

ASX RELEASE (ASX: SLA)***SILK delivers further revenue and earnings growth in H1 FY22*****Key H1 FY22 highlights (vs H1 FY21):**

- Network cash sales up 70% to \$76.4 million
 - 7% like-for-life growth after adjusting for lost trading days
- Reported revenue up 32% to \$40.5 million
- Pro forma EBITDA up 20% to \$12.7 million
- Statutory NPAT of \$4.1 million
- Pro forma NPAT of \$5.7 million
- Cash flow from operations pre tax and interest of \$12.3 million; post tax and interest \$9.8 million
- Integration of Australian Skin Clinics (ASC), including The Cosmetic Clinic (TCC) in New Zealand, progressing as planned
- On track for 150 clinic network – 119 clinics post ASC/TCC and 3 new clinics opened in H1
- Average customer spend (12 months rolling) increased to \$595, with 414,000 customers and Net Promoter Score (NPS) of 81.

Adelaide, South Australia: 28 February 2022 – SILK Laser Australia Limited (“SILK” or the “Company”), one of Australia and New Zealand’s largest specialist non-surgical aesthetics clinic networks, is pleased to announce its results for the six months ended 31 December 2021 (H1 FY22), that saw the Company deliver strong revenue and earnings growth despite Covid disruptions.

Commenting on the Company’s H1 FY22 results, SILK Laser co-founder and managing director Martin Perelman said: “Our growth strategy has rapidly progressed over the first half of FY22, with continued organic growth and the integration of Australian Skin Clinics and The Cosmetic Clinic progressing to plan. Despite our busiest period operationally, we have been able to maintain excellent customer service levels, increasing treatment numbers, average customer spend and like-for-like sales. SILK has a tremendous platform to underpin growth in Australia and New Zealand, and we’re excited by the growth opportunities we see ahead.”

Total H1 FY22 reported revenue grew 32% to \$40.5 million (H1 FY22: \$30.6 million) reflecting the total like-for-like (LFL) sales growth of 7% (after adjusting for last trading days), the addition of two recently opened SILK clinics, and the inclusion of four months ownership of ASC/TCC. All categories performed well:

- **Injectables:** Over 57,000 treatments and consultations performed across SILK clinics in H1 FY22, with ongoing strong LFL growth in double digits across the group after adjusting for reduced trading days due to COVID. More injector nurses were added, totalling nearly 200 across the network.

- Laser Hair Removal: Continues to be the Company's strongest category from a client volume perspective, providing strong ability to also cross-sell into other service categories and product sales. 7% growth in clients treated in SILK clinics versus H1 FY21.
- Skin Treatments: On track to roll out 5 new skin services and launch a new set of facials to the market. ASC celebrated 25 years in skin treatments.
- Skincare: High margin, own-brand skincare products have performed well in H1 FY22 with online and third party skincare sales up 248% on pcp. Balense, SILK's direct to consumer website was launched, with continued investment in ecommerce and digital marketing.
- Body: Continues to be the fastest growing category. The Coolsculpt rollout is progressing as planned, expanding to an additional 19 clinics, and the number of body treatments continues to increase. SILK will roll out body devices into the ASC network in 2022.

Operating cash flow of \$12.3 million (pre tax and interest costs) represented 97% cash conversion of pro forma EBITDA.

SILK continued to invest in an enhanced digital offering to strengthen its omnichannel experience for customers. Online sales were up 20% to \$12.5 million on a rolling 12 months basis.

Integration of ASC / TCC progressing as planned

Having completed the acquisition of ASC/TCC on 31 August 2021, over the four months to 31 December 2021, SILK was focused on implementing its integration plan to seamlessly combine the business into its network and maximise the benefits to ASC/TCC franchisees and clients, as well as SILK's shareholders. SILK now has a strong foothold on the Australian East Coast and scaled entry into the Victorian and New Zealand markets.

"The business continues to perform strongly during challenging trading conditions with COVID and rolling lockdowns, showing the underlying strength of the entire SILK Group," Perelman said.

Trading update

Trading for 1 January 2022 to 24 February 2022 is summarised as follows:

Sales 1 January to 24 February (\$M)	To February 2022	To February 2021	% change
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 three 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.

Investor briefing being held at 10:30am AEDT today

To participate in an investor briefing being hosted by Martin Perelman (Founder & Managing Director) and Ivan Jacques (Chief Financial Officer). Following the presentation, participants will have an opportunity to ask questions.

Please register at: <https://s1.c-conf.com/diamondpass/10019358-asms22.html>

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This announcement has been authorised for release by the Board of Directors of SILK Laser Australia Limited.

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About SILK Laser

Founded in 2009, SILK is one of Australia's largest specialist clinic networks, offering a range of non-surgical aesthetic products and services. SILK's five core offerings comprise laser hair removal, cosmetic injectables, skin treatments, body contouring and skincare products.

For further investor-related information, please visit www.silk laser.com.au/investors.

For business information, please visit www.silk laser.com.au, www.australianskinclinics.com.au, and www.thecosmeticclinic.co.nz.