SkinKandy.

ANNUAL REPORT 2026

SkinKandy Limited · ABN 80 636 484 814 · ASX: SK1

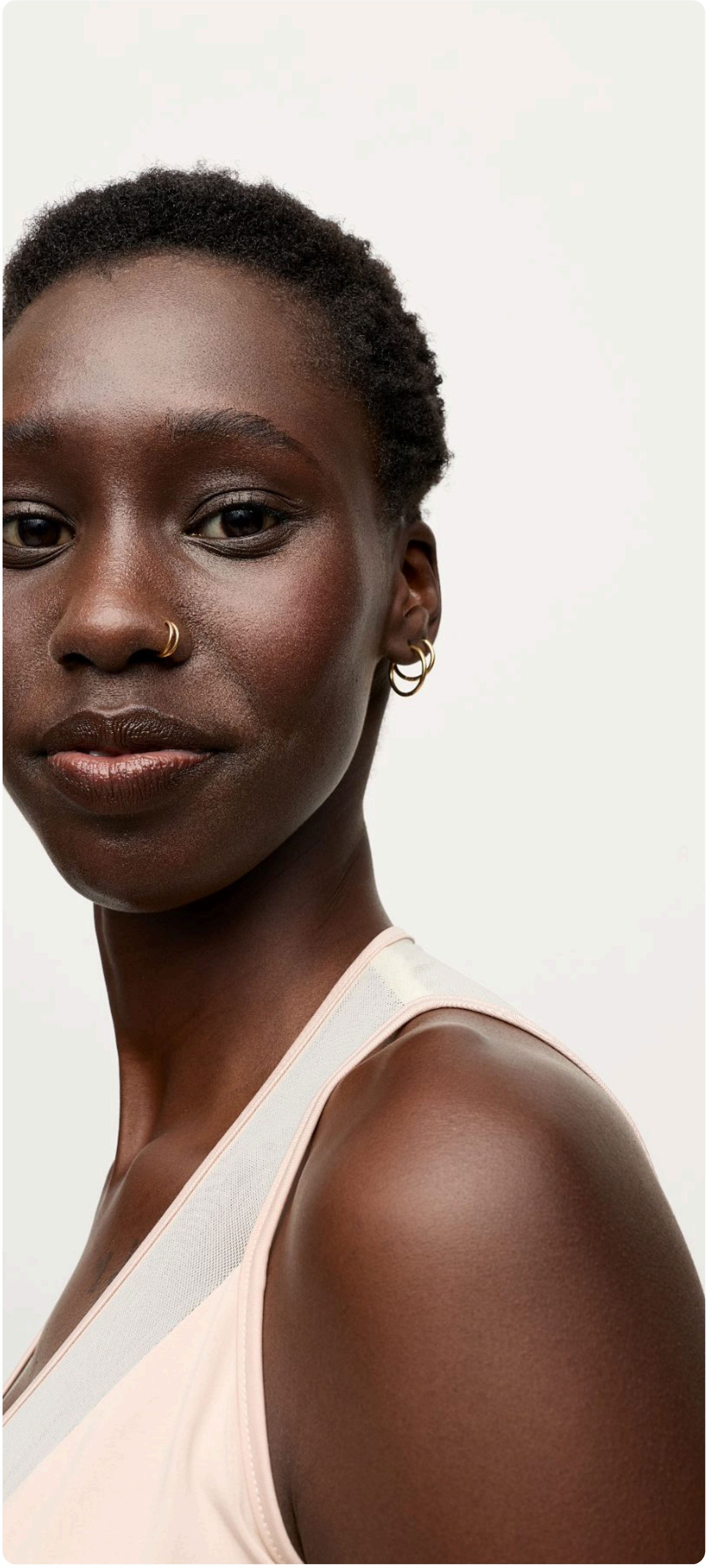
PIERCING ISN'T JUST WHAT WE DO, IT'S WHO WE ARE

SkinKandy is Australia and New Zealand's leading specialist piercing business. Across 109 stores, SK Certified specialists deliver world-class piercing experiences and premium jewellery in 14K gold, implant-grade titanium and surgical steel.

OVERVIEW

FINANCIAL REPORT

FY26 PERFORMANCE HIGHLIGHTS



$90.2m

PRO FORMA REVENUE
+29% on FY25 (pro forma: $70.1m)

$13.8m

PRO FORMA EBIT
+39% on FY25 (pro forma: $9.9m)

$9.0m

PRO FORMA NPAT
+41% on FY25 (pro forma: $6.4m)

22 stores

OPENED IN FY26
FY25: 21 new stores

62%

COST OF DOING BUSINESS
3 pts lower than FY25 (65%)

THE BUSINESS AT A GLANCE

THE GOLD STANDARD IN PIERCING

SkinKandy is the leading specialist provider of piercing services in Australia and New Zealand, measured by store numbers. The first store opened in 2010 and the Group now operates a national network of 109 stores as at the end of the period.

SkinKandy operates a services-led model. Piercing brings customers in and builds the relationship; jewellery and aftercare attach to that experience. Every piercing is performed by an SK Certified specialist in a private, clinical-grade studio, using medical-grade sterilisation.

The category remains highly fragmented, with more than 1,000 independent operations across Australia and New Zealand offering piercing only as an ancillary service. The Group's scale and specialist positioning are the platform for continued share gains.

109 stores

ACROSS AUSTRALIA AND NEW ZEALAND

FY25: 87

770

SK CERTIFIED SPECIALIST PIERCERS

FY25: 632

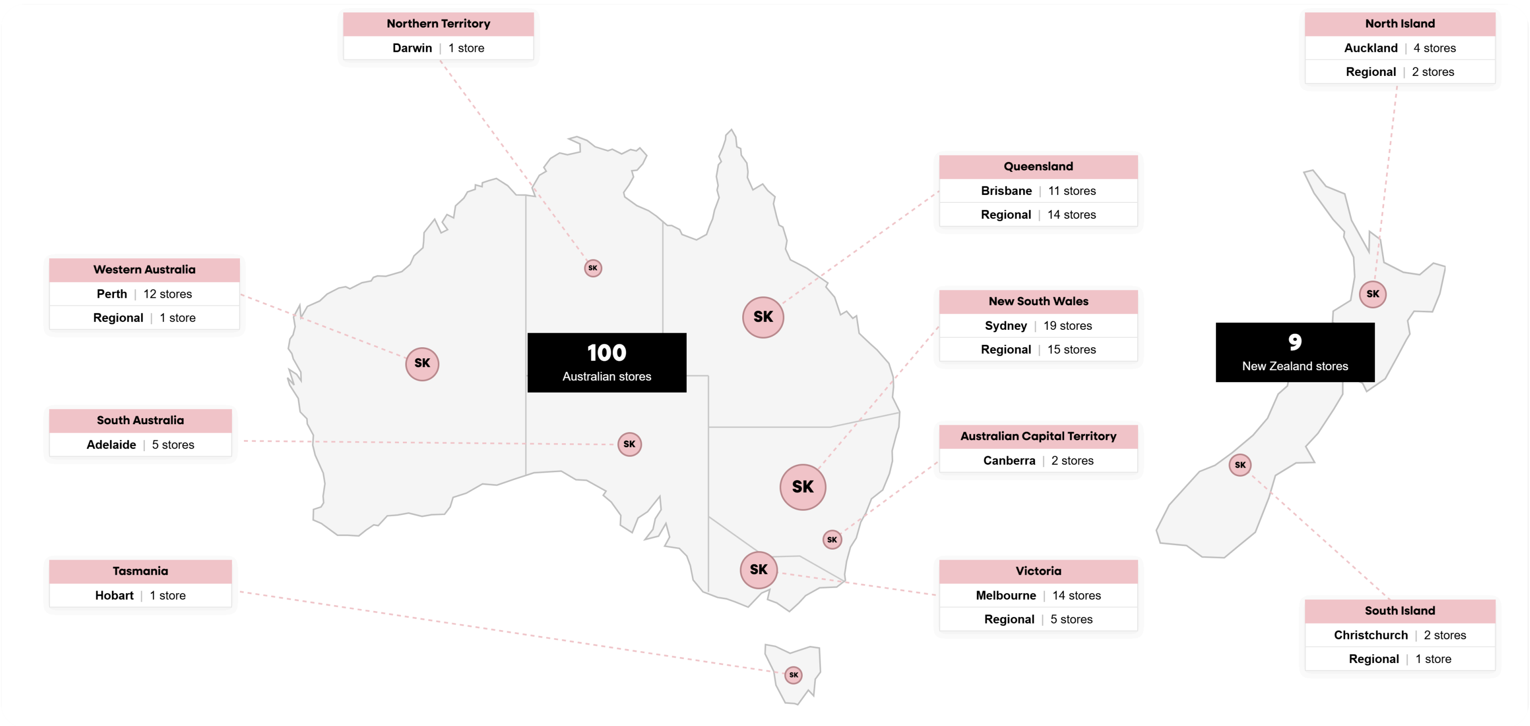
1.1m

KANDYCLUB MEMBERS

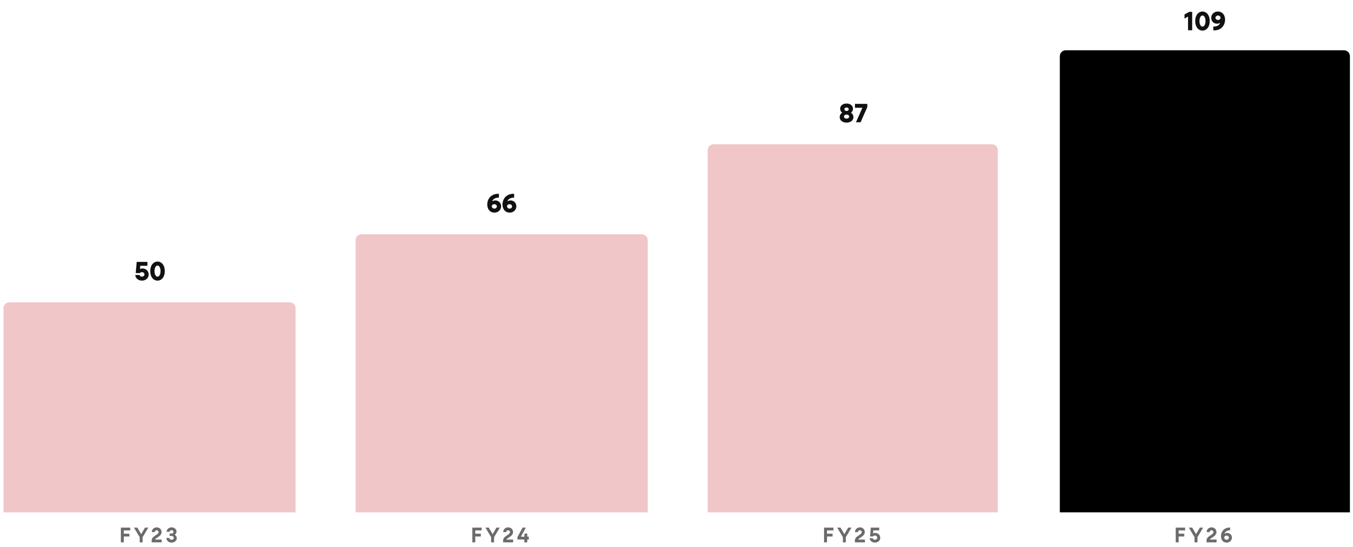
Loyalty members at period end

STORE NETWORK

At period end



STORES AT PERIOD END, FY23–FY26



CHAIR'S LETTER

Dear fellow shareholders,

Welcome to the first Annual Report of SkinKandy Limited as a listed company. It is a privilege to write to you as Chair.

The business has grown from a single store in 2010 into the leading specialist piercing operator in Australia and New Zealand.

In May 2026 the Company completed its initial public offering. I welcome the many new shareholders who joined the register through the Offer and since listing. We are pleased to have your support as we move to the next phase of growth. We take the responsibility of stewardship of the Company and our shareholders' capital seriously.

The business delivered on the commitments made in the Prospectus. We opened 22 stores to end the financial year at 109, one ahead of forecast. Pro forma revenue of $90.2 million, EBITDA of $24.6 million and net profit after tax of $9.0 million each exceeded the forecasts set out in the Prospectus.

The strong performance in the year was driven by the sustained pace of store roll-out, like-for-like revenue growth of 9.6% (forecast: 8.1%) and disciplined cost management. Our balance sheet is healthy, and the strategy is deliberately simple and clear.

No dividend has been declared in respect of the post-Listing period.

On listing we established a Board with the balance of retail, capital markets and founder experience the Company needs for its next phase of growth. Renee Jones also joined the Board as an Independent Non-Executive Director on 16 June 2026.

This report also contains our first Remuneration report, describing the frameworks to reward performance that builds durable shareholder value.

On behalf of the Board, thank you to our team members across Australia and New Zealand. Your care for our customers is the engine of the business.

Our Board and management are highly focused on executing the strategy with precision and speed, with a careful eye on risk management and on delivering an outstanding retail experience for our customers.

To our new shareholders, thank you for backing us.

Trent Peterson
Independent Non-Executive Chair

> **"Our opportunity is to take a proven model to many more customers — without changing what makes the business work so well today."**
>
> Trent Peterson, Independent Non-Executive Chair

CHIEF EXECUTIVE OFFICER'S REPORT

> **“We are proud of what SkinKandy achieved in FY26, but we are far more excited about what comes next. We have built strong foundations, and we believe we are still early in the SkinKandy story.”**
>
> Dain Friis, Chief Executive Officer

Dear shareholders,

FY26 was a defining year for SkinKandy.

It was the year we became a listed company, continued to expand our store network, welcomed more customers into SkinKandy than ever before and strengthened the foundations for the next stage of our growth.

We finished the year with 109 stores, having opened 22 new locations, grew our specialist piercing team to 770 and delivered pro forma revenue of $90.2 million, an increase of 29% on FY25. Like-for-like revenue grew 9.6%, ahead of the 8.1% Prospectus forecast and consistent with the strong growth delivered in FY25.

While we are pleased with those results, what gives me the greatest confidence is what sits underneath them: a business model that continues to mature, a team that believes deeply in what we do and significant opportunity still ahead of us.

Our Team

SkinKandy is, first and foremost, a people business.

Every day our teams create thousands of highly personal interactions with our customers. Piercing is often connected to a milestone, a memory, self-expression or simply the decision to do something for yourself. The trust our customers place in our specialists is central to our success.

During FY26, our team of SK Certified specialist piercers grew from 632 to 770 as we continued to invest in capability, development and consistent standards across our growing network.

We also held our inaugural Piercing Culture Week, bringing our teams together around the craft, culture and community that sit at the heart of SkinKandy. We began trialling paid downsizing during the year and will continue developing both initiatives in FY27.

As our business grows, maintaining the energy, standards and customer focus that made SkinKandy successful in the first place remains incredibly important to us.

Our Customer and Business Model

Our model remains simple: piercing introduces customers to SkinKandy and jewellery builds a longer-term relationship with them.

Piercing services and aftercare represented 61% of FY26 revenue, with fashion jewellery contributing 39%. This mix remained stable through the year and demonstrates the strength of our services-led model.

Growth was driven by increasing piercing volumes together with jewellery attachment across our maturing store network.

Importantly, we continue to see considerable opportunity to improve the customer experience, increase engagement with our jewellery ranges and build greater lifetime value from the growing number of customers entering the SkinKandy ecosystem.

Our customers are increasingly engaging with piercing as a form of fashion and self-expression rather than simply a transaction. Continuing to understand that customer, innovate around their experience and remain relevant to how they want to express themselves will be an important part of our future growth.

Network Growth

Our store network remains one of SkinKandy's most important competitive advantages.

We opened 22 stores during FY26, taking the network to 109 locations at year end. Since SkinKandy's inception, the Group has never closed a store due to performance.

Our new store economics also continue to perform as expected. New stores typically reach a baseline level of store profitability approximately 10 months after opening before continuing to mature over the following 2 to 3 years.

The FY26 store cohort is tracking in line with the maturation curve outlined in our Prospectus.

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

Network Growth (continued)

As our network has grown, so too have our relationships with Australia's and New Zealand's major landlords. We have opened 6 stores since the end of the period, have approved 11 additional leases for FY27 openings and maintain a strong pipeline of future opportunities.

We remain disciplined in how we approach new stores. Growth for its own sake has never been the objective. We want the right stores, in the right locations, with attractive long-term economics. There remains significant whitespace across Australia and New Zealand, and we believe the network can continue to grow meaningfully from here.

Business Performance

Pro forma revenue for FY26 was $90.2 million, 29% ahead of FY25. Like-for-like revenue growth of 9.6% exceeded our Prospectus forecast of 8.1%, supported by growth in piercing volumes and jewellery attachment across the network.

Gross margin was 89.2%, in line with the Prospectus forecast. The modest movement compared with FY25 primarily reflected product mix. Maintaining the strength of our margin remains important to us. Our promotional strategy continues to be led by customer value and specific opportunities rather than relying on broad seasonal discounting.

The business also finished FY26 in a strong financial position, with total cash reserves of $13.8 million and no drawn debt.

The IPO raised $20.0 million of new capital for SkinKandy. After the costs associated with the Offer, the remaining capital strengthened our balance sheet and provides the Group with greater flexibility as we consider opportunities to accelerate growth, including international expansion when the right opportunity presents itself.

Becoming a Listed Company

Listing SkinKandy was an important milestone, but it was never the destination. During FY26 we continued building the disciplines and infrastructure required of a growing listed company, including strengthening our finance and reporting capability, establishing our full Board and committee cadence and further developing our risk and compliance framework.

We also moved into a new purpose-built support office and a warehouse approximately twice the size of our previous facility. These investments may be less visible to our customers than a new store or piercing experience, but they are important foundations for a business that we intend to make materially larger over time.

Our objective is to retain the speed, entrepreneurial thinking and customer obsession that built SkinKandy while adding the capability and discipline required to scale responsibly.

Looking Ahead

We enter FY27 with momentum. Trading during the first seven weeks of FY27 was 22% ahead of the prior corresponding period, gross margin remained consistent with FY26 and stores opened since the IPO are trading in line with our expectations.

We remain focused on the things that have driven SkinKandy to this point: opening great stores, growing piercing volumes, increasing jewellery engagement, improving customer experience and developing great specialist teams.

At the same time, we are thinking beyond the business SkinKandy is today. We see further opportunity across Australia and New Zealand, significant potential to deepen the relationship with our existing customers and, over time, the opportunity to take the SkinKandy model into carefully selected international markets. We will pursue those opportunities with ambition, but also with discipline.

Our FY27 priorities and strategic objectives are outlined in more detail on page 8 of this report.

Finally, I would like to thank our shareholders for their support during our first year as a listed company. Most importantly, thank you to every member of the SkinKandy team. What has been built here is the result of thousands of individual moments of care, energy and ownership across our stores and support teams. And thank you to our customers for continuing to trust SkinKandy to be part of something as personal as making their mark.

We are proud of what we achieved in FY26, but we remain even more excited about what comes next.

Dain Friis
Executive Director & Chief Executive Officer

STRATEGIC PRIORITIES

The Group's growth strategy remains as described in the Prospectus and rests on three pillars: expanding the store network across Australia and New Zealand, improving store unit economics alongside continued investment in the online channel, and entering new international markets.

STRATEGY 1	STRATEGY 2	STRATEGY 3
Expand network across Australia and New Zealand	**Improve store unit economics and continued investment in the online channel**	**Enter new international markets**
Capitalise on the significant store growth opportunity	Drive like-for-like revenue growth	Proven and disciplined, transferable operating model
Continue proven profitable and consistent store roll-out program	Maximise key profit levers in the existing network	Deep management experience scaling specialty retail internationally

UNDERPINNED BY

People, brand and compliance — over 770 expert piercers trained through more than 60 SK Certified modules; a brand recognised as the category authority; and store design and operating procedures built to meet or exceed health, safety and skin penetration standards in every market the Group enters.

STRATEGIC PRIORITIES CONTINUED

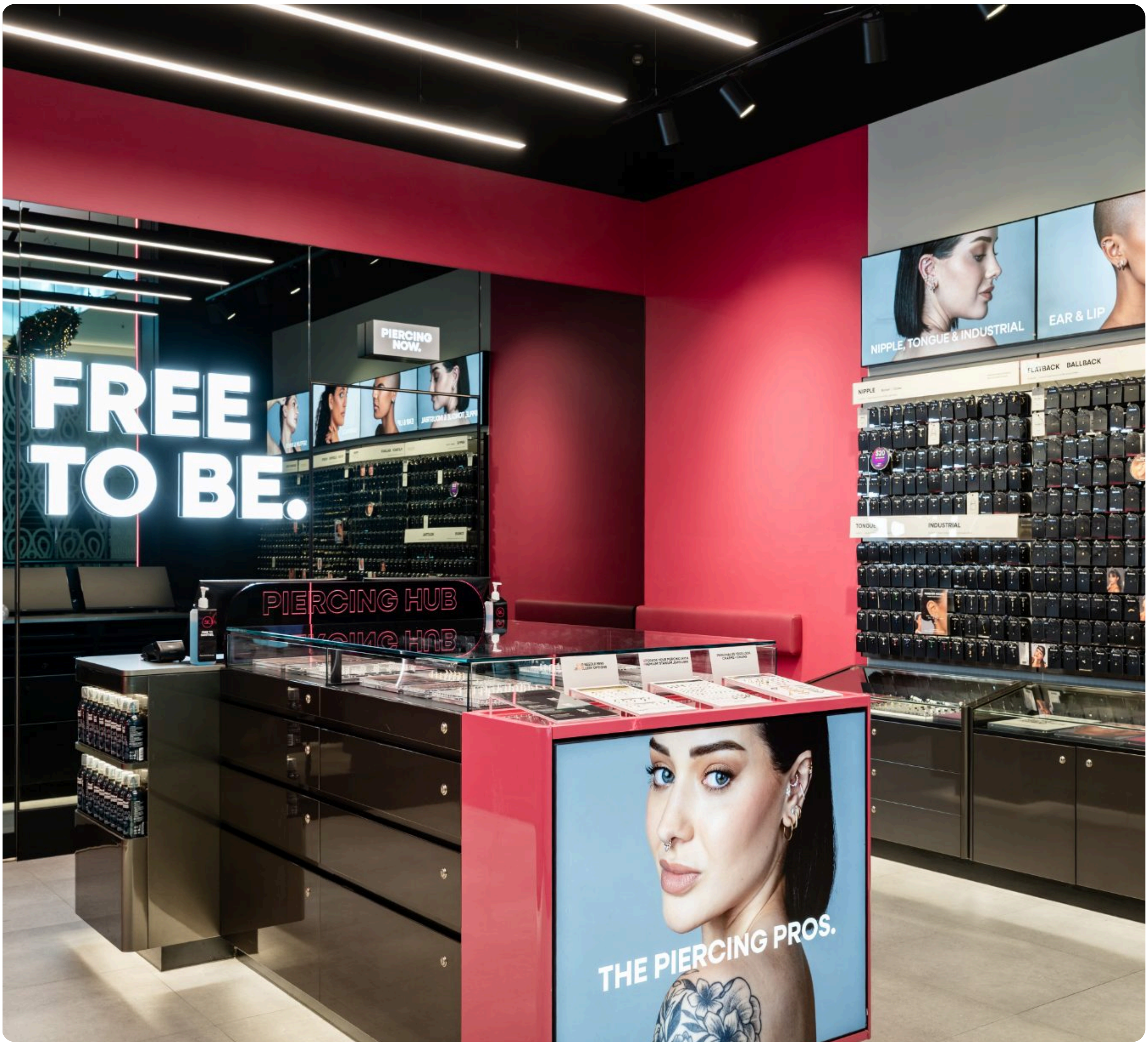
STRATEGY 1 **Expand network across Australia and New Zealand**

OVERVIEW

- Further expand the ANZ store network — potential for a 180 to 210 store network, supported by population density, centre quality and proprietary demand data.
- Proven roll-out capability, with a track record of 15 to 20 new store openings per annum with consistent execution.
- Data-driven site selection that balances new territory acquisition with cannibalisation risk and unit economics.

FY27 PRIORITIES

- 18–20 new stores anticipated, excluding new international markets.
- 6 stores already opened and a further 11 leases approved, with 10–14 openings expected in the first half — leaving room to overperform and capacity to execute on international expansion in the second half.
- 5–7 refurbishments, relocations and upsizes planned, keeping the portfolio improving as centres redevelop and foot traffic shifts.



STRATEGIC PRIORITIES CONTINUED

STRATEGY 2

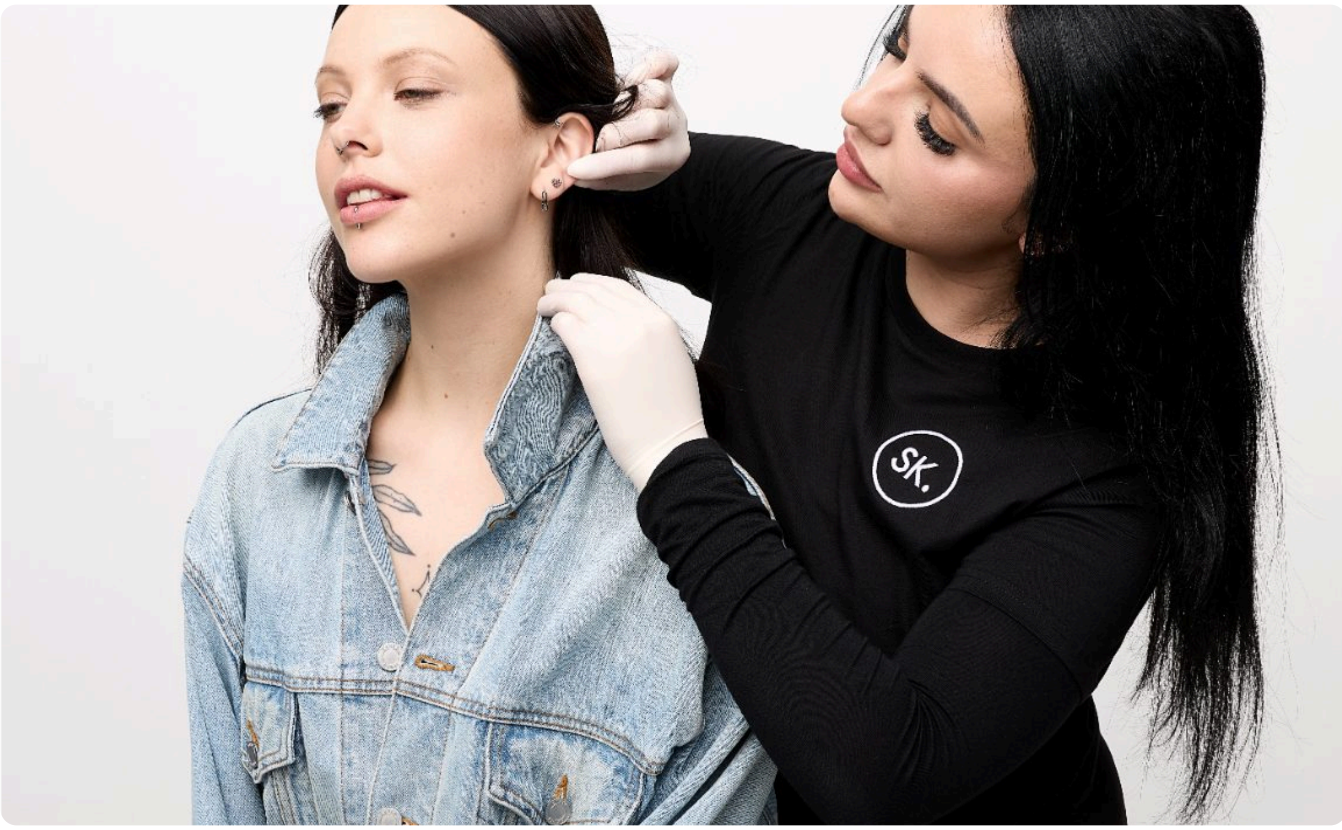
Improve store unit economics and continued investment in the online channel

OVERVIEW

- A high portion of the network is in the early ramp-up phase; further maturing is expected to drive revenue growth and margin expansion.
- Premiumisation and repeat visitation — premium jewellery, aftercare and service add-ons driving higher multi-item transactions and ATV.
- Digital and capability enablement — team capability, CRM and data-led marketing enhancing conversion and productivity, with supply-chain optimisation scaling margins.

FY27 PRIORITIES

- 54% of the store network is still under 36 months old; maturation of new store customer volumes, compounded by repeat visitation, KandyClub acquisition and jewellery and aftercare attachment, is anticipated to improve network margins off the current base.
- Deployment of an agentic AI workforce targeting enhanced roster optimisation, store utilisation and back-office cost control — supporting margin expansion.
- Targeted LFL and margin expansion activities:
  - Build on the success of the inaugural piercing culture week and the initial trial of paid downsizing.
  - Grow the base of SK Certified specialist piercers, with training at scale.
  - Investment in personalised own-channel marketing capabilities, including AI-driven personalisation campaigns linking targeted jewellery and service campaigns to shifting demand and each customer's piercing journey.



STRATEGIC PRIORITIES CONTINUED

STRATEGY 3 **Enter new international markets**

OVERVIEW

- Targeted market entry — priority markets where the business model is most relevant and operationally executable.
- Agile sequencing and phasing — timing guided by unit economics, site availability, organisational capacity and macro considerations.
- Incremental growth opportunity — significant scale-up layered onto a strong ANZ foundation.

FY27 PRIORITIES

- USA and South Africa workstreams progressing at pace, with South Africa showing promise as the potential first market.
- Trading structures now established in both markets, in-market recruitment has commenced and active lease negotiations are in progress.
- Management working towards delivery in H2 FY27, with capital committed in a disciplined manner.

SkinKandy.

CONSOLIDATED FINANCIAL REPORT

FOR THE 52 WEEK PERIOD ENDED 4 JULY 2026

SkinKandy Limited · ABN 80 636 484 814

The Directors present their report, together with the consolidated financial report, on the consolidated entity (referred to hereafter as 'SkinKandy' or 'the Group') consisting of SkinKandy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the 52 week period ended 4 July 2026 ('FY26' or '2026').

The Group utilises a retail calendar for financial reporting purposes. The current period was a 52 week period which ended on 4 July 2026. The prior period was a 53 week period which ended on 5 July 2025 ('FY25' or '2025').

DIRECTORS

The names of the Company's Directors in office during the financial period and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Name	Position	Appointed / ceased
Trent Peterson	Independent Non-Executive Chair	Appointed 11 May 2026
Dain Friis	Chief Executive Officer and Executive Director	Appointed 11 May 2026[1]
Melanie Wilson	Independent Non-Executive Director	Appointed 11 May 2026
Richard Whiteoak	Non-Executive Director	Director since September 2022
Mark Oliphant	Non-Executive Director, Founder	Director since September 2019
Renee Jones	Independent Non-Executive Director	Appointed 16 June 2026
Gregory Garvin	Former Non-Executive Director	November 2019 to 11 May 2026[2]
David Bortolussi	Former Independent Non-Executive Chair	September 2019 to 6 May 2026[2]

1. Date of appointment as a Director. Dain Friis has served as Chief Executive Officer since January 2023.
2. Resigned prior to lodgement of the final Prospectus.

COMPANY SECRETARIES

Carl Larzabal held the position of Company Co-Secretary for the full reporting period, having been appointed in March 2025. Carl is also the Company's Chief Financial Officer, appointed in June 2023. He has extensive experience in financial strategy, mergers and acquisitions and accelerated growth strategies across consumer, retail and service industries. Carl holds a Bachelor of Accounting and is a member of Chartered Accountants Australia and New Zealand.

Eryl Baron of MUFG Corporate Markets was appointed as Company Co-Secretary on 23 April 2026. Eryl is a Chartered Company Secretary with company secretarial experience at a range of ASX listed companies, and has also served as Chief Financial Officer of listed companies. She holds a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and a Bachelor of Science in Economics and Politics from Queen Mary University of London.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN THE NATURE OF ACTIVITIES

The principal activities of the Group during the financial period comprised the provision of body piercing services and the retailing of fashion jewellery and aftercare products, through a network of stores in Australia and New Zealand and through its online store.

On 21 May 2026, the Company's Shares commenced trading on the Australian Securities Exchange under the code SK1 on a conditional and deferred settlement basis, with completion of the Offer occurring on 25 May 2026 ('Completion'). Other than the Company's admission to the Official List and the associated change in capital structure, there were no significant changes in the nature of the Group's principal activities during the financial period.

DIVIDENDS

Fully franked dividends totalling $8,500,000 were paid during the financial period (2025: $3,750,000). All dividends were declared and paid prior to Completion of the Offer. No dividend has been declared in respect of the period since Listing, and no dividend has been declared since the end of the financial period. Refer to note 23 of the financial statements.

	2026 $'000	2025 $'000
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	–
Dividends paid in the prior period	–	3,750
Total dividends paid	**8,500**	**3,750**

OPERATING AND FINANCIAL REVIEW

Use of non-IFRS measures

This Directors' report includes references to pro forma results, EBITDA, EBIT, store-level EBITDA, cost of doing business ('CODB') and cash conversion. These are non-IFRS financial measures, are unaudited, and are presented on the same basis as the corresponding measures in the Company's Prospectus dated 12 May 2026, so that shareholders can compare FY26 performance with the historical and forecast information on which they invested. Cash conversion is measured as pro forma operating cash flow before interest and tax as a percentage of pro forma EBITDA. CODB represents the difference between gross profit and EBITDA, excluding other income, and comprises employee, occupancy, distribution and other operating expenses; it is calculated using pro forma adjusted gross profit and pro forma adjusted EBITDA and is expressed as a percentage of pro forma revenue.

The Directors believe the presentation of non-IFRS financial measures is useful for users of this financial report as they provide additional and relevant information reflecting the underlying financial performance of the business. Non-IFRS measures contained in this report are not subject to audit. Other companies may calculate such measures differently. Reconciliations of statutory results to pro forma results are set out on pages 17 to 18.

Results summary

Revenue for the 52 week period ended 4 July 2026 was $90.5 million, an increase of 26% on the prior period (2025: $71.8 million). The net profit after tax of the Group was $0.6 million (2025: $8.1 million). Statutory earnings for FY26 include $11.1 million of costs associated with the Offer and the Company's admission to the Official List, and approximately $0.5 million in relation to the accelerated vesting of share based payments under the Legacy Management Equity Plan at Completion of the Offer. Neither is expected to recur.

On a pro forma basis, revenue was $90.2 million (FY25 pro forma: $70.1 million), EBITDA was $24.6 million (FY25 pro forma: $17.5 million) and net profit after tax was $9.0 million (FY25 pro forma: $6.4 million).

Summary of results (A$ millions)	FY26	FY25	Change %
Statutory			
Revenue	90.5	71.8	26%
EBITDA	13.7	19.9	(31%)
Net profit after tax	0.6	8.1	(92%)
Pro forma			
Revenue	90.2	70.1	29%
EBITDA	24.6	17.5	41%
Net profit after tax	9.0	6.4	41%

Revenue and trading

Revenue is generated through the provision of piercing services and the sale of fashion jewellery and aftercare products in stores, and through the online store. The key drivers of revenue are growth in the number of stores and growth in revenue per store.

Like-for-like revenue growth was 9.6%, ahead of the Prospectus forecast of 8.1% and consistent with the 9.6% achieved in FY25. The Directors consider the balance between new store growth and the improved productivity of the existing network to be a key feature of the result. Piercing services and aftercare together contributed 61% of revenue, with fashion jewellery contributing the remaining 39%, a mix consistent with the prior period.

Operating and financial review continued

Store network

Stores	FY26	FY25
Opening network	87	66
Openings	22	21
Closures	–	–
Closing network	**109**	**87**

Gross margin and cost of doing business

Pro forma gross profit margin of 89.2% was in line with the Prospectus forecast of 89.3% (FY25: 89.6%), with the modest movement reflecting a shift in product mix. Margin stability is carefully managed — discounts are value-led rather than seasonal or cyclical. The Group’s cost of doing business reduced to 62% of revenue (FY25: 65%), reflecting operating leverage achieved following three years of investment in support office systems, people and processes. Store labour scales with the roll-out, while the post-listing public company cost base is reflected in other expenses.

Capital management

The Group closed the period with cash and cash equivalents of $7.8 million and a further $6.0 million held in term deposits with a maturity greater than three months, giving total cash reserves of $13.8 million (2025: $8.6 million). The Group had no drawn debt at the reporting date and holds a $2.5 million overdraft facility, which remained undrawn, and a $4.0 million bank guarantee facility with the Commonwealth Bank of Australia (2025: $3.0 million). There were no events of default on the Group's financing arrangements during the period. The Offer raised $20.0 million of new capital for the Company.

Inventory

Inventories at period end were $6.3 million (2025: $6.2 million), broadly flat on the prior period despite the addition of 22 stores, reflecting disciplined stock management across the growing network. Inventories are carried at the lower of cost and net realisable value, net of a provision for stock loss and obsolescence of $0.3 million (2025: $1.0 million). Write-downs of inventories to net realisable value of $0.5 million (2025: $0.3 million) were recognised in cost of sales during the period, as disclosed in Note 7 to the financial statements.

Cash flow

Statutory operating cash flow was $8.0 million after $5.3 million of income tax paid and the expensed Offer costs settled during the period; on the pro forma basis used in the Prospectus, operating cash flow was $21.3 million, representing cash conversion of 101% of pro forma EBITDA (FY25: 92%). Capital expenditure of $7.4 million principally comprised new store fit outs and the support office and warehouse relocation. Financing cash flows included lease payments of $7.8 million (net of interest on lease liabilities of $1.3 million), pre-Completion dividends of $8.5 million, and $22.5 million of proceeds from the Offer (including the pre-IPO placement), less $1.3 million of capitalised Offer costs. The Group also placed $6.0 million in term deposits with maturities greater than three months.

RECONCILIATION OF STATUTORY RESULTS TO PRO FORMA RESULTS

The pro forma results referred to in this Directors' report have been derived by applying pro forma adjustments to the statutory results. The adjustments are consistent in nature with those applied in the Company's Prospectus dated 12 May 2026, and are summarised below. FY25 comparatives are as disclosed in Section 4.3.2 of the Prospectus.

A$ millions	Note	FY26	FY25	FY26 Prospectus
Revenue				
Revenue — statutory		90.5	71.8	89.0
53rd week adjustment	1	–	(1.2)	–
Loyalty scheme adjustment	2	(0.3)	(0.4)	(0.3)
Revenue — pro forma		**90.2**	**70.1**	**88.7**
EBITDA				
EBITDA — statutory		13.7	19.9	11.5
53rd week adjustment	1	–	(0.7)	–
Loyalty scheme adjustment	2	(0.3)	(0.4)	(0.3)
Offer costs expensed and other Offer-related items	3	11.2	–	12.3
Incremental KMP remuneration	4	(0.4)	(0.6)	(0.4)
Share-based payments	5	0.4	–	0.5
Incremental public company costs	6	(0.6)	(0.6)	(0.5)
Superannuation guarantee adjustment	7	0.6	(0.1)	0.5
EBITDA — pro forma		**24.6**	**17.5**	**23.5**
Net profit after tax				
Net profit after tax — statutory		0.6	8.1	(0.2)
EBITDA adjustments (above)		10.9	(2.4)	12.0
Net tax impact	8	(2.5)	0.6	(3.1)
Net profit after tax — pro forma		**9.0**	**6.4**	**8.6**

Notes to the reconciliation

1. **53rd week adjustment:** FY25 was a 53 week period and the adjustment removes that additional week of trading to present FY25 on a 52 week basis. FY26 was a 52 week period, so no adjustment arises.
2. **Loyalty scheme adjustment:** exclusion of revenue recognised on the release of provisions associated with the Group's discontinued legacy loyalty schemes, consistent with the Prospectus. The FY26 release was approximately $0.3 million (FY25: $0.4 million).
3. **Offer costs expensed and other Offer-related items:** Of total Offer costs of approximately $12.4 million (net of GST), $11.1 million was expensed in FY26 and $1.3 million was offset against issued capital as the portion relating to the primary raise ($0.9 million net of the associated deferred tax impact). The adjustment of $11.2 million comprises the $11.1 million of Offer costs expensed plus $0.1 million of other Offer-related items expensed in the statutory result.
4. **Incremental KMP remuneration:** reflects the incremental key management personnel 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.
5. **Share-based payments:** 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.
6. **Incremental public company costs:** comprises the uplift in Board fees, incremental directors' and officers' insurance costs and other incremental costs of operating as a listed company.
7. **Superannuation guarantee adjustment:** 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.
8. **Income tax expense impact:** 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 7 above.

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

RECONCILIATION OF STATUTORY TO PRO FORMA CASH FLOW AND CASH CONVERSION

The pro forma operating cash flow and cash conversion measures referred to in this report are derived from the statutory statement of cash flows as follows, on a basis consistent with the pro forma financial information in Section 4 of the Prospectus.

A$ millions	FY26 statutory	Reclassification[1]	Pro forma adjustments[2]	FY26 pro forma
EBITDA	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**

Derivation of cash conversion

A$ millions	FY26 pro forma
Operating cash flow — pro forma	21.3
Less: net interest received	(0.2)
Add back: income tax paid	3.7
Operating cash flow before interest and tax	**24.8**
Pro forma EBITDA	24.6
Cash conversion	**101%**

Notes

1. In the statutory 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 re-presents interest on lease liabilities within payments of lease liabilities, consistent with the presentation of the pro forma cash flows disclosed in Section 4 of the Prospectus.
2. Pro forma adjustments comprise the items set out in the reconciliation of statutory to pro forma results on page 17. 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. Cash conversion is measured as pro forma operating cash flow before interest and tax as a percentage of pro forma EBITDA. FY25 cash conversion of 92% is calculated on the equivalent basis from the FY25 pro forma financial information in Section 4 of the Prospectus.

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

PERFORMANCE AGAINST PROSPECTUS FORECAST

The Company's Prospectus contained pro forma forecast financial information for FY26. The Company's actual results for FY26 compared with that forecast are set out below.

Pro forma (A$ millions)	FY26 Actual	FY26 Forecast	Variance $m	Variance %
Revenue	90.2	88.7	1.5	2%
EBIT	13.8	13.4	0.4	3%
Net profit after tax	9.0	8.6	0.4	5%
Operating cash flow	21.3	19.8	1.5	8%

Revenue exceeded forecast on like-for-like growth of 9.6% (forecast: 8.1%) and one more store opening; the EBIT and NPAT beats add disciplined cost management (cost of doing business 62% of revenue). Operating cash flow beat forecast on earnings (cash conversion 101%; forecast 99%). The derivation of pro forma operating cash flow and cash conversion is set out on page 18.

STRATEGIC UPDATE

The Directors consider the Group's strategy, as set out in the Prospectus, remains appropriate. The Group's growth is expected to be driven by the following levers.

Store roll-out across Australia and New Zealand

The Group's standardised, modular store format — typically 40 to 60 square metres — enables rapid, repeatable and compliant store builds. Fit out components are procured in batch orders of approximately 10 to 20 stores, supporting cost efficiency and shorter lead times. 22 new stores opened in FY26, one ahead of forecast, taking the network to 109. Since the end of the period and to the date of this report, 6 further stores have opened and 11 further leases are approved for FY27, with 18–20 openings anticipated (excluding international markets).

Revenue growth per store

Store cohorts typically reach an initial baseline of store-level EBITDA around 10 months after opening, followed by a 2 to 3 year maturation. Growth in services throughput, jewellery attach and repeat visitation compounds that maturation. Like-for-like revenue growth of 9.6% in FY26 demonstrates the continued maturation of recent store cohorts.

Network optimisation and renewal

5–7 refurbishments, relocations and upsizes are planned for FY27 as centres redevelop and foot traffic shifts.

Jewellery and product

Piercing services are the primary driver of customer acquisition, with jewellery and aftercare products frequently attached to the service interaction. Fashion jewellery contributed 39% of FY26 revenue and aftercare products a further 9%, at a gross margin in line with forecast, and the trial of paid downsizing is progressing well.

International expansion

The Group's strategy includes disciplined expansion into priority international markets, being the United States, United Kingdom and South Africa. The modular store format is designed to be adaptable to the requirements of new jurisdictions. Workstreams for the United States and South Africa are tracking well, with South Africa showing promise as the potential first market; Management is working towards delivery in H2 FY27.

People and capability

The Group's performance depends on the capability of its frontline piercing specialists and store leaders, supported by over 60 proprietary training modules. The base of SK Certified specialist piercers grew to 770 at period end (FY25: 632).

KEY BUSINESS RISKS

There are a number of key risks, both specific to SkinKandy and of a general nature, which may either individually or in combination materially and adversely affect the future operating and financial performance of the Group. The Board oversees the Group's risk management framework through the Audit and Risk Committee. The principal risks are set out below.

Store roll-out, network optimisation and renewal

The Group's growth strategy depends on opening new stores across Australia and New Zealand. Key risks include insufficient availability of suitable sites or an inability to secure leases on acceptable terms, delays in landlord delivery or vacant possession, underperforming new stores or revenue cannibalisation of existing stores, execution strain on training, staffing and supervision, and changes in consumer preferences that reduce demand. Assumptions regarding growth opportunities in Australia and New Zealand may prove overstated. Existing stores also face renewal risks including centre redevelopments, tenant remixing and shifts in foot traffic. The Group's eCommerce channel may not grow as expected.

International expansion

The Group's strategy includes disciplined expansion into priority international markets. International expansion would increase execution complexity, regulatory risk and cost, and could divert management focus. Entering new jurisdictions, particularly the United States, would materially increase regulatory complexity and litigation risk. Assumptions regarding market suitability may prove incorrect and, if roll-out economics are below expectations, returns may be diluted and financial performance adversely affected.

Retail environment, geopolitical and macroeconomic conditions

Spending on piercing services and jewellery is discretionary and is influenced by economic and geopolitical factors including economic growth, inflation, interest rates, consumer confidence, fiscal and monetary policy, conflict and employment rates. The cost or availability of fuel may become prohibitive to making non-essential trips, reducing store visitation. Broader factors, including disruptions to international shipping routes, may affect product availability and increase sourcing costs. A deterioration in general economic or business conditions may negatively impact consumer spending and adversely affect the Group's financial performance.

Regulatory and licensing compliance

Piercing operators such as SkinKandy are subject to public health, skin penetration, infection control and workplace safety regulations, which vary by jurisdiction and may change over time. Any failure to comply with applicable requirements could result in fines, suspension of services, loss of licences, reputational damage or other enforcement action.

Health, safety and clinical risks in piercing operations

Risks involved in providing piercing services include customer adverse reactions, fainting episodes, bleeding or post-procedure complications, needle-stick injuries to customers or team members with potential disease transmission risk, and cross-contamination or infection risk if protocols fail. The Group provides piercing services to minors, which introduces additional regulatory complexity. Any material health or safety incident could result in regulatory action, litigation, criminal sanctions in extreme cases, reputational damage or increased costs.

Attraction, retention and training of skilled piercers, and payroll compliance

The Group's performance is driven by the capability and expertise of its frontline team of trained piercers and its experienced leadership team. There is a risk the Group is unable to recruit, train and retain sufficient numbers of skilled piercers and store leaders to support its operations and growth strategy, which could adversely affect service quality and financial performance. The Group is also exposed to payroll compliance risk under the Australian modern awards framework, which could result in back-pay liabilities, regulatory penalties and reputational damage.

Key business risks continued

Key person risk

The Group's success depends on the retention of senior management and critical operational leaders. The loss of, or an inability to attract, key management personnel could adversely affect the Group's strategic direction, operational execution, financial performance and growth prospects. The Company's principal place of business is located in Maroochydore, Queensland, a smaller and less deep talent market than major metropolitan centres, which may present a structural challenge in attracting and retaining experienced and credentialed personnel over time.

Competition and market dynamics

The piercing and fashion jewellery sector is highly fragmented with relatively low barriers to entry. The Group faces competition from independent piercing studios, national cosmetic and beauty chains offering piercing services, fashion accessories retailers and smaller multi-store piercing retailers. Competitors may adopt price-led strategies, intensify promotional activity or replicate elements of the Group's business model. More intensive price-based competition could compress margins, reduce pricing power and adversely affect profitability.

Consumer tastes and fashion trends

Demand for piercing services and jewellery is sensitive to prevailing fashions and consumer preferences. Misjudging trends, assortment or quantities may result in lower sales, higher markdowns and obsolete inventory. Changes in social attitudes, health concerns or aesthetic preferences relating to body piercing could reduce category demand.

Supply chain, sourcing concentration and logistics

A significant proportion of jewellery and store fixtures is sourced overseas, including from China, and delivered through international logistics. Risks include supplier failures, geopolitical events, tariffs, freight disruption and cost volatility, transportation capacity constraints, port congestion and disruption to shipping routes or vendors. These disruptions may increase costs, reduce product range, result in stock-outs and adversely impact sales, margins and financial performance.

Leases and change of control provisions

A number of the Group's material leases require landlord consent for a change of control.

Cyber security, privacy and IT systems

The Group holds customer, team member and Company data and relies on third party technology for store bookings, point of sale and its online store. A significant data breach or system outage could attract regulatory action, negative publicity or brand damage, and result in lost sales, fines or litigation. The Directors consider that the Group maintains adequate cyber insurance, and the Group does not intentionally store customer payment card information.

Superannuation and employment obligations

As disclosed in the Prospectus, superannuation guarantee late charges and associated interest arose from an administrative processing issue in the clearing and remittance of payments to the Australian Taxation Office. The relevant superannuation guarantee charge statements were disclosed, lodged and settled during the period.

ESG matters, including modern slavery and climate

The Group monitors ESG-related risks and opportunities as part of its broader risk management and strategic planning processes, and recognises that the materiality of these factors may evolve over time as the Group's activities, regulatory environment, and stakeholder expectations change. As part of its ongoing implementation of the ASX Recommendations, the Group intends to develop ESG governance policies, systems and reporting processes, including in relation to modern slavery and supply chain due diligence, relative to its size and industry. The Group has recently established Standard Supplier Terms, which require that suppliers ensure all goods are manufactured in compliance with applicable labour, environmental and ethical sourcing laws.

Key business risks continued

Other risks

Other risks include product safety, quality and recall; disruption to the technology or service model; legal and regulatory disputes; adequacy of insurance coverage; foreign exchange exposure; and general risks associated with an investment in listed securities including share price volatility and liquidity.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 21 May 2026, the Company was admitted to the Official List of the Australian Securities Exchange, with Completion of the Offer occurring on 25 May 2026. In connection with the Offer:

- the Company issued 9,091,000 Shares raising $20.0 million of new capital, before costs, and effected a 1-for-7 share split of existing ordinary shares on 1 April 2026;
- SkinKandy SaleCo Limited, which was established solely to facilitate the sale of existing Shares under the Offer and is not owned by the Company and is not a controlled entity of the Group, transferred 63.7 million Shares sold by Existing Shareholders;
- Offer costs of $11.1 million were expensed in the period and $1.3 million was offset against issued capital as the portion relating to the primary raise ($0.9 million net of the associated deferred tax impact);
- the Legacy Management Equity Plan was wound up and part of the Shareholder Loans associated with key management personnel shareholdings was repaid; and
- dividends totalling $8.5 million were paid to Existing Shareholders prior to Completion of the Offer.

Other than the matters described above, there were no significant changes in the state of affairs of the Group during the financial period.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Since 4 July 2026 and to the date of this report, the Group has opened 6 new stores, bringing the total store count to 115, and has approved 11 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. Refer to note 30 of the financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to continue executing the strategy set out in the Prospectus — the ANZ store roll-out, network level revenue and margin expansion and preparation for disciplined international expansion. Further information on likely developments and expected results of operations has not been included in this report because, in the opinion of the Directors, disclosure of that information would be likely to result in unreasonable prejudice to the Group.

The Group is also monitoring the phased commencement of mandatory climate-related financial disclosures under the Corporations Act 2001 (AASB S2) and is preparing for reporting from the financial year in which the Group first falls within a reporting group.

ENVIRONMENTAL REGULATION

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia. The Group is, however, subject to public health, skin penetration and infection control regulation in the jurisdictions in which it operates, as described under Key business risks.

INDEMNITY AND INSURANCE OF OFFICERS AND AUDITOR

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial period the Company paid a premium in respect of a contract to insure the Directors and executives against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor, and has not paid a premium to insure the auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit and Risk Committee and a People and Remuneration Committee, each constituted on Listing. Members acting on the committees of the Board during the period since their constitution and at the date of this report were:

Audit and Risk Committee	People and Remuneration Committee
Melanie Wilson (Chair)	Mark Oliphant (Chair)
Trent Peterson	Trent Peterson
Richard Whiteoak	Melanie Wilson
Renee Jones (from 16 June 2026)	

SHARES UNDER OPTION AND SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no unissued ordinary shares of the Company under option at the date of this report, and no shares were issued on the exercise of options during or since the end of the financial period. All A class shares issued under the legacy Management Equity Plan converted to ordinary shares prior to Completion of the Offer. Ordinary shares that remain funded by outstanding limited recourse shareholder loans are issued shares which continue to be treated as in-substance options for accounting purposes, including in the calculation of diluted earnings per share (refer to Notes 21 and 22 of the financial statements). Grants under the FY27 long-term incentive plan are intended to be made in September 2026, as described in the Remuneration report.

INFORMATION ON DIRECTORS

The Directors of SkinKandy Limited in office at the date of this report are listed below, together with details of their relevant interests in the securities of the Company as at 4 July 2026.

Name:	**Trent Peterson**
Title:	Independent Non-Executive Chair
Experience and expertise:	Trent has over 25 years' investment and private equity experience, focused primarily on businesses operating in consumer, retail and media sectors. He is a Managing Director of Catalyst Investment Managers Pty Ltd and the Managing Director of Catalyst Direct Capital Management Pty Ltd, a personal investment management company. He was previously a Director of Just Group Limited and Global Television Limited (both now delisted), and has held board roles with SkyBus, Power Farming, Max Fashions and EziBuy.
Qualifications:	BComm (University of Melbourne); Chartered Accountant
Other current listed directorships:	Adairs Limited (Chair, since November 2010), Universal Store Holdings Limited (since September 2018), Shaver Shop Group Limited (since May 2016), dusk Group Limited (since February 2015)
Former listed directorships in last 3 years:	None
Special responsibilities:	Chair of the Board; member of the Audit and Risk Committee; member of the People and Remuneration Committee
Interests in shares and options:	Ordinary Shares — SkinKandy Limited 874,433

Name:	**Dain Friis**
Title:	Chief Executive Officer and Executive Director
Experience and expertise:	Dain was appointed Chief Executive Officer in January 2023. He is a senior retail executive with over 21 years' experience across global fashion and lifestyle businesses. He was formerly Chief Operating Officer of Lovisa Group, where he was instrumental in the brand's global expansion, with a particular focus on establishing and scaling operations in the United States and other international markets. Dain previously held senior leadership roles at Adairs Retail Group, MYER and Mr Price Group, and has led businesses across Australia, the United States and South Africa.
Other current listed directorships:	None
Former listed directorships in last 3 years:	None
Special responsibilities:	Chief Executive Officer
Interests in shares and options:	Ordinary Shares — SkinKandy Limited 3,619,149 Performance Rights — SkinKandy Limited Nil (FY27 LTI grant intended September 2026, subject to shareholder approval)

Information on Directors continued

Name:	**Melanie Wilson**
Title:	Independent Non-Executive Director
Experience and expertise:	Melanie is an experienced non-executive director with extensive experience across consumer, retail, digital and eCommerce businesses. She previously served as Chair of Baby Bunting from 2021 to 2025 and as a non-executive director from 2016, and has held board roles with iSelect, EML Payments, PropertyGuru Group and Shaver Shop. Melanie previously held senior roles at BB Retail Capital and Woolworths Limited, including Head of Online BIG W, and at Limited Brands in the United States. Earlier in her career she worked at Bain & Company and Goldman Sachs.
Qualifications:	MBA (Harvard University); BComm (University of Queensland)
Other current listed directorships:	JB Hi-Fi Limited, Web Travel Group Limited
Former listed directorships in last 3 years:	Baby Bunting Group Limited (2016 – 2025)
Special responsibilities:	Chair of the Audit and Risk Committee; member of the People and Remuneration Committee
Interests in shares and options:	Ordinary Shares — SkinKandy Limited 141,036

Name:	**Richard Whiteoak**
Title:	Non-Executive Director
Experience and expertise:	Richard led a majority investment into SkinKandy in November 2019 and was appointed as a Director in September 2022. He is the founder and Managing Director of Whiteoak, an Australian private equity firm established in 2016. He is Chair of Zeus Street Greek and Avolution Software and a non-executive director of Sovereign Capability Group and Status Anxiety. Earlier in his career, Richard was a management consultant at McKinsey & Company, a fund manager and a medical doctor.
Qualifications:	MBA (University of Oxford); MB BCh (University of Wales)
Other current listed directorships:	None
Former listed directorships in last 3 years:	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares and options:	Nil. Richard has an indirect minority interest in the Company through the funds managed by Whiteoak Asset Management Pty Limited (the 'Whiteoak Funds'); he has no material interest in the Shares held by the Whiteoak Funds. Further detail on the nature of Richard's interests in, and control over, the Whiteoak entities is set out in the Remuneration report on page 48.

Information on Directors continued

Name:	**Mark Oliphant**
Title:	Non-Executive Director
Experience and expertise:	Mark is the founder of SkinKandy and its former Chief Executive Officer, a position he held for over a decade. Having founded SkinKandy in 2010, Mark contributes 16 years of foundational knowledge across expansion, brand development and capital deployment.
Other current listed directorships:	None
Former listed directorships in last 3 years:	None
Special responsibilities:	Chair of the People and Remuneration Committee
Interests in shares and options:	Ordinary Shares — SkinKandy Limited 7,796,250

Name:	**Renee Jones**
Title:	Independent Non-Executive Director (appointed 16 June 2026)
Experience and expertise:	Renee is an experienced finance executive with over 20 years' leadership across retail, telecommunications and FMCG. She was Chief Financial Officer of Universal Store Holdings Limited from 2019 to 2024, and has previously held senior finance roles including Head of Finance at Telstra, Chief Financial Officer at Ardent Leisure's Bowling Division and Fantastic Furniture, and senior finance positions at Coca-Cola Amatil and Coles Supermarkets.
Qualifications:	BComm, Accounting (La Trobe University); Certified Practising Accountant
Other current listed directorships:	None
Former listed directorships in last 3 years:	None
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares and options:	None

'Other current listed directorships' quoted above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated. 'Former listed directorships in last 3 years' quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

MEETINGS OF DIRECTORS

During the financial period, 12 meetings of Directors were held. The Audit and Risk Committee and the People and Remuneration Committee were established in connection with Listing, and no committee meetings were held prior to the end of the financial period. Attendance by each Director during the time they held office was as follows:

Meetings of Directors	Attended	Held
Trent Peterson[1]	2	2
Dain Friis[2]	2	2
Melanie Wilson	2	2
Richard Whiteoak	12	12
Mark Oliphant	12	12
Renee Jones	1	1
Gregory Garvin	9	9
David Bortolussi	9	9

Audit and Risk Committee	Attended	Held
Trent Peterson	1	1
Dain Friis	1	1
Melanie Wilson	1	1
Renee Jones	1	1

'Held' represents the number of meetings held during the time the Director held office. 'Attended' includes meetings attended prior to the Director's appointment, as an invitee or in an executive capacity.

1. Trent Peterson attended meetings held prior to his appointment as an observer, whilst providing services to the Group as part of his pre-IPO arrangement.
2. Dain Friis attended meetings held prior to his appointment in his capacity as Chief Executive Officer.

REMUNERATION REPORT

The Remuneration report, which forms part of this Directors' report and has been audited, begins on page 29.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are set out in note 26 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial period, by the auditor, is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

IPO diligence services of $996,649 were paid or payable to KPMG during the period in connection with the Offer. The Directors are satisfied that the provision of these services did not compromise the auditor's independence: the services were non-recurring and transaction-specific, comprised investigating accountant and due diligence procedures of a kind customarily performed by a company's auditor in connection with an initial public offering, did not involve auditing the auditor's own work or acting in a management capacity, and were approved through the Offer due diligence committee process.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement, which reports against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition), was approved by the Board and is available on the Company's website at investors.skinkandy.com/investor-centre, together with the Board and committee charters and key governance policies. The Appendix 4G was lodged with the ASX on the same day as this report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2026/468, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR

KPMG continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 50 and forms part of this Directors' report.

The Remuneration report, which forms part of this Directors' report, is set out on pages 29 to 49 and is signed, together with this report, at its conclusion.

AUDITED

REMUNERATION REPORT

The Directors of SkinKandy Limited (ABN 80 636 484 814) ('the Company' or 'SkinKandy') present the Remuneration Report (the 'Report') for the Company and its controlled entities ('the Group') for the 52 week period from 6 July 2025 to 4 July 2026 ('FY26' or 'the reporting period'). This Report forms part of the Directors' report and has been audited in accordance with section 300A of the Corporations Act 2001.

This is the Company's first Remuneration Report, following the Company's initial public offering ('IPO' or 'the Offer') and admission to the official list of the Australian Securities Exchange ('ASX'). SkinKandy's Shares commenced trading on the ASX on a conditional and deferred settlement basis on 21 May 2026 ('Listing'), with completion of the Offer occurring on 25 May 2026 ('Completion') and normal settlement trading commencing on the same day. Accordingly, the Report covers both the pre-IPO and post-IPO portions of the reporting period, and describes the remuneration framework that was established in connection with the IPO and disclosed in the Company's Prospectus dated 12 May 2026 ('Prospectus', and the date of the Prospectus the 'Prospectus Date').

The Report sets out the remuneration arrangements for the Group's key management personnel ('KMP'), being those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major resources and activities of the Group. The KMP comprise the Non-Executive Directors ('NEDs') and the Senior Executives (being the Chief Executive Officer ('CEO') and Executive Director, and the Chief Financial Officer ('CFO') and Company Co-Secretary).

Key management personnel

Name	Position	Term as KMP in FY26	Director since
Non-Executive Directors			
Trent Peterson	Independent Non-Executive Chair	Appointed 11 May 2026	May 2026
Melanie Wilson	Independent Non-Executive Director	Appointed 11 May 2026	May 2026
Richard Whiteoak	Non-Executive Director	Full financial year	September 2022
Mark Oliphant	Non-Executive Director (Founder)	Full financial year	September 2019
Renee Jones	Independent Non-Executive Director	Appointed 16 June 2026	June 2026
Gregory Garvin	Former Non-Executive Director	6 July 2025 to 11 May 2026	November 2019
David Bortolussi	Former Independent Non-Executive Chair	6 July 2025 to 6 May 2026	September 2019
Executive Director and Senior Executives			
Dain Friis	CEO and Executive Director	Full financial year as CEO	11 May 2026
Carl Larzabal	CFO and Company Co-Secretary	Full financial year	–

Dain Friis was appointed CEO in January 2023 and Carl Larzabal was appointed CFO in June 2023 (and Company Co-Secretary in March 2025); both were KMP for the entire reporting period. David Bortolussi resigned from the Board on 6 May 2026, due to a re-prioritisation of his executive responsibilities elsewhere, and Gregory Garvin resigned on 11 May 2026, in each case prior to the lodgement of the final Prospectus; the remuneration of each former Director for their period in office is disclosed in Section 8.

SECTION 1

REMUNERATION OVERVIEW

FY26 was a transformational year for SkinKandy, culminating in the Company's IPO and listing on the ASX in May 2026. The remuneration outcomes described in this Report reflect two distinct phases of the reporting period: the pre-IPO period, during which KMP were remunerated under arrangements established while the Company was privately held; and the post-Completion period, during which the remuneration framework established in connection with the IPO (and disclosed in the Prospectus) took effect.

The key remuneration events and outcomes for FY26 were:

- New executive service agreements for the CEO and CFO took effect from Completion, establishing total fixed remuneration ('TFR') of $580,000 per annum for the CEO and $350,000 per annum for the CFO (each inclusive of superannuation and allowances);
- A one-off transitional approach was applied to the FY26 short-term incentive ('STI'), approved by the Board in connection with the IPO. The FY26 entitlements are contractual and formula-based, calculated by reference to Normalised Management EBITDA (as defined in Section 4). The FY26 STI outcomes were $293,942 for the CEO and $121,533 for the CFO, as set out in Sections 5.2 and 8, with the basis of calculation described in Section 5.2;
- The Group's long-term equity arrangement during FY26 was the Company's legacy management equity plan ('Legacy MEP'), under which the CEO and CFO held A Class Shares and which was wound up in connection with the IPO. The SkinKandy long-term incentive ('LTI') plan (the 'LTI Plan'), which will replace the Legacy MEP from FY27, was not in place during FY26 and no grants were made under it. Both initial grants under the LTI Plan are intended to be made in September 2026, subject to the conditions described in Section 5.4;
- All A Class Shares issued under the Legacy MEP converted to ordinary Shares between the Prospectus Date and Completion, with an associated one-off accelerated share-based payment expense of $503,907 recognised in FY26;
- Non-Executive Director fee arrangements took effect from Completion, within an aggregate fee cap of $800,000 per annum; and
- One-off, Offer-related payments were made in connection with the IPO, comprising IPO bonuses of $30,000 to each of Trent Peterson and Melanie Wilson (each conditional on Listing and paid from the gross Offer proceeds), and a one-off cash transaction bonus of $1,100,000 to Mark Oliphant in recognition of his overall contribution to the creation of value in the business, which was approved by eligible voting shareholders under Chapter 2E of the Corporations Act 2001 prior to the Prospectus Date. A further $61,336 was paid to Trent Peterson for work performed in preparation for the Offer prior to Listing, which is presented within salary and fees in Section 8.

The Board believes the FY26 remuneration outcomes are appropriate in the context of the Company's IPO, the Group's financial performance for the year (pro forma revenue of $90.2 million, pro forma EBITDA of $24.6 million and pro forma net profit after tax of $9.0 million, each ahead of the forecasts set out in the Prospectus), and the returns delivered to shareholders since Listing. As this is the Company's first Remuneration Report, it has not previously been subject to a shareholder vote. Comparative FY25 remuneration disclosures are presented in Section 8.

SECTION 2

REMUNERATION STRATEGY AND POLICY

SkinKandy's remuneration philosophy is designed to attract, retain and motivate talented, culturally aligned executives and team members who can enhance the Group's performance through their leadership and contribution, while aligning reward outcomes with the creation of long-term shareholder value. The Board believes that SkinKandy's people are a key source of competitive advantage and are fundamental to the successful execution of the Group's store roll-out and growth strategy across Australia, New Zealand and, in time, international markets.

In considering the remuneration arrangements of Senior Executives, the People and Remuneration Committee makes recommendations to the Board based on the following principles:

- Reward for outcomes and performance;
- Strengthen capabilities by attracting and retaining high calibre talent;
- Align the interests of executives with those of shareholders, including through equity ownership and the Company's Minimum Shareholding Policy;
- Drive sustainable long-term performance of the business;
- Reflect sound risk management and drive the right behaviours; and
- Be simple and transparent.

Executive remuneration comprises two components: fixed remuneration (salary, superannuation, non-monetary and other approved benefits) and at-risk remuneration (a cash-based STI and an equity-based LTI delivered as Performance Rights, as defined in Section 5.4). The proportion of remuneration at risk increases with seniority and the executive's capacity to influence Group performance and shareholder value.

SECTION 3

ROLE OF THE PEOPLE AND REMUNERATION COMMITTEE AND EXTERNAL ADVISORS

The Board has established a People and Remuneration Committee ('PRC') whose role is to assist and advise the Board on matters relating to the compensation, bonus, incentive and remuneration arrangements of the Directors, the CEO and employees. This includes reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior management. The PRC is also responsible for administering the Company's incentive plans (including equity plans), overseeing the design, operation and annual calibration of the STI and LTI, the selection and weighting of scorecard metrics, target-setting, performance assessment and the consideration of any exercise of discretion.

The PRC comprises Mark Oliphant (Chair), Trent Peterson and Melanie Wilson. As disclosed in the Prospectus and the Company's Corporate Governance Statement, the Company does not comply with ASX Corporate Governance Council Recommendations 2.1 and 8.1 to the extent that the PRC is not chaired by an independent director. Notwithstanding that Mark Oliphant is not independent, the Board considers that his skills, experience and deep knowledge of the business and the broader SkinKandy team make him well suited to the role, and that he brings objective and independent judgement to the Committee's deliberations.

Having regard to PRC input, the Board sets the annual STI plan, determines Company performance against the plan, decides whether any discretion should be applied, and determines whether to modify the individual payout of an executive in exceptional circumstances. All STI payments and LTI grants are ultimately subject to Board approval.

No remuneration consultants provided a remuneration recommendation (as defined in the Corporations Act 2001) to the Company during the reporting period. Remuneration arrangements established in connection with the IPO were developed with the benefit of advice from the Company's IPO advisers and market benchmarking against comparable ASX-listed specialty retailers.

SECTION 4

COMPANY PERFORMANCE — RELATIONSHIP BETWEEN FINANCIAL PERFORMANCE AND REMUNERATION

Remuneration for Senior Executives is directly linked to the performance of the Company.

For FY26, the sole financial measure applying to the transitional STI arrangements was normalised EBITDA — an internally calculated, non-IFRS measure determined by the Directors ('Normalised Management EBITDA'). The entitlement mechanics, including the percentage opportunities and the CFO's contractual cap, are set out in Section 5.2. The Board considers EBITDA to be a well-understood measure of underlying operating performance which requires management to balance revenue growth, gross margin and cost discipline through a period of rapid store network expansion. FY26 Normalised Management EBITDA, as determined by the Board for the purposes of the transitional STI, was $19.4 million. The Group's pro forma underlying EBITDA for FY26 was $24.6 million, against the Prospectus forecast of $23.5 million.

Normalised Management EBITDA and Prospectus pro forma underlying EBITDA — different measures for different purposes

Normalised Management EBITDA is a fundamentally different measure from the pro forma underlying EBITDA presented in the Prospectus, and the two are not directly comparable. Each was designed for a different purpose: Normalised Management EBITDA was the performance measure under the executive incentive arrangements established while the Company was privately held, whereas the Prospectus pro forma underlying EBITDA was prepared to present the historical and forecast results of the Group as if the post-listing operating and cost structure had been in place throughout the relevant periods.

In particular, Normalised Management EBITDA did not seek to make many of the adjustments reflected in the Prospectus pro forma underlying EBITDA, including:

- annualised public company costs;
- costs associated with the new Board;
- the revised executive remuneration arrangements commencing from the IPO, including the new STI and LTI framework; and
- a range of other Prospectus pro forma adjustments.

The material differences between EBITDA as derived from the statutory financial statements and Normalised Management EBITDA are the exclusion from Normalised Management EBITDA of certain once-off expenses, such as non-recurring costs, and its preparation on a pre-AASB 16 *Leases* basis (occupancy costs are treated as an operating expense rather than depreciation and interest) and a pre-AASB 2 basis in respect of share-based payments.

The normalisations made in determining Normalised Management EBITDA are specific to the FY26 transitional STI and are not representative of, and no indication of, the normalisations the Company will apply in presenting underlying earnings or assessing incentive outcomes going forward.

From FY27, STI outcomes will be determined against a balanced scorecard weighted towards underlying profit before tax and like-for-like ('LFL') revenue growth, and LTI outcomes will be determined by reference to earnings per share ('EPS') growth and LFL sales growth over a three-year performance period. These measures were selected because they are transparent, well understood by shareholders, and effective in aligning the interests of management and shareholders over the long term. The frameworks are described in Section 5.

SECTION 4 CONTINUED

FY26 FINANCIAL OUTCOMES

Key FY26 financial outcomes are summarised below. As the Company listed on 21 May 2026, share price performance data is only available from that date. No LTI awards were on foot during FY26 and accordingly no LTI vesting outcomes are reported.[3]

Indicator	FY26	Prospectus forecast
Pro forma revenue ($m)	90.2	88.7
Pro forma EBIT ($m)	13.8	13.4
Statutory NPAT ($m)	0.6	(0.2)
Pro forma NPAT ($m)	9.0	8.6
Dividends paid or declared (cents per Share)[1]	Nil	Nil
Offer Price (21 May 2026)	$2.20	$2.20
Share price at 4 July 2026	$2.53	–
Basic EPS (cents)	0.67	–
Diluted EPS (cents)	0.64	–
Underlying basic EPS (cents)[2]	9.33	–

1. No dividends have been declared or paid since Listing. Dividends totalling $8.5 million were paid to pre-IPO shareholders prior to Completion of the Offer.
2. Underlying earnings per share ('Underlying EPS') is calculated on the same basis as statutory earnings per share, substituting pro forma net profit after tax, as reconciled in the Directors' report, for statutory net profit after tax. Underlying basic EPS is the base-year measure for the FY27–FY29 LTI performance period described in Section 5.4.
3. FY26 is the Company's first reporting period as a listed entity. The listed-company metrics presented above (share price and earnings per Share) are not applicable to the four prior financial years, during which the Company was privately held.

STI and LTI outcomes — FY26

Plan	FY26 outcome
STI	FY26 STI outcomes, determined by the Board on a formula basis by reference to Normalised Management EBITDA, were $293,942 for the CEO and $121,533 for the CFO (the CFO amount reflecting the contractual cap), agreeing to Section 8. After instalments paid during the period, residual amounts payable are $51,321 for the CEO and $16,308 for the CFO. Refer to Section 5.2.
LTI	The Legacy MEP was the Group's long-term equity arrangement during FY26 and was wound up in connection with the IPO (refer to Section 5.5). The LTI Plan was not in place during the period and no grants were made under it. Both initial grants are intended to be made in September 2026, subject to the conditions described in Section 5.4. The FY27–FY29 performance period will use FY26 as the base year.

SECTION 5

SENIOR EXECUTIVE REMUNERATION STRUCTURE

The Senior Executive remuneration structure consists of two components: fixed remuneration (base salary, superannuation and approved benefits, including a novated lease allowance) and at-risk remuneration (a cash-based STI and an equity-based LTI delivered in the form of Performance Rights).

5.1 Fixed remuneration

With effect from Completion, the CEO's TFR is $580,000 per annum and the CFO's TFR is $350,000 per annum. Prior to Completion, the CEO and CFO were remunerated under their pre-existing arrangements, with total fixed remuneration of $470,000 per annum for the CEO and $308,700 per annum for the CFO.

Fixed remuneration is set with regard to comparable roles in similarly sized ASX-listed companies operating in the specialty retail sector, having regard to the experience, expertise and performance of the executive. Fixed remuneration is reviewed annually by the PRC with recommendations made to the Board. There is no guaranteed salary increase in any Senior Executive's service agreement.

5.2 FY26 short-term incentive — one-off transitional arrangements

In connection with the IPO, the Board approved a one-off transitional approach to the FY26 STI:

- The CEO was entitled to an annual cash bonus of up to 2% of Normalised Management EBITDA. The CFO was entitled to an annual cash bonus of up to 0.75% of Normalised Management EBITDA, capped at 45% of his total fixed remuneration, being $138,915 for FY26;
- Normalised Management EBITDA is a different measure from the Prospectus pro forma underlying EBITDA, for the reasons explained in Section 4;
- Immediately prior to Completion, the Board paid a pro-rata portion of the FY26 STI reflecting prior service and performance for the nine-month period from 6 July 2025 to 4 April 2026, being $242,621 for the CEO and $105,225 for the CFO;
- The balance of the FY26 entitlement was determined by the Board following finalisation of the audited FY26 results, leaving residual amounts payable of $51,321 for the CEO and $16,308 for the CFO. In aggregate the residual amounts payable of $67,629 sit below the $70,000 of indicative stub-period amounts notified in the Prospectus ($55,000 for the CEO and $15,000 for the CFO). The CEO residual is below the amount notified; the CFO residual exceeds it by $1,308, reflecting the FY26 base package of $308,700 that sets the contractual cap. The Board considers this variance to be immaterial, and the stub-period amounts disclosed in the Prospectus to be materially accurate. The resulting FY26 STI outcomes — the instalments paid plus the residual amounts payable — were $293,942 for the CEO and $121,533 for the CFO, as reported in Section 8; and
- The Board retained discretion to adjust the stub period outcome to reflect actual performance in the event of a material variance between the Prospectus forecasts and the audited FY26 results, and to ensure outcomes are appropriate and avoid windfall gains or losses.

SECTION 5 CONTINUED

5.3 SHORT-TERM INCENTIVE — FRAMEWORK FROM FY27

From FY27, the CEO and CFO will be offered STI award opportunities calculated as a percentage of TFR, conditional upon the achievement of Company financial and non-financial metrics in the form of a balanced scorecard. Initial STI grants will be made to the CEO and CFO only, though the Board may extend the STI to other senior management in the future.* The key terms are set out below.

Opportunity

STI outcomes are calibrated at three levels in relation to the achievement of scorecard targets, expressed as a percentage of TFR:

Level	CEO	CFO
Threshold	50%	30%
Target	80%	50%
Maximum	100%	70%

Actual awards in any given year may be below, at or above the target opportunity depending on achievement against the scorecard. Outcomes above maximum are not available unless determined by the Board.

* Notwithstanding the above, the CEO retains certain discretionary ability to award bonuses, within defined thresholds, based on performance against management-level internal KPIs across HQ, operations and store teams. Those arrangements are not disclosed in this Report as they do not relate to KMP; the PRC has oversight of them, with notification requirements applying at appropriate levels.

5.3 Short-term incentive — framework from FY27 continued

Scorecard, metrics and weighting

For FY27, the weighting is expected to be:

Metric	Weighting
Underlying Profit Before Tax	60%
Like-for-like Sales Growth	25%
Strategic Execution Measures	15%
Total	**100%**

The rationale for the selection of each measure is as follows:

- **Underlying Profit Before Tax (60%):** underlying profit before tax is considered a high-quality measure of business performance because it reflects the full cost of operating the business, including lease costs represented through depreciation and interest, together with depreciation of property, plant and equipment. As a performance-oriented retailer focused on disciplined capital allocation and earnings growth, the Board believes underlying profit before tax provides an appropriate measure of management's ability to sustainably improve the profitability of the business before abnormal and one-off items.
- **Like-for-like Sales Growth (25%):** like-for-like sales growth demonstrates management's ability to grow the existing store network through an improved customer proposition, quality of execution and market share gains, rather than relying solely on new store openings. In a business pursuing an active store roll-out program, the Board considers it important that incentive outcomes reward the quality of growth as well as its quantum.
- **Strategic Execution Measures (15%):** strategic execution measures will comprise a small number of specific, measurable objectives set by the Board at the commencement of the performance year, each with objective assessment criteria against which achievement can be verified. For FY27, these are expected to include delivery of the FY27 store roll-out program, defined milestones for international market entry, and specified systems and infrastructure milestones. The measures selected, and performance against them, will be disclosed in the FY27 Remuneration Report so that shareholders can assess the basis on which the award was made.

5.3 Short-term incentive — framework from FY27 continued

Performance calibration and assessment	Target performance generally aligns with the Board-approved operating plan and budget. Threshold represents a minimum acceptable outcome that remains challenging but achievable; maximum reflects a more demanding stretch outcome. Each scorecard metric is assessed independently, straight-line vesting applies between threshold, target and maximum, and scores are totalled to determine the overall STI outcome. The Board retains discretion to adjust outcomes to avoid windfall gains or losses and to ensure alignment with underlying financial performance. The Board also retains discretion to adjust or reduce an executive's STI outcome, including to nil, in the event of a material ESG breach or other significant conduct issue that is considered to have been materially within the executive's domain of responsibility or control. This ensures that incentive outcomes are not determined solely by financial performance.
Timing and delivery	STI outcomes are determined after finalisation of the audited full-year results for the relevant financial year and are ordinarily paid in cash shortly thereafter. STI entitlements are accrued in the financial statements for the performance period to which they relate, and accordingly form part of the results subject to audit. The STI is currently payable 100% in cash with no mandatory deferral into equity; the Board may consider introducing an equity-deferred component in the future as the Company's market capitalisation and governance requirements evolve.
Forfeiture	All unpaid STI lapses in full upon resignation by the CEO or CFO, or on termination for cause by the Company. Where the Board terminates employment by way of notice, any pro-rata STI payment is at the Board's discretion.
Clawback	The Board has broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.

SECTION 5 CONTINUED

5.4 LONG-TERM INCENTIVE — FRAMEWORK FROM FY27

The Board intends to establish the LTI Plan to assist in the motivation, retention and reward of the Senior Executives. The LTI Plan is designed to align the interests of employees with those of shareholders by providing an opportunity for employees to receive an equity interest in SkinKandy. The LTI entitlements of the CEO and CFO will be delivered in the form of performance rights ('Performance Rights'), subject to performance conditions measured over a three-year period. The LTI Plan was not in place during FY26 and no grants were made under it. The Group's long-term equity arrangement during the period was the Legacy MEP described in Section 5.5, which was wound up in connection with the IPO. The key terms of the intended LTI Plan and initial FY27 grants, consistent with the framework disclosed in the Prospectus, are summarised below. Adoption of the LTI Plan and the making of the initial grants remain subject to Board approval following release of the audited FY26 results and, in the case of the CEO's grant, shareholder approval at the 2026 Annual General Meeting. The performance hurdles that will apply to the initial grants — the underlying EPS CAGR and LFL sales growth targets — had not been determined by the Board as at the date of this Report. Consistent with market practice for commercially sensitive forward-looking measures, the Company does not intend to disclose the specific target ranges. The Board will disclose the measures, their weightings and the vesting schedule, together with the extent to which each measure was achieved and the resulting vesting outcome, in the Remuneration Report for the year in which the performance period ends.

Opportunity	The CEO has an LTI opportunity of up to 120% of TFR, and the CFO an LTI opportunity of up to 90% of TFR. The grant value is based on the maximum opportunity multiplied by the executive's TFR. The number of Performance Rights granted is calculated by reference to a 10-day volume-weighted average price ('VWAP') commencing 10 days after release of the Company's audited full-year financial results. The threshold, target and maximum levels in the vesting schedule below operate as vesting levels — the proportion of TFR-equivalent value that vests for performance at each level — rather than separate grant opportunities.

Vesting schedule

The vesting levels for the CEO and CFO, and the performance measures against which they are assessed, are brought together below:

Vesting level	CEO vesting (% of TFR)	CFO vesting (% of TFR)
Below threshold	Nil	Nil
Threshold	50%	40%
Target	100%	70%
Maximum	120%	90%

Straight-line vesting applies between threshold and target, and between target and maximum, for each measure. Each measure is assessed independently, weighted 70% to underlying EPS CAGR and 30% to LFL sales growth. The threshold, target and maximum levels of underlying EPS CAGR and LFL sales growth required at each vesting level are set by the Board at the time of grant. These targets are commercially sensitive and are not disclosed; performance against them will be reported at the end of the performance period.

5.4 Long-term incentive — framework from FY27 continued

Performance period and grant timing

The LTI commences in FY27, with FY26 used as the base year for performance measurement. The performance period for the initial grant is FY27 to FY29 inclusive. Both the CEO's and the CFO's initial grants are intended to be made in September 2026, following finalisation of the Company's audited FY26 results. The CEO's grant will be made conditionally upon shareholder approval being obtained at the Company's 2026 Annual General Meeting. Separately, the Board reserves the right to modify or unwind any grant made under the FY27 LTI program, including the CFO's grant, having regard to the outcome of the shareholder vote on the CEO's grant.

Metrics and weighting

The FY27 LTI grant focuses participants on long-term value creation through two measures:

Measure	Weighting
Underlying Earnings per Share (EPS) growth (three-year CAGR)	70%
LFL sales growth (simple average, FY27–FY29)	30%
Total	**100%**

Underlying EPS growth (70%): measured as the compound annual growth rate of the Company's Underlying EPS (as defined in Section 4) — not statutory EPS — over the three-year performance period, from a base of the Underlying EPS reported for FY26 to the underlying EPS reported for FY29. The Board considers underlying EPS growth to provide direct evidence of growth in the profitability of the business on a per-Share basis, and a strong link between executive reward and long-term shareholder returns.

LFL sales growth (30%): calculated as the simple average of the reported like-for-like sales growth achieved in each of FY27, FY28 and FY29. This rewards sustained improvement in the productivity of the existing store network across the whole performance period, complementing the EPS measure.

The Board sets threshold at the lower end of acceptable shareholder returns and maximum at a level representing outperformance relative to market expectations. Straight-line vesting applies between threshold, target and maximum. The specific target ranges are commercially sensitive and are not disclosed. The Notice of Meeting seeking shareholder approval for the CEO's LTI grant at the 2026 Annual General Meeting will set out the measures, their weightings and the vesting schedule, and the extent to which each measure is achieved will be reported at the end of the performance period.

Issue and exercise price

Performance Rights are issued at no cost and no exercise price is payable on vesting. A Performance Right entitles the holder to acquire one Share on vesting, subject to satisfaction of the vesting conditions.

Settlement and restrictions

The Company may satisfy vested Performance Rights by issuing new Shares or by procuring on-market purchases of existing Shares. Performance Rights do not carry voting rights or any entitlement to dividends or dividend-equivalent payments during the performance period; dividend entitlements arise only on Shares allocated following vesting. Vested awards remain subject to the Company's Securities Trading Policy.

5.4 Long-term incentive — framework from FY27 continued

Forfeiture and discretion	Unvested awards lapse to the extent performance conditions are not met at the end of the performance period. Unvested LTI grants lapse in full upon resignation by the CEO or CFO, or on termination for cause. Where the Board terminates employment by way of notice, unvested LTI is subject to customary 'good leaver' provisions. The Board retains discretion to adjust performance outcomes for abnormal or non-recurring items to ensure alignment with underlying performance, and will have broad clawback powers under the LTI Plan rules.
Change of control	The Board may determine that all or a specified number of a participant's incentives will vest, or cease to be subject to restrictions, where there is a change of control event in accordance with the LTI Plan rules.

SECTION 5 CONTINUED

5.5 LEGACY MANAGEMENT EQUITY PLAN AND SHAREHOLDER LOANS

Prior to the IPO, the CEO and CFO held A Class Shares issued under the Legacy MEP, funded by interest-free, limited recourse loans from the Company ('Shareholder Loans') secured against those Shares. In connection with the IPO:

- All A Class Shares on issue converted to ordinary Shares between the Prospectus Date and Completion as part of the Company's capital restructure;
- An accelerated share-based payment expense of $503,907 was recognised in FY26 in respect of the Legacy MEP, reflecting the acceleration of vesting in connection with the IPO ($416,424 for the CEO and $87,483 for the CFO);
- The CEO and CFO each sold a portion of their Shares to SaleCo immediately before Completion and applied a portion of the gross proceeds to repay part of their Shareholder Loans. On Completion, the outstanding Shareholder Loan balances were $900,000 for Dain Friis and $150,000 for Carl Larzabal; and
- Under the amended loan terms, 100% of proceeds from any future sale of the relevant Shares, 50% of dividends paid on those Shares, and 25% of post-tax cash STI payments must be applied towards repayment of the Shareholder Loans until repaid in full. Should the executive cease to be employed by the Group, become bankrupt or otherwise cease to own or control the relevant Shares while a loan remains outstanding, the loan becomes repayable within 14 days.

The Shares held by the CEO and CFO on Completion, including the Shares issued on conversion of A Class Shares, are subject to voluntary escrow arrangements. The escrow period commenced on Listing and ends at 4:15pm on the trading day after the date on which the Company releases its 1H FY28 results to the ASX, with limited exceptions consistent with the escrow deeds summarised in the Prospectus. Escrow arrangements applying to KMP shareholdings more broadly are described in Section 9.

Movements in the Shareholder Loans during FY26 are set out in Section 7. The balances outstanding at 4 July 2026 were $900,000 (Friis) and $150,000 (Larzabal).

SECTION 5 CONTINUED

5.6 SENIOR EXECUTIVE SERVICE AGREEMENTS

The Company* has entered into executive service agreements with Dain Friis and Carl Larzabal, effective from Completion, which formalise their remuneration and terms of employment. The key terms are:

Duration and notice	Each agreement is ongoing until terminated. Employment may be terminated by either party on six months' notice (with the Company able to make payment in lieu of part or all of the notice period). The Company may, at its sole discretion, elect to extend the notice period for a further period, during which the executive is remunerated at a rate of 1.5 times his TFR for that additional period. In the event of serious misconduct or other circumstances warranting summary dismissal, the Company may terminate employment immediately without payment in lieu of notice.
Material diminution	If there is a material diminution in the executive's position, seniority or authority, or a material adverse change in his reporting relationship (to the Board for the CEO; to the CEO for the CFO), the executive may give one month's written notice of termination and be eligible for a payment in lieu of any notice period that would otherwise apply of 12 months' remuneration (CEO) or 9 months' remuneration (CFO). In those circumstances the Board will consider in good faith whether to make a pro-rata STI payment for the portion of the relevant performance period served, at its sole and absolute discretion.

* The executive service agreements are entered into by SkinKandy Operations, a controlled entity of the Company. References in this Report to arrangements entered into by the Company include arrangements entered into by its controlled entities.

5.6 Senior Executive service agreements continued

Restraints	Each agreement contains restraints applying during employment and for 12 months post-employment, including non-competition restraints and restrictions on soliciting SkinKandy customers, contractors, suppliers and employees, operating in Australia and any other jurisdiction in which the Group operates. The restraint period may be extended by mutual written agreement for up to a further six months, in which case the Company will pay $300,000 (gross) to the CEO or $200,000 (gross) to the CFO in consideration for ongoing compliance. Enforceability is subject to all usual legal requirements.
Minimum shareholding	Under the Company's Minimum Shareholding Policy, the CEO is required to hold Shares equivalent to 150% of his TFR and the CFO 100% of his TFR (before tax or deductions), with the required holding adjusting proportionally with any change in TFR. Executives have until the end of 3 annual LTI vesting periods to reach the requirement; Shares held on Completion are credited towards it. Other than to meet tax obligations, severe financial hardship, or compliance with a court order or statutory obligation, no Shares may be sold unless the executive will continue to meet the requirement following the sale.
Retirement benefits	No contracted retirement benefits are in place with any Senior Executive, other than statutory superannuation contributions.

SECTION 6

NON-EXECUTIVE DIRECTORS' REMUNERATION STRUCTURE

The Company's NED remuneration strategy is designed to attract and retain experienced, qualified directors and to remunerate them appropriately for the demands made of them and the responsibilities of the position. Fee levels are set with regard to fees paid for comparable roles in similarly sized ASX-listed companies operating in the retail sector, and are reviewed annually by the PRC.

Under the Constitution and the ASX Listing Rules, the total amount of directors' fees paid to NEDs (subject to certain exceptions) must not exceed the aggregate fee cap fixed by the Company, initially set at $800,000 per annum. This amount excludes, among other things, amounts payable to any executive Director under an executive services agreement and any special remuneration the Board may grant for special exertions or additional services.

Total NED remuneration for FY26 set out in Section 8 exceeded the aggregate fee cap. This was solely attributable to the one-off, Offer-related payments made in connection with the IPO described in Sections 1 and 8, which do not form part of ongoing Director fee arrangements. The ongoing annual base and committee fees payable to NEDs are within the aggregate fee cap.

The following annual base fees have applied with effect from Listing (all fees inclusive of statutory superannuation contributions):

Role	Fee per annum
Chair of the Board	$170,000
Each other Non-Executive Director	$70,000
Chair of a Board Committee (per committee)	$15,000
Member of a Board Committee (per committee, other than the Board Chair)	$5,000

- The Chair of the Board is not entitled to an additional committee member fee;
- Certain Directors' fees may, by agreement with the Company and the Board, be paid to a service or nominee entity associated with the Director under their appointment arrangements. The fees disclosed in this Report are the amounts in respect of each Director's services, irrespective of these payment arrangements;
- Dain Friis does not receive any fees in his capacity as a Director; he is remunerated in his capacity as CEO;
- Directors are reimbursed for properly documented expenses incurred in connection with the Company's affairs, including attending Board, Committee and general meetings. Such amounts do not count towards the aggregate fee cap. NEDs may be paid additional remuneration where they perform extra services beyond the ordinary duties of a Director.

SECTION 6 CONTINUED

ONE-OFF OFFER-RELATED PAYMENTS

In connection with the IPO, the following one-off payments were made from the gross Offer proceeds, each conditional upon Listing (or, in the case of the transaction bonus, Settlement) occurring:

- Trent Peterson: $91,336 (excluding GST) in connection with the Offer, comprising $61,336 for work performed in preparation for the Offer (presented within salary and fees in Section 8) and a $30,000 IPO bonus conditional on Listing (presented as a one-off Offer-related payment in Section 8). These amounts are not annual Director's fees;
- Melanie Wilson: a $30,000 (excluding GST) IPO bonus conditional on Listing, on the same basis; and
- Mark Oliphant: a one-off cash transaction bonus of $1,100,000 (excluding GST) in recognition of his overall contribution to the creation of value in the business. Payment of the bonus was approved by eligible voting shareholders pursuant to Chapter 2E of the Corporations Act 2001 prior to the Prospectus Date.

NED minimum shareholding

Under the Company's Minimum Shareholding Policy, each NED is required to acquire and hold a minimum holding of Shares equivalent to 100% of their base fee (before tax or deductions), by the later of the third anniversary of their appointment and the third anniversary of Listing. Shares held on Completion are credited towards the requirement. As at the date of this Report, all Directors to whom the requirement applies are expected to satisfy their obligations under the policy.

SECTION 7

KMP DISCLOSURES

Payments to Director-related entities

The following arrangements with Director-related entities were in place during part of the reporting period and, other than as noted, terminated on Listing:

- Whiteoak Asset Management Pty Limited (an entity of which Richard Whiteoak is a director and in which he holds an indirect interest) provided consulting services to the Group under a services agreement dated 23 November 2019 for a fixed monthly fee of $20,000 (exclusive of GST). Fees of $218,647 (2025: $243,076) were paid or payable in respect of FY26. From commencement of the agreement to 20 May 2026, aggregate fees of $1,558,163 (exclusive of $21,765 of reimbursements) had been paid. These fees were a firm-level advisory fee charged by Whiteoak across its portfolio entities for consulting services provided by its broader team, and were not consideration for the services of any individual as a Director; they are accordingly not included in the remuneration table in Section 8. The agreement terminated on Listing.
- 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). These payments were rent for premises on arm's length terms and were not consideration for Mark Oliphant's services as a Director; they are accordingly not included in the remuneration table in Section 8 and are disclosed as a related party transaction in note 18 of the financial statements.

Loans with KMP

Other than the Shareholder Loans described in Section 5.5, no Director or other KMP (including their related parties) has entered into a loan made, guaranteed or secured, directly or indirectly, by the Company during the reporting period. Details of the Shareholder Loans are as follows:

KMP	Opening balance	Repayments during FY26	Balance at Completion	Balance at 4 July 2026
Dain Friis	$1,500,000	($600,000)	$900,000	$900,000
Carl Larzabal	$250,000	($100,000)	$150,000	$150,000

The Shareholder Loans are interest-free and limited recourse, secured against the Shares issued on conversion of the A Class Shares. Repayments during FY26 were funded from the executives' sale of Shares to SaleCo immediately prior to Completion. The Shareholder Loans are accounted for as in-substance options; accordingly, neither a loan receivable nor the related issued equity is recognised on the balance sheet (refer to note 21 of the financial statements).

Balances outstanding with KMP and their related parties

Other than remuneration-related balances owing to KMP and their related entities in the ordinary course — including the residual FY26 STI amounts payable described in Section 5.2 and accrued Director fees — there were no balances outstanding at 4 July 2026 or at 5 July 2025 in relation to transactions with Directors or Director-related entities, consistent with note 18 of the financial statements.

Other transactions with KMP

Other than as disclosed in this Report and in the notes to the financial statements, no Director or other KMP (including their related parties) entered into a material contract with the Company or a subsidiary during the reporting period, and there were no other transactions with KMP during the year.

SECTION 8

DETAILS OF REMUNERATION

The table below shows the total remuneration of the Directors and other KMP of the Group for FY26. As FY26 is the Company's first reporting period as a listed entity, comparative information for the 53 weeks ended 5 July 2025 is presented for those persons who were KMP of the Group during that period. Amounts include remuneration for the full reporting period (both pre-IPO and post-IPO) for each individual's period as KMP.

52 weeks ended 4 July 2026 ($)	Salary and fees[1]	STI and one-off payments[2,4]	Other monetary benefits[3]	Non-monetary benefits[13]	Post-employment (super)	Share-based payments[5]	Total
Non-Executive Directors							
Trent Peterson[6]	87,022	30,000	–	–	–	–	117,022
Melanie Wilson	13,599	30,000	–	–	–	–	43,599
Richard Whiteoak[7]	9,272	–	–	–	–	–	9,272
Mark Oliphant[8]	101,172	1,100,000	–	–	–	–	1,201,172
Renee Jones[9]	4,121	–	–	–	–	–	4,121
Gregory Garvin[10]*	–	–	–	–	–	–	–
David Bortolussi[11]*	75,000	–	–	–	–	–	75,000
Total	**290,186**	**1,160,000**	**–**	**–**	**–**	**–**	**1,450,186**
Executive Director							
Dain Friis	488,850	293,942	1,800	12,442	30,510	416,424	1,243,968
Other Key Management Personnel							
Carl Larzabal	279,900	121,533	1,200	13,869	30,027	87,483	534,012
Total	**768,750**	**415,475**	**3,000**	**26,311**	**60,537**	**503,907**	**1,777,980**
Total FY26	**1,058,936**	**1,575,475**	**3,000**	**26,311**	**60,537**	**503,907**	**3,228,166**

Section 8. Details of remuneration continued

53 weeks ended 5 July 2025[10] ($)	Salary and fees[1]	STI and one-off payments[2,4]	Other monetary benefits[3]	Non-monetary benefits[13]	Post-employment (super)	Share-based payments[5]	Total
Non-Executive Directors							
Mark Oliphant	100,000	–	–	–	–	–	100,000
Richard Whiteoak	–	–	–	–	–	–	–
Gregory Garvin*	–	–	–	–	–	–	–
David Bortolussi*	100,000	–	–	–	–	–	100,000
Total	**200,000**	**–**	**–**	**–**	**–**	**–**	**200,000**
Executive Director							
Dain Friis	471,810	213,352	345	16,925	31,326	83,194	816,952
Other Key Management Personnel							
Carl Larzabal	265,946	91,864	1,105	(914)	30,140	14,315	402,456
Total	**737,756**	**305,216**	**1,450**	**16,011**	**61,466**	**97,509**	**1,219,408**
Total FY25	**937,756**	**305,216**	**1,450**	**16,011**	**61,466**	**97,509**	**1,419,408**

* Former Director as at the FY26 balance date.

1. Inclusive of committee fees and of consulting fees paid to entities controlled by a Director in consideration for that individual's services, as described in Section 7; exclusive of superannuation. Firm-level advisory fees not attributable to an individual's services are excluded — refer to footnote 7. NED base and committee fees applied from Listing (21 May 2026); pre-IPO executive salaries reflect arrangements in place prior to Completion.
2. FY26 STI, determined by the Board on a formula basis by reference to Normalised Management EBITDA (the CFO amount reflecting the contractual cap), as described in Section 5.2. The determination was made conditional on finalisation of the audited FY26 financial statements. The amounts comprise the instalments paid during the period and the residual amounts payable described in Section 5.2.
3. Allowances, such as novated lease and phone allowances, and other monetary benefits.
4. One-off payments made in relation to the Offer, conditional on Listing/Settlement and paid from the gross Offer proceeds, presented in the same column as STI amounts (of the FY26 column total of $1,575,475, $415,475 relates to STI and $1,160,000 to one-off Offer-related payments; no individual received both): IPO bonuses of $30,000 to each of Trent Peterson and Melanie Wilson; and a shareholder-approved transaction bonus to Mark Oliphant ($1,100,000). A further $61,336 paid to Trent Peterson for work performed in preparation for the Offer is included within salary and fees.
5. Share-based payment expense recognised in respect of the accelerated vesting of the Legacy MEP in connection with the IPO ($503,907 in aggregate: $416,424 for the CEO and $87,483 for the CFO). No Performance Rights were granted during FY26.
6. Fees in respect of a Director's services may, by agreement with the Company and the Board, be paid to a service or nominee entity associated with the Director, as described in Section 6.
7. Fees paid to Whiteoak Asset Management Pty Limited under the services agreement that terminated on Listing are disclosed in Section 7 and are not included in this table. Those fees were a firm-level advisory fee charged by Whiteoak across its portfolio entities for consulting services provided by its broader team, and were not consideration for the services of any individual as a Director. Richard Whiteoak holds an indirect minority interest through that firm. The fees are accordingly disclosed as a related party transaction rather than as compensation of key management personnel.
8. Salary and fees of $101,172 comprise pre-IPO fees of $90,664 paid or payable to Donnaphant Holdings Pty Ltd as trustee for the Oliphant Family Trust, an entity related to Mark Oliphant, in consideration for his services under a consulting agreement (fee of $100,000 per annum) that terminated on Listing, and post-IPO Director's fees of $10,508 under his Non-Executive Director appointment on the fee basis set out in Section 6.
9. Renee Jones was appointed as an Independent Non-Executive Director on 16 June 2026; fees reflect the period from her appointment to the end of FY26.
10. Gregory Garvin was a Whiteoak employed representative on the Company's Board and he resigned as a Director on 11 May 2026, prior to the lodgement of the final Prospectus. No remuneration was paid or payable to Gregory Garvin during FY25 and FY26. No fees were paid by the Company to Gregory Garvin, Whiteoak or any related party in respect of his Board appointment.
11. Salary and fees of $75,000 were paid or payable to DLB Consulting Pty Ltd, an entity related to David Bortolussi, in consideration for his services, under a consulting agreement (fee of $100,000 per annum) that terminated in conjunction with his resignation from the Board on 6 May 2026.
12. Comparative information is presented for those persons who were KMP of the Group for the 53 weeks ended 5 July 2025.
13. Non-monetary benefits represent the movement in accrued annual leave entitlements during the period.

SECTION 9

KMP EQUITY INTERESTS

KMP shareholdings

The following table details the ordinary shareholdings and movements in shareholdings of Directors and other KMP (including their related parties) for FY26. Movements reflect Shares acquired privately under a pre-IPO placement, conversion of A Class Shares under the Legacy MEP and sales to SaleCo in connection with the Offer. No KMP acquired Shares under the Offer.

No. of Shares (millions)	Held at 5 July 2025[1]	Acquired pre-IPO[2]	Conversion of A Class Shares	Sold to SaleCo / disposed	Held at 4 July 2026
Trent Peterson[3]	–	0.9	–	–	0.9
Melanie Wilson	–	0.1	–	–	0.1
Richard Whiteoak[4]	–	–	–	–	–
Mark Oliphant	14.2	–	–	(6.4)	7.8
Dain Friis[5]	6.0	–	6.0 / (6.0)	(2.4)	3.6
Carl Larzabal[5]	1.0	–	1.0 / (1.0)	(0.4)	0.6

1. Holdings at 5 July 2025 are presented on a post-split basis, adjusted for the 1-for-7 share split effected on 1 April 2026.
2. Trent Peterson's and Melanie Wilson's holdings were acquired privately under a pre-IPO placement to incoming Non-Executive Directors prior to Completion, and are not Shares acquired under the Offer (refer note 19 of the financial statements).
3. Held via Catalyst Direct Capital Management Pty Ltd (ACN 169 644 606) as trustee for the CDCM Investment Trust.
4. Richard Whiteoak has an indirect minority interest in the Company through the funds managed by Whiteoak Asset Management Pty Limited and Perpetual Corporate Trust Limited (together, the 'Whiteoak Funds'). Richard is the founder and a Managing Director of Whiteoak Asset Management Pty Limited (the manager of the Whiteoak Funds), one of three members of its investment committee and its nominee on the Board. He has effective control over the operations of the firm and material influence over its investment decision-making processes in his capacity as Managing Director and investment committee member, and therefore over the equity interests held by the firm, including the Whiteoak Funds' Shares in the Company; however, he has no power to unilaterally vote or control the disposal of the Whiteoak Funds' Shares and no entitlement to seek redelivery of them. Richard holds a direct beneficial investment interest in these funds of less than 1% of fund value. Richard may receive payments determined by the performance of the Whiteoak Funds (which are influenced by the performance of the assets they hold, including a performance fee paid to Whiteoak on Completion for services in relation to its investment in the Company). Given the lifecycle and the nature of the firm's investments, his beneficial interest in the profits or carried interest generated by Whiteoak in relation to its investment in SkinKandy is not currently able to be quantified.
5. Opening interests for Dain Friis and Carl Larzabal comprise A Class Shares held under the Legacy MEP, which converted to ordinary Shares between the Prospectus Date and Completion; a portion was then sold to SaleCo with proceeds partly applied to Shareholder Loan repayment (see Sections 5.5 and 7). All other opening interests comprise ordinary Shares.

Escrow arrangements

The Shares held by the Directors and the CFO on Completion (including Shares issued on conversion of A Class Shares, but excluding Shares acquired under the Offer) are subject to voluntary escrow from Listing until 4:15pm on the trading day after release of the Company's 1H FY28 results (1H FY27 results for Shares held by the Whiteoak Funds).

Performance rights and options

No Performance Rights or Service Rights were granted, exercised, forfeited or on issue to KMP during FY26, the LTI Plan not having been in place during the period. The A Class Shares held by the CEO and CFO under the Legacy MEP (accounted for as in-substance options) converted to ordinary Shares between the Prospectus Date and Completion and are reflected above. Details of the LTI Plan and intended FY27 grants are set out in Section 5.4.

SECTION 10

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

In considering the Group's performance and the benefits for shareholder wealth, the PRC and the Board have regard to a range of indicators, correlated to the short and long-term incentive frameworks described in this Report.

Indicator	FY22	FY23	FY24	FY25	FY26
Statutory revenue ($m)	26.2	38.6	51.7	71.8	90.5
Statutory NPAT ($m)	1.4	4.6	6.1	8.1	0.6
Dividends paid ($m)[1]	–	1.25	–	3.75	8.5

FY26 was the Company's first year as a listed entity, and the listed-entity indicators below are therefore not yet presented on a multi-year basis, as pre-Listing comparatives are either not available or not comparable. The Group's FY26 result against the Prospectus forecast is set out in Section 4. The Board will consider the most appropriate metrics as this table is built out on a multi-year basis in future years.

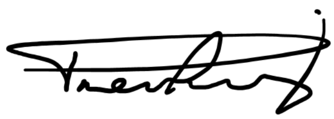
Indicator[3]	FY26
Share price at 4 July 2026	$2.53
Basic EPS (cents)	0.67
Diluted EPS (cents)	0.64
Underlying basic EPS (cents)[2]	9.33

1. No dividends have been declared or paid since Listing. Dividends totalling $8.5 million were paid to pre-IPO shareholders prior to Completion of the Offer.
2. Underlying basic EPS as defined in Section 4, being the base-year measure for the FY27–FY29 LTI performance period described in Section 5.4.
3. FY26 is the Company's first reporting period as a listed entity. The listed-company metrics presented above (share price and earnings per Share) are not applicable to the four prior financial years, during which the Company was privately held.

END OF AUDITED REMUNERATION REPORT

This Report, and the Directors' report of which it forms part, is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Trent Peterson
Independent Non-Executive Chair

Sydney
25 September 2026

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of SkinKandy Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of SkinKandy Limited for the financial year ended 4 July 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG	Patrice Scott
	Partner
	Sydney
	25 September 2026

SkinKandy.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 4 JULY 2026

SkinKandy Limited · ABN 80 636 484 814

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 41, 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 25 September 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 2026/468. 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

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.

Note 16. Lease liabilities (continued)

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
5 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 an overdraft 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.

Note 24. Financial instruments (continued)

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 6 new stores, bringing the total store count to 115, and has approved 11 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

Note 32. Contingent liabilities

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

SkinKandy Limited
Consolidated entity disclosure statement
As at 4 July 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Australian resident or foreign resident
SkinKandy Australia Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy (VIC) Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy (QLD) Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy (NSW) Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy Southern Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy Ordering Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy Trading Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy IP Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy Operations Pty Ltd	Body corporate	Australia	100%	Australian
SkinKandy NZ Limited	Body corporate	New Zealand	100%	Foreign
SkinKandy USA LLC	Body corporate	United States of America	100%	Foreign
SkinKandy Trading LLC	Body corporate	United States of America	100%	Foreign

Basis of preparation

This consolidated entity disclosure statement ('CEDS') has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the Group as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295(3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

SkinKandy Limited
Directors' declaration
For the period ended 4 July 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 4 July 2026 and of its performance for the financial period ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- at the date of this declaration, there are reasonable grounds to believe that the members of the deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Trent Peterson
Independent Non-Executive Chair

25 September 2026

KPMG

Independent Auditor's Report

To the shareholders of SkinKandy Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of SkinKandy Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 4 July 2026 and of its financial performance for the 52 week period then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 4 July 2026;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the period then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 4 July 2026;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the period end or from time to time during the financial period.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board Limited (the Code) that are relevant to our audit of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Impairment assessment of non-financial assets
- Initial Public Offering – transaction costs

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of non-financial assets (Plant and equipment $21.5m and Right-of-use assets $22.6m)	
Refer to Notes 9 and 10 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group’s impairment assessment of its non-financial assets (property, plant and equipment and right-of-use assets) is a key audit matter due to: • size of the balances (being 54% of total assets); and • the level of audit effort required in challenging the Group’s determination that there were no indicators of impairment for individual stores. The Group assesses impairment indicators at a store-by-store level as each store is a cash generating unit (CGU). We focused on the significant areas of judgement applied by the Group in assessing impairment indicators, including the key inputs and assumptions used to determine store-level performance and identify stores with impairment indicators. This part manual assessment increases the risk of bias, error and inconsistent application and could affect the identification of stores requiring further impairment assessment and therefore necessitated additional audit focus. We involved our senior audit team members in assessing this key audit matter.	Our procedures included: • Assessing the Group’s accounting policies against the accounting standard requirements, our business understanding and industry practice; • Considering the Group’s determination of their CGUs based on our understanding of the operations of the Group’s business and how independent cash inflows were generated, against the requirements of the accounting standards; • Assessing the Group’s impairment indicator assessment using our understanding of the business, historical trends, market conditions and requirements of the accounting standards; • Testing the completeness and accuracy of key inputs and assumptions used in the Group's assessment of stores with impairment indicators to underlying information/data. We checked the consistency of application of key assumptions within the Group's assessment of indicators of impairment; • Assessing the Group’s methodology for the allocation of key costs directly attributable to individual stores for consistency with our understanding of the business, our industry experience and the requirements of the accounting standards;

	• Assessing the integrity of the Group's impairment indicator assessment, including the mathematical accuracy of the underlying calculation formulas; and • Assessing the Group's disclosures in the financial report using our understanding obtained from our testing, against the requirements of the accounting standards.

Initial Public Offering – transaction costs (IPO costs $11.1m, capital raising costs $0.9m)

Refer to Consolidated statement of profit or loss and other comprehensive income, Note 1 and 19 to the Financial Report

The key audit matter	How the matter was addressed in our audit
On 25 May 2026, the Group completed its Initial Public Offering (IPO) and was admitted to the Australian Securities Exchange (ASX). The evaluation of the Group's accounting for the IPO and associated transaction costs is a key audit matter due to: • The IPO was a significant transaction impacting the Group's financial statements and; • the level of complexity in accounting for the transaction including the treatment of IPO related costs for both accounting and income tax purposes. This could have a significant impact on the classification and presentation of transaction costs in the financial statements and therefore required additional audit focus.	Our procedures included: • Reading the Prospectus and other relevant underlying documentation to understand the key terms and conditions of the IPO; • Checking the proceeds from the issuance of shares to relevant underlying documentation such as the prospectus document, ASX announcements, share registry record and bank statement; • Testing a sample of transaction costs recorded by the Group to underlying documentation such as signed contracts with advisors, vendor invoices, bank statements, and board minutes. This included assessing the nature of the costs incurred and appropriateness of costs capitalised in accordance with the applicable accounting standards; • Assessing the appropriateness of the treatment of IPO costs for income tax purposes based on relevant legislative requirements and Australian Taxation Office public guidance. We involved our taxation specialists in this assessment; and • Assessing the Group's disclosures in the financial report using our understanding obtained from our testing, against the requirements of accounting standards.

Other Information

Other Information is financial and non-financial information in SkinKandy Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of SkinKandy Limited for the period ended 4 July 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 29 to 49 of the Directors' report for the period ended 4 July 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Patrice Scott

Partner

Sydney

25 September 2026

The shareholder information set out below was applicable as at 31 August 2026.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding, for quoted securities not subject to voluntary escrow (refer to Restricted securities):

	Number of shares	%[1]	Number of holders	%[1]
1 to 1,000	87,140	0.12	182	26.96
1,001 to 5,000	663,887	0.91	217	32.15
5,001 to 10,000	1,116,173	1.53	142	21.04
10,001 to 100,000	2,694,960	3.70	116	17.19
100,001 and over	68,178,731	93.73	18	2.67
Total	**72,740,891**	**100.00**	**675**	**100.00**
Holding less than a marketable parcel	1,808	0.00	20	2.96

1. Percentages are of the 72,740,891 quoted shares not subject to voluntary escrow and of the 675 holders of those shares, respectively.

Substantial holders

Substantial holders in the Company, as disclosed in the most recent substantial holding notices given to the Company, are set out below. Holdings are as at the date of the relevant notice.

Name	Number of shares	% of issued capital
Whiteoak Pty Limited and associated funds	38,926,497	34.86
UniSuper Limited	10,031,907	8.98
Challenger Limited	8,636,364	7.73
TAL Dai-ichi Life Australia Pty Limited	8,636,364	7.73
Mr Mark Oliphant	7,796,250	7.60
Lennox Capital Partners Pty Ltd	7,727,273	6.92
Wilson Asset Management Group	5,797,380	5.19

As Whiteoak's voting power in the Company exceeds 20% (i.e. the 14.14% held by Whiteoak Pty Limited as trustee for the SkinKandy Co-Investment Trust plus the 9.04% held by Perpetual Corporate Trust Limited as custodian for the Whiteoak Growth Fund 1 LP), Whiteoak and its associated funds are deemed to have a relevant interest in all of the escrowed shares in which the Company has a relevant interest (which includes Mark Oliphant's 7.60% noted below) because of the operation of section 608(3) of the Corporations Act 2001 (Cth). This is true even though Whiteoak and its associated funds can only exercise voting power in respect of ~23.18% of the Company's shares.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There are no other classes of equity securities.

Unquoted equity securities

There are no unquoted equity securities on issue.

On-market buy-back

There is no current on-market buy-back.

4 July 2026

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted securities not subject to voluntary escrow are listed below:

Name	Number of shares	%[1]
1 Citicorp Nominees Pty Limited	21,458,196	29.50
2 HSBC Custody Nominees (Australia) Limited	18,218,934	25.05
3 J P Morgan Nominees Australia Pty Limited	14,400,139	19.80
4 BNP Paribas Nominees Pty Ltd (Agency Lending A/C)	9,096,925	12.51
5 HSBC Custody Nominees (Australia) Limited	1,133,989	1.56
6 HSBC Custody Nominees (Australia) Limited — A/C 2	688,308	0.95
7 Warbont Nominees Pty Ltd (Unpaid Entrepot A/C)	596,281	0.82
8 BNP Paribas Noms (NZ) Ltd	561,553	0.77
9 UBS Nominees Pty Ltd	407,514	0.56
10 BNP Paribas Noms Pty Ltd	300,200	0.41
11 Mr Ian Wilson	222,522	0.31
12 Certane CT Pty Ltd (Hayborough Opp Fund)	213,636	0.29
13 Warbont Nominees Pty Ltd (Accumulation Entrepot A/C)	202,810	0.28
14 BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	193,039	0.27
15 Jebashzi Pty Ltd	164,000	0.23
16 Merrill Lynch (Australia) Nominees Pty Limited	106,941	0.15
17 HSBC Custody Nominees (Australia) Limited — GSI EDA	106,872	0.15
17 Palm Beach Nominees Pty Limited	106,872	0.15
19 EST Florence Valmai Miller Pidgeon	98,185	0.13
20 Mr Robert Beaumont Frost	90,909	0.12
Total	**68,367,825**	**93.99**

1. Percentages are of the 72,740,891 quoted shares not subject to voluntary escrow. Holders ranked 17 hold equal numbers of shares.

Restricted securities

38,926,497 shares (34.86% of issued capital) are subject to voluntary escrow:

	Number of shares
Shares not under escrow	72,740,891
Shares under escrow — Whiteoak Funds[1]	25,886,343
Shares under escrow — Directors and the Chief Financial Officer[2]	13,040,154
Total quoted securities	**111,667,388**

1. Held by the funds managed by Whiteoak Asset Management Pty Limited; escrowed until 4:15pm on the trading day after the date on which the Company releases its 1H FY27 results to the ASX.
2. Includes shares issued on conversion of A class shares; escrowed until 4:15pm on the trading day after the date on which the Company releases its 1H FY28 results to the ASX.

Corporate directory

4 July 2026

Directors	Trent Peterson — Independent Non-Executive Chair Dain Friis — Chief Executive Officer and Executive Director Melanie Wilson — Independent Non-Executive Director Richard Whiteoak — Non-Executive Director Mark Oliphant — Non-Executive Director Renee Jones — Independent Non-Executive Director
Company Co-Secretaries	Carl Larzabal Eryl Baron (MUFG Corporate Markets)
Registered office	Level 41, 161 Castlereagh Street Sydney NSW 2000
Principal place of business	Suite 15, 12-20 Ocean Street Maroochydore QLD 4558
Share register	MUFG Corporate Markets (AU) Limited Level 41, 161 Castlereagh Street Sydney NSW 2000 1300 554 474
Auditor	KPMG Level 38, Tower Three, International Towers Sydney 300 Barangaroo Avenue, Sydney NSW 2000
Stock exchange listing	SkinKandy Limited shares are listed on the Australian Securities Exchange (ASX code: SK1)
Website	investors.skinkandy.com
Corporate Governance Statement	The Company's Corporate Governance Statement and Appendix 4G are available at investors.skinkandy.com/investor-centre