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BOOHOO GROUP PLC

ANNUAL REPORT AND ACCOUNTS 2021

BOOHOO GROUP PLC

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ANNUAL REPORT & ACCOUNTS 2021

BOOHOO GROUP PLC

A LEADING E-COMMERCE RETAIL GROUP

Our multi-brand platform comprises boohoo, boohooMAN, PrettyLittleThing, Nasty Gal, MissPap, Karen Millen, Coast, Oasis, Warehouse, Debenhams, Dorothy Perkins, Wallis and Burton, and targets fashion-conscious 16 to 45 year-olds in the UK and internationally.

VISIT US ONLINE AT BOOHOOPLC.COM

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GROWTH FOR A SUSTAINABLE FUTURE

WE ARE ENCAPSULATING THE FUTURE OF RETAIL

As an online fashion retailer, we are well placed to capitalise on the growth opportunities that are arising from globally changing shopping habits, with an ever-increasing number of consumers now shopping online. We know what they want, and we are committed to providing value for them.

Underpinning our growth potential, we delivered strong gains in all major KPIs – including new customer growth, which remains high – and across all our brands. We have continued our strong track record of revenue growth, delivering 41% this year.

In addition, we have continued to grow our market share across all geographies. This has been supported by our world-class marketing abilities, enabling us increased presence as our customers' use of social media further expands.

FOR MORE INFORMATION ABOUT **OUR PERFORMANCE**, GO TO PAGES 26 TO 33 OF THE STRATEGIC REPORT

FOR MORE INFORMATION ABOUT **OUR BRANDS**, GO TO PAGES 10 TO 15 OF THE STRATEGIC REPORT

FOR MORE INFORMATION ABOUT **OUR STRATEGY**, GO TO PAGES 16 TO 17 OF THE STRATEGIC REPORT

WHILE GROWING OUR BRANDS

At the beginning of our financial year, we had seven brands. There now are thirteen brands in boohoo group.

In May 2020, we acquired the remaining 34% minority stake in PrettyLittleThing.com Limited.

We acquired the online businesses and all associated intellectual property of Oasis and Warehouse in June 2020, and have successfully integrated and relaunched these brands onto our multi-brand platform.

In January 2021, we acquired Debenhams' online business and associated intellectual property (including the brands Maine, Mantaray, Principles and Faith). We are rebuilding and relaunching Debenhams as a digital department store and marketplace; the acquisition also allows us to grow into additional categories including beauty, sport and homeware.

In February 2021, we acquired the Dorothy Perkins, Wallis and Burton brands, which give us the opportunity to grow our market share across a broader demographic and strengthen our menswear proposition.

These acquisitions represent an important step towards achieving our strategic priority of investment to deliver growth through organic means and acquisitions.

GROWTH FOR A SUSTAINABLE FUTURE

AND FOCUSING ON HIGHER STANDARDS OF OVERSIGHT

Our Agenda for Change programme was introduced following an independent review of our supply chain in September 2020, and demonstrates our commitment to strengthening our corporate governance, environmental footprint and social impact.

This programme focuses on a number of key areas across the group including: corporate governance; redefining our purchasing practices; raising standards across our supply chain; supporting Leicester's workers and workers' rights; providing better support for suppliers; and demonstrating best practice in action.

Sir Brian Leveson PC is providing independent oversight of the programme, supported by a team from KPMG, and we are committed to publishing his progress reports.

As part of the changes we are implementing, we have strengthened our governance and teams with key appointments, significantly increased oversight of our supply chain, and demonstrated best practice in action by focusing on setting a new industry-wide standard for ethical supply chains.

FOR MORE INFORMATION ABOUT **OUR SUSTAINABILITY**, GO TO PAGES 39 TO 49

FOR MORE INFORMATION ABOUT **OUR AGENDA FOR CHANGE PROGRAMME**, GO TO PAGES 20 TO 23

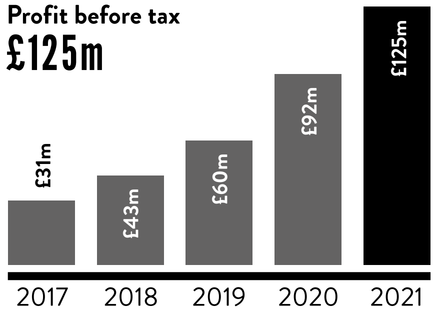
AS WE LOOK TO THE FUTURE, WE ARE COMMITTED TO CHANGE THAT BRINGS SUSTAINABLE GROWTH AND THAT BENEFITS ALL OUR STAKEHOLDERS

GROUP FINANCIAL AND OPERATIONAL HIGHLIGHTS

OUR PERFORMANCE

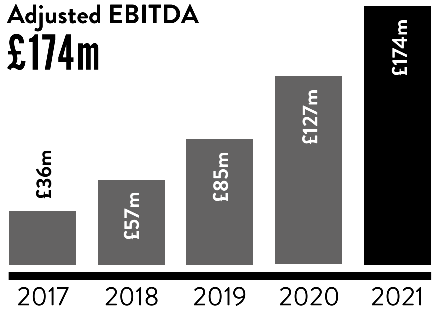
Profit before tax

£125m



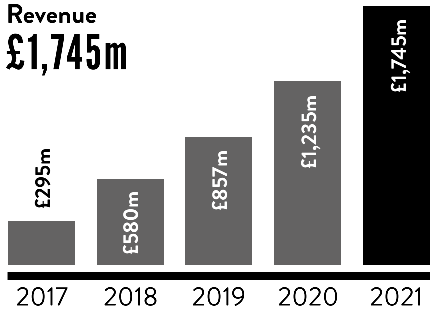
Adjusted EBITDA

£174m



Revenue

£1,745m



Financial

- Revenue £1,745 million, up 41% (41% CER[1])
- Strong revenue growth across all geographies, with UK up 39% and international up 44%. International revenue is now 46% of total, up from 45%
- Gross margin 54.2%, up 20bps
- Adjusted EBITDA £173.6 million up 37%, with Adjusted EBITDA margin of 10.0% (2020: 10.2%), notwithstanding COVID-19 cost headwinds and significant investment in acquisitions
- Robust balance sheet with net cash of £276.0 million (2020: £240.6 million). High cash generation with operating cash flow of £201.1 million (2020: £127.3 million). £195.7 million capital raised

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.

Operational

- Significant group-wide progress made on Agenda for Change programme, which has independent oversight from Sir Brian Leveson PC
- Strengthening corporate governance through a new non-executive director appointment, establishment of a Risk Committee and committed in excess of £10 million in supply chain monitoring and compliance
- Successful integration and relaunch of Oasis and Warehouse brands on our multi-brand platform
- Acquisition of Debenhams online business and investing to transform the business into a digital department store with significant potential
- Acquisition of Dorothy Perkins, Wallis and Burton brands, adding to the group's diversity and reach
- Third distribution centre on track for operational use in spring 2021 and long-term lease agreed for fourth distribution centre, expected to go live in the second quarter of the new financial year
- 18 million active customers, up 28%
- Over 1,000 jobs secured through recent acquisitions

YEAR TO FEBRUARY	**2021 £ million**	2020 £ million	Change
Revenue	**1,745.3**	1,234.9	+41%
Gross profit	**945.2**	666.3	+42%
Gross margin	***54.2%***	*54.0%*	*+20bps*
Adjusted EBITDA[2]	**173.6**	126.6	+37%
% of revenue	***10.0%***	*10.2%*	*-20bps*
Adjusted EBIT[3]	**149.3**	107.0	+40%
% of revenue	***8.6%***	*8.7%*	*-10bps*
Adjusted profit before tax[4]	**149.9**	108.3	+38%
Profit before tax	**124.7**	92.2	+35%
Adjusted diluted earnings per share[5]	**8.67p**	5.88p	+47%
Diluted earnings per share	**7.25p**	5.35p	+36%
Net cash[6] at year end	**276.0**	240.6	+£35.4 million

2. Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, and share-based payment charges.
3. Adjusted EBIT is calculated as profit before tax, interest, share-based payment charges,and amortisation of acquired intangible assets.
4. Adjusted profit before tax is calculated as profit before tax, excluding share-based payment charges, and amortisation of acquired intangible assets.
5. Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangible assets, share-based payment charges, and adjusting to 34% of the non-controlling interest as in previous years.
6. Net cash is cash less bank borrowings.

AT A GLANCE

A GROWING BUSINESS

OUR VISION

The group's multi-brand platform enables us to service groups of consumers efficiently with ranges of products differentiated in style and price point. The appeal of online shopping, with its convenience and value proposition, continues to resound with consumers globally and supports high-growth rates.

Our vision is to be leading the e-commerce fashion market for 16 to 45 year-olds, which we will drive through our strategic priorities:

INSIGHT
creating a competitive customer proposition

INNOVATION
driving customer engagement

INVESTMENT
delivering growth through organic means and acquisitions to increase market share

INTEGRATION
integrating new brands

HIGHLIGHTS

HIGH GROWTH
Revenue
+41%

GLOBAL CUSTOMER BASE
Active customers[1]
18M

1. Active customers defined as having shopped on the website in the last year.

PROFITABLE
Profit before tax
+35%

OUR VALUES

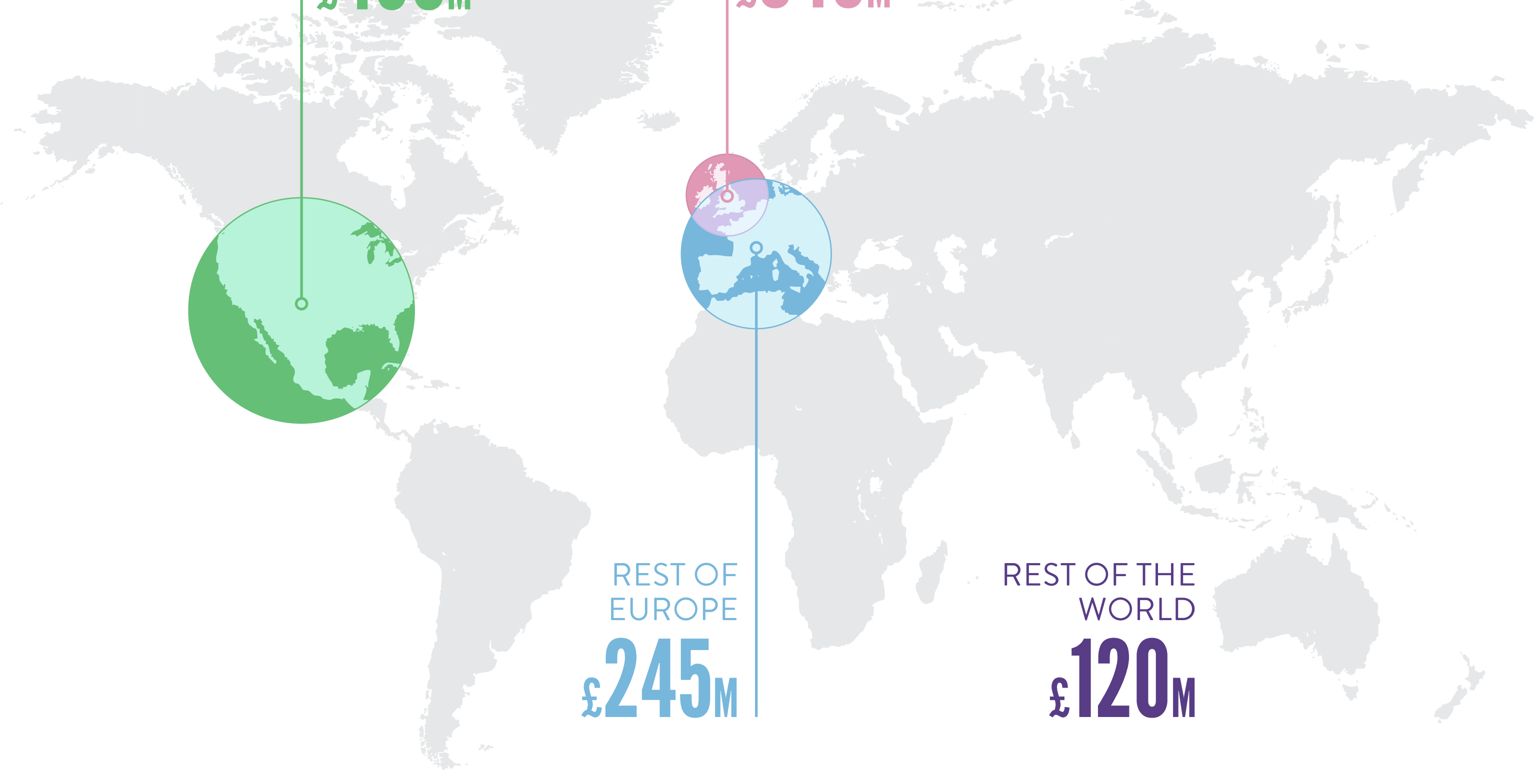
PASSION
Each day we are inspired to be the best we can be. We are focused and committed to giving our customers the experience they want.

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.

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.

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.

REVENUE BY GEOGRAPHY



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 – 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
Hundreds of new products added daily and top sellers are re-bought within days, with the group built on its successful "test and repeat" model.

GROUP STRUCTURE AND BRANDS

ABOUT OUR GROUP AND OUR GLOBAL BRANDS

EACH BRAND IS DIFFERENTIATED IN ITS MESSAGE, APPEAL AND TARGET AGE GROUP

boohoo group plc owns the brands boohoo, boohooMAN, PrettyLittleThing, Nasty Gal, MissPap, Karen Millen, Coast, Oasis, Warehouse, Debenhams, Dorothy Perkins, Wallis and Burton. It designs, sources, markets and sells clothing, shoes, accessories and beauty products targeted at 16 to 45 year-old consumers globally.

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.

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.

GROUP STRUCTURE AND BRANDS
CONTINUED

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.

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.

MISSPAP

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

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.

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.

GROUP STRUCTURE AND BRANDS
CONTINUED

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.

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.

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.

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.

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.

DEBENHAMS
A digital department store offering everything from fashion, beauty, sport, and homeware, Debenhams provides its customers with a unique, differentiated and exclusive mix of brands.

OUR BUSINESS MODEL

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

DELIVERING VALUE FOR ALL OUR STAKEHOLDERS

RELATIONSHIPS AND RESOURCES

RELATIONSHIPS

Employees
Our employees are our greatest asset, delivering a truly awesome package of skill 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 debt-free 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 to 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 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 and enable suppliers to participate in our success as we grow, and we work to improve factory standards where required

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

INVESTORS
Investors have seen substantial capital growth as the share price has risen, along with the growth and profitability of the group

PLANET
We are determined to play our part in reducing the environmental impact of clothing and our operations through our greatly increased focus on sustainability

CHAIRMAN'S STATEMENT

Mahmud Kamani

EXECUTIVE CHAIRMAN

4 MAY 2021

HIGH GROWTH

£1.745BN

Revenue up 41%

GLOBAL CUSTOMER BASE

18M

Active customers

PROFITABLE

+35%

Profit before tax

AGENDA FOR CHANGE

Undoubtedly, the most significant issue that we, as a group, have been addressing since last July has been that of unacceptable practices within the group's Leicester supply chain.

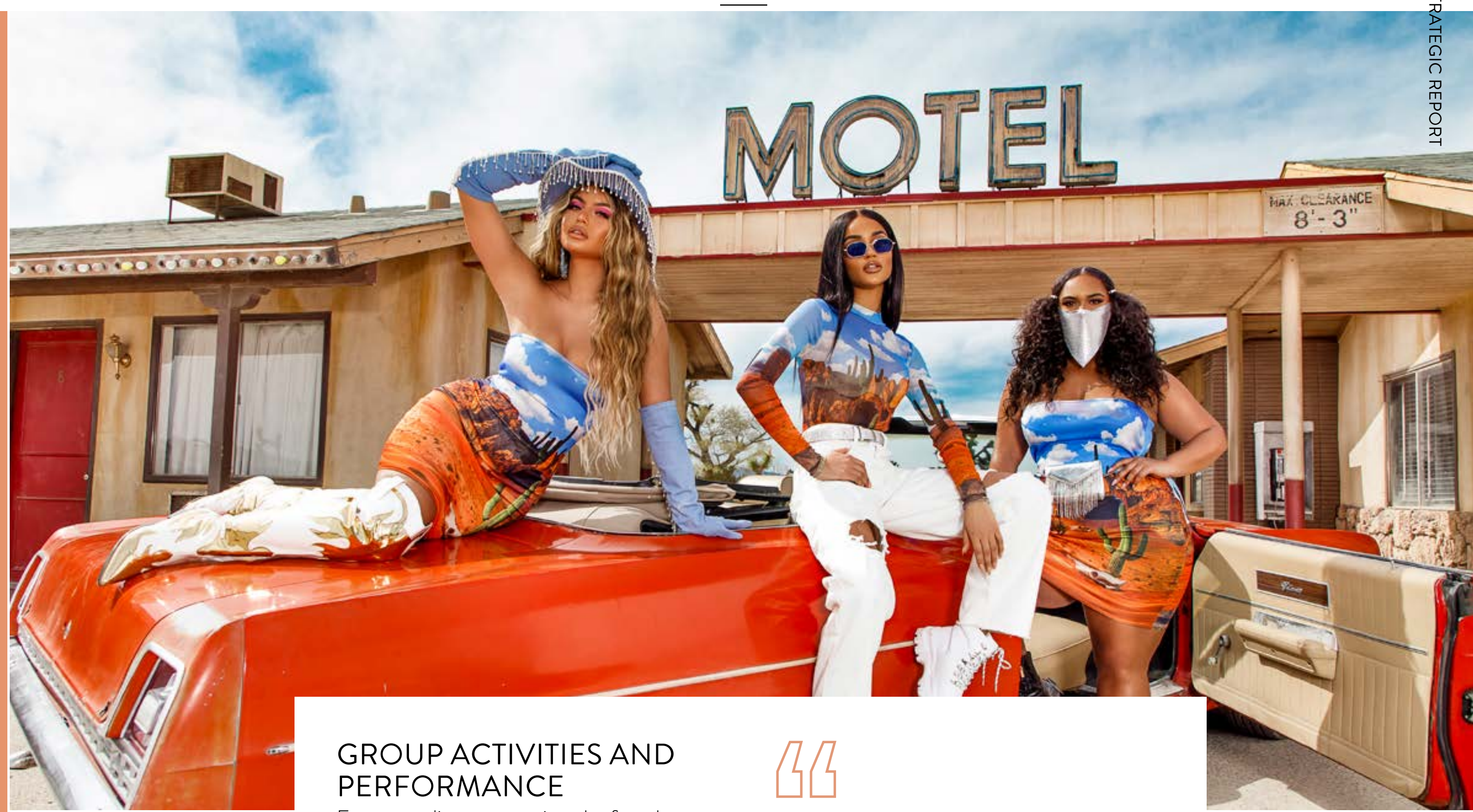
We are implementing many important changes to the way we work with suppliers to eliminate these practices, while ensuring Leicester becomes a centre of excellence for British garment manufacturing and supporting British jobs.

I want to reassure our stakeholders that this matter is of the highest priority and has the full attention of your board and me, as Executive Chairman. The progress we are making is detailed in the Agenda for Change section later in this report, and is also summarised in the review of the business. The board is acting with determination to implement every change recommended by Alison Levitt QC in her review. To guarantee transparency and independence in the oversight of the programme, progress is being monitored by Sir Brian Leveson PC, KPMG and other highly respected third parties.

COVID-19

Like every other organisation, we faced COVID-19 and the many challenges it presented – none more so than how to keep our colleagues safe, while continuing to maintain our business for the benefit of all our stakeholders. None of the decisions we have made have been taken lightly, especially during the worst periods of the pandemic. I believe that we have been able to control the risk and the preservation of our business through careful implementation of safety processes in all our facilities. In addition, we have sought to be fair in all our dealings with stakeholders: we have kept to our promise of paying UK suppliers on 14-day terms; we have paid self-isolating colleagues their full pay; and we have not drawn on any government support. The board is immensely grateful to our colleagues for their adaptability into new working practices and hard work during these difficult times.

BUILDING FOR THE FUTURE



GROUP ACTIVITIES AND PERFORMANCE

From a trading perspective, the fact that we are exclusively an online business has enabled us to continue to operate and, with our compelling customer proposition, we have been able to grow revenue by 41% to £1.745 billion. We have maintained our 10% EBITDA profit margin; an achievement that we are proud of.

We are fortunate to have been in a strong cash position and, as a result, we have been able to undertake a number of strategic acquisitions. We purchased the minority interest in PrettyLittleThing, well in advance of the date of the option agreement, and we acquired the online businesses of Oasis, Warehouse and, towards the end of the financial year, Debenhams, Dorothy Perkins, Wallis and Burton. These acquisitions are very exciting for us: Debenhams gives us the opportunity to open up a digital department store and marketplace, while the other iconic brands give us the opportunity to extend our target demographic and reach. We have become experts at revitalising brands and making them appeal strongly to the consumer, as our track record shows.

Our other investment activities planned over the next financial year are centred upon automation at the Sheffield warehouse that serves PrettyLittleThing, the opening of third and fourth warehouses in Wellingborough and Daventry for our growing brands, the set up of our Leicester factory and showcase facility, and in enhancements to our IT infrastructure.

> *"These acquisitions are very exciting for us: Debenhams gives us the opportunity to open up a digital department store and marketplace, while the other iconic brands give us the opportunity to extend our target demographic and reach."*

We are also passionate about making boohoo a sustainable business for the longer term. Our new Group Director of Sourcing and Sustainability, Andrew Reaney, is leading a programme of change and has developed a roadmap to ensure we put that into effect. You can read about this in Andrew's section on sustainability in this report.

Finally, on behalf of the board and myself, I would like to thank our colleagues, suppliers and partners for their invaluable contributions and support in this unprecedented year and I wish them all the best for the next, as we look forward to a return to normality.

Mahmud Kamani
EXECUTIVE CHAIRMAN

AGENDA FOR CHANGE

John Lyttle

CEO

4 MAY 2021

"From the meetings in which I have been involved, I have no doubt about the determination of all at boohoo to address the issues in respect of which it has been criticised and both to promote and embed a new way of working. boohoo has enthusiastically embarked upon and pursued a review of its supply chain and has initiated improvements by way of learning and development in relation to responsible purchasing practices. It has visualised the high standards to which it aspires in every aspect of its business and is taking steps to bring them into being not least through its newly established charitable trust and the development of Thurmaston Lane in Leicester as a factory and training academy."

Sir Brian Leveson PC,
FORMERLY A COURT OF APPEAL JUDGE.

In July 2020, allegations emerged of poor and potentially illegal practices by garment manufacturers in Leicester, some of which supplied clothing to the boohoo group.

I am proud to lead a business that, instead of choosing to walk away from the allegations, took the immediate decision to do everything within its power to address them and play its part in rebuilding a thriving garment sector in the heart of the UK – a sector that provides good employment and makes a significant contribution to the local and UK economies.

We took the allegations of malpractice and poor working conditions extremely seriously and immediately launched an in-depth investigation. We appointed senior barrister, Alison Levitt QC, to conduct a thorough review of the supply chain in Leicester with a particular focus on the treatment of workers. As part of our commitment to deal with these issues in an open and transparent manner, the group published Ms Levitt's report in full.

On receipt of the report, we launched our Agenda for Change, a programme to ensure that we resolve the issues identified in Leicester and accepted all 17 recommendations from the Levitt report. In the eight months that have passed since publication, my team has showed outstanding leadership and driven significant change, and are on track to deliver against all of Ms. Levitt's recommendations; these are outlined in this section. The changes we have made are creating a much stronger, more transparent and more sustainable business that will benefit everyone involved in the garment industry and the UK economy.

GOVERNANCE AND CORPORATE RESPONSIBILITY

Strengthening our internal governance structures was one of Ms Levitt's key recommendations and we have made a number of new appointments to ensure that our business continues to go from strength to strength. External appointments include Shaun McCabe, an independent non-executive director, who is leading the group's Risk Committee, and former High Court Judge, Sir Brian Leveson PC, who has been appointed to provide independent oversight and governance of the Agenda for Change programme.

Internally, responsibility for oversight of the group's supply chain and sustainability programmes sits within the group's ethical trade and sustainability teams. Since July 2020, we have made a number of strategic appointments in this team including:

- Director of Responsible Sourcing & Group Product Operations
- Head of Sustainability
- Head of Ethical Product Compliance
- Head of Ethical Compliance
- Head of Product Operations
- Senior UK Ethical Compliance Manager

INCREASED TRANSPARENCY

In September, the group committed to operating in a more open and transparent way. Following the publication of the full Alison Levitt QC report in full, the group has:

- volunteered and subsequently appeared in front of the UK's Environmental Audit Select Committee in December 2020
- published and will continue to publish every report that Sir Brian Leveson PC produces for the group's board
- proactively and regularly updated a broad range of stakeholders including No. 10, the Secretary of State for Business, the Chancellor of the Exchequer, the Secretary of State for International Trade, the Shadow Cabinet, local MPs, local government, NGOs and many other interested parties
- published its UK supply chain and a new sustainability strategy in March 2021, and has committed to publishing the full international manufacturers list in September 2021

AGENDA FOR CHANGE

CONTINUED

RAISING STANDARDS ACROSS OUR SUPPLY CHAIN

MAPPING AND AUDITING

The group continues to map and audit the UK supply chain, a piece of work that was already underway in February 2020 and was accelerated in July 2020.

To increase the capacity and speed at which audits were completed, the group's external supply-chain auditors, Verisio, increased their auditing teams and presence 'on the ground'. A new Head of Ethical Compliance, Head of Product Compliance and a Senior UK Ethical Sourcing Manager were appointed to strengthen the UK in-house team, and Sir Brian Leveson PC has appointed a team of investigators led by Tim Godwin OBE, ex Deputy Commissioner of the Metropolitan Police, to assist him.

By March 2021, this team collectively had audited the majority of suppliers in the UK at least twice. These audits were unannounced and included visits conducted in the evening and weekends to investigate allegations of illegal working hours.

As well as accompanying the boohoo compliance team and Verisio on audits, Tim Godwin's team also undertook 'deep dives' and analyses into the corporate structures to identify directors and people exercising significant control, who were then interviewed.

The government also deployed teams of investigators from the GLAA, NCA, DWP and HMRC. The group has been working closely with the Director of Operations for the GLAA who, on 21 April 2021, confirmed that they had uncovered no evidence to support claims of modern-day slavery in the boohoo supply chain.

Every supplier was provided with the opportunity to remedy issues identified during their audit process and to implement additional measures required by the business to provide more protection to workers, including adoption of biometric clocking-in systems.

The group has been encouraged by the actions of many suppliers who have demonstrated that they fully support the approach taken by the group and the values they share to improve the UK garment sector.

CONSOLIDATION

One of Alison Levitt's key recommendations was to consolidate the group's UK supply chain.

The insight from the auditing and mapping process has led to the group's ceasing to trade with some suppliers who were unable or unwilling to demonstrate the required level of transparency. Each supplier, with whom we have ceased business relations, was given numerous warnings and opportunities to remedy issues, but some failed to do so. It is key to the group's policy that suppliers are given an opportunity to remedy any issues an audit may bring to light.

Unauthorised subcontracting was identified as a key problem in the Levitt review. To resolve this and prevent reoccurrence, the in-house ethical compliance team worked side-by-side with suppliers to support them in bringing their nominated Cut Make and Trim ('CMT') units in-house. This shift in approach ensures that ownership, responsibility and accountability sits with the direct supplier while – critically – workers are fully protected by the group's code of conduct.

The group remains committed to sourcing in Leicester and the UK, and growing volumes with good and compliant suppliers. The FY21 volume of units sourced in Leicester remains at levels of growth consistent with the previous year.

THE GARMENT AND TEXTILE WORKERS' TRUST

The Trust's founding mission will be to create positive and lasting change for the benefit of the wider industry – providing guidance, advocacy and remedy to anyone working in the garment industry in Leicester, whether they work for one of boohoo's suppliers or not.

The purpose of the Garment and Textile Workers' Trust has been informed from months of ongoing engagement with local and government stakeholders. In addition to seeking guidance from individual experts and NGOs, the group hosted a consultation workshop, where over 30 different organisations and individuals were invited to share their insights.

In its first year, we envisage that the Trust will be grant giving, complementing rather than competing with existing charities and community and NGO initiatives in Leicester. As it grows and develops, the trustees will look to expand on the remit and deliver a more comprehensive package of services for garment workers in the city. This could include community initiatives, such as outreach workers and educational opportunities, such as scholarships.

The five founding trustees reflect a broad spectrum of stakeholders with group NGO, enforcement, local government and local community representation. The trustees are:

- Tim Nelson, International Development Director for Hope for Justice
- David Lindley, QPM Deputy Lieutenant
- Councillor Luis Fonseca, Leicester
- Alison Tripney, Head of Community, Leicester City Football Club
- Cheryl Chung, Head of Corporate Affairs, boohoo group

A CENTRE OF MANUFACTURING EXCELLENCE

In June 2020, the group finalised the purchase of a site to establish a manufacturing facility in Leicester. The site on Thurmaston Lane will be a world-class, end-to-end garment production facility for the group. The aims of the site include:

- establishing a state-of-the art production facility in Leicester that will provide a benchmark for the sector;
- ensuring there is a detailed understanding of our ability to produce garments at our price points ethically, safely and legally; and
- creating great jobs and adding value to the community of Leicester

The group is working with all education providers across Leicester to understand how our local presence can support their students.

A4C ROADMAP

boohoo group plc

July 2020

- Appointed Alison Levitt QC to undertake independent review of boohoo group
- Meeting with Deputy Mayor and senior team from Leicester City Council

Aug 2020

- New Head of Ethical Compliance and Head of Sustainability start
- Supply chain auditors Verisio given additional resources to accelerate audit programme
- Work with Slave-Free Alliance to strengthen our whistleblowing policy

September 2020

- New Director of Responsible Sourcing starts
- Alison Levitt QC review published in full
- Begin work with Apparel & General Merchandise Public and Private Protocol
- New Supply Chain Committee established

October 2020

- New non-executive director, Sean McCabe, appointed
- Agenda for Change programme launched, committing the boohoo group to implement all 17 recommendations in the Levitt review
- Bureau Veritas begin mapping and auditing international suppliers
- Development of new 'Responsible Purchasing Practices' begins
- Work a new portal to manage all interactions with suppliers
- Agenda for Change and supply chain updates mandated at board meetings

November 2020

- Sir Brian Leveson PC appointed to oversee Agenda for Change
- New Sustainability Manager starts
- New Risk Committee established
- Announce exclusion of 64 suppliers from approved supply chain
- Provided evidence to the Business, Energy & Industrial Strategy Select Committee on Xingjian

December 2020

- New supplier app launched, strengthening our purchasing procedures
- Sir Brian Leveson PC appoints new investigative and inquiry team, led by Tim Goodwin OBE, to conduct further checks on suppliers
- Provided evidence to the Environmental Audit Committee
- Modern slavery training mandated for managers and above

January 2021

- Sir Brian's first report to boohoo group board published in full
- Internal communications update business progress on Agenda for Change programme
- Engagement with local community partners in Leicester, hosted by Leicester City Football Club charitable foundation
- New Head of Product Operations starts
- Listening sessions with our buying and merchandising teams to inform Responsible Purchasing Practices

February 2021

- New boohoo group Modern Slavery Statement published
- New requirement for suppliers to bring CMT units in-house
- Consultation to inform establishment of Garment and Textile Workers' Trust
- Became a member of the Unseen National Modern Slavery helpline and portal
- New whistleblowing escalation process

March 2021

- New Senior UK Ethical and Compliance Manager starts
- New Head of Ethical Product Compliance starts
- Publish our UK supply chain
- Launch new group sustainability strategy
- Sir Brian Leveson's second board report published
- Andrew Reaney delivers keynote address at Draper's 2021 sustainability conference
- Sign contracts with Cotton Connect and Better Cotton Initiative to expand sustainable cotton sourcing
- Around 500 audits completed since July 2020

May 2021

- Launch our first economic impact report
- Launch our Responsible Purchasing Practices
- Publish a new sustainability report, charting progress

September 2021

- Publish our international supply chain
- Open new manufacturing centre of excellence in Leicester

"For those of us in Leicester who take pride in the clothing manufacturing industry, the last year has been really tough. We are grateful for boohoo sticking by UK manufacturers and taking a stance with an Agenda for Change. With our joint efforts, all the good suppliers are confident that this will start building Leicester to be a great manufacturing hub. We hope that the work boohoo has done gives other retailers the confidence to begin buying British once again."

Sajid Esa

5TH AVENUE CLOTHING

OUR COVID-19 RESPONSE

THE GROUP IS CONTINUING TO MONITOR AND IMPLEMENT GOVERNMENT 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 have been subject to change throughout the pandemic, meaning there have been periods when all office staff worked from home, periods with limited rotational workplace visits, and periods when all but essential workers worked at home.

In the distribution centres, we invested significantly to implement measures to ensure the safety and protection of all our colleagues. These include, but are not limited to, scheduling of colleagues' workdays to be on staggered starting and break times, and monitored social distancing in all areas where closer contact might occur within the otherwise large spaces of the warehouses. In all instances, appropriate signage, screening, traffic management, sanitising stations and additional regular deep cleaning has been implemented. We installed thermal imaging detectors in our distribution centre and Manchester offices to ensure no colleagues with symptoms could enter. In addition, we have been broadcasting frequent reminders and updates to colleagues on safety procedures and practices, and have been monitoring and tracking COVID-19 cases. The business also pioneered a rapid lateral flow testing programme run by the British Army and Lancashire County Council. Following two days of onsite testing of colleagues, the Army returned in January 2021 to train our teams to conduct the tests. In early February 2021, we rolled this programme out to all office locations to keep our colleagues, their families and the community as safe as possible.

Our office and warehouse COVID-19 safety processes have been verified and approved by public health officials in England.

The group has not utilised any government support, and maintains rigorous control over its finances in order to react rapidly to developments. Further, the group has drawn on its own resources to support colleagues during the pandemic, ensuring that all colleagues in self-isolation receive their full pay.

REVIEW OF THE BUSINESS

PERFORMANCE DURING THE YEAR

OVERVIEW	2021 £ million	2020 £ million	Change
Revenue	**1,745.3**	1,234.9	+41%
Gross profit	**945.2**	666.3	+42%
Gross margin	***54.2%***	*54.0%*	*+20bps*
EBITDA	**153.9**	115.6	+33%
% of revenue	***8.8%***	*9.4%*	*-60bps*
Profit before tax	**124.7**	92.2	+35%
Diluted earnings per share	**7.25p**	5.35p	+36%
Net cash[1] at year end	**276.0**	240.6	+£35.4 million
Adjusted measures:			
Adjusted EBITDA[2]	**173.6**	126.6	+37%
% of revenue	***10.0%***	*10.2%*	*-20bps*
Adjusted EBIT[3]	**149.3**	107.0	+40%
% of revenue	***8.6%***	*8.7%*	*-10bps*
Adjusted profit before tax[4]	**149.9**	108.3	+38%
Adjusted diluted earnings per share[5]	**8.67p**	5.88p	+47%

1. Net cash is cash less borrowings.
2. Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, and share-based payment charges.
3. Adjusted EBIT is calculated as profit before tax, interest, share-based payment charges, and amortisation of acquired intangible assets.
4. Adjusted profit before tax is calculated as profit before tax, excluding share-based payment charges and amortisation of acquired intangible assets.
5. Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangibles, share-based payment charges, and adjusting to 34% of the non-controlling interest as in previous years (affects prior year comparative only).

GROUP OVERVIEW

Group revenue for the year increased by 41% (41% CER) to £1.745 billion (2020: £1.235 billion). Revenue growth across all territories and brands was strong. Our longer-established brands continued their strong growth, whilst the newer brands delivered rapid incremental growth as they were refreshed and relaunched.

Adjusted EBITDA was £173.6 million (2020: £126.6 million), an increase of 37% on the previous year. Through leverage of overheads and tight control of costs, we were able to largely offset the increase in overseas distribution costs caused by the pandemic and were able to deliver an adjusted EBITDA margin of 10.0% (2020: 10.2%). Profit before tax was £124.7 million (2020: £92.2 million), an increase of 35%. Adjusted diluted earnings per share was 8.67p, up 47% on the prior year. Diluted earnings per share rose to 7.25p, an increase of 36% (2020: 5.35p).

Cash generation was strong, with operating cash flow of £201.1 million (2020: £127.3 million). Net cash flow was £30.6 million (2020: £47.6 million), following significant infrastructure capital expenditure of £49.3 million, the acquisition of the new brands and associated intellectual property for £73.4 million and the remaining minority interest in PrettyLittleThing for £161.9 million (a related party transaction). The share placing raised £195.7 million net of issue costs and £39.4 million was spent on the purchase of own shares for the Employee Benefit Trust. Our net cash balance at the period end increased to £276.0 million (2020: £240.6 million).

Our priority throughout the pandemic has been to ensure the safety of our colleagues, customers and partners by following government guidelines on safe working practices. We have been able to continue operating our facilities on this basis, which has kept the business functioning with the support of all parties involved. During this period, in light of its strong trading performance, the group has not claimed any of the UK Government's financial support packages for businesses.

The group has continued to benefit from strong growth across all brands and geographies, as the convenience, pricing, product range and customer service resonated with consumers, even more so in these unprecedented times. Customer return rates across all geographic regions have been lower than in the pre-pandemic period, with fluctuations towards levels closer to normal during periods of easing of lockdowns.

Active customer numbers in the last 12 months increased by 28% to 17.8 million. We have seen an 8% increase in the number of items per basket, which we are attributing largely to the impact of the pandemic. Session growth was 27%. Website conversion rate to sale remained steady at 4.28%.

The three brands that we acquired in the previous financial year, MissPap, Karen Millen and Coast, are growing well, with solid foundations being built and the promise of bright futures. In June 2020, we acquired a further two new womenswear brands, Oasis and Warehouse, which have a great heritage and a strong following in the UK. Both brands started to trade on new websites from late July and have made excellent progress. In January 2021, we acquired the online business and intellectual property of Debenhams for £55.0 million, which we will develop into a digital department store and marketplace. In February 2021, we acquired the Dorothy Perkins, Wallis and Burton brands and inventory for £25.2 million, which will broaden our demographic reach and product offering. These three new brands continued to trade on the former Arcadia platform for a three-month period, pending transition to our platform. We are very excited about the potential of these new brands, as they complement our successful and comprehensive, multi-brand platform.

The remaining 34% minority interest in PrettyLittleThing was acquired in May 2020, ahead of the original 2022 option-to-acquire date, for a combination of cash and shares with initial consideration £269.8 million, potentially rising to £323.8 million. PrettyLittleThing is continuing to trade very well, with high-growth rates across all territories and the acquisition resulted in substantial earnings enhancement for the group's shareholders. We remain excited about PLT's long-term prospects and the value creation opportunity that exists for the group's shareholders.

REVIEW OF THE BUSINESS
CONTINUED

PERFORMANCE BY MARKET

UK
The UK market continues to be the largest for the group, accounting for 54% of revenue (2020: 55%). Growth of 39% to £945.1 million was strong across all brands, with the three new brands acquired in the prior year augmenting this growth as they built from a low base. Our multi-brand strategy continues to enable us to gain market share in the UK, through our compelling consumer proposition.

Gross margin increased from 50.3% to 50.9%, supported by a small increase in basket size and a strong product offering. During the lockdown period, we increased the offering of activewear, loungewear and tops, reacting quickly to the changes in demand from home working, which was highly successful. Return rates have been lower than in the previous year, due to a different mix of product and consumer behaviour during the pandemic. Online shopping clearly benefitted from the lockdown, with strong customer growth continuing and, with a prudent strategy to reduce marketing costs as a percentage of sales, we were able to achieve improved profitability. The convenience of our comprehensive range of customer payment options has also added to customer growth and purchase frequency.

REST OF EUROPE
It is apparent that the restrictions on movement and the effect of lockdowns in Europe have impacted growth variably at different points in time across the continent, but nevertheless, overall performance was pleasing. Revenue growth of 30% to £244.7 million was good across all brands and all major countries, starting with exceptional growth rates in Q1, resulting from consumers shifting to online shopping during lockdown, and continuing with moderating growth in subsequent quarters. Overall, return rates have been significantly lower than in the previous year, with some resumption to normal levels during easing of lockdowns. Gross margin declined from 58.0% to 56.2%.

The group had planned for many months to ensure that it could continue to trade effectively with EU countries after the end of the transition period on 31 December 2020, following Brexit. As a result, operations continued uninterrupted in January and February 2021, although additional customs compliance costs and duty on some products does increase costs moderately. Whilst these costs will continue to provide a modest headwind in the new financial year, the group will look to mitigate these costs, for example, through operational efficiencies.

UK GROWTH
+39%

USA GROWTH
+65%

RoE
+30%

RoW
+16%

USA
The group's highest territorial growth rates have been seen in the USA, as the brands' momentum builds and market share increases. PrettyLittleThing, Karen Millen and boohooMAN continued their exceptional growth, whilst boohoo and NastyGal grew strongly too. With all brands supported by the success of social media outreach and the compelling customer proposition, group USA revenue increased by 65% to £435.1 million. Return rates have also been significantly lower than in the previous year.

Gross margin improved slightly from 59.8% to 59.9%. Increases in basket size and reduced return rates have only partially offset the significant rise in distribution costs caused by the pandemic's impact on carrier capacity. We expect higher distribution costs to continue for some time to come until there is a resumption of a more normal level of air traffic.

REST OF WORLD
Growth in the rest of the world has been moderate at 16% to £120.4 million, impacted undoubtedly by the delays in the distribution network caused by greatly reduced airfreight capacity. Gross margin declined slightly from 55.8% to 54.9%, a small reduction given the challenging conditions in overseas territories brought about by the pandemic. Airfreight capacity constraints, caused by the pandemic, also increased distribution costs to the more distant markets, and this is expected to continue for some time to come.

REVIEW OF THE BUSINESS
CONTINUED

AGENDA FOR CHANGE

Our programme for the Agenda for Change commenced with the publication of Alison Levitt QC's independent review of the group's UK supply chain, published in full in September 2020. We followed the review with the appointment in November 2020 of Sir Brian Leveson PC to oversee progress on implementation of the review's recommendations, which the board intends to implement in full. Sir Brian's first board report, which was published in full, reported progress at pace in January 2021, while noting that recommendations remain work in progress. Sir Brian's most recent update, published in March 2021 alongside the group's UK supplier list, notes that the depth and detail of supplier audits have dramatically changed the way the industry is run in Leicester and the determination of boohoo to embed a new way of working, which, despite a number of acquisitions in recent months, remains its top priority.

The areas the group is committed to bring to fruition are: enhancing corporate governance; redefining our purchasing practices; raising standards across our supply chain; supporting Leicester's workers and workers' rights; supporting suppliers; and demonstrating best practice in action. Significant progress on the Agenda for Change has been delivered by our teams over the last six months and the group expects to make further great progress in the coming year, with publication of our global supplier list expected by September 2021.

Further details of the progress of the Agenda for Change are contained in a separate section in this report on page 20.

CORPORATE GOVERNANCE

The board is committed to strengthening corporate governance and progress to date includes: the appointment of Shaun McCabe as an independent non-executive director and Chair of the Audit and Risk Committees; the appointment of a Group Director of Responsible Sourcing and resourcing of a support team; the publication of the group's first Sustainability Report; and the search for an additional non-executive director with ESG experience. The Risk Committee is a high-profile board function created to oversee, in particular, the Supply Chain Compliance Committee as part of the Agenda for Change, demonstrating our commitment to change at the highest level in the company. Additionally, the group appointed Sir Brian Leveson PC to provide oversight of its Agenda for Change programme in November 2020.

SUSTAINABILITY

The group published its first sustainability strategy, UP.FRONT, in March 2021, in which we have addressed key priority areas and time-based targets to achieve our goals. The three key areas of focus are on smarter manufacturing of clothes, better terms for suppliers and action in responsible business practices to reduce our carbon footprint. This strategy has been formulated over the past year by the sustainability team, with board support demonstrating the group's firm commitment to tangible progress in this area.

CONTINUED PROFITABLE GROWTH

FINANCIAL REVIEW

"The group has achieved a strong performance with revenues and profits increasing in all territories and across all brands."

REVENUE BY GEOGRAPHICAL MARKET	**2021 £ million**	2020 £ million	Change	Change CER
UK	**945.1**	679.4	+39%	+39%
Rest of Europe	**244.7**	188.4	+30%	+30%
USA	**435.1**	263.6	+65%	+63%
Rest of world	**120.4**	103.5	+16%	+19%
	1,745.3	1,234.9	+41%	+41%

KPIs	**2021**	2020	Change
Active customers[1]	**17.8 million**	13.9 million	+28%
Number of orders	**53.4 million**	42.2 million	+27%
Order frequency[2]	**3.00**	3.04	-1%
Conversion rate to sale[3]	**4.28%**	4.26%	+2bps
Average order value[4]	**£46.06**	£43.50	+6%
Number of items per basket	**3.32**	3.06	+8%

1. Defined as having shopped in the last 12 months on the website.
2. Defined as number of website orders in last 12 months divided by number of active customers.
3. Defined as the percentage of website orders taken to internet sessions.
4. Calculated as gross sales including sales tax divided by the number of orders.

CONSOLIDATED INCOME STATEMENT	**2021 £ million**	2020 £ million	Change
Revenue	**1,745.3**	1,234.9	+41%
Cost of sales	**(800.1)**	(568.6)	+41%
Gross profit	**945.2**	666.3	+42%
Gross margin	***54.2%***	*54.0%*	*+20bps*
Operating costs	**(772.6)**	(539.9)	
Other income	**1.0**	0.2	
Adjusted EBITDA	**173.6**	126.6	+37%
Adjusted EBITDA margin %	***10.0%***	*10.2%*	*-20bps*
Depreciation	**(20.1)**	(16.6)	
Amortisation of other intangible assets	**(4.2)**	(3.0)	
Adjusted EBIT	**149.3**	107.0	+40%
Adjusted EBIT margin %	***8.6%***	*8.7%*	*-10bps*
Adjusting items:			
Amortisation of acquired intangible assets	**(5.5)**	(5.1)	
Equity-settled share-based payment charges	**(19.7)**	(11.0)	
Operating profit	**124.1**	90.9	+37%
Finance income	**0.9**	1.7	
Finance expense	**(0.3)**	(0.4)	
Profit before tax	**124.7**	92.2	+35%
Tax	**(31.3)**	(19.3)	
Profit after tax for the year	**93.4**	72.9	+28%
Diluted earnings per share	**7.25p**	5.35p	+36%
Adjusted profit after tax for the year	**113.8**	86.0	+32%
Amortisation of acquired intangible assets	**(5.5)**	(5.1)	
Share-based payment charges	**(19.7)**	(11.0)	
Adjustment for tax	**4.8**	3.0	
Profit after tax for the year	**93.4**	72.9	
Adjusted profit for the period attributable to shareholders of the company	**108.5**	69.9	+55%
Adjusted diluted earnings per share	**8.67p**	5.88p	+47%

CONTINUED PROFITABLE GROWTH
CONTINUED

Operating costs comprise distribution costs and administrative expenses excluding depreciation and amortisation and have increased by 60bps to 44.3% of revenue, with tight control of overheads and marketing costs mitigating the increase in 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 increased by 37% from £126.6 million to £173.6 million and, as a percentage of revenue, moved from 10.2% to 10.0%.

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.

TAXATION

The effective rate of tax for the year was 25.1% (2020: 21.0%), which is higher (2020: higher) than the blended UK statutory rate of tax for the year of 19.0% (2020: 19.0%), due to 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

	2021 £ million	2020 £ million
Intangible assets	118.3	42.3
Property, plant and equipment	141.6	119.2
Right-of-use assets	16.7	14.6
Financial assets	13.1	4.5
Deferred tax asset	3.2	6.0
Non-current assets	**292.9**	186.6
Working capital	(90.9)	(63.9)
Lease liabilities	(18.3)	(16.2)
Net financial assets/(liabilities)	12.6	(9.0)
Cash and cash equivalents	276.0	245.4
Interest-bearing loans and borrowings	–	(4.8)
Deferred tax liability	(4.2)	(3.6)
Net current tax asset/(liability)	4.4	(6.6)
Net assets	**472.5**	327.9

The increase in intangible assets is due to the purchase of the new brands. The right-of-use-assets are the capitalised value of property leases. Working capital has decreased in line with business growth and because of the increase in provisions of £23.4 million due to a number of claims. The lease liability is the discounted value of future lease payments. The group has repaid all its borrowings.

INTANGIBLE AND FIXED ASSET ADDITIONS

	2021 £ million	2020 £ million
Purchased intangible and fixed assets		
Intangible assets		
Trademarks and customer lists	73.4	19.4
Software	12.3	3.8
	85.7	23.2
Tangible fixed assets		
Distribution centres	16.9	15.4
Offices, office equipment, fixtures and fit outs	20.0	6.6
Motor vehicles	0.1	0.4
	37.0	22.4
Total intangible and fixed asset additions	**122.7**	45.6

LIQUIDITY AND FINANCIAL RESOURCES

Operating cash flow was £201.1 million compared to £127.3 million in the previous year, and free cash outflow after tax was £121.8 million compared to an inflow of £70.1 million in the previous financial year. Capital expenditure and intangible asset purchases were £49.3 million, which includes a £16.9 million investment in our distribution centres to support projected growth in the business, acquisition of new brands was £73.4 million and purchase of the remaining non-controlling interest in PrettyLittleThing was £161.9 million. The closing cash balance for the group was £276.0 million.

CONSOLIDATED CASH FLOW STATEMENT

	2021 £ million	2020 £ million
Profit after tax for the year	**93.4**	72.9
Share-based payments charge	19.7	11.0
Depreciation charges and amortisation	29.8	24.7
Finance income	(0.9)	(1.7)
Finance expense	0.3	0.4
Loss on sale of fixed assets	–	0.2
Tax expense	31.3	19.3
Increase in inventories	(45.8)	(32.3)
Increase in trade and other receivables	(8.8)	(9.4)
Increase in trade and other payables	82.1	42.2
Operating cash flow	**201.1**	127.3
Capital expenditure and intangible asset purchases	(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)/inflow after tax	**(121.8)**	70.1
Net proceeds from the issue of ordinary shares	201.4	2.7
Purchase of own shares by EBT	(39.4)	(14.9)
Finance income received	1.2	1.8
Finance expense paid	(0.1)	(0.3)
Dividend paid to non-controlling interests	–	(3.4)
Lease payments	(5.9)	(6.0)
Repayment of borrowings	(4.8)	(2.4)
Net cash flow	**30.6**	47.6
Cash and cash equivalents at beginning of year	**245.4**	197.8
Cash and cash equivalents at end of year	**276.0**	245.4

TRENDS AND FACTORS LIKELY TO AFFECT FUTURE PERFORMANCE

The market for online fashion is forecast to continue to grow and, along with the increasing use of the internet globally, provides a favourable backdrop for the group with much opportunity for further growth. Customers throughout the world are seeking a wide choice of quality products at value prices 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 is quite resilient to external macroeconomic factors.

OUTLOOK

As always, 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 further cement our position as a leader in global fashion e-commerce.

Revenue growth for the full year to February 2022 is expected to be around 25% at a group level, with newly acquired brands expected to deliver approximately five percentage points of this growth. Growth within our established brands remains strong, and over the last two years we have achieved a revenue CAGR of 42%. Trading in the first few weeks of the financial year has been encouraging; however, the economic outlook remains uncertain and we expect the benefits seen from reduced returns over the last 12 months to begin to unwind this year, whilst still experiencing significantly elevated levels of carriage and freight costs.

Margins for established brands are expected to be in line year-on-year. We expect investment in newly acquired brands to dilute the group's overall adjusted EBITDA margin by 50-100bps, with the group's adjusted EBITDA margin expected to be in the region of 9.5-10% for the full year.

Adjusted EBITDA is likely to see more of a weighting towards the second half of the year, reflecting a strong comparative period in the first half. This is consistent with financial years prior to the one herein reported, and the group expects a higher adjusted EBITDA margin in the second half, reflecting investments in our scalable multi-brand platform.

As announced on 12 April 2021, the group acquired a new office in the heart of London's West End for £72 million. Capital expenditure for the remainder of the financial year is expected to be in the region of £125-175 million. This relates to growth investments in our new warehouse sites in Wellingborough and Daventry, as well as continued enhancements to our existing facilities, including automation at our Sheffield site to increase both capacity and efficiency.

We are focused on building the business for the future and continued investment in our brands, infrastructure, people and technology will drive this growth and further economies of scale. We are also committed to continued improvements across our environmental responsibilities and to accelerate our sustainability journey. The group's medium-term target of sales growth of 25% per annum and an adjusted EBITDA margin of around 10% remains unchanged.

HOW WE MANAGE RISK

RISK MANAGEMENT

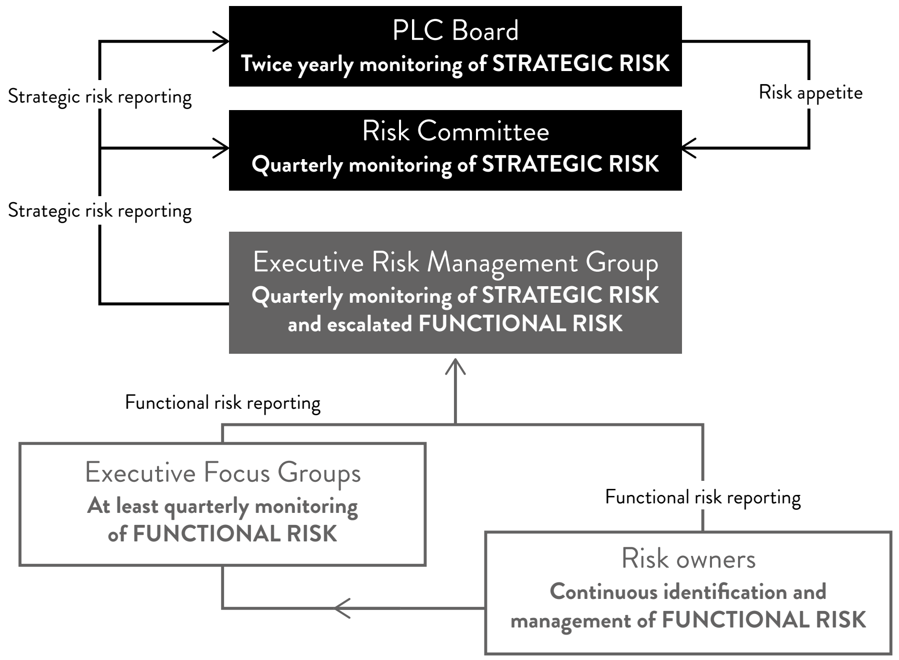
The board has overall responsibility for risk management, validating the appropriateness of the supporting system of internal controls and for reviewing their effectiveness. Effective risk management is an evolving and continuous process; our aim is to intrinsically embed effective risk management throughout 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 considerable ongoing improvements to the risk management framework at boohoo and the way we manage risk. This includes:

- The introduction of a new risk management policy, approved by the board;
- The establishment of risk-focused governance structures;
- The provision of risk management training to senior executives;
- The introduction of the assessment of risk appetite at board level; and
- Additional resourcing within the internal audit and risk team.

RISK GOVERNANCE

The group has 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 have established functional risk groups across the business to identify, assess, monitor and manage risks held at a functional level.



OUR RISK MANAGEMENT APPROACH

- **Identify** – Top down and bottom up identification methods including workshops, interviews and focus groups
- **Assess** – Prioritisation and measurement of risks using consistent risk assessment methods and against risk appetites agreed with the board
- **Manage** – Identifying, improving and reviewing 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 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 board, assisted by 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 and any actions related to that risk are updated.

Both functional and strategic risk registers are prepared using consistent risk factors and evaluate business impact and likelihood ratings, both before (inherent) and after (residual) the effect of any mitigating activities or controls.

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 following are considered to be the principal risks and uncertainties as at the year-end.

STRATEGIC RISKS

Risk factors Risk owner	**Mitigation**
SUPPLY CHAIN ETHICS **Director of Responsible Sourcing & Group Product Operations**	
• As a result of complexity inherent within the supply chain, there is a risk that inappropriate, unethical and illegal non-compliance with required supply chain practices go undetected, which could lead to investigations from regulatory bodies and may cause reputational damage.	• Agenda for Change outputs defining current and future policy, with actions rigorously monitored and reported • Establishing the right structure and team by building out the sourcing and ethical compliance team, across the UK and regional offices • Mapping the supply chain ready for reporting in 2021 (March/September) • Scheduling regular audits against boohoo code of conduct • Transparency systems and tools are in place for UK (Leicester) manufacturing • Creating a series of behaviours which align with boohoo values
COMPETITION RISK **CEO and CFO**	
• The business operates in a broad and open market, with many competitors. There are many factors that influence customers' choice, 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 • European customers may be deterred from purchasing from a UK company following the UK's decision to leave the EU	• 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 & 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	• 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
GOVERNANCE **CFO**	
• As a result of governance issues there is a risk of the business not meeting the best interests of its stakeholders	• Sustainable change is being driven by Agenda for Change and embedded within business practices • Governance is a constant board agenda item • New non-executive directors have been recruited, which improves governance • New committee structure established

HOW WE MANAGE RISK
CONTINUED

STRATEGIC RISKS CONTINUED

Risk factors Risk owner	Mitigation
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 • Investment in colleague engagement, including regular town hall meetings • Investment in colleague training to support change
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 that 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	• Training of colleagues on GDPR and data security • Additional resource relating to data privacy • Privacy policies and procedures reviewed and updated • Understanding and compliance to key laws and regulations • Impact reduced by skilled legal team in house and utilising specific expert advice from external lawyers in territories concerned • Monitoring of 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
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
BREXIT **CFO**	
• As a result of required operational changes caused by the Brexit agreement, specifically in relation to trading costs and regulation, there is a risk of unplanned operational and financial impact, which could lead to unexpected trading levels and/or downtime in operations	• Impacts are understood and additional costs are factored in to future plans and budgets, together with mitigating actions and cost savings • Consideration being given to the availability of staffing and potential increase in labour costs

OPERATIONAL RISKS

Risk factors Risk owner	Mitigation
IT AND CYBER SECURITY **CIO**	
• There is a risk of a cyber-attack, which could lead to application, system and operational downtime, which may impact trading and operations across the group	• Board engagement in cyber risks, mitigations and plans • 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 and security teams • Training of both technical and non-technical teams regarding cyber security
CHANGE **CIO**	
• As a result of a high number of critical projects running in parallel, 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 • Change Advisory Board ('CAB') ensures that approvals are obtained in advance of changes being implemented • Project Prioritisation Group ('PPG') – Assesses and agrees the need for changes/projects • IT team includes appropriate skillset and talent within the team to deliver what is required • Established project methodology including the right level of governance for each project
THIRD PARTIES **CFO/CIO/Supply Chain Director**	
• 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	• Sustainability strategy and targets in place • First sustainability strategy published in March 2021 on group website • Recruitment of key roles to deliver the strategy
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 and 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 major incident occurs at one site • IT disaster recovery covers critical applications and third party contracts with appropriate service level agreements • Investment in monitoring and alerting, governance, change management

HOW WE MANAGE RISK
CONTINUED

OPERATIONAL RISKS CONTINUED

Risk factors Risk owner	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	• Incentive schemes across all levels of staff are operated, including share ownership, bonus and incentive schemes linked to business and personal performance • Succession planning aims to reduce key person dependencies • Training, development and progression opportunities to retain staff
PRODUCT RISK **Director of Responsible Sourcing & 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	• Head of Product Compliance joined in early 2021 • Quality control teams check the products at distribution centres and within factories • Policies and procedures in place for suppliers to follow • Testing of products for chemical components to legal limits

FINANCIAL RISKS

Risk factors Risk owner	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	• 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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Andrew Reaney

DIRECTOR OF RESPONSIBLE SOURCING AND GROUP PRODUCT OPERATIONS

4 MAY 2021

We're facing up to the future, doing more for our clothes, suppliers, communities and our impact on the environment.

We've looked hard both inside and outside our business, and come up with a plan that will help us get ready for the future.

There is work to be done, and we're going to be open, up front, and frank on the progress we are making. Our next chapter is still in the making.

The importance of responsible purchasing practices and the need to improve suppliers' social and environmental practices is recognised now more than ever.

Important issues arising during the year include labour standards concerns in UK and international manufacturing, and traceability and human rights concerns in global supply chains, including allegations of forced labour risks linked to cotton sourced from the Xinjiang region of China. We are conscious that many workers have also become more vulnerable as a result of the COVID-19 crisis.

In 2020, we tackled these challenges head on, communicating our insights, views and approaches transparently. We published an independent review on our Leicester supply chain by Alison Levitt QC, and launched our Agenda for Change, setting out how we would deliver her recommendations. We also took part in the Environmental Audit Committee on Fast Fashion and the UK Government consultation on cotton sourcing.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTINUED

This spirit of openness and transparency is central to our first group sustainability strategy, UP.FRONT, published in March 2021 on the group's website. Importantly, we've designed the strategy to address key priority areas and set clear, time-bound goals to help demonstrate our progress. They are stretching and will be tough to achieve, but we are committed to making it happen.

This strategy hasn't come out of nowhere. We have been laying the foundations over the last two years, recruiting ethical trade and sustainability experts, joining and contributing to industry groups like the British Retail Consortium, WRAP and the Sustainable Apparel Coalition ('SAC'), and analysing our current approach to sustainability management.

UP.FRONT is about taking this work further, driving measurable progress on our issues like materials, carbon and waste. And we've already got started.

Our buying teams are working with existing and new suppliers to develop more sustainable garments, focusing on materials like recycled polyester and organic cotton, and over the coming year, we will be making big changes to the way we purchase our cotton.

We'll communicate these changes to our customers, too. Shoppers will increasingly see a consistent message across our brands, bearing the strapline READY FOR THE FUTURE, and as we move ahead on our journey, more and more products will meet these criteria.

In addition, we've signed up to WRAP's Textiles 2030, which is a call to action to all UK fashion brands and retailers to transform our industry through better materials, more circular product design and alternative business models.

With the introduction of new brands including Debenhams, we're going to be looking closely at sustainability in our beauty and home offering too.

This year, alongside our annual report and accounts, we are also publishing a standalone sustainability report where stakeholders can find more information on how we plan to meet our goals and what steps they will see us take first.

I joined the business in September 2020, and took responsibility for the full sustainability strategy in March 2021, bringing together our ethical and environmental programmes. I am excited to lead our delivery of the strategy, driving change in our own operations and through our supply chains.

Andrew Reaney
DIRECTOR OF RESPONSIBLE SOURCING AND GROUP PRODUCT OPERATIONS

HOW WE DEVELOPED OUR STRATEGY

We've been through a comprehensive process to develop our sustainability strategy. 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 on further insight from our business and customer research, 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

FASHION.READY FOR THE FUTURE

UP.FRONT is about making progress on the sustainability issues where we can make a real difference, and working in an open, collaborative way to get there.

THERE ARE THREE FOCUS AREAS

01 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.

02 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.

03 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.

In the coming pages, we will share an overview of our sustainability strategy. More information can be found in our 2020 Sustainability Report, which can be downloaded at **boohooplc.com/sustainability.**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTINUED

FOCUS AREA 1:

CLOTHES MADE SMARTER

Making our clothes in a smarter way – with better materials, more sustainable design and less waste and packaging.

BETTER MATERIALS

2025 All our polyester and cotton will be recycled or more sustainable

2030 All our clothes made with more sustainable materials

Buying more sustainable alternatives to traditional materials is a top priority. Working with our industry partners like WRAP and the SAC, we've analysed our materials mix and developed guidelines on more sustainable options.

Around 80% of the materials we use (by volume) are polyester and cotton, so our most ambitious targets focus on these areas. However, we're also working with our suppliers on other materials like viscose, acrylic and animal-derived products.

We're launching a consistent strapline across our brands to help customers identify which products helping to achieve our goals, so look out for READY FOR THE FUTURE across our sites, as products displaying this criterion will meet our standards.

SUSTAINABLE DESIGN

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

Building on our materials strategy, we want to develop a set of standards to incorporate this and consider other relevant elements of product design, such as upcycling, recyclability and durability.

We've appointed one of our most experienced designers in the business as Sustainable Product Design Director to lead this work, and we're excited about the potential innovations in the pipeline.

TEXTILE WASTE

2023 Launch resale and recycling offers across out brands

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

We've been working for some time on diverting any textile waste in our own operations from landfill, working with recycling partners and charities. Now, we want to extend this to our UK supply chain. In particular, we hope to launch a pilot project to make sure that any offcuts are put to the best use, through upcycling or recycling, for example.

We're also committed to developing different ways for customers to recycle their garments and investing in resale platforms to keep clothes in use for longer.

PACKAGING

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

We've made a lot of progress on key types of packaging and labelling. For example, our despatch bags contain over 80% recycled plastic, and we're working with a local supplier on poly-bags (which we use to keep clothes protected in transport) with a high proportion of recycled content.

Now, we want to go further by working with our suppliers to ensure this is consistent across all our garment packaging. We'll also keep innovating to explore more sustainable, recyclable packaging materials.

FUTURE FOCUS

2023 Announce our goals on water, chemicals, biodiversity and microfibers, developed in partnership with experts

There are other important issues to address like water, chemicals, biodiversity and microfibres.

Our work in areas such as better materials and improved supply chain standards will help us make progress on these areas, as well as our contribution to industry groups like the Microfibre Consortium and Textiles 2030. But we will also develop dedicated goals on each of these issues and work with experts to understand the best role we can play in tackling them.

Find out more in our sustainability report on pages 39 to 49.

FOCUS AREA 2:

SUPPLIERS ON BETTER TERMS

Doing more for our suppliers – transparent supply chains, improved standards and management, and a long-term commitment to those that work in fashion.

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 central to the commitments we've made through our Agenda for Change.

We have already delivered in a number of areas by publishing Alison Levitt QC's independent review of our supply chain in full, and sharing updates by Sir Brian Leveson PC, who is holding our board to account on delivering our Agenda for Change programme and publishing our list of UK suppliers.

In 2021, we will continue to deliver against our Agenda for Change commitments by publishing our global supplier list and our purchasing practices.

Longer term, we're going to work with key suppliers to map priority raw materials through our supply chain, right back to the fields and factories where they were produced.

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 new sourcing team includes ethical trade, product compliance, quality assurance and environmental sustainability experts.

Together, they are implementing a more robust set of supplier standards and a rigorous management programme. They're also improving the systems we use to order, monitor and track our products.

All this work will drive positive changes for suppliers, factories and workers, and we are committed to monitoring the impact of these improvements over the coming year and publishing the findings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
CONTINUED

PROGRAMMES

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

2021 Launch manufacturing centre of excellence

One of our key Agenda for Change commitments was to set up a Garment Workers' Trust in Leicester to help champion workers' rights and provide support for vulnerable garment workers in Leicester. The Trust will be overseen and managed by an independent Board of Trustees (for whom we're currently recruiting), and we will provide grants and crisis funds for those in need. We hope that it will become a recognised and trusted source of support for anyone working in the fashion and textiles industry, providing both hardship funds and clear and understandable guidance in multiple languages for those who may need independent support.

We've also purchased a site in Leicester where we want to establish a manufacturing facility in partnership with one of our strategic suppliers.

We're obtaining planning permission for the facility, which is due to launch in 2021. We hope that it will showcase how our products can be made legally, ethically and safely. We hope to create up to 100 local jobs and offer a community hub to inspire new talent in the industry. Our growing team in charge of checking standards among our Leicester suppliers will also work from this facility.

FOCUS AREA 3:

OUR BUSINESS TAKING ACTION

Running our business responsibly – strong governance, a great place to work, tackling climate change, responsible marketing and a role in communities we can all be proud of.

GOVERNANCE

2021 Embed sustainability risks and opportunities in business decisions and KPIs

In 2020, we strengthened our approach to governance with a Supply Chain Compliance Committee, which reports to our Risk Committee and the group board.

Improving supply chain standards is an important agenda item at every board meeting. In 2020, these discussions focused on our Agenda for Change, UK supplier management programme and UP.FRONT sustainability strategy. In 2021, we will discuss broader sustainability issues through this governance process.

And to drive change, teams across our business will have KPIs linked to our sustainability strategy. For example, buying teams are focusing on better materials.

Find out more in business governance on pages 52 to 59.

OUR PEOPLE

2025 Aspire to be independently recognised as the best online retailer to work for

We want to attract and retain the best talent in the industry, building a diverse, inclusive boohoo family where all our colleagues feel valued, have the opportunity to reach their full potential and are proud of what we achieve together.

We'll listen to colleagues' needs, make diversity and inclusion a part of everything we do, and create a thriving workplace culture. We'll focus on health and wellbeing, and provide first-class learning and development opportunities and market-leading reward and benefit packages. And we'll improve the way we monitor performance and plan for the future.

Find out more in our people section on pages 48 to 49.

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.

The climate crisis is one of the biggest challenges facing the planet and urgent action is needed. We know that boohoo has a key role to play in this fight and are determined to be a proactive presence in the retail industry.

Working with an independent and expert carbon management consultancy, we have calculated our carbon footprint across both our own operations and value chain. We have identified key areas where we can – and must – make the most significant reductions. These are our products, product logistics and marketing channels.

We are setting a bold climate change commitment. By 2030, we will achieve carbon reductions across our value chain aligned with science-based targets equivalent to a 52% reduction in emissions relative to our growth.*

Furthermore, we have joined the BRC Climate Action Roadmap and the WRAP Textiles 2030 initiative.

Find out more in our sustainability report on pages 39 to 49.

MARKETING

2021 Publish responsible marketing principles

ONGOING Make it easier for customers to make sustainable choices with us

We live and breathe marketing and social media. It's how we get inspiration, talk with our customers, sell our products and get feedback on what we do. Our marketing approach and discounting strategies mean that customers from all walks of life are able to access our on-trend products at great prices.

We've published our responsible marketing principles. Our teams are also working hard to make it easier for customers to make more sustainable choices by launching READY FOR THE FUTURE products and clearly communicating how products are meeting these guidelines.

Find out more in our sustainability report on pages 39 to 49.

COMMUNITY

2021 Publish our social impact strategy to support local communities

Our teams are passionate about giving back to their local communities and supporting charities. In addition, all our brands have their own charitable giving programmes, which include sample donations, cash donations, volunteering and partnerships.

To amplify our positive impact, in 2021, we plan to launch a group-wide social impact strategy, bringing all this work together under shared ambitions. This won't stop our brands supporting the causes that they and their customers love, but it will help us reach more people and measure the impact on their lives.

Find out more in our sustainability report on pages 39 to 49

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
CONTINUED

CARBON REPORTING

Our carbon footprint has been calculated in accordance with the internationally recognised standard the Greenhouse Gas Protocol, a corporate accounting and reporting standard, developed by the World Resources Institute ('WRI') and the World Business Council for Sustainable Development ('WBCSD'). The data in this report has been prepared in line with the HM Government's guidance: *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting*. This is the second year that the group has reported on its carbon footprint.

PERFORMANCE

This is the first year we have calculated our emissions across all three scopes for both this and the previous reporting year and have made the results publicly available. The group's 2020 carbon footprint is 782,264 tCO_2e, which is mainly attributable to purchased goods and services (including sold goods) as well as the transport and distribution thereof.

Since the previous reporting year, market-based emissions have increased by 33% from 587,983 to 782,264 tCO_2e. This is predominately driven by business growth and an increase in goods sold since the previous reporting period.

Operational market-based emissions (scope 1 & 2) have decreased by 84% from 3,120 to 499 tCO_2e, which was largely driven by a switch to 100% renewable energy supply in our operations. We also saw a reduction in business activities, such as building use and business travel due to COVID-19 restrictions.

CARBON EMISSIONS

(metric tonnes of carbon dioxide equivalent)	**2020**	2019
Scope 1	**tCO_2e**	tCO_2e
Company cars	**66**	111
Natural gas	**273**	240
Other fuels	**13**	15
Refrigerant	**146**	146
Scope 2		
Electricity (market-based)	**–**	2,608
Electricity (location-based)	**2,674**	2,928
Scope 3 categories		
Upstream emissions		
Purchased goods and services	**613,877**	436,700
Capital goods	**4,188**	–
Fuel and energy-related activities	**285**	310
Upstream transportation and distribution	**149,883**	139,120
Waste generated in operations	**91**	63
Business travel	**526**	2,436
Employee commuting	**505**	459
Upstream leased assets	**20**	22
Downstream emissions		
Downstream transportation and distribution	**3,710**	2,730
End of life treatment of sold products	**8,681**	3,023
Total emissions market-based	**782,264**	587,983
Total emissions location-based	**784,938**	588,303
Energy reporting: total energy usage (kWh)	**12,717,546**	13,065,849
Intensity metrics (UK and offshore)		
Total revenue (£ million)	**1,674**	1,172
All scopes (1, 2 & 3) emissions (tCO_2e)/total revenue (£ million)	**467**	502

Emissions intensity by revenue has decreased by 7%, highlighting an improved carbon efficiency by turnover.

ENERGY EFFICIENCY ACTION

Since 2019, the group has carried out several initiatives to drive energy efficiency across our own operations. These include:

- Continued LED roll out across Burnley and Manchester
- Commenced the installation of solar panels at Burnley and Manchester

METHODOLOGY

boohoo group plc's carbon footprint has been calculated in accordance with the internationally recognised standard the Greenhouse Gas Protocol, a corporate accounting and reporting standard, developed by the World Resources Institute ('WRI') and the World Business Council for Sustainable Development ('WBCSD'). It adheres to the best practice practices 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 (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).

The carbon reporting period is from 1 January 2020 to 31 December 2020. This is offset from the business's financial reporting period 1 March 2020 to 28 February 2021 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 & 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, including company cars, 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 for 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 two 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 good not for resale (a subcategory of purchased goods and services and capital goods)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
CONTINUED

PEOPLE

INTRODUCTION

People are at the very heart of everything we do here at the boohoo group. It is vital for boohoo's growth and success that we maintain focus on the development and wellbeing of our colleagues. We want to continue to create a supportive environment where our colleagues feel energised, motivated and valued. We have developed an outstanding reward and benefits framework where, irrespective of role, all our colleagues can share in the success of boohoo's incredible growth. We focus on listening to our teams to always understand what matters most to them. We offer an inclusive and diverse working environment, where we make people feel respected and valued for who they are as individuals. Our colleagues continue to have a voice through our ever-evolving listening and engagement forums. We offer a strong learning and development experience with online training, check ins and webinars delivered throughout the past 12 months.

SENIOR ROLES HELD BY WOMEN

41%

DIVERSITY AND INCLUSION

Creating a working environment that is free from discrimination and harassment, and where everyone can be heard is essential if we are to operate in an inclusive workplace. This year, we took part in National Inclusion Week with the theme being 'Each One Reach One'. Various activities were held throughout a week in October to celebrate each other's uniqueness and to also share and promote inspiring inclusion practices and ideas across the business. Also, in the autumn of 2020, a D&I steering group was formed to ensure that all areas and brands within the business are represented. The group meet six times a year to discuss group strategy and initiatives. A charter was developed and suggestions are brought to life and embedded by each of our working groups, ensuring each brand keeps their own distinct personality while operating as one business. One of the immediate actions has been to begin to collect demographic data from everyone to inform our future strategy. This is a sensitive topic and so, with the support of colleagues from across the business, a short video was produced explaining why this is important. A comprehensive guide was also produced with information on how to submit demographic data via our people system. We will continue to support an inclusive and diverse workforce by sustaining momentum through our designated groups.

GENDER PAY AND DIVERSITY

We encourage diversity in the workforce: at the year-end, the percentage of males was 46% (2020: 42%) and females 54% (2020: 58%), with 41% (2020: 45%) of our senior management positions held by women.

NUMBER OF EMPLOYEES OF EACH GENDER AT THE YEAR-END	Male	Female
Directors of the parent company	7	1
Senior managers	43	30
Other employees	1,621	1,919
	1,671	**1,950**

Our gender pay gap data for the group, prepared up to March 2020, showed females were paid 4.1% more than males, using the median results, and males were paid 6.2% more than females, using mean results (male average pay being the higher due to a greater proportion of males in the most senior roles), which is significantly below the national average as reported by ONS.

OPERATIONS

Colleague safety and wellbeing remains our number one priority, and we have all worked tirelessly during the pandemic to support colleagues in our distribution centres and offices. We have teams of COVID-19 marshals who review our processes daily, keeping wellbeing at the top of the agenda. We invested in various measures (including temperature scanners and lateral flow test centres) across all offices and distribution centres to ensure we are keeping our colleagues, their families and our local communities safe.

Our international customer services team, who were based at Burnley, have experienced a complete change of working environment. At the start of the pandemic, they transitioned to work from home and they are just as effective working remotely. Colleagues are kept informed and engaged through new online learning modules and a mental health support package, which are facilitating the change from a busy office environment to working remotely.

HEALTH, WELLBEING AND ENGAGEMENT ACTIVITIES

We take the health and wellbeing of our colleagues very seriously and place a huge importance on supporting teams to navigate their busy lives and critically their mental and physical health. The people team are trained mental health first aiders and work with managers to provide guidance to anyone that needs some additional wellbeing support.

We also focus on days that raise awareness of issues that matter to our boohoo family. These days give us the perfect chance to bring vital conversations to the forefront and get people talking about topics beyond the immediate working day. Some of the wellbeing areas we highlighted in 2020 included breast cancer screening and mental health (through the charity, CALM).

Across the group, we now have digital wellness hubs for all our colleagues, which provide articles, videos, hints and tips on how to improve wellbeing in a specific area of their world.

Alongside our healthcare app MediCash, sits our Employee Assistance Programme. This service allows our colleagues to access around-the-clock support and high-quality advice from experts on health and wellbeing.

DRIVING EMPLOYEE ENGAGEMENT WITHIN OUR FAMILY

This year, all our employees across the group were invited to participate in a Wellbeing and Engagement survey, which allows us to measure wellbeing and engagement levels and identify ways to improve how we do things. This year, 57% of colleagues participated in survey across all brands and locations and over 75% of employees see themselves working for the group in 12 months' time.

The survey confirmed that we have an engaged workforce, our colleagues feel valued and respected, they know what's expected of them in their role and they also have the right tools to do their role effectively.

This survey has also drawn out great results in the Diversity and Inclusion space, with 85% of colleagues who participated in the survey saying their manager has a focus on Diversity and Inclusion, and 81% would feel comfortable raising concerns around D&I, bullying or unfair treatment.

BOOHOOFAMILY INSTA

To improve communication and engagement, the boohoofamily Instagram platform was introduced in 2019. This allows us to share colleague stories on any engagement activities and also to showcase what it's like to be part of boohoo group. This continues to be very successful, uniting our global locations and providing an insight into all the different aspects of working at the boohoo group. We now have circa 6,000 followers up from 3,000 followers this time last year.

PLTHQ ON INSTAGRAM

Our PLTHQ account on Instagram is one of our crucial tools to engage with colleagues and external audiences across the globe. The account acts as a showreel to highlight what it's really like to work at PrettyLittleThing ('PLT') and gives us a platform to interact with our wide following from a people perspective. We post our live vacancies, host all our famous competitions, shout about important causes we are supporting, and promoting our wellbeing activity that we are hosting at our Manchester HQ.

YOUR VOICE

Your Voice started back in 2014 and it is a two-way communications channel where colleagues can share their ideas and suggestions with the leadership team. The group supports on all decisions from policy work to events to health and safety matters across our sites and truly enables our colleagues to feel listened to and to have a voice in the business.

REWARD AND BENEFITS

From our very early days, supporting the growth and retention of talent has been central to our success. We pride ourselves on our competitive total reward package, and especially the opportunity every colleague receives to join in our incredible success by making regular savings into our SAYE share save scheme. We also like to recognise the contribution each and every one of us makes by gifting every colleague a free number of shares each year in our SIP scheme. We offer a great range of benefits for our colleagues to enjoy, such as staff discount across our rapidly growing brands, annual incentive schemes, life assurance and health and wellbeing benefits, as well as free gym access and classes. We aim to be a leader in our field and we continue to evolve and improve our offering to make sure we find and retain the very best people.

LEARNING AND DEVELOPMENT

We are committed to developing our boohoo family in our own distinct way, promoting a culture that supports, develops and challenges us to deliver success. We champion microlearning and training on demand, which really fit with the fast-paced world of fashion. Our learning offer provides webinars, access to coaching and support to all our colleagues and leadership. At PLT, we quickly pivoted our face-to-face training to online during the pandemic with a brand new learning offer tailored to responding to the 'new normal' with initiatives like virtual check ins and a fresh collection of new webinars with titles like 'Building resilience in uncertainty' and 'Being a remote leader'. Across Operations and PLT, we have pioneered a fresh approach to training by rolling out a coaching programme across the business. This approach really shifted the perception that training only happens in the classroom.

SUMMARY

With the backdrop of a global pandemic our customers have demanded more from us than ever before. The continued commitment and support from our colleagues has allowed us to step up and deliver exceptional results in an extraordinarily challenging year.

Our colleagues are our strongest asset, and we will always strive to support them to grow, develop and thrive within our boohoo family.

On behalf of the board

John Lyttle
4 May 2021

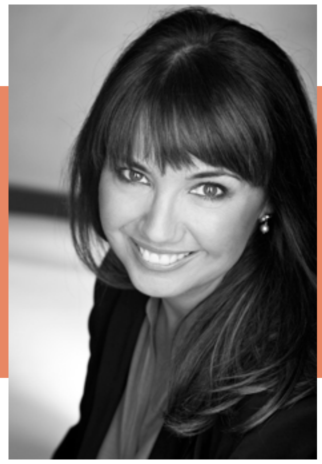
Neil Catto
4 May 2021

BOARD OF DIRECTORS

MAHMUD KAMANI

GROUP EXECUTIVE CHAIRMAN

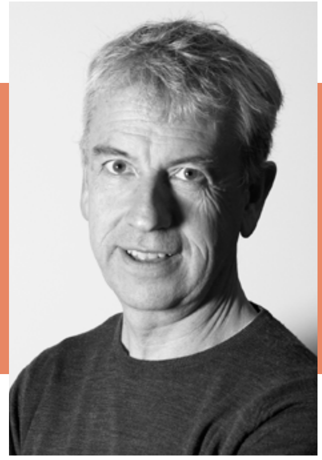
Mahmud founded boohoo with Carol Kane in 2006, leveraging over 30 years of experience in the fashion and clothing industry. Mahmud is an entrepreneur, with expertise encompassing all areas of the supply chain from sourcing, to import and wholesale. Mahmud is an inspirational leader, having built a strong 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 £7bn. 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.

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 most recently CFO of JD Sports plc for nearly 15 years. 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.

PIERRE CUILLERET

NON-EXECUTIVE DIRECTOR

A N RI R

Pierre sits on the Audit, Nomination, Risk and Remuneration Committees.

Pierre founded The Phone House in 1996, a large European mobile phone retailer. Between 2005 and 2014, Pierre was CEO and shareholder of Micromania, the number one video game retailer in France. From 2011 to 2014, he was Senior VP of GameStop Europe to whom he had sold Micromania. Other previous non-executive directorships include DIA, listed on the Madrid Stock Exchange and part of Ibex, and fashion retailer Desigual. Pierre currently supports and invests in rapid growth companies in Europe and the US and serves on the advisory boards of Antwort Capital in Luxembourg and DianaCapital in Spain.

SHAUN MCCABE

NON-EXECUTIVE DIRECTOR

A RI R N

Shaun is Chairman of the Audit and Risk Committees and sits on the Remuneration 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 RI N

Iain is Chairman of the Remuneration Committee and sits on the Audit, Risk and Nomination Committees.

Iain is the founder of Belerion Capital, a specialist technology and 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.

Committee Key

A Audit Committee

N Nomination Committee

R Remuneration Committee

RI Risk Committee

_ Chairman

CORPORATE GOVERNANCE REPORT

Mahmud Kamani

EXECUTIVE CHAIRMAN

4 MAY 2021

I'M PLEASED TO PRESENT THIS YEAR'S CORPORATE GOVERNANCE REPORT.

As Group Executive Chairman it is my responsibility to ensure that boohoo has an effective board and corporate governance framework.

Following the publication of the Independent Review by Alison Levitt QC, we made a commitment to adding further independent experience, increasing oversight on matters of compliance and business practices and adopting higher standards of corporate governance. We have endeavoured to do this in a way that is transparent and provable by our Agenda for Change, which will build a sustainable foundation for the long-term success of the business and for the benefit of our stakeholders.

The board has worked hard during the year to implement our Agenda for Change. We recognise there is further work to be done and I personally undertake that this will remain a key focus and priority throughout 2021 and beyond. A summary of the considerable improvements to our governance framework is detailed below.

INDEPENDENT OVERSIGHT

On 26 November 2020, the group announced the appointment of Sir Brian Leveson PC to provide independent oversight of the Agenda for Change and committed to publishing progress reports. In his reports, Sir Brian Leveson acknowledges the pace the group is making towards affecting change and these reports can be viewed in full on our group website. The board also appointed KPMG as consultants to advise and monitor the implementation and governance of the Agenda for Change programme.

STRENGTHENING GOVERNANCE WITH KEY APPOINTMENTS

The board is committed to additional expertise and independent challenge through the appointment of non-executive directors. Shaun McCabe was appointed on 17 November 2020 as an independent non-executive director and Chair of the group's Audit and Risk Committees. Shaun's full biography can be found on page 51 of this report.

We are also in the process of recruiting a second independent non-executive director experienced in dealing with environmental, social and governance ('ESG') matters.

RISK MANAGEMENT

The board takes ultimate responsibility for the effectiveness of risk management within the group and acknowledges that it must satisfy itself that the significant risks faced by the group are being managed appropriately.

We have implemented a new governance framework to ensure effective monitoring and reporting of risks across the group going forwards. We have also constituted a new risk committee to enable better identification and closer monitoring of risk at board level.

Further information on risk management can be found on page 34 of this report.

EXECUTIVE REMUNERATION

We have redesigned the executive directors' remuneration policy to align the interests of the executives with stakeholders, including the introduction of performance conditions linked to ESG criteria. This is an important part of the board's response to the findings of the Independent Review and the successful implementation of the corporate governance aspects of our Agenda for Change programme.

BOARD EVALUATION

In February 2021, the board participated in an external evaluation of its performance to assess and address any areas for development through an independent lens. The aim of the evaluation was to identify ways to enable the board to achieve its full potential and operate more effectively. Looking ahead, I will commission a further externally facilitated board evaluation by the end of the next financial year to consider the effectiveness of these changes, implemented following the initial review.

BOARD EFFECTIVENESS AND DEVELOPMENT

This year, as part of the board's commitment to ensuring the highest standards of governance for the group, each board member will attend training on the practical application of the QCA Corporate Governance Code and issues raised in the Independent Review, including how to operate as an effective board as well as latest trends and developments in areas such as the ESG agenda and risk management.

GOVERNANCE FRAMEWORK

Under my leadership, it is the responsibility of each member of the board to ensure that we uphold the highest standards of corporate governance. We embraced the Independent Review as a critical, but fair, assessment of our business practices and governance framework. Whilst we remain on track to deliver the Agenda for Change, and by doing so improving our governance framework, we recognise that it will take time to demonstrate real change and rebuild stakeholder trust.

We will continue to focus on delivering the Agenda for Change and maintaining momentum to make boohoo a better and more responsible business. We will be transparent about the progress we're making through open and regular communication with our stakeholders.

Mahmud Kamani
GROUP EXECUTIVE CHAIRMAN

CHAIRMAN'S GOVERNANCE STATEMENT

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

1. Establish a strategy and business model which promotes long-term value for shareholders

The group owns the brands boohoo, boohooMAN, PrettyLittleThing, Nasty Gal, MissPap, 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 focussed 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 16.

2. 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.

3. 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 64.

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. Further information on the Agenda for Change and our Supply Chain can be found on page 20.

4. 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 new 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 a new internal risk management procedure 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 newly constituted Executive Risk Group reports on its review of the risks and how they are managed to both the board and Risk Committee, 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 independent 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.

CORPORATE GOVERNANCE REPORT
CONTINUED

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

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

The board currently comprises four executive directors and four non-executive directors. The board has an Executive Chairman and a Non-executive Deputy Chairman and intends to recruit a further independent non-executive director to maintain the balance on the board in favour of non-executive directors. Further details of the governance structure are set out at Principle 9.

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 Committee four times per year.

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

The directors' biographies appear on pages 50 and 51.

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. As at 4 May 2021, the board has met twice since the end of the financial year.

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.

	Board		Audit Committee		Remuneration Committee		Nomination Committee		Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mahmud Kamani	9	9	-	-	-	-	-	-	-	-
Carol Kane	9	9	-	-	-	-	-	-	-	-
John Lyttle	9	9	-	-	-	-	-	-	-	-
Neil Catto	9	9	-	-	-	-	-	-	-	-
Pierre Cuilleret	9	9	3	3	2	2	4	4	2	2
Shaun McCabe	3	3	1	1	2	2	2	2	2	2
Iain McDonald	9	9	3	3	2	-	4	4	2	2
Sara Murray	1	1	-	-	-	-	1	1	-	-
Brian Small	9	9	3	3	2	2	3	3	2	2

The board has a blend of different experience and backgrounds. Each of Brian Small, Pierre Cuilleret, Iain McDonald, and Shaun McCabe 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 KPMG, Korn Ferry and Paul Hastings LLP.

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.

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

The most recent external evaluation of the board (including sub-committees and individual board members) was completed in early 2021 by Korn Ferry. 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. Clearer succession plans across the business and its brands;

b. A regular review of the key roles and organisation structure to ensure that they remain appropriate as the business continues to scale;

c. 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

d. Review the extent to which cultural change is effectively permeating throughout the organisation with the newly appointed Chief People Officer.

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.

8. 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 strives to continually 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 48 to 49 of this report.

9. 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 to best improve its corporate governance; and as a fast growing company, boohoo is constantly looking for ways to strengthen its board, whilst ensuring that the business is led by people with the right experience, passion and enthusiasm. In order to ensure there are enough independent directors to maintain the balance of the board in favour of non-executive directors, the company will be appointing one more. The search process to recruit a further independent non-executive director is ongoing.

The enlarged and strengthened board structure has substantially enhanced the bandwidth to formulate, plan and begin to execute a multi-brand strategy. 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.

Brian Small has been appointed as Deputy Chairman to lead the independent non-executive directors on matters where independence is required.

In summary, this structure enables the retention of key skill-sets within the company whilst 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.

There are four board committees – Audit, Nomination, Remuneration and Risk Committees on the following pages.

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 also 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 and Risk 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.

CORPORATE GOVERNANCE REPORT
CONTINUED

THERE ARE FOUR BOARD COMMITTEES – AUDIT, NOMINATION, REMUNERATION AND RISK COMMITTEES. THE ROLES AND RESPONSIBILITIES OF EACH ARE DETAILED HERE.

01 AUDIT COMMITTEE

Following his appointment in November 2020, Shaun McCabe is currently 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 and Pierre Cuilleret are the other members of the Audit Committee.

The Audit Committee meets three times a year and also 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 Chairman 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 who, following a competitive tender process, replaced PricewaterhouseCoopers as the company's auditor on 21 December 2020.

02 RISK COMMITTEE

The chairman 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, Pierre Cuilleret and Iain McDonald 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 31.

03 NOMINATION COMMITTEE

Brian Small is the chairman 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. Pierre Cuilleret, Iain McDonald and Shaun McCabe are the other members of the Nomination Committee.

04 REMUNERATION COMMITTEE

The chairman 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. Pierre Cuilleret, Shaun McCabe and Brian Small 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 66.

DIRECTORS' REPORT

THE DIRECTORS PRESENT THEIR DIRECTORS' REPORT AND ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021.

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 European Union. The review of the business on pages 26 to 33 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 52 to 59 should be read as forming part of the directors' report.

RESULTS AND DIVIDENDS
Group profit after tax for the year to 28 February 2021 was £93.4 million (2020: £72.9 million). The audited financial statements for the year for the group and company are set out on pages 90 to 118.

The directors do not recommend the payment of a dividend (2020: 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.

DIRECTORS AND COMPANY SECRETARY
The biographies of the directors who held office throughout the year and subsequently are set out on pages 50 to 51. 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 81.

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 for the purposes of section 234 of the Companies Act 2006 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 2021 was 1,263,255,457 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 22.6 million shares as at 28 February 2021. The trustees may vote on the beneficiaries' shares in accordance with the beneficiaries' instructions.

SUBSTANTIAL SHAREHOLDERS
Shareholders holding more than 3% of the company's shares as at 31 March 2021:

Shareholder	Number of ordinary shares held	Percentage held
Mahmud Kamani*	152,979,880	12.53%
Jupiter Asset Management	114,054,515	9.04%
T Rowe Price Associates	82,165,541	6.51%
Invesco Advisers Inc	76,328,033	6.05%
Rabia Kamani*	56,944,782	4.51%
Hargreaves Lansdown	40,932,989	3.25%

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 26 to 33.

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 continue to be effective. Trading during the year to February 2021 has shown that online sales have been resilient during lockdowns in many countries. The group has substantial cash resources and undrawn credit facilities sufficient to continue solvent trading in the face of an unforeseen downturn in demand. As of the date of this report, we are continuing to operate, with the warehouses functioning under government-compliant safe working conditions and many office staff working from home.

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.

DIRECTORS' REPORT
CONTINUED

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. Once a year, three-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 three-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 three-year plan is the appropriate period to project financial plans with a reasonable level of certainty in line with their current strategic objectives.

Based on their assessment of prospects and viability, and having taken into account a worst-case scenario arising from a continuation of the COVID-19 pandemic, 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 three-year period ending February 2024.

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.

Our impacts on, and engagement with, our stakeholder groups is considered further within the group's Sustainability Strategy on pages 39 to 49.

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 39 to 49 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 he/she ought to have taken as a director to make himself/herself 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.

SECTION 172 STATEMENT:

BOARD ENGAGEMENT WITH STAKEHOLDERS

"A fresh and proactive approach to stakeholder engagement to create mutually positive opportunities and outcomes."

AN AGENDA FOR CHANGE

The significant and clearly unacceptable supply chain issues identified in Leicester have had a marked impact on all our stakeholders. The board recognises that a fresh and proactive approach to stakeholder engagement is required to create mutually positive opportunities and outcomes for all our stakeholders, and to promote long-term sustainability and success.

How we have responded to protect the garment workers, suppliers, our business and manage the expectations of all our stakeholders is set out in full on pages 20 to 23.

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.

Speaking with those we work with, deliver products for and who invest their money, is essential to running a successful business. 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.

The board exercises skill and judgement 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.

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 appropriately consider the impact and views of key stakeholder groups whilst 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 pages 52 to 59.

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.

Consideration of the impact that the group and its operations has on all stakeholders is central to the culture and values of boohoo – more information about our values and culture can be found on page 9.

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 environmental protection, animal welfare, employee and supplier conduct and human rights and are available on our website.

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 54 to 57.

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.

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

Stakeholders	What they care about	How the board engaged during the year	
EMPLOYEES	Working environment Culture Learning and development Pay and benefits Wellbeing	• Engaged with external experts to run wellbeing and diversity and inclusion workshops. • Created a new internal engagement strategy and an employee-led diversity and inclusion steering group • Launched a new internal intranet site called boohooforyou and employee Instagram page	• Introduced regular global town hall meetings for the board and other senior management to engage with employees about key issues • Engaged employees in developing our sustainability strategy
SUPPLIERS	Payment Transparency Human rights Material sourcing Future business growth	• Enforced industry-leading payment terms to ensure suppliers' cash flow is robust • Hosted a virtual conference for all UK manufacturing suppliers, sharing strategies and information on ethical and product compliance, sourcing, sustainability, Thurmaston Lane and the Agenda for Change.	• Visited suppliers whenever practical (COVID-19 safety protocols adhered to)
CUSTOMERS	Product quality, design and safety Affordable On-trend fashion Sustainability Customer service	• Reviewed monthly reports on customer brand perceptions, including quality, value, trends, and CSR measures, including sustainability. • Proactively communicated to around 2 million customers throughout the year about delays relating to weather, COVID-19 or carrier failures.	• Interaction with customers on WhatsApp and social media channels • Engaged experts in developing our sustainability strategy
COMMUNITY & ENVIRONMENT	Sustainability Climate change Charity Support	• Established a cross-functional steering group to lead the creation of the group's new sustainability strategy • Actively contributed to Waste Resources Action Programme's Textiles 2030 initiative, the sustainable apparel coalition and the microfibre consortium • Gave evidence to the BEIS committee session on sourcing from the Xinjiang Province of China and the Environmental Audit Committee session on fashion	• Engaged experts, customers and employees in developing our sustainability strategy • Engaged with key campaigns such as the changing markets campaign on responsible viscose sourcing
GARMENT WORKERS	Working conditions Safety Communication Living wage	• Established the Garment and Textile Workers' Trust with the aim of delivering a package of services for garment workers in the city. This will include community initiatives, such as outreach workers and educational opportunities, such as scholarships.	
SHAREHOLDERS	Transparency Open communication ESG management Financial performance	• Investor roadshows in May and September following annual and half-year results • Attended virtual investor conferences through a series of one-to-one and group meetings • Extensive shareholder engagement as part of the Independent Review of the group's supply chain • Reviewed value creation opportunities for the group through: a fund-raise in May 2020, acquisitions of the Oasis and Warehouse brands as well as selected brands from the Arcadia Group, and strategic purchase of Debenhams	• Considered value-creation potential for shareholders through an early purchase of the remaining 34% minority interest in PrettyLittleThing.com Limited • Conducted non-executive director roadshows on governance-related matters, directly engaging with approximately 40% of independent shareholders • Extensive engagement with shareholder representative group, the Investor Forum
GOVERNMENT AND NGOS	Compliance with laws and workers' rights	• Volunteered to appear in front of three House of Commons select committees in 2020 to illustrate the approach that the group is taking on particular issues • Proactively engaged with government, local government, NGOs, charities and local stakeholders, sharing regular updates on Agenda for Change.	• Hosted consultation workshops for local stakeholders • Engaged with broad range of government stakeholders and APPG on Textiles to provide an update on our sustainability strategy • One-to-one meetings between CEO and local MPs, Mayor of Manchester and NGO leaders

On behalf of the board

John Lyttle **Neil Catto**

4 May 2021

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. This has been a particular area of focus for the Committee during the year under review in light of the heightened level of scrutiny of the business, the size of the vote against the directors' remuneration report at the 2020 AGM, feedback from leading shareholders and our desire to ensure that, going forwards, there is the strongest possible alignment between executive pay and the long-term interests of all stakeholders. After a detailed review, we have agreed a number of changes to directors' remuneration, which are explained in more detail below. We discussed these changes with major shareholders earlier this year and I was pleased to report that we received overwhelmingly positive feedback.

PERFORMANCE AND REWARD FOR THE YEAR ENDED 28 FEBRUARY 2021

For the year ended 28 February 2021, in relation to the annual bonus plan, the group achieved outstanding revenue and Adjusted EBITDA growth above the top end of the stretching target ranges, which are disclosed on page 77. As a result, the executive directors received 100% of their bonus potential, which the Committee believes was an excellent result in what have been challenging business conditions.

We considered the financial performance in the context of the wider supply chain and governance issues which occurred during the course of the year and noted the outstanding response of the management team in seeking to resolve the complex and difficult problems that have been the subject of much debate internally and externally. Although there is still some way to go, progress to date has been excellent and the Committee does not believe that reducing bonus outcomes would be necessary or desirable. Bonuses have also been paid to employees throughout the company to recognise the very strong level of performance over the year and we have made a one-off share award to all full-time employees worth £3,600 per person, in recognition of their outstanding commitment and performance in what has been an exceptionally challenging year from an operating perspective.

MANAGEMENT INCENTIVE PLAN

A new, one-off, long-term incentive plan for directors and senior managers, the Management Incentive Plan ('MIP') was introduced in June 2020 to align long-term growth in the share price and market capitalisation to executive reward. Participants include the founders of the business, Mahmud Kamani and Carol Kane, neither of whom have participated in any long-term incentive scheme since the flotation in 2014, despite being integral to the success of the group since its inception. The MIP is broad-based and includes 13 other participants, including the CFO, Neil Catto, and key contributors below board level. The ultimate value of MIP awards will depend on the growth of the business over the three years to June 2023, with the market capitalisation of the company needing to reach £6.295 billion (equal to a compound annual growth rate of 11%) by June 2023 before any value is realised. A maximum amount of £150 million may be shared by all participants if market capitalisation is £7.554 billion (equal to a CAGR of 18%) or higher. The Committee believes that the targets, required to be achieved in just over two years' time from now, are exceptionally demanding.

The MIP is a central part of the remuneration arrangements for our leading executives over the mediumterm and is intended to drive further growth in the business. It is consistent with our performance-based culture and has many similarities with the structure of the Growth Share Plan introduced for John Lyttle in 2019, thus ensuring a broadly consistent approach to long-term incentives across the executive director and senior management team. Although participants have the ability to earn considerable amounts under the MIP, this would be a very small fraction of the overall returns delivered to shareholders and will only become payable if boohoo achieves exceptional growth for the benefit of all shareholders.

The MIP was implemented after it was announced to the market and, as permitted by the AIM Rules, there was no requirement to seek shareholder approval for the plan. As announced at the time, the Committee took the view that the interests of shareholders would be best served by granting the awards immediately without recourse to a shareholder vote, which ensured participants were immediately incentivised to deliver stretching share price growth as the group executes its multi-brand online strategy. We subsequently received a number of comments about this decision and, with hindsight, we recognise that it would have been more consistent with our philosophy of transparency and shareholder openness to seek shareholder approval before implementing the plan.

We have also reviewed the MIP in light of the supply chain issues raised over the course of the financial year. Whilst we ultimately believe that the full resolution (or otherwise) of these issues will be reflected in long-term share price performance (and thus have an impact on the value of awards) we have also agreed with participants to add a new non-financial performance condition. Under this new target, the Committee must be satisfied that the Agenda for Change programme has been successfully implemented over the three-year performance period before the vesting of any MIP awards. The Agenda for Change programme is centred around the implementation of the recommendations from the Alison Levitt Independent Review. These recommendations are a set of clear, measureable and focused targets, which have been published in full. The level of programme oversight provided by KPMG, together with the overall programme oversight provided by Sir Brian Leveson, will ensure that performance against these recommendations and the wider programme is constantly monitored and reported on by independent third parties. In line with its wider commitment to the highest standards of transparency, the group has committed to publishing each of Sir Brian Leveson's reports, in full. Through the Agenda for Change programme, the Committee has a clear structure in place to assess performance. In the event of the Committee determining that the Agenda for Change programme has not been successfully implemented in full, we will have the ability to reduce the level of vesting of awards, irrespective of the share price growth achieved over the performance period.

In addition, John Lyttle has agreed to a similar amendment to his award under the Growth Share Plan, meaning that he will only benefit from his award to the extent that there is both sufficient growth in boohoo's market capitalisation and a successful implementation of Agenda for Change.

REMUNERATION FOR THE YEAR ENDING 28 FEBRUARY 2022

We have also reflected on how we should implement the remuneration policy for the financial year ending 28 February 2022, taking into account the events of the past year and the views of major boohoo shareholders. These changes are as follows:

- Basic salaries for the executive directors will increase by 3% with effect from May 2021, 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, up to 150% for John Lyttle and up to 200% for Mahmud Kamani and Carol Kane. In line with common practice for companies of a similar size to boohoo, we will introduce 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 supplement the current financial performance conditions for the annual bonus with a mix of ESG and strategic non-financial targets. As a result, 45% of the 2022 bonus will be based on EBITDA, 30% on revenue, 15% on continued progress on the 2022 Agenda for Change milestones and 10% on the successful integration of the newly-acquired brands.
- The Remuneration Committee will also have the discretion to scale back the entire bonus if it is considered that the Agenda for Change has not been implemented successfully over the financial year. These changes are designed to ensure that the management team remains focused both on growing the business and continuing to make progress on addressing the supply chain issues.
- No awards will be made to the executive directors under the Long-Term Incentive Plan ('LTIP') in the 2022 financial year, to ensure full focus on the targets which must be met under the MIP and the Growth Share Plan. To date, Neil Catto has been the only director to receive standard awards under the LTIP, which vest subject to stretching three-year performance targets. He received an award during the year ended 28 February 2021 as part of his standard remuneration package. Whilst executives will not receive an award in the 2022 financial year, we will review the position at a later date with regards to awards in future years, mindful of the need to have suitable ongoing long-term incentive arrangements in place.
- The shareholding requirements for the executive directors have been extended and increased from 150% of basic salary to 200% of basic salary. For John Lyttle, the holding requirement currently increases to 300% on maturity of the Growth Share Plan and this will rise to 400%. On maturity of their awards under the MIP, the other executive directors will then also be required to hold shares equivalent to 400% of their basic salary. We are also requesting that the executive directors hold shares equivalent to the level of their in-service shareholding guideline for a minimum of two years after cessation of employment. These changes further enhance the alignment between directors' remuneration and the interests of shareholders, and are consistent with best practice for a company of boohoo's size.
- The clawback and malus provisions in the incentive schemes have been extended, with the Committee now able to invoke them in circumstances of serious reputational damage or corporate failure (in addition to the existing trigger events). Again, this change brings our practice into line with what investors expect for a large listed company.
- We have decided to make a small but important change to the pension provision for the directors. Currently, certain directors receive a cash supplement equivalent to 6.2% of basic salary in lieu of a pension contribution. With effect from 1 January 2023, we will reduce this to 5% of basic salary to align with the provision for the wider workforce. This approach ensures that boohoo complies with the UK Corporate Governance Code and the guidance of the Investment Association (notwithstanding that the Code and the IA guidance apply primarily to premium listed companies).

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 February 2021. 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 and 2020 financial years and our intention will be to make another award in the financial year ending 2022.

Discounted options were issued under an HMRC-approved Save As You Earn ('SAYE') plan in each of the financial years ended 2016 to 2021. 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 and we welcome the interactions we have had with investors over the last 12 months. The comments received have been instrumental in informing the changes that we have made, as set out above. We would welcome any additional feedback either before or after the forthcoming AGM. 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, 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 has been enhanced through proposed changes to the policy 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 standard awards made to the CFO and other senior executives 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 have recently been strengthened and which, as noted above, will now 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 below:

Principle	How it is addressed
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 has been extended this year to reflect 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 (with effect from FY2022) 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 and are not complicated through the use of metrics such as relative Total Shareholder Return.
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. The Committee has considered very carefully the current incentive structures in light of the issues raised during the course of the financial year and has recognised the merits of making some enhancements. For example, participants in the Growth Share Plan and the MIP have agreed that no awards will vest unless the Committee is satisfied that the Agenda for Change programme has been successfully implemented over the performance period. This is intended to provide additional reassurance that executives are directly focused on resolving the supply chain issues which have emerged and not focused solely on growth without due recognition of wider stakeholder interests.
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 incentive schemes are designed to support our strategic growth programme as we strive to lead the fashion e-commerce market globally. The schemes operate with ambitious targets which are closely aligned to the growth aspirations of the business. There is no potential for rewards for failure or poor performance.
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 to the remuneration policy as 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 so as 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 with 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. However, in line with the recommendation of the UK Corporate Governance Code, the Committee intends to engage with employees to explain how executive remuneration aligns with wider company pay policy.

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 consulted with major shareholders on the proposed changes to the policy.

DIRECTORS' REMUNERATION REPORT
CONTINUED

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 improve the alignment with shareholders and key stakeholders in the business. The revised policy is as follows:

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
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 • With effect from the financial year ending 28 February 2022, 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 and Carol Kane, up to 150% of salary for John Lyttle and up to 100% of salary for all 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 which are identified as the 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

Element	Purpose and link to strategy	Operation	Maximum opportunity	Framework used to assess performance
Long-Term Incentive Plan ('LTIP')	• Intended to align the long-term interests of senior executives with those of shareholders • Neil Catto is the only executive director to participate in this plan • 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)	• The maximum annual limit contained within the plan rules is 150% of salary for executive directors • Awards are at the discretion of the Committee and may be made at lower levels than this • Exceptionally, at the discretion of the Committee, awards may be made in excess of 150% of salary per annum	• 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, PBT 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
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, John Lyttle has agreed to an amendment to the terms of the award such that 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, all participants have agreed to an amendment to the terms of their award such that vesting of any part of the award will require the successful implementation of the Agenda for Change programme

DIRECTORS' REMUNERATION REPORT
CONTINUED

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

CHOICE OF PERFORMANCE MEASURES AND APPROACH TO TARGET SETTING

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. As explained in the Annual Statement by the Chairman of the Remuneration Committee, an additional measure has been added to both plans which means that vesting of any awards requires successful implementation of the Agenda for Change programme, thus tying management reward more closely to this critical priority for the business.

The performance metrics and targets that are set for the executive directors via the annual bonus plan and LTIP awards are carefully selected to align closely with the group's strategic plan and key performance indicators.

Annual bonus

In terms of annual performance targets, the bonus is 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 have been introduced to the bonus scheme. 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 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, whilst 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.

DIRECTORS' REMUNERATION REPORT
CONTINUED

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 his/her departure and, in the event of this determination being made, will set out its rationale in the following annual report on remuneration.

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 which 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

DIRECTORS' REMUNERATION REPORT
CONTINUED

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 2021.

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 2021 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	**2021**	**450,000**	**42,747**	**-**	**-**	**900,000**	**-**	**1,392,747**
	2020	433,333	42,488	-	-	900,000	-	1,375,822
Carol Kane	**2021**	**450,000**	**5,331**	**27,900**	**-**	**900,000**	**-**	**1,383,231**
	2020	433,333	8,572	23,467	-	900,000	-	1,365,372
John Lyttle	**2021**	**615,000**	**3,777**	**33,388**	**3,599**	**922,500**	**-**	**1,578,264**
	2020	592,947	4,283	19,267	6,498	922,500	1,156,695	2,702,190
Neil Catto	**2021**	**300,000**	**2,959**	**18,600**	**3,599**	**300,000**	**435,155**	**1,060,313**
	2020	294,833	2,925	14,317	6,498	300,000	513,084	1,131,706
Total executive directors	**2021**	**1,815,000**	**54,814**	**79,888**	**7,198**	**3,022,500**	**435,155**	**5,414,555**
	2020	1,754,496	58,269	57,051	12,996	3,022,500	1,669,779	6,575,091
Non-executive directors								
Pierre Cuilleret	**2021**	**60,000**	**-**	**-**	**10,000**	**-**	**-**	**70,000**
	2020	56,667	-	-	10,000	-	-	66,667
Shaun McCabe	**2021**	**20,192**	**-**	**-**	**10,000**	**-**	**-**	**30,192**
	2020	-	-	-	-	-	-	-
Iain McDonald	**2021**	**70,000**	**-**	**-**	**10,000**	**-**	**-**	**80,000**
	2020	65,000	-		10,000	-	-	75,000
Sara Murray	**2021**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020	75,000	-	-	10,000	-	-	85,000
Brian Small	**2021**	**126,859**	**-**	**-**	**20,000**	**-**	**-**	**146,859**
	2020	59,679	-	-	20,000	-	-	79,679
Total non-executive directors	**2021**	**277,051**	**-**	**-**	**50,000**	**-**	**-**	**327,051**
	2020	256,346	-	-	50,000	-	-	306,346
Total	**2021**	**2,092,051**	**54,814**	**79,888**	**57,198**	**3,022,500**	**435,155**	**5,741,606**
	2020	2,010,842	58,269	57,051	62,996	3,022,500	1,669,779	6,881,437

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 2018 and vesting on 28 June 2021 based on performance measured to 28 February 2021 can be found below. A share price of 338p (the three-month average share price to 26 February 2021) has been used for the purposes of valuing the gain. Of the amount stated in the table, £175,156 is attributable to share price appreciation.
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 2021, Mahmud Kamani's and Carol Kane's maximum potential bonus was 200% of basic salary, John Lyttle's 150% and Neil Catto's 100%. 40% of the potential bonus related to a revenue target and 60% of the potential bonus related to an adjusted EBITDA target. Bonus entitlement targets were as follows:

Financial target range	Bonus entitlement %
Revenue target:	
Threshold £1,500 million	12.0%
Upper limit £1,600 million or more	40.0%
Adjusted EBITDA target:	
Threshold £145 million	18.0%
Upper limit £160 million or more	60.0%

The amount of bonus payable varies on a sliding scale between the threshold and upper limit shown above. For the financial year ended 28 February 2021, revenue was £1,745 million and adjusted EBITDA £173.6 million, resulting in payments of 40% and 60% of bonus entitlement respectively. Bonuses payable were as follows:

Name	Bonus % of salary
Mahmud Kamani	200%
Carol Kane	200%
John Lyttle	150%
Neil Catto	100%

DIRECTORS' REMUNERATION REPORT
CONTINUED

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	128,744	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

2016 grant
The performance targets for the shares granted on 30/06/16 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 FY2019. Minimum "threshold" and "stretch" targets were established by the Committee against these criteria. The EPS element vested on a straight-line basis between target intervals from 1.6p for a 25% vesting to 2.4p for 100% vesting. The actual vesting was 100%. The TSR element vested on a straight-line basis between target intervals from 50% growth in TSR for a 25% vesting to 125% growth in TSR for a 100% vesting. The actual vesting was 100%. The combined vesting was therefore 100%.

2017 grant
The performance targets for the shares granted on 13/06/17 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 FY2020. Minimum "threshold" and "stretch" targets were established by the Committee against these criteria. The EPS element vested on a straight-line basis between target intervals from 7.5p for a 25% vesting to 12p for 100% vesting. The actual vesting was 100%. The TSR element vested on a straight-line basis between target intervals from 50% growth in TSR for a 25% vesting to 125% growth in TSR for a 100% vesting. The actual vesting was 62%. The combined vesting was therefore 87.3%.

2018 grant
The performance targets for the shares granted on 28/06/18 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 five days after publication of the FY2021 Annual Report and Accounts. Minimum "threshold" and "stretch" targets were established by the Committee against these criteria. The EPS element vests on a straight-line basis between target intervals from 11.3p for a 20% vesting to 14.9p for 100% vesting. The actual vesting will be 100%. The TSR element vests on a straight-line basis between target intervals from 20.4% growth in TSR for a 25% vesting to 73.9% growth in TSR for a 100% vesting.

2019 grant
The performance targets for the shares granted on 11/12/19 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 FY2022. 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 16p for a 20% vesting to 19p for 100% vesting. 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.

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. The award granted to Neil Catto on 03/11/20 had a face value of 150% of basic salary.

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
John Lyttle	884	226	23/08/19	23/08/22
John Lyttle	974	370	19/02/21	19/02/24

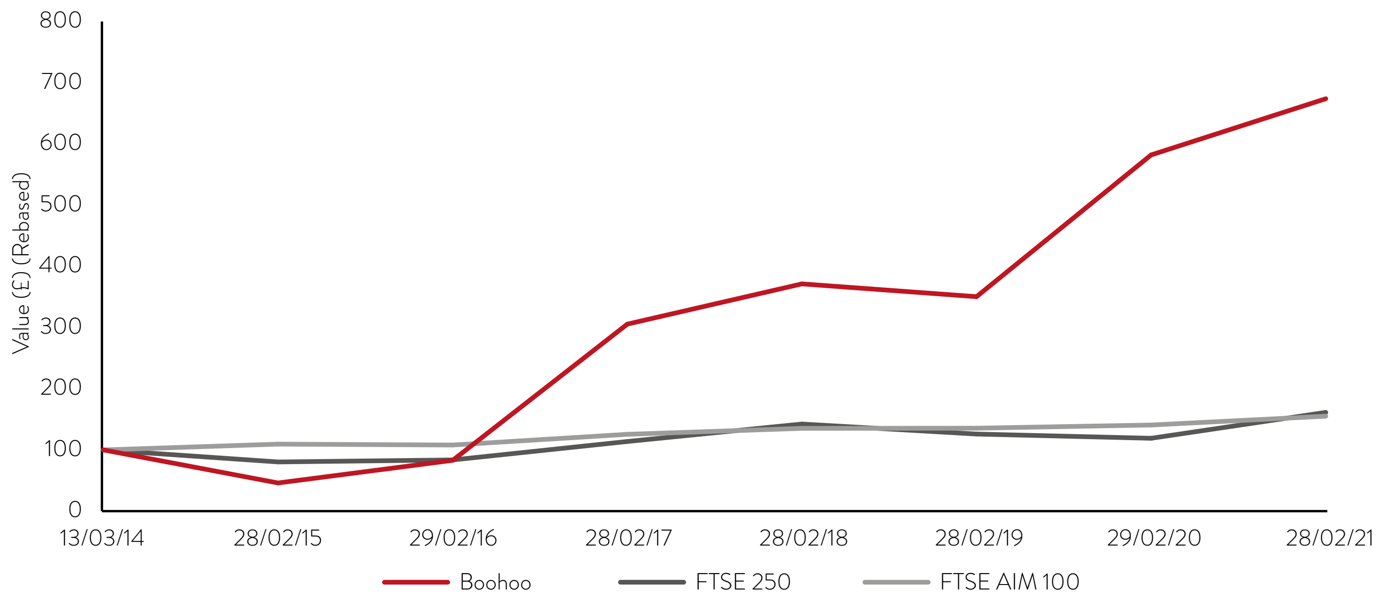
SAVE AS YOU EARN SHARE SCHEME ('SAYE')
The HMRC-approved all-employee Save As You Earn scheme allows employees to purchase shares at a 20% discount to market price at date of grant on the future option date. There are no performance criteria for the SAYE shares. The directors hold the following options 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

OTHER BENEFITS
In the prior year, and as previously disclosed, a one-off conditional award over 357,446 ordinary shares was made to John Lyttle in compensation for the loss of short and long-term incentive awards, which lapsed on leaving his previous employer, provided John stayed in his role as Chief Executive for a period of 12 months to 15 March 2020. The award vested in March 2020 and the value of £1.2 million was recognised in the single total figure table for the financial year ended 29 February 2020.

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



Source: Datastream (Thomson reutuers)

DIRECTORS' REMUNERATION REPORT
CONTINUED

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
	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	Mahmud Kamani	Carol Kane	John Lyttle	John Lyttle
Total Single Figure (£k)	217	235	379	390	396	410	893	914	1,062	1,072	2,702	1,578
Annual bonus payment (% of maximum)	0%	0%	90%	90%	100%	100%	100%	100%	100%	100%	100%	100%
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

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 or FY2021. 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 last year's 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	0%
Average percentage increase in all employees' base salaries	5.9%

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
2021	76:1	65:1	49:1
2020[1]	151:1	130:1	95:1

1. Prior year numbers restated based on total single figure remuneration and not basic pay as previously reported

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 has been a significant reduction in the pay ratio reported for 2021 when compared to that reported for 2020. This is 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.

	2021		2020	
Pay data £000	**Base salary**	**Total pay and benefits**	Base salary (annualised)	Total pay and benefits
Chief Executive remuneration	**615**	**1,578**	615	2,702
UK employees 25th percentile	**19**	**21**	18	18
UK employees 50th percentile	**21**	**24**	19	21
UK employees 75th percentile	**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 of director	Beneficially owned at 29 February 2020	Free share award under NED remuneration policy	Shares acquired during the year	Shares disposed of during the year	Beneficially owned at 28 February 2021	As a % of share capital	Outstanding share options	Shares held under SIP	SAYE options granted	**Total interests in shares at 28 February 2021**
Mahmud Kamani	152,679,880	-	5,300,000	-	157,979,880	12.55%	-	-	-	**157,979,880**
Carol Kane	31,330,421	-	2,000,000	-	33,330,421	2.65%	-	-	-	**33,330,421**
John Lyttle	-	-	-	-	-	-	357,446	1,858	8,297	**367,601**
Neil Catto	73,910	-	5,825	-	79,735	0.01%	1,005,038	12,367	8,297	**1,105,437**
Pierre Cuilleret	214,481	2,855	-	-	217,336	0.02%	-	-	-	**217,336**
Iain McDonald	468,481	2,855	150,000	-	621,336	0.05%	-	-	-	**621,336**
Shaun McCabe	-	2,855	100,000	-	102,855	0.01%	-	-	-	**102,855**
Brian Small	46,770	5,711	10,000	-	62,481	0.01%	-	-	-	**62,481**

GROWTH SHARE PLAN

As explained in last year's report, John Lyttle, Chief Executive, has subscribed for 1,950 A ordinary shares of 0.1 pence 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.
- As explained in the Annual Statement by the Chairman of the Remuneration Committee on page 66, John Lyttle has 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 0.1 pence each ('B Ordinary Shares'), respectively, in boohoo Holdings Limited, an intermediary holding company of the group, as part of a Management Incentive Plan ('the 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.
- As explained in the Annual Statement by the Chairman of the Remuneration Committee on page 71, the executive directors have 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.

DIRECTORS' REMUNERATION REPORT
CONTINUED

COMPOSITION OF THE REMUNERATION COMMITTEE
The members of the Committee are Iain McDonald, Pierre Cuilleret, Shaun McCabe 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 KPMG LLP. The total fees paid to KPMG LLP in respect of its services during the year were £15,000 (2020: £61,850). The Committee also appointed Korn Ferry to provide advice on remuneration matters and reporting. The total fees paid to Korn Ferry in respect of its services during the year were £23,200 (2020: £nil). KPMG LLP and 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. The Committee received additional advice on the Management Incentive Plan from Paul Hastings (Europe) LLP during the year, for which fees of £8,625 (2020: £nil) were payable.

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 2020:

Resolution	For	Against	Withheld
Approve the Directors' Remuneration Report for the year ended 29 February 2020	677,473,350 (65.92%)	350,227,062 (34.08%)	10,171

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 2022 - UNAUDITED

BASE SALARY
The annual base salaries (excluding any substitution allowance for a company pension foregone) of the executive directors are as follows. The Committee has agreed salary increases of 3% with effect from 1 May 2021, as set out in the table below. These increases are in line with the average increase for the wider workforce.

		From 1 May 2021	From 1 May 2020
Mahmud Kamani	Group Executive Chairman	**£463,500**	£450,000
Carol Kane	Group Co-founder and Executive Director	**£463,500**	£450,000
John Lyttle	Chief Executive	**£633,450**	£615,000
Neil Catto	CFO	**£309,000**	£300,000

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 revised in 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 2022 as a percentage of salary will be as follows: Mahmud Kamani and Carol Kane 200%, John Lyttle 150% and Neil Catto 100%. The maximum bonus will be payable based on performance measured over the single financial year ending 28 February 2022. 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 continued progress on the 2022 Agenda for Change milestones and 10% on the successful integration of the group's newly acquired brands. The Remuneration Committee will also have the discretion to scale back the entire bonus if it is considered that Agenda for Change has not been implemented successfully over the financial year.

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 introduced to provide for a more rounded assessment of performance and to ensure that the management team continues to make progress on addressing the supply chain issues. 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 has been introduced 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 2022, 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')
No new awards under the LTIP or any other long-term incentive arrangement will be made to executive directors during the financial year ending 28 February 2022.

ALL-EMPLOYEE SHARE PLANS
The board granted free shares in the financial year ended 28 February 2021. It is intended to grant a further issue of free shares to all employees in the financial year ending 28 February 2022. The company offered HMRC-approved SAYE plans in each of the financial years ended from 2016 to 2021 and it is intended that a further SAYE grant be offered for the financial year ending 28 February 2022. The executive directors are eligible to participate in the schemes on the same basis as other employees.

DIRECTORS' REMUNERATION REPORT
CONTINUED

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 2021		From 1 March 2020	
		Share awards	**Fees**	Share awards	Fees
Pierre Cuilleret	NED	**£10,000**	**£60,000**	£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**	**£80,000**	-	-
Brian Small	Deputy Chairman, SID, 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
4 May 2021

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

The directors are responsible for preparing financial statements for each financial year, which give a true and fair view, in accordance with applicable Jersey law and International Financial Reporting Standards, of the state of affairs of the group and of the profit or loss of the group 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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.

On behalf of the board

John Lyttle
4 May 2021

Neil Catto
4 May 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOHOO

OPINION

We have audited the consolidated financial statements of boohoo group plc and its subsidiaries (the 'group') for the year ended 28 February 2021, which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, 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) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the group's affairs as at 28 February 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements 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 (UK)) 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 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 £6.2m for the consolidated financial statements using 5% of profit before tax as a basis. We consider profit before tax to be the most relevant determinant of the group's performance used by shareholders.

Whilst materiality for the financial statements as a whole was set at £6.2m, each significant component of the group was audited to an overall materiality ranging between £3.9m and £4.3m with performance materiality set at 70% and a triviality threshold of 5%, above which any differences noted have been reported to the Audit Committee. 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 inventory provision, returns provision, and judgements related to the fair value of the consideration in respect of the acquisition of the NCI in PrettyLittleThing.com. 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 judgement, 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
Acquisition of the 34% minority stake in PrettyLittleThing.com [Note 1] As part of the pre-existing shareholder agreement, boohoo had an existing option to buy the remaining 34% non-controlling interest in PrettyLittleThing.com Limited ('PLT') for market value or a lesser sum, depending upon financial performance over the five years to 2022. The performance period for the option commenced on 1 March 2017 and attracted an equity-settled share-based payment charge over the five-year performance period in accordance with IFRS 2. During FY2021, boohoo exercised this option and now holds 100% of the shares in PLT. The 34% stake was acquired for initial consideration of £269.8 million, with a further £54 million of contingent consideration, with the initial consideration settled through shares in the Group totalling £107.9 million and an up-front cash payment of £161.9 million. As part of the transaction, the share-based payment charge under the option agreement was accelerated. There is a risk that this transaction has not been appropriately accounted for, and that it did not take place on arms-length terms. There is a further risk that the share-based payment element of the transaction has not been appropriately valued and recorded.	Our audit work in this area included the following: • Obtaining copies of the original share purchase agreement in respect of PLT, and the share purchase agreement relating to the current year 34% interest acquired, and reviewing the key terms; • Vouching cash and share elements of consideration to supporting records; • Obtaining and reviewing the reports produced by KPMG in respect of the NCI acquisition, including the accounting treatment of the transaction and the valuation of the consideration and the Non-Compete agreement; • Engaging auditor's expert to review key inputs to fair value calculations in respect of the contingent consideration and the non-compete agreement, and reperform these calculations using Monte-Carlo models, providing challenge to the work performed by management's expert; • Reviewing the accounting entries made in respect of the pre-existing share-based payment, and ensuring the charge was appropriately accelerated in the year; • Reviewing accounting entries made at acquisition date to ensure compliance with IFRS 10; • Reviewing disclosures made in the financial statements surrounding the transaction to ensure compliance with IFRS.
Valuation of inventory [Note 1 and Note 16] Inventory is carried at the lower of cost and net realisable value. The provision in respect of inventory requires significant judgement. 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 using the IT team to reproduce underlying data; – Prior year lookback – review of utilisation of FY20 provision in FY21; – Performing sensitivity analysis on the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOHOO

CONTINUED

Key audit matter	How the scope of our audit responded to the key audit matter
Returns provision [Note 1 and 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 as far as possible, 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 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 the management's year end returns provision calculation and performed the following: – Agreeing underlying data used to the accounting records using the IT team to reproduce the relevant reports; – Prior year lookback – review of utilisation of FY20 provision in FY21; review average PY monthly returns as well as actual returns in March 2020 to assess reasonableness of the provision; – Post-year end returns review – look at actual returns in March 2021; – Performing sensitivity analysis on the calculation; – Assessing completeness of the provision; – Testing accuracy of inputs to the management's model; – Testing the mathematical accuracy of the model.

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

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- we have not received all the information and explanations we require for our audit.

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 group financial statements, the directors are responsible for assessing the group'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 group 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
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group 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;
  - Review of internal and external reports on key practices, including supply chain and payroll reviews.
- 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 Article 113A of the Companies (Jersey) Law 1991. 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

4 May 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Note	2021 £ million	2020 £ million
Revenue	2	**1,745.3**	1,234.9
Cost of sales		**(800.1)**	(568.6)
Gross profit		**945.2**	666.3
Distribution costs		**(422.0)**	(278.3)
Administrative expenses		**(400.1)**	(297.3)
Amortisation of acquired intangibles		**(5.5)**	(5.1)
Other administrative expenses		**(394.6)**	(292.2)
Other income	3	**1.0**	0.2
Operating profit		**124.1**	90.9
Finance income	4	**0.9**	1.7
Finance expense		**(0.3)**	(0.4)
Profit before tax	6	**124.7**	92.2
Taxation	10	**(31.3)**	(19.3)
Profit for the year		**93.4**	72.9
Profit for the year attributable to:			
Owners of the parent company		**90.7**	63.7
Non-controlling interests		**2.7**	9.2
		93.4	72.9
Total other comprehensive income for the year			
Impact of adoption of IFRS 16		**-**	(0.5)
Loss reclassified to profit and loss during the year		**9.0**	1.3
Fair value gain/(loss) on cash flow hedges during the year[1]		**21.2**	(13.6)
Total comprehensive income for the year		**123.6**	60.1
Total comprehensive income attributable to:			
Owners of the parent company		**120.9**	50.9
Non-controlling interests		**2.7**	9.2
		123.6	60.1
Earnings per share	7		
Basic		**7.43p**	5.48p
Diluted		**7.25p**	5.35p

1. Net fair value gains on cash flow hedges will be reclassified to profit or loss during the three years to 29 February 2024.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 28 FEBRUARY 2021

	Note	2021 £ million	2020 £ million
Assets			
Non-current assets			
Intangible assets	11	**118.3**	42.3
Property, plant and equipment	12	**141.6**	119.2
Right-of-use assets	13	**16.7**	14.6
Financial assets	27	**13.1**	4.5
Deferred tax	15	**3.2**	6.0
		292.9	186.6
Current assets			
Inventories	16	**144.9**	99.1
Trade and other receivables	17	**40.6**	31.8
Financial assets	27	**17.1**	6.6
Current tax asset		**4.4**	-
Cash and cash equivalents	18	**276.0**	245.4
Total current assets		**483.0**	382.9
Total assets		**775.9**	569.5
Liabilities			
Current liabilities			
Trade and other payables	19	**(222.9)**	(165.5)
Provisions	20	**(53.5)**	(29.3)
Interest-bearing loans and borrowings	21	**-**	(2.4)
Lease liabilities	22	**(6.7)**	(5.4)
Financial liabilities	27	**(2.6)**	(8.7)
Current tax liability		**-**	(6.6)
Total current liabilities		**(285.7)**	(217.9)
Non-current liabilities			
Interest-bearing loans and borrowings	21	**-**	(2.4)
Lease liabilities	22	**(11.6)**	(10.8)
Financial liabilities	27	**(1.9)**	(6.9)
Deferred tax	15	**(4.2)**	(3.6)
Total liabilities		**(303.4)**	(241.6)
Net assets		**472.5**	327.9
Equity			
Share capital	23	**12.6**	11.7
Shares to be issued	24	**31.9**	-
Share premium		**916.2**	608.4
Hedging reserve		**25.7**	(4.5)
EBT reserve		**(56.5)**	(17.1)
Other reserves	25	**(795.2)**	(515.2)
Non-controlling interest		**-**	17.3
Retained earnings		**337.8**	227.3
Total equity		**472.5**	327.9

Notes 1 to 30 form part of these financial statements.

These financial statements of boohoo group plc, registered number 114397, on pages 90 to 118 were approved by the board of directors on 4 May 2021 and were signed on its behalf by:

John Lyttle **Neil Catto**

DIRECTORS

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 28 February 2019	11.6	-	606.1	7.8	(2.2)	(515.2)	8.4	153.9	270.4
Impact of adoption of IFRS 16	-	-	-	-	-	-	-	(0.5)	(0.5)
Profit for the year	-	-	-	-	-	-	9.2	63.7	72.9
Other comprehensive income/(expense):									
Loss reclassified to profit and loss in revenue	-	-	-	1.3	-	-	-	-	1.3
Fair value loss on cash flow hedges during the year	-	-	-	(13.6)	-	-	-	-	(13.6)
Total comprehensive income for the year	-	-	-	(12.3)	-	-	9.2	63.2	60.1
Issue of shares	0.1	-	2.3	-	(14.9)	-	0.3	-	(12.2)
Share-based payments credit	-	-	-	-	-	-	0.5	10.5	11.0
Excess taxation on share-based payments	-	-	-	-	-	-	-	2.0	2.0
Translation of foreign operations	-	-	-	-	-	-	-	-	-
Non-controlling interests' increase in share of net assets	-	-	-	-	-	-	2.3	(2.3)	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	(3.4)	-	(3.4)
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**

Notes 1 to 30 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Note	**2021 £ million**	2020 £ million
Cash flows from operating activities			
Profit for the year		**93.4**	72.9
Adjustments for:			
Share-based payments charge		**19.7**	11.0
Depreciation charges and amortisation		**29.8**	24.7
Loss on sale of fixed assets		**-**	0.2
Finance income		**(0.9)**	(1.7)
Finance expense		**0.3**	0.4
Tax expense		**31.3**	19.3
		173.6	126.8
Increase in inventories	16	**(45.8)**	(32.3)
Increase in trade and other receivables	17	**(8.8)**	(9.4)
Increase in trade and other payables	19	**82.1**	42.2
Cash generated from operations		**201.1**	127.3
Tax paid		**(38.3)**	(11.6)
Net cash generated from operating activities		**162.8**	115.7
Cash flows from investing activities			
Acquisition of intangible assets	11	**(85.7)**	(23.2)
Acquisition of property, plant and equipment	12	**(37.0)**	(22.4)
Acquisition of non-controlling interest in PrettyLittleThing	1	**(161.9)**	-
Finance income received		**1.2**	1.8
Net cash used in investing activities		**(283.4)**	(43.8)
Cash flows from financing activities			
Proceeds from the issue of ordinary shares		**204.9**	2.7
Share issue costs written off to share premium		**(3.5)**	-
Purchase of own shares by EBT		**(39.4)**	(14.9)
Finance expense paid		**(0.1)**	(0.3)
Dividend paid to non-controlling interests		**-**	(3.4)
Lease payments		**(5.9)**	(6.0)
Repayment of borrowings		**(4.8)**	(2.4)
Net cash used in financing activities		**151.2**	(24.3)
Increase in cash and cash equivalents		**30.6**	47.6
Cash and cash equivalents at beginning of year		**245.4**	197.8
Cash and cash equivalents at end of year		**276.0**	245.4

Notes 1 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

1 ACCOUNTING POLICIES

GENERAL INFORMATION
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 International Financial Reporting Standards as adopted by the European Union (Adopted IFRSs), IFRS IC Interpretations 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 62. 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 continue to be effective. Trading during the year to February 2021 has shown that online sales have been resilient during lockdowns in many countries. The group has substantial cash resources and undrawn credit facilities sufficient to continue solvent trading in the face of an unforeseen downturn in demand. As of the date of this report, we are continuing to operate, with the warehouses functioning under government-compliant safe working conditions and many office staff working from home.

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 2020:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Business Combinations
- Amendments to IAS 1 and IAS 8: Definition of Material

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 and are mandatory for accounting periods beginning after 1 March 2020 but 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 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date – effective 1 January 2023
- Amendments to IFRS 3: Business Combinations – Reference to the Conceptual Framework – effective 1 January 2022
- Amendments to IAS 16: Property, Plant and Equipment – effective 1 January 2022
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets – effective 1 January 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle – 1 January 2022

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. 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.

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. 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. 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

1 ACCOUNTING POLICIES CONTINUED

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 2021 and 2020.

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 a legal or constructive obligations, where it is probable that an outflow of cash or other economic resource will be required to settle the provision.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. 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, 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. Wholesale sales are paid in accordance with agreed credit terms with business customers. A provision for returns, based on historical customer return rates, is deducted from revenue and included in provisions within trade and other payables.

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.

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 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.

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 a Group Personal Pension Scheme 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 estimated 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

1 ACCOUNTING POLICIES CONTINUED

Significant estimates and judgements
The preparation of financial statements in conformity with IFRS as adopted by the EU 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 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 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 +/- £1.6 million on reported revenue and +/- £0.8 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 makes 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. 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.

Inventory valuation
Inventory is carried at the lower of cost or net realisable value. 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 +/- £1.4m 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.

Acquisition of the non-controlling interest in PrettyLittleThing.com Limited
The remaining 34% non-controlling interest in PrettyLittleThing was acquired in May 2020, ahead of the original 2022 option-to-acquire date, for a combination of cash and shares with initial total consideration £269.8 million, potentially rising to £323.8 million 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, (although management has judged it will be met), this final £54 million element of consideration will lapse.

The amount written off to equity, in other reserves, as shown in the consolidated statement of changes in equity is as follows:

	£ million
Cash consideration	161.9
Share consideration	107.9
Fair value of future performance-related share consideration	31.9
Less: carrying value of non-controlling interest	(20.4)
Amount written off to other reserves	281.3

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 2021 is by geographic region. This is a change to the segments reported in previous periods, since the group has become multi-brand and now focusses 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 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**

	Year ended 29 February 2020				
	UK £ million	Rest of Europe £ million	USA £ million	Rest of world £ million	Total £ million
Revenue	679.4	188.4	263.6	103.5	1,234.9
Cost of sales	(337.8)	(79.2)	(105.9)	(45.7)	(568.6)
Gross profit	341.6	109.2	157.7	57.8	666.3
Distribution costs	-	-	-	-	(278.3)
Administrative expenses - other	-	-	-	-	(292.2)
Amortisation of acquired intangibles	-	-	-	-	(5.1)
Other income	-	-	-	-	0.2
Operating profit	-	-	-	-	90.9
Finance income	-	-	-	-	1.7
Finance expense	-	-	-	-	(0.4)
Profit before tax	-	-	-	-	92.2

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.

NOTES TO THE FINANCIAL STATEMENTS

(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

3 OTHER INCOME

	2021 £ million	2020 £ million
Property rental income	**1.0**	0.2

4 FINANCE INCOME AND EXPENSE

	2021 £ million	2020 £ million
Finance income: Bank interest received	**0.9**	1.7
Finance expense: Loan interest paid	**(0.1)**	(0.1)
Finance expense: IFRS 16 lease interest	**(0.2)**	(0.3)
	(0.3)	(0.4)

5 AUDITOR'S REMUNERATION

	2021 £ million	2020 £ million
Audit of these financial statements	**-**	-
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	**0.4**	0.2
Other services relating to taxation	**-**	0.2
	0.4	0.4

The auditor's remuneration in 2021 is payable to PKF Littlejohn LLP, whereas that in 2020 was payable to PricewaterhouseCoopers LLP.

6 PROFIT BEFORE TAX

	2021 £ million	2020 £ million
Profit before tax is stated after charging:		
Short-term operating lease rentals for buildings	**0.2**	0.2
Equity-settled share-based payment charges	**19.7**	11.0
Acquisition and restructuring costs	**0.3**	1.3
Depreciation of property, plant and equipment	**14.4**	11.5
Depreciation of right-of-use assets	**5.7**	5.1
Amortisation of intangible assets	**4.2**	3.0
Amortisation of acquired intangible assets	**5.5**	5.1

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.

	2021	2020
Weighted average shares in issue for basic earnings per share	**1,220.7**	1,161.4
Dilutive share options	**31.4**	27.7
Weighted average shares in issue for diluted earnings per share	**1,252.1**	1,189.1
Earnings (£ million)	**90.7**	63.7
Basic earnings per share	**7.43p**	5.48p
Diluted earnings per share	**7.25p**	5.35p
Earnings (£ million)	**90.7**	63.7
Adjusting items:		
Amortisation of intangible assets arising on acquisitions	**5.5**	5.1
Share-based payments charges	**19.7**	11.0
Share-based payment charge adjustment for non-controlling interests	**(0.7)**	(0.7)
Adjustment for tax	**(4.8)**	(3.0)
Pro forma non-controlling interest adjustment to 34%	**(1.9)**	(6.2)
Adjusted earnings	**108.5**	69.9
Adjusted basic earnings per share	**8.89p**	6.02p
Adjusted diluted earnings per share	**8.67p**	5.88p

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, non-cash share-based payment charges and increasing the non-controlling interest in PrettyLittleThing.com Limited to 34% of net profit for the year, as in previous years (see note 1).

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	
	2021	2020
Administration	**1,767**	1,599
Distribution	**1,275**	1,020
	3,042	2,619

The aggregate payroll costs of these persons were as follows:

	2021 £ million	2020 £ million
Wages and salaries	**106.6**	84.9
Social security costs	**9.2**	8.7
Post-employment benefits	**2.5**	1.7
Equity-settled share-based payment charges	**19.7**	11.0
	138.0	106.3

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

9 DIRECTORS' AND KEY MANAGEMENT COMPENSATION

	2021 £ million	2020 £ million
Short-term employee benefits	**17.6**	15.1
Post-employment benefits	**0.2**	0.2
Equity-settled share-based payment charges	**2.7**	2.2
	20.5	17.5

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 76.

10 TAXATION

	2021 £ million	2020 £ million
Analysis of charge in year		
Current tax on income for the year	**27.0**	19.0
Adjustments in respect of prior year taxes	**1.1**	0.6
Deferred taxation	**3.2**	(0.3)
Tax on profit	**31.3**	19.3

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 (2020: 19.0%) to profit before tax as a result of the following:

	2021 £ million	2020 £ million
Profit before tax	**124.7**	92.2
Profit before tax multiplied by the standard rate of corporation tax of the UK of 19.0% (2020: 19.0%)	**23.7**	17.5
Effects of:		
Expenses not deductible for tax purposes	**5.8**	0.4
Change in deferred tax rate	**-**	0.1
Adjustments in respect of prior year taxes	**1.1**	0.6
Overseas tax differentials	**0.2**	-
Depreciation on ineligible assets	**0.5**	0.7
Tax on profit	**31.3**	19.3
Tax recognised in the statement of changes in equity		
Deferred tax (debit)/credit on movement in tax base of share options	**(0.2)**	2.2

No current tax was recognised in other comprehensive income (2020: £nil).

11 INTANGIBLE ASSETS

	Patents and licences £ million	Trademarks £ million	Customer lists £ million	Computer software £ million	Total £ million
Cost					
Balance at 28 February 2019	0.6	25.1	5.8	11.9	43.4
Additions	-	19.1	0.3	3.8	23.2
Disposals	-	-	-	(1.1)	(1.1)
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**
Accumulated amortisation					
Balance at 28 February 2019	0.3	5.2	4.1	6.6	16.2
Amortisation for year	0.1	3.4	1.8	2.8	8.1
Disposals	-	-	-	(1.1)	(1.1)
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**
Net book value					
At 28 February 2019	0.3	19.9	1.7	5.3	27.2
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**

Within the statement of comprehensive income, amortisation of acquired intangible assets (trademarks and customer lists) of £5.5 million (2020: £5.2 million) is shown separately. The amount of amortisation of the other intangible assets included in distribution costs is £0.2 million (2020: £0.4 million) and in administrative expenses is £4.1 million (2020: £2.6 million). Trademarks and customer list additions represent amounts paid for those of the acquired brands: Oasis, Warehouse, Dorothy Perkins, Wallis and Burton £18.4 million and Debenhams £55 million.

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

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 28 February 2019	6.0	71.8	4.6	0.4	40.2	123.0
Additions	3.6	15.7	2.1	0.5	0.5	22.4
Exchange differences	-	-	-	-	0.1	0.1
Disposals	(0.5)	(0.6)	(0.4)	-	-	(1.5)
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**
Accumulated depreciation						
Balance at 28 February 2019	1.2	9.5	2.2	0.1	1.5	14.5
Depreciation charge for the year	1.8	7.1	1.6	0.2	0.8	11.5
Exchange differences	-	-	-	-	-	-
Disposals	(0.3)	(0.6)	(0.3)	-	-	(1.2)
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**
Net book value						
At 28 February 2019	4.8	62.3	2.4	0.3	38.7	108.5
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**

The amounts of depreciation included in the statement of comprehensive income in distribution costs is £8.7 million (2020: £7.1 million) and in administrative expenses is £5.7 million (2020: £4.4 million).

13 RIGHT-OF-USE ASSETS

	Short leasehold properties £ million
Cost	
Transition on adoption of IFRS 16 on 1 March 2019	23.5
Additions	3.6
Balance at 29 February 2020	27.1
Additions	7.8
Balance at 28 February 2021	**34.9**
Accumulated depreciation	
At 1 March 2019	7.4
Depreciation for year	5.1
Balance at 29 February 2020	12.5
Depreciation for year	5.7
Balance at 28 February 2021	**18.2**
Net book value	
At 1 March 2019	16.1
At 29 February 2020	14.6
At 28 February 2021	**16.7**

NOTES TO THE FINANCIAL STATEMENTS

(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

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	Holdings	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%
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	Dormant	China	49-51 Dale St, Manchester	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

	Depreciation in excess of capital allowances £ million	Share-based payments £ million	Total £ million
Asset at 28 February 2019	0.1	3.9	4.0
Recognised in statement of comprehensive income	0.2	1.6	1.8
Credit in equity	-	0.2	0.2
Asset at 29 February 2020	0.3	5.7	6.0
Recognised in statement of comprehensive income	0.3	(2.9)	(2.6)
Credit in equity	-	(0.2)	(0.2)
Asset at 28 February 2021	**0.6**	**2.6**	**3.2**

LIABILITIES

	Capital allowances in excess of depreciation £ million	Business combinations £ million	Total £ million
Liability at 28 February 2019	(0.5)	(1.6)	(2.1)
Recognised in statement of comprehensive income	(1.9)	0.4	(1.5)
Liability at 29 February 2020	(2.4)	(1.2)	(3.6)
Recognised in statement of comprehensive income	(0.8)	0.2	(0.6)
Liability at 28 February 2021	**(3.2)**	**(1.0)**	**(4.2)**

Recognition of the deferred tax assets is based upon the expected generation of future taxable profits. The deferred tax asset is expected to be recovered in more than one year's time and the deferred tax liability will reverse in more than one year's time as the intangible assets are amortised. Deferred tax is likely to increase from 19% as enacted to 25% from April 2023 as announced by the UK Government.

16 INVENTORIES

	2021 £ million	2020 £ million
Finished goods	**133.5**	89.8
Finished goods – returns	**11.4**	9.3
	144.9	99.1

The value of inventories included within cost of sales for the year was £791.7 million (2020: £566.5 million). An impairment provision of £15.8 million (2020: £7.4 million) was charged to the statement of comprehensive income. There were no write-backs of prior period provisions during the year.

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

17 TRADE AND OTHER RECEIVABLES

	2021 £ million	2020 £ million
Trade receivables	18.3	20.6
Prepayments	10.4	7.3
Accrued income	0.3	0.3
Taxes and social security receivable	11.6	3.6
	40.6	31.8

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	2021 %	2020 %
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:

	2021 £ million	2020 £ million
Due within 30 days	18.3	13.1
Provision for impairment	(2.4)	(2.4)
Due in 31 to 90 days	3.6	10.0
Provision for impairment	(1.4)	(1.0)
Past due	0.2	0.9
Provision for impairment	-	-
Total amounts due and past due	22.1	24.0
Total provision for impairment	(3.8)	(3.4)
	18.3	20.6

18 CASH AND CASH EQUIVALENTS

	2021 £ million	2020 £ million
At start of year	245.4	197.8
Net movement during year	30.8	46.9
Effect of exchange rates	(0.2)	0.7
At end of year	276.0	245.4

There is no material credit risk associated with the cash at bank due to the healthy credit ratings of the banks.

19 TRADE AND OTHER PAYABLES

	2021 £ million	2020 £ million
Trade payables	47.9	33.9
Other creditors	6.4	2.7
Accruals	144.0	99.3
Deferred income	10.2	10.7
Taxes and social security payable	14.4	18.9
	222.9	165.5

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 29 February 2020	4.2	25.1	-	29.3
Movements in provision charged/(credited) to income statement:				
Prior year provision utilised	-	(25.1)	-	(25.1)
Increase in provision in current year	1.7	24.2	23.4	49.3
Provision at 28 February 2021	**5.9**	**24.2**	**23.4**	**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.

	2021 £ million	2020 £ million
Non-current liabilities		
Secured bank loans	-	2.4
Current liabilities		
Current portion of secured bank loans	-	2.4

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2021 £ million	2020 £ million
Secured bank loan	GB£	LIBOR + 0.95%	2022	-	4.8

The bank loan of £4.8 million was repaid during the period in advance of its maturity date in 2022.

Movement in interest-bearing loans and borrowings

	2021 £ million	2020 £ million
Opening balance	4.8	7.2
Interest accrued	0.1	0.1
Interest paid	(0.1)	(0.1)
Capital paid	(4.8)	(2.4)
Closing balance	-	4.8

NOTES TO THE FINANCIAL STATEMENTS

(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

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 2021						
Lease payments	6.9	6.9	4.8	-	-	18.6
Finance charges	(0.2)	(0.1)	-	-	-	(0.3)
Net present value	6.7	6.8	4.8	-	-	18.3

	2021 £ million	2020 £ million
Current lease liability	**6.7**	5.4
Non-current lease liability	**11.6**	10.8
Total	**18.3**	16.2

Movement in lease liabilities:	2021 £ million	2020 £ million
Opening balance	**16.2**	-
Transition on adoption of IFRS 16	**-**	18.4
Interest accrued	**0.2**	0.2
Cash flow lease payments	**(5.9)**	(6.0)
Additions	**7.8**	3.6
Closing balance	**18.3**	16.2

23 SHARE CAPITAL

	2021 £ million	2020 £ million
1,263,255,457 authorised and fully paid ordinary shares of 1p each (2020: 1,168,033,762)	**12.6**	11.7

During the year, a total of 5.2 million shares were issued under the share incentive plans (2020: 5.1 million). On 27 February 2021, 14,276 (2020: 16,925) 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 (2020: £nil).

24 SHARES TO BE ISSUED

	2021 £ million	2020 £ million
	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

	2021 £ million	2020 £ million
Translation reserve	**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)**	-
Proceeds from issue of growth shares in boohoo holdings Limited	**0.8**	-
	(795.2)	(515.2)

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	2021 £ million	2020 £ million
Amounts included in the statement of financial position				
Amounts owed to related party undertakings				
Kamani Commercial Property Limited	boohoo.com UK Limited	Common directors and shareholders	**-**	-
Lease liabilities				
Kamani Commercial Property Limited	boohoo.com UK Limited	Common directors and shareholders	**2.2**	3.1
Kamani Commercial Property Limited	PrettyLittleThing.com Limited	Common directors and shareholders	**-**	0.1
Amounts included in the statement of comprehensive income				
Purchases				
The Pinstripe Property Investment Co. Limited	boohoo.com UK Limited	Common directors and shareholders	**0.1**	-
Kamani Construction Limited	boohoo.com UK Limited	Common directors and shareholders	**-**	0.2
Kamani Commercial Property Limited	PrettyLittleThing.com Limited	Common directors and shareholders		-
Admin costs - marketing				
The White Cube Creative Limited	boohoo.com UK Limited	Director of supplier is the husband of Carol Kane, boohoo group plc director	**-**	0.1
Kamani Global Investments Limited	boohoo.com UK Limited	Common directors and shareholders	**-**	-
Depreciation – right-of-use assets				
Kamani Commercial Property Limited	boohoo.com UK Limited	Common directors and shareholders	**0.7**	0.8
Kamani Commercial Property Limited	PrettyLittleThing.com 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
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.

NOTES TO THE FINANCIAL STATEMENTS

(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

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:

	2021	2020
USD closing rate	**1.39269**	1.28198
USD year average rate	**1.29532**	1.27834
EUR closing rate	**1.15361**	1.16257
EUR year average rate	**1.11678**	1.14792
AUD closing rate	**1.80693**	1.96778
AUD year average rate	**1.83878**	1.85513

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

	2021 £ million	2020 £ million
Financial assets		
Cash and cash equivalents	**276.0**	245.4
Cash flow hedges	**30.2**	11.1
Trade and other receivables	**30.2**	24.5
	336.4	281.0

	2021 £ million	2020 £ million
Financial liabilities		
Cash flow hedges	**4.5**	15.6
Trade and other payables	**268.2**	184.1
Interest-bearing loans and borrowings	**-**	4.8
	272.7	204.5

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 2021, the group had capital of £748.5 million (2020: £568.5 million), comprising equity of £472.5 million (2020: £327.9 million) and net cash of £276.0 million (2020: £240.6 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 2021 was £30.2 million (2020: £11.1 million) and within financial liabilities was £4.5 million (2020: £15.6 million). The non-current element of the financial assets is £13.1 million (2020: £4.5 million) and of financial liabilities is £1.9 million (2020: £6.9 million). Cash flows related to these contracts will occur during the three years to 29 February 2024 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 gain of £21.2 million (2020: £13.6 million loss) and the amount reclassified from other comprehensive income to profit and loss in revenue during the year is a loss of £9.0 million (2020: £1.3 million loss).

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	113.2	121.3	79.3	60.7	3.7	378.2
EUR	69.7	65.7	52.1	35.8	8.1	231.4
AUD	28.4	23.6	19.9	13.7	1.8	87.4
CAD	4.6	4.9	4.3	2.3	0.3	16.4
SEK	5.3	4.0	4.4	1.7	-	15.4
NZD	5.1	4.5	3.1	1.6	0.3	14.6
DKK	2.7	1.3	2.1	0.8	-	6.9
	229.0	225.3	165.2	116.6	14.2	**750.3**

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	1.3154	1.3075	1.2951	1.3015	1.3514	1.3067
EUR	1.1277	1.1294	1.1190	1.0978	1.1111	1.1210
AUD	1.8521	1.8644	1.8794	1.8248	1.8333	1.8570
CAD	1.7391	1.7347	1.8372	1.8696	2.6667	1.7988
SEK	11.8868	12.0000	11.8182	11.7647	-	11.8831
NZD	1.9608	1.9778	2.0323	2.0000	1.6667	1.9795
DKK	8.5185	8.4615	8.2381	7.8750	-	8.3478

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

28 SHARE-BASED PAYMENTS

SUMMARY OF MOVEMENTS IN AWARDS

Number of shares	ESOP	LTIP	SIP	SAYE	Total	Weighted average exercise price pence
Outstanding at 28 February 2019	16,662,625	3,448,959	2,919,338	4,643,169	27,674,091	123.25
Granted during the year	10,890,334	2,288,000	2,074,748	2,018,980	17,272,062	165.43
Lapsed during the year	(1,107,247)	(44,565)	(84,855)	(545,710)	(1,782,377)	183.06
Exercised during the year	(2,294,250)	(845,465)	(413,251)	(1,556,512)	(5,109,478)	46.22
Outstanding at 29 February 2020	24,151,462	4,846,929	4,495,980	4,559,927	38,054,298	150.52
Exercisable at 29 February 2020	2,195,821	434,971	654,910	525,535	3,811,237	35.97
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**

The group recognised a total expense of £19.7 million during the year (2020: £11.0 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 2020 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	29 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 2021 no. of shares**	Exercise price pence	Exercise period
14/03/14	612,070	-	(16,840)	(88,240)	**506,990**	50.00	14/03/17 – 13/03/24
22/05/15	837,836	-	(10,000)	(374,900)	**452,936**	25.75	22/05/18 – 21/05/25
09/06/16	745,915	-	(45,000)	(272,038)	**428,877**	57.75	09/06/19 – 08/06/26
13/06/17	3,847,500	-	(487,877)	(1,939,555)	**1,420,068**	244.50	13/06/20 – 12/06/27
28/06/18	7,582,802	-	(1,112,093)	(61,480)	**6,409,229**	201.95	28/06/21 – 28/06/28
30/04/19	102,834	-	(17,150)	(5,326)	**80,358**	266.95	30/04/22 – 30/04/29
23/07/19	10,422,505	-	(1,425,859)	(45,962)	**8,950,684**	219.65	23/07/22 – 23/07/29
03/11/20	-	14,737,824	(175,000)	-	**14,562,824**	272.95	03/11/23 – 03/11/30
	24,151,462	14,737,824	(3,289,819)	(2,787,501)	**32,811,966**		

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	14	25	28	74
Shares under option	506,990	452,936	428,877	1,420,068
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
Share price at grant date	201.95	245.70	219.65	272.95
Exercise price	201.95	266.95	219.65	272.95
Number of employees	278	11	339	523
Shares under option	6,409,229	80,358	8,950,604	14,562,824
Vesting period (years)	3	3	3	3
Expected volatility	44.17%	43.14%	41.85%	36.56%
Option life (years)	10	10	10	10
Expected life (years)	3.5	3.5	3.5	3.5
Risk free rate	0.723%	0.787%	0.434%	0.075%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%
Possibility of ceasing employment before vesting	30%	35%	30%	30%
Expectations of meeting performance criteria	100%	85%	100%	100%
Fair value per option (pence)	66.47	72.39	68.06	73.31

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.

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.

Date of grant	29 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 2021 no. of shares**	Exercise price pence	Exercise period
30/06/16	434,971	-	-	-	**434,971**	1.00	30/06/19 – 29/06/26
13/06/17	783,062	-	(99,456)	(402,426)	**281,180**	1.00	13/06/20 – 12/06/27
28/06/18	1,088,382	-	(13,409)	(55,915)	**1,019,058**	1.00	28/06/21 – 28/06/28
03/10/18	252,514	-	(68,061)	(47,778)	**136,665**	1.00	03/10/21 – 03/10/28
11/12/19	2,288,000	-	(254,480)	(77,813)	**1,955,707**	1.00	21/04/22 – 21/04/29
03/11/20	-	2,541,635	-	-	**2,541,635**	1.00	03/11/20 – 03/11/30
	4,846,929	2,541,635	(435,406)	(583,942)	**6,369,216**		

NOTES TO THE FINANCIAL STATEMENTS

(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

28 SHARE-BASED PAYMENTS CONTINUED

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
Share price at grant date	57.25	244.50	201.95	239.00	245.70	272.95
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Number of employees	2	5	12	5	21	29
Shares under option	434,971	281,180	1,019,058	136,665	1,955,707	2,541,635
Vesting period (years)	3	3	3	3	3	3
Expected volatility	37.06%	40.85%	44.17%	43.37%	43.14%	36.56%
Option life (years)	10	10	10	10	10	10
Expected life (years)	3	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%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%	0%
Possibility of ceasing employment before vesting	42%	32%	33%	34%	35%	34%
Expectations of meeting performance criteria	100%	67%	75%	75%	85%	75%
Fair value per option (pence)	56.26	243.51	200.97	238.03	244.73	271.95

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	29 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 2021 no. of shares**	Exercise price pence	Exercise period
14/03/14	200,083	-	-	(57,150)	**142,933**	nil	14/03/17 – 13/03/24
02/04/14	5,479	-	-	-	**5,479**	nil	02/04/17 – 01/04/24
19/06/15	449,348	-	(3,571)	(115,609)	**330,168**	nil	19/06/18 – 18/06/25
27/09/18	1,798,146	-	(283,276)	(63,784)	**1,451,086**	nil	27/09/21 – 27/09/28
25/07/19	2,042,924	-	(309,400)	(88,400)	**1,645,124**	nil	25/07/22 – 25/07/29
18/02/21	-	3,136,280	-	-	**3,136,280**	nil	18/02/24 – 18/02/31
	4,495,980	3,136,280	(596,247)	(324,943)	**6,711,070**		

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
Share price at grant date	50.00	54.75	28.00	213.10	226.00	369.4
Exercise price	nil	nil	nil	nil	nil	nil
Number of employees	27	1	99	1,547	1,861	3,220
Shares under option	142,933	5,479	330,168	1,451,086	1,645,124	3,136,280
Vesting period (years)	3	3	3	3	3	3
Expected volatility	33.33%	33.20%	35.89%	42.75%	41.77%	36.56%
Option life (years)	10	10	10	10	10	10
Expected life (years)	3	3	3	3.5	3.5	3.5
Risk free rate	0.976%	1.143%	0.979%	0.883%	0.462%	0.004%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%	0%
Possibility of ceasing employment before vesting	44%	37%	31%	35%	35%	35%
Expectations of meeting performance criteria	100%	100%	100%	100%	100%	100%
Fair value per option (pence)	50.00	54.75	28.00	213.10	226.00	369.40

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	29 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 2021 no. of shares**	Exercise price pence	Exercise period
25/10/16	525,535	-	(23,250)	(502,285)	**-**	78.80	25/10/19 – 24/04/20
06/11/17	993,805	-	(55,867)	(592,860)	**345,078**	169.00	06/11/20 - 06/05/21
31/10/18	1,106,225	-	(130,030)	(26,736)	**949,459**	189.88	31/10/21 – 30/04/22
30/10/19	1,934,362		(385,666)	(18,764)	**1,529,932**	216.92	30/10/22 – 30/04/23
03/11/20	-	1,970,215	(51,118)	-	**1,919,097**	268.96	03/11/23 – 03/05/24
	4,559,927	1,970,215	(645,931)	(1,140,645)	**4,743,566**		

The SAYE options were valued using a Black-Scholes model. The inputs into the model were as follows:

Grant date	25/10/16	06/11/17	31/10/18	30/10/19	03/11/20
Share price at grant date	119.25	209.25	212.90	265.00	272.95
Exercise price	78.80	169.00	189.88	216.92	268.96
Number of employees	-	119	380	615	847
Shares under option	-	345,078	949,459	1,529,932	1,919,097
Vesting period (years)	3	3	3	3	3
Expected volatility	38.40%	41.67%	43.36%	40.39%	36.56%
Option life (years)	3.5	3.5	3.5	3.5	3.5
Expected life (years)	3	3	3	3	3
Risk free rate	0.277%	0.513%	0.760%	0.463%	0.075%
Expected dividends expressed as a dividend yield	0%	0%	0%	0%	0%
Possibility of ceasing employment before vesting	28%	44%	48%	49%	49%
Expectations of meeting performance criteria	100%	100%	100%	100%	100%
Fair value per option (pence)	51.02	76.86	72.90	93.94	69.56

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 21Three 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 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.

NOTES TO THE FINANCIAL STATEMENTS
(FORMING PART OF THE FINANCIAL STATEMENTS) CONTINUED

29 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting year but not yet incurred is as follows:

	2021 £ million	2020 £ million
Property, plant and equipment	**5.5**	9.8

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

	2017 £ million	2018 £ million	2019 £ million	2020 £ million	**2021 £ million**
Revenue	294.6	579.8	856.9	1,234.9	**1,745.3**
Cost of sales	(133.8)	(273.4)	(387.9)	(568.6)	**(800.1)**
Gross profit	160.8	306.4	469.0	666.3	**945.2**
Distribution costs	(66.8)	(126.8)	(207.1)	(278,3)	**(422.0)**
Administrative expenses	(68.5)	(137.1)	(203.4)	(297.3)	**(400.1)**
Other income	4.9	0.2	0.2	0.2	**1.0**
Operating profit	30.4	42.7	58.7	90.9	**124.1**
Net finance income	0.6	0.6	1.2	1.3	**0.6**
Profit before tax	31.0	43.3	59.9	92.2	**124.7**
Taxation	(6.3)	(7.3)	(12.4)	(19.3)	**(31.3)**
Profit for the year	24.7	36.0	47.5	72.9	**93.4**
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	(6.7)	19.5	(0.1)	(12.3)	**30.2**
Total comprehensive income for the year	18.0	55.5	47.4	60.1	**123.6**
Total comprehensive income (restated) attributable to :					
Owners of the parent	17.9	54.6	43.5	50.9	**120.9**
Non-controlling interests	0.1	0.9	3.9	9.2	**2.7**
Total comprehensive income	18.0	55.5	47.4	60.1	**123.6**
Earnings per share (restated)					
Basic	2.20p	3.09p	3.78p	5.48p	**7.43p**
Diluted	2.17p	3.01p	3.71p	5.35p	**7.25p**

FIVE-YEAR GROUP STATEMENT OF FINANCIAL POSITION

UNAUDITED

	2017 (restated) £ million	2018 (restated) £ million	2019 (restated) £ million	2020 £ million	**2021 £ million**
Non-current assets	72.2	111.8	143.5	186.6	**292.9**
Current assets	116.9	215.1	296.3	382.9	**483.0**
Total assets	189.1	326.9	439.8	569.5	**775.9**
Equity attributable to the owners of the parent	96.7	208.8	262.0	310.6	**472.5**
Non-controlling interest	3.8	4.0	8.4	17.3	**-**
Current liabilities	74.4	104.4	162.1	217.9	**285.7**
Non-current liabilities	14.2	9.7	7.3	23.7	**17.7**
Total liabilities, capital and reserves	189.1	326.9	439.8	569.5	**775.9**

FIVE-YEAR GROUP CASH FLOW STATEMENT

UNAUDITED

	2017 £ million	2018 £ million	2019 £ million	2020 £ million	**2021 £ million**
Net cash generated from operating activities	29.5	69.0	101.5	115.7	**162.8**
Net cash used in investing activities	(29.4)	(45.7)	(45.7)	(43.8)	**(283.4)**
Net cash generated from/(used in) financing activities	11.9	49.0	(0.6)	(24.3)	**151.2**
Net movement in cash and cash equivalents	12.0	72.3	55.2	47.6	**30.6**
Opening cash and cash equivalents	58.3	70.3	142.6	197.8	**245.4**
Closing cash and cash equivalents	70.3	142.6	197.8	245.4	**276.0**

SHAREHOLDER INFORMATION

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