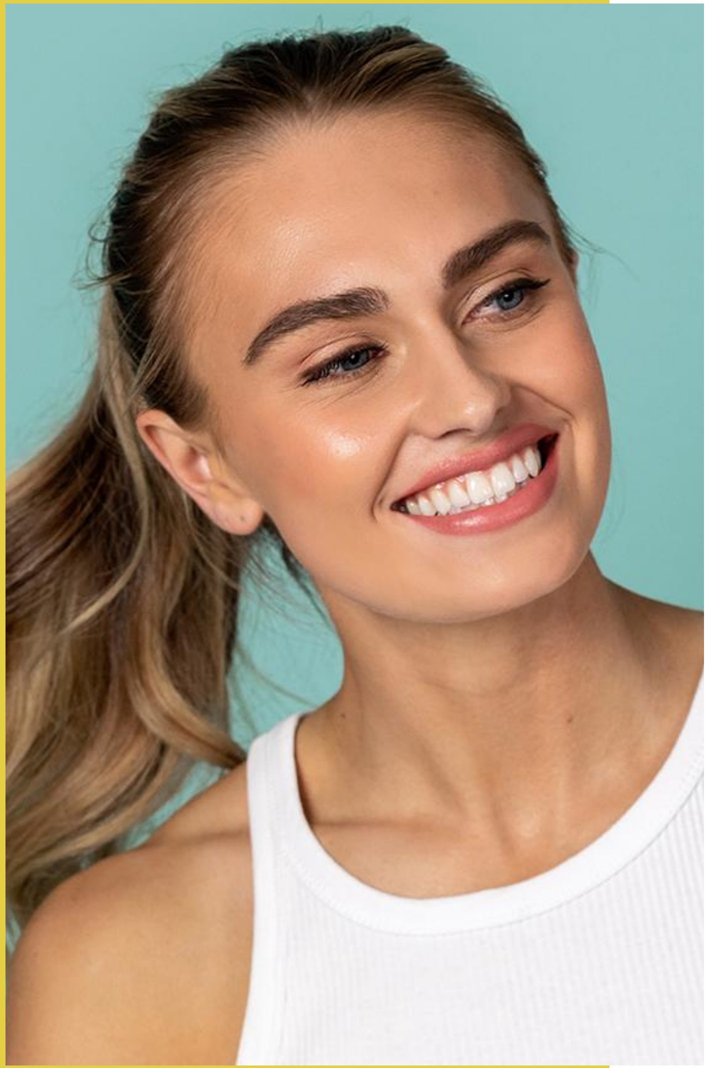

SILK

LASER CLINICS

Investor Briefing

H1 FY22 RESULTS

28 February 2022

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Founder & MD

Ivan Jacques
CFO

SILK Group H1 FY22 results highlights

$76.4m
Network cash sales
+70% vs PCP

$40.5m
Revenue
+32% vs PCP

$12.7m
Pro forma EBITDA
+20% vs PCP

$5.7m
Pro forma NPAT[1]
+2% vs PCP

$4.1m
Statutory NPAT

+7%
Like-for-like growth of network cash sales

H1 FY22 includes ASC/TCC from 1/9/21. Network cash sales adjusted for lost trading days.
Note1: Pro-forma NPAT net of Non Controlling Interest.
This slide is not referring like-for-like - refer to slide 8 for breakdown

Integration of ASC/TCC progressing as planned

Skincare products

ASC's skincare distribution business now fully integrated

SILK's ARx premium range being introduced to ASC clinics

NZ regulatory approval being sought for SILK's Medipen device

Operational efficiencies

Finance & HR support functions combined.

Investing $1.5m to $2.0m in an upgrade of HR, Finance and POS platforms in H2

Review of procurement tendering to harmonise injectable offerings and supplier pricing

Significant opportunities to leverage SILK's partnership with Allergan and introduce Coolsculpting to ASC/TCC

Supporting the franchise network

SILK's franchisee support and sales culture is being introduced and has been well received

SILK daily dashboards being rolled out in ASC with positive response from franchisees

Injectables

Product offering, franchise margins, retail price points and packages being aligned

Medipen to be rolled out across ASC Network in H2 FY22

Strong bounceback in Q2 FY22

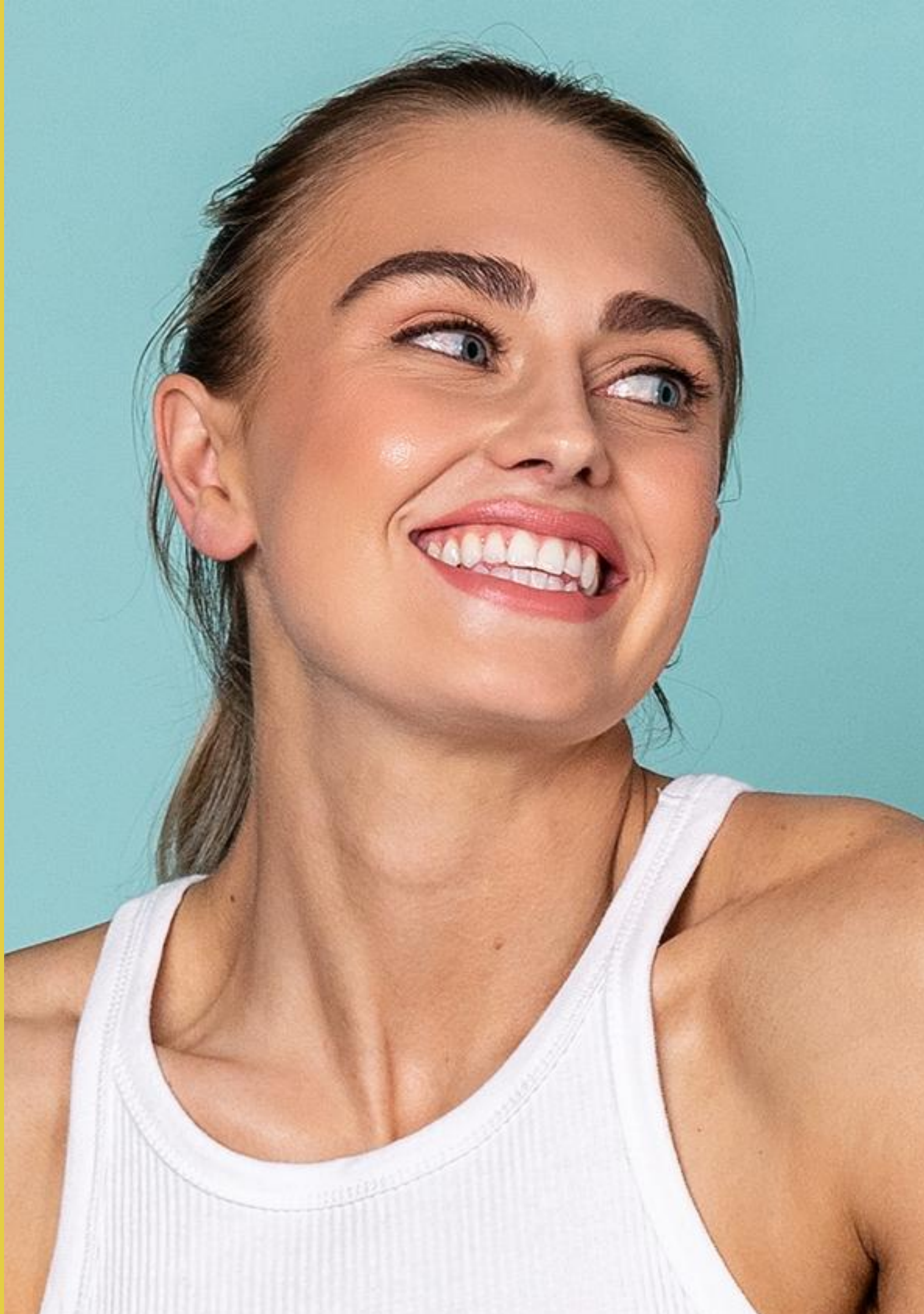
Q1 FY22 impacted by lost trading days as a result of COVID lockdowns.

Sales rebounded well in Q2 FY22 post opening and have returned to normal, consistent levels after a 6- 8 week bounce back.

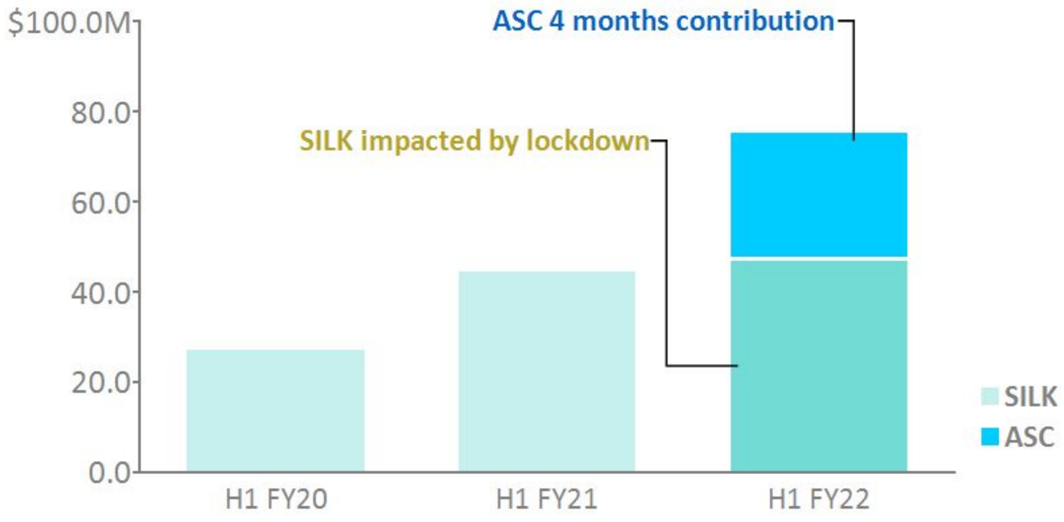
Online training implemented during lockdowns to keep staff engaged and up-to-date with best practices.

“SILK helped us pull the business together so we could trade through the uncertainty, keep our staff engaged and ensure both our team and our customers were safe.”
Nurse Cher , Prospect SA

Operational strategy translating to financial results



Network sales increased to $76m



$m unless stated	H1 FY22	*Including ASC/TCC 4 months*	SILK H1 FY21	Growth
Network cash sales (ex GST)	76.4	*28.9*	44.9	+70%
Reported revenue	40.5	*4.6*	30.6	+32%
Including franchise fees	6.1	*3.0*	2.9	+67%
Pro forma EBITDA	12.7	*1.3*	10.6	+20%
Pro Forma EBITDA margin	31%	*28%*	34%	N/A
Pro forma NPAT	5.7	*0.4*	5.6	+2%

- SILK network cash sales (ex ASC/TCC) resilient, up 5% to $47.4m:
  - 12% reduction in trading days in H1 FY22 due to COVID lockdowns
  - 2% LFL sales growth after adjusting for lost days due to COVID lockdowns, against strong PCP
- Growth in sales and revenue underpinned by LFL sales growth, new clinics and 4 months of ASC/TCC
  - Most of the ASC network was closed on acquisition, except QLD and single clinics in SA and WA, but experienced strong bounce back with 15% growth in LFL sales adjusted for lost trading days due to COVID.
- PF EBITDA growth lower than revenue as HQ costs were maintained through COVID impacted period to position the business for rebound.

Strong balance sheet

- Net cash of $1.5m, ie zero leverage, with $10.5m facility headroom and $23.9m of cash, supports pursuit of growth initiatives
- Trade receivables increased due to growing franchise network and sales
- Other receivables mainly reflect new Accounting Standard releases (AASB 16)
- Growth in intangible assets due to acquisition of ASC/TCC

$m	December 2021	June 2021
Cash & cash equivalents	23.9	44.7
Trade receivables & inventory	11.6	5.7
Other receivables (mainly IFRS 16)	15.7	3.9
Property, plant & equipment	17.4	18.8
Right of use assets (IFRS 16)	11.4	11.4
Intangible & other assets	98.8	39.1
Total assets	**178.8**	**123.6**
Trade & other payables	13.6	9.7
Contract liabilities	10.8	9.5
Lease liabilities (AASB 16)	24.2	15.8
Deferred tax and other liabilities	21.2	10.3
Bank debt	22.4	0.6
Total liabilities	**92.2**	**45.9**
Net assets	**86.6**	**77.7**

Robust cash flows and high cash conversion

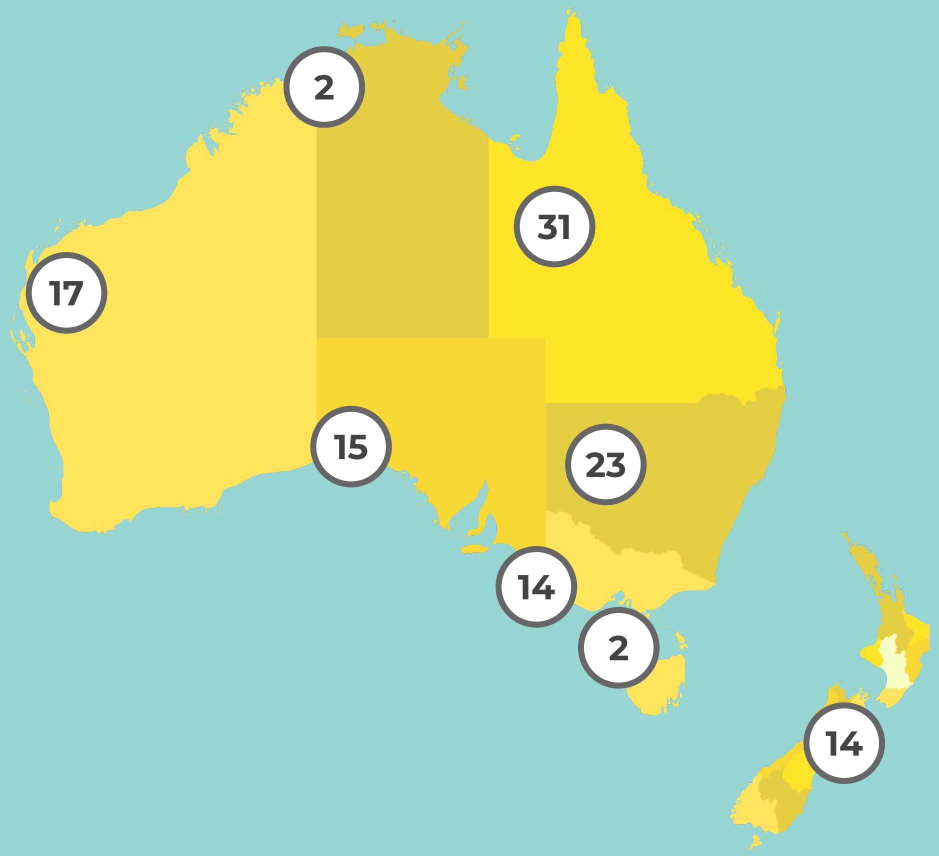
- Operating cash flow of $12.3m
  - PF EBITDA cash conversion of 97%
  - Increased working capital to underpin growth in Medipen and skincare products that have a strong return
  - Changing sales mix given COVID lockdowns in H1 FY22 with reduced relative spend and Laser Hair Removal packages sold
- Free cash flow of $8.8m
  - supported growth initiatives, including partially funding ASC/TCC acquisition.
- The overall net cash flow movement reflects cash element of the acquisition, having raised $20m in a placement in June 2021.

$m unless stated	HY22	HY21	Change %
Pro forma EBITDA	12.7	10.6	+20%
Cash flow from operations - Pre tax, govt grants and interest	12.3	14.3	-27%
Cash conversion	97%	135%	
Cash flow from operations - Post tax and interest	9.8	15.3	-36%
Cash flow from investing activities - Excluding acquisitions & disposals	(0.5)	(4.1)	+85%
Free cash flow - Pre acquisitions & disposals	9.3	11.2	-17%
Cash flow re financing & acquisitions	(30.1)	10.7	N/A
Net cash flow	-20.8	+21.9	N/a

Strong operational momentum

Market leader and on track for 150 clinic network

119 clinics across ANZ

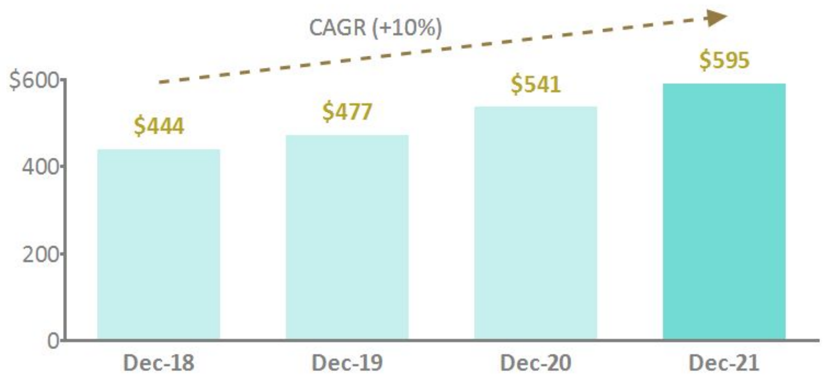


Clinic ownership and revenue breakdown

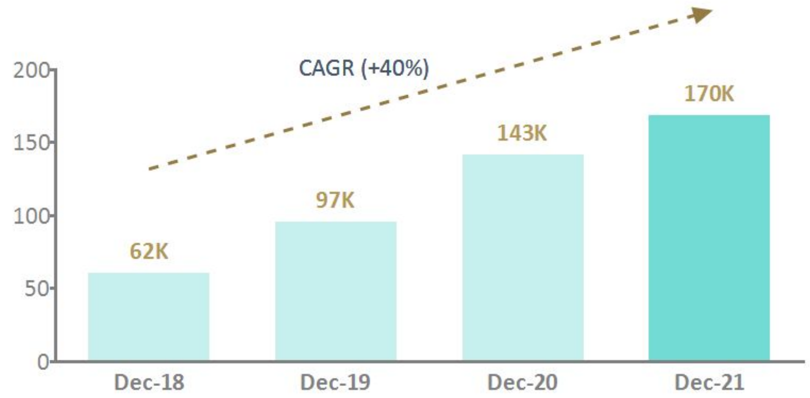
	SILK	ASC / TCC	Network sales H1 FY22 $M
Corporate	21	4	17.6
Joint venture 75/25	10	0	8.5
Joint venture 50/50	15	4	14.9
Traditional	17	48	35.3
Total	63	56	76.4

Growing customers and average sales

Average customer spend (12 months to)



Total customers treated (12 months to)



Strong growth in customer numbers and satisfaction

414k customers

81 NPS

The above metrics are for SILK only

"Offering new treatments like blading, Emsculpt, Coolsculpt and PDO threads helps invigorate our customer base. SILK and ASC together means we can stay ahead of the curve and offer the latest research-led technology and treatments."

Kerri | ASC Franchise Partner QLD

Cosmetic injectables

Over 57k treatments and consultations were performed across SILK clinics in H1 FY22, up 7% on pcp. More injector nurses were added, totalling nearly 200 across the network.

Body contouring

The fastest growth category in the network, with strong tailwinds. Market leading Coolsculpting rolled out to 45 SILK clinics. Preparing for rollout of body devices into the ASC network in 2022.

Skincare

Online + 3P skincare (including Adore) sales up 248% on pcp. Balense brand (acquired with ASC) added to portfolio. 5 new products and new sunscreen technology, now TGA approved.

Laser hair removal and skin treatments

Total clients treated across SILK clinics up 7% versus pcp. On track to roll out 5 new skin services and launch a new set of facials to the market.

"Our clinic had a really strong year led by increasing demand for injectables and the introduction of more body-focused treatments like EmSculpt and Coolsculpting."

Nurse Alyssa | Franchise Partner, SA

The above metrics are for SILK only

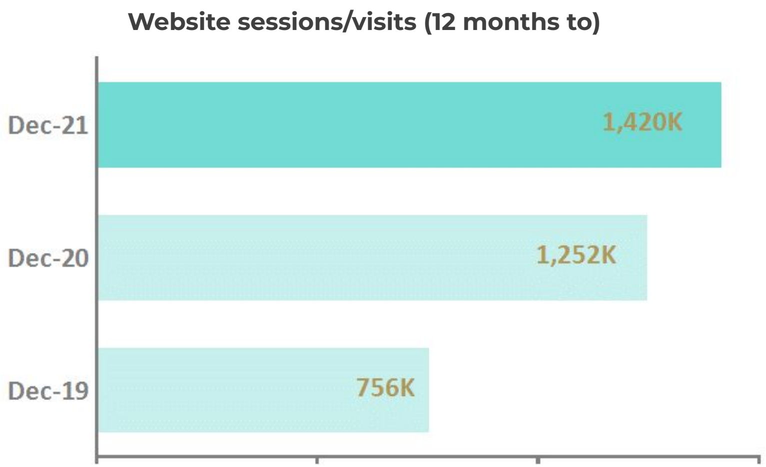
SILK's growing digital presence

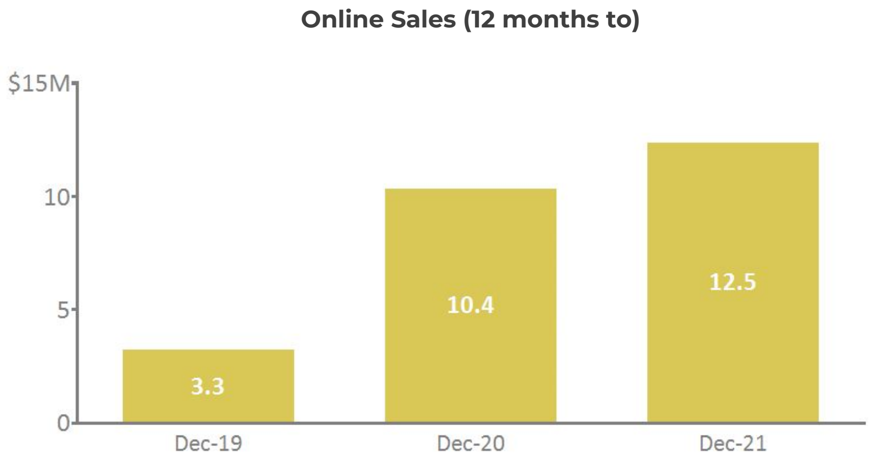
Social media following up 3%, now **115k+**

Average online order value up **8%**

New headless e-commerce website, scheduled for launch in H2, will enhance online experience and increase conversion rates and average order value.

Improved data insights and benchmarking will inform client churn reduction strategies.





Well positioned for continued growth

Growth trajectory continuing in H2 FY22

Sales ($m) 1 January to 24 February	2022	2021	Growth
Total network cash sales	23.1	21.6	7%
LFL network cash sales	20.8	20.7	1%

- Continued growth in network cash sales over first 8 weeks of H2 FY22 reflects network strength
    - LFL sales growth and opening of new clinics
- Solid start to the year, given the impact of lost staff days (12% reduction in staffing availability over January in the SILK corporate and JV clinics) and Covid-related cancellations by clients
- Plan to open a further two clinics in Australia and two in New Zealand in the next six months, in line with previous forecast of 6-10 new clinics opened this FY
- Rolling out body devices into the ASC network

Appendices

Clinic financial profile

	New SILK Clinics (opened August 2017- August 2019)		SILK group average
	Year 1	Year 2	All clinics > 3 years
Cash Sales per clinic ($000)[1]	1,102	1,453	2,003
Statutory EBITDA per clinic ($000)	(92)	262	528
Underlying EBITDA per clinic ($000)[2]	66	223	385
Clinic Underlying EBITDA margin	6%	15%	19%
Return on Investment Capital	9%	32%	55%

- Capex required to open a typical new clinic estimate at $0.5-0.8m
- Following opening, additional costs of marketing and staff recruitment result in clinic level EBITDA losses initially
- As client flow builds, clinics generally move to cash break even within 1 year of operation

Notes: 1. Cash sales includes the sale of prepaid treatment packages sold for Laser Hair Removal, Skin and Body Service. 2. Underlying EBITDA is management's key measure of the profitability of the business. It is calculated using Statutory EBITDA with certain adjustments. See Slide 30 for summary bridge. Additionally, see detailed explanation in Section 4.4.3 of the Pathfinder Prospectus on Pro forma EBITDA and Section 4.6.7.2 for further details on Underlying EBITDA. 3. Figures exclude GST.

Summary of clinic ownership and accounting

	Corporate 100% SILK owned	JV 75 75% SILK owned	JV 50 50% SILK owned	Traditional clinics No SILK ownership	TOTAL
How is economic return captured?	Consolidated in accounts	Consolidated in accounts	Franchise and management fees paid to SILK	Franchise fees paid to SILK	
	Franchise fees and intercompany sales are eliminated in consolidation	Franchise fees and intercompany sales are eliminated in consolidation	Margin on sale of Skincare, injectables and other items	Margin on sale of Skincare, injectables and other items	
	100% consolidated	100% consolidated, with Non-controlling interest removed from the NPAT	Equity accounted: share of increase in equity; ASC JV50s are partnerships and share of net profit or loss is included in consolidation		
How is each type of clinic funded?	100% by SILK	75/25 with JV partner.	50/50 with JV partner.	100% by franchisee	
	SILK currently provides all of the finance	SILK may provide vendor loan to JV partner. Loans to the JV75 entity are netted out on consolidation	SILK may provide equipment finance and may provide vendor loan to JV partner	SILK does not finance traditional franchisees	
Number of clinics at 31 December 2021:					
~ SILK clinics	21	10	15	17	63
~ ASC clinics	4	0	4	48	56
<u>Summary financials ($M) to December 2021</u>					
Network cash sales	17.6	8.5	14.9	35.3	76.4
Underlying EBITDA %	13%	16%	17%	N/A	N/A
Value of SILK's investments in clinics outside the Group (includes loans to JVs and JV partners)	N/A - consolidated	0.5	4.2	0.2	4.9

Profit & Loss

$000s	Statutory H1 FY 2022	ADJ's H1 FY 2022	Pro Forma H1 FY 2022	Statutory H1 FY 2021	ADJ's H1 FY 2021	Pro Forma H1 FY 2021
Trading Sales	**34,368**		**34,368**	**27,651**		**27,651**
Cost of Sales	-9,697		-9,697	-7,842		-7,842
Gross Profit from Trading	**24,671**		**24,671**	**19,809**		**19,809**
Gross Margin %	*71.8%*		*71.8%*	*71.6%*		*71.6%*
Franchise Revenue	6,102		6,102	2,931		2,931
Total Reported revenue	40,470		40,470	30,582		30,582
Other Income	1,357		1,357	2,420		2,420
Share of Profits from Associates	239		239	474		474
Cost of Doing Business**	**-19,692**		**-19,692**	**-13,051**	**-1,956**	**-15,007**
as % of Total Reported Revenue	*49.0%*		*49.0%*	*43.0%*		*49.0%*
IPO Related Expenses	-159	159	0	-3,054	3,054	0
Business combination expenses	-1,875	1,875	0	-61		-61
EBITDA	**10,643**	**2,034**	**12,677**	**9,468**	**1,098**	**10,566**
as % of Total Reported Revenue	*26.3%*		*31.3%*	*31.0%*		*34.5%*
Depreciation and Amortisation Expenses	-2,297	326	-1,971	-1,590		-1,590
Depreciation - Right-of-Use Assets (IFRS 16)	-1,789		-1,789	-1,163		-1,163
EBIT	**6,557**	**2,360**	**8,917**	**6,715**	**1,098**	**7,813**
as % of Total Reported Revenue	*16.2%*		*22.0%*	*22.0%*		*25.5%*
Net-Finance Income - Loans and Cash	125		125	191		191
Net Finance Costs - IFRS 16 Leases	-526		-526	-318		-318
Profit Before Tax	**6,156**	**2,360**	**8,516**	**6,588**	**1,098**	**7,686**
Income Tax Expenses	-2,086	-708	-2,794	-1,776	-329	-2105
Net Profit After Tax	**4,070**	**1,652**	**5,722**	**4,812**	**769**	**5,581**

* Adjustment for Jobkeeper receipts in H1 FY21.

** Comprises employment benefits, occupancy, marketing and other expenses; adjustments exclude JobKeeper net receipts to company.

Glossary

Headless ecommerce

The separation of the front and backend of an eCommerce application. The front and back-end function independently, allowing increased agility and adaptability.

Like-for-like growth

Represents the increase in total network clinic cash sales compared with the prior comparable period, based on clinics open for the whole of both periods, with opening periods including days closed due to COVID-19 restrictions.

Net promoter score or NPS

The percentage of clients rating their likelihood to recommend a company, a product or a service to a friend or colleague.

Network cash sales

Represents cash sales of all clinics in SILK network, regardless of ownership, exclusive of GST where applicable. Cash sales represents treatments and other items sold and paid for by SILK's clients, rather than treatments performed for SILK's clients (presented net of GST).

Pro forma EBITDA

Refer to 4.4.3 in the Prospectus for pro forma adjustments, relating to one off costs of IPO, acquisition transaction costs and non-recurring government support related to COVID 19.

Underlying EBITDA

Management's key internal measure of the profitability of the SILK group. It is based on clinic cash sales, with treatment packages recognised on receipt of the cash payment and after charging rent expenses (pre AASB 16). It is calculated from pro forma EBITDA as described above, but is adjusted as follows:

Add:

- unearned revenues that have been received but not recognised as sales under AASB 15 to reflect cash sales of treatment packages sold but not yet performed, noting that this affects Laser Hair Removal, Skin and Body treatments only; and
- SILK's 50% share of the EBITDA of its JV50 clinics, adjusted for unearned revenues received but not recognised as per the point above and rent paid in respect of lease arrangements (i.e. the Underlying EBITDA of JV50s).

Deduct:

- the equity accounted profit included in EBITDA from JV50s;
- the 25% share of the EBITDA from its JV75s (i.e. in respect of the share it does not own) adjusted for unearned revenues received but not recognised; and
- rent paid in respect of SILK's lease arrangements (including for Corporate and JV75 clinics).

Reported Revenue

Comprises trading sales and franchise revenue reported in SILK's consolidated financial statements under statutory accounting policies.

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The information in the presentation is given for informational purposes only, is in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with SILK's other announcements to ASX, including the H1 FY22 Media Release, Appendix 4D and Interim Financial Report.

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