoo Holdings Limited, an intermediary holding company of the group, as part of a Management Incentive Plan ("MIP").

The value of the award under the MIP is directly linked to the creation of significant growth in shareholder value as set out below:

- The value of the award will be determined by the achievement of stretching targets of market capitalisation growth of the group over the three-year period starting on 16 June 2020 ("the Period").
- The value of the award under the MIP is capped at £50 million of gross value before tax for Mahmud and Carol and £10 million for Neil in the event of achieving a market capitalisation of £7.554 billion (18% CAGR and 66% growth in market capitalisation from 16 June 2020). A market capitalisation of less than £6.295 billion (11% CAGR) yields nil value.
- The MIP provides for adjustments to be made for increases in market capitalisation arising from corporate events, such as the issue of shares for acquisitions, so that the benefits derived from the MIP only arise from organic growth and the MIP also provides clawback and malus provisions, which allow repayment in defined circumstances.
- The executive directors agreed to an amendment to the terms of their MIP awards such that the vesting of the awards is also subject to the Committee being satisfied that the Agenda for Change programme has been successfully implemented over the performance period.

COMPOSITION OF THE REMUNERATION COMMITTEE

The members of the Committee are Iain McDonald, Shaun McCabe, Tim Morris and Brian Small. Executive directors are invited to attend meetings, if requested by the Committee, in order to provide information and advice, to enable the Committee to make informed decisions. Each director is, however, specifically excluded from any matter concerning his own remuneration. Representatives of the Committee's retained advisers may also attend meetings by invitation. The Company Secretary attends meetings as secretary to the Committee.

ADVISERS TO THE REMUNERATION COMMITTEE

During the year, the Committee received advice from Korn Ferry on remuneration matters and reporting. The total fees paid to Korn Ferry in respect of its services during the year were £26,500 (2021: £23,200). Korn Ferry are signatories to the Remuneration Consultants Group Code of Conduct and operate voluntarily under this Code, which sets out the scope and conduct of the role of executive remuneration consultants when advising UK listed companies. The Committee regularly reviews the external adviser relationship and is comfortable that the advice received during the year was objective and independent.

SHAREHOLDER VOTING AT AGM

The table below sets out the results of voting on the Directors' Remuneration Report resolution at the AGM held on 19 June 2021:

Resolution	For	Against	Withheld
Approve the Directors' Remuneration Report for the year ended 28 February 2021	676,353,555 (79.8%)	171,182,158 (20.2%)	106,902,245

The Committee has reflected on the level of votes cast against the above resolution and has taken this into account when proposing the changes to the remuneration policy and its implementation as set out in this report.

IMPLEMENTATION OF REMUNERATION POLICY FOR THE YEAR ENDING 28 FEBRUARY 2023 – UNAUDITED

BASE SALARY

The annual base salaries of the executive directors are as follows. The Committee has agreed salary increases of 3% with effect from 1 May 2022, as set out in the table below. These increases are in line with the average increase for the wider workforce.

		From 1 May 2022	From 1 May 2021
Mahmud Kamani	Group Executive Chairman	**£477,405**	£463,500
Carol Kane	Group Co-founder and Executive Director	**£477,405**	£463,500
John Lyttle	Chief Executive	**£652,450**	£633,450
Neil Catto	CFO	**£318,270**	£309,000

PENSION AND OTHER BENEFITS

Carol Kane, John Lyttle and Neil Catto receive a 6.2% compensatory salary element for electing to discontinue receiving a company pension due to the pension cap provisions. This will be reduced with effect from 1 January 2023 to 5%, in line with the majority of colleagues' pension contributions. Mahmud Kamani does not receive a company pension contribution.

Carol Kane, John Lyttle and Neil Catto receive company health care benefits and life assurance. Carol Kane receives driver services and Mahmud Kamani driver services and a company car and fuel.

ANNUAL BONUS

All of the executive directors are eligible to participate in the company-wide annual bonus plan. The Committee oversees the bonus plan, and any bonus payments are at the discretion of the Committee. The maximum bonus payable for the year ending 28 February 2023 as a percentage of salary will be as follows: Mahmud Kamani, Carol Kane and John Lyttle 200%, and Neil Catto 100%. The maximum bonus will be payable based on performance measured over the single financial year ending 28 February 2023. The performance targets are based on a combination of financial and non-financial performance measures. Of the total bonus payable, 45% will be based on EBITDA, 30% on revenue, 15% on targets related to the UP.FRONT sustainability strategy and 10% on UK manufacturing and international supply chain milestones.

This choice of metrics reflects measures that have been identified as key indicators of the group's success against its growth strategy, with non-financial metrics continuing to ensure that the management team is focused on driving performance against the sustainability plan launched in 2021 as well as making continued progress against key supply chain objectives. The amount of bonus payable will be calculated as a percentage of base salary modified by a factor linked to the performance targets. An equity deferral element for the bonus will continue to apply, such that a minimum of one-third of any bonus must be invested in shares and held for at least two years. The remaining portion of the bonus will be payable in cash immediately after the announcement of the financial results.

The annual bonus targets, in relation to the financial year ending 28 February 2023, are considered to be commercially sensitive at this stage. Details of the targets, performance against those targets, and any payments resulting, will be disclosed in next year's Annual Report on Remuneration.

LONG-TERM INCENTIVE PLAN ("LTIP")

As explained in the annual statement from the Chairman of the Remuneration Committee, the Committee intends to make LTIP awards to all four executive directors during the financial year ending 28 February 2023. This is subject to shareholder approval of the new LTIP rules at the AGM taking place on 17 June 2022. Subject to shareholder approval, awards will be granted to the executive directors at a level of 200% of basic salary, to provide a competitive reward opportunity and a real incentive to drive outperformance over the next period of growth for the business. This will also act as a powerful retention tool given the possibility that the Growth Share Plan and the MIP will not pay out at the levels hoped for when they were introduced (if at all).

The awards will vest subject to the achievement of challenging performance conditions over the three-year period to 28 February 2025. Performance will be assessed against four different metrics, as set out below. For the Revenue, EPS and TSR targets there will be a straight-line vesting profile between the threshold target (which results in vesting at a level of 25%) and the maximum target (which results in vesting at a level of 100%).

The revenue and EPS targets are considered by the Committee to provide the right balance between achievability and stretch, in light of the outlook for performance over the period.

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Performance metrics	Level of vesting (in respect of each element of the award)
(i) Revenue target: CAGR from FY2022 revenue figure	20% of the total award
12% CAGR from FY2022 revenue figure	25%
17% CAGR from FY2022 revenue figure	100%
(ii) Adjusted EPS target: Aggregate EPS over three years	20% of the total award
18p	25%
23p	100%
(iii) Total Shareholder Return target: boohoo compared to the companies comprising the FTSE 250 Index (excluding investment trusts) over three years	40% of the total award
Median performance	25%
Upper quartile performance or above	100%
(iv) ESG targets	20% of the total award

We have selected three Key Performance Indicators from our broader ESG agenda and have set a framework for their assessment, in each case by the end of FY2025, as set out below

1. Clothes made smarter
- All our polyester and cotton products will contain recycled or more sustainably sourced materials
- Resale and/or end of life offers available across all brands
- All customer garment packaging will be reusable recyclable or compostable.

2. Suppliers on better terms
- All products from manufacturing units in the UK will come from suppliers that can demonstrate they are sending zero waste to landfill
- Publicly demonstrate continued progress, post Agenda for Change, on ethical and sustainable supplier management programme, resulting in improvements in worker standards and rights

3. Our business taking action
- Climate change embedded in risk management and board level commercial decisions to assess the impact of commercial decisions on achieving SBTi targets. On track to achieve carbon reductions across value chain aligned with SBTi equivalent to 52% emissions, relative to growth.
- To receive independent external recognition via an award, accreditation or kitemark for:
  - Being an organisation that cares about doing things right and values it's people; or
  - Being an organisation that has a genuine and authentic commitment to driving diversity and inclusion

ALL-EMPLOYEE SHARE PLANS

The board granted free shares in the financial year ended 28 February 2022. The company offered HMRC-approved SAYE plans in each of the financial years ended from 2016 to 2022 and it is intended that a further SAYE grant be offered for the financial year ending 28 February 2023. The executive directors are eligible to participate in the schemes on the same basis as other employees.

REMUNERATION FOR NON-EXECUTIVE DIRECTORS

The non-executive directors all receive a fee and annual allocation of shares each year to cover all their duties.

The current annual remuneration is:

		From 1 March 2022		From 1 March 2021	
		Share awards	**Fees**	Share awards	Fees
Kirsty Britz	NED and Chair of ESG Committee	**£10,000**	**£70,000**	£10,000	£60,000
Iain McDonald	NED and Chairman of Remuneration Committee	**£10,000**	**£70,000**	£10,000	£70,000
Shaun McCabe	Chairman of Audit and Risk Committees	**£10,000**	**£70,000**	£10,000	£70,000
Tim Morris	NED	**£10,000**	**£60,000**	£10,000	£60,000
Brian Small	Deputy Chairman, Senior Independent Director, Chairman of Nomination Committee	**£20,000**	**£120,000**	£20,000	£120,000

The above remuneration will be reviewed annually by the board.

Iain McDonald

CHAIRMAN OF THE REMUNERATION COMMITTEE

3 May 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Jersey law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with UK-adopted International Financial Reporting Standards ("IFRS"). 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 company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law, 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

John Lyttle **Neil Catto**

3 May 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOHOO GROUP PLC

OPINION

We have audited the consolidated financial statements of boohoo group plc and its subsidiaries (the "group") for the year ended 28 February 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") (UK).

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 28 February 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS (UK); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard s as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern and associated budgets for a minimum period of 12 months from the date of approval of the financial statements. We have reviewed the inputs to the forecast financial information for reasonableness, compared to historic financial information, and stress-tested where appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR APPLICATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We determined materiality for the financial statements as a whole to be £6,000,000 (2021: £6,200,000) for the group financial statements. We deem the most important metrics for users of the group's financial statements to be key profit and loss metrics. While the group holds a significant amount of gross assets, which support the commercial activity of the business, the business is primarily a trading entity which is advanced in its life cycle. The users of the financial statements will consider the result before tax and exceptional costs to be important in their decision-making, as well as revenue.

We have, therefore, used a blended rate of 0.5% of revenue and 5% of profit before tax (and exceptional items) (2021: 5% of profit before tax). The basis is different from the prior year and is based on our current understanding of the group: the key factors being that the results were distorted in the prior year as a result of the COVID-19 pandemic. As the group returns to a pre-pandemic trading environment, which includes normalising returns rates, as well as navigating higher distribution costs and fluctuating foreign exchange rates due to change in supplier location and currency of billing and Brexit-related issues, revenue growth continues to be seen while overall profitability has declined. Therefore, a blend between the two metrics is considered to be more appropriate and sustainable in the longer term.

While materiality for the financial statements as a whole was set at £6.0 million, each significant component of the group was audited to an overall materiality ranging between £5.9 million and £1.1 million, with performance materiality set at 70% (2021: 70%). We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement.

OUR APPROACH TO THE AUDIT

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates including the inventory and returns provisions, valuation of share-based payments, and recoverability of intangible assets. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represents a risk of material misstatement due to fraud.

A full scope audit was performed on the complete financial information of the group's operating components located in the United Kingdom, with the group's key accounting function for all being based in the same location.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation of inventory (Note 16) Inventory is carried at the lower of cost or net realisable value in accordance with IAS 2. The provision in respect of inventory requires an element of judgement. In the current year, this has been an area of increased focus, and requiring an increased level of judgement, for the following key reasons: • Potential change to business model in terms of keeping some inventory on hand for following season's sales which has not previously been done; • Changes in COVID19-related inputs to the provision following consumer behaviours normalising; • Changes in value and quantity of stock included within the ageing element of the provision (> 4 months old), being the most significant proportion of the inventory provision; and • Additions of the new brands to the group (Debenhams & former Arcadia brands) which have no previously established trends – particularly in respect of Debenhams, which has a different product mix and, therefore, needs additional consideration. The value of inventory in the group as at 28 February 2022 is £279.4 million, after an impairment provision of £18.4 million. There is a risk that the provision is understated and inventory is therefore not held at the lower of cost and net realisable value in accordance with the group's accounting policy.	Our audit work in this area included the following: • Discussing with management the rationale and methodology used in making such provision in order to gain an understanding of key assumptions and inputs to the model; • Obtaining management's year-end provision against inventory calculation and performing the following: – Agreement of the provision per stock listing to the financial statements; – Recalculation of the provision from underlying data, using our IT specialists to reproduce the relevant reports; – Prior year lookback – review of utilisation of FY2021 provision in FY2022; – Performing sensitivity analysis on the FY2022 calculation; – Assessing completeness of the provision; – Testing accuracy of inputs to management's model; – Testing the mathematical accuracy of the model. • For a sample of items included within the inventory listing at year-end, vouching to pre-year-end purchase documentation and post-year-end sales information to ensure inventory is held at the lower of cost and net realisable value.
Returns provision (Note 20) The provision for sales returns is estimated based on recent historical returns and management's best estimates and is allocated to the period in which the revenue is recorded. Actual returns could differ from these estimates. The group's provisioning model takes into account current trends (including changes seen following the outbreak of the COVID-19 pandemic in FY2021, and trends towards consumer behaviour normalising in FY2022), product mix, seasonal change and other factors based largely on historic events, with the output being the overall return rate to be applied and resulting provision. There is increased judgement required in this area in FY2022 due to the new brands (Debenhams, former Arcadia brands), which have been integrated fully in to the group in the year and had no well-established models from previous periods available for analysis. In addition, returns rates have been inconsistent YOY due to lower rates in FY2021 resulting from the COVID-19 pandemic, with a return to higher (normalised) rates in FY2022. This will require careful analysis and involves significant judgement and estimation. The value of the returns provision in the group as at 28 February 2022 is £32.0 million. There is a risk that the returns provision is understated.	Our audit work in this area included the following: • Discussing with management the rationale and methodology used in making such provision in order to gain an understanding of key assumptions and inputs to the model; • Obtained management's year-end returns provision calculation and performed the following: – Agreeing underlying data used to the accounting records using our IT specialists to reproduce the relevant reports; – Prior year lookback – review of utilisation of FY2021 provision in FY2022; review average PY monthly returns as well as actual returns in March 2021 to assess reasonableness of the provision model and its inputs; – Post-year-end returns review – looked at actual returns in March 2022; – Performing sensitivity analysis on the calculation; – Assessing completeness of the provision; – Testing accuracy of inputs to the management's model; and – Testing the mathematical accuracy of the model.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOHOO GROUP PLC CONTINUED

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and the internal legal team. We also selected a specific audit team based on experience with auditing entities within this industry facing similar audit and business risks.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from:
  - AIM Rules
  - UK employment law
  - Local tax laws and regulations
  - Competition law
  - Commercial law and consumer protection legislation in relevant jurisdictions where the group operates
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - A review of board minutes;
  - A review of legal ledger accounts;
  - A review of RNS announcements;
  - Discussions with internal legal personnel, and liaising with external legal consultants;
  - Discussions with internal audit personnel and review of key reports to the Audit Committee;
  - Review of internal and external reports on key practices, including supply chain and payroll reviews;
  - Discussions with management and the Audit Committee including consideration of known or suspected instances of non-compliance with laws and regulations or fraud.
- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures, which included, but were not limited to: the testing of journals, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 11 April 2022. 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 audit work, for this report, or for the opinions we have formed.

Mark Ling (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Recognised Auditor
London, UK

15 Westferry Circus
Canary Wharf
London E14 4HD

3 May 2022

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	2022 pre-exceptional items £ million	2022 exceptional items[1] £ million	2022 total[2] £ million	2021 £ million
Revenue	2	**1,982.8**	–	**1,982.8**	1,745.3
Cost of sales		**(941.7)**	–	**(941.7)**	(800.1)
Gross profit		**1,041.1**	–	**1,041.1**	945.2
Distribution costs		**(488.1)**	**(28.4)**	**(516.5)**	(422.0)
Administrative expenses		**(507.9)**	**(7.4)**	**(515.3)**	(400.1)
Amortisation of acquired intangibles		***(12.8)***	–	***(12.8)***	*(5.5)*
Other administrative expenses		***(495.1)***	***(7.4)***	***(502.5)***	*(394.6)*
Other income	3	**0.1**	–	**0.1**	1.0
Operating profit/(loss)		**45.2**	**(35.8)**	**9.4**	124.1
Finance income	4	–	–	–	0.9
Finance expense		**(1.6)**	–	**(1.6)**	(0.3)
Profit/(loss) before tax	6	**43.6**	**(35.8)**	**7.8**	124.7
Taxation	10	**(18.6)**	**6.8**	**(11.8)**	(31.3)
Profit/(loss) for the year		**25.0**	**(29.0)**	**(4.0)**	93.4
Profit/(loss) for the year attributable to:					
Owners of the parent company		**25.0**	**(29.0)**	**(4.0)**	90.7
Non-controlling interests		–	–	–	2.7
		25.0	**(29.0)**	**(4.0)**	93.4
Total other comprehensive income/(loss) for the year					
(Gain)/loss reclassified to profit and loss during the year		**(14.8)**	–	**(14.8)**	9.0
Fair value (loss)/gain on cash flow hedges during the year[3]		**(0.7)**	–	**(0.7)**	21.2
Total comprehensive income/(loss) for the year		**9.5**	**(29.0)**	**(19.5)**	123.6
Total comprehensive income/(loss) attributable to:					
Owners of the parent company		**9.5**	**(29.0)**	**(19.5)**	120.9
Non-controlling interests		–	–	–	2.7
		9.5	**(29.0)**	**(19.5)**	123.6
Earnings/(loss) per share	7				
Basic				**(0.32)p**	7.43p
Diluted				**(0.32)p**	7.25p

1 See Note 1, exceptional items.
2 2022 total is the IFRS-compliant measure for the consolidated statement of comprehensive income.
3 Net fair value gains on cash flow hedges will be reclassified to profit or loss during the three years to 28 February 2025.

All activities relate to continuing operations. Notes 1 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2022

	Note	2022 £ million	2021 £ million
Assets			
Non-current assets			
Intangible assets	11	**128.5**	118.3
Property, plant and equipment	12	**349.2**	141.6
Right-of-use assets	13	**49.7**	16.7
Financial assets	27	**2.8**	13.1
Deferred tax	15	**7.5**	3.2
		537.7	292.9
Current assets			
Inventories	16	**279.4**	144.9
Trade and other receivables	17	**58.0**	40.6
Financial assets	27	**14.2**	17.1
Current tax asset		**7.8**	4.4
Cash and cash equivalents	18	**101.3**	276.0
Total current assets		**460.7**	483.0
Total assets		**998.4**	775.9
Liabilities			
Current liabilities			
Trade and other payables	19	**(296.6)**	(222.9)
Provisions	20	**(53.5)**	(53.5)
Interest-bearing loans and borrowings	21	**(100.0)**	–
Lease liabilities	22	**(7.9)**	(6.7)
Financial liabilities	27	**(3.7)**	(2.6)
Total current liabilities		**(461.7)**	(285.7)
Non-current liabilities			
Lease liabilities	22	**(44.0)**	(11.6)
Financial liabilities	27	**(3.1)**	(1.9)
Deferred tax	15	**(25.3)**	(4.2)
Total liabilities		**(534.1)**	(303.4)
Net assets		**464.3**	472.5
Equity			
Share capital	23	**12.7**	12.6
Shares to be issued	24	**31.9**	31.9
Share premium		**922.8**	916.2
Hedging reserve		**10.2**	25.7
EBT reserve		**(75.6)**	(56.5)
Other reserves	25	**(795.5)**	(795.2)
Retained earnings		**357.8**	337.8
Total equity		**464.3**	472.5

Notes 1 to 30 form part of these financial statements.

These financial statements of boohoo group plc, registered number 114397, on pages 104 to 133 were approved by the board of directors on 3 May 2022 and were signed on its behalf by:

John Lyttle **Neil Catto**
DIRECTORS

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £ million	Shares to be issued £ million	Share premium £ million	Hedging reserve £ million	EBT reserve £ million	Other reserves £ million	Non-controlling interest £ million	Retained earnings £ million	Total equity £ million
Balance at 29 February 2020	11.7	–	608.4	(4.5)	(17.1)	(515.2)	17.3	227.3	327.9
Profit for the year	–	–	–	–	–	–	2.7	90.7	93.4
Other comprehensive income/(expense):									
Loss reclassified to profit and loss in revenue	–	–	–	9.0	–	–	–	–	9.0
Fair value gain on cash flow hedges during the year	–	–	–	21.2	–	–	–	–	21.2
Total comprehensive income for the year	–	–	–	30.2	–	–	2.7	90.7	123.6
Issue of shares	0.6	–	169.8	–	(39.4)	0.8	(0.2)	–	131.6
Share-based payments credit	–	–	–	–	–	–	0.5	19.2	19.7
Excess taxation on share-based payments	–	–	–	–	–	–	0.1	0.6	0.7
Acquisition of non-controlling interest (see note 1)	0.3	31.9	138.0	–	–	(281.3)	(20.4)	–	(131.5)
Translation of foreign operations	–	–	–	–	–	0.5	–	–	0.5
Balance at 28 February 2021	12.6	31.9	916.2	25.7	(56.5)	(795.2)	–	337.8	472.5
Loss for the year	–	–	–	–	–	–	–	**(4.0)**	**(4.0)**
Other comprehensive income/(expense):									
Gain reclassified to profit and loss in revenue	–	–	–	**(14.8)**	–	–	–	–	**(14.8)**
Fair value loss on cash flow hedges during the year	–	–	–	**(0.7)**	–	–	–	–	**(0.7)**
Total comprehensive income for the year	–	–	–	**(15.5)**	–	–	–	**(4.0)**	**(19.5)**
Issue of shares	**0.1**	–	**6.6**	–	**(19.1)**	–	–	–	**(12.4)**
Share-based payments credit	–	–	–	–	–	–	–	**26.1**	**26.1**
Excess taxation on share-based payments	–	–	–	–	–	–	–	**(2.1)**	**(2.1)**
Translation of foreign operations	–	–	–	–	–	**(0.3)**	–	–	**(0.3)**
Balance at 28 February 2022	**12.7**	**31.9**	**922.8**	**10.2**	**(75.6)**	**(795.5)**	–	**357.8**	**464.3**

Notes 1 to 30 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	2022 £ million	2021 £ million
Cash flows from operating activities			
(Loss)/profit for the year		**(4.0)**	93.4
Adjustments for:			
Share-based payments charge		**26.1**	19.7
Depreciation charges and amortisation		**53.8**	29.8
Finance income		–	(0.9)
Finance expense		**1.6**	0.3
Tax expense		**11.8**	31.3
		89.3	173.6
Increase in inventories	16	**(134.5)**	(45.8)
Increase in trade and other receivables	17	**(17.7)**	(8.8)
Increase in trade and other payables	19	**73.2**	82.1
Cash generated from operations		**10.3**	201.1
Tax paid		–	(38.3)
Net cash generated from operating activities		**10.3**	162.8
Cash flows from investing activities			
Acquisition of intangible assets	11	**(32.0)**	(85.7)
Acquisition of property, plant and equipment	12	**(229.5)**	(37.0)
Acquisition of non-controlling interest in PrettyLittleThing		–	(161.9)
Finance income received		–	1.2
Net cash used in investing activities		**(261.5)**	(283.4)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		**6.8**	204.9
Share issue costs written off to share premium		–	(3.5)
Purchase of own shares by EBT		**(19.2)**	(39.4)
Finance expense paid		**(0.9)**	(0.1)
Lease payments		**(10.2)**	(5.9)
Increase in/(repayment) of borrowings	21	**100.0**	(4.8)
Net cash generated from financing activities		**76.5**	151.2
(Decrease)/increase in cash and cash equivalents		**(174.7)**	30.6
Cash and cash equivalents at beginning of year		**276.0**	245.4
Cash and cash equivalents at end of year		**101.3**	276.0

Notes 1 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

General information
The boohoo group plc operates as a multi-brand online retailer, based in the UK and is a public limited company incorporated and domiciled in Jersey and listed on the Alternative Investment Market (AIM) of the London Stock Exchange. Its registered office address is 12 Castle Street, St Helier, Jersey, JE2 3RT. The company was incorporated on 19 November 2013.

Basis of preparation
The consolidated financial statements of the group have been approved by the directors and prepared on a going concern basis in accordance with UK-adopted International Financial Reporting Standards (IFRS) and the Companies (Jersey) Law 1991.

The financial statements have been approved on the assumption that the group and company remain a going concern as explained on page 100. The continued impact of the COVID-19 crisis on the group is not expected to change materially over the next year, provided that governments' actions in controlling the virus and its variants continue to be effective. Trading during the year to February 2022 has shown that on-line sales have some resilience during lockdowns in many countries. The group has cash resources and credit facilities sufficient to continue solvent trading in the face of an unforeseen downturn in demand.

New and amended standards adopted by the group
The following new standards, and amendments to standards, have been adopted by the group for the first time during the year commencing 1 March 2021:

- Amendments to IFRS 3 business combinations

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group and/or company
The following standards have been published for accounting periods beginning after 1 March 2021 but have not been adopted by the UK and have not been early adopted by the group or company and could have an impact on the group and company financial statements:

- Amendments to IAS 16 property, plant and equipment
- Amendments to IAS 37 provisions, contingent liabilities and contingent assets

Measurement convention
The consolidated financial statements have been prepared under the historical cost convention, excluding financial assets and financial liabilities (including derivative instruments) held at fair value through profit or loss and excluding assets and liabilities acquired through acquisitions and held at fair value. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation
The group financial statements consolidate those of its subsidiaries and the Employee Benefit Trust. All intercompany transactions between group companies are eliminated.

Subsidiaries are entities controlled by the group. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In assessing control, the group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Subsidiary undertakings acquired during the year are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The cost of the acquisition is the aggregate of the fair values of the assets and liabilities and equity instruments issued on the acquisition date. The excess of the cost of acquisition over the group's share of the fair values of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the assets, the difference is recognised directly in the statement of comprehensive income.

The Employee Benefit Trust is considered to be a special purpose entity in which the substance of the relationship is that of control by the group in order that the group may benefit from its control. The assets held by the trust are consolidated into the group.

Business combinations
The group uses the acquisition method of accounting for business combinations of entities not under common control. Separable identifiable assets and liabilities are measured initially at their fair values on the acquisition date. Any non-controlling interest is measured at either fair value or at the non-controlling interest's share of the acquiree's net assets. Acquisition costs are expensed as incurred. The excess of any consideration paid over the fair value of the net assets is recognised as goodwill and any shortfall of consideration paid against the fair value of net assets is recognised directly in the statement of comprehensive income.

Intangible assets
Trademark and licences are stated at cost less accumulated amortisation and impairment losses and are amortised over their expected lives of ten years and charged to administrative expenses. Customer lists are amortised over expected customer lifetime value of three years. If the cash flows or profits from the use of the assets are negative over the expected useful life, the assets are impaired and charged to administration expenses.

The costs of acquiring or developing software are recorded as intangible assets and stated at cost less accumulated amortisation and impairment losses. The costs include the payroll costs of employees directly associated with the project and other direct external material and service costs. Costs are capitalised only where there is an identifiable project that will bring future economic benefit. Other website development and maintenance costs are expensed in the statement of comprehensive income. Software costs are amortised over three to five years based on their estimated useful lives and charged to administrative expenses in the statement of comprehensive income.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses and where assets are acquired through the acquisition of an entity, they are accounted for at fair value. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate property, plant and equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of each item of property, plant and equipment is written off evenly over its estimated remaining useful life. Assets under construction are held at cost until they are brought into use, whereupon depreciation is charged. Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, as follows: short leasehold alterations over the life of the lease or 2% if it is likely the lease is extended; buildings 2%; motor vehicles and computer equipment 33%; and fixtures and fittings 33%, 20%, 10% or 7%. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Leases
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 (less than £0.1 million p.a., which are considered immaterial), which fall out of IFRS 16 scope and are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate. The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability based on the effective interest method and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets
The right-of-use asset comprises the initial measurement of the corresponding lease liability, 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. Where the group has an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. The right-of-use asset is presented as a separate line in the balance sheet. For subsequent measurement, right-of-use assets are depreciated over the shorter of the lease term and useful life of the underlying asset.

Financial instruments
Financial instruments are recognised at fair value and subsequently re-measured at fair value at the end of each reporting date or at amortised cost. Further details are shown in note 27.

FINANCIAL STATEMENTS

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CONTINUED

1 ACCOUNTING POLICIES CONTINUED

Derivative financial instruments and cash flow hedges
The group holds derivative financial instruments to hedge its foreign currency exposures. These derivatives, classified as cash flow hedges, are initially recognised at fair value and then re-measured at fair value at the end of each reporting date. Hedging instruments are documented at inception and effectiveness is tested throughout their duration. Changes in the value of cash flow hedges are recognised in other comprehensive income and any ineffective portion is immediately recognised in the income statement. If the firm commitment or forecast transaction that is the subject of a cash flow hedge results in the recognition of a non-financial asset or liability, then at the time the asset is recognised, the associated gains or losses on the derivative that had been previously recognised in other comprehensive income are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts deferred in other comprehensive income are recognised in the statement of comprehensive income in the same period in which the hedged item affects net profit.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:
- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that hedging relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually uses to hedge that quantity of hedged item.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

Hedge ineffectiveness may occur due to:
- Fluctuation in volume of hedged item caused due to operational changes
- Index basis risk of hedged item vs hedging instrument
- Credit risk as a result of deterioration of credit profile of the counterparties

Hedge ineffectiveness in relation to all designated hedges was negligible during 2022 and 2021.

Further details of derivative financial instruments including fair value measurements are disclosed in note 27.

Trade and other receivables
Trade receivables (including supplier advances) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Under IFRS 9, the group elected to use the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and contract assets that result from transactions that are within the scope of IFRS 15, irrespective of whether they contain a significant financing component or not. The group establishes a provision for impairment of trade receivables when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, IFRS 9 requires the group to consider forward-looking information and the probability of default when calculating expected credit losses. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The group considers reasonable and supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Trade and other payables
Trade and other payables are recorded initially at fair value. Subsequent to this, they are measured at amortised cost.

Provisions
Provisions are accounted for where there is a liability of uncertain timing or amount, such as legal or constructive obligations, where it is probable that an outflow of cash or other economic resource will be required to settle the provision. Certain provisions that require significant estimates and judgements are discussed in the significant estimates and judgements section below.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Where provision require estimates and judgement, these are discussed in the significant estimates and judgements section below. Inventories are valued on a first-in-first out basis. Inventory includes the cost price of estimated returns.

Cash and cash equivalents
Cash and cash equivalents, for the purpose of the cash flow statement and the statement of financial position, comprises cash in bank.

Revenue
Revenue is attributable to the one principal activity of the business. Revenue represents net invoiced sales of goods, including carriage receipts, and commission income from marketplace sales, excluding value added tax. Revenue from the sale of goods is recognised when the customer has received the products, which is when it is considered that the performance obligations have been met, and is adjusted for actual returns and a provision for expected returns. Internet sales are paid by customers at the time of ordering using a variety of payment methods and the proceeds remitted to the company by payment service providers within a few days. Wholesale sales are paid in accordance with agreed credit terms with business customers. Commission income on the sale of third-party products on marketplace websites is recognised when the order is placed and paid by the customer. A provision for returns, based on historical customer return rates, is deducted from revenue and included in provisions within trade and other payables. Returns provisions are discussed in the significant estimates and judgements section below.

Rebates
Retrospective rebates from suppliers are accounted for in the period to which the rebate relates to the extent that it is reasonably certain that the rebate will be received. Early settlement discounts are taken when payment is made.

Finance costs
Interest payable is recognised in the statement of comprehensive income as it accrues in respect of the effective interest rate method.

Finance income
Interest receivable is recognised in the statement of comprehensive income as it is earned.

Pension costs
The group contributes to Group Personal Pension Schemes for certain employees under a defined contribution scheme. The costs of these contributions are charged to the statement of comprehensive income on an accruals basis as they become payable under the scheme rules.

Share-based payments
The group issues equity-settled share-based payments in the parent company to certain employees in exchange for services rendered. These awards are measured at fair value on the date of the grant using an option pricing model and expensed in the statement of comprehensive income on a straight-line basis over the vesting period after making an allowance for the number of shares that are estimated will not vest. The level of vesting is reviewed and adjusted annually. Free shares awarded are expensed immediately.

Taxation
Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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 adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is provided for on the fair value of intangible assets acquired in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

1 ACCOUNTING POLICIES CONTINUED

Foreign currency translation

The results and cash flows of overseas subsidiaries are translated at the average monthly exchange rates during the period. The statement of financial position of each overseas subsidiary is translated at the year-end rate. The resulting exchange differences are recognised in a translation reserve in equity and are reported in other comprehensive income.

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates on the day of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the year-end rate and exchange differences are recognised in the statement of comprehensive income.

Significant estimates and judgements

The preparation of financial statements in conformity with IFRS, as adopted by the UK, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for when such information becomes available. The judgements, estimates and assumptions that are the most subjective or complex are discussed below:

Returns provision

The provision for sales returns is estimated based on prior months' historical returns and trends, including seasonal variations, on a country-by-country basis and is allocated to the period in which the revenue is recorded. This is considered by management as the most appropriate method, which is applied to every set of monthly management accounts and is constantly checked for accuracy and reliability. Actual returns could differ from these estimates. The historic difference between the provision estimate and the actual results, known at a later stage, has never been, nor is expected to be, material. A difference of 1%pt in the percentage of sales returns rate would have an impact of +/- £3.6 million on reported revenue and +/- £1.9 million on operating profit. The choice of a 1%pt change for the determination of sensitivity represents a reasonable, but not extreme variation in the return rate.

Claims provision

Management make judgements in respect of the likelihood of the realisation of a claim. The provision for claims is then estimated from the settlement amount of similar claims in the relevant jurisdiction, with assistance from legal counsel, or from agreed settlements. Factors taken into account are the degree of loss to the appealing party, the likelihood of success in defence and the possible bases of the amount of the settlement claims. Where there are settlements involving class actions and compensation provided to beneficiaries through vouchers, the redemption rates are based on the rates that have been observed in similar instances.

Inventory valuation

Inventory is carried at the lower of cost or net realisable value. Net realisable value is estimated by management on the basis of a number of factors: the historic rate of sell through; the product size fragmentation; the continuing fashionability and likely continuing popularity with reference to fashion and seasonal trends; and the volume of a particular style. The judgement of net realisable value may be different from the future actual value realised, but that difference is not expected ever to be material. A difference of 1%pt in the provision as a percentage of gross inventory would give rise to a difference of +/- £3.0 million in gross margin. The choice of a 1%pt change for the determination of sensitivity represents a reasonable, but not extreme, variation in the provision.

Intangible assets – impairment testing

Acquired trademarks and customer list intangible assets are impaired if the projected cash flows over the expected lives are negative. Sensitivity testing is performed on the cash flow calculations to verify that impairment is not required with a reasonable range of downside scenarios.

Exceptional items

Exceptional items are those of significant size and of a non-recurring nature that require disclosure in order that the underlying business performance can be identified. The exceptional costs in these financial statements include: redundancy costs in temporary warehouse facilities that were operated in the period between acquisition of the new brands and integration into new warehouses; the costs of moving inventory from one warehouse to another; additional disruption costs associated with the installation of the automation in the Sheffield facility; legal expenses associated with the acquisitions; irrecoverable sales taxes on customer returns from the EU during the period after Brexit and before simplified procedures (IOSS) in the EU became operational; and additional costs of working during transitional administrative and warehousing operations subsequent to the acquisitions of the brands in February 2021. The latter additional costs have been calculated as the difference between the medium-term operating costs incurred in the new warehouse facilities and the set-up and initial operating costs. Such additional costs do require estimation by management.

Exceptional costs	£ million
Selling and distribution costs	
Sheffield automation disruption costs	10.6
Dual warehouse operating costs	9.4
Irrecoverable EU sales tax on returns pre IOSS	5.1
Redundancy costs	3.3
	28.4
Administration expenses	
Dual administrative costs during transition of new brands from sellers	3.9
Acquisition and restructuring costs	3.1
Redundancy costs	0.4
	7.4
Total before tax	35.8
Tax	(6.8)
Total after tax	29.0

2 SEGMENTAL ANALYSIS

IFRS 8, 'Operating Segments', requires operating segments to be determined based on the group's internal reporting to the chief operating decision maker. The chief operating decision maker is considered to be the executive board, which has determined that the primary segmental reporting format of the group for the year ending February 2022 is by geographic region. This is because the group is multi-brand and now focuses on geographic performance at a group level and not on individual brand performance. The group strategy is to increase market share in each territory using the optimum mix of brands that is appropriate for each market, taking into account factors such as consumer preference, established presence and brand appeal.

	Year ended 28 February 2022				
	UK £ million	**Rest of Europe £ million**	**USA £ million**	**Rest of world £ million**	**Total £ million**
Revenue	**1,202.8**	**219.2**	**451.6**	**109.2**	**1,982.8**
Cost of sales	**(608.6)**	**(99.7)**	**(181.5)**	**(51.9)**	**(941.7)**
Gross profit	**594.2**	**119.5**	**270.1**	**57.3**	**1,041.1**
Distribution costs	–	–	–	–	**(516.5)**
Administrative expenses – other	–	–	–	–	**(502.5)**
Amortisation of acquired intangibles	–	–	–	–	**(12.8)**
Other income	–	–	–	–	**0.1**
Operating profit	–	–	–	–	**9.4**
Finance income	–	–	–	–	–
Finance expense	–	–	–	–	**(1.6)**
Profit before tax	–	–	–	–	**7.8**

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NOTES TO THE FINANCIAL STATEMENTS
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2 SEGMENTAL ANALYSIS CONTINUED

	Year ended 28 February 2021				
	UK £ million	Rest of Europe £ million	USA £ million	Rest of world £ million	Total £ million
Revenue	945.1	244.7	435.1	120.4	1,745.3
Cost of sales	(464.2)	(107.1)	(174.5)	(54.3)	(800.1)
Gross profit	480.9	137.6	260.6	66.1	945.2
Distribution costs	–	–	–	–	(422.0)
Administrative expenses - other	–	–	–	–	(394.6)
Amortisation of acquired intangibles	–	–	–	–	(5.5)
Other income	–	–	–	–	1.0
Operating profit	–	–	–	–	124.1
Finance income	–	–	–	–	0.9
Finance expense	–	–	–	–	(0.3)
Profit before tax	–	–	–	–	124.7

Due to the nature of its activities, the group is not reliant on any individual customers.

No analysis of the assets and liabilities of each operating segment is provided to the chief operating decision maker in the monthly management accounts; therefore, no measure of segmental assets or liabilities is disclosed in this note. Non-current assets located outside the UK comprise offices in the USA with a net book value of £2.5 million.

3 OTHER INCOME

	2022 £ million	2021 £ million
Property rental income	**0.1**	1.0

4 FINANCE INCOME AND EXPENSE

	2022 £ million	2021 £ million
Finance income: Bank interest received	**–**	0.9
Finance expense: Loan interest paid	**(0.8)**	(0.1)
Finance expense: IFRS 16 lease interest	**(0.8)**	(0.2)
	(1.6)	(0.3)

5 AUDITORS' REMUNERATION

	2022 £ million	2021 £ million
Audit of these financial statements	**0.5**	0.4
Disclosure below based on amounts receivable in respect of services to the group		
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**–**	–
	0.5	0.4

6 PROFIT BEFORE TAX

Profit before tax is stated after charging:	**2022 £ million**	2021 £ million
Short-term operating lease rentals for buildings	**0.6**	0.2
Equity-settled share-based payment charges	**26.1**	19.7
Exceptional items (note 1)	**35.8**	–
Depreciation of property, plant and equipment	**22.0**	14.4
Depreciation of right-of-use assets	**10.0**	5.7
Amortisation of intangible assets	**9.0**	4.2
Amortisation of acquired intangible assets	**12.8**	5.5

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax attributable to members of the holding company by the weighted average number of shares in issue during the year. Own shares held by the Employee Benefit Trust are eliminated from the weighted average number of shares. Diluted earnings per share is calculated by dividing the profit after tax attributable to members of the holding company by the weighted average number of shares in issue during the year, adjusted for potentially dilutive share options, except when there is a loss, in which case the basic measure is used.

	2022	2021
Weighted average shares in issue for basic earnings per share	**1,235.3**	1,220.7
Dilutive share options	**48.2**	31.4
Weighted average shares in issue for diluted earnings per share	**1,283.5**	1,252.1
(Loss)/earnings (£ million)	**(4.0)**	90.7
Basic (loss)/earnings per share	**(0.32)p**	7.43p
Diluted (loss)/earnings per share	**(0.32)p**	7.25p
(Loss)/earnings (£ million)	**(4.0)**	90.7
Adjusting items:		
Amortisation of intangible assets arising on acquisitions	**12.8**	5.5
Share-based payments charges	**26.1**	19.7
Share-based payment charge adjustment for non-controlling interests	**–**	(0.7)
Exceptional items	**35.8**	–
Adjustment for tax	**(14.4)**	(4.8)
Pro-forma non-controlling interest adjustment to 34%	**–**	(1.9)
Adjusted earnings	**56.3**	108.5
Adjusted basic earnings per share	**4.56p**	8.89p
Adjusted diluted earnings per share	**4.39p**	8.67p

Adjusted earnings and adjusted earnings per share gives a more consistent measure of the underlying performance of the business excluding non-cash accounting charges relating to the amortisation of intangible assets valued upon acquisitions and non-cash share-based payment charges.

8 STAFF NUMBERS AND COSTS

The average monthly number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Administration	**2,462**	1,767
Distribution	**2,888**	1,275
	5,350	3,042

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
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8 STAFF NUMBERS AND COSTS CONTINUED

The aggregate payroll costs of these persons were as follows:

	2022 £ million	2021 £ million
Wages and salaries	174.8	106.6
Social security costs	14.3	9.2
Post-employment benefits	3.8	2.5
Equity-settled share-based payment charges	26.1	19.7
	219.0	138.0

9 DIRECTORS' AND KEY MANAGEMENT COMPENSATION

	2022 £ million	2021 £ million
Short-term employee benefits	25.3	17.6
Post-employment benefits	0.3	0.2
Equity-settled share-based payment charges	3.4	2.7
	29.0	20.5

Directors' and key management compensation comprises the group directors and executive committee members. Directors' emoluments and pension payments of boohoo group plc are detailed in the directors' remuneration report on page 89.

10 TAXATION

	2022 £ million	2021 £ million
Analysis of charge in year		
Current tax on income for the year	(1.9)	27.0
Adjustments in respect of prior year taxes	(0.1)	1.1
Deferred taxation (note 15)	13.8	3.2
Tax on profit	11.8	31.3

Income tax expense computations are based on the jurisdictions in which taxable profits were earned at prevailing rates in those jurisdictions. The company is subject to Jersey income tax at the standard rate of 0%. The reconciliation below relates to tax incurred in the UK where the group is tax resident. The total tax charge differs from the amount computed by applying the UK rate of 19.0% for the year (2021: 19.0%) to profit before tax as a result of the following:

	2022 £ million	2021 £ million
Profit before tax	7.8	124.7
Profit before tax multiplied by the standard rate of corporation tax of the UK of 19.0% (2021: 19.0%)	1.5	23.7
Effects of:		
Expenses not deductible for tax purposes	3.5	5.8
Change in deferred tax rate	5.9	-
Adjustments in respect of prior year taxes	(0.1)	1.1
Overseas tax differentials	0.5	0.2
R&D tax credits	0.1	-
Depreciation on ineligible assets	0.4	0.5
Tax on profit	11.8	31.3

Tax recognised in the statement of changes in equity

	2022	2021
Deferred tax debit on movement in tax base of share options	(3.0)	(0.2)

No current tax was recognised in other comprehensive income (2021: £nil).

11 INTANGIBLE ASSETS

	Patents and licences £ million	Trademarks £ million	Customer lists £ million	Computer software £ million	Total £ million
Cost					
Balance at 29 February 2020	0.6	44.2	6.1	14.6	65.5
Additions	–	71.4	2.0	12.3	85.7
Disposals	–	–	–	(3.4)	(3.4)
Balance at 28 February 2021	0.6	115.6	8.1	23.5	147.8
Additions	–	–	–	32.0	32.0
Disposals	–	–	–	(2.3)	(2.3)
Balance at 28 February 2022	0.6	115.6	8.1	53.2	177.5
Accumulated amortisation					
Balance at 29 February 2020	0.4	8.6	5.9	8.3	23.2
Amortisation for year	0.1	5.3	0.2	4.1	9.7
Disposals	–	–	–	(3.4)	(3.4)
Balance at 28 February 2021	0.5	13.9	6.1	9.0	29.5
Amortisation for year	0.1	12.1	0.7	8.9	21.8
Disposals	–	–	–	(2.3)	(2.3)
Balance at 28 February 2022	0.6	26.0	6.8	15.6	49.0
Net book value					
At 29 February 2020	0.2	35.6	0.2	6.3	42.3
At 28 February 2021	0.1	101.7	2.0	14.5	118.3
At 28 February 2022	–	89.6	1.3	37.6	128.5

Within the statement of comprehensive income, amortisation of acquired intangible assets (trademarks and customer lists) of £12.8 million (2021: £5.5 million) is shown separately. The amount of amortisation of the other intangible assets included in distribution costs is £0.2 million (2021: £0.2 million) and in administrative expenses is £8.8 million (2021: £4.1 million).

The group tests the carrying amount of trademarks and customer lists annually for impairment or more frequently if there are indications that their carrying value might be impaired. The carrying amounts of other intangible assets are reviewed for impairment if there is an indication of impairment.

Impairment is calculated by comparing the carrying amounts to the value in use derived from discounted cash flow projections for each cash generating unit ("CGU") to which the intangible assets are allocated. A CGU is deemed to be an individual brand.

Value in use calculations are based on ten-year management forecasts with a terminal growth rate applied thereafter, representing management's estimate of the long-term growth rate of the sector served by the CGUs The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used in the value-in-use calculations are as follows:

Sales growth and forecast contribution margin
This is based on past performance and management's expectations of market development over the ten-year forecast period plus perpetuity.

Other operating costs
These are the fixed costs of the CGU, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases, and these do not reflect any future restructurings or cost-saving measures.

Long-term growth rate 2%
This growth rate is based on a prudent assessment of past experience and future estimations of market expectations.

NOTES TO THE FINANCIAL STATEMENTS
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11 INTANGIBLE ASSETS CONTINUED

Discount rate 8.9%
The pre-tax discount rate applied to the cash flow forecasts for the CGU is derived from the estimated pre-tax weighted average cost of capital for the CGU.

Sensitivity to changes in assumptions
There is sufficient headroom for each of the CGUs, such that management believes no reasonable change in any of the above assumptions would cause the carrying value of the intangible asset to exceed its recoverable amount. If the long-term growth rate was reduced to zero, there would still be sufficient headroom. If the discount rate was increased to 12%, there would still be sufficient headroom.

12 PROPERTY, PLANT AND EQUIPMENT

	Short leasehold alterations £ million	Fixtures and fittings £ million	Computer equipment £ million	Motor vehicles £ million	Land & buildings £ million	Total £ million
Cost						
Balance at 29 February 2020	9.1	86.9	6.3	0.9	40.8	144.0
Additions	10.2	16.1	3.6	0.1	7.0	37.0
Exchange differences	–	–	–	–	(0.2)	(0.2)
Disposals	–	(0.6)	(0.8)	–	–	(1.4)
Balance at 28 February 2021	19.3	102.4	9.1	1.0	47.6	179.4
Additions	7.3	129.0	4.4	0.2	88.6	229.5
Exchange differences	–	–	–	–	0.1	0.1
Disposals	(0.1)	(0.9)	(1.2)	(0.2)	–	(2.4)
Balance at 28 February 2022	**26.5**	**230.5**	**12.3**	**1.0**	**136.3**	**406.6**
Accumulated depreciation						
Balance at 29 February 2020	2.7	16.0	3.5	0.3	2.3	24.8
Depreciation charge for the year	2.0	9.1	2.1	0.3	0.9	14.4
Disposals	–	(0.6)	(0.8)	–	–	(1.4)
Balance at 28 February 2021	4.7	24.5	4.8	0.6	3.2	37.8
Depreciation charge for the year	2.1	14.4	2.9	0.2	2.4	22.0
Disposals	(0.1)	(0.9)	(1.2)	(0.2)	–	(2.4)
Balance at 28 February 2022	**6.7**	**38.0**	**6.5**	**0.6**	**5.6**	**57.4**
Net book value						
At 29 February 2020	6.4	70.9	2.8	0.6	38.5	119.2
At 28 February 2021	14.6	77.9	4.3	0.4	44.4	141.6
At 28 February 2022	**19.8**	**192.5**	**5.8**	**0.4**	**130.7**	**349.2**

The amounts of depreciation included in the statement of comprehensive income in distribution costs is £13.1 million (2021: £8.7 million) and in administrative expenses is £8.9 million (2021: £5.7 million).

13 RIGHT-OF-USE ASSETS

	Short leasehold properties £ million
Cost	
Balance at 29 February 2020	27.1
Additions	7.8
Balance at 28 February 2021	34.9
Additions	43.0
Balance at 28 February 2022	**77.9**
Accumulated depreciation	
Balance at 29 February 2020	12.5
Depreciation for year	5.7
Balance at 28 February 2021	18.2
Depreciation for year	10.0
Balance at 28 February 2022	**28.2**
Net book value	
At 29 February 2020	14.6
At 28 February 2021	16.7
At 28 February 2022	**49.7**

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14 INVESTMENTS

The subsidiaries held and consolidated in these financial statements are set out below:

Name of company	Principal activity	Country of incorporation	Address	Percentage ownership
Direct investment				
Boohoo Holdings Limited	Holding	UK	49-51 Dale St, Manchester	100%
Indirect investments				
21Three Clothing Company Limited	Dormant	UK	Wellington Mill, Pollard Street East, Manchester	100%
Acraman 1878 Limited	Dormant	UK	49-51 Dale St, Manchester	100%
Acraman 1879 Limited	Dormant	UK	49-51 Dale St, Manchester	100%
Acraman 1880 Limited	Dormant	UK	49-51 Dale St, Manchester	100%
Boo Who Limited	Dormant	UK	49-51 Dale St, Manchester	100%
boohoo France SAS	Marketing office	France	15, Rue Bachaumont, Paris	100%
boohoo Germany GmbH	Marketing office	Germany	Tucholskystrasse 13, Berlin	100%
boohoo Italy srl	Admin office	Italy	Via Sant'Antonio n. 30, Prato	100%
boohoo.com Australia Pty Ltd	Marketing office	Australia	468 St Kilda Road, Melbourne	100%
boohoo.com UK Limited	Trading	UK	49-51 Dale St, Manchester	100%
boohoo.com USA Inc	Marketing office	USA	8431 Melrose Pl, Los Angeles	100%
boohoo.com USA Limited	Dormant	UK	49-51 Dale St, Manchester	100%
Boohoo Property Holdings Limited	Property	Jersey	44 Esplanade, St Helier, Jersey	100%
Boohoo Property Holdings 2 Limited	Property	UK	49-51 Dale St, Manchester	100%
Boohoo Turkey	Sourcing office	Turkey	20 Bahcelievler, Istanbul 34197	100%
Burton Online Limited	Trading	UK	49-51 Dale St, Manchester	100%
CoastLondon.com Limited	Trading	UK	49-51 Dale St, Manchester	100%
Debenhams.com Online Limited	Trading	UK	49-51 Dale St, Manchester	100%
Dorothy Perkins Online Limited	Trading	UK	49-51 Dale St, Manchester	100%
Karenmillen.com Limited	Trading	UK	49-51 Dale St, Manchester	100%
MissPap UK Limited	Trading	UK	49-51 Dale St, Manchester	100%
NastyGal.com Limited	Trading	UK	49-51 Dale St, Manchester	100%
NastyGal.com USA Inc	Marketing office	USA	2135 Bay Street, Los Angeles	100%
Oasis Fashions Online Limited	Trading	UK	49-51 Dale St, Manchester	100%
Pancorp1 Limited	Dormant	UK	49-51 Dale St, Manchester	100%
PrettyLittleThing.com France SAS	Marketing office	France	81 Rue Reaumur, 75002, Paris	100%
PrettyLittleThing.com Limited	Trading	UK	Wellington Mill, Pollard Street East, Manchester	100%
PrettyLittleThing.com USA Inc	Marketing office	USA	1209 Orange Street, Wilmington	100%
Shanghai Wasabi Frog Trading Co Limited	Trading	China	828-838 Zhangyang Rd., Shanghai, China	100%
Wallis Online Limited	Trading	UK	49-51 Dale St, Manchester	100%
Warehouse Fashions Online Limited	Trading	UK	49-51 Dale St, Manchester	100%

15 DEFERRED TAX

Assets

	Unused tax losses £ million	Depreciation in excess of capital allowances £ million	Share-based payments £ million	Total £ million
Asset at 29 February 2020	–	0.3	5.7	6.0
Recognised in statement of comprehensive income	–	0.3	(2.9)	(2.6)
Debit in equity	–	–	(0.2)	(0.2)
Asset at 28 February 2021	–	0.6	2.6	3.2
Recognised in statement of comprehensive income	7.5	(0.6)	(0.1)	6.8
Debit in equity	–	–	(2.5)	(2.5)
Asset at 28 February 2022	**7.5**	**–**	**–**	**7.5**

Liabilities

	Business combinations £ million	Capital allowances in excess of depreciation £ million	Share-based payments £ million	Total £ million
Liability at 29 February 2020	(1.2)	(2.4)	–	(3.6)
Recognised in statement of comprehensive income	0.2	(0.8)	–	(0.6)
Liability at 28 February 2021	(1.0)	(3.2)	–	(4.2)
Recognised in statement of comprehensive income	0.2	(19.3)	(1.5)	(20.6)
Debit in equity	–	–	(0.5)	(0.5)
Liability at 28 February 2022	**(0.8)**	**(22.5)**	**(2.0)**	**(25.3)**

Recognition of the deferred tax assets is based upon the expected generation of future taxable profits. The deferred tax liability will reverse in more than one year's time as the intangible assets are amortised. Deferred tax is calculated at 25% as enacted from April 2023 by the UK Government.

16 INVENTORIES

	2022 £ million	2021 £ million
Finished goods	**262.4**	133.5
Finished goods – returns	**17.0**	11.4
	279.4	144.9

The value of inventories included within cost of sales for the year was £939.1 million (2021: £791.7 million). The finished goods returns is the estimated value of stock at customers but expected to be returned. An impairment provision of £18.4 million (2021: £15.8 million) was charged to the statement of comprehensive income. There were no write-backs of prior period provisions during the year.

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17 TRADE AND OTHER RECEIVABLES

	2022 £ million	2021 £ million
Trade receivables	**34.6**	18.3
Prepayments	**21.3**	10.4
Accrued income	**2.1**	0.3
Taxes and social security receivable	**–**	11.6
	58.0	40.6

Trade receivables represent amounts due from wholesale customers and advance payments to suppliers.

The fair value of trade and other receivables is not materially different from the carrying value.

Where specific trade receivables are not considered to be at risk and requiring a provision, the trade receivables impairment provision is calculated using the simplified approach to the expected credit loss model, based on the following percentages:

Age of trade receivable	2022 %	2021 %
60–90 days past due	**1**	1
91–120 days past due	**5**	5
Over 121 days past due	**90**	90

The provision for impairment of receivables is charged to administrative expenses in the statement of comprehensive income. The maturing profile of unsecured trade receivables and the provisions for impairment are as follows:

	2022 £ million	2021 £ million
Due within 30 days	**25.1**	18.3
Provision for impairment	**(0.1)**	(2.4)
Due in 31 to 90 days	**10.7**	3.6
Provision for impairment	**(2.4)**	(1.4)
Past due	**1.3**	0.2
Provision for impairment	**–**	–
Total amounts due and past due	**37.1**	22.1
Total provision for impairment	**(2.5)**	(3.8)
	34.6	18.3

18 CASH AND CASH EQUIVALENTS

	2022 £ million	2021 £ million
At start of year	**276.0**	245.4
Net movement during year	**(174.5)**	30.8
Effect of exchange rates	**(0.2)**	(0.2)
At end of year	**101.3**	276.0

There is no material credit risk associated with the cash at bank due to the healthy credit ratings of the banks of BBB+ and higher.

19 TRADE AND OTHER PAYABLES

	2022 £ million	2021 £ million
Trade payables	**97.5**	47.9
Other creditors	**6.6**	6.4
Accruals	**152.4**	144.0
Deferred income	**16.7**	10.2
Taxes and social security payable	**23.4**	14.4
	296.6	222.9

The fair value of trade payables is not materially different from the carrying value.

20 PROVISIONS

	Dilapidations £ million	Returns £ million	Claims £ million	Total £ million
Provision at 28 February 2021	5.9	24.2	23.4	53.5
Movements in provision charged/(credited) to income statement:				
Prior year provision utilised	(2.2)	(24.2)	(5.6)	(32.0)
Increase in provision in current year	–	32.0	–	32.0
Provision at 28 February 2022	**3.7**	**32.0**	**17.8**	**53.5**

The dilapidation provision represents the estimated exit cost of leased premises; the returns provision represents the revenue reduction of estimated customer returns which occur over the two to three months after the date of sale; and the claims represents the estimate of claims against the group that are expected to settle in the period within nine to twelve months after the year-end.

21 INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortised cost.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2022 £ million	2021 £ million
Revolving credit facility	GB£	SONIA CIA	2022	**100.0**	–

Movement in interest-bearing loans and borrowings

	2022 £ million	2021 £ million
Opening balance	**–**	4.8
Increase of borrowings	**100.0**	–
Interest accrued	**0.8**	0.1
Interest paid	**(0.8)**	(0.1)
Capital paid	**–**	(4.8)
Closing balance	**100.0**	–

A new revolving credit facility of £325 million with a three-year term was agreed after the year-end in March 2022 to support the group's liquidity requirements and provide a greater degree of headroom.

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21 INTEREST-BEARING LOANS AND BORROWINGS CONTINUED

Reconciliation of movements in cash flows from financing activities to movements in liabilities:

	Balance 28 February 2021 £ million	Cash flow from financing activities £ million	Additions £ million	Statement of comprehensive income £ million	Movement in retained earnings and other reserves £ million	Balance at 28 February 2022 £ million
Equity	472.5	(12.4)	–	(19.5)	23.7	**464.3**
Leases	18.3	(10.2)	43.0	0.8	–	**51.9**
Bank borrowings	–	99.1	–	0.9	–	**100.0**
	490.8	76.5	43.0	(17.8)	23.7	**616.2**

22 LEASE LIABILITIES

Minimum lease payments due	Within 1 year £ million	1-2 years £ million	2-5 years £ million	5-10 years £ million	More than 10 years £ million	Total £ million
28 February 2022						
Lease payments	8.8	5.9	7.7	13.1	24.4	**59.9**
Finance charges	(0.9)	(0.7)	(2.0)	(2.5)	(1.9)	**(8.0)**
Net present value	7.9	5.2	5.7	10.6	22.5	**51.9**

	2022 £ million	2021 £ million
Current lease liability	**7.9**	6.7
Non-current lease liability	**44.0**	11.6
Total	**51.9**	18.3

Movement in lease liabilities:

	2022 £ million	2021 £ million
Opening balance	**18.3**	16.2
Interest accrued	**0.8**	0.2
Cash flow lease payments	**(10.2)**	(5.9)
Additions	**43.0**	7.8
Closing balance	**51.9**	18.3

23 SHARE CAPITAL

	2022 £ million	2021 £ million
1,267,634,949 authorised and fully paid ordinary shares of 1p each (2021: 1,263,255,457)	**12.7**	12.6

During the year, a total of 4.4 million shares were issued under the share incentive plans (2021: 5.2 million). On 21 February 2022, 63,761 (2021: 14,276) new ordinary shares were issued to non-executive directors as part of their annual remuneration.

The directors do not recommend the payment of a dividend so that cash is retained in the group for capital expenditure projects that are required for the rapid growth and efficiency improvements of the business and for suitable business acquisitions (2021: £nil).

24 SHARES TO BE ISSUED

	2022 £ million	2021 £ million
	31.9	31.9

The shares to be issued represents the fair value of the contingent shares to be issued to the non-controlling interests of PrettyLittleThing.com Limited, in accordance with the acquisition agreement entered into and announced on 28 May 2020. Under this agreement, 16,112,331 Ordinary Shares in boohoo group plc are to be issued subject to the group's share price averaging 491 pence per share over a six-month period, up until a longstop date of 14 March 2024. If this condition is not met, the consideration will lapse.

25 RESERVES

	2022 £ million	2021 £ million
Translation reserve	**0.2**	0.5
Capital redemption reserve	**0.1**	0.1
Reconstruction reserve	**(515.3)**	(515.3)
Acquisition of non-controlling interest in PrettyLittleThing.com Limited	**(281.3)**	(281.3)
Proceeds from issue of growth shares in boohoo holdings Limited	**0.8**	0.8
	(795.5)	(795.2)

The translation reserve arises from the movement in the revaluation of subsidiary balance sheets in foreign currencies; the capital redemption reserve arose from a capital reconstruction in 2014; the reconstruction reserve arose on the impairment of the carrying value of the subsidiary company in 2014 at that date; and the acquisition of the non-controlling interest in PrettyLittleThing is the excess of consideration paid over the carrying value of the non-controlling interest as at the date of acquisition in May 2020, written off to reserves.

26 RELATED PARTY DISCLOSURES

Related party	Company transacting with the related party	Nature of relationship	2022 £ million	2021 £ million
Amounts included in the statement of financial position				
Lease liabilities				
Kamani Commercial Property Limited	boohoo.com UK Limited	Common directors and shareholders	**1.4**	2.2
Kamani Commercial Property Limited	PrettyLittleThing.com Limited	Common directors and shareholders	**0.5**	–
Amounts included in the statement of comprehensive income				
Administrative expenses				
The Pinstripe Property Investment Co. Limited	boohoo.com UK Limited	Common directors and shareholders	**0.1**	0.1
Pinstripe Hong Kong Limited	boohoo.com UK Limited	Common directors and shareholders	**0.1**	0.1
Depreciation – right-of-use assets				
Kamani Commercial Property Limited	boohoo.com UK Limited	Common directors and shareholders	**0.7**	0.7
Kamani Commercial Property Limited	PrettyLittleThing.com Limited	Common directors and shareholders	**0.2**	0.1
Amounts included in equity				
Umar Kamani	boohoo group plc	Umar is the son of Mahmud Kamani, Chairman of boohoo group plc	**–**	301.7

Kamani Commercial Property Limited has been the lessor of boohoo's and PrettyLittleThing's head office buildings in Manchester since the IPO in 2014.

The company exercised its option to buy the non-controlling interest of 34% of the share capital of PrettyLittleThing.com Limited (formerly 21Three Clothing Company Limited) in May 2020, in advance of the original maturity date in March 2022. Umar Kamani, a related party as the son of Mahmud Kamani, Executive Chairman and director of boohoo group plc, is a director and shareholder of PrettyLittleThing.com Limited and held 31.5% of that company before the option was exercised.

Related party transactions are considered to be on arm's length commercial terms.

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27 FINANCIAL INSTRUMENTS

(A) FAIR VALUES OF FINANCIAL INSTRUMENTS

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

Trade and other payables
The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

Cash and cash equivalents
The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Interest-bearing borrowings
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Cash flow hedges
Fair value is calculated using forward interest rate points to restate the hedge to fair market value.

Foreign exchange rates
The key currency exchange rates used in the financial statements are:

	2022	2021
USD closing rate	**1.34182**	1.39269
USD year average rate	**1.37225**	1.29532
EUR closing rate	**1.19563**	1.15361
EUR year average rate	**1.17309**	1.11678
AUD closing rate	**1.84808**	1.80693
AUD year average rate	**1.84875**	1.83878

The impact of any reasonable fluctuations in the exchange rates used to translate assets and liabilities at the year-end is not considered to be material and has therefore not been disclosed.

Fair values

	2022 £ million	2021 £ million
Financial assets		
Cash and cash equivalents	**101.3**	276.0
Cash flow hedges	**17.0**	30.2
Trade receivables	**34.6**	18.3
Accrued income	**2.1**	0.3
	155.0	324.8

	2022 £ million	2021 £ million
Financial liabilities		
Cash flow hedges	**6.8**	4.5
Trade payables	**97.5**	47.9
Other creditors	**6.6**	6.4
Accruals	**152.4**	144.0
Provisions	**53.5**	53.5
Interest-bearing loans and borrowings	**100.0**	–
Lease liabilities	**51.9**	18.3
	468.7	274.6

Fair value hierarchy
Financial instruments carried at fair value are required to be measured by reference to the following levels under IFRS 13 "Fair Value Measurement":

Hierarchy level	Inputs	Financial instruments	Valuation methodology
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)	Derivative financial instruments – cash flow hedges	Valuation techniques include forward pricing and swap models using net present value calculation of future cash flows. The model inputs include the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves

(B) CREDIT RISK

Financial risk management
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 and arises principally from the group's receivables from customers and hedging and other financial activities.

The group faces minimal credit risk from trade receivables as customers pay for their orders in full at the time of purchase and third-party sales are to a small number of large established corporations. The risk of default from related party undertakings is considered low.

(C) LIQUIDITY RISK

Financial risk management
Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The group's approach to managing liquidity is to use both short-term and long-term cash forecasts to assist in monitoring cash flow requirements.

(D) CAPITAL RISK

Financial risk management
Capital risk is the risk that the group will not be able to continue as a going concern.

The group's approach to managing capital risk is to safeguard the group's ability to continue as a going concern by securing an appropriate mix of debt and equity funding, a strong credit rating and sufficient headroom. The capital structure is regularly reviewed to ensure it is appropriate to the group's strategic objectives. The funding requirements of the group are ascertained by regular cash flow forecasts and projections. At 28 February 2022, the group had capital of £465.6 million (2021: £748.5 million), comprising equity of £464.3 million (2021: £472.5 million) and net cash of £1.3 million (2021: £276.0 million).

(E) FOREIGN CURRENCY RISK

Financial risk management
The group trades internationally and is exposed to exchange rate risk on purchases and sales, primarily in Australian dollars, euros and US dollars. The group's results are presented in sterling and are exposed to exchange rate risk on translation of foreign currency assets and liabilities.

The group's approach to managing foreign currency risk is to use financial instruments in the form of forward foreign exchange contracts to hedge foreign currency cash flows.

The fair value of forward foreign exchange contracts recognised in the statement of financial position within financial assets at 28 February 2022 was £17.0 million (2021: £30.2 million) and within financial liabilities was £6.8 million (2021: £4.5 million). The non-current element of the financial assets is £2.8 million (2021: £13.1 million) and of financial liabilities is £3.1 million (2021: £1.9 million). Cash flows related to these contracts will occur during the three years to 28 February 2025 and gains or losses will be recognised in the statement of comprehensive income during those periods. The amount recognised in other comprehensive income during the year is a loss of £0.7 million (2021: £21.2 million gain) and the amount reclassified from other comprehensive income to profit and loss in revenue during the year is a gain of £14.8 million (2021: £9.0 million loss).

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27 FINANCIAL INSTRUMENTS CONTINUED

Maturity of forward currency hedging instruments - notional amount £ million

Currency	1-6 months	7-12 months	13-18 months	19-24 months	More than 2 years	Total
USD	97.2	88.6	59.3	38.5	9.8	293.4
EUR	71.4	71.7	44.9	25.3	8.7	222.0
AUD	26.1	21.6	14.0	7.6	5.3	74.6
CAD	4.7	4.2	2.2	1.5	–	12.6
SEK	4.5	3.0	1.7	0.7	0.4	10.3
NZD	3.1	2.2	1.4	0.9	0.7	8.3
DKK	2.1	0.8	0.2	0.2	0.1	3.4
	209.1	192.1	123.7	74.7	25.0	624.6

Average rate of forward currency hedging instruments - GBP: currency

Currency	1-6 months	7-12 months	13-18 months	19-24 months	More than 2 years	Average
USD	1.3138	1.3318	1.3828	1.3766	1.3265	1.3419
EUR	1.1261	1.1199	1.1381	1.1462	1.1494	1.1297
AUD	1.8621	1.8194	1.8214	1.8421	1.8868	1.8418
CAD	1.7447	1.7381	1.7727	1.7333	–	1.7460
SEK	11.7778	11.6667	11.7647	12.8571	12.5000	11.8447
NZD	2.0323	2.0000	2.0000	2.0000	2.1429	2.0241
DKK	8.2381	7.8750	8.0000	10.0000	10.0000	8.2941

28 SHARE-BASED PAYMENTS

Summary of movements in awards

Number of shares	ESOP	LTIP	SIP	SAYE	Total	Weighted average exercise price
Outstanding at 29 February 2020	24,151,462	4,846,929	4,495,980	4,559,927	38,054,298	150.52
Granted during the year	14,737,824	2,541,635	3,136,280	1,970,215	22,385,954	201.87
Lapsed during the year	(3,289,819)	(435,406)	(596,247)	(645,931)	(4,967,403)	170.49
Exercised during the year	(2,787,501)	(583,942)	(324,943)	(1,140,645)	(4,837,031)	137.27
Outstanding at 28 February 2021	32,811,966	6,369,216	6,711,070	4,743,566	50,635,818	171.50
Exercisable at 28 February 2021	2,808,871	716,151	478,580	345,078	4,348,680	98.77
Granted during the year	17,157,606	2,411,240	15,441,664	6,058,423	41,068,933	143.78
Lapsed during the year	(3,398,019)	(416,870)	(494,182)	(2,407,895)	(6,716,966)	212.26
Exercised during the year	(3,008,759)	(652,329)	(528,546)	(306,225)	(4,495,859)	125.51
Outstanding at 28 February 2022	**43,562,794**	**7,711,257**	**21,130,006**	**8,087,869**	**80,491,926**	**156.75**
Exercisable at 28 February 2022	**6,016,398**	**1,142,928**	**1,361,328**	**796,332**	**9,316,986**	**134.09**

The group recognised a total expense of £26.1 million during the year (2021: £19.7 million) relating to equity-settled share-based payment transactions.

Employee Stock Ownership Plan ("ESOP")

The 2014 ESOP allows the grant of options to selected employees and executive directors of the group, based on a predetermined aggregate EBITDA target for the three financial years 2015 to 2017. The 2015 ESOP allows the grant of options to selected employees and executive directors of the group. With the exception of Neil Catto (CFO), there are no performance criteria. Neil Catto's options are subject to achieving performance criteria based on a predetermined aggregate EBITDA target and a measure of Total Shareholder Return for the four financial years ending 2016 to 2020. The 2016 to 2021 ESOPs allow the grant of options to selected employees of the group, without any performance criteria. Options may be granted by either the board or the trustees of the Employee Benefit Trust.

Date of grant	28 February 2021 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2022 no. of shares	Exercise price pence	Exercise period
14/03/14	506,990	–	–	(28,480)	**478,510**	50.00	14/03/17 – 13/03/24
22/05/15	452,936	–	–	(219,300)	**233,636**	25.75	22/05/18 – 21/05/25
09/06/16	428,877	–	–	(167,370)	**261,507**	57.75	09/06/19 – 08/06/26
13/06/17	1,420,068	–	(2,638)	(368,987)	**1,048,443**	244.50	13/06/20 – 12/06/27
28/06/18	6,409,229	–	(213,961)	(2,200,966)	**3,994,302**	201.95	28/06/21 – 28/06/28
30/04/19	80,358	–	(1,204)	–	**79,154**	266.95	30/04/22 – 30/04/29
23/07/19	8,950,684	–	(992,649)	(23,656)	**7,934,379**	219.65	23/07/22 – 23/07/29
03/11/20	14,562,824	–	(1,197,567)	–	**13,365,257**	272.95	03/11/23 – 03/11/30
13/07/21	–	17,157,606	(990,000)	–	**16,167,606**	289.45	13/07/24 – 13/07/31
	32,811,966	17,157,606	(3,398,019)	(3,008,759)	**43,562,794**		

The ESOP options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	14/03/14	22/05/15	09/06/16	13/06/17
Share price at grant date	50.00	25.75	57.75	244.50
Exercise price	50.00	25.75	57.75	244.50
Number of employees	11	13	19	55
Shares under option	478,510	233,636	261,507	1,048,443
Vesting period (years)	3	3	3	3
Expected volatility	33.33%	36.33%	36.75%	40.85%
Option life (years)	10	10	10	10
Expected life (years)	3	3	3	3.5
Risk free rate	0.976%	0.966%	0.523%	0.192%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%
Possibility of ceasing employment before vesting	26%	16%	30%	30%
Expectations of meeting performance criteria	78%	100%	100%	100%
Fair value per option (pence)	11.93	6.64	14.76	73.35

Grant date	28/06/18	30/04/19	23/07/19	03/11/20	13/07/21
Share price at grant date	201.95	245.70	219.65	272.95	289.45
Exercise price	201.95	266.95	219.65	272.95	289.45
Number of employees	181	11	317	478	629
Shares under option	3,994,302	79,154	7,934,379	13,365,257	16,167,606
Vesting period (years)	3	3	3	3	3
Expected volatility	44.17%	43.14%	41.85%	36.56%	36.56%
Option life (years)	10	10	10	10	10
Expected life (years)	3.5	3.5	3.5	3.5	3.5
Risk free rate	0.723%	0.787%	0.434%	0.075%	0.175%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%
Possibility of ceasing employment before vesting	28%	35%	33%	34%	34%
Expectations of meeting performance criteria	100%	85%	100%	100%	100%
Fair value per option (pence)	66.47	72.39	68.06	73.31	78.11

Expected volatility was found using a historical volatility calculator with reference to the share price of competitors over a three-year period for grant dates up to 2016 and from the company's share price volatility from 2017.

NOTES TO THE FINANCIAL STATEMENTS

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28 SHARE-BASED PAYMENTS CONTINUED

Long-Term Incentive Plan ("LTIP")

The LTIPs allow the grant of options to executive directors and senior management of the group, based on a predetermined aggregate Earnings per Share and Total Shareholder Return targets for three financial years. Options may be granted by either the board or the trustees of the Employee Benefit Trust. The vesting conditions are disclosed in the Directors Remuneration Report.

Date of grant	28 February 2021 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2022 no. of shares	Exercise price pence	Exercise period
30/06/16	434,971	–	–	(20,000)	**414,971**	1.00	30/06/19 – 29/06/26
13/06/17	281,180	–	(48,202)	(42,846)	**190,132**	1.00	13/06/20 – 12/06/27
28/06/18	1,019,058	–	(113,587)	(461,913)	**443,558**	1.00	28/06/21 – 28/06/28
03/10/18	136,665	–	(10,251)	(32,147)	**94,267**	1.00	03/10/21 – 03/10/28
11/12/19	1,955,707	–	(171,798)	–	**1,783,909**	1.00	21/04/22 – 21/04/29
03/11/20	2,541,635	–	(73,032)	–	**2,468,603**	1.00	03/11/23 – 03/11/30
06/07/21	–	189,073	–	(95,423)	**93,650**	1.00	06/07/24 – 06/07/31
15/07/21	–	2,222,167	–	–	**2,222,167**	1.00	13/07/24 – 13/07/31
	6,369,216	2,411,240	(416,870)	(652,329)	**7,711,257**		

The LTIP options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	30/06/16	13/06/17	28/06/18	03/10/18	30/04/19	03/11/20	06/07/21	13/07/21
Share price at grant date	57.25	244.50	201.95	239.00	245.70	272.95	317.10	289.45
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Number of employees	2	3	6	2	20	29	1	36
Shares under option	414,971	190,132	443,558	94,267	1,783,909	2,468,603	93,650	2,222,167
Vesting period (years)	3	3	3	3	3	3	3	3
Expected volatility	37.06%	40.85%	44.17%	43.37%	43.14%	36.56%	36.56%	36.56%
Option life (years)	10	10	10	10	10	10	10	10
Expected life (years)	3	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Risk free rate	0.173%	0.192%	0.723%	0.869%	0.787%	0.075%	0.142%	0.175%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%	0%	0%	0%
Possibility of ceasing employment before vesting	42%	32%	26%	27%	35%	35%	35%	35%
Expectations of meeting performance criteria	100%	67%	75%	75%	85%	75%	50%	50%
Fair value per option (pence)	56.26	243.51	200.97	238.03	244.73	271.95	316.10	288.46

Expected volatility was found using a historical volatility calculator with reference to the share price of competitors over a three-year period for grant dates up to 2016 and from the company's share price volatility from 2017.

Share Incentive Plan ("SIP")

Under the terms of the SIP, the board or the trustees of the Employee Benefit Trust grant free shares to every employee under an HMRC-approved SIP. Awards must be held in trust for a period of at least three years after grant date and become exercisable at this date. There are no performance criteria.

Date of grant	28 February 2021 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2022 no. of shares	Exercise price pence	Exercise period
14/03/14	142,933	–	–	(45,608)	**97,325**	nil	14/03/17 – 13/03/24
02/04/14	5,479	–	–	–	**5,479**	nil	02/04/17 – 01/04/24
19/06/15	330,168	–	–	(95,191)	**234,977**	nil	19/06/18 – 18/06/25
27/09/18	1,451,086	–	(85,358)	(342,181)	**1,023,547**	nil	27/09/21 – 27/09/28
25/07/19	1,645,124	–	(155,584)	(21,216)	**1,468,324**	nil	25/07/22 – 25/07/29
18/02/21	3,136,280	–	(253,240)	(24,350)	**2,858,690**	nil	18/02/24 – 18/02/31
13/01/22	–	15,441,664	–	–	**15,441,664**	nil	13/01/25 – 13/01/32
	6,711,070	15,441,664	(494,182)	(528,546)	**21,130,006**		

The SIP options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	14/03/14	02/04/14	19/06/15	27/09/18	25/07/19	18/02/21	13/01/22
Share price at grant date	50.00	54.75	28.00	213.10	226.00	369.40	111.55
Exercise price	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of employees	18	1	73	1096	1661	2935	4,924
Shares under option	97,325	5,479	234,977	1,023,547	1,468,324	2,858,690	15,441,664
Vesting period (years)	3	3	3	3	3	3	3
Expected volatility	33.33%	33.20%	35.89%	42.75%	41.77%	36.56%	36.56%
Option life (years)	10	10	10	10	10	10	10
Expected life (years)	3	3	3	3.5	3.5	3.5	3.5
Risk-free rate	0.976%	1.143%	0.979%	0.883%	0.462%	0.004%	0.896%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%	0%	0%
Possibility of ceasing employment before vesting	44%	37%	31%	29%	34%	34%	35%
Expectations of meeting performance criteria	100%	100%	100%	100%	100%	100%	100%
Fair value per option (pence)	50.00	54.75	28.00	213.10	226.00	369.40	111.55

Expected volatility was found using a historical volatility calculator with reference to the share price of competitors over a three-year period up to 2016 and from the company's share price volatility from 2017.

Save As You Earn (SAYE) scheme

Under the terms of the SAYE scheme, the board or the trustees of the Employee Benefit Trust grants options to purchase ordinary shares in the company to employees who enter into an HMRC-approved SAYE scheme for a term of three years. Options are granted at up to a 20% discount to the market price of the shares on the day preceding the date of offer and are exercisable for a period of six months after completion of the SAYE contract.

Date of grant	28 February 2020 no. of shares	Granted during the year no. of shares	Lapsed during the year no. of shares	Exercised during the year no. of shares	28 February 2022 no. of shares	Exercise price pence	Exercise period
06/11/17	345,078	–	(28,182)	(303,690)	**13,206**	169.00	06/11/20 – 06/05/21
31/10/18	949,459	–	(166,333)	–	**783,126**	189.88	31/10/21 – 30/04/22
30/10/19	1,529,932	–	(624,508)	(2,535)	**902,889**	216.92	30/10/22 – 30/04/23
03/11/20	1,919,097	–	(1,146,750)	–	**772,347**	268.96	03/11/23 – 03/05/24
01/12/21	–	6,058,423	(442,122)	–	**5,616,301**	154.58	01/12/24 – 01/06/25
	4,743,566	6,058,423	(2,407,895)	(306,225)	**8,087,869**		

NOTES TO THE FINANCIAL STATEMENTS

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28 SHARE-BASED PAYMENTS CONTINUED

The SAYE options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	06/11/17	31/10/18	30/10/19	03/11/20	01/12/21
Share price at grant date	209.25	212.90	265.00	272.95	165.20
Exercise price	169.00	189.88	216.92	268.96	154.58
Number of employees	3	307	369	407	1299
Shares under option	13,206	783,126	902,889	772,347	5,616,301
Vesting period (years)	3	3	3	3	3
Expected volatility	41.67%	43.36%	40.39%	36.56%	36.56%
Option life (years)	3.5	3.5	3.5	3.5	3.5
Expected life (years)	3.0	3.0	3.0	3.0	3.0
Risk free rate	0.513%	0.760%	0.463%	0.075%	0.592%
Expected dividends expressed as a dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
Possibility of ceasing employment before vesting	44%	45%	59%	72%	50%
Expectations of meeting performance criteria	100%	100%	100%	100%	100%
Fair value per option (pence)	76.86	72.90	93.94	69.56	46.39

Expected volatility was found using a historical volatility calculator with reference to the share price of competitors over a three-year period for grant dates up to 2016 and from the company's share price volatility from 2017.

Share-based payment charge for option to acquire shares in PrettyLittleThing

Under the terms of the Shareholders' Agreement relating to 21 Three Clothing Company Limited (company name now changed to PrettyLittleThing.com Limited) ("PLT"), boohoo group plc had the option to acquire the remaining 34% of the share capital of PLT at any time after 28 February 2022. The company acquired the non-controlling interest in 2021 ahead of the option period and so the unamortised balance of the share-based payment charge of £2.1 million was accelerated and written off to the income statement.

The share-based payment charge was calculated using a discounted cash flow method using a discount rate of 40% and perpetuity growth rate of 2.1% on management's four-year projections as at March 2017.

The option was valued using a Monte-Carlo simulation model. The inputs into the model were as follows:

Grant date	01/03/17
Share price at grant date, discounted for minority interest	£26,329
Minority interest discount factor	45%
Number of employees	2
Shares under option	340
Vesting period (years)	5
Expected volatility	60.00%
Option life (years)	5
Expected life (years)	5
Risk free rate	0.42%
Expected dividends expressed as a dividend yield	0%
Possibility of ceasing employment before vesting	0%
Expectations of meeting performance criteria	Ranging from 15% to 90% depending on the year
Total option fair value	£206,764

Expected volatility was found using a historical volatility calculator with reference to the share price of comparators over a five-year period.

29 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting year but not yet incurred is as follows:

	2022 £ million	2021 £ million
Property, plant and equipment	**21.8**	5.5

30 CONTINGENT LIABILITIES

From time to time, the group can be subject to various legal proceedings and claims that arise in the ordinary course of business, which may include cases relating to the group's brand and trading name. All such cases brought against the group are robustly defended and a liability is recorded only when it is probable that the case will result in a future economic outflow and that the outflow can be reliably measured.

FIVE-YEAR GROUP STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

	2018 £ million	2019 £ million	2020 £ million	2021 £ million	**2022 £ million**
Revenue	579.8	856.9	1,234.9	1,745.3	**1,982.8**
Cost of sales	(273.4)	(387.9)	(568.6)	(800.1)	**(941.7)**
Gross profit	306.4	469.0	666.3	945.2	**1,041.1**
Distribution costs	(126.8)	(207.1)	(278,3)	(422.0)	**(516.5)**
Administrative expenses	(137.1)	(203.4)	(297.3)	(400.1)	**(515.3)**
Other income	0.2	0.2	0.2	1.0	**0.1**
Operating profit	42.7	58.7	90.9	124.1	**9.4**
Net finance income/(expense)	0.6	1.2	1.3	0.6	**(1.6)**
Profit before tax	43.3	59.9	92.2	124.7	**7.8**
Taxation	(7.3)	(12.4)	(19.3)	(31.3)	**(11.8)**
Profit/(loss) for the year	36.0	47.5	72.9	93.4	**(4.0)**
Other comprehensive income/(expense) for the year, net of income tax					
Impact of adoption of IFRS 16	–	–	(0.5)	–	**–**
Net fair value gain/(loss) on cash flow hedges	19.5	(0.1)	(12.3)	30.2	**(15.5)**
Total comprehensive income/(loss) for the year	55.5	47.4	60.1	123.6	**(19.5)**
Total comprehensive income attributable to :					
Owners of the parent	54.6	43.5	50.9	120.9	**(19.5)**
Non-controlling interests	0.9	3.9	9.2	2.7	**–**
Total comprehensive income/(loss)	55.5	47.4	60.1	123.6	**(19.5)**
Earnings per share					
Basic	3.09p	3.78p	5.48p	7.43p	**(0.32)p**
Diluted	3.01p	3.71p	5.35p	7.25p	**(0.32)p**

FIVE-YEAR GROUP STATEMENT OF FINANCIAL POSITION – UNAUDITED

	2018 (restated) £ million	2019 (restated) £ million	2020 £ million	2021 £ million	**2022 £ million**
Non-current assets	111.8	143.5	186.6	292.9	**537.7**
Current assets	215.1	296.3	382.9	483.0	**460.7**
Total assets	326.9	439.8	569.5	775.9	**998.4**
Equity attributable to the owners of the parent	208.8	262.0	310.6	472.5	**464.3**
Non-controlling interest	4.0	8.4	17.3	–	**–**
Current liabilities	104.4	162.1	217.9	285.7	**461.7**
Non-current liabilities	9.7	7.3	23.7	17.7	**72.4**
Total liabilities, capital and reserves	326.9	439.8	569.5	775.9	**998.4**

FIVE-YEAR GROUP CASH FLOW STATEMENT – UNAUDITED

	2018 £ million	2019 £ million	2020 £ million	2021 £ million	**2022 £ million**
Net cash generated from operating activities	69.0	101.5	115.7	162.8	**10.3**
Net cash used in investing activities	(45.7)	(45.7)	(43.8)	(283.4)	**(261.5)**
Net cash generated from/(used in) financing activities	49.0	(0.6)	(24.3)	151.2	**76.5**
Net movement in cash and cash equivalents	72.3	55.2	47.6	30.6	**(174.7)**
Opening cash and cash equivalents	70.3	142.6	197.8	245.4	**276.0**
Closing cash and cash equivalents	142.6	197.8	245.4	276.0	**101.3**

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