SkinKandy.
PIERCING & JEWELLERY

Appendix 4E

Preliminary Final Report

Name of entity	SkinKandy Limited
ACN	636 484 814
Reporting period	52 weeks ended 4 July 2026 ("FY26")
Prior corresponding period	53 weeks ended 5 July 2025 ("FY25")

This preliminary final report of SkinKandy Limited (the "Company" and, together with its controlled entities, the "Group") is provided to the Australian Securities Exchange ("ASX") under Listing Rule 4.3A. The Group uses a 52/53-week retail calendar for financial reporting purposes. The current reporting period is the 52-week period ended 4 July 2026; the prior corresponding period was the 53-week period ended 5 July 2025. Percentage movements below are affected by the additional week of trading in the prior corresponding period — refer to Section 2.6 and the commentary in Section 14.

SkinKandy Limited was admitted to the official list of the ASX on 21 May 2026, with its ordinary shares ("Shares") commencing trading on a conditional and deferred settlement basis on that date and completion of its initial public offering ("IPO" or the "Offer") occurring on 25 May 2026. This is the Company's first preliminary final report as a listed entity; the prior corresponding period reflects the Group's pre-IPO structure.

2. Results for announcement to the market

Amounts are rounded to the nearest thousand dollars and presented in A$'000 unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and consistent with the attached financial statements.

Consolidated ($'000)	Up / down	Movement %	FY26	FY25
2.1 Revenue from ordinary activities	up	26.1%	90,512	71,779
2.2 Profit/(loss) from ordinary activities after tax attributable to members	down	(92.1%)	641	8,132
2.3 Net profit/(loss) attributable to members	down	(92.1%)	641	8,132

Supplementary non-IFRS information (unaudited)

The following pro forma measures are provided as supplementary information and are not required by Appendix 4E. They are non-IFRS measures, have not been audited or reviewed, and are presented on the basis set out in Section 4 of the Company's prospectus dated 12 May 2026 (the "Prospectus"), with the prior corresponding period adjusted to a 52-week basis. In this report, "EBITDA" means earnings before interest, tax, depreciation and amortisation, "EBIT" means earnings before interest and tax, and "NPAT" means net profit after tax. "Like-for-like" ("LFL") revenue growth compares revenue from stores that traded throughout both the current and prior corresponding periods, excluding stores opened or closed during either period. A reconciliation to the statutory results is set out in Section 14.3.

Consolidated	Up / down	Movement %	FY26	FY25
Stores at period end (#)	up	25%	109	87
Pro forma revenue ($m)	up	29%	90.2	70.1
Pro forma EBITDA ($m)	up	41%	24.6	17.5
Pro forma net profit after tax ($m)	up	41%	9.0	6.4

Earnings growth (pro forma net profit after tax up 41% and pro forma EBITDA up 41%) outpaced revenue growth (up 29%), which in turn outpaced the growth in the store network (up 25%), reflecting like-for-like revenue growth of 9.6% from the existing store network and expansion in the pro forma EBIT margin to 15.3% (FY25: 14.1%). Refer to Section 14.

2.4 / 2.5 DIVIDENDS AND RECORD DATE

No final dividend has been declared or is proposed to be paid in respect of the 52 weeks ended 4 July 2026, consistent with the dividend policy set out in the Prospectus. Accordingly, no record date for entitlement applies.

During the reporting period, and prior to completion of the Offer ("Completion"), dividends totalling approximately $8.5 million (fully franked) were paid to the Company's pre-IPO shareholders. No dividends have been paid or declared since Completion. Refer to Section 7.

2.6 BRIEF EXPLANATION OF THE FIGURES ABOVE

The statutory results for FY26 reflect a number of significant items associated with the Company's IPO, certain items affecting the presentation of underlying performance, and the additional week of trading in the comparative period, which materially affect the movements reported above:

- **Offer costs:** total Offer costs of approximately $12.4 million (net of GST) were incurred in connection with the IPO, of which approximately $11.1 million was expensed in the FY26 statutory result and approximately $1.3 million (the portion attributable to the primary raise) was offset against issued capital in accordance with AASB 132, recognised at $0.9 million net of the associated deferred tax impact;
- **Accelerated share-based payments:** a one-off, non-cash expense of approximately $0.5 million was recognised on the accelerated vesting of the Company's legacy management equity plan in connection with the IPO (AASB 2);
- **53-week prior period:** FY25 comprised 53 weeks of trading, compared with 52 weeks in FY26. The additional week contributed approximately $1.2 million of revenue and $0.7 million of EBITDA to the prior corresponding period;
- **Legacy loyalty program:** revenue in both periods includes the non-cash release of provisions associated with the Group's discontinued legacy loyalty schemes (approximately $0.4 million in FY25 and $0.3 million in FY26); and
- **Superannuation guarantee adjustment:** the statutory result includes approximately $0.6 million relating to superannuation guarantee charge amounts, as described in the Prospectus, and related income tax adjustments of approximately $0.4 million recognised in respect of current tax of prior periods.

After adjusting for these items and the incremental costs of operating as a listed company, the Group's pro forma underlying results are set out in the commentary in Section 14, together with a reconciliation to the statutory results. Non-IFRS measures in this report have not been audited or reviewed and are presented consistently with the basis of preparation in Section 4 of the Prospectus and ASIC Regulatory Guide 230.

3. – 6. Financial statements

The information required by items 3 to 6 of Appendix 4E (the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows, together with the accompanying notes) is contained in the attached financial statements of SkinKandy Limited for the 52 weeks ended 4 July 2026, which are attached at the back of this report following Section 15 and form part of this report.

The attached financial statements have been extracted from the financial report of SkinKandy Limited for the 52 weeks ended 4 July 2026, which is in the process of being audited. The attached financial statements comprise the primary financial statements and all accompanying notes, but exclude the Directors' report (including the Remuneration Report), the Directors' declaration and the independent auditor's report, which will be included in the Company's 2026 Annual Report to be lodged with the ASX — refer to Section 15.

Where an item of Appendix 4E is disclosed in the attached financial statements, this report cross-refers to the relevant note rather than repeating the disclosure.

7. Dividends

No final dividend has been declared or proposed in respect of the 52 weeks ended 4 July 2026, and no interim dividend was declared or paid following the Company's listing. This is consistent with the dividend policy set out in Section 4.11 of the Prospectus, under which the Company stated that it did not intend to pay a dividend in the remainder of the forecast period following Completion of the Offer. Future distributions will be assessed by the Board at the relevant time having regard to the Group's operating results, cash flows, financial condition, funding requirements and other relevant factors.

Dividends paid during the reporting period, prior to Completion of the Offer, to the Company's pre-IPO shareholders were as follows (refer also to Note 23 (Dividends) of the attached financial statements, including franking account disclosures):

Consolidated ($'000)	Date paid	Amount	Franking
Dividend paid — 1H FY26	15 September 2025	4,500	100% franked
Dividend paid — April 2026	22 April 2026	2,500	100% franked
Dividend paid — immediately prior to Completion	19 May 2026	1,500	100% franked
Total		**8,500**	

8. Dividend reinvestment plan

The Company does not operate a dividend reinvestment plan.

9. Net tangible assets per security

Consolidated	4 July 2026	5 July 2025
Net tangible assets per ordinary security (cents)	32.0	149.5
Net tangible assets per ordinary security — restated* (cents)	32.0	21.4

* Prior period restated for the 1-for-7 share split effected prior to the IPO.

Net tangible assets ("NTA") are calculated as net assets less intangible assets, derived from the attached consolidated statement of financial position. NTA at 4 July 2026 comprises net assets of $44.5 million less intangible assets of $8.8 million ($35.7 million) over 111,667,388 Shares on issue (32.0 cents); at 5 July 2025, $30.5 million less $8.8 million ($21.7 million) over 14,507,000 pre-IPO shares (149.5 cents). Right-of-use assets, associated lease liabilities and deferred tax balances are included at their carrying amounts. Net tangible assets increased over the period; the movement in NTA per security reflects the change in the Company's capital structure — principally the 1-for-7 share split effected prior to the IPO and the new Shares issued under the Offer. The restated comparative of 21.4 cents is calculated on a post-split share count of 101,549,000 (14,507,000 × 7).

10. Entities over which control has been gained or lost during the period

Refer to Note 25 (Interests in subsidiaries) of the attached financial statements. No entities were gained or lost during the period: the subsidiary set in Note 25 is unchanged from the prior period. SkinKandy SaleCo, established solely to facilitate the sale of existing Shares under the Offer, is not owned by the Company and is not a controlled entity of the Group.

11. Details of associates and joint venture entities

The Group has no interests in associates or joint venture entities.

12. Other significant information

Initial public offering

On 25 May 2026, the Company completed its IPO, comprising the issue of 9.1 million New Shares to raise $20.0 million (before costs) and the sale of 63.7 million existing Shares by SaleCo on behalf of selling shareholders, at an Offer Price of $2.20 per Share (a total Offer of $160.0 million, including 13,636 Shares issued under the Employee Gift Offer). On Completion, the Company had 111.7 million Shares on issue, of which approximately 65.1% were free from escrow. Shares held by Existing Shareholders, Directors and management (38.9 million Shares) are subject to voluntary escrow arrangements, generally ending on the trading day after release of the Company's 1H FY27 results (for the Whiteoak Funds) or 1H FY28 results (for Directors and management).

Capital restructure

Between the Prospectus Date and Completion, all A Class Shares issued under the Company's legacy management equity plan converted to ordinary Shares, a pre-IPO placement of $1.8 million was made to incoming Non-Executive Directors, partial repayments of the associated Shareholder Loans were received, and a pre-Completion fully franked dividend was paid to pre-IPO shareholders. These transactions are reflected in the statement of changes in equity in Section 6.

Subsequent events

Refer to Note 30 (Events after the reporting period) of the attached financial statements.

Since the end of the financial period and to the date of this report, the Group has opened 4 new stores (with one further store scheduled to open in the final week of August 2026, bringing the total store count to 114) and has approved 12 further new store leases for stores scheduled to open during FY27. A trade update for the early weeks of FY27 is provided as part of the FY26 Results Presentation released concurrently with this report.

13. Foreign entities — accounting framework

Not applicable. SkinKandy Limited is an Australian incorporated entity. The financial information in this report has been prepared in accordance with Australian Accounting Standards. Controlled foreign entities are consolidated on the same basis.

14. Commentary on the results for the period

14.1 OVERVIEW

FY26 was a significant year for SkinKandy, in which the Group delivered revenue and earnings growth, continued the roll-out of its store network across Australia and New Zealand, and completed its initial public offering and listing on the ASX in May 2026. The Group's results were ahead of the forecasts set out in the Prospectus, on both a statutory and pro forma basis.

Revenue of $90.5 million was 26.1% higher than FY25 on a statutory basis, and 29% higher on a pro forma basis. Growth was driven by the continued store roll-out — 22 new stores were opened during the year, taking the network to 109 stores at period end, one ahead of the Prospectus forecast of 108 — combined with like-for-like revenue growth of 9.6%, ahead of the Prospectus forecast of 8.1% and consistent with the 9.6% achieved in FY25. The Board considers the balance between new store growth and the improved productivity of the existing network to be a key feature of the result. Pro forma gross profit margin of 89.2% was in line with the Prospectus forecast (89.3%), with the modest movement reflecting a shift in product mix. Disciplined cost management reduced the Group's cost of doing business* to 62% of revenue (FY25: 65%) and delivered pro forma EBITDA of $24.6 million, 5% ahead of the Prospectus forecast of $23.5 million, and pro forma EBIT margin expanded to 15.3% (FY25: 14.1%).

The statutory net profit after tax of $0.6 million was ahead of the Prospectus forecast of a statutory net loss after tax of $0.2 million. On a pro forma basis, which the Directors consider best reflects the Group's underlying performance, net profit after tax was $9.0 million, 41% higher than FY25 and 5% ahead of the Prospectus forecast of $8.6 million.

Beyond the financial result, the Group continued to strengthen the non-financial foundations of the business during FY26. At period end the KandyClub loyalty program had grown to 1.1 million members and the Group's team included 770 SK Certified piercing specialists (FY25: 632). Approximately 90% of the Group's piercings are performed by needle, consistent with the service model described in the Prospectus.

The Group ended the period with total cash reserves of $13.8 million (cash and cash equivalents of $7.8 million and term deposits of $6.0 million), no drawn debt and lease liabilities of $27.8 million. Pro forma operating cash conversion** for the period was 101% (FY25: 92%; Prospectus forecast: 99%). No dividend has been declared, consistent with the dividend policy set out in the Prospectus.

* Cost of doing business (CODB) represents the difference between gross profit and EBITDA, excluding other income, and comprises employee, occupancy, distribution and other operating expenses. For FY26 and prior periods, CODB is calculated using pro forma adjusted gross profit and pro forma adjusted EBITDA and is expressed as a percentage of pro forma revenue.
** Pro forma operating cash conversion is measured as pro forma operating cash flow before interest and tax as a percentage of pro forma EBITDA.

14. Commentary on the results for the period (continued)

FY27 Trade Update

A trade update for the early weeks of FY27 is provided as part of the FY26 Results Presentation, released to the ASX concurrently with this report.

14. Commentary on the results for the period (continued)

14.2 STATUTORY AND PRO FORMA RESULTS — COMPARISON TO PROSPECTUS FORECAST AND FY25 PRO FORMA

As FY26 is the period covered by the Forecast Financial Information in the Prospectus, the first table below compares the Group's actual statutory results with the statutory forecast disclosed in the Prospectus. The second table compares the Group's pro forma results with both the pro forma forecast disclosed in the Prospectus and the FY25 pro forma results, which are presented on a consistent basis (including the removal of the 53rd week of trading in FY25) and therefore provide a like-for-like measure of year-on-year growth.

Statutory results — FY26 actual vs Prospectus forecast

Consolidated (A$ millions)	FY26 actual	FY26 forecast
Revenue	90.5	89.0
EBITDA	13.7	11.5
EBIT	2.9	1.4
NPAT	0.6	(0.2)

Pro forma results (non-IFRS) — FY26 actual vs FY25 pro forma and Prospectus forecast

A$ millions	FY26 pro forma	FY25 pro forma[1]	vs FY25 %	FY26 forecast	vs forecast %
Revenue	90.2	70.1	+29%	88.7	+2%
Gross profit	80.4	62.8	+28%	79.2	+2%
EBITDA	24.6	17.5	+41%	23.5	+5%
EBIT	13.8	9.9	+39%	13.4	+3%
NPAT	9.0	6.4	+41%	8.6	+5%

1. FY25 pro forma results are presented on the basis set out in Section 4 of the Prospectus, including the removal of the 53rd week of trading and the inclusion of incremental public company and key management personnel ("KMP") remuneration costs as if the post-listing cost structure had been in place.

Percentage movements are calculated on the rounded figures presented and are indicative; totals may not recalculate exactly due to rounding.

14. Commentary on the results for the period (continued)

14.3 RECONCILIATION OF STATUTORY NPAT TO PRO FORMA RESULTS (NON-IFRS)

Pro forma results are non-IFRS measures which have not been audited or reviewed. They are presented on a basis consistent with Section 4 of the Prospectus to assist shareholders in comparing the Group's underlying performance with the Prospectus forecasts, and reconcile to the statutory results as follows:

Consolidated (A$ millions)	FY26 actual	FY26 forecast
EBITDA — statutory	13.7	11.5
Loyalty scheme adjustment[1]	(0.3)	(0.3)
Offer costs expensed and other Offer-related items[2]	11.2	12.3
Incremental KMP remuneration[3]	(0.4)	(0.4)
Share-based payments[4]	0.4	0.5
Incremental public company costs[5]	(0.6)	(0.5)
Superannuation guarantee adjustment[6]	0.6	0.5
EBITDA — pro forma	**24.6**	**23.5**
Depreciation and amortisation	(10.8)	(10.1)
EBIT — pro forma	**13.8**	**13.4**
NPAT — statutory	0.6	(0.2)
EBITDA adjustments (above)[7]	10.9	12.0
Net tax impact of adjustments[8]	(2.5)	(3.1)
NPAT — pro forma	**9.0**	**8.6**

1. Exclusion of revenue recognised on the release of provisions associated with the Group's discontinued legacy loyalty schemes, consistent with the Prospectus.
2. Offer costs and other Offer-related items expensed in the statutory result.
3. Reflects the incremental KMP remuneration associated with the Group's post-listing remuneration structure, including normalisation of the ongoing long-term incentive ("LTI") expense, consistent with the incremental KMP remuneration adjustment in the Prospectus.
4. Catch-up on the accelerated vesting of the Company's legacy management equity plan (the "Legacy MEP"), being the share-based payments expense that would otherwise have been recognised over future periods.
5. Comprises the uplift in Board fees, incremental directors' and officers' insurance costs and other incremental costs of operating as a listed company.
6. Reversal of superannuation guarantee charge amounts recognised in the statutory result ($0.5 million within salaries and employee benefits and $0.1 million within other expenses). These amounts relate to historical periods and are therefore not reflective of the Group's underlying performance for the period, as described in the Prospectus.
7. Sum of the individual adjustments as presented. Amounts are rounded to the nearest $0.1 million; totals and subtotals may not cast due to rounding.
8. Tax effect of the pro forma adjustments, applying a normalised blended effective tax rate reflecting the jurisdictions in which the Group operates. The FY26 amount also reverses the $0.4 million of income tax recognised in the statutory result in respect of current tax of prior periods, which relates to the superannuation guarantee charge amounts described in note 6 above.

14. Commentary on the results for the period (continued)

14.3 RECONCILIATION OF STATUTORY TO PRO FORMA RESULTS (CONTINUED) — INCOME STATEMENT

The following tables reconcile the FY26 statutory income statement and statement of cash flows to the pro forma presentation. The reconciliations are provided on a basis consistent with the pro forma financial information set out in Section 4 of the Prospectus, are non-IFRS and have not been audited or reviewed.

Consolidated (A$ millions)	FY26 statutory	Pro forma adjustments	FY26 pro forma
Revenue[1]	90.5	(0.3)	90.2
Cost of sales	(9.8)	-	(9.8)
Gross profit	**80.7**	**(0.3)**	**80.4**
Salaries and employee benefits expenses	(39.8)	0.5	(39.3)
Occupancy expenses	(2.3)	-	(2.3)
Distribution expenses	(1.0)	-	(1.0)
Other expenses	(23.9)	10.7	(13.2)
EBITDA	**13.7**	**10.9**	**24.6**
Depreciation and amortisation[2]	(10.8)	-	(10.8)
EBIT	**2.9**	**10.9**	**13.8**
Finance income	0.2	-	0.2
Finance costs	(1.3)	-	(1.3)
Profit before income tax	**1.9**	**10.9**	**12.7**
Income tax expense	(1.2)	(2.5)	(3.7)
Net profit after tax	**0.6**	**8.4**	**9.0**

1. Pro forma adjustments comprise the items set out in the reconciliation on the previous page, allocated to the relevant income statement lines: the loyalty scheme adjustment within revenue; the Legacy MEP share-based payments catch-up and superannuation guarantee amounts within salaries and employee benefits expenses; and Offer costs expensed, incremental KMP remuneration, incremental public company costs and the remaining superannuation guarantee amounts within other expenses. The tax column reflects the net tax impact of the adjustments.
2. The statutory column is re-presented in the management format used in the Prospectus: loss on disposal of plant and equipment is included within depreciation and amortisation, and Offer costs expensed are included within other expenses. Amounts are rounded to the nearest $0.1 million; totals and subtotals may not cast due to rounding.

14. Commentary on the results for the period (continued)

14.3 RECONCILIATION OF STATUTORY TO PRO FORMA RESULTS (CONTINUED) — CASH FLOW

Consolidated (A$ millions)	FY26 statutory	Reclassification[1]	Pro forma adjustments	FY26 pro forma
EBITDA[2]	13.7	-	10.9	24.6
Non-cash items[3]	0.5	-	(0.5)	0.0
Net interest received/(paid)[1]	(1.1)	1.3	-	0.2
Changes in working capital	0.2	-	-	0.2
Income tax paid[4]	(5.3)	-	1.6	(3.7)
Operating cash flow	**8.0**	**1.3**	**12.0**	**21.3**
Acquisition of plant and equipment	(7.4)	-	-	(7.4)
Acquisition of intangibles	(0.0)	-	-	(0.0)
Acquisition of term deposits[5]	(6.0)	-	6.0	-
Cash flow before financing	**(5.4)**	**1.3**	**18.0**	**13.9**
Payment of lease liabilities[1]	(7.8)	(1.3)	-	(9.1)
Payment of dividends[6]	(8.5)	-	8.5	-
Proceeds from the Offer[5]	22.5	-	(22.5)	-
Offer costs[5]	(1.3)	-	1.3	-
Effects of foreign exchange[7]	(0.3)	-	0.3	-
Net cash flow	**(0.8)**	**-**	**5.6**	**4.8**

1. In the attached statement of cash flows, interest on lease liabilities of $1.3 million is presented within net cash flows from operating activities, and payments of lease liabilities comprise principal repayments only. The reclassification column re-presents interest on lease liabilities within payment of lease liabilities, consistent with the presentation of the pro forma cash flows disclosed in Section 4 of the Prospectus. The statutory column casts to the $(0.8) million movement in cash and cash equivalents in the attached statement of cash flows.
2. Pro forma adjustments to EBITDA comprise the items set out in the reconciliation of statutory to pro forma results in Section 14.3. Adjustments settled in cash during the period, principally the expensed Offer costs, are added back within operating cash flow.
3. Removes the add-back of the Legacy MEP share-based payments expense, consistent with its exclusion from pro forma EBITDA. The adjustment is non-cash.
4. Income tax paid is normalised to the pro forma income tax expense of $3.7 million.
5. Removes Offer-related cash flows: the gross proceeds of the Offer, capital raising costs paid and the investment of Offer proceeds in term deposits.
6. Removes dividends paid during the period, all of which were declared prior to Completion.
7. Removes the effect of foreign exchange on cash balances, consistent with the pro forma presentation in the Prospectus.

Amounts are rounded to the nearest $0.1 million; totals and subtotals may not cast due to rounding.

14. Commentary on the results for the period (continued)

14.4 OPERATING METRICS

Consolidated	FY26	FY25
New stores opened (#)	22	21
Store count at period end (#)	109	87
LFL revenue growth (%)	9.6%	9.6%
Pro forma gross profit margin (%)	89.2%	89.6%
Pro forma EBITDA margin (%)	27.3%	25.0%
Pro forma EBIT margin (%)	15.3%	14.1%

Operating metrics are presented on a basis consistent with Section 4.3.3 of the Prospectus. Pro forma EBITDA and EBIT margins are calculated as pro forma EBITDA and EBIT respectively divided by pro forma revenue per the tables in Section 14.2.

14.5 EARNINGS PER SHARE AND RETURNS TO SHAREHOLDERS

Basic and diluted earnings per share are set out on the face of the attached consolidated statement of profit or loss and other comprehensive income and in Note 22 (Earnings per share).

Basic earnings per share was 0.67 cents (FY25: 8.61 cents) and diluted earnings per share was 0.64 cents (FY25: 8.27 cents). On the pro forma basis set out in Section 14.3, underlying basic earnings per share was 9.33 cents (FY25: 6.75 cents) and underlying diluted earnings per share was 8.94 cents (FY25: 6.49 cents), calculated using pro forma net profit after tax and the same weighted average numbers of Shares. In accordance with AASB 133, the weighted average number of Shares for all periods presented has been retrospectively adjusted for the 1-for-7 share split effected prior to the IPO.

The movement in earnings per share reflects the statutory profit impact of the one-off Offer costs and other IPO-related items described in Sections 2.6 and 14.3, together with the increase in the number of Shares on issue over the period. Between the Prospectus Date and Completion, the Company issued shares to incoming Non-Executive Directors under a pre-IPO placement, completed the share split, converted all A Class shares issued under the legacy Management Equity Plan into ordinary Shares, issued 9.1 million New Shares at the Offer Price of $2.20 under the Offer and gifted 13,636 Shares to eligible employees under the Employee Gift Offer, taking total Shares on issue from 14.5 million (ordinary and A Class shares, pre-split) at 5 July 2025 to 111.7 million at 4 July 2026. As the New Shares were issued late in the financial period, the FY26 weighted average of 96,134,799 Shares only partially reflects the post-Completion capital structure; earnings per share in future periods will be calculated on the full post-IPO share count.

No dividends have been declared or paid since listing. The Shares listed at the Offer Price of $2.20 on 21 May 2026 and closed at $2.53 on 4 July 2026.

14.6 SEGMENT INFORMATION

Refer to Note 29 (Operating segments) of the attached financial statements. The financial statements disclose one operating segment, being piercing services and jewellery retail sales (Note 29). Note 3 treats Australia and New Zealand as a single geographical market and does not disaggregate revenue by channel.

15. Status of audit

The financial statements attached to this report are in the process of being audited by the Company's auditor, KPMG. The attached financial statements do not include the Directors' declaration or the independent auditor's report, which will accompany the financial report in the Company's 2026 Annual Report.

The independent auditor's report will be signed and issued in conjunction with the Directors' report (including the Remuneration Report) and Directors' declaration in the Company's 2026 Annual Report.

The Company's audited annual financial report is expected to be lodged with the ASX on or before 25 September 2026. In accordance with Listing Rule 4.3A, if there is a material difference between the information in this report and the audited financial statements, the Company will advise the ASX immediately, and will release the audit report immediately if it contains a modification, emphasis of matter or other matter paragraph.

Authorised for release by the Board of Directors of SkinKandy Limited.

For further information contact:

Investor Relations
SkinKandy Limited
investors@skinkandy.com · 07 5406 7203

Date: 25 August 2026

SkinKandy.

ATTACHMENT

FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 4 JULY 2026

The following financial statements, extracted from the financial report of SkinKandy Limited for the 52 weeks ended 4 July 2026 (which is in the process of being audited), form part of this report and are provided in satisfaction of items 3 to 6 and the related items of Appendix 4E, as cross-referred to in the body of this report.

SkinKandy Limited

Consolidated statement of profit or loss and other comprehensive income

For the period ended 4 July 2026

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated ($'000)	Note	2026	2025
Revenue	3	90,512	71,779
Cost of sales		(9,771)	(7,421)
Gross profit		**80,741**	**64,358**
Other income		-	8
Expenses			
Employee benefits expense	4	(39,777)	(30,913)
Occupancy expenses		(2,324)	(1,741)
Distribution expenses		(985)	(606)
Depreciation and amortisation expense		(10,245)	(7,581)
Loss on disposal of plant and equipment		(537)	(8)
IPO costs		(11,072)	-
Other expenses	4	(12,865)	(11,236)
Operating profit		**2,936**	**12,281**
Finance income		181	299
Finance costs	4	(1,259)	(1,003)
Net finance costs		**(1,078)**	**(704)**
Profit before income tax expense		**1,858**	**11,577**
Income tax expense	5	(1,217)	(3,445)
Profit after income tax expense for the period		**641**	**8,132**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(228)	1
Other comprehensive income for the period, net of tax		**(228)**	**1**
Total comprehensive income for the period		**413**	**8,133**

Earnings per share for profit attributable to the owners		Cents	Cents
Basic earnings per share	22	0.67	8.61
Diluted earnings per share	22	0.64	8.27

SkinKandy Limited
Consolidated statement of financial position
As at 4 July 2026

The consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated ($'000)	Note	2026	2025
Assets			
Current assets			
Cash and cash equivalents	6	7,815	8,579
Trade and other receivables		490	368
Inventories	7	6,300	6,186
Term deposits		6,000	-
Other current assets	8	1,230	1,783
Total current assets		**21,835**	**16,916**
Non-current assets			
Plant and equipment	9	21,478	14,752
Right-of-use assets	10	22,600	17,433
Intangible assets	11	8,823	8,811
Deferred tax assets	5	6,954	3,625
Total non-current assets		**59,855**	**44,621**
Total assets		**81,690**	**61,537**
Liabilities			
Current liabilities			
Trade and other payables	12	2,754	1,707
Employee benefit liabilities	13	3,695	3,754
Current tax liabilities		37	1,177
Other liabilities	15	1,295	1,666
Lease liabilities	16	9,332	6,916
Total current liabilities		**17,113**	**15,220**
Non-current liabilities			
Employee benefit liabilities	13	84	69
Provisions	14	1,448	1,001
Lease liabilities	16	18,503	14,744
Total non-current liabilities		**20,035**	**15,814**
Total liabilities		**37,148**	**31,034**
Net assets		**44,542**	**30,503**
Equity			
Issued capital	19	35,387	13,059
Reserves	20	(227)	203
Retained earnings		9,382	17,241
Total equity		**44,542**	**30,503**

SkinKandy Limited

Consolidated statement of changes in equity

For the period ended 4 July 2026

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated ($'000)	Issued capital	SBP reserve[1]	FCT reserve[2]	Retained earnings	Total equity
Balance at 29 June 2024	13,059	106	-	12,859	26,024
Profit after income tax expense for the period	-	-	-	8,132	8,132
Other comprehensive income, net of tax	-	-	1	-	1
Total comprehensive income for the period	**-**	**-**	**1**	**8,132**	**8,133**
Transactions with owners in their capacity as owners:					
Share-based payments (note 21)	-	96	-	-	96
Dividends paid (note 23)	-	-	-	(3,750)	(3,750)
Balance at 5 July 2025	**13,059**	**202**	**1**	**17,241**	**30,503**
Profit after income tax expense for the period	-	-	-	641	641
Other comprehensive income, net of tax	-	-	(228)	-	(228)
Total comprehensive income for the period	**-**	**-**	**(228)**	**641**	**413**
Transactions with owners in their capacity as owners:					
Cash contributions of equity (note 19)	22,500	-	-	-	22,500
Share issue transaction costs, net of tax (note 19)	(901)	-	-	-	(901)
Share-based payments — legacy MEP (note 21)[3]	-	504	-	-	504
Shares gifted to employees (notes 19 and 21)	23	-	-	-	23
Transfer on conversion of legacy MEP (note 19)[4]	706	(706)	-	-	-
Dividends paid (note 23)	-	-	-	(8,500)	(8,500)
Balance at 4 July 2026	**35,387**	**-**	**(227)**	**9,382**	**44,542**

1. SBP reserve — share-based payments reserve.
2. FCT reserve — foreign currency translation reserve.
3. Expense recognised in the share-based payments reserve on the accelerated vesting of the legacy MEP. A further $22,500 of share-based payments, being shares gifted to employees, was recognised directly in issued capital (shown above).
4. Transfer of the share-based payments reserve to issued capital on conversion of the legacy MEP at Completion.

SkinKandy Limited
Consolidated statement of cash flows
For the period ended 4 July 2026

The consolidated statement of cash flows should be read in conjunction with the accompanying notes

Consolidated ($'000)	Note	2026	2025[1]
Cash flows from operating activities			
Profit after income tax expense for the period		641	8,132
Adjustments for:			
Depreciation and amortisation		10,245	7,581
Share-based payments		526	96
Loss on disposal of plant and equipment		537	8
Other		2	(20)
Operating activities before changes in operating assets and liabilities		**11,951**	**15,797**
Change in operating assets and liabilities:			
Increase in inventories		(191)	(2,516)
Increase in trade and other receivables		(80)	(895)
Increase in deferred tax assets		(2,952)	(1,002)
Increase/(decrease) in trade and other payables		474	(97)
Increase/(decrease) in employee benefit liabilities		(36)	1,428
Decrease in current tax liabilities		(1,131)	(595)
Net cash from operating activities		**8,035**	**12,120**
Cash flows from investing activities			
Payments for plant and equipment		(7,436)	(3,892)
Payments for intangibles		(12)	(35)
Acquisition of term deposits		(6,000)	-
Net cash used in investing activities		**(13,448)**	**(3,927)**
Cash flows from financing activities			
Proceeds from issue of shares	19	22,500	-
Payment of capital raising costs	19	(1,286)	-
Dividends paid	23	(8,500)	(3,750)
Repayment of borrowings		-	(45)
Repayment of lease liabilities		(7,797)	(6,336)
Net cash from/(used in) financing activities		**4,917**	**(10,131)**
Net decrease in cash and cash equivalents		**(496)**	**(1,938)**
Cash and cash equivalents at the beginning of the financial period		8,579	10,517
Effects of exchange rate changes on cash and cash equivalents		(268)	-
Cash and cash equivalents at the end of the financial period	**6**	**7,815**	**8,579**

1. The Group has changed the method of presenting certain cash flow items within the statement of cash flows. The revised presentation more appropriately reflects the nature of the underlying transactions and better aligns the statement of cash flows with the way management measures performance and monitors cash generation internally. Comparative amounts have been reclassified accordingly. This change impacts presentation only and does not affect total cash flows or profit for the period (note 2).

Note 1. Corporate information

SkinKandy Limited (the 'Company') is domiciled in Australia. The Company's registered office is Level 4, 161 Castlereagh Street, Sydney NSW, 2000, and principal place of business is Suite 15, 12-20 Ocean Street, Maroochydore QLD, 4558.

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a for-profit entity and is primarily involved in body piercing and jewellery retailing. During the period the Company completed an initial public offering (the 'IPO' or the 'Offer') and was admitted to the official list of the Australian Securities Exchange ('ASX') on 21 May 2026 ('Listing'), with completion of the Offer ('Completion') occurring on 25 May 2026. References to the 'Prospectus' are to the Company's prospectus dated 12 May 2026 and references to 'Shares' are to fully paid ordinary shares in the Company.

The Group utilises a 52-week retail calendar for financial reporting purposes. The current reporting period represents the 52-week period from 6 July 2025 to 4 July 2026 (the 'period', or '2026') and the prior comparative 53-week period from 30 June 2024 to 5 July 2025 ('2025').

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies are consistent with those applied in the previous year.

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

These financial statements also comply with International Financial Reporting Standards ('IFRS') Accounting Standards as issued by the International Accounting Standards Board ('IASB').

The financial report has been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000s) except where otherwise indicated in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183. The Company is an entity to which this legislative instrument applies.

The Group's consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities in the normal course of business. Based on current projections, the Directors consider that the Group will have access to adequate funds to meet its liabilities as and when they fall due.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards did not have any material impact for the Group.

Note 2. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The new or amended Accounting Standards and Interpretations most relevant to the Group are set out below.

AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to AASB 9 'Financial Instruments' and AASB 7 'Financial Instruments: Disclosures' to clarify how the contractual cash flows from financial assets should be assessed in determining how they should be classified. Included in cash and cash equivalents as at 4 July 2026 is $425,000 (2025: $750,000) relating to receivables from sales that are settled but remain undeposited funds. From the annual reporting period beginning after 1 January 2026, the equivalent amount will be reclassified from cash and cash equivalents to receivables.

AASB 2024-3 Amendments to Australian Accounting Standards — Annual Improvements Volume 11

AASB 2024-3 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to various standards including AASB 7 'Financial Instruments: Disclosures', AASB 9 'Financial instruments' and AASB 10 'Consolidated Financial Statements' to clarify existing requirements. The Group is currently assessing the impact.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. However, the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from the beginning of its FY28 financial year, being the annual reporting period commencing 4 July 2027, and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Basis of consolidation

i. Subsidiaries

The consolidated financial statements comprise the financial statements of the Group as at 4 July 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Note 2. Material accounting policy information (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the Group's accounting policies.

ii. Loss of control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

iii. Transactions eliminated on consolidation

Balances and any unrealised gains and losses or income and expenses arising from transactions between the Company and its subsidiaries for which the Group is a member, are eliminated in preparing the consolidated financial statements.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Functional and presentation currency

The Group's consolidated financial statements are presented in Australian dollars, which is also the Company's functional currency. The Group determines the functional currency for each entity, and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Note 2. Material accounting policy information (continued)

Cost of sales

Cost of sales represents the cost of inventory sold during the period. It comprises the purchase cost of inventory (net of trade discounts and rebates), inbound freight, and other costs directly attributable to bringing inventory to its present location and condition ready for sale.

Finance income and finance costs

The Group's finance income and finance expenses include:

- interest income; and
- interest expense.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value, and this determination is evidenced neither by a quoted price in an active market for an identical financial instrument nor a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the differences between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Note 2. Material accounting policy information (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Comparative amounts

Comparative information is consistent with prior periods unless otherwise stated. During the period, the Group changed its method of presenting operating cash flows in the statement of cash flows from the direct method to the indirect method. The revised presentation more appropriately reflects the nature of the underlying transactions and better aligns the statement of cash flows with the way management measures performance and monitors cash generation internally. Comparative amounts have been reclassified accordingly. This change impacts presentation only and does not affect total cash flows, net cash movement, or profit for the period.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. As a retailer where all revenue receipts are in the form of immediate cash, electronic funds transfer, credit card and/or buy now pay later providers, sales do not give rise to interest-bearing receivables. Receivables are not discounted to present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. Debts are written off once attempts at recovery of the debt have ceased.

Note 3. Revenue

Consolidated ($'000)	2026	2025
Piercing services and jewellery sales	90,512	71,779

Primary geographical market

The Group currently operates in Australia and New Zealand, which it considers to be a single geographical market based on the centralised management of the region and close proximity.

Accounting policies

Revenue is measured at fair value of the consideration received or receivable.

The Group primarily generates revenue from providing body piercing services, related aftercare products and the sale of jewellery products.

Revenue from the sale of goods

Revenue from the sale of goods is recognised when control over the inventory has transferred to the customer, being the point of delivery, which corresponds to the cessation of all involvement in those goods. Control is generally considered to have passed when:

- physical possession and inventory risk is transferred;
- payment terms for the sale of goods can be clearly identified through a completed cash or electronic transaction; and
- the customer has no practical ability to reject the product where it is within contractually specified limits.

Revenue from online sales is recognised upon the satisfaction of the Group's performance obligation which is deemed to occur upon delivery of the customer's order.

Revenue from services

Revenue from services is recognised when performance obligations have been satisfied.

Legacy loyalty program

The Group operated a points-based loyalty program that was discontinued in November 2023. Following the discontinuation of the program, customers were permitted to redeem accumulated loyalty points for a period of 12 months, with the Group also providing a further grace period of up to 12 months on a case-by-case basis. Revenue allocated to loyalty points was deferred within other liabilities and recognised as points were redeemed or expired. All outstanding loyalty points were redeemed or expired during the period, and no obligation remained at the end of the reporting period.

All revenue is stated net of the amount of goods and services tax.

Note 4. Expenses

Consolidated ($'000)	2026	2025
Profit before income tax includes the following specific expenses:		
Employee benefit expense		
Salaries, benefits and associated costs	38,902	30,432
Outsourced contractors	349	385
Share-based payments	526	96
	39,777	**30,913**
Other expenses		
Professional fees and consultancy	2,177	2,519
Software and service subscriptions	2,118	1,571
Supplies and consumables	1,428	1,122
Other	7,142	6,024
	12,865	**11,236**
Finance costs		
Interest expense	-	5
Interest on lease liabilities	1,259	998
	1,259	**1,003**

Note 5. Income tax

The Directors have considered the recognition requirements of the Australian Accounting Standards in relation to deferred tax assets. At the end of the period, a deferred tax asset has been recognised as the Directors consider that it is probable that future taxable profits will be available against which the Group can utilise the benefits of the deferred tax asset. The standard rate of tax applied to taxable profit is 30%.

Consolidated ($'000)	2026	2025
Income tax expense		
Current tax	4,237	4,447
Deferred tax — origination and reversal of temporary differences	(3,020)	(1,002)
Aggregate income tax expense	**1,217**	**3,445**

Consolidated ($'000)	2026	2025
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	1,858	11,577
Tax at the statutory tax rate of 30%	557	3,473
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	329	36
Other	(5)	(64)
	881	**3,445**
Adjustment recognised for current tax of prior periods	352	-
Difference in overseas tax rates	(16)	-
Income tax expense	**1,217**	**3,445**

Consolidated ($'000)	2026	2025
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Plant and equipment	1,683	1,223
Right of use assets	(6,780)	(5,233)
Provision for lease make good	147	(175)
Accruals and provisions	513	1,210
Leases	8,350	6,581
Other	58	19
IPO costs deductible over five years	2,983	-
	6,954	**3,625**
Movements:		
Opening balance	3,625	2,623
Credited to profit or loss	3,020	1,002
Credited to equity	309	-
Closing balance	**6,954**	**3,625**

Accounting policies

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Note 5. Income tax (continued)

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustments to tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects the uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax liability arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

The Group and its wholly-owned Australian resident entities have formed an income tax consolidated Group with effect from 1 July 2021 and are therefore taxed as a single entity from that date. The head entity of the income tax consolidated Group is SkinKandy Limited. The members of the income tax consolidated Group are listed in note 25.

Income tax expenses, deferred tax assets, and deferred tax liabilities arising from temporary differences of the members of the income tax consolidated Group are recognised in the separate financial statements of the members of the income tax consolidated Group using the "separate taxpayer within Group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the income tax consolidated Group are recognised by the parent entity (as head entity of the income tax consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax consolidated Group, amounts are recognised as payable to or receivable by the Group and each member of the income tax consolidated Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the income tax consolidated Group in accordance with the arrangement.

Note 6. Cash and cash equivalents

Consolidated ($'000)	2026	2025
Current assets		
Cash at bank	4,815	8,579
Short term deposits	3,000	-
	7,815	**8,579**

In addition to these cash and cash equivalent balances, the Group also holds $6,000,000 (2025: $nil) in longer-term deposits (over 3 months), bringing the total cash reserves to $13,815,000 (2025: $8,579,000).

Accounting policies

Cash and cash equivalents comprises cash on hand, cash at bank, settled but undeposited funds from sales and short term deposits, being deposits maturing within three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Inventories

Consolidated ($'000)	2026	2025
Current assets		
Finished goods	6,097	6,820
Provision for stock loss and obsolescence	(285)	(1,028)
Stock in transit	488	394
	6,300	**6,186**

Inventories recognised as an expense during the period ended 4 July 2026 and included in cost of sales amounted to $9,771,000 (2025: $7,421,000).

During the period, inventories of $461,447 (2025: $336,081) were written down to net realisable value and included in cost of sales.

Accounting policies

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost comprises the purchase price from the supplier, the cost of shipping product from the supplier to the warehouse (including customs and import duties), carding and packaging, and shrinkage and obsolescence, together with other costs incurred in bringing inventory to its present location and condition, using the weighted average cost method. Warehouse and outbound freight costs are not included in the cost of inventories and are reported as distribution expenses.

Note 8. Other current assets

Consolidated ($'000)	2026	2025
Current assets		
Other assets	331	168
Prepayments	899	1,615
	1,230	**1,783**

Note 9. Plant and equipment

Reconciliations

Reconciliations of the carrying values at the beginning and end of the current and previous financial period are set out below:

Consolidated ($'000)	Property improvements	Furniture and fittings	Motor vehicles	Office equipment	Total
Cost					
Balance at 29 June 2024	14,949	857	177	636	16,619
Additions	5,596	606	-	110	6,312
Balance at 5 July 2025	**20,545**	**1,463**	**177**	**746**	**22,931**
Additions	9,130	1,074	27	335	10,566
Translation differences	(95)	(2)	-	-	(97)
Disposals	(1,201)	(120)	(13)	(143)	(1,477)
Balance at 4 July 2026	**28,379**	**2,415**	**191**	**938**	**31,923**

Consolidated ($'000)	Property improvements	Furniture and fittings	Motor vehicles	Office equipment	Total
Accumulated depreciation					
Balance at 29 June 2024	(4,817)	(516)	(107)	(318)	(5,758)
Depreciation	(2,138)	(130)	(19)	(134)	(2,421)
Balance at 5 July 2025	**(6,955)**	**(646)**	**(126)**	**(452)**	**(8,179)**
Depreciation	(2,938)	(211)	(22)	(146)	(3,317)
Translation differences	3	-	-	-	3
Disposals	836	81	13	118	1,048
Balance at 4 July 2026	**(9,054)**	**(776)**	**(135)**	**(480)**	**(10,445)**

Consolidated ($'000)	Property improvements	Furniture and fittings	Motor vehicles	Office equipment	Total
Carrying amounts					
Balance at 29 June 2024	**10,132**	**341**	**70**	**318**	**10,861**
Balance at 5 July 2025	**13,590**	**817**	**51**	**294**	**14,752**
Balance at 4 July 2026	**19,325**	**1,639**	**56**	**458**	**21,478**

Note 9. Plant and equipment (continued)

Accounting policies

i. Recognition and measurement

Items of plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated. The estimated useful lives of plant and equipment for current and comparative periods are as follows:

Property improvements	3-7.5 years
Furniture and fittings	1-10 years
Motor vehicles	2-10 years
Office and equipment	5-8 years

Note 9. Plant and equipment (continued)

Impairment of plant and equipment and right-of-use assets

The Group assesses and reviews plant and equipment and right-of-use assets at each reporting date to determine whether there is an indication of impairment. Each store operates as its own cash generating unit ("CGU") and is tested at the store level. If such indication of impairment exists, the Group estimates the asset's recoverable amount.

The recoverable amount is the higher of its fair value less costs of disposal and its value in use. The Group uses value in use for the purposes of impairment testing, with estimated future cashflows discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The Group bases its impairment testing on forecast calculations.

Impairment losses recognised in previous years are assessed at each reporting date for any indicators that the loss has decreased or no longer exists. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income.

Material accounting judgements, estimates and assumptions

Impairment of non-financial assets — store assets

Each individual store is assessed as a single cash generating unit. An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on discounted cash flows expected to be generated by the continued use of this CGU.

The Group did not identify any stores with indicators of impairment, therefore there was no impairment expense recognised for the period.

Note 10. Right-of-use assets

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated ($'000)	Buildings
Balance at 29 June 2024	12,682
Additions	9,055
Depreciation expense	(5,093)
Remeasurement/modifications of lease terms	789
Balance at 5 July 2025	**17,433**
Additions	11,756
Depreciation expense	(6,928)
Remeasurement/modifications of lease terms	416
Translation differences	(77)
Balance at 4 July 2026	**22,600**

For other lease disclosures, refer to the following:

- note 16 for accounting policies relating to rights-of-use assets, lease liabilities at year end and repayment of lease liabilities; and
- note 24 for maturity analysis of lease liabilities.

Note 11. Intangible assets

Reconciliations

Reconciliations of the carrying values at the beginning and end of the current and previous financial period are set out below:

Consolidated ($'000)	Goodwill	Domain names and trademarks	Total
Cost			
Balance at 29 June 2024	8,699	75	8,774
Additions	-	37	37
Balance at 5 July 2025	**8,699**	**112**	**8,811**
Additions	-	12	12
Balance at 4 July 2026	**8,699**	**124**	**8,823**

Impairment of goodwill

For goodwill impairment testing, the Group is assessed at a consolidated level consistent with the single operating segment used in Group reporting. Accordingly, the total goodwill balance has been allocated to this group of cash-generating units (CGUs).

At each reporting date, the Group evaluates whether any indicators exist that an asset may be impaired. Where such indicators are present, or when annual testing is required, the recoverable amount of the relevant asset or CGU is estimated. The recoverable amount represents the higher of fair value less costs of disposal or value in use. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is deemed impaired and written down accordingly. For the purposes of goodwill testing, the Group assesses impairment at the consolidated level, consistent with its internal reporting structure. Individual stores are treated as part of a single CGU for impairment testing purposes.

Key assumptions applied in year-end testing

The recoverable amount of the CGUs to which goodwill has been allocated is determined based on fair value less costs of disposal. This is calculated by discounting expected future cash flows derived from the ongoing operations of the CGUs.

The impairment assessment is based on a combination of Board approved budgets and forecasts approved by management, covering a five-year period. The assumptions applied are those considered most sensitive in determining the recoverable amount of a CGU.

The key assumptions used in impairment testing were as follows:

- Discount rate: 11% (2025: 11%)
- Annual revenue growth:
  - Year 1: based on the financial year budget approved by the Board
  - Year 2: calculated based on blended historical growth rates
- Terminal value: calculated using a multiple-of-EBITDA (earnings before interest, tax, depreciation and amortisation) approach, applying terminal multiples of 4.5x

Based on these assumptions, the calculated recoverable amount exceeded the carrying amount of goodwill and, as a result, no impairment charge was recognised in profit or loss for the period. No reasonable possible change in assumption would lead to an impairment.

Note 11. Intangible assets (continued)

At each subsequent reporting date, the Group reviews whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased (except impairment on goodwill which is not reversed). If such indicators are identified, the recoverable amount is re-estimated. Any reversal of an impairment loss is recognised only if there has been a change in the assumptions used to determine the recoverable amount since the last impairment was recorded. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount or the carrying value that would have been determined had no impairment been recognised previously.

Accounting policies

i. Recognition and measurement

Goodwill — Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets — Other intangible assets, including domain names and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less any accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any depreciation or amortisation.

Note 12. Trade and other payables

Consolidated ($'000)	2026	2025
Current liabilities		
Trade creditors	1,855	763
Other payables	899	944
	2,754	**1,707**

Refer to note 24 for further information on financial instruments.

Accounting policies

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 13. Employee benefit liabilities

Consolidated ($'000)	2026	2025
Current liabilities		
Accrued wages payable	1,655	1,573
Annual leave	743	638
Post-employment benefits	430	893
Other employment payables	867	650
	3,695	**3,754**
Non-current liabilities		
Long service leave	84	69
	84	**69**

Accounting policies

Short-term employee benefits

Short-term employee benefits, which include accrued wages payable, annual leave and other employment payables, are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits, which includes long service leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Note 14. Provisions

Consolidated ($'000)	2026	2025
Non-current liabilities		
Lease make good	1,448	1,001

Movements in provisions

Consolidated — 2026 ($'000)	Lease make good
Carrying amount at the start of the period	1,001
Additional provisions recognised	519
Amounts used	(66)
Translation differences	(6)
Carrying amount at the end of the period	**1,448**

Accounting policies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Material accounting judgements, estimates and assumptions

The calculation of this provision requires assumptions such as expected lease expiry dates and cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each leased premises is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the consolidated statement of financial position by adjusting both the expense or asset (if applicable) and provision.

Note 15. Other liabilities

Consolidated ($'000)	2026	2025
Current liabilities		
Accrued expenses	311	102
Other liabilities	984	1,564
	1,295	**1,666**

Other liabilities include unredeemed gift cards and store credits, corporate credit card liabilities and revenue from contracts with customers received in advance relating to the Company's legacy loyalty program.

Note 16. Lease liabilities

Leases as lessee

The Group leases retail facilities. The lease typically runs for a period of 3-6 years excluding options to renew.

Consolidated ($'000)	2026	2025
Current liabilities		
Lease liabilities	9,332	6,916
Non-current liabilities		
Lease liabilities	18,503	14,744
Total lease liabilities	**27,835**	**21,660**

Refer to note 24 for further information on financial instruments.

Reconciliation of carrying values

Consolidated ($'000)	Lease liabilities
Balance at 29 June 2024	16,129
Additions	10,777
Interest charges	998
Repayments	(7,334)
Remeasurement/modifications of lease terms	1,090
Balance at 5 July 2025	**21,660**
Additions	13,786
Interest charges	1,259
Repayments	(9,056)
Remeasurement/modifications of lease terms	289
Translation differences	(103)
Balance at 4 July 2026	**27,835**

Contractual cashflows

The total of future lease payments are disclosed for each of the following periods.

Consolidated ($'000)	2026	2025
Less than one year	9,606	7,094
One to five years	20,874	15,928
More than five years	-	91
	30,480	**23,113**

Note 16. Lease liabilities (continued)

Accounting policies

Leases

Right-of-use assets for operating leases relate to the lease of retail stores, administrative support centre and warehousing with contract terms of one to six years.

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with an initial lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate. The lessee's incremental borrowing rate applied to the lease liabilities on 4 July 2026 was 4% - 6% (5 July 2025 was 4% - 8%).

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives not received at commencement;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs and less any lease incentives received at commencement. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Impairment of right-of-use assets

Refer to note 9 for the policy relating to impairment of right-of-use assets.

Material accounting judgements, estimates and assumptions

Leases — estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Assessment of the Group's IBR requires estimation and is subjective in nature, especially when there is no comparable financing arrangement in place. The Group estimates the IBR using observable inputs, such as market interest rates and published guidance.

Note 17. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel ('KMP') of the Group is set out below:

Consolidated ($)	2026	2025
Salary and fees	1,058,936	937,756
Short-term incentives	415,475	305,216
Other monetary benefits	3,000	1,450
Non-monetary benefits	26,311	16,011
One-off Offer-related payments[1]	1,160,000	-
Post-employment benefits	60,537	61,466
Share-based payments	503,907	97,509
	3,228,166	**1,419,408**

1. One-off payments made in connection with the Offer and conditional on Listing or Settlement, comprising IPO bonuses of $30,000 to each of Trent Peterson and Melanie Wilson, and a transaction bonus of $1,100,000 to Mark Oliphant approved by eligible voting shareholders under Chapter 2E of the Corporations Act 2001. These amounts are non-recurring.

Amounts are unrounded and agree to Section 8 of the Remuneration report.

Note 18. Related party transactions

Parent entity

SkinKandy Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

Transactions with related parties

Rent paid

During the period SkinKandy Australia Pty Ltd, a subsidiary entity, paid rent of $83,696 (2025: $199,653) to a director-related entity, Donnaphant Holdings Pty Ltd ATF The Oliphant Family Trust, controlled by Mark Oliphant. The rent paid in the current period covers a period of approximately three months (2025: twelve months).

Consultancy

Throughout the period SkinKandy Australia Pty Ltd, a subsidiary entity, paid consulting fees of $218,647 (2025: $243,076) to a director-related entity, Whiteoak Asset Management Pty Limited, controlled by Richard Whiteoak. The agreement terminated on Listing.

Consulting fees paid to entities related to Directors in consideration for their services as Directors are included in key management personnel compensation (note 17).

Balances with related parties

Other than remuneration-related balances owing to key management personnel and their related entities (note 17), there were no balances outstanding at the reporting date in relation to transactions with directors and/or director-related entities.

Loans to/from related parties

Other than the MEP (as defined in note 21), there were no other loans with related parties.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 19. Issued capital

Consolidated	2026	2025	2026	2025
	Shares '000	Shares '000	$'000	$'000
Ordinary shares — fully paid	111,667	13,500	35,387	13,059
A Class shares — fully paid	-	1,007	-	-
	111,667	**14,507**	**35,387**	**13,059**

Ordinary shares

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

A class shares

A class shares relate to the Management Equity Plan ('MEP') described in note 21 and are fully paid, carry no voting rights and carry a right to 20% of the dividends declared on ordinary shares — on a share per share basis. The A class shares converted to ordinary shares in the Company at IPO.

Movements in share capital

Fully paid share capital	Ordinary value	Ordinary quantity	A class value	A class quantity	Total value	Total quantity
	$'000	'000	$'000	'000	$'000	'000
Balance at 29 June 2024	13,059	13,500	-	862	13,059	14,362
Shares issued	-	-	-	145	-	145
Balance at 5 July 2025	**13,059**	**13,500**	**-**	**1,007**	**13,059**	**14,507**
Shares issued to KMP[1]	1,800	145	-	-	1,800	145
Share split[3]	-	81,869	-	6,042	-	87,911
Conversion of A Class shares[2]	706	7,049	-	(7,049)	706	-
Shares issued on IPO	20,000	9,091	-	-	20,000	9,091
Shares gifted to employees	23	13	-	-	23	13
Repayments of MEP loan	700	-	-	-	700	-
Capital raising costs	(1,286)	-	-	-	(1,286)	-
Deferred tax on IPO costs	385	-	-	-	385	-
Balance at 4 July 2026	**35,387**	**111,667**	**-**	**-**	**35,387**	**111,667**

1. KMP — key management personnel.
2. Refer to note 21 for details of the Management Equity Plan.
3. Refer to note 22 for details of the 1-for-7 share split.

Cash proceeds from shares issued during the period of $22,500,000 — comprising shares issued to KMP of $1,800,000, shares issued on IPO of $20,000,000 and repayments of MEP loans of $700,000 — less capital raising costs paid of $1,286,000, are presented within financing activities in the statement of cash flows.

Share buy-back

There is no current on-market share buy-back.

Note 19. Issued capital (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

The capital risk management policy remains unchanged from the 5 July 2025 Annual Report.

Accounting policies

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with AASB 112.

Note 20. Reserves

Consolidated ($'000)	2026	2025
Share-based payments reserve (note 21)	-	202
Foreign currency translation reserve	(227)	1
	(227)	**203**

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Note 21. Share-based payments

Description of share-based payment arrangement

Under the MEP, Dain Friis and Carl Larzabal were provided A class shares (note 19), fully paid by way of non-recourse loans, in the parent entity SkinKandy Limited. These shares and related non-recourse loans were recognised as in-substance options in line with the relevant accounting standards. The shares fully vested in the period due to terms in the agreements related to the IPO. The fully vested A class shares then converted to ordinary shares in advance of the IPO.

Following Completion of the IPO, the outstanding balances of the non-recourse loans were $900,000 for Mr Friis and $150,000 for Mr Larzabal. Under the amended terms of the shareholder loans, a proportion of the proceeds of any future sale of the executives' shares, of dividends paid on those shares and of cash STI payments must be applied in reduction of the loans until they are repaid in full.

If, while a shareholder loan remains outstanding, the relevant executive ceases to be employed by the Group, becomes bankrupt, or otherwise ceases to own or control the shares issued on conversion of their A class shares, the loan becomes repayable in full within 14 days of the relevant event.

Measurement of fair values

The fair value of the employee share options has been measured using a combined Black-Scholes / Monte Carlo model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

Expected volatility has been based on an evaluation of the historical volatility of the Group's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Note 21. Share-based payments (continued)

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the MEP is provided below.

	2026		2025	
	Number of options	**Average price***	**Number of options**	**Average price***
	'000	$	'000	$
Outstanding at the beginning of the period	1,007	$1.74	862	$1.74
Granted	-	$0.00	145	$1.74
Converted to ordinary shares	(1,007)	$1.74	-	$0.00
Outstanding at the end of the period	**-**	**$0.00**	**1,007**	**$0.00**

* Weighted average exercise price.

The following table lists the inputs to the valuation of the MEP awards, valued in both periods using a combined Black-Scholes / Monte Carlo model:

Inputs	**2026**	**2025**
Weighted average fair value, per share, at measurement date	$1.74	$1.74
Dividend yield	2.4%	2.4%
Risk-free interest rate	3.47%	3.47%
Expected life of performance rights (years)[1]	6.64	6.64
Expected volatility[2]	65%	65%
Weighted average price per share price	$1.85	$1.85

1. The expected life of the performance rights is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.
2. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options and performance rights is indicative of future trends, which may not necessarily be the actual outcome.

Note 21. Share-based payments (continued)

Reconciliation of closing balance

Consolidated ($'000)	2026	2025
Opening balance	202	106
Expense related to vesting conditions	504	96
Transfer to ordinary shares (note 19)	(706)	-
Total share-based payments reserve	**-**	**202**

The reconciliation above relates to the MEP only.

Shares gifted to employees

Separately from the MEP, and in connection with the Offer, the Group gifted shares to employees with a face value of $30,000 at the Offer Price of $2.20 per share. A discounted fair value of $22,500 was recognised in employee benefits expense, with the corresponding credit recognised directly in issued capital (note 19) rather than through the share-based payments reserve. Total share-based payment expense recognised in employee benefits expense for the period was therefore $526,000 (2025: $96,000), as disclosed in note 4.

Accounting policies

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in salaries and employee benefits expenses, together with a corresponding increase in equity, over the period in which the vesting conditions, including both service and performance conditions (where applicable), of the transaction are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the profit or loss.

Note 22. Earnings per share

Consolidated ($'000)	2026	2025
Profit after income tax attributable to the owners of the Group	641	8,132

	Number '000	Number '000
Weighted average number of ordinary shares used in calculating basic earnings per share*	96,135	94,500
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	4,228	3,778
Weighted average number of ordinary shares used in calculating diluted earnings per share	**100,363**	**98,278**

	Cents	Cents
Basic earnings per share	0.67	8.61
Diluted earnings per share	0.64	8.27
Underlying basic earnings per share†	9.33	6.75
Underlying diluted earnings per share†	8.94	6.49

† Underlying earnings per share is a non-IFRS measure calculated using pro forma net profit after tax, being statutory net profit after tax adjusted to the pro forma basis described in the Company's Prospectus, and the weighted average numbers of shares set out above.
* On 1 April 2026, the Company effected a 1-for-7 share split of existing ordinary shares. The share split did not result in any change to the Company's total equity. For earnings per share purposes, the weighted average number of shares and earnings per share amounts for all periods presented have been retrospectively adjusted to reflect the share split.

Note 23. Dividends

Dividends

Dividends paid during the financial period were as follows:

Consolidated ($'000)	2026	2025
32.9 cents per ordinary share paid on 15 September 2025	4,438	-
6.2 cents per A class share paid on 15 September 2025	62	-
2.6 cents per ordinary share paid on 22 April 2026	2,464	-
0.5 cents per A class share paid on 22 April 2026	36	-
1.6 cents per ordinary share paid on 19 May 2026	1,478	-
0.3 cents per A class share paid on 19 May 2026	22	-
1.8 cents per ordinary share paid on 30 August 2024, 12 November 2024 and 20 May 2025	-	740
0.3 cents per A class share paid on 30 August 2024, 12 November 2024 and 20 May 2025	-	10
21.9 cents per ordinary share paid on 10 February 2025	-	2,958
4.1 cents per A class share paid on 10 February 2025	-	42
	8,500	**3,750**

Franking credits

Consolidated ($'000)	2026	2025
Franking credits available for subsequent financial years based on a tax rate of 30%	12,350	11,563

Accounting policies

Dividends are recognised when declared during the financial period and no longer at the discretion of the Company.

Note 24. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's exposure to market risk is limited to interest rate risk and foreign currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk is through its cash holdings and is considered immaterial due to current interest rates.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's offshore operating activities. Currencies utilised in relation to purchase imported goods are US dollars and New Zealand dollars. The Group's exposure to foreign currency risk is monitored and managed by management.

Note 24. Financial instruments (continued)

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated ($'000)	Assets 2026	Assets 2025	Liabilities 2026	Liabilities 2025
US dollars (USD)	14	86	(661)	(101)
New Zealand dollars (NZD)	486	208	(906)	(587)
	500	**294**	**(1,567)**	**(688)**

Sensitivity analysis

Consolidated ($'000)	Profit or loss	
	Stronger	Weaker
6 July 2025		
USD (5 percent movement)	1	(1)
NZD (5 percent movement)	13	(14)
4 July 2026		
USD (5 percent movement)	22	(24)
NZD (5 percent movement)	14	(15)

The actual foreign exchange loss for the period ended 4 July 2026 was $3,000 (2025: loss of $30,000).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. As a retailer where all revenue receipts are in the form of immediate cash, electronic funds transfer, credit card and/or buy now pay later providers, the Group is not exposed to a material level of credit risk.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group monitors its risk of a shortage of funds by performing a liquidity planning analysis. Given the Group's current cash reserves and cash flows from operations, the Group considers the exposure to liquidity risk to be manageable under ordinary circumstances. The Group also maintains a credit facility of $2,500,000, which remained undrawn as at 4 July 2026.

Note 24. Financial instruments (continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank facilities and lease contracts.

Financing arrangements

The following table shows the carrying amounts of financial assets and financial liabilities:

Financial assets measured at amortised cost ($'000)	2026	2025
Trade and other receivables	490	368
Cash and cash equivalents	7,815	8,579
	8,305	**8,947**

Financial liabilities measured at amortised cost ($'000)	2026	2025
Trade and other payables	2,754	1,707
Lease liabilities	27,835	21,660
	30,589	**23,367**

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both weighted average interest rate ('%') and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated — 2026 ($'000)	%	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Non-interest bearing					
Trade and other payables		2,754	-	-	2,754
Interest-bearing — variable					
Lease liabilities	5%	9,606	20,874	-	30,480
Total non-derivatives		**12,360**	**20,874**	**-**	**33,234**

Consolidated — 2025 ($'000)	%	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Non-interest bearing					
Trade and other payables		1,707	-	-	1,707
Interest-bearing — variable					
Lease liabilities	5%	7,094	15,928	91	23,113
Total non-derivatives		**8,801**	**15,928**	**91**	**24,820**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Excessive concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

As a retailer, the Group avoids excessive concentrations of risk, and the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified product portfolio. Identified concentrations are controlled and managed accordingly.

Other risks

The Group's operating activities require a continuous supply of inventory. The majority of inventory is imported from suppliers in China. The Group is exposed to the risk of not being able to receive their inventory as a result of supplier manufacturing restrictions or restrictions on delivery of finished goods.

Management monitor this risk on an ongoing basis and implement policies and/or practices based on the level of risk at any point in time.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Accounting policies

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL) depending upon the business model for managing the financial asset and the nature of the contractual cash flow characteristics of the financial asset. Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently, other investments and derivatives are carried at fair value, and trade receivables are carried at amortised cost adjusted for any loss allowance.

Financial liabilities are initially recognised at the fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	2026	2025
SkinKandy Australia Pty Ltd	Australia	100%	100%
SkinKandy (VIC) Pty Ltd	Australia	100%	100%
SkinKandy (QLD) Pty Ltd	Australia	100%	100%
SkinKandy (NSW) Pty Ltd	Australia	100%	100%
SkinKandy Southern Pty Ltd	Australia	100%	100%
SkinKandy Ordering Pty Ltd	Australia	100%	100%
SkinKandy Trading Pty Ltd	Australia	100%	100%
SkinKandy IP Pty Ltd	Australia	100%	100%
SkinKandy Operations Pty Ltd	Australia	100%	100%
SkinKandy NZ Limited	New Zealand	100%	100%
SkinKandy USA LLC	United States of America	100%	100%
SkinKandy Trading LLC	United States of America	100%	100%

The entities with a principal place of business listed as 'Australia' are incorporated in Australia and members of the Australian tax consolidated group (refer to note 5).

Note 26. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by KPMG, the auditor of the Company:

Consolidated ($)	2026	2025
Audit services — KPMG		
Audit and review of the financial statements	297,510	128,000
Other services — KPMG		
Preparation of the Australian tax returns	30,000	59,000
Preparation of the New Zealand tax returns (KPMG NZ)	6,431	2,279
IPO diligence services	996,649	-
Other compliance advisory	53,805	-
	1,086,885	**61,279**
	1,384,395	**189,279**

Note 27. Deed of cross guarantee

Pursuant to ASIC Corporations (wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investment Commission, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Group and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Group guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Group will only be liable in the event that after six months any creditor has not been paid in full. The subsidiary has also given similar guarantees in the event that the Group is wound up. The only subsidiary subject to the deed is SkinKandy Australia Pty Ltd, which became a party to the deed on 26 June 2025.

A consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising SkinKandy Limited and SkinKandy Australia Pty Ltd, being the only parties to the Deed (together, the 'Closed Group'), after eliminating all transactions between parties to the Deed of Cross Guarantee, at 4 July 2026 is set out as follows. References in this note to the Closed Group are to those two entities only, and not to the consolidated entity referred to as the Group elsewhere in these financial statements.

Statement of profit or loss and other comprehensive income

Closed Group ($'000)	**2026**	**2025**
Revenue	84,393	68,800
Cost of sales	(9,033)	(7,171)
Other income	-	8
Employee benefits expense	(1,303)	(3,561)
Occupancy expenses	(1,826)	(1,287)
Other expenses	(32,265)	(17,422)
Operating profit	**39,966**	**39,367**
Finance income	179	299
Finance costs	(1,052)	(927)
Profit before income tax expense	**39,093**	**38,739**
Income tax expense	(12,169)	(11,657)
Profit after income tax expense	**26,924**	**27,082**
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	**26,924**	**27,082**

Note 27. Deed of cross guarantee (continued)

Statement of financial position

Closed Group ($'000)	2026	2025
Assets		
Current assets		
Cash and cash equivalents	7,290	7,898
Trade and other receivables	501	209
Inventories	4,102	2,802
Current income tax receivable	270	-
Term deposits	6,000	-
Other current assets	860	1,448
Total current assets	**19,023**	**12,357**
Non-current assets		
Plant and equipment	18,889	13,845
Right-of-use assets	20,164	15,863
Intangible assets	8,699	8,711
Deferred tax assets	6,268	2,900
Related party loans	58,211	21,266
Total non-current assets	**112,231**	**62,585**
Total assets	**131,254**	**74,942**
Liabilities		
Current liabilities		
Trade and other payables	2,691	2,702
Employee benefit liabilities	199	15
Current tax liabilities	-	1,085
Lease liabilities	8,113	6,093
Total current liabilities	**11,003**	**9,895**
Non-current liabilities		
Provisions	1,107	707
Lease liabilities	16,614	13,513
Related party payables	22,181	10,238
Total non-current liabilities	**39,902**	**24,458**
Total liabilities	**50,905**	**34,353**
Net assets	**80,349**	**40,589**
Equity		
Issued capital	35,387	13,059
Retained profits	44,962	27,530
Total equity	**80,349**	**40,589**

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity, SkinKandy Limited.

Statement of profit or loss and other comprehensive income

Parent ($'000)	2026	2025
Profit after income tax	25,640	5,062
Total comprehensive income	**25,640**	**5,062**

Statement of financial position

Parent ($'000)	2026	2025
Total current assets	270	2,122
Total non-current assets	71,922	20,315
Total current liabilities	-	1,085
Total non-current liabilities	18,205	6,833
Net assets	**53,987**	**14,519**
Equity		
Issued capital	35,387	13,059
Retained profits	18,600	1,460
Total equity	**53,987**	**14,519**

Contingent liabilities of the Parent entity

The Parent is a guarantor on the Commonwealth Bank of Australia banking facilities held by all members of the Group.

Pursuant to ASIC Corporations Instrument 2016/785, SkinKandy Limited and SkinKandy Australia Pty Ltd have entered into a deed of cross guarantee on 26 June 2025. The effect of this deed is that SkinKandy Limited and SkinKandy Australia Pty Ltd have each guaranteed to pay any deficiency in the event of winding up, or unmet obligations of the other entity subject to the guarantee.

The Parent did not have any other contingent liabilities other than those disclosed in note 32.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for investments in subsidiaries which are accounted for at cost.

Note 29. Operating segments

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-makers (CODM). The CODM have been identified as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Group on the basis that they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Having considered the Group's internal reporting framework and its management and operating structure, the Directors have concluded that the Group has one operating segment: piercing services and jewellery retail sales.

Segment performance and reconciliation to statutory results

The measure of segment performance reported to the CODM is pro forma EBITDA, which excludes the Offer-related and other items set out below and is consistent with the pro forma financial information in Section 14 of the Appendix 4E. A reconciliation of the segment results to the statutory results is provided below.

Consolidated ($'000)	**2026**
Segment revenue	90,216
Legacy loyalty program revenue	296
Revenue per the statement of profit or loss	**90,512**
Segment result (pro forma EBITDA)	24,588
Items excluded from the segment result:	
Offer costs expensed	(11,072)
Other pro forma adjustments	204
EBITDA	**13,720**
Depreciation and amortisation	(10,245)
Loss on disposal of plant and equipment	(537)
Other	(2)
Operating profit	**2,936**
Finance income	181
Finance costs	(1,259)
Profit before income tax per the statement of profit or loss	**1,858**

Segment assets and liabilities are reported to the CODM on a basis consistent with the statutory statement of financial position; no separate reconciliation is required.

Accounting policies

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 30. Events after the reporting period

Since 4 July 2026 and to the date of these financial statements, the Group has opened 4 new stores (with one further store scheduled to open in the final week of August 2026, bringing the total store count to 114) and has approved 12 further new store leases for stores scheduled to open during FY27.

No other matter or circumstance has arisen since 4 July 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 31. Commitments

Consolidated ($'000)	2026	2025
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Related to leasehold improvements	1,108	150

The Group has a $4,000,000 bank guarantee facility with the Commonwealth Bank of Australia (2025: $3,000,000).

Note 32. Contingent liabilities

The Group did not have any contingent liabilities as at 4 July 2026 (2025: none).