PROSPECTUS

SkinKandy.

SkinKandy Limited
ACN 636 484 814

Initial Public Offering
of Ordinary Shares

Financial Adviser

HIGHBURY PARTNERSHIP

Joint Lead Managers

Barrenjoey

morgans

IMPORTANT NOTICES

Offer

The Offer contained in this Prospectus is an invitation for you to apply for fully paid ordinary shares (**Shares**) in SkinKandy Limited ACN 636 484 814 (**SkinKandy** or the **Company**).

This Prospectus is issued by the Company and SkinKandy SaleCo Limited ACN 696 911 216 (**SaleCo**). See Section 7 for further information on the Offer, including as to details of the securities that will be issued and transferred under this Prospectus.

Lodgement and Listing

This Prospectus is dated Monday, 11 May 2026 and was lodged with ASIC on that date (**Prospectus Date**).

The Company will apply to the ASX within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of the Shares on the ASX (**Listing**). Neither ASIC nor the ASX takes any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry date

No Shares will be issued or transferred on the basis of this Prospectus after the expiry date, being 13 months after the Prospectus Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the Shares. Some of the key risk factors that should be considered by prospective investors are set out in Sections 4 and 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

You should also consider the assumptions underlying the Forecast Financial Information set out in Section 4 and the risk factors set out in Section 5 that could affect the Company's business, financial condition and results of operations.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for, or acquire, Shares offered under this Prospectus (**Applications**) in the seven-day period after lodgement of this Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act.

Having regard to the no-action position announced by ASIC in its media release MR25-096 published on 10 June 2025, notwithstanding section 727(3) of the Corporations Act, Applications received during the Exposure Period may be processed during the Exposure Period, although no preference will be conferred upon any Applications received during the Exposure Period. ASIC reserves the right to modify or withdraw the 'no-action' position at any time. In such circumstances, any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale or accurately represent the technical aspects of the products.

Disclaimer and forward-looking statements

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, SaleCo, the Directors, the SaleCo Directors, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on information in this Prospectus when deciding whether to invest in Shares. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

This Prospectus contains forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties. The Forecast Financial Information is an example of forward-looking statements. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place (including the key assumptions set out in Section 4).

No person who has made any forward-looking statements in this Prospectus (including the Company) has any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management of the Company and SaleCo. Forward-looking statements should therefore be read in conjunction with, and are qualified by reference to, Sections 4 and 5 and other information in this Prospectus. The Company and SaleCo cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company, SaleCo, the Company's service provider, MUFG Corporate Markets (AU) Limited (ACN 083 214 537) (**Share Registry**) and the Joint Lead Managers disclaim all liability to persons who trade Shares before receiving their holding statement.

Barrenjoey Markets Pty Limited and Morgans Corporate Limited have acted as Joint Lead Managers and underwriters to the Offer and have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by the Joint Lead Managers or by any of their respective affiliates or related bodies corporate (as defined in the Corporations Act) (**Related Bodies Corporate**), or any of their respective officers, directors, employees, partners, advisers or agents. To the maximum extent permitted by law, each Joint Lead Manager, and each of its affiliates and Related Bodies Corporate, and each of its and their respective officers, directors, employees, partners, advisers or agents expressly disclaims all liabilities in respect of, makes no representations regarding, and takes no responsibility for, any part of this Prospectus other than references to its respective name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial information presentation

All references to FY23, FY24 and FY25 appearing in this Prospectus are to the financial years ended 1 July 2023, 29 June 2024 and the 53-week period ended 5 July 2025 respectively, unless otherwise indicated. All references to 1H25 and 1H26 appearing in this Prospectus are to the half financial years ended 4 January 2025 and 3 January 2026 respectively, unless otherwise indicated. Note that for presentation of comparable periods, pro forma financial information presented in this Prospectus reflects the removal of one week of trading in July 2024 to derive the pro forma financials for a 52-week equivalent period for FY25 and a 26-week equivalent period for 1H FY25.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation and presentation of the Financial Information is set out in Section 4.2.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (as adopted by the Australian Accounting Standards Board), which comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

This Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information, to the extent relevant, is consistent with the basis of preparation and presentation for the Historical Financial Information. The Forecast Financial Information presented in this Prospectus is unaudited.

The Financial Information in this Prospectus should be read in conjunction with, and it is qualified by reference to, the information contained in Sections 4 and 5.

Non-IFRS financial information

Investors should be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under Regulatory Guide 230 '*Disclosing non-IFRS financial information*' published by ASIC. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information does not have standardised meanings prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial information determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or ratio included in this Prospectus.

Market and industry data

This Prospectus (and in particular Sections 2 and 3) contains data relating to the size, channels, segmentation, characteristics and growth of the Australia and New Zealand (**ANZ**) market for piercing services, fashion jewellery and aftercare products (the **ANZ Piercing and Fashion Jewellery Market**), which is inherently subject to estimation uncertainty (**Industry Data**).

The piercing and fashion jewellery industry in Australia and New Zealand is highly fragmented and includes a mix of formal, informal and cottage operators. The boundaries of the market are not clearly defined, are fluid in nature and are not subject to a single accepted industry classification. Publicly available third-party data on the segment in which SkinKandy operates, and on its competitors, is limited and lacks granularity.

For the purposes of this Prospectus, the Company commissioned Frost & Sullivan Australia Pty Ltd (**Frost & Sullivan**) to prepare an independent report dated 4 February 2026 to analyse and quantify the ANZ Piercing and Fashion Jewellery Market, including details on the main trends and market drivers, competitive environment, Australia and New Zealand market overview, and United States market opportunity (**Market Report**). The scope of that research includes:

- addressable market within Australia and New Zealand for earrings and body jewellery as well as piercing services;
- the competitive environment and sources of differential and barriers to entry; and
- piercing aftercare products.

This Prospectus indicates where information is being quoted directly from the Market Report and Frost & Sullivan has consented to the inclusion of that information in this Prospectus. The data provided by Frost & Sullivan in the Market Report is based on various assumptions and also includes, or is otherwise based on, information supplied to Frost & Sullivan by or on behalf of the Company.

In undertaking this work, efforts were made to exclude product categories not currently offered by SkinKandy (for example, bracelets, necklaces and rings). However, reliable data that enables precise segmentation between jewellery intended for piercing and broader jewellery categories is limited. The categorisation of "fine", "affordable" and "fashion" jewellery is not subject to a uniform industry definition and may vary according to consumer perception and retailer positioning.

The informal segment of the market includes, among other things:

- at-home piercing and piercing and product offered as an ancillary service by pharmacies, hairdressers, beauticians and tattoo studios; and
- jewellery products sold via local markets, online marketplaces and international eCommerce platforms.

Data relating to these segments is particularly limited and may not be captured accurately in industry reporting.

The market sizing and growth estimates presented in this Prospectus are based on a combination of primary research, secondary sources, industry interviews and Frost & Sullivan's analytical assumptions. Certain data sets have been developed on a bespoke basis for the purposes of this Prospectus. The Company has not identified an alternative independent data source capable of fully validating the assumptions, segmentation methodology or conclusions reached by Frost & Sullivan.

Certain other Industry Data has been prepared by the Company using both publicly available data and internally generated data (including industry research). The Company's internally generated data is based on estimates and assumptions that both the Directors and the Company's management believe to be reasonable, as at the Prospectus Date.

The Industry Data has not been independently prepared or verified and none of the Company, SaleCo or the Joint Lead Managers can assure you as to its accuracy or the accuracy of the underlying assumptions used to estimate such Industry Data. The Company's estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in Section 5. Accordingly, the market size and growth rates presented should be regarded as indicative estimates only. Actual market size, growth rates and competitive dynamics may differ, potentially materially, from those described in this Prospectus.

Any statements, data or other contents referenced or attributed to reports by or data from a third party (each a **Third Party Report**) in this Prospectus, including the Market Report, represent research opinions or viewpoints only of that third party, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in a Third Party Report are based on information believed by the third party author in good faith to be reliable, authors of Third Party Reports do not make any representation or guarantee as to the accuracy or completeness of any information upon which a view, opinion or forecast or any information contained in any Third Party Report is based. Any views, opinions or predictions contained in a Third Party Report are subject to inherent risks and uncertainties, and third parties do not accept responsibility for actual results or future events.

Any statement made in a Third Party Report is made as at the date of that Third Party Report and any forecasts or expressions of opinion are subject to future change without notice by any respective third party author of such reports. As such, investors are cautioned not to place undue reliance on such information. A third party is not obliged to, and will not, update or revise any content of a Third Party Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Third Party Report. The Third Party Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

The Company has not obtained the consent of the authors of the Third Party Reports for the inclusion of such information in reliance on *ASIC Corporations (Consents to Statements) Instrument 2016/72*.

Investors should note that industry and sector data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual industry or market conditions. Potential investors should be aware that the industry data sourced from third parties is included in this Prospectus as at date that industry data was prepared (which is not disclosed in the data sources). Accordingly, the industry data may not necessarily reflect the impact of all macroeconomic or political developments since the date of its preparation, nor contemplate changes in consumer sentiment as a result of such developments, which could potentially impact the data – including, for example, the future rates of industry growth included in this Prospectus.

Obtaining a copy of this Prospectus

This Prospectus is available in electronic form to Australian residents on the Company's offer website, https://events.miraqle.com/sk1-offer.

The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website within Australia and is not available to persons in any other jurisdictions, including the United States.

A hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia by calling the SkinKandy IPO Offer Information Line on 1800 992 149 (within Australia) or +61 1800 992 149 (outside Australia) between 8:30am and 7:00pm, Monday to Friday.

IMPORTANT NOTICES CONTINUED

Applications for Shares may only be made on the Application Form attached to, or accompanying, this Prospectus in its hard copy form, or in its soft copy form available online at https://events.miraqle.com/sk1-offer, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

No cooling off rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

No offering where illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any State of the United States, and may not be offered or sold, directly or indirectly, in the United States, or to or for the account or benefit of, a US Person, except transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws. The Offer is not being extended to any investor outside Australia, other than to certain Institutional Investors as part of the Institutional Offer.

See Section 9.11 for more detail on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

Privacy

By completing an Application Form, you are providing personal information to the Company and SaleCo through the Share Registry, which is contracted by the Company to manage Applications. The Company and SaleCo, and the Share Registry on their behalf, and their agents and service providers may collect, hold, disclose and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration, and for other purposes related to your investment listed below.

If you do not provide the information requested in the Application Form, the Company, SaleCo and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Share Registry for ongoing administration of the Share register;
- the Joint Lead Managers to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for analysing the Company's shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of the Company and SaleCo. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry as follows:

Telephone:	(outside Australia) +61 1800 992 149 (within Australia) 1800 992 149
Address:	MUFG Corporate Markets (AU) Limited Level 41, 161 Castlereagh Street, Sydney, NSW 2000.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Financial Services Guide

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to that review under the Corporations Act. The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Section 8.

Intellectual Property

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third-party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with us.

Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred in this Prospectus, is incorporated in this Prospectus by reference.

Defined terms and abbreviations

Capitalised terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in the glossary.

Unless otherwise stated or implied, references to times in this Prospectus are to the time in Sydney, New South Wales, Australia. Unless otherwise stated or implied, references to dates or years are calendar year references.

Questions

If you have any questions in relation to the Offer, contact the SkinKandy IPO Offer Information Line on 1800 992 149 (within Australia) or +61 1800 992 149 (outside Australia) between 8:30am and 7:00pm, Monday to Friday. This document is important and should be read in its entirety.

NTENTS

"

SkinKandy delivers expert piercings and fashion-forward jewellery in a safe, welcoming environment — trusted by millions of customers across 100+ stores in Australia and New Zealand.

SkinKandy.

CHAIR'S LETTER

11 May 2026

Dear Investor,

On behalf of the Board of Directors, I am delighted to offer you the opportunity to invest in the Initial Public Offering (**IPO**) of SkinKandy.

SkinKandy is Australia and New Zealand's leading specialist piercing retailer[1], a business anchored by expert piercing services and supported by a curated and comprehensive range of piercing-related fashion jewellery and aftercare products. The Company operates a repeat-driven retail format in which piercings are the core service, rather than an ancillary offering.

SkinKandy's mission is to provide all customers with access to safe, high-quality piercing services performed by trained experts, at affordable prices. The business model is built around this mission, and the strategy is focused on delivering this to customers consistently and at scale.

Founded by Mark Oliphant in Queensland in 2010, SkinKandy has grown from a single store into a network of 100 company-owned stores[2] across Australia and New Zealand. Throughout this journey, the Company has invested significantly in its operating platform, including its people, systems and store design, to enable repeatable execution and agile expansion capabilities.

In 2023, SkinKandy strengthened its executive leadership team with the appointment of Dain Friis as Chief Executive Officer and Carl Larzabal as Chief Financial Officer. Dain brings more than 21 years of global specialty retail experience, including senior management roles with Lovisa, Adairs Retail Group, Myer, and Mr Price Group. During his time as Chief Operating Officer of Lovisa, he played a key role in the brand's rapid international expansion, helping establish and scale operations across the United States, United Kingdom, South Africa, Asia and other international markets. Carl brings extensive experience in financial discipline, capital allocation and growth execution across consumer and service businesses.

The addition of the Management team complemented a passionate and deeply knowledgeable team. Over the last 3 years this team have progressively bolstered and refined systems and processes to improve performance and scalability of the ANZ business. SkinKandy has added more depth and expertise to the team to support scaling in ANZ, with the underlying plan of preparing the Company for the next phase of growth – to expand internationally, discussed further below.

The Board believes SkinKandy operates in a large, attractive and growing market. The industry in ANZ remains highly fragmented, with over 1,000 independent salons, beauty operators and pharmacies offering piercing as an ancillary service, presenting a compelling opportunity for a scaled specialist operation with a consistent customer proposition and strong operational standards which are designed to allow SkinKandy to grow share profitably. There is opportunity for further market share gains and the Board expects a progressive consolidation in the market to occur over the long term.

SkinKandy's growth has been supported by favourable long-term trends, including demographic shifts which are expanding participation in piercing, and evolving cultural and social norms which are increasing piercing prevalence among both men and women. Coupled with the implementation of a successful store roll out program, these dynamics have contributed to strong financial performance over recent years, which is forecast to continue.

SkinKandy's growth strategy focuses firstly on further expanding its store network across Australia and New Zealand and continuing to strengthen its store-level economics – these are strategies the team has successfully implemented over the last 5 years and have material scope for further enhancement.

In addition to category growth, SkinKandy expects continued like-for-like revenue growth in its existing markets to be driven by market share gains in piercing services, including winning a higher share of first-time piercers; increasing customer penetration and repeat visitation; and product range premiumisation, providing customers with a product offering with clearer structure and improved shop-ability and fashion appeal. Management have developed specific initiatives to make the booking and in-store experience easier and more efficient, and to continue growing the number of transactions not involving additional piercing services (currently around 65% of all transactions).

Further investment is planned in the Company's digital platforms which support eCommerce, appointment booking and are increasingly used for more efficient customer consent and record keeping. SkinKandy also plans to invest further in its central operational capabilities to support a growing business, coupled with further investment in customer facing areas including team training and marketing.

1. On the basis of having the largest number of stores providing expert piercing services.
2. As at retail period ending December 2025.

CHAIR'S LETTER CONTINUED

These investments and operational improvement strategies are a foundation for the next phase of growth – pursuing agile expansion into priority international markets. This is an exciting opportunity which SkinKandy will tackle with a methodical and measured approach underpinned by a "test and learn" methodology to inform the refinements of the offering required to win in each new market. The Company expects to commence operations outside of ANZ, subject to feasibility and review.

SkinKandy's competitive position is supported by a set of reinforcing advantages across place, people and product. SkinKandy stores are purpose-built and include multiple clinical grade private rooms in which all piercings are performed in a sterile manner using top-grade equipment. The website and in-house customer support centre are built with the primary purpose of supporting appointment booking for SkinKandy's stores. People are central to SkinKandy's competitive advantage, having developed a team of over 800, including over 750 trained piercers[3] through training, onboarding and development programs. Finally, each SkinKandy store has a variety of specialised products catering to individual tastes, from classic designs to on-trend pieces, crafted from skin-friendly, high-quality materials, and its teams are trained to deliver over 45 different piercing services to each customers' varied needs. SkinKandy is proudly the piercing specialist.

The track record of rapid, profitable growth is further supported by a low-capex, modular store design which facilitates flexible and efficient roll out, low down time for store refurbishments, and attractive financial outcomes from the capital investment program. Store payback periods were approximately 13.9 months[4] in FY25, and store-level profitability has strengthened over time as stores have matured. The low levels of seasonality give SkinKandy flexibility around when they can open (and refurbish) stores across the year. Finally, the proven track-record of building the profitability of stores through an initial ramp up period, and then further beyond initial maturity is reached gives the Company confidence in the capacity to further improve the performance of the existing store network over time to drive an attractive return from invested capital.

This Prospectus contains important information about SkinKandy, the Offer, and the risks associated with an investment in SkinKandy. The Offer comprises the issue of New Shares by the Company and the sale of Existing Shares by SaleCo on behalf of the Selling Shareholders. Of the total expected gross proceeds of approximately $160.0 million, approximately $20.0 million will be received by the Company from the issue of New Shares and applied towards the costs of the Offer and to fund the Company's international expansion strategy and growth opportunities. The remaining approximately $140.0 million (representing approximately 87.5% of total Offer proceeds) will be received by SaleCo from the sale of Existing Shares and paid to the Selling Shareholders.[5]

An investment in SkinKandy is subject to a range of risks both within and outside of its control, including risks arising from reduced sales due to macroeconomic conditions and other factors impacting customer demand, including the impact of fuel cost or scarcity on discretionary spending or consumer behaviour, increased competition, failure to execute its planned store roll-out and international expansion, licensing non-compliance or adverse regulatory change, health, safety and clinical incidents, supply chain disruptions, including disruptions to international shipping routes and port congestion, sourcing concentration and product quality or recall issues, higher freight and other costs including due to the recent conflict in the Middle East, cybersecurity, privacy and broader IT systems failures, challenges in recruiting, training and retaining skilled staff and increased labour costs and general market risks. I encourage you to read this Prospectus carefully and, in its entirety, and seek relevant professional advice before making any investment decision.

On behalf of the Board of Directors, I thank you for considering this opportunity to invest in SkinKandy and I look forward to welcoming you as a Shareholder.

Yours sincerely,

Trent Peterson
Independent Non-Executive Chair

3. As at the retail period ending December 2025.
4. Defined and calculated as the months required for cumulative Store-level EBITDA (pre-AASB 16 basis) to recover initial net store capex, excluding inventory investment, trade creditors and other start-up costs and working capital investment, assuming no incremental central costs are required or allocated to support each new store. Where payback is calculated for a group/cohort of stores, the sum of all parts is used to calculate an aggregate total store investment and an aggregate first 12 months' Store-level EBITDA to ensure a weighted average is reflected in the calculation. See section 3.6(d) for more detail about store payback analysis.
5. Please refer to Sections 7.3 and 7.4 for further detail on the purpose of the Offer and the uses and sources of the funds of the Offer.

IMPORTANT DATES

PROSPECTUS LODGEMENT DATE	DATE
Offer period opens	**Tuesday, 12 May 2026**
Offer period closes	**Monday, 18 May 2026**
Expected commencement of trading of Shares on ASX on a conditional and deferred settlement basis	**Thursday, 21 May 2026**
Settlement	**Friday, 22 May 2026**
Issue and transfer of Shares (**Completion**)	**Monday, 25 May 2026**
Expected commencement of trading of Shares on ASX on a normal settlement basis	**Monday, 25 May 2026**
Expected dispatch of holding statements	**Tuesday, 26 May 2026**

Dates may change

The dates above are indicative only and may change without notice.

The Company, in consultation with the Joint Lead Managers, reserves the right to vary the times and dates of the Offer including to close the Offer early, extend the Offer or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notification to any recipient of this Prospectus or any Applicants. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law. If the Offer is cancelled or withdrawn before the issue or transfer of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

How to invest

Applications for Shares can only be made by completing and lodging the Application Form (other than as expressly provided in this Prospectus).

Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form.

Questions

If you have any questions in relation to the Offer, contact the SkinKandy IPO Offer Information Line on 1800 992 149 (toll free within Australia) or +61 1800 992 149 (outside Australia) between 8:30am and 7:00pm, Monday to Friday. If you are unclear in relation to any matter, or you are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

KEY OFFER STATISTICS

KEY OFFER STATISTICS	
Offer Price	$2.20 per Share
Total number of shares issued or transferred under the Offer[6]	72.8 million
Total proceeds of the Offer	$160.0 million
• Proceeds of the Offer raised by the issue of New Shares	$20.0 million
• Proceeds of the Offer to be paid to Selling Shareholders	$140.0 million
Total number of Shares on issue on Completion of the Offer[6]	111.7 million
Number of Shares to be held by Existing Shareholders after the Offer	38.9 million
Market Capitalisation at the Offer Price	$245.7 million
Pro Forma net debt (as at 3 January 2026)[7]	$14.5 million
Enterprise Value based on the Offer Price[8]	$260.2 million
Enterprise Value/FY26F pro forma EBITDA multiple[9]	11.1x
Market Capitalisation based on the Offer Price/FY26F pro forma NPAT multiple[10]	28.5x

6. Assumes the maximum of 24,516 Shares are issued under the Employee Gift Offer.
7. Calculated as lease liabilities associated with AASB 16 *Leases* of $24.8 million (as at 3 January 2026) less pro forma cash and cash equivalents of $10.3 million (as at 3 January 2026). Refer to section 4.4.2 for further details.
8. Enterprise Value is calculated as the Market Capitalisation of the Company based on the Offer Price, plus pro forma net debt as at 3 January 2026. Pro forma net debt has been set out in detail in section 4.4.2 and reflects the net debt position per the interim financial report for the half-year ended 3 January 2026, adjusted for the impacts of the Offer. Pro forma net debt excludes any other movements to cash and debt balances post 3 January 2026 as part of the normal trading of the business.
9. The Enterprise Value/FY26F pro forma EBITDA multiple is calculated as the Enterprise Value divided by the FY26F pro forma EBITDA. As set out in section 4.4.2 and section 4.3.1, EBITDA is calculated as profit or loss before interest income, interest expense, interest on the lease liability recognised under AASB 16 Leases, income tax expense, depreciation and amortisation. Key adjustments to FY26F pro forma EBITDA set out in Section 4.3.2 include the removal of Offer costs and Offer related items, and the inclusion of incremental public company costs.
10. The Market Capitalisation/FY26F pro forma NPAT multiple is calculated as the Market Capitalisation divided by FY26F pro forma NPAT as set out in section 4.3.1. In addition to the adjustments to the FY26F pro forma EBITDA, the FY26F pro forma NPAT reflects the net income tax impact applicable to pro forma earnings.

1. INVESTMENT OVERVIEW

1. INVESTMENT OVERVIEW

1.1 Introduction

TOPIC	SUMMARY	FOR MORE INFORMATION
Who is the Company?	SkinKandy is the leading specialty retailer of piercing services and piercing related jewellery products in Australia and New Zealand[11] and currently operates 100 stores.[12] The Company offers a services-led retail model in which piercing is a primary demand driver together with a curated and comprehensive range of fashion jewellery and aftercare products designed to complement the service offering. SkinKandy offers more than 60 types of piercings across ear, nose, face and body categories, using both needle-free and single-use needle methods. Needle-free services are used primarily for first and second earlobe piercings, while single-use needle techniques are applied across all other piercing types, including advanced ear, nose, body, face and mouth procedures. All procedures are performed by SkinKandy's dedicated retail team of over 750 trained piercers[13], each having completed SkinKandy's proprietary training program. The Company's scale, standardised modular store design, clinic design and centralised operational systems support a scalable business model that produces quality control and consistency of execution. SkinKandy is one of the few scaled operators in a category which remains highly fragmented.	Section 3.1

11. On the basis of having the largest number of stores providing expert piercing services.
12. As at retail period ending December 2025.
13. As at retail period ending December 2025.

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the Company's history?	SkinKandy was founded in Queensland in 2010 by Mark Oliphant, who remains on the Board. In 2010, the Australian piercing industry was fragmented and without a recognised national leader. Mark identified an opportunity to build a national specialty retailer of piercing services and jewellery products focused on safety, hygiene and customer care standards. From its first store in Queensland, SkinKandy has expanded nationally in Australia by executing an agile store roll out program, entering New South Wales in 2016, Victoria in 2018, Western Australia and the ACT in 2022, and Tasmania in 2025. The Company also entered New Zealand in 2024 and now operates 9 stores in this market. Key milestones include the launch of the KandyClub loyalty program in 2017 and the introduction of an online store in 2019. The leadership team was strengthened in 2023 with the appointments of the current CEO, Dain Friis and CFO, Carl Larzabal. Since June 2023, the Company has doubled the store network with the opening of 50 stores. SkinKandy has grown its store network over the last 15+ years, from a single store in 2010, to a current position of 100 stores[14]. Today, SkinKandy is a fast growing, nationally recognised specialist operator within the piercing and fashion jewellery market in the ANZ market[15]. It has achieved substantial scale in Australia and New Zealand and has capacity for further store roll out in ANZ and ambition to expand into new markets (i.e. geographies) in the foreseeable future.	Section 3.2
Where does SkinKandy operate?	SkinKandy operates 100 stores[14], comprising 91 stores in Australia and 9 in New Zealand. Stores are located within high foot-traffic shopping centres, commonly positioned within fashion precincts and near food courts to maximise visibility, footfall and customer engagement. The typical SkinKandy store has a compact, standardised modular design, typically ranging from 40 to 60 square metres (approximately 600 sq ft) featuring two to three private, clinical-grade piercing rooms alongside a front-of-store fashion jewellery retail environment. The Group's support office and warehouse are located in Maroochydore, Queensland, providing centralised capabilities across operations, leasing, merchandising, marketing, technology, finance, store development, customer support (call centre) and compliance.	Section 3.1 and 3.6

14. As at retail period ending December 2025.
15. On the basis of having the largest number of stores providing professional expert piercing services.

1. INVESTMENT OVERVIEW CONTINUED

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>What industry does SkinKandy operate in and what is the market opportunity?</td><td>
SkinKandy operates in the ANZ market for piercing services, fashion jewellery and aftercare products. The ANZ piercing services market remains highly fragmented, with over 1,000 independent salons, beauty operators and pharmacies offering piercing as an ancillary service[16], presenting a compelling opportunity for a scaled specialist operation with a consistent customer proposition and strong operational standards to grow share profitably.
The ANZ market for piercing, fashion jewellery and aftercare products is estimated at $1.48 billion in 2025. It is forecast to increase to $1.56 billion in 2026 and grow at a CAGR of 5.0% from 2024 to 2027F.[17]
Market segments in SkinKandy's TAM[16]
<table>
<tr><th>CATEGORY</th><th>DESCRIPTION OF PRODUCTS AND SERVICES</th><th>ESTIMATED 2026F TAM (A$ MILLIONS)</th><th>ESTIMATED 2024A-2027F CAGR (%)</th></tr>
<tr><td>Piercing services</td><td>Body piercings (ears, body, nose, lip, eyebrow, tongue, etc.)
Follow up services (e.g., resizing, downsizing)
Typically includes the initial piercing (as jewellery is often sold in a bundle)</td><td>385</td><td>+10.0%</td></tr>
<tr><td>Fashion Jewellery</td><td>Jewellery made for piercings (rings, barbells, labrets, studs, dermals), excluding non-piercing items like bracelets, necklaces, finger rings and brooches</td><td>1,100</td><td>+3.1%</td></tr>
<tr><td>Aftercare products</td><td>Specialised aftercare spray and cleanser designed to support the ongoing hygiene and healing of the piercing</td><td>77</td><td>+9.9%</td></tr>
<tr><td>TAM</td><td></td><td>1,562</td><td>+5.0%</td></tr>
</table>
SkinKandy's growth has been supported by favourable market trends, including demographic shifts expanding participation, evolving cultural and social behaviours increasing piercing prevalence and complexity and fashion trends increasing the appeal of more piercings and related jewellery to a wider audience of consumers in ANZ.
</td><td>Section 2.1 and Chair's Letter</td></tr>
</table>

16. Frost & Sullivan Report.
17. Frost & Sullivan Report.

TOPIC	SUMMARY	FOR MORE INFORMATION
What does SkinKandy sell and how does it generate revenue?	SkinKandy's FY25 pro forma revenue was generated across three core product and service types: piercing services (52%), fashion jewellery (39%) and aftercare products (9%)[18]. The combination of services and complementary product sales enables customers to receive a piercing(s), select jewellery and purchase aftercare products in a single visit. Piercing services present a strong opportunity for cross-sell and upgrade; with many customers attaching aftercare product sales and upgrading to premium piercing jewellery. Follow-up piercing services, including changeover and downsizing appointments, are often booked at the time of providing a piercing service, support repeat visitation and create additional opportunities for jewellery sales, upgrades and additional piercings. All stores are company operated, enabling SkinKandy to maintain consistent operational standards, training, compliance and customer experience. This approach of centralised oversight of merchandising, pricing, marketing and inventory maintenance, helps to drive operational efficiency and maintain execution and brand consistency. The Company's full service and product range is set out in Section 3.3.	Section 3.3

18. Approximate mix, based on FY25 pro forma revenue split referenced in section 4.7.1.

1. INVESTMENT OVERVIEW CONTINUED

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the Company's growth strategy?	SkinKandy has a clearly defined growth strategy focused on three pillars: 1. **Expand store network across Australia and New Zealand:** SkinKandy sees potential for long-term network opportunity of 180 to 210 stores across ANZ. In the last two and a half years, SkinKandy has opened 50 new stores and has proven a capacity to successfully open 15 to 20 new stores per annum on average. SkinKandy is forecast to open 21 new stores in FY26F (including the 15 stores opened year-to-date as at the end of Q3 FY26) and has a store roll out program in place to support the opening of 15 to 20 new stores per annum over the near term. 2. **Improve store unit economics and continued investment in the Company's online channel:** A significant portion of the existing store base remains in the early ramp-up phase, providing a natural runway for lifecycle-driven revenue and contribution margin expansion as these stores mature. Key commercial initiatives include product premiumisation, increasing transaction values and repeat visitation, enhanced team capability and productivity, and continued investment in digital platforms (e-commerce, CRM and data-led marketing). 3. **Enter new international markets:** SkinKandy intends to enter select international markets, with the United States, United Kingdom and South Africa identified as priority markets for future expansion. The Company plans to adopt a phased roll out strategy, beginning with an initial metropolitan cluster in a specific sub-market, applying its phased expansion playbook to validate local market dynamics, refine operating procedures, and establish local leadership capability and evidence of financial performance of stores before progressing to broader regional expansion. In progressing any international expansion, SkinKandy will adopt an agile approach. The timing and execution of entry will be dependent on the alignment of attractive sites, commercially viable leasing outcomes, and the operational capability and skillset required to support a scalable roll out. SkinKandy will remain agile and will only advance where these elements are in place and Management has confidence in delivery. The Company is also acutely aware of broader macro-economic and changing global market conditions and will only enter new markets when operating environments are believed to be favourable taken as a whole. The Company expects to commence operations outside of ANZ, subject to feasibility and review.	Section 3.11 and Chair's Letter

TOPIC	SUMMARY	FOR MORE INFORMATION
What is SkinKandy's pro forma historical and forecast financial performance?	(see table below)	Section 4.3.1

A$ MILLIONS	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
Revenue	**38.6**	**51.7**	**70.1**	**88.7**
Cost of sales	(4.8)	(5.6)	(7.3)	(9.5)
Gross profit	**33.9**	**46.0**	**62.8**	**79.2**
Expenses	(24.4)	(33.1)	(45.4)	(55.7)
EBITDA	**9.4**	**12.9**	**17.5**	**23.5**
Depreciation and amortisation	(4.4)	(5.5)	(7.6)	(10.1)
EBIT	**5.0**	**7.5**	**9.9**	**13.4**
Finance income	0.1	0.2	0.3	0.1
Finance costs	(0.5)	(0.7)	(1.0)	(1.3)
Profit before income tax	**4.6**	**7.0**	**9.2**	**12.3**
Income tax expense	(1.2)	(2.2)	(2.8)	(3.7)
Net profit after tax	**3.4**	**4.8**	**6.4**	**8.6**

The information presented above contains non-IFRS financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information disclosed in Section 4 as well as the risk factors set out in Section 5.

The pro forma historical and forecast consolidated statements of profit or loss included in this Prospectus have been derived by applying certain pro forma adjustments to the statutory historical and forecast consolidated statements of profit or loss. The difference between statutory and pro forma EBITDA and NPAT is detailed in Section 4.3.2.

Investors should read Section 4 for full details of the Company's pro forma and statutory results and the underlying pro forma adjustments made and reconciliations in Section 4.3.2.

1. INVESTMENT OVERVIEW CONTINUED

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>What is SkinKandy's pro forma historical and forecast cash flows?</td><td>

A$ MILLIONS	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
EBITDA	**9.4**	**12.9**	**17.5**	**23.5**
Operating cash flow	8.4	12.0	13.6	19.8
Investing cash flow	(2.5)	(3.9)	(3.9)	(6.4)
Cash flow before financing	5.9	8.1	9.7	13.3
Financing cash flow	(3.7)	(5.0)	(7.3)	(8.9)
Net cash flow	**2.2**	**3.1**	**2.3**	**4.4**

The information presented above contains non-IFRS financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Historical Financial Information and Forecast Financial Information disclosed in Section 4.2 as well as the risk factors set out in Section 5.

Operating cash flow is EBITDA after adjusting for non-cash items including share based payment expenses on the Legacy MEP, movements in provisions and changes in working capital. Income tax expense is deducted in the presentation of operating cash flow set out in this prospectus. Operating cash flow assists management's understanding of the cash flow generation of the business prior to capital expenditure and financing cash flows (the latter including lease payments under AASB 16 *Leases*).

Investing cash flow presented above reflects capital expenditure on both fit out of new and relocated/refreshed stores, as well as other capital expenditure on Company properties, net of landlord contributions against leasehold improvements owned by SkinKandy.

Financing cash flow presented above reflects the principal and interest payments associated with the leases for the store portfolio, head office and warehouse. These are accounted for in accordance with AASB 16 *Leases*. The pro forma historical and forecast cash flows included in this Prospectus have been derived by applying certain pro forma adjustments to the statutory historical and forecast cash flows. The difference between statutory and pro forma net cash flow is detailed in Section 4.5.2.
</td><td>Sections 4.5.1 and 4.5.2</td></tr>
</table>

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>What is SkinKandy's historical financial position on a statutory and pro forma basis?</td><td>
Below is a summary of SkinKandy's statement of financial position as at 3 January 2026 shown on both a statutory and a pro forma basis.
See Section 4.4.1 for the detailed statement of financial position and associated commentary relating to the pro forma adjustments
<table>
<tr><th>A$ MILLIONS</th><th>STATUTORY HISTORICAL (3-JAN-26)</th><th>PRO FORMA HISTORICAL (3-JAN-26)</th></tr>
<tr><td>Cash and cash equivalents</td><td>5.3</td><td>10.3</td></tr>
<tr><td>Other current assets</td><td>10.1</td><td>10.1</td></tr>
<tr><td>Non-current assets</td><td>50.4</td><td>54.5</td></tr>
<tr><td>Total assets</td><td>65.8</td><td>74.8</td></tr>
<tr><td>Total current liabilities</td><td>16.2</td><td>16.2</td></tr>
<tr><td>Total non-current liabilities</td><td>18.3</td><td>18.3</td></tr>
<tr><td>Total liabilities</td><td>34.5</td><td>34.5</td></tr>
<tr><td>Net assets / equity</td><td>31.3</td><td>40.4</td></tr>
</table>
The Pro Forma Historical Statement of Financial Position set out in section 4.4.1 is provided for illustrative purposes only and includes certain pro forma adjustments to reflect the impact of the Offer and the change in capital structure that will take place as part of the Offer, as if it was in place as at 3 January 2026. It is not intended to be representative of SkinKandy's view on its future financial position. The key pro forma adjustments include Cash proceeds received by the Company under the Offer from the issue of Shares ($20.0 million), net of Offer costs ($13.5 million) and their associated tax impacts (positive $4.1 million). In addition, adjustments included within the Pro Forma Historical Statement of Financial Position include a pre-IPO capital raise ($1.8 million) and payment of dividends ($4.0 million).
Further information on the sources and uses of funds of the Offer is contained in Section 7.4.
</td><td>Section 4.4.1</td></tr>
</table>

1. INVESTMENT OVERVIEW CONTINUED

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the Company's dividend policy?	The payment of a dividend by SkinKandy, if any, is at the discretion of the Directors and will be a function of several factors (some of which are outside the control of the Company and its Directors and Management), which include the general business environment, operating results, cash flows and financial condition of SkinKandy, future investment and funding requirements, capital management initiatives, taxation considerations, the level of franking credits available, any contractual, legal or regulatory restrictions on the payment of dividends by SkinKandy and any other factors the Directors deem relevant. SkinKandy does not intend to pay a dividend in the remainder of the forecast period subsequent to Completion of the Offer and future shareholder distributions will be assessed by the Board at the relevant time. No assurances can be given by any person, including SkinKandy Directors, about the payment of any dividend or, in the event a dividend is paid the extent to which it is franked (if at all).	Section 4.11
Why is the Offer and ASX listing being conducted?	The Offer is being conducted to: • provide the Selling Shareholders with an opportunity to realise part of their investment in SkinKandy by the sale of Existing Shares through SaleCo; • provide SkinKandy with capital to support growth objectives; • provide SkinKandy with the benefits of an increased profile that arises from being a publicly listed entity; • provide a liquid market for Shares and an opportunity for others to invest in the Company; and • pay the costs of the Offer.	Section 7.3

1.2 Key strengths

STRENGTH	SUMMARY	FOR MORE INFORMATION
Leading specialist operator in a growing and fragmented market	SkinKandy is the leading specialist provider of piercing services in ANZ, based on having the largest number of stores. The market remains highly fragmented, with over 1,000 independent salons, beauty operators and pharmacies offering piercing only as an ancillary service.[19] SkinKandy's national scale, standardised operating model and specialist positioning provide a compelling platform for continued market share gains and progressive consolidation.	Section 3.1 and 3.2

19. Frost & Sullivan Report.

STRENGTH	SUMMARY	FOR MORE INFORMATION
Differentiated services-led operating model	SkinKandy's competitive position is supported by reinforcing advantages across people, infrastructure, brand and operating model: • **People and capability:** Over 750 expert piercers supported by a proprietary training framework with over 60 structured training modules, creating a scalable capability platform that is difficult to replicate.[20] Clinical proficiency in piercing develops through this experience, creating a compounding advantage as the store network grows. • **Stores and clinic design:** Purpose-built 'piercing first', stores featuring standardised modular designs with private, clinical-grade piercing rooms. This design and fit out has been engineered for compliance and repeatability, allowing the Company to efficiently replicate compliant clinic environments as it expands its store network. • **Brand authority and trust:** established itself as a category authority in expert piercing, with a brand positioned as a trusted destination for safe, high-quality services. • Additionally, SkinKandy's position as the **go-to specialist in the category**, operational visibility arising from a 100-plus strong national store network supports effective and efficient local and national marketing. • **Service-led model with product upside:** Piercing services represent 52% of FY25 pro forma revenue and is the primary driver of customer acquisition, with jewellery and aftercare products frequently attached to the service interaction.	Section 3.5
Store design and fit out	SkinKandy stores have a compact, standardised modular design, typically ranging from 40 to 60 square metres (approximately 600 sq ft). The modular fit out systems enables rapid store build and roll out while maintaining a consistent brand presentation. The main modular store fit out components are typically procured in batch orders of approximately 10 to 20 stores at a time from suppliers in China, driving material cost efficiencies, reducing lead times and support the agile store network expansion capability. Importantly, store design, clinical rooms, and operating procedures are developed to meet or exceed the relevant health, safety and regulatory standards across existing markets. The modular store fit out is designed to be adaptable to requirements in new jurisdictions as the Company expands internationally.	Section 3.6

20. As at retail period ending December 2025.

1. INVESTMENT OVERVIEW CONTINUED

STRENGTH	SUMMARY	FOR MORE INFORMATION
Compelling and improving store-level economics	SkinKandy's business model is underpinned by strong store-level economics. In 2025, stores delivered median revenue of ~$1.01 million and a median Store-level EBITDA[21] of ~$0.48 million, reflecting an average store-level EBITDA margin of ~47%. Store-level EBITDA represents earnings before interest, tax, depreciation and amortisation attributable to the operations of individual stores and is calculated on a pre-AASB 16 basis. That is, occupancy expenses including fixed rent expenses, are recognised on an accrual basis and included in the calculation. Centralised and retail area Management costs are not included within Store-level EBITDA, accordingly investors should note that store-level EBITDA is not a full measure of the profitability and earnings of SkinKandy, however it is a measure that is used by Management to assess store-level performance. Store-level EBITDA benefits from attractive sales density (i.e. sales per sqm), high margin products and services, a compact store design, and standardised operating procedures. Store cohorts typically reach an initial baseline of Store-level EBITDA performance around 10 months after opening. The store cohorts then have displayed a 2 to 3 year maturation process of further growth (i.e. growth typically faster than older 'mature stores' in the network). Further, more recent store cohorts have begun operations at progressively higher average sales and initial Store-level EBITDA performance, reflecting improvements in-store design and site selection, higher initial brand awareness in new catchments and refinements in our operational processes.	Section 3.6
Capital efficient, self-funded growth with short payback periods	SkinKandy's store roll out strategy is capital-efficient. Average net new store capital expenditure (i.e. gross capital expenditure net of the cash benefit of any landlord fit out or similar lease incentive) has reduced from approximately $182,000 in FY23 to $162,000 in FY25, driven by increasing standardisation, modular fit out formats and procurement efficiencies achieved through bulk ordering, whilst maintaining landlord incentive amounts received at a relatively stable level. Shorter payback periods support an internally funded store roll out program. This combination of low capital expenditure intensity, fast payback, and repeatable performance underpins the scalability of SkinKandy's store network within existing markets.	Section 3.6

21. Store-level EBITDA represents earnings before interest, tax, depreciation and amortisation attributable to the operations of individual stores and is calculated on a pre-AASB 16 basis. Occupancy expenses, including fixed rent expenses, are recognised on an accrual basis. Centralised and retail area Management costs are not included in Store-level EBITDA and accordingly investors should note that store-level EBITDA is not a full measure of the profitability and earnings of SkinKandy, however it is a measure that is used by Management to assess store-level performance.

STRENGTH	SUMMARY	FOR MORE INFORMATION
Vertical retail model	SkinKandy operates a vertical retail model, meaning the Company manages key stages of the product development, procurement and supplier management, marketing, service delivery lifecycle and retailing in-house. The large majority of products are developed in-house and sourced from a well-established supplier base located primarily in Asia. The SkinKandy product range is sold exclusively through its stores and online channel – our products are not sold through any online marketplaces or through any wholesale arrangements. This approach underpins SkinKandy's gross margins, differentiation in the market, and capacity to substantially control its market position and customer experience. By maintaining control from product design and sourcing through to in-store piercing services and retail sales, SkinKandy can closely align product innovation, safety standards, retail execution, promotions, and inventory planning across its store network. This integrated structure enables a consistent customer experience and supports efficient operations and profitable growth.	Section 3.7
Experienced Board and Management team with a proven track record	SkinKandy's leadership team combines deep specialty retail expertise with strong governance. Key personnel include: • **Trent Peterson (Independent Non-Executive Chair):** A career mid-market private equity executive with over 25 years of investment experience, focused primarily on retail and consumer businesses. Currently Chair of Adairs Limited and NED of Universal Store, dusk Group and Shaver Shop Group. • **Dain Friis (CEO and Executive Director):** Over 21 years' global specialty retail experience. Formerly COO of Lovisa, instrumental in the brand's global expansion across the US, UK, South Africa, Asia and other international markets. • **Carl Larzabal (CFO):** Extensive experience in financial strategy, M&A transactions and accelerated growth strategies across consumer, retail and service industries. • **Melanie Wilson (Independent NED):** Currently NED of JB Hi-Fi and Web Travel Group. Former Chair of Baby Bunting. • **Richard Whiteoak (NED):** Founder and Managing Director of Whiteoak, an Australian private equity firm. Currently Chair of Zeus Street Greek and Avolution Software, and a non-executive director of Sovereign Capability Group and Status Anxiety. • **Mark Oliphant (NED):** Founder of SkinKandy and its former CEO, having led the Company for over a decade.	Section 6.1

1. INVESTMENT OVERVIEW CONTINUED

1.3 Key risks

RISK	SUMMARY	FOR MORE INFORMATION
ANZ store roll out and network optimisation and renewal	SkinKandy's growth strategy depends on opening new stores across Australia and New Zealand, which presents risks to site selection, delivery and performance. Key risks include insufficient availability of suitable sites or inability to secure leases on acceptable terms, delays in landlord delivery or vacant possession, underperforming new stores and/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 ANZ may prove overstated. Existing stores may also face renewal risks including redevelopments, tenant remixing and traffic shifts. SkinKandy's e-commerce channel may not grow as predicted.	Section 5.1(a)
International expansion	SkinKandy's growth strategy includes disciplined expansion into priority international markets such as the United States, United Kingdom and South Africa. International expansion would increase execution complexity, regulatory risk and costs, 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.	Section 5.1(b)
Retail environment, geopolitical and macroeconomic conditions	Spending on piercing services and jewellery is discretionary and influenced by a variety of economic and geopolitical factors including economic growth, inflation, interest rates, consumer confidence, fiscal and monetary policy, wars and employment rates. The cost or availability of fuel may become prohibitive to making non-essential trips, reducing store visitation. Broader macro-related factors, including disruptions to international shipping routes caused by the present conflicts in the Middle East or otherwise, may also affect product availability and increase sourcing costs. A deterioration in general economic or business conditions (including reductions in consumer confidence) may negatively impact consumer spending, leading to a shift in consumer preferences or behaviour that adversely affects SkinKandy's financial performance. There can be no guarantee that the operating environment does not become more challenging and volatile relative to the conditions observed prior to the commencement of the present conflicts in the Middle East.	Section 5.1(c)

RISK	SUMMARY	FOR MORE INFORMATION
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.	Section 5.1(d)
Health, safety and clinical risks in piercing operations	Risks involved with providing piercing services primarily include customer adverse reactions, fainting episodes, bleeding or post-procedure complications, needle-stick injuries to customers or staff (with potential disease transmission risk) and cross-contamination or infection risk if protocols fail. SkinKandy 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.	Section 5.1(e)
Leasing and change of control provisions	A number of SkinKandy's material leases require landlord consent for a change of control. The Offer may trigger these provisions. If landlord consent is not obtained where required, landlords may take adverse actions including unfavourable lease variations, store closures or fit out contribution clawbacks, which could materially impact SkinKandy's operations and financial performance.	Section 5.1(f)
Reputational damage	SkinKandy's brand is central to customer acquisition and trust in a clinical environment. SkinKandy's ability to maintain its reputation is critical to the consumer perception of its piercing offerings. Factors such as failure to maintain consistent and high standards for its piercing services, failure to adhere to laws (including privacy laws) and serious or unexpected side effects experienced by customers could adversely impact brand name, intellectual property and SkinKandy's general reputation.	Section 5.1(g)
People, training and labour costs	SkinKandy'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 that SkinKandy 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. SkinKandy 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.	Section 5.1(h)

1. INVESTMENT OVERVIEW CONTINUED

RISK	SUMMARY	FOR MORE INFORMATION
Key Person	SkinKandy's success depends on the retention of senior management and critical operational leaders. The loss or inability to attract key management personnel, could adversely affect SkinKandy's strategic direction, operational execution, financial performance and growth prospects. The Company's head office is located in Maroochydore, Queensland, a relatively smaller and less deep talent market compared to major metropolitan centres. This geographic location may present a structural challenge in attracting and retaining experienced and credentialed personnel over time.	Section 5.1(i)
Competition and market dynamics	The piercing and fashion jewellery sector is highly fragmented with relatively low barriers to entry. SkinKandy faces competition from independent piercing studios, national cosmetic/beauty chains offering piercing services, fashion accessories retailers and smaller multi-store piercing retailers. Competitors may adopt price-led strategies to undercut on price, intensify promotional activity or replicate elements of SkinKandy's business model. More intensive price-based competition could compress margins, reduce pricing power and adversely affect profitability and financial performance.	Section 5.1(j)
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.	Section 5.1(k)
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 (including increased fuel costs or scarcity), 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.	Section 5.1(l)

RISK	SUMMARY	FOR MORE INFORMATION
Failure to meet forecasts and guidance	The Forecast Financial Information relies on assumptions that are subject to significant uncertainties and contingencies, many outside the control of SkinKandy, the Directors and Management. Various factors may cause actual performance to vary significantly from expected results. The macroeconomic and operating environment in Australia and New Zealand may become more challenging due to the developing global fuel crisis and conflicts in the Middle East. There can be no guarantee that SkinKandy will achieve its stated objectives or that forecast results or guidance will eventuate.	Section 5.2(a)
Other risks	A number of other risks relating specifically to an investment in the Company and generally to an investment in the Shares are included in Section 5, including risks associated with: • superannuation; • cybersecurity, privacy and IT systems; • product safety, quality and recall; • technology/service model disruption; • legal and regulatory disputes; • insurance coverage; • foreign exchange exposure; • contracting risks; • ESG matters, including modern slavery and climate; and • other general investment risks.	Section 5

1.4 Directors and Senior Management

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the Directors of the Company?	• 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 (Founder)	Section 6.1
Who are the members of the Company's senior Management?	• Dain Friis – Chief Executive Officer • Carl Larzabal – Chief Financial Officer	Section 6.2

1. INVESTMENT OVERVIEW CONTINUED

1.5 Significant interests of key people and related party transactions

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the Existing Shareholders and what will be their interest at Completion?	The details of the ownership of Shares as at the Prospectus Date, and on Completion of the Offer, are set out in the table below.	Section 7.5

SHAREHOLDER(S)[22]	A CLASS SHARES AND SHARES HELD AT THE PROSPECTUS DATE		SHARES HELD AT COMPLETION[23]	
	(MILLION)	(%)[24]	(MILLION)	(%)
Whiteoak Funds[25]	80.3 Shares	78.3%	25.9 Shares	23.2%
Mark Oliphant	14.2 Shares	13.8%	7.8 Shares	7.0%
Dain Friis	6.0 A Class Shares	5.9%	3.6 Shares	3.2%
Carl Larzabal	1.0 A Class Shares	1.0%	0.6 Shares	0.5%
Trent Peterson[26]	0.9 Shares	0.9%	0.9 Shares	0.8%
Melanie Wilson	0.1 Shares	0.1%	0.1 Shares	0.1%
Other Shareholders	–	–	72.8 Shares	65.1%
Total	**95.5 Shares** **7.0 A Class Shares**	**100%**	**111.7**	**100.0%**

22. Shareholdings are either held directly or through beneficial interests or associated or controlled entities.
23. Assumes the maximum of 24,516 Shares are issued under the Employee Gift Offer.
24. On a fully diluted basis.
25. 10,095,110 Shares held by Perpetual Corporate Trust Limited as custodian for the Whiteoak Growth Fund I LP and 15,791,233 Shares held by Whiteoak Pty Limited as trustee for the SkinKandy Co-Investment Trust.
26. Via Catalyst Direct Capital Management Pty Ltd (ACN 169 644 606) as trustee for the CDCM Investment Trust.

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>What significant benefits are payable to Directors and other persons connected with the Company or the Offer and what significant interests do they hold?</td><td>
The Directors' interest in the Company's securities as at the date of the Prospectus and Completion are set out below:
<table>
<tr><th>DIRECTORS</th><th colspan="2">INTERESTS HELD ON THE PROSPECTUS DATE</th><th>SHARES HELD ON COMPLETION OF THE OFFER[27]</th></tr>
<tr><th></th><th>SHARES (MILLIONS)</th><th>A CLASS SHARES (MILLIONS)</th><th>SHARES (MILLIONS)</th></tr>
<tr><td>Trent Peterson[28]</td><td>0.9</td><td>–</td><td>0.9</td></tr>
<tr><td>Dain Friis</td><td>–</td><td>6.0</td><td>3.6</td></tr>
<tr><td>Melanie Wilson</td><td>0.1</td><td>–</td><td>0.1</td></tr>
<tr><td>Richard Whiteoak[29]</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Mark Oliphant</td><td>14.2</td><td>–</td><td>7.8</td></tr>
<tr><td>Total</td><td>15.2</td><td>6.0</td><td>12.4</td></tr>
</table>
All A Class Shares on issue as at the Prospectus Date (which were issued under the Legacy MEP) will convert to Shares between the Prospectus Date and Completion. Dain Friis will also be eligible to participate in the Company's STI and LTI arrangements as described in Section 6.4.2 and 6.4.3.
Mark Oliphant will receive a one-off cash transaction bonus of approximately $1.1 million (before any applicable GST) conditional upon Settlement in recognition of his overall contribution to the creation of value in the business.
Trent Peterson and Melanie Wilson will be entitled to receive $110,000 and $30,000 respectively, for work performed in preparing for the IPO.
Advisers and other service providers are entitled to fees for service, as outlined in section 6.3.4.
</td><td>Section 6.3.2, 6.3.3, 6.3.4, 6.4.2 and 6.4.3</td></tr>
<tr><td>Will there be a controlling interest in the Company?</td><td>There will be no controlling interest in the Company held by any person immediately following the Offer.</td><td>Section 7.5</td></tr>
</table>

27. Does not include Shares acquired in connection with the Offer.
28. Via Catalyst Direct Capital Management Pty Ltd (ACN 169 644 606) as trustee for the CDCM Investment Trust.
29. As at the Prospectus Date, Richard Whiteoak has an indirect minority interest in the Company through the Whiteoak Funds. He is the founder of Whiteoak Asset Management (the manager of the Whiteoak Funds), one of three members of its investment committee and its nominee on the Board, however Richard has no power to vote or control unilaterally the disposal of Whiteoak's Shares and no entitlement to seek redelivery of the Shares. Accordingly, Richard does not have a relevant interest in the Shares held by the Whiteoak Funds. On Completion of the Offer, Richard's direct and indirect interests in the Company will represent less than 1% of the Shares on issue. Richard may receive payments determined by the performance of the Whiteoak Funds (which will be influenced by the performance of assets held by those funds, including a performance fee which will be paid to Whiteoak on Completion for services in relation to its investment in the Company).

1. INVESTMENT OVERVIEW CONTINUED

TOPIC	SUMMARY	FOR MORE INFORMATION
Will any Shares be subject to restrictions on disposal following Completion?	On Completion, certain Shareholders will be subject to voluntary escrow arrangements, excluding Shares acquired by them or their related entities under the Offer and at the Offer Price. These escrow arrangements will prevent those Shareholders from disposing of their Escrowed Shares during the Escrow Period. See Section 9.8 for a summary of the terms of the escrow arrangements and the limited exceptions that permit dealing in the Escrowed Shares during the Escrow Period.	Section 9.8
Are there any other related party arrangements in place?	The Company contracts with Whiteoak Asset Management which is an associated entity of the director, Richard Whiteoak. This arrangement will terminate on Listing. Whiteoak Asset Management was engaged to provide consulting services, and up to 20 May 2026 received $1,558,163.23 in aggregate under the arrangement, exclusive of $21,765.47 of reimbursements, the substantial majority of which was paid prior to the Company being converted into a public company. Mr Oliphant will receive a one-off cash transaction bonus, payment of which was approved by Shareholders prior to the date of the Prospectus.	Section 6.7

1.6 Overview of the Offer

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the issuers of this Prospectus?	The issuers of the Prospectus are SkinKandy Limited (ACN 636 484 814) (**Company**) and SkinKandy SaleCo Limited (ACN 696 911 216) (**SaleCo**).	Important Notices
What is SaleCo?	SaleCo is a special purpose vehicle established to enable Selling Shareholders to sell part or all of their investment in the Company on Completion.	Section 9.6
What is the Offer?	The Offer is an initial public offering of 72.8 million Shares at an Offer Price of $2.20 per Share. The Shares offered under this Prospectus will represent approximately 65.1% of Shares on issue at Completion. The Offer is expected to raise approximately $160.0 million.	Section 7.1
What is the price payable for the Shares?	Successful Applicants under the Offer will pay the Offer Price, being $2.20 per Share. Eligible Gift Employees do not have to pay the Offer Price for Shares acquired under the Employee Gift Offer.	Section 7.8

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the proposed use of funds raised under the Offer?	The proceeds of the Offer received by the Company will be applied as described below. The proceeds of the Offer received by SaleCo in respect of the sale of Shares by it will be paid to SaleCo and paid by SaleCo to the Selling Shareholders.	Section 7.4

SOURCES OF FUNDS	A$ MILLIONS
Company	
Cash proceeds received by the Company under the Offer from the issue of Shares	20.0
SaleCo	
Cash proceeds received by SaleCo under the Offer from the sale of Shares	140.0
Total sources	**160.0**

USES OF FUNDS	A$ MILLIONS
Company	
Costs of the Offer	13.5[30]
International expansion[31]	6.5
SaleCo	
Payment to Selling Shareholders	140.0
Total uses	**160.0**

30. The costs of the Offer (inclusive of GST) comprises of Joint Lead Managers' fees of approximately $6.6 million, Financial Adviser fees of up to $1.6 million, legal adviser fees (including underwriters' legal counsel reimbursement) of approximately $1.2 million, Investigating Accountant and Australian tax advisor fees of approximately $1.1 million, and other IPO related costs of approximately $3.0 million (which includes fees payable to Trent Peterson and Melanie Wilson for their pre-IPO work, as disclosed in Section 6.3.3.2, Mark Oliphant's transaction bonus, as disclosed in Section 6.3.3, and other standard IPO costs, including ASX listing fees, insurance costs and other adviser fees). Further details of the Joint Lead Managers' fees are set out in Section 9.9 and details of the other fees and costs referred to above are disclosed in Section 6.3.5.
31. Although the Company cannot guarantee that it will not require additional capital over the medium term, to the extent that additional capital is required for international expansion beyond the Offer proceeds, the Company expects to fund this from free cashflow internally generated by the business.

1. INVESTMENT OVERVIEW CONTINUED

TOPIC	SUMMARY	FOR MORE INFORMATION
How is the Offer structured?	The Offer comprises: • the **Retail Offer**, consisting of the: – **Broker Firm Offer**, which is open only to Australian and New Zealand resident retail clients of Brokers who have received an invitation from their Broker to participate; – **Priority Offer**, which is open to selected investors in Australia who have received a Priority Offer Invitation; and • **Employee Gift Offer**, which is open to only Eligible Gift Employees who have a registered address in Australia and who have received an invitation from the Company; and • the **Institutional Offer**, which consists of an invitation to bid for Shares made to Institutional Investors in Australia and a number of other eligible jurisdictions.	Section 7.2
Will the Shares be quoted on the ASX?	The Company will apply to ASX within seven days of the Prospectus Date for admission to the official list of, and quotation of its Shares by, ASX under the code 'SK1'. Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.	Section 7.8
Who are the Joint Lead Managers for the Offer?	The Joint Lead Managers are Barrenjoey Markets Pty Limited ACN 636 976 059 and Morgans Corporate Limited ACN 010 539 607.	Important Notices

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer was determined by the Company, SaleCo and the Joint Lead Managers. The allocation of Shares under the Institutional Offer and Priority Offer was determined by the Company and SaleCo in agreement with the Joint Lead Managers prior to the Prospectus Date. For Broker Firm Offer participants, the relevant Broker will decide as to how they allocate Shares among their eligible retail clients, and they, and not the Company, SaleCo, the Financial Advisor or the Joint Lead Managers will be responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant Shares. The allocation policy relating to the Priority Offer is outlined in Section 7.10.4. The allocation policy relating to the Employee Gift Offer is outlined in Section 7.11.4.	Section 7.8
Is the Offer underwritten?	Yes. The Joint Lead Managers have fully underwritten the Offer. Details are provided in Sections 7.14 and 9.9.	Section 7.14 and 9.9
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Successful Applicants on the acquisition of Shares under the Offer.	Section 7.8
What are the tax implications of investing in the Shares?	The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. Summaries of certain Australian tax consequences of participating in the Offer and investing in Shares are set out in Section 9.13.	Section 9.13
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be mailed to Successful Applicants by post on or about Tuesday, 26 May 2026. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Section 7.8

1. INVESTMENT OVERVIEW CONTINUED

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the minimum/ maximum Application size under the Offer?	**Institutional Offer** There is no minimum or maximum Application size under the Institutional Offer. **Broker Firm Offer** Applications under the Broker Firm Offer must be for a minimum of $2,000 worth of Shares. There is no maximum application size under the Broker Firm Offer. **Priority Offer** Applicants under the Priority Offer must be for a minimum of $2,000 worth of Shares. There is no maximum Application size under the Priority Offer. **Employee Offer** Under the Employee Gift Offer, Eligible Gift Employees who submit a valid Application will receive a guaranteed allocation of $1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price). It is not possible for Eligible Gift Employees to apply for more than $1,000 worth of Shares and allocations of Shares under the Employee Gift Offer will not exceed $60,000 worth of Shares.	Section 7.9, 7.10, 7.11 and 7.12
How can I apply?	**Institutional Offer Applicants** The Joint Lead Managers separately advised Institutional Investors of the Application procedure under the Institutional Offer. To the extent permitted by law, an Application received under the Offer is irrevocable. There is no general offer to the public. **Broker Firm Offer Applicants** Broker Firm Offer Applicants may apply for Shares by completing the Application Form included in or accompanying this Prospectus, and lodging it with the Broker who invited them to participate in the Offer. Applicants must be a client of a participating broker in order to participate in the Broker Firm Offer. **Priority Offer Applicants** Applicants under the Priority Offer may apply for Shares by following the instructions on how to apply in the Priority Offer invitation. **Employee Offer Applicants** Eligible Gift Employees may apply for Shares by submitting the Employee Gift Offer Application Form in accordance with the instructions on their personalised invitation.	Section 7.9, 7.10, 7.11 and 7.12

TOPIC	SUMMARY	FOR MORE INFORMATION
Can the Offer be withdrawn?	The Company and SaleCo reserve the right not to proceed with the Offer at any time before the issue or transfer of Shares to Successful Applicants or bidders under Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the Offer not proceeding.	Important Notices
Where can I find out more information about this Prospectus or the Offer?	If you have any questions in relation to the Offer, call the SkinKandy IPO Offer Information Line on: • 1800 992 149 (toll free within Australia); or • +61 1800 992 149 (outside Australia), between 8:30am and 7:00pm, Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your broker. If you have any questions about whether to invest, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.	Important Notices and Important Dates
When can I sell my Shares on the ASX?	It is expected that trading of the Shares on ASX will commence on Thursday, 21 May 2026. Initially on a conditional and deferred settlement basis. Trades occurring on the ASX before Settlement will be conditional on Settlement occurring, completion of the Capital Restructure and the issue and allotment of Shares under the Offer. Normal settlement trading is expected to commence on or about Monday, 25 May 2026. Holding statements are expected to be dispatched on Tuesday, 26 May 2026. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.	Section 7.8

2.
INDUSTRY OVERVIEW

2. INDUSTRY OVERVIEW

2.1 Introduction to piercing services, fashion jewellery and aftercare market in ANZ

SkinKandy is a leading[32] specialist provider of expert piercing services and related fashion and functional piercing jewellery. SkinKandy is currently, operating across the Australian and New Zealand (**ANZ**) markets. This Section 2 provides an overview of the ANZ piercing services, fashion jewellery, and aftercare products markets in which SkinKandy currently operates.

2.1.1 Piercing services

Piercing is a form of body modification and refers to the penetration of jewellery into a hole in part of the human body. Piercing services include both the service component and the sale of the piercing jewellery required to provide the service. There are over 70 types of piercings, commonly categorised into soft earlobe piercing (including first, second and other types of lobe piercing); other ear piercing (excluding the earlobe, including tragus, helix and conch); face (tongue, lip, nose, eyebrow); and body piercing (such as nipples, navel and genitalia). An initial piercing is typically followed by a downsizing when the original jewellery piece is switched to a shorter piece once swelling has subsided.

2.1.2 Fashion jewellery

Jewellery is commonly categorised into fine jewellery and fashion jewellery. Fine jewellery is generally defined as containing precious metals and genuine gemstones, and is typically in the form of finger rings, earrings, bracelets, necklaces and brooches. Fashion jewellery, conversely, is generally made from base metals often with a gold or silver coating and often simulating fine jewellery. In contrast to fine jewellery, fashion jewellery is generally acquired in response to ongoing fashion trends, with items often set aside or disposed of when no longer favoured by the user and is available at much lower price points than fine jewellery. Jewellery for use in piercings includes items such as earrings/hoops, barbells, labrets, studs and dermals made from materials including surgical steel, titanium and gold. In this Prospectus, 'fashion jewellery' refers only to items used in a piercing (such as earrings), and excludes other jewellery types (such as finger rings, neck wear, wrist wear, etc.).

2.1.3 Aftercare products

In addition to the sale of piercing services and jewellery, piercing and fashion jewellery providers also derive revenue from the sale of aftercare products such as saline-based and antibacterial products designed to support the ongoing hygiene and healing of the piercing, including sprays, oils and ointments. These products are used to clean the piercing regularly to minimise the risk of infection and other complications.

2.1.4 Market size[33]

The ANZ market for piercing, fashion jewellery and aftercare products is highly fragmented. The market was estimated at $1.48 billion in 2025. It is forecast to increase to $1.56 billion in 2026 and grow at a CAGR of 5.0% from 2024 to 2027F.

32. On the basis of having the largest number of stores providing expert piercing services.
33. Given the highly fragmented nature of the industry together with the scarcity of industry level information sources, caution is required in approaching estimation of market size. For further details about the basis of preparation of information about market sizing and potential limitations, see the Important Notices Section of this Prospectus.

2. INDUSTRY OVERVIEW CONTINUED

Figure 1: ANZ estimated total addressable market (TAM) for piercing services, fashion jewellery and aftercare products[34]

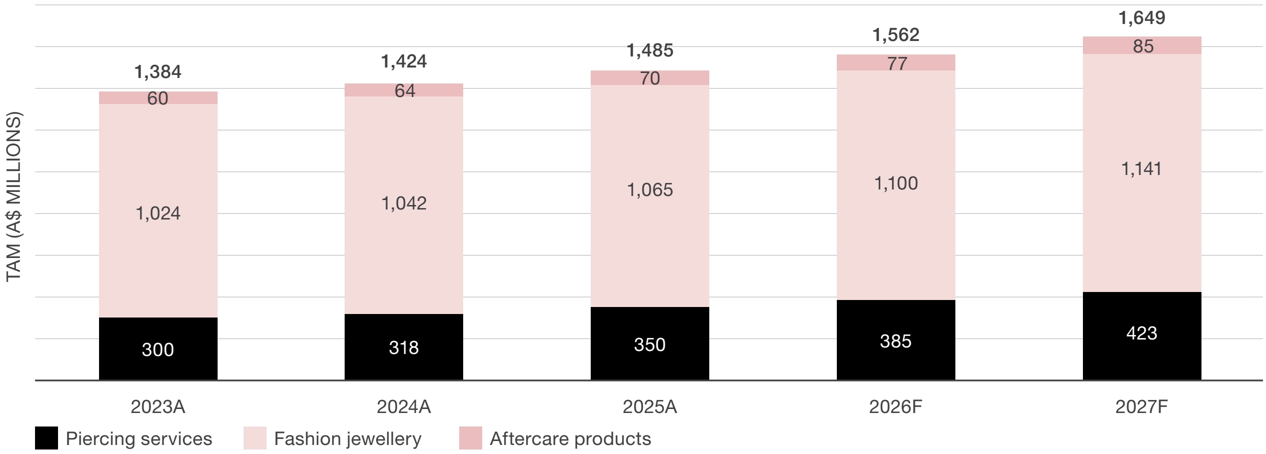


Figure 2: Market segments in SkinKandy's TAM[34]

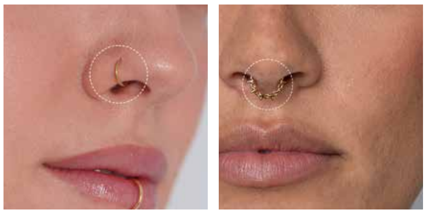
CATEGORY	DESCRIPTION OF PRODUCTS AND SERVICES	ESTIMATED 2026F TAM (A$ MILLIONS)	ESTIMATED 2024A – 2027F CAGR (%)
Piercing services	• Body piercings (ears, body, nose, lip, eyebrow, tongue, etc.) • Follow up services (e.g., resizing, downsizing) • Typically includes the initial piercing product (as jewellery is typically sold in a bundle)	385	+10.0%
Fashion jewellery	• Jewellery made for piercings (rings, barbells, labrets, studs, dermals), excluding non-piercing items like bracelets, necklaces, finger rings and brooches	1,100	+3.1%
Aftercare products	• Specialised aftercare spray and cleanser designed to support the ongoing hygiene and healing of the piercing	77	+9.9%
Total addressable market		**1,562**	**+5.0%**

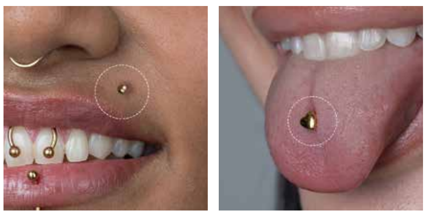
34. Frost & Sullivan Report.

Figure 3: Products and service range

<table>
<tr><th>CATEGORY</th><th>SKINKANDY SEGMENT PRODUCT/SERVICE</th><th>PRODUCT/SERVICE</th></tr>
<tr><td rowspan="2">Piercing services</td><td>Piercing methods:
Needle piercing: ear, nose, body, face and mouth, advanced
Needle free piercing: 1st and 2nd lobes</td><td rowspan="2">Needle ear piercings:

Needle free ear piercings:

Nose piercings:

Body piercings:

Face and mouth piercings:
</td></tr>
<tr><td>Needle ear piercings:
Lobe: 1st, 2nd, 3rd, stacked, transverse, large gauge
Helix: traditional, forward, vertical, hidden
Other: rook, conch, outer conch, tragus, anti-tragus, daith, snug, industrial
Needle free ear piercings:
Lobe: 1st, 2nd, double operator
Nose piercings:
Nostril: traditional and high
Septum: traditional and stacked
Body piercings:
Navel: traditional, lower and floating
Nipple: traditional and stacked
Dermal (single-point piercing)
Face and mouth piercings:
Bridge
Eyebrow
Upper lip/lower lip
Dahlia
Cheek (dimple)
Labret: traditional and vertical
Ashley
Philtrum (medusa)
Jestrum (vertical philtrum)
Tongue webbing
Tongue
Smiley
Surface bar (staple)
Advanced piercings:
Below the belt piercings
Piercing services generally include a piece of jewellery used to complete the service, regardless of method or location of piercing and are often sold in a bundle.</td></tr>
</table>

2. INDUSTRY OVERVIEW CONTINUED

CATEGORY	SKINKANDY SEGMENT PRODUCT/SERVICE	PRODUCT/SERVICE
Fashion jewellery	Body safe base-metal jewellery designed for piercing use, such as rings, barbells, labrets, studs and dermals	**Studs:**   **Earrings:**  
Aftercare products	**Aftercare spray:** • Piercing aftercare mist spray **Aftercare cleanser:** • Advanced aftercare hypochlorous solution	 

2.2 Piercing services, fashion jewellery and aftercare products demand drivers

In the piercing services, fashion jewellery and aftercare products market there are three categories of growth drivers:

1. Demographic.
2. Cultural and social trends.
3. Consumer behaviours.

These factors can each contribute to market growth: more people getting piercings, whilst spending more on those piercings and related services, as evidenced through increasing average spend, repeat customers and lifetime value dynamics.

2.2.1 Demographics

2.2.1.1 Age groups

Demand for piercing services and jewellery is primarily driven by younger consumers, with the highest prevalence observed among female consumers aged 16-30. Penetration is high within this demographic, with an estimated 80%-90% of females aged 16-30 having at least one earlobe piercing and an estimated ~60% having multiple ear piercings.[35]

Management experience and internal SkinKandy data suggests that the number of piercings per individual has increased over time, particularly among younger cohorts.[36] As these higher-participation cohorts age, they are expected to retain existing piercings and, in many cases, add new piercings.[37] This dynamic is expected to continue to lift overall population-level piercing prevalence[38] from currently observed levels which would support demand levels for piercing services and jewellery across the customer lifecycle.

35. In the United States with similar prevalence assumed in ANZ given similar cultural characteristics. Frost & Sullivan Report citing National Environmental Health Association of the United States, *Policy statement on ear piercing guns,* 2018.
36. Frost & Sullivan Report.
37. Frost & Sullivan Report.
38. Frost & Sullivan Report.

In addition, first-time and multiple piercings are increasingly being undertaken by older female consumers, supporting demand expansion beyond traditional age cohorts.

2.2.1.2 Gender

While the industry has historically skewed towards females, gender participation has broadened over time, with participation among younger male cohorts increasing, supported by changing social norms and broader acceptance of body modification. The male jewellery market is estimated to be growing significantly faster than female jewellery, with global growth of ~10% CAGR.[39]

2.2.2 Cultural and social trends

2.2.2.1 Growing acceptance of piercings in Western culture

Piercing has transitioned from being primarily associated with specific subcultures in the early 1900's to becoming broadly accepted within mainstream Western societies through the 1960's-1980's. The piercing gun was commercialised in the 1960's which made piercing quicker, cheaper, and created the scope for piercing to be a retail service (rather than medical).

Since this time the acceptance and penetration of piercing of women as a fashion and self-expression item has steadily increased. Today, piercings for females are increasingly viewed as an everyday and standard jewellery item and a normative form of personal expression, driven by changing social attitudes, observation and adoption of global fashion trends, and evolving perceptions of body modification. These trends span socio economic groups and adult age groups.

This cultural shift has been accompanied by a broadening of piercing adoption beyond initial earlobe piercings. There is also evidence that the adoption of a first piercing (typically ear lobe) will increase the propensity of customers to later purchase additional piercings. This trend is driven by broad observation of US and European fashion trends and popular culture, the increased normalisation and acceptability of piercing styles such as 'ear stacks', nose and eyebrow piercings, naval piercings etc.

Further, in 2018, research found that 50% of individuals with piercings other than the earlobe in Australia, also have two or more additional piercings.[40]

As a result, Management and industry commentators have observed that there has been an associated increase in customers returning over their lifetime to add or modify piercings, supporting long-term engagement with piercing specialists and jewellery retailers.

Generally, in contemporary and more progressive Australian communities (including certain workplaces, religious groups, sub-cultures and in general society), piercings are more accepted and adopted, and in traditional and more conservative segments of society, adoption of piercing remains lower.

2.2.2.2 Influence of social media and fashion trends

Over the last 15 years social media has progressively challenged the role traditional media (including fashion and lifestyle magazines and television) has played in shaping consumer awareness, preferences and purchasing behaviour in relation to fashion trends, piercing services and jewellery. Visually led platforms such as Instagram and TikTok have accelerated the dissemination of trends, information and inspiration for piercing placements, jewellery designs and curated aesthetic trends, particularly among younger consumers.

An estimated ~45% of Gen Z consumers in the mature western market globally discover new jewellery brands through TikTok, while more than two-thirds of jewellery brands report their highest levels of consumer engagement through Instagram.[41] These platforms have shortened trend cycles and increased the speed at which new jewellery designs and piercing styles move from early adopters to reach mass adoption.

As influencers, celebrities and fashion brands increasingly showcase piercings as part of broader lifestyle and fashion content, Management believes it has the potential to drive novelty-led demand and support more frequent jewellery replacement and upgrading, reinforcing the trend-driven nature of fashion jewellery consumption.

39. Frost & Sullivan Report citing Polaris Market Research dated Jul-25 accessed from https://www.polarismarketresearch.com/industry-analysis/mens-jewelry-market.
40. Frost & Sullivan Report citing Tranter.
41. Frost & Sullivan Report citing Carat Trade, accessed from https://www.carattrade.com/blog/2025-jewelry-industry-statistics-global-us-trends.

2. INDUSTRY OVERVIEW CONTINUED

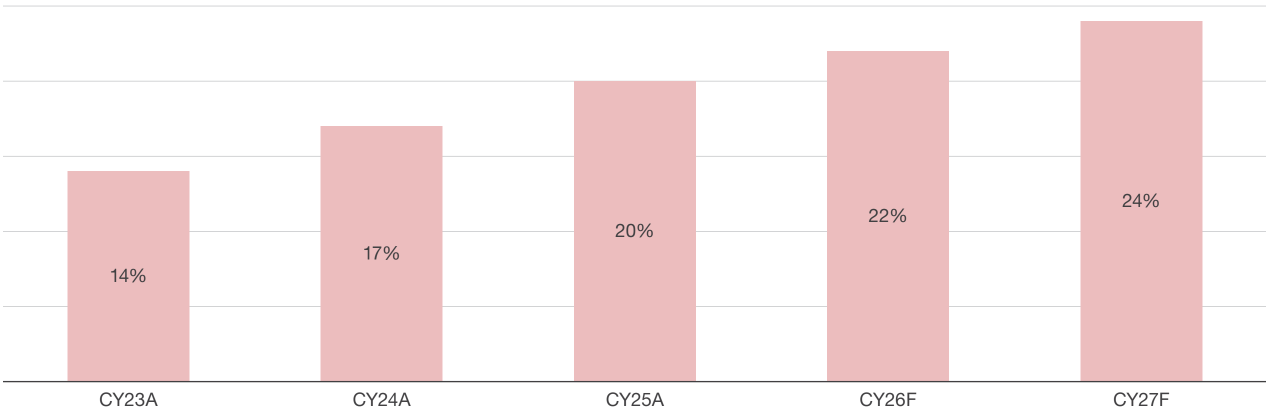
2.2.3 Consumer behaviours

2.2.3.1 Increase in online sales

The piercing services, fashion jewellery and aftercare product market segments have increasingly incorporated online channels, particularly for co-ordinating bookings, sharing information regarding services and products and for the sale of jewellery and aftercare products. While piercing services are performed in-store, jewellery products are well suited to online retail given standardised product formats and sizes, small delivery packages, and repeat purchase behaviour.

Online channels have become an increasingly important component of jewellery retail in recent years. In ANZ, online sales are estimated to have accounted for ~20% of jewellery sales in 2025, compared to ~10% in 2020.[42] This has reflected an increased consumer adoption of eCommerce and improvements in digital retail capabilities. In the ANZ market, online is forecast to account for 24% of jewellery sales in 2027F, an increase of 4% from 2025.[43]

Figure 4: ANZ online share of jewellery sales[44]



2.2.4 Evidence of multiple layers of growth in the piercing services, fashion jewellery and aftercare products market

2.2.4.1 Average spend per visit

Average spend per visit within the piercing services and jewellery market segments has increased over time, driven by changes in consumer preferences and product mix (i.e. a shift toward more premium products and more complex services driving increased basket size and bundling of products and services).

While piercing typically begins with entry-level jewellery, consumers are increasingly selecting higher-value "value-add" jewellery options at the point of initial piercing.

There has also been a shift away from standard 316L stainless steel jewellery toward higher-value materials such as gold and titanium, driven by improved biocompatibility, durability and aesthetic preferences. This shift has contributed to higher average prices per piercing and increased initial transaction values.

In addition, the growing prevalence of multiple piercings per individual has supported higher aggregate jewellery spending over time. Follow-up resizing or replacement purchases as piercings heal, along with jewellery upgrades driven by aesthetic preferences, further contribute to increased spend per customer.

42. Frost & Sullivan Report.
43. Frost & Sullivan Report.
44. Frost & Sullivan Report.

2.2.4.2 Repeat customers and lifetime value dynamics

The piercing services, jewellery and aftercare products market segments are characterised by high levels of repeat customer behaviour. Unlike many discretionary retail categories that rely predominantly on one-off purchases, piercing creates an enduring purchase pathway over time as customers commonly return for additional piercings, jewellery replacement, fashion-led upgrades to jewellery and ongoing aftercare products.

Follow-up services, including resizing or downsizing appointments, further reinforce repeat visitation and create incremental opportunities for jewellery upgrades, supporting attractive customer lifetime value dynamics.

2.3 Supply of qualified piercers

The ANZ piercing services market segment remains highly fragmented, with over 1,000 independent salons, beauty operators and pharmacies offering piercing as an ancillary service.[45] Despite this breadth of operators, the industry's growth is structurally constrained by the availability of skilled piercers. Unlike other retail formats, piercing services require trained practitioners with competency in infection control, anatomy, compliance and patient management, specialised equipment usage and sterilisation techniques.

There are two primary sources of labour supply in the industry:

- **Employer-trained piercers:** These individuals are trained internally by operators that have structured training pathways, supervised practice, and consistent operating procedures. This group represents the most scalable and reliable source of labour, as training quality is controlled and aligned to each operator's standards.
- **Externally trained piercers:** These piercers typically come from tattoo studios, independent piercing businesses or beauty service providers. Training quality varies significantly across providers, reflecting the fragmented nature of the industry and the absence of nationally standardised qualifications.

The limited supply of qualified piercers has historically restricted the speed at which operators can expand service capacity. This supply constraint acts as a natural governor on new entrants and limits the ability of smaller operators to scale beyond a single-location format.

45. Frost & Sullivan Report.

2. INDUSTRY OVERVIEW CONTINUED

2.4 Structure of the piercing services, fashion jewellery and aftercare market in ANZ

The piercing services industry is segmented into specialist piercing businesses (including SkinKandy and other independent piercing salons) and businesses offering piercing as an ancillary service (jewellery retailers, clothing and accessories retailers, beauty salons, pharmacies and general practitioners). Although businesses offering piercing services are generally required to register with local state or territory-based authorities, there is no central register of such operations and there are estimated to be over 1,000 salons offering piercing services in ANZ.

Piercing service businesses compete on a range of factors including:

- **Range of services:** piercing service businesses with a greater variety of device and needle piercing offerings, with majority of the market being device piercings which in turn results in a reduced range of application impacting their piercing type offerings;
- **Product design and innovation:** piercing service businesses may differentiate themselves based on metal composition and aesthetic design on their jewellery;
- **Hygiene and safety:** consumers typically prefer piercings to be performed in a sterile, safe environment using top-grade, single-use needles and equipment[46]. Piercing service providers that maintain the highest safety standards may attract more consumer attention and loyalty;
- **Piercer expertise:** in Management's opinion, there is a consumer preference for piercings to be performed by fully trained and certified professionals. Piercing service businesses with comprehensive training programs may benefit from enhanced consumer trust and confidence; and
- **Brand recognition:** piercing service businesses have varying degrees of brand recognition and awareness among consumers, which may stem from their targeted data-driven social media marketing campaigns, loyalty programs, relative scale, and memorable guest experience. Those with stronger brand recognition may attract more consumer attention and share of consumer spending by virtue of their brand name.

Figure 5: Overview of the main ANZ competitors

		PIERCING DELIVERY		PIERCING TYPES							JEWELLERY				
COMPANY	PRIMARY SERVICE	NEEDLE	DEVICE	LOBE	HELIX	OTHER EAR	NOSE	BODY	FACE AND MOUTH	ADVANCED	PIERCING JEWELLERY	FASHION JEWELLERY	AFTER-CARE PRODUCTS	NUMBER OF ANZ OUTLETS[47]	GEOGRAPHY
SkinKandy	Piercing services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	ANZ
PIERCING SERVICES															
Keen on Piercing	Piercing services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	4	New Zealand
JEWELLERY RETAILERS (SELECTED)															
Lovisa	Fashion jewellery & accessories retailer	✗	✓	✓	✓	✗	✓	✗	✗	✗	✓	✓	✓	214 (ANZ) (only select stores offer piercing)	Global
Sarah & Sebastian	Fine jewellery retailer	✓	✗	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓	12 (8 stores pierce)	Australia
Harli + Harpa	Fashion jewellery and accessories retailer	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓	✗	51	ANZ and South Africa

46. Frost & Sullivan Report.
47. As at 26 February 2026.

		PIERCING DELIVERY		PIERCING TYPES							JEWELLERY				
COMPANY	PRIMARY SERVICE	NEEDLE	DEVICE	LOBE	HELIX	OTHER EAR	NOSE	BODY	FACE AND MOUTH	ADVANCED	PIERCING JEWELLERY	FASHION JEWELLERY	AFTER-CARE PRODUCTS	NUMBER OF ANZ OUTLETS[47]	GEOGRAPHY
Mezi	Fashion jewellery retailer	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	5	Australia
By Charlotte	Fashion jewellery retailer	✓	✗	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓	11 (2 stores pierce)	Australia
Michael Hill	Jewellery retailer	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	285	ANZ and Canada
Prouds	Jewellery retailer	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	275	Australia
HAIR & BEAUTY RETAILERS															
Hairhouse Warehouse	Hair & beauty retailer with salon services	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	110+ (only select stores offer piercing)	Australia
BEAUTY SALONS															
Essential Beauty	Waxing and beauty services	✓	✗	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	65+	Australia
Edge Cut Colour & Beauty	Hair and beauty services	✓	✗	✓	✗	✓	✓	✗	✗	✗	✓	✗	✓	3 (only Albany offers piercing)	New Zealand
CLOTHING AND ACCESSORIES RETAILERS															
Off Ya Tree	Alternative clothing and accessories retailer	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	Australia
SELECTED PHARMACY															
TerryWhite Chemmart	Pharmacy retailer	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✓	600+ (only select stores offer piercing)	Australia
Priceline	Health, beauty and pharmacy retailer	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✓	487 (only select stores offer piercing)	Australia
Unichem Pharmacy	Pharmacy retailer	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✓	280 (only select stores offer piercing)	New Zealand
Life Pharmacy	Health, beauty and pharmacy retailer	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✓	48 (only select stores offer piercing)	New Zealand
Chemistworks	Pharmacy retailer	✗	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗	✗	5	Australia

2. INDUSTRY OVERVIEW CONTINUED

Barriers to entry

There are several barriers to entry for international and local piercing service businesses looking to enter or expand in the ANZ market, including:

- **Brand:** the piercing services market is highly fragmented, with specialist piercing businesses differentiating with the expert provision of piercing services. New entrants may struggle to differentiate themselves from players with strong brand awareness, established consumer trust, and may not have the financial resources to adequately market their business to consumers;
- **Skilled and trained piercers:** needle piercers labour force does not exist in the market at scale, due to the training, certification and time it takes to become a trained piercer across 10 to 30 different piercing services. New entrants would struggle to build a talent pool up without a base of core training capability and volume of piercing training opportunities, and therefore may be constrained in their ability to offer a full range of piercing services;
- **Initial investment costs:** piercing services need to be undertaken in registered locations meaning a piercing service provider is required to have physical retail stores that are appropriately equipped to deliver the services. Establishing this store network requires significant upfront investment in fit out, equipment, inventory and lease costs, which can be prohibitive for new entrants;
- **Retail site availability:** piercings can typically be an impulse rather than planned purchase. This favours businesses with presence in areas with high foot traffic and near food courts, typically in shopping malls and main shopping strips. New entrants who do not have experienced real estate capabilities or established relationships and trust with landlords and shopping centre operators may struggle to find appropriate sites to develop and lease these sites on acceptable terms;
- **Sourcing knowledge and buying power:** sourcing a comprehensive range of well priced and attractively designed products that appeal to customers widely varied tastes requires knowledge, contacts, and capital. Further, major players have considerable buying power to meet minimum order quantities and reduce landed costs (incl shipping and freight). New entrants may not have the capacity or knowledge to compete effectively; and
- **Regulations:** compliance with State and Territory-based legislation in Australia in relation to piercing services and other relevant ANZ legislation can be a barrier to entry for smaller independent operators (refer Section 2.5).

A significant proportion of the piercing services market comprises established incumbents with established store networks, track record with customers and strong brand awareness. These factors deliver to customers shopping convenience and support establishing and maintaining trust.

New entrants may struggle to differentiate themselves from players with existing brand recognition and consumer trust and may not have the financial resources to build consumer awareness and trust or to adequately market their business to consumers, including through social media platforms which are a key channel for influencing purchasing decisions.

2.5 Regulatory environment in ANZ

Piercing services in Australia operate under a range of State and Territory-based legislation which governs "skin-penetration procedures." These rules typically require operators to register with local councils, meet infection-control standards (sterile equipment, single-use needles and personal protective equipment), and undergo periodic inspections. While the specific requirements of each local council vary, in general:

- a licence is required by businesses in QLD, TAS and the ACT;
- registration of the business with the local council is required in VIC and the NT; and
- a one-time notification to the local council is required in NSW and WA before the business commences.

Regulation functions as an industry-level quality threshold that allows businesses in the piercing services field to differentiate themselves. Smaller independent operators often find compliance complex and resource-intensive, particularly where formal training, documentation and hygiene protocols are limited.

For larger specialist operators, however, regulation can reinforce consistent compliance and operational discipline. Standardised store design, formal infection-control training and centralised compliance systems allow larger operators to meet licensing and regulatory requirements more efficiently and open new stores faster. This capability also strengthens customer trust, as consumers increasingly seek clinically safe, expertly run piercing environments.

The table below lists the key regulations and standards relevant to SkinKandy's operations in Australia and New Zealand. For further details, including the scope of each regulation or standard and the circumstances under which SkinKandy may be held liable for any breaches, see Section 9.

Figure 6: Key regulations and standards in ANZ by category

CATEGORY	KEY REGULATIONS AND STANDARDS
Employment	**Australia** The *Fair Work Act 2009* (Cth) (**FW Act**) is the primary piece of legislation governing the employee and employer relationship in Australia. The FW Act establishes a safety net comprising the National Employment Standards, modern awards and national minimum wage order for employees and enforces a compliance regime for employers. Under the FW Act, SkinKandy is legally responsible for contraventions of the legislation within its corporate-owned operations. **New Zealand** The *Employment Relations Act 2000* (NZ) (**ERA**) is the primary legislation governing the employment relationship in New Zealand. The ERA establishes the core framework for workplace relations, including the requirement that parties to an employment relationship deal with each other in good faith, and provides mechanisms for resolving employment disputes. Minimum leave and holiday entitlements are primarily prescribed under the *Holidays Act 2003* (NZ), supported by guidance published by the Ministry of Business, Innovation and Employment (**MBIE**). Under the ERA and Holidays Act framework, SkinKandy (through its New Zealand operating entities) is legally responsible for compliance with applicable minimum employment standards across its New Zealand operations, including record-keeping and adherence to statutory minimum entitlements.
Consumer	**Australia** As a consumer-facing business engaged in trade or commerce, SkinKandy is subject to the *Competition and Consumer Act* (Cth) (**CCA**) and the *Australian Consumer Law* (**ACL**). The CCA sets out the obligations of a business in dealing with suppliers, competitors and customers, as well as the rights of a purchaser of goods and services in Australia. The ACL protects consumers by prohibiting various types of unfair trading practices and provides basic consumer guarantees. **New Zealand** As a consumer-facing business operating in trade, SkinKandy is subject to New Zealand's principal consumer protection framework, including the *Fair Trading Act 1986* (NZ) (**FTA**) and the *Consumer Guarantees Act 1993* (NZ) (**CGA**). The FTA prohibits misleading or deceptive conduct and regulates a range of unfair practices in trade, while the CGA provides statutory guarantees and consumer remedies in relation to the supply of goods and services.

2. INDUSTRY OVERVIEW CONTINUED

CATEGORY	KEY REGULATIONS AND STANDARDS
Privacy	**Australia** The *Privacy Act 1988* (Cth) (**Privacy Act**) is the principal piece of legislation that governs the handling of personal information in Australia and covers private sector entities with annual turnover over $3 million such as SkinKandy. The Privacy Act regulates the collection, use, disclosure and storage of personal information. The Privacy Act also requires organisations to take certain steps in response to data breaches, including mandatory notification of "eligible data breaches" to the Office of the Australian Information Commissioner as well as affected individuals. **New Zealand** The *Privacy Act 2020* (NZ) (**NZ Privacy Act**) is the principal legislation governing the handling of personal information in New Zealand. The NZ Privacy Act includes 13 Information Privacy Principles that set standards for how organisations collect, store, use and disclose personal information, including individuals' rights to access and correct their information. Under the NZ Privacy Act, SkinKandy (through its New Zealand operations) is required to manage personal information (including customer and employee information) in accordance with the Information Privacy Principles and applicable guidance issued by the Office of the Privacy Commissioner.
Qualification/ training	There are no nationally or state-mandated qualifications for body piercers in Australia or New Zealand. However, individuals performing piercing services are generally required to complete nationally accredited infection control training (such as SHBBINF002 or 11035NAT). Piercers typically also complete industry-recognised training in body piercing techniques and undertake an apprenticeship or supervised training period within a store environment.
Health and safety	**Australia** The regulation of piercing (often described as "skin penetration procedures") is primarily undertaken at the State/Territory level and is commonly administered through local councils under public health frameworks. See Figure 7. Businesses performing skin penetration procedures are generally required to register with the relevant local council and are subject to council inspections to verify compliance with infection control and premises requirements (including sterility of instruments, sharps disposal, hygiene and personal protective equipment). **New Zealand** There is no national legal age regulation governing body piercing. However, some local councils have enacted bylaws that place an age requirement on piercing without parental consent (e.g., in Auckland, individuals must be 16+ years old).

Figure 7: Regulation of piercings by age group and jurisdiction in Australia, 2026

JURISDICTION	<16	16-18	18+	LEGISLATION
New South Wales	• Non-intimate piercing requires parent/guardian consent • Intimate piercing prohibited	• Non-intimate piercing generally permitted • Intimate piercing may be legally permitted for 16-17 (subject to studio policy)	• No restrictions (subject to consent and studio policy)	• *Public Health Act (2010)* • *Public Health Regulation (2022)* • *Children and Young Persons (Care and Protection) Act 1998*
Victoria	• Non-intimate piercing requires parent/guardian consent • Intimate piercing prohibited under 18	• Non-intimate piercing generally permitted • Intimate piercing prohibited	• No restrictions (subject to consent and studio policy)	• *Public Health and Wellbeing Act 2008* • *Public Health and Wellbeing Regulations 2019*
Queensland	• No fixed minimum age for most non-intimate piercing with a capacity to make a "sound and reasoned decision" is relevant in practice • Intimate piercing prohibited	• Non-intimate piercing generally permitted • Intimate piercing prohibited under 18	• No restrictions (subject to consent and studio policy)	• *Public Health (Infection Control for Personal Appearance Services) Act 2003*
South Australia	• Non-intimate piercing requires parent/guardian consent • Intimate piercing prohibited	• Non-intimate piercing generally permitted • Intimate piercing prohibited	• No restrictions (subject to consent and studio policy)	• *South Australian Public Health Act (2011)*
Tasmania	• Non-intimate piercing requires written consent from parent/guardian • Intimate piercing prohibited under 18	• Non-intimate piercing generally permitted • Intimate piercing prohibited	• No restrictions (subject to consent and studio policy)	• *Public Health Act (1997)*

2. INDUSTRY OVERVIEW CONTINUED

JURISDICTION	<16	16-18	18+	LEGISLATION
Western Australia	• Non-intimate piercing requires parent/guardian consent • Intimate piercing prohibited for under 18	• Non-intimate piercing generally permitted • Intimate piercing prohibited under 18	• No restrictions (subject to consent and studio policy)	• *Health (Skin Penetration Procedures) Regulations 1998* (WA) • *Children and Community Services Act 2004*
Australian Capital Territory	• There are currently no specific regulations governing the age restrictions or consent requirements for minors receiving piercing			
Northern Territory	• There are currently no specific regulations governing the age restrictions or consent requirements for minors receiving piercing			

3. COMPANY OVERVIEW

3. COMPANY OVERVIEW

3.1 Introduction to SkinKandy

SkinKandy is the leading specialty retailer of piercing services and piercing related jewellery products in Australia and New Zealand[48] and currently operates 100 stores[49].

The Company offers a services-led retail model in which piercing is a primary demand driver together with a curated and comprehensive range of fashion jewellery and aftercare products designed to complement the service offering. All stores are Company operated to support the corporate goal of delivering consistent operational standards and a uniform customer experience.

SkinKandy offers more than 45 types of piercings across ear, nose, face (e.g. lip, eyebrow) and body categories, using both needle-free and single-use needle methods. Needle-free services are used primarily for first and second earlobe piercings, while single-use needle techniques are applied across all other piercing types, including advanced ear, nose, body, face and mouth procedures. All procedures are performed by SkinKandy's dedicated retail team of over 750 trained piercers[50], each having completed SkinKandy's proprietary training program, SK Certified.

In a single visit to SkinKandy, customers can receive their piercing, select jewellery and purchase aftercare products. Follow-up services, including resizing and downsizing appointments, support repeat visitation and create additional opportunities for jewellery upgrades and additional products and services.

SkinKandy operates stores across metropolitan and regional locations in Australia and New Zealand, comprising 91 stores in Australia and 9 in New Zealand[51]. The Company's scale, standardised modular store design, clinic design and centralised operational systems support a scalable business model that produces quality control and consistency of execution.

SkinKandy is one of the few scaled operators in a category which remains highly fragmented. Competitors include more than 1,000 independent salons, beauty operators and pharmacies offering piercing, typically as an ancillary service[52].

In addition to walk-in piercing customers, SkinKandy also offers an online channel which includes a custom-built appointment booking platform, specially designed to support a frictionless booking experience by linking customer demand to the capabilities of the rostered team members. In addition to facilitating piercing appointments, the online channel enables online sales of jewellery and aftercare products, contributing approximately 7% of fashion jewellery revenue in 1H FY26.

The Group's support office, located in Maroochydore, Queensland, provides centralised capabilities across operations, leasing, merchandising, marketing, technology, finance, store development, customer support (call centre) and compliance. These functions are led by an experienced leadership team with a track record in-store roll out and business expansion into new markets and geographies.

3.2 History

SkinKandy was founded in Queensland in 2010 by Mark Oliphant, who remains on the Board. In 2010, the Australian piercing industry was fragmented and without a recognised national leader. Mark identified an opportunity to build a national specialty retailer of piercing services and jewellery products focused on safety, hygiene and customer care standards.

From inception, the Company sought to exceed industry standards through team training, purpose-built stores with premium equipment and facilities, well defined processes, and a curated and comprehensive selection of high-quality fashion jewellery.

From its first store in Queensland, SkinKandy has expanded nationally in Australia through an agile store roll out strategy, entering New South Wales in 2016, Victoria in 2018, and Western Australia and the ACT in 2022, and Tasmania in 2025. The Company also entered New Zealand in 2024 and now operates 9 stores in this market[53].

48. On the basis of having the largest number of stores providing expert piercing services.
49. As at retail period ending December 2025.
50. As at retail period ending December 2025.
51. As at retail period ending December 2025.
52. Frost & Sullivan Report.
53. As at retail period ending December 2025.

Key milestones include the launch of the KandyClub loyalty program in 2017 and the introduction of an online store in 2019, enhancing customer engagement with the brand and allowing an omnichannel shopping experience, which improved customer awareness of the products and services offered and an ability to browse and shop from home. A custom-built online booking platform was also added to the website in July 2025 which now facilitates approximately 45% of piercing bookings.

The leadership team was strengthened in 2023 with the appointments of the current Chief Executive Officer (**CEO**), Dain Friis, and Chief Financial Officer (**CFO**), Carl Larzabal to improve systems, implement operational improvements and accelerate store network expansion.

Since June 2023, the Company has refined its product offering, developed a new store fit out format, expanded to New Zealand, materially improved margins and performance of the existing store network and has doubled the store network with the opening of 50 stores.

Figure 8: SkinKandy History

2010	2016	2017	2018	2019
Opens first store in Queensland	Opens first store in New South Wales SkinKandy reaches 100,000 jewellery pieces sold per year	KandyClub loyalty program was launched	Opens first store in Victoria	Whiteoak makes initial investment in SkinKandy Launches online store to broaden customer reach

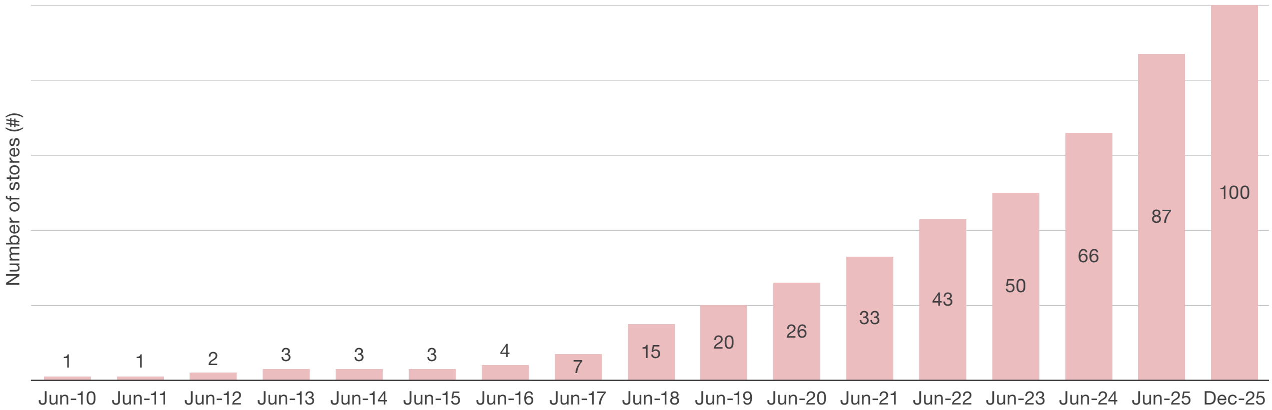
2020	2022	2023	2024	2025
Opens first store in South Australia	Opens first store in Western Australia and in ACT Whiteoak increases shareholding in SkinKandy	Current CEO, Dain Friis and current CFO, Carl Larzabal were appointed Founder Mark Oliphant became non-executive director	Expands outside Australia by opening two stores in NZ Enhances operational processes to support international growth	Opens first store in Tasmania (now operating across all states and territories in Australia) Begins expansion in NZ with 7 additional stores opened

3. COMPANY OVERVIEW CONTINUED

Figure 9 shows how SkinKandy has grown its store network over the last 15+ years, from a single store in 2010, to a current position of 100 stores[54].

Today, SkinKandy is a fast growing, nationally recognised specialist operator within the piercing and fashion jewellery market. It has achieved substantial scale in Australia and New Zealand and has capacity for further store roll out in ANZ and ambition to expand into new markets in the foreseeable future.

Figure 9: SkinKandy's store network



3.3 Product and service offerings

SkinKandy is a leading specialist provider of piercing services and piercing related jewellery and aftercare products. It has the largest number of stores providing full body piercing services in the ANZ market. A primary reason customers visit the stores is for SkinKandy's comprehensive range of piercing services. Piercings are carried out by trained piercers in purpose-built clinics in-store. SkinKandy's 15-year track record, specialised processes, services and products have helped establish SkinKandy as a brand that customers trust[55].

SkinKandy's service-led model is designed to provide customers with an efficient and enjoyable shopping experience in which they can feel confident in their choices. Central to the offering is providing customers with a specialised piercing service and product range that is safe, private, professional, efficient, engaging and represents compelling value for money.

SkinKandy's FY25 pro forma revenue was generated across three core product and service types: piercing services (52%), fashion jewellery (39%) and aftercare products (9%)[56].

Piercing services include both the service component and the sale of the piercing jewellery required to provision the service. Piercing services present a strong opportunity for cross-sell and upgrade; with many customers attaching aftercare product sales and upgrading to premium piercing jewellery. Follow-up piercing services, including change-over and downsizing appointments, are often booked at the time of providing a piercing service, support repeat visitation and create additional opportunities for jewellery sales, upgrades and additional piercings.

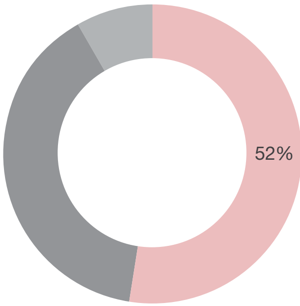
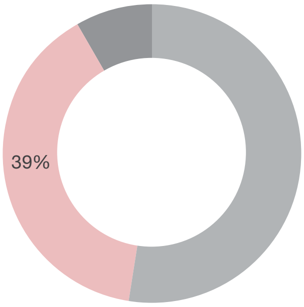
The combination of services and complementary product sales enables customers to receive a piercing(s), select jewellery and purchase aftercare products in a single visit.

All stores are Company operated, enabling SkinKandy to maintain consistent operational standards, training, compliance and customer experience. Centralised oversight of merchandising, pricing, marketing and inventory maintenance helps to drive operational efficiency and maintain execution and brand consistency.

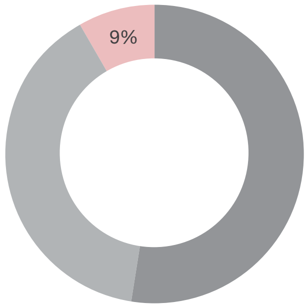
54. As at retail period ending December 2025.
55. Brand health tracking is undertaken by Tracksuit, with the current dataset reflecting surveys conducted in December 2025 and January 2026.
56. Approximate mix, based on FY25 pro forma revenue split referenced in section 4.7.1.

The Company's full product and service range is set out in Figure 10.

Figure 10: SkinKandy product and service range

CATEGORY	DESCRIPTION	% OF TOTAL FY25 PRO FORMA REVENUE	
Piercing services	Piercing services currently includes both the service component and the sale of the piercing jewellery required to provide the service. SkinKandy provides expert piercing services performed by trained and internally certified experts. Piercing is a core driver of customer engagement, with each service-inclusive transaction supporting both immediate and follow-on product attachment. SkinKandy offers a comprehensive service range, including: • Needle-free cartridge piercing for ears; and • Single-use needle piercing across ears, nose, body, face and advanced placements, covering over 45 piercing types. The brand's curated piercing jewellery selection includes: • 14k solid gold; • ASTM F136 implant-grade titanium; and • 316L surgical steel.	 	
Fashion jewellery products	SkinKandy offers a broad, piercing-led fashion jewellery range spanning both classic and trend-driven designs. This assortment supports impulse purchases and post-piercing upgrades, helping to grow a loyal customer base and strengthening overall store economics.	 	

3. COMPANY OVERVIEW CONTINUED

CATEGORY	DESCRIPTION	% OF TOTAL FY25 PRO FORMA REVENUE	
Aftercare products	SkinKandy provides a specialist aftercare range designed to support hygiene, healing and comfort following a piercing. These products are typically purchased at the time of service and help reinforce customer trust, optimise healing outcomes and encourage repeat engagement with the brand. Aftercare products offered include: • NeilMed aftercare spray – 75ml & 177ml; and • SkinKandy advanced aftercare – 100ml.		

3.4 People, Training and Culture

SkinKandy's people are central to its service-led model and brand reputation. The Company employs over 800 team members[57] across Australia and New Zealand, including over 750 trained piercers, as well as retail management, office team and Management. SkinKandy has a category specialised and internally trained retail workforce. In the store environment, SkinKandy does not distinguish between retail and piercing roles; all team members are piercers and are ongoing participants in SkinKandy's internal proprietary training program, SK Certified.

This workforce delivers a consistently high-quality customer experience across all stores, demonstrated by strong Net Promoter Scores (**NPS**)[58] result, underpinning SkinKandy's position as a trusted specialist piercing services provider.

Service consistency is maintained through a standardised training framework and measured internally through serviceability assessments, which track each team member's piercing knowledge, technical proficiency and safety compliance, and through store-level NPS feedback. These measures help ensure that customers receive the same high standard of skilled care and positive experience throughout the store network.

SkinKandy's performance is driven by store network, product range, and the capability and expertise of its frontline team. The Company invests in cultural alignment, structured training, safety leadership and career development to maintain standards as the store network expands.

Furthermore, based on the clinic service delivery environment, SkinKandy's network support structure differs from a traditional retail model whereby the area and regional level management of the stores also comprises a team dedicated entirely to the training, development and compliance of store teams. Referred to as Area/Regional/National Trainers, these team members are responsible for ensuring that SkinKandy's high level of consistency, training progression, compliance and serviceability of customer demand are maintained.

Employee engagement is further supported through annual conferences, leadership awards and ongoing seasonal incentives to motivate and reward the store leadership teams on key performance metrics and results. Additional ad hoc recognition and rewards to team members are made to recognise performance and contributions.

The foundation of SkinKandy is people. This was established by founder Mark Oliphant and is now advanced under the leadership of CEO Dain Friis, who brings more than 21 years of global retail leadership experience at director and executive levels. As former Chief Operating Officer of Lovisa, he played a key role in the brand's rapid international expansion, helping establish and scale operations across the United States, United Kingdom, South Africa, Asia and other global markets. His deep expertise across the full retail value chain and proven track record of executing large-scale growth initiatives provides SkinKandy with the operational capability and leadership experience required to scale its specialist workforce while maintaining service quality, safety standards and store-level performance.

57. As at retail period ending December 2025.
58. Net Promoter Score (NPS) is measured monthly.

3.4.1 Store employees

A typical SkinKandy store employs one full-time manager and, in some instances, an assistant manager. The remaining employees are employed on a part-time or casual basis, allowing the Company to adjust staffing levels to meet expected demand and higher volume sales periods. The Company has a history of promoting employees from internal positions.

Many current store leadership employees, regional and area trainers and managers have come from within the retail network. Management believes this practice helps promote the SkinKandy values and culture throughout the Company. Leadership employees undergo annual in-house leadership training designed to promote the SkinKandy culture. The in-store experience is also enriched by the Company's skilled, passionate and knowledgeable employees.

Most store employees are of a similar age and share similar interests as the target customer. This enhances the credibility, knowledge and relatability of employees to the target customer.

3.4.2 Support office employees

Employees at SkinKandy's support office are split across key functions, including leadership, retail operations, learning and development, compliance and risk, product and buying, finance, property, marketing and digital, human resources, technology and supply chain and distribution. They support the retail network and alleviate the need for in-store employees to handle administrative duties. The Company has in-house capability for most of its key business functions. Management believes this approach increases control over the SkinKandy experience and provides efficiency and accountability for financial results and customer outcomes.

3.4.3 Kultural Commitment

SkinKandy's culture is anchored in a clear set of values-based commitments that guide behaviour, customer experience and operational standards across all stores. These commitments are embedded through recruitment, onboarding, training and performance frameworks.

Figure 11: "Kultural" Commitments:

SkinKandy sells trust through standards and values-based cultural commitments

"Kultural" commitments

Set the Standard

High standards are not high enough for us!
We are industry leaders & masters of our craft.
We hold a healthy respect for presentation, product & process.

Always Chase the 1%

Good is the starting point, not the finish line.
We maintain a positive performance mindset & invest in continuous improvement to fuel passion & drive progression!

Champions of Safety

We take the wellbeing of our customers & our fellow squad seriously.
We don't cut corners or compromise on safety.
We take accountability & speak up – see it, flag it, fix it!

Own it!

Working together makes us a team but respecting each other makes us a squad. Communicate, be responsive, take ownership of our actions & support each other to get it done.

Legendary Service

We live to create unique experiences with every customer – every time. Their piercing and styling goals are our piercing and styling goals. We make it happen!

Free to Be

We're not afraid to have fun, celebrate individual style & share!
Infectious passion for what we do with our squad & customers – it's what makes us who we are!

Together, these cultural principles support high employee engagement, consistent service delivery and strong customer trust, which are critical to repeat visitation and brand advocacy.

3. COMPANY OVERVIEW CONTINUED

3.4.4 Training and certification programs for piercers

SkinKandy has developed structured, proprietary training programs designed to ensure consistent technical capability, safety compliance and customer care standards across all stores. Training is treated as a core investment in protecting the brand and supporting scalable growth.

The program is delivered over a professional and semi-custom software platform and has over 60 structured training modules covering clinical techniques, hygiene protocols, aftercare guidance, customer consultation, consent procedures and incident management. All SkinKandy piercers, except those in Tasmanian stores where requirements differ, currently hold a Maintain Infection Prevention (MIC) infection-control certification[59]. This demonstrates the Company's commitment to high safety and compliance standards.

All new piercers complete a staged induction and certification program before performing piercing services independently in-store. During this structured process, trainees are employed as retail team members, contributing to store operations while developing customer service capability, product knowledge and hands-on experience. The full program is outlined in Figure 12.

Figure 12: SkinKandy 'SK Certified' training and certification program

INDUCTION PHASE	INTERMEDIATE DEVELOPMENT	ADVANCED DEVELOPMENT
4 Weeks (1-star level)	3–4 weeks (2-star level)	12–24 weeks (3-star level)
• 2 weeks of theory and compliance, covering hygiene, regulatory requirements, infection control and service fundamentals. • 2 weeks of practical training, focused on foundational techniques and supervised service delivery.	• Supported in-store practical experience, increasing complexity and scope of the services able to be provided.	• Advanced practical capability building, assessment, and refinement of clinical technique. Further increase of complexity and scope of the services able to be provided.

The SK Certified program benefits from the following features:

- 15+ years of total industry operating experience
- Developed with consideration to operations across multiple skin penetration compliance frameworks
- Live training environment, currently delivering over 15,000 piercings per week
- Over 60 structured training modules, providing ongoing learning and aspirational skill acquisitions for employees

SkinKandy's fully cross-trained staffing approach means all certified piercers also perform retail responsibilities, ensuring flexibility, consistent service standards and a seamless customer experience.

SkinKandy's SK Certified program is designed to ensure that every piercer, regardless of location, meets the Company's clinical, safety and customer-experience expectations. Ongoing real-world training, in-store coaching and network-wide support ensure capability continues to strengthen over time, underpinning the reliability and scalability of SkinKandy's service-led model.

SkinKandy measures and reports piercing serviceability as a key operational performance indicator across its store network. The metric reflects the proportion of customer piercing demand that any given team member is certified to fulfil (**Piercing Serviceability**).

59. HLTINF005 Maintain Infection Prevention (MIC) for Skin Penetration Treatments is a nationally recognised unit of competency in Australia designed for professionals in industries involving skin penetration, such as tattooing, body piercing, cosmetic tattooing, and, in some cases, beauty therapies (e.g., skin needling).

Each piercer is assessed against SkinKandy's SK Certified program, which defines competency across the Company's 16 highest-volume piercing types. These 16 types are weighted by demand volume and represent the substantial majority of customer piercing transactions across the network.

The Company targets a minimum Piercing Serviceability score of 85% at the individual, store, and area Management level. An 85% score means a team member is certified to perform piercings that account for at least 85% of weighted customer demand. Performance against this target is monitored continuously and forms part of store and area Management accountability frameworks.

This metric provides visibility into workforce readiness, training compliance, and the Company's capacity to convert customer demand into completed transactions — a direct driver of revenue per labour hour and like-for-like revenue performance.

3.5 Differentiators

SkinKandy operates a specialist, services-led model that is differentiated from traditional jewellery and accessory retailers in the ways outlined in this section. The Company's competitive position is supported by a set of reinforcing advantages across people, infrastructure, brand, and operating framework, which together limit the ability of competitors to replicate and compete effectively without store network scale.

3.5.1 People and capability – specialist training across a large workforce

SkinKandy trains and qualifies its own expert piercers through a proprietary program, the SK Certified program, rather than sourcing trained staff from the external labour market. Training is delivered live and in-store, with team members developing practical piercing skills through supervised, real-world application across a high-volume environment.

The program operates across multiple state-based skin penetration regulatory frameworks and is structured around defined competency levels and career progression pathways. This enables SkinKandy to qualify multiple piercers per month, providing the trained workforce required to promptly open new stores while maintaining resilience against ordinary staff turnover.

The compounding advantage of this lies in its accumulation over time. Clinical piercing proficiency is built through volume and repetition, and SkinKandy's training infrastructure — including validated procedures, experienced supervisors, and years of high-volume practice data — represents a capability base that cannot be replicated through capital investment alone. A new entrant would need to build equivalent training volume, supervisor depth, and procedural refinement from scratch, a process that takes years rather than months.

3.5.2 Stores and clinic design – purpose-built environments

SkinKandy's store design is specifically designed to deliver safe piercing services in a way that can be rolled out at scale, with integrated jewellery sales and aftercare support. Stores feature a standardised, modular design that supports hygiene, sterilisation, privacy, and compliance requirements[60]. This format has been engineered for repeatability, allowing the Company to efficiently replicate compliant clinic environments as it expands its store network.

All stores in the network include compliant, purpose-built private clinics, and the store network is company operated, ensuring control over operating standards, service quality and adherence to the relevant health and safety requirements in existing markets. For competitors operating in standard retail formats, adapting existing tenancies to meet clinical, privacy and sterilisation requirements typically requires material store re-layouts, structural modifications (such as plumbing, waste and sink installation), creation of private treatment areas, and investment in compliant fixtures and processes. In addition, certain advanced piercings cannot be performed safely or legally at an open retail counter, limiting the services these operators can offer without clinical-grade rooms. These factors create a practical barrier to entry, increasing the cost, complexity and operational disruption associated with offering comparable services.

60. The Australian and New Zealand sterilisation standards and the Australian State skin penetration legalisations – see Section 2.5 of this Prospectus for further detail about the applicable legal and regulatory regimes.

3. COMPANY OVERVIEW CONTINUED

3.5.3 Brand authority and trust – category leadership and customer loyalty

SkinKandy has established itself as a category authority in piercing expertise, with a brand positioned as a trusted destination for safe, high-quality services. The Company's reputation is reinforced by high customer satisfaction, evidenced by consistently delivering NPS above 75. SkinKandy also benefits from the KandyClub loyalty program that provides customers with targeted benefits that encourage repeat engagement and long-term customer relationships. The program has more than 950,000[61] members[62] and is growing at approximately 20,000 – 25,000 new members per month through in-store and online sign-ups, supporting repeat visitation and engagement.

SkinKandy's brand is strongly associated with piercing services[63] by potential customers, benefiting from network density and in-market visibility that builds trust through physical presence and consistent service delivery. This operational visibility reduces reliance on traditional marketing channels, which has a cost benefit and reinforces the Company's position as the go-to specialist in the category.

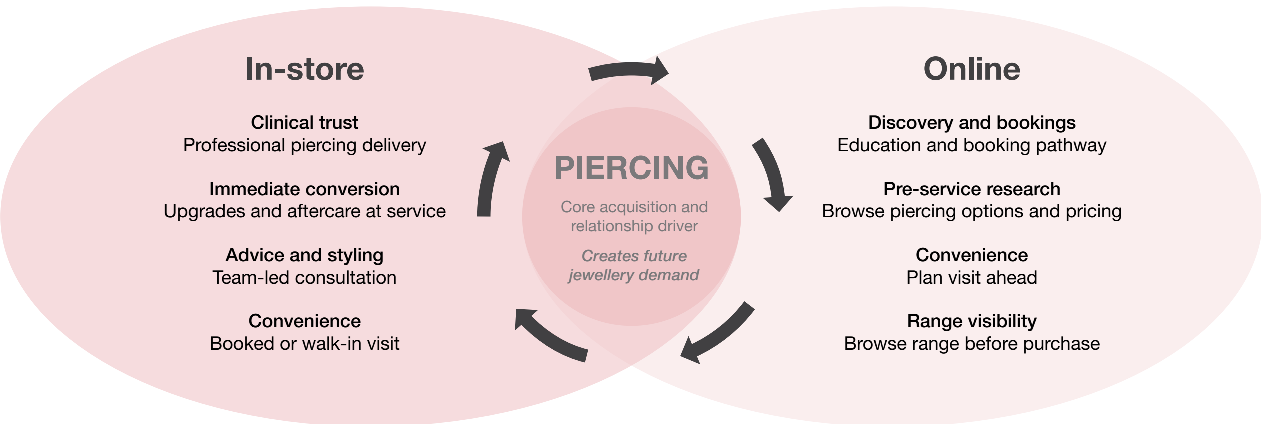
3.5.4 Piercing services are core to the business, supported by a comprehensive product range

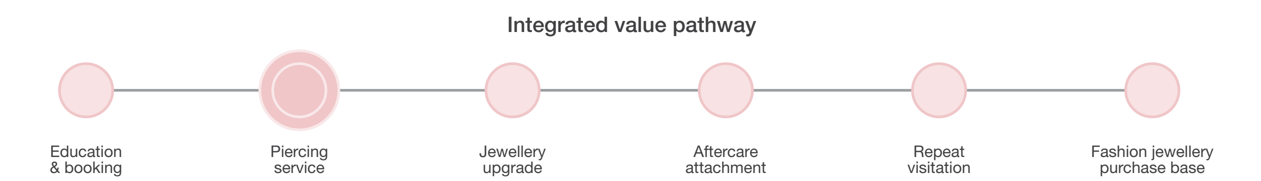
Piercing services sit at the centre of SkinKandy's operating framework, acting as a core driver of customer acquisition and engagement.

The business is structured around delivering safe, high-quality piercing services, with jewellery and aftercare products frequently attached to the service interaction. The Company's online channel is similarly service-led, with its website primarily focused on education and bookings rather than transactional product sales.

In 2025 the Company delivered more than 650,000 piercing services, demonstrating both the scale of operations and the centrality of piercing services to the customer relationship. SkinKandy's clinical delivery at scale differentiates the business from its competitors and drives reputation and trust. Competitors that treat piercing as an ancillary offering would need to redesign their store formats and layout, change team structures and re-architect their website to replicate piercing as the core offering. This creates a meaningful financial barrier to replication or imitation at scale.

Figure 13: Integrated service-led customer model



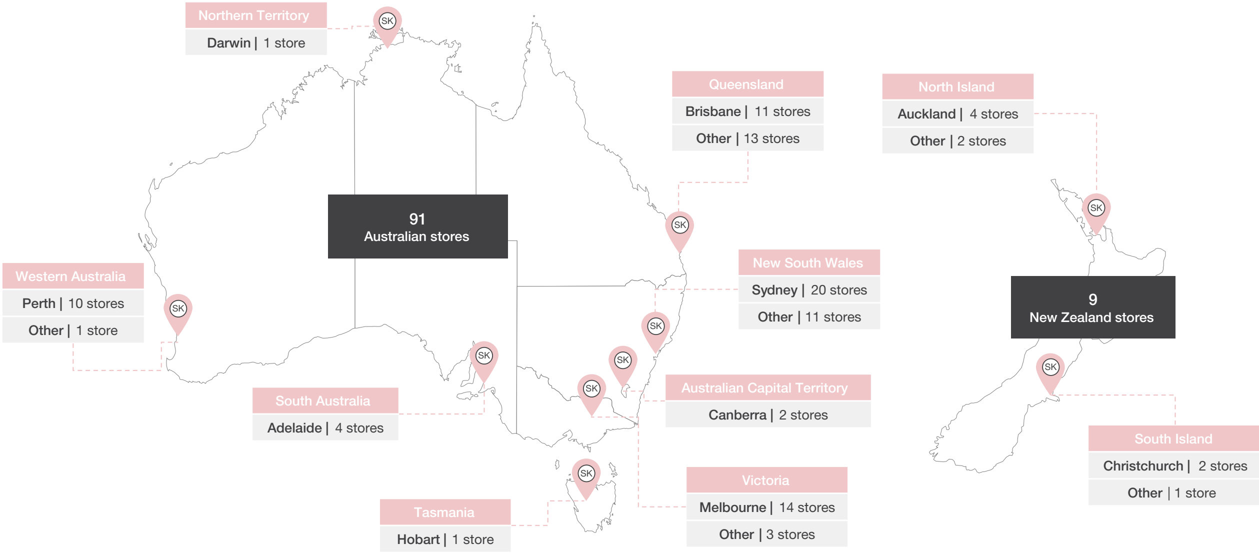


61. As at retail period ending December 2025.
62. Members refers to customers who have joined and are currently enrolled in the KandyClub loyalty program.
63. Brand health tracking is undertaken by Tracksuit, with the current dataset reflecting surveys conducted in December 2025 and January 2026.

3.6 Store network

SkinKandy operates 100 stores, comprising 91 in Australia and 9 in New Zealand[64]. All SkinKandy's stores are Company operated.

Figure 14: SkinKandy store network



3.6.1 Store design and fit out

SkinKandy stores typically have a compact, standardised modular design, ranging from 40 to 60 square metres (approximately 600 sq ft). Stores are located within high foot-traffic shopping centres, commonly positioned within fashion precincts and near food courts, to maximise visibility, footfall and customer engagement.

Each store includes dedicated clinical areas comprising approximately 35% of total store space, typically configured as two to three private, clinical-grade piercing rooms. These rooms are purpose-built having regard to compliance requirements and include hand-wash sinks, water and waste points, sharps disposal units, sterilisation equipment, clinical beds, privacy partitions and secure storage. This configuration provides a high-privacy, secure environment for piercing procedures. Store layouts are designed to deliver a guided, experiential journey from jewellery discovery through to delivery of the piercing services, increasing dwell time and customer confidence while reinforcing SkinKandy's clinical credibility.

The front-of-store environment showcases a broad fashion jewellery range, supported by a centralised Point of Sale (**POS**) and inventory management system that enables real-time performance visibility and consistent execution across the network.

SkinKandy's modular fit out systems enables rapid, repeatable store roll out while maintaining a consistent brand presentation. Fit out modules are typically procured in batch orders of approximately 10 to 20 stores at a time from China, driving material cost efficiencies, reducing lead times and support agile expansion capabilities.

Importantly, store design, clinical rooms, and operating procedures are developed to meet the relevant health, safety and regulatory standards across existing markets, with formats designed to be adaptable to common requirements in new jurisdictions as the company expands internationally. Compliance expectations vary by jurisdiction, and requirements for new markets would be assessed and validated prior to entry.

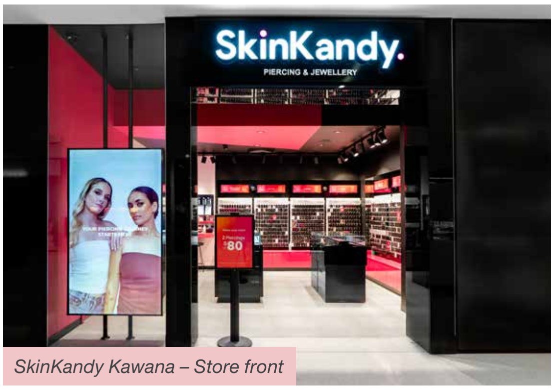
For competitors without clinical-grade environments, store re-layouts, structural modifications, installation of compliant fixtures and the need to meet privacy and procedural requirements can create meaningful practical barriers to offering similar services, particularly as certain advanced piercings cannot be performed legally or safely at open retail counters.

64. Store numbers are as at retail period ending December 2025.

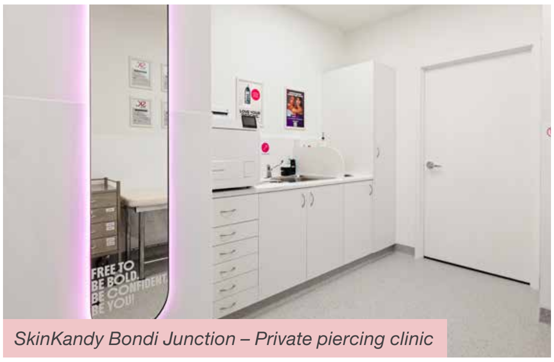
3. COMPANY OVERVIEW CONTINUED

Together, these elements form a standardised yet flexible framework that underpins SkinKandy's ability to scale efficiently, control capital costs, and maintain consistent clinical and brand standards across a growing store network. These elements are important for SkinKandy's expansion plans beyond current markets of operation. The most recent store design features elevated interior finishes focusing on customer journey, product presentation enhancement and operational efficiency.

Figure 15: SkinKandy typical store design

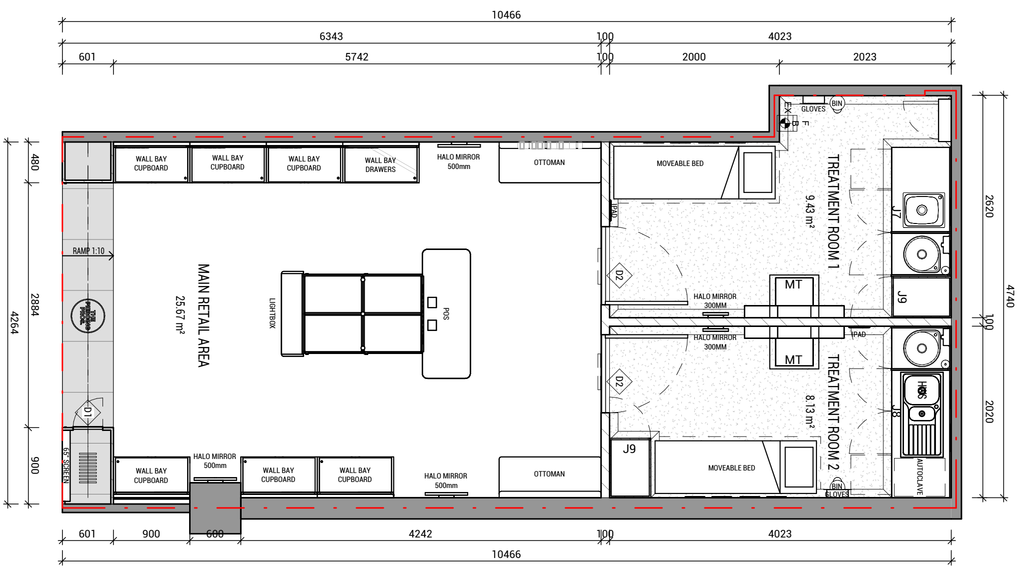


SkinKandy Kawana – Store front


SkinKandy Bondi Junction – Private piercing clinic

SkinKandy Cairns – Store front

Figure 16: SkinKandy typical store floor plan



3.6.2 Store-level economics

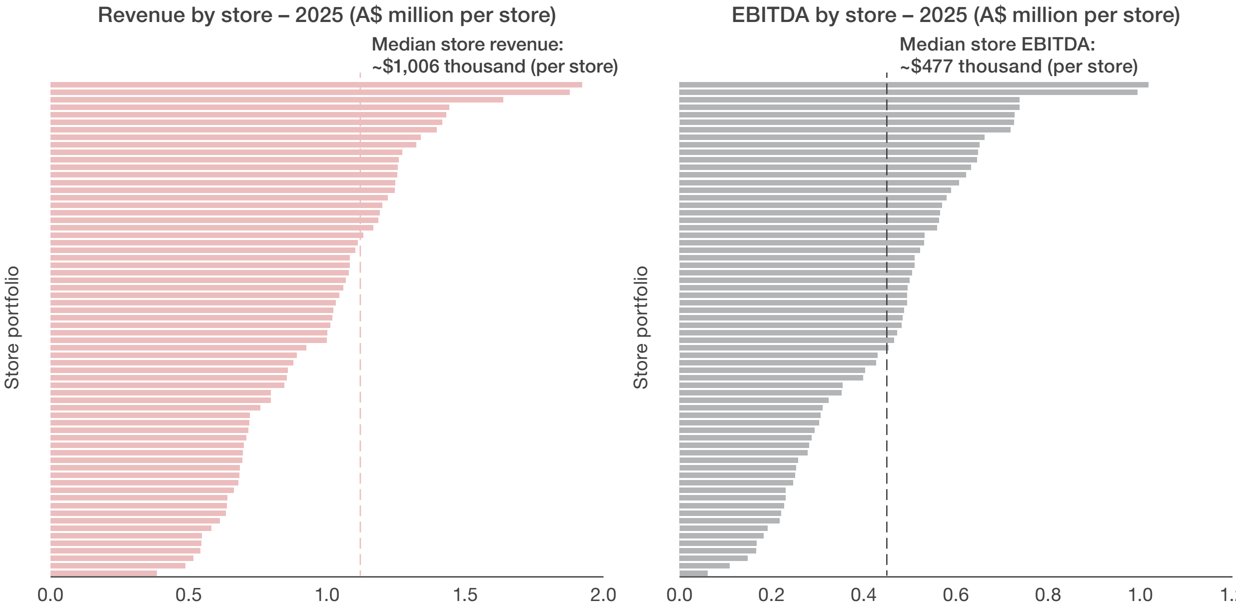
SkinKandy is underpinned by strong and improving store-level economics, reflecting the strength of its service-led retail model and disciplined operating framework. As evident in Figure 17, in 2025, SkinKandy's mature stores[65] delivered a median revenue of ~$1.01 million and a median Store-level EBITDA[66] of ~$0.48 million per store.

Store-level profitability is supported by several structural characteristics:

- **Services-led demand generation** – piercing services act as the primary traffic driver, creating consistent foot traffic and the opportunity for conversion to product sales
- **High-margin jewellery attachment sales** – in Management's experience, a significant proportion of customers purchase jewellery at the time of service, driving strong ATV and gross margins
- **Compact, efficient store design** – Stores typically operate within small, cost efficient, standardised footprints
- **Skilled labour** – SK certified piercers operate within a staffing structure that balances the customer experience, sale conversions with labour productivity
- **Standardised operating procedures** – Consistent training, hygiene protocols, and customer processes enable reliable service delivery and cost control across the store network

As stores mature, they typically operate at a higher revenue and margin levels, providing confidence in the earning capacity of more recently opened locations as performance improves over time. Store-level revenue and Store-level EBITDA have increased across successive store cohorts, demonstrating the scalability and transferability of the Company's operating model across geographies and retail environments.

Figure 17: 2025 | Mature Store Revenue and Store-level EBITDA by store[67]



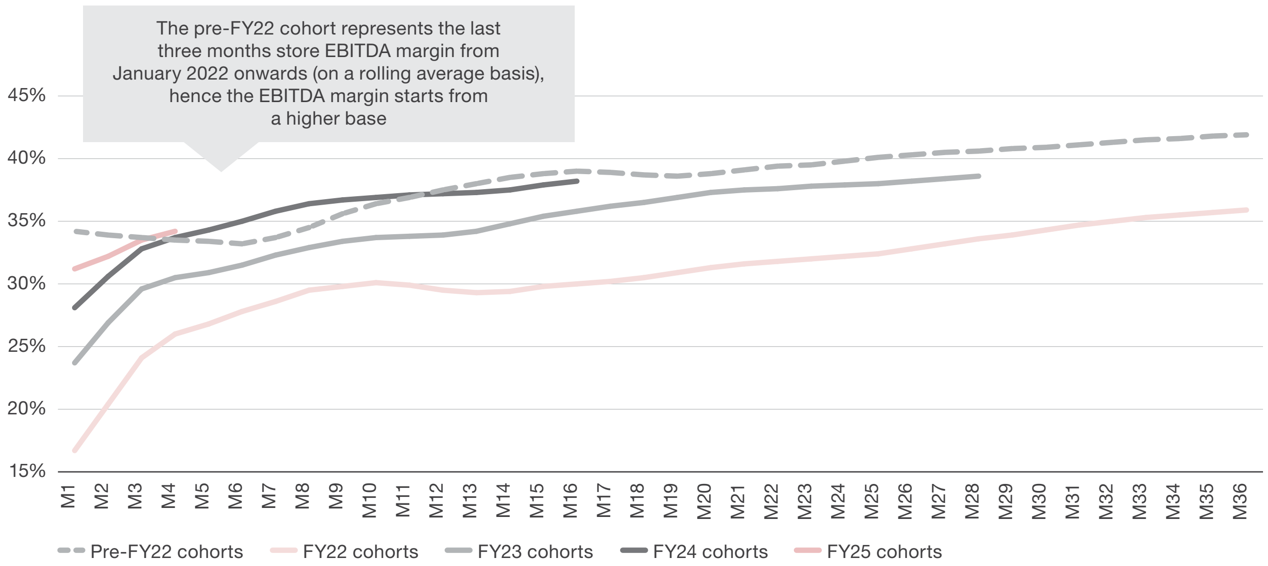
65. 2025 Mature Stores – Refers to stores opened prior to 29 June 2024, n= 66.
66. Store-level EBITDA represents earnings before interest, tax, depreciation and amortisation attributable to the operations of individual stores and is calculated on a pre-AASB 16 basis because it allows the rent expense impact on the P&L to be taken into account for this purpose. This is also how SkinKandy measures store level performance internally. Occupancy expenses, including fixed rent expenses, are recognised on an accrual basis. Centralised and retail area Management costs are not included in Store-level EBITDA and accordingly investors should note that store-level EBITDA is not a full measure of the profitability and earnings of SkinKandy, however it is a measure that is used by Management to assess store-level performance.
67. Store-level EBITDA represents earnings before interest, tax, depreciation and amortisation attributable to the operations of individual stores and is calculated on a pre-AASB 16 basis because it allows the rent expense impact on the P&L to be taken into account for this purpose. This is also how SkinKandy measures store level performance internally. Occupancy expenses, including fixed rent expenses, are recognised on an accrual basis. Centralised and retail area Management costs are not included in Store-level EBITDA and accordingly investors should note that store-level EBITDA is not a full measure of the profitability and earnings of SkinKandy, however it is a measure that is used by Management to assess store-level performance.

3. COMPANY OVERVIEW CONTINUED

3.6.3 Cohort performance

Figure 18, reflects an analysis of store cohorts which highlights a consistent and maturation profile that has repeated over the historical period. Stores have in Management's experience, had strong and generally predictable revenue and earnings growth in the first 12 months of trading, followed by a continued profile of steady growth supported by maturing customer volumes, margin expansion and operational efficiencies.

Figure 18: Cohort Store-level EBITDA margin[68]



The progression of store-level performance with the passage of time is driven by several factors:

- Robust like-for-like revenue growth;
- Gross margin expansion, driven by higher average sales prices and disciplined control of landed product costs;
- Disciplined approach to site selection and lease terms; and
- Operating expenditure (**OpEx**) efficiencies, underpinned primarily by performance management of the in-store team.

Like-for-like revenue growth has been heavily influenced by strong ATV growth over recent years, resulting from improvements in sales mix and spending behaviour, including the growing contribution of multiple piercings in a single session (increased basket size), premium jewellery upgrades and increasing aftercare attachment rates.

The combination of increasing transaction volumes and growth in ATV as a store matures has driven growth in-store contribution across multiple cohorts of new stores over their first three years of operation.

More recent store cohorts have launched at progressively higher initial Store-level EBITDA margin levels and have continued to improve over time. This reflects refinements in site selection, improved store layouts, enhanced training programs, and the application of the Company's increasingly systematised operating playbook. In addition, expanding national brand recognition combined with pre-opening local area marketing enhances the performance in the initial period post opening.

68. Store-level EBITDA represents earnings before interest, tax, depreciation and amortisation attributable to the operations of individual stores and is calculated on a pre-AASB 16 basis because it allows the rent expense impact on the P&L to be taken into account for this purpose. This is also how SkinKandy measures store level performance internally. Occupancy expenses, including fixed rent expenses, are recognised on an accrual basis. Centralised and retail area Management costs are not included in Store-level EBITDA and accordingly investors should note that store-level EBITDA is not a full measure of the profitability and earnings of SkinKandy, however it is a measure that is used by Management to assess store-level performance.

New stores have demonstrated strong profitability improvements in a relatively consistent timeframe, and with attractive and predictable incremental improvements in the years following opening. The initial performance level for each successive cohort has improved over time, providing Management confidence in the expected performance of further new store openings which are planned in ANZ.

3.6.4 Payback periods

SkinKandy's store roll out strategy is capital-efficient. Average net new store capital expenditure (**capex**) has reduced from ~$182,000 in FY23 to ~$162,000 in FY25, driven by increasing standardisation of store design, modular fit out formats, procurement efficiencies achieved through bulk ordering, maintaining landlord incentive amounts received at a relatively stable level and an experienced roll out team.

The Company's compact, standardised modular store and clinic design supports efficient replication and reduces construction complexity. These efficiencies are enabled by long-standing supplier relationships, scale purchasing and a well-established roll out process. While the design itself is compact and standardised, the speed, cost efficiency and consistency achieved are a result of accumulated operational experience. Store fit outs typically take three to four weeks, and continued network expansion has further systematised shorter delivery timelines and improved cost visibility.

Shorter payback periods enable internally generated cash flows from existing stores to be recycled into new openings, supporting a self-funded expansion. SkinKandy's store roll out has been funded from internal cash generation over the last 5 years.

The relatively low upfront capital requirement per store also reduces risk at the individual site level and provides greater flexibility in pacing new store openings. This combination of low capital expenditure intensity, fast payback, and repeatable performance underpins the scalability of SkinKandy's store network within existing markets.

Below, Management provide an estimate of a typical and expected FY26 payback, based on FY25 performance and estimated pre-store opening costs.

Figure 19: Typical new store capex, pre-opening investments and new store payback period[69]

ILLUSTRATIVE ANZ EXAMPLE (BASED ON HISTORIC AVERAGES IN ANZ)	$'000
Gross capex	250
Landlord contribution	(90)
Net capex	**160**
Inventory – Store	45
Inventory – Warehouse	23
Pre-store opening costs[70]	50
Total store investment	**278**
New Store-level EBITDA[71]	*240*
New store payback (total investment) (# months)	**13.9**

69. Defined and calculated as the months required for cumulative Store-level EBITDA (pre-AASB 16 basis) to recover initial net store capex, excluding inventory investment, trade creditors and other start-up costs and working capital investment, assuming no incremental central costs are required or allocated to support each new store. Where payback is calculated for a group/cohort of stores, the sum of all parts is used to calculate an aggregate total store investment and an aggregate first 12 months' Store-level EBITDA to ensure a weighted average is reflected in the calculation.
70. Pre-store opening costs are Management's estimates on the relevant average costs for FY26 and includes: $20,000 in initial training costs, $10,000 of lease commissions and legal fees, $10,000 of pre-marketing campaigns for the store and $10,000 of store set-up travel.
71. New Store-level EBITDA defined as additional average Earnings before interest, tax, depreciation and amortisation at the individual store level generated from opening of new store, calculated on a pre-AASB 16 basis, from its first 12 months of operation.

3. COMPANY OVERVIEW CONTINUED

While the above dynamics provide a strong foundation for agile expansion, the Company notes that entry into new markets, particularly those with higher fit-out costs, differing regulatory settings or longer payback periods, such as the United States, would require market-specific assessment and adaptation of the model in respect of capital requirements. Expansion into new regions which share demographic and cultural characteristics with Australia and New Zealand remains an opportunity but would be pursued cautiously based on validated unit economics.

3.6.5 Leasing, criteria, review, relationships

SkinKandy undertakes a robust site identification, due diligence, negotiation and roll out process. These new store opportunities arise from a combination of inbound and outbound engagement with landlords and their agents.

As specific sites become available, a business case is developed and site opportunities are assessed against target financial metrics and qualitative factors including risks and mitigants, capital allocation priorities, timing, centre changes, visibility within the centre, positive adjacencies and other market intelligence. Each site opportunity is also compared with other new site opportunities and the potential impact on existing stores in the SkinKandy network. Sites that meet these considerations are prioritised and negotiations with landlords are progressed.

3.7 Vertical retail model

SkinKandy operates a vertical retail model, meaning the Company manages key stages of the product development and service delivery lifecycle in-house. Most of SkinKandy's products are developed in-house and sourced from a well-established supplier base based primarily in Asia.

The SkinKandy product range is sold exclusively through its stores and online channel, with no marketplace listings or wholesale arrangements. This approach underpins SkinKandy's strong gross margins, differentiation in the market, and capacity to substantially control its market position and customer experience.

By maintaining control from product design and sourcing through to in-store piercing services and retail sales, SkinKandy can closely align product innovation, safety standards and inventory planning with its service-led customer proposition. This integrated structure enables a consistent customer experience and supports efficient, profitable growth.

3.7.1 Quality control and product standards

Product quality and material standards are fundamental to SkinKandy's brand, given the direct connection between its piercing services and the jewellery worn by customers.

The Company maintains oversight of material specifications, supplier processes and manufacturing standards to support the use of skin-appropriate materials suited to both new and healed piercings. Core jewellery ranges are produced using recognised and accepted industry standard materials, including 14k solid gold, ASTM F136 implant-grade titanium and 316L surgical steel, which are widely used in professional piercing environments due to their biocompatibility and durability. SkinKandy's piercing jewellery is professionally sterilised, predominantly at the point of manufacture, to meet sterility standards and requirements.

Centralised quality control procedures, including supplier monitoring, help ensure consistency across the range. Supplier monitoring covers adherence to agreed production and delivery timelines, the ability to develop new product samples in line with briefs, and compliance with required packaging and communication standards. This focus on safety, material integrity and product reliability reinforces customer trust, supports positive healing outcomes and differentiates SkinKandy from general fashion jewellery retailers.

3.7.2 Product innovation and range development

SkinKandy develops its own jewellery ranges, with the overwhelming majority of product designed, produced and sold under the SkinKandy private brand. This approach allows the Company to respond quickly to customer trends while designing products that remain appropriate for piercing.

Significant investment has been made in product development, sourcing capabilities and establishing deeper and more diversified relationships with supplier partners. Over the past three years, the merchandise planning, buying and product procurement team has expanded significantly, and now manages all aspects of buying, planning, pricing, designing, sourcing, quality control and merchandising of product. SkinKandy works closely with suppliers to develop and produce differentiated and quality jewellery and aftercare under its own private brand.

Range planning is informed by in-store customer feedback, sales performance data and global fashion influences. The typical product development cycle is approximately one to three months, with manufacturing taking one to three months and two weeks delivery to the Company's warehouse (see below), enabling the business to bring new designs to market in a timely and controlled manner.

The Company introduces new and refreshed product lines on a regular cadence, with new styles or range updates launched throughout the year. This consistent flow of new product is complemented by a stable core range of essential piercing jewellery, ensuring availability of high-demand foundational products alongside trend-led pieces. SkinKandy also retains the flexibility to accelerate reorders of strong-performing styles within approximately 5–6 weeks, supporting sales momentum and reducing missed demand on popular lines.

A key strength of the product architecture is the high proportion of stable core designs that are directly aligned to piercing services. These ranges do not change frequently, which supports operational simplicity, reduces fashion and obsolescence risk, and lowers markdown exposure relative to fashion-driven peers, while still allowing the range to be overlaid with seasonal and trend-led product. This combination of a reliable core assortment and curated newness provides a strong commercial foundation for SkinKandy. Owning the product development, product ranging and range architecture supports product exclusivity. Customer awareness and satisfaction with a stable core product range encourages repeat visitation and enables SkinKandy to align jewellery offerings with different stages of the customer piercing journey, from initial piercing jewellery through to fashion-driven upgrades as piercings heal.

3.7.3 Sourcing and supply chain

SkinKandy sources products through an established network of specialist manufacturers located in Asia, predominately in China, and the USA. These suppliers have capability in producing piercing jewellery to defined material and quality specifications. Direct supplier relationships enable pricing oversight, product consistency, and enhance process and product quality visibility.

Production is coordinated centrally by SkinKandy, allowing consolidated purchasing and scale efficiencies as volumes increase. Finished goods are transported to the Company's warehouse in Maroochydore, Queensland, where inventory is received, quality checked and allocated across the store network. Online orders are picked and dispatched from the Maroochydore warehouse. Due to the size of product ranged and sold by SkinKandy, the warehouse is relatively small at approximately 700 sqm of operational space.

From this central distribution point, product can be efficiently delivered to stores across ANZ, typically within a week. The Company's logistics operations are designed to scale, with the ability to support additional throughput as the store network expands in ANZ, and some capacity to support further expansion in the APAC region. Initial expansion efforts into new international markets (subject to the location, scale and specific logistical requirements) could also be supported in first instance from the Australian warehouse, where considered appropriate. Long term, some dedicated distribution capability will likely be required in each material region of scale. This centralised product design, procurement, inventory planning and distribution approach supports consistent product availability, enables coordinated range launches across the store network (and online) and ensures new stores can be stocked efficiently from opening. It also provides more control to adjust order volumes, product mix and shipping modes and replenishment in line with demand trends and store network expansion in ANZ.

SkinKandy currently sources from 17 suppliers across its combined piercing and carded jewellery ranges. The sourcing profile has diversified materially over the past nine months, with the largest supplier declining from approximately 55% in June 2025 to around 26% in March 2026. No individual supplier now represents more than 30% of spend. The top three suppliers collectively account for approximately 54% of total sourcing, down from around 71%, while the long tail of smaller suppliers represents roughly 46% of spend. This structural diversification has significantly reduced concentration risk, strengthened supply resilience and de-risked sourcing as the business continues to scale.

In most part, product arrives in Australia via air freight and is then distributed to stores and end customers via air and road freight and end-mile delivery partners.

3. COMPANY OVERVIEW CONTINUED

3.7.4 Inventory management

Inventory is managed centrally using sales data and product performance insights from across the store network. This enables SkinKandy to monitor the velocity of product sales, identify emerging trends and optimise stock allocation by store location.

Core, high-demand lines are supported by consistent replenishment, while new and trend-led styles are introduced in controlled quantities to test demand. This disciplined approach supports stock management, reduces excess inventory risk and limits markdown exposure.

Centralised inventory oversight also reduces the operational burden on in-store teams, allowing the store team to focus on customer service and quality piercing service delivery.

By controlling product development, sourcing, quality control, inventory management and retail execution in-house, SkinKandy captures the full retail margin while maintaining speed to market, exclusively branded product and a consistent and safety-led customer experience.

As the store network expands, larger product volumes enhance SkinKandy's purchasing power, enabling unit-cost efficiencies and improved supply-chain economics, including more favourable shipping and scale-based negotiations.

Diversifying the supplier base further strengthens cost and quality competitiveness between suppliers and supports the introduction of new product styles and materials.

Enhanced data from centralised sales systems also allows the Company to buy more accurately to match customer demand, optimising style mix, price points and replenishment cycles.

Collectively, these factors are expected to drive continued operating efficiencies, working-capital discipline, higher gross margins and improved sell-through as the network grows.

3.8 Customer proposition and engagement

SkinKandy is positioned as a trusted specialist brand in the piercing services and related products segment, serving a broad and growing customer base. The customer base is predominantly female, and customers span a wide age range. The comprehensive range of products and services offered is consistent with its position as a leading specialist in its category. Over half of all transactions do not include a piercing service, demonstrating the customer appeal of SkinKandy's product range and advice.

Repeat visitation is a core feature, underpinned by strong customer confidence in the Company's hygiene standards, team capability and safety practices coupled with expertise and a comprehensive product offering. SkinKandy's operating model is designed to meet the strict health and safety regulations governing skin-penetration services in ANZ.

SkinKandy attracts both first-time and repeat customers, with loyalty anchored in trust, personalised service, and a store-centric experience enhanced by digital discovery, education and online booking. Purchasing decisions are frequently emotion or milestone-driven, contributing to low deferral risk.

SkinKandy consistently achieves NPS above 75[72], demonstrating strong customer advocacy and brand trust.

72. NPS is measured monthly.

3.8.1 Customer segments

SkinKandy's customers fall into three primary segments:

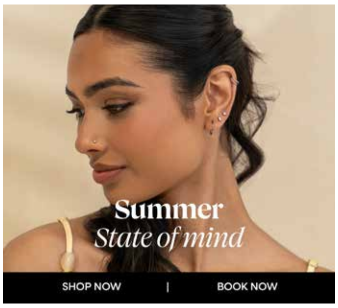
Advanced	Individuals for whom piercing is a key form of self-expression, often overlapping with tattoo culture. These customers seek advanced placements (e.g., dermals, industrials and curated ear projects), conduct extensive research, and place high value on safety, credentialed team and community credibility.	
Trend-Driven	Fashion-conscious customers, typically late teens to early 30s, who follow style trends for curated ear and body piercings. They engage heavily with visual and social media platforms, value aesthetic inspiration and prioritise a low-risk, high-trust experience. This segment supports strong demand for jewellery changes, styling upgrades and seasonal trends.	
First Timers	Parents and young customers seeking a safe and memorable first piercing experience, often marking milestones or celebrations. This segment places particular emphasis on reassurance, friendly service, clear communication and affordability. Digital content plays an important role in reducing anxiety, setting expectations and supporting informed decision-making prior to the store visit.	

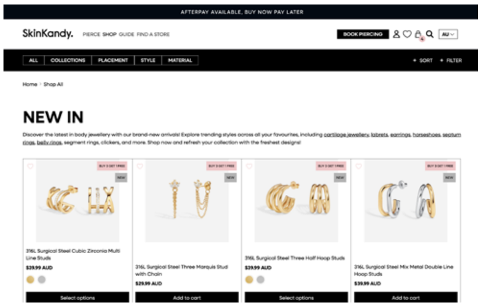
3. COMPANY OVERVIEW CONTINUED

3.8.2 Online channel capabilities

SkinKandy's online channel plays a central role in brand influence and customer acquisition. Approximately 45%[73] of all piercing bookings originate through the Company's online channel, supporting planned and intentional demand while improving team utilisation, scheduling efficiency and store throughput. Educational and inspirational digital content reduces friction for first-time customers, improves decision-making confidence and enhances conversion.

SkinKandy's online channel extends engagement beyond the in-store visit, allowing customers to locate stores, browse products and services, book appointments, and purchase jewellery and aftercare products for home delivery. The platform is also designed to improve clinical outcomes, with streamlined consent processes and post-service care guidance. In 1H FY26, approximately 7% of fashion jewellery revenue was generated through eCommerce. Management views the penetration of the eCommerce channel as an opportunity which is supported by findings from the Frost & Sullivan report[74], which estimates that online will account for approximately 20% of ANZ jewellery sales in 2025, increasing to around 24% by 2027. SkinKandy, whilst growing store network and further building a trust led reputation, is well positioned to capture this shift through loyalty activation, targeted digital marketing and expanding social reach.





3.8.3 Marketing and social media strategy

As of 31 December 2025, SkinKandy employed a team of nine employees across marketing and digital functions. The team is responsible for all marketing and digital capabilities working across both online and physical stores. The marketing and digital team manages the content production, photo shoots, social media channels, Electronic Direct Mail (**EDM**), search engine marketing and production of all in-store point-of-sale marketing materials. This team has the primary responsibility of building and managing the eCommerce capabilities of the Company.

Significant investment has been made to expand the capabilities of the marketing and digital team over recent years. SkinKandy takes a holistic approach to marketing across its various channels and customer engagement points. Most marketing activities are designed to benefit bookings for piercings and all sales channels rather than one channel in isolation. The Company's marketing is digitally led, with significant emphasis on the use of personal mobile devices such as smartphones.

Management believes that SkinKandy spends materially less on paid advertising than most fashion or service-based retailers. The Company places a large emphasis on organic and unpaid advertising to generate sales. Where money is spent on advertising, the focus is on generating an attractive and sustainable return on investment. As such, most of the advertising spend of the Company is incurred on search engine marketing, paid social media marketing, influencer marketing and EDMs rather than traditional formats such as TV and radio.

73. For the one-month retail period ending December 2025.
74. Frost & Sullivan Report.

As illustrated in Figure 20, SkinKandy's marketing activity is structured around a defined set of pillars and a coordinated approach designed to attract new customers, support repeat visitation and strengthen brand advocacy. The framework outlines how SkinKandy uses its online channels, personalised engagement and loyalty-led initiatives to drive efficient customer acquisition and support engagement throughout the customer journey. This structured approach underpins the Company's ability to generate sustained demand across both services and product categories and reinforces SkinKandy's position as a trusted provider within the piercing market.

Figure 20: SkinKandy's marketing approach

<table>
<tr><td>Vision</td><td colspan="12">"To be the global leader in piercing experiences."</td></tr>
<tr><td>Marketing Pillars</td><td colspan="4">Growth</td><td colspan="4">Market Leadership</td><td colspan="4">Elevated Customer Experience</td></tr>
<tr><td>What is SkinKandy known for?</td><td colspan="12">Premium Piercings. End to End. Delivering trusted, specialist piercing services supported by clinical standards, a curated jewellery range and a fully integrated customer journey.</td></tr>
<tr><td rowspan="2">Marketing Strategy</td><td colspan="3">Customer experience at our core</td><td colspan="3">Personalisation at Scale (Data-Led)</td><td colspan="3">Brand & Emotional Connection Drives Value</td><td colspan="3">Loyalty as a Growth Engine</td></tr>
<tr><td colspan="3">SkinKandy focuses on delivering consistent, frictionless and confidence-building journeys across in-store and digital channels. Enhanced systems strengthen reliability, service quality and customer trust.</td><td colspan="3">SkinKandy focuses on tailoring engagement using customer insights, enabling relevant recommendations, lifecycle-based communications and improved repeat visitation.</td><td colspan="3">SkinKandy focuses on building deeper affinity through education, community and self-expression, supporting brand differentiation and long-term advocacy.</td><td colspan="3">SkinKandy focuses on leveraging its large loyalty base to drive efficient acquisition, repeat purchasing and higher share of wallet through targeted rewards and omnichannel engagement.</td></tr>
</table>

3. COMPANY OVERVIEW CONTINUED

3.8.4 KandyClub – Loyalty program and customer databases

In 2017, SkinKandy launched its KandyClub loyalty program. Membership in the KandyClub loyalty program exceeds 950,000[75] members and has been growing at 20,000 to 25,000 members monthly (on average over recent months), reflecting large-scale customer engagement and providing SkinKandy with a valuable owned marketing channel.

The KandyClub loyalty program is designed to increase customer engagement by delivering personalised, time-based rewards that prompt members to return at key moments in their piercing journey. With annual birthday and anniversary discounts driving repeat visits, and a downsizing discount encouraging responsible aftercare and in-store follow-ups, the program strengthens long-term relationships and encourages purchase frequency. Additional educational content, exclusive offers and competitions enhance member participation and keep customers connected to the SkinKandy brand throughout the year.

SkinKandy collects and uses customer data to deliver services and personalise experiences. Data is stored securely and handled in accordance with applicable privacy laws. Members can manage communication preferences at any time.

3.8.5 Customer journey and experience

The shaping of SkinKandy's typical customer journey forms a core component of the Company's customer engagement strategy. It is designed to drive repeat visitation, high customer satisfaction and advocacy and generate repeat purchase opportunities across both services and product categories.

SkinKandy's customer journey is best understood through two complementary lenses: the channel through which a customer enters the business, and the nature of the service or product they seek. These two dimensions shape the engagement model, the upsell pathway, and the future/repeat visitation for each customer journey.

Journey 1: Online vs In-Store

Regardless of the entry point into the SkinKandy ecosystem, the customer journey ultimately converges in-store. Online channels primarily support demand generation and conversion, while in-store experience underpins trust, premium product attachment and long-term customer relationships. Together, these channels operate within an integrated model that supports ongoing customer re-engagement.

75. As at retail period ending December 2025.

Journey 2: Piercing vs Jewellery

The nature of the initial transaction influences the customer's relationship value path. The piercing journey creates a structured, clinically driven re-engagement cycle with scheduled return visits, while the healing journey promotes repeat visitation. The jewellery-only journey provides a lower-barrier entry point with strong repeat purchase potential, and also provides a meaningful opportunity to convert the customer into one who joins the piercing journey, where unit economics increase.

1. Piercing Journey		2. Fashion Jewellery Journey
Book appointment or walk in *Online – Call Centre – In-store*	converts ⟶	Walk in *In-store*
Piercing consultation *Placement – Style – Material*	⟵ converts ⟶	Browse range *In-store or online*
Piercing jewellery selection *85% of customers upgrade to titanium/14k gold*	⟵ converts ⟶	Purchase jewellery *Surgical steel – Titanium – 14k gold*
Piercing service *Piercing clinic – Aftercare sold*	⟵ converts ⟶	KandyClub enrolment *Loyalty – Communication*
Downsize (after 6-8 weeks) *Healing check – Post shortening/Jewellery swap*	⟵ converts ⟶	Repeat purchase *Fashion cycles – Gifting*
Jewellery changeover + repeat purchase *Fashion refresh – New piercings*	⟵ converts	Converts to piercing *Service upsell pathway*

3.9 Property and lease portfolio

SkinKandy's typical lease term is five years. Leases generally do not contain embedded options to extend. The Company selectively targets well established metro centres, regional, sub-regional and super-regional shopping centres where long-term tenancy is viable, subject to store performance forecasts and location fundamentals.

The Company's lease portfolio is diversified across a broad range of institutional landlords, with Scentre Group accounting for approximately 28% of total lease exposure and no other individual landlord representing more than approximately 13%. This distribution aligns with the Company's strategy of operating within dominant regional shopping centres while maintaining a balanced level of landlord concentration risk. Management maintains strong working relationships with centre owners and has demonstrated a consistent ability to renew leases in locations that meet internal return hurdles, including sales density, Store-level EBITDA contribution and occupancy cost ratios.

Leases typically include fixed annual rental escalations of agreed fixed percentage amounts or CPI-linked increases (with an agreed premium above the CPI). In a significant portion of leases for new stores in shopping centres, landlords have made a capital contribution to the store fit out cost (or have provided some other form of lease incentive).

In certain cases, turnover-based or percentage rent mechanisms may apply, typically when a store performs exceptionally well.

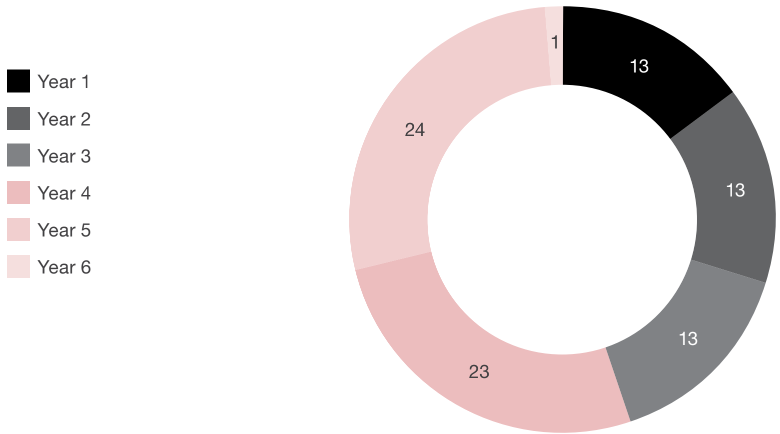
Prior to lease commitment, each new store is assessed against strict capital allocation criteria, including target occupancy cost-to-sales ratios, minimum four-wall EBIT thresholds and defined cash payback periods.

Management believes leasing conditions remain supportive for specialty retailers that drive foot traffic, enhance centre mix and customer experience. The business has secured, or is negotiating to secure, the new stores it is forecast to open for the remainder of FY26.

The Company actively manages its lease maturity profile to avoid material clustering of expiries in any one period of a financial year. Lease renewals, relocations and refurbishments are assessed systematically to optimise portfolio quality and sales productivity and catchment profitability.

3. COMPANY OVERVIEW CONTINUED

Figure 21: Lease Expiry Profile (by number of stores as at FY25 year-end)



3.10 Information technology systems

SkinKandy utilises a suite of information technology (**IT**) systems to support its operational, administrative, and customer-facing functions. These systems are central to the efficiency, scalability, controls and governance of the business, and consistency of the customer and employee experience at SkinKandy. The IT system architecture is designed to enable Management to monitor processes and performance, communicate with store teams, optimise store operations, and provide a seamless customer experience.

SkinKandy primarily relies on a range of third-party licensed applications to operate the business, including its enterprise resource planning system (**NetSuite**), along with other platforms supporting key functions such as finance, inventory management, reporting, eCommerce, workforce rosters and loyalty. SkinKandy also utilises proprietary IT systems and applications; those of which are material to the business are a custom booking engine and digital consent form solution, which together form a core part of the customer journey and in-store workflow, along with a data lake which supports both reporting/analysis frameworks and the transfer and transformation of data between systems.

IT capabilities support key functions including appointment booking, Customer Relationship Management (**CRM**), inventory control, reporting and analytics, eCommerce, loyalty program management and cybersecurity risk. These systems allow the Company to monitor performance in real time, make data-driven decisions, and maintain operational discipline across the network.

By centralising these capabilities, SkinKandy can scale the business efficiently, support compliance of clinical and retail standards and enhance the omnichannel customer journey from discovery to post-service engagement.

3.11 Growth

SkinKandy has a clearly defined growth strategy focused on three pillars:

- expanding its store network across Australia and New Zealand;
- improving store-level unit economics while continuing to invest in its online channel; and
- entering new international markets.

Figure 22: Growth Strategy overview

Strategy	1. EXPAND NETWORK ACROSS AUSTRALIA AND NEW ZEALAND	2. IMPROVE STORE UNIT ECONOMICS AND CONTINUED INVESTMENT IN THE COMPANY'S ONLINE CHANNEL	3. ENTER NEW INTERNATIONAL MARKETS
Drivers of Strategy	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
Overview	• Further expand the ANZ store network – Potential for a 180 to 210 store network across Australia and New Zealand, supported by population density, centre quality and proprietary demand data. • Proven roll out capability and processes with a track record of delivering on average 15 to 20 new stores openings per annum with consistent execution. • Site selection – Data-driven network planning that balances new territory acquisition with cannibalisation risk and optimal unit economics.	• High portion of the existing store network is in the early ramp-up phase, with the further maturing of these stores expected to drive revenue growth and margin expansion at the store network level. • Premiumisation and repeat visitation – Focus on premium jewellery and aftercare, alongside service add-ons, to drive higher multi-item transactions, increasing ATV. • Digital and capability enablement – Investment in team capability, CRM and data-led marketing is enhancing conversion and piercer productivity, while supply-chain optimisation scalable margins as the business grows.	• Targeted market entry – focus on priority international markets where the business model is most relevant and operationally executable. • Agile sequencing and phasing – Flexible global roll out with timing guided by unit economics, site availability, organisational capacity and macro considerations. • Incremental growth opportunity – International expansion offers significant scale-up opportunity layered onto a strong ANZ foundation.

3. COMPANY OVERVIEW CONTINUED

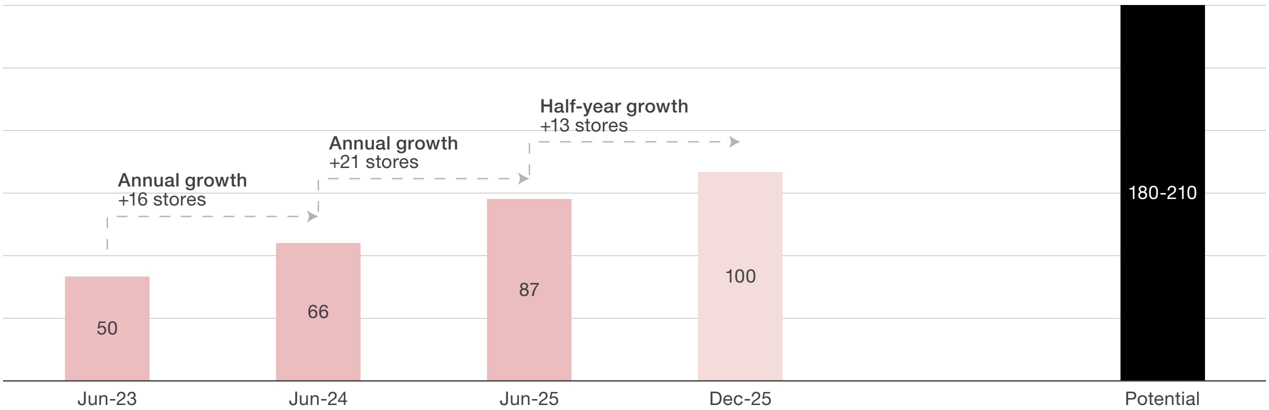
3.11.1 Expand network across Australia and New Zealand

SkinKandy has established a consistent track record of network growth, underpinned by scalable internal systems and standardised processes across site selection, design, construction and store launch. Store openings are supported by a modular fit-out format that allows efficient and flexible deployment in shopping centres, regional hubs, strip malls and high street locations.

Site selection is governed by a data-driven framework that evaluates local population density, centre quality, competitive landscape, demographic alignment and potential cannibalisation. This approach is supported by centre-level trading data, catchment analysis and shopping-centre performance metrics, improving forecasting accuracy and reducing roll out risk.

In the two and a half years to December 2025, SkinKandy has opened 50 new stores and has proven a capacity to successfully open 15 to 20 new stores per annum on average. SkinKandy is forecast to open 21 new stores in FY26F (including the 15 stores opened year-to-date to the end of Q3 FY26) and has a store roll out program in place to support the opening of 15 to 20 new stores per annum over the near term.

Figure 23: Australia and New Zealand store roll out network



SkinKandy sees a long-term network opportunity of 180 to 210 stores across Australia and New Zealand, highlighting the significant remaining growth opportunity in both markets and the scale of the Company's future growth runway. Management have conducted a detailed analysis of the qualified enclosed-centre universe across ANZ, which shows that SkinKandy remains underpenetrated within the shopping-centre universe. This includes relatively low penetration in key growth regions such as Victoria, Western Australia, South Australia and the North Island of New Zealand.

Management estimates the Australian market can support approximately 165 to 180 stores, with New Zealand offering capacity of 15 to 30 locations, based on comparable demographic and certain comparable high performing centre characteristics.

Management has demonstrated a consistent track record of opening performing stores across a range of varied market conditions in ANZ. Management expects to prioritise consistent fiscal and risk disciplines and plans to maintain a long-term mindset in relation to new store openings and lease renewal terms.

3.11.2 Improve store unit economics and continue eCommerce

3.11.2.1 Improve store unit economics

The Company's strategy to enhance store-level unit economics centres on driving like-for-like revenue growth, increasing ATV and expanding gross margins across the existing store network. A significant portion of the existing store base remains in the early ramp-up phase, providing a natural runway for lifecycle-driven revenue and contribution margin expansion as these stores mature. This maturity profile supports a clear pathway to sustained improvement in network profitability.

Key commercial initiatives include:

- **Product optimisation and premiumisation:** Continued expansion of premium and higher-margin jewellery ranges is elevating brand perception while supporting structurally higher gross margins. This is reinforced by increased direct sourcing of both carded and pre-sterilised jewellery, regular range refreshes to encourage repeat visitation, and the development of exclusive, higher-quality in-house developed and sourced product lines.
- **Increasing transaction value:** Bundling and trade-up strategies, enhanced aftercare products, and higher-value service add-ons are designed to increase attachment rates, drive multi-item transactions, increase customer satisfaction and grow ATV. Management is consistently trialling and refining how price and value are communicated to customers as a means of growing ATV and improving customer satisfaction.
- **Repeat visitation:** SkinKandy's business model generates structurally embedded repeat visitation across multiple distinct drivers. The piercing lifecycle creates a predictable, clinically recommended return cadence: the majority of new needle piercing requires a downsize appointment typically within six to eight weeks of the initial service, followed by a jewellery changeover appointment upon full healing, each of which presents a high-intent retail opportunity. Beyond the piercing lifecycle, regular jewellery range refreshes — spanning new materials, seasonal styles and exclusive in-house product lines — drive discretionary repeat visits from both piercing and jewellery customers. Aftercare product replenishment provides a further recurring purchase occasion, reinforcing in-store engagement through the healing period. These visit drivers are augmented by KandyClub, the Company's loyalty program, which deepens customer engagement through targeted communications, trend-driven content and incentivised return mechanisms, extending the repeat visitation relationship beyond any single service or purchase occasion.
- **Stronger in-store authority and brand presentation:** Ongoing improvements to product presentation, visual merchandising and range architecture to reinforce that SkinKandy has category leadership and seek to improve conversion.
- **Team capability and productivity uplift:** Advanced, proprietary training programs are continuing to elevate the piercing skillset in each store, bolster infection control standards and product knowledge, and launch new customer engagement techniques.
- **Building our performance and customer-oriented culture:** A structured coaching culture, performance reviews and internal development pathways are strengthening cross-selling behaviours. Importantly, uplift in team serviceability directly increases the number of piercing bookings a store can perform, driving higher revenue productivity per team member. As a result, there remain further gains to be realised from continuing to develop and upskill the existing workforce.

These commercial levers are reinforced by operational initiatives such as booking engine enhancements to improve utilisation, supply-chain optimisation to support margin and availability, and data-driven rostering to align labour with peak demand. Strong cohort performance and short payback periods highlight the repeatability of the model and the ability to scale profitability alongside network growth.

3. COMPANY OVERVIEW CONTINUED

3.11.2.2 Continued investment into online channel

Management will continue to invest in the online channel as recent investments in this area have resulted in improved customer engagement, more frequent use as the preferred channel of booking and growth of eCommerce revenue. The online channel is an established and meaningful channel for the business, currently accounting for approximately 45% of total bookings. Management believes there remains further opportunity to enhance both revenue generation and customer engagement through this channel. The Group's objective is to continue optimising its online platform to support in-store traffic, improve customer education, and strengthen the integration between digital engagement and the in-store experience.

Key digital initiatives currently underway include:

- Website UX enhancements to streamline navigation, reduce friction, and improve online conversion.
- Optimisation of shipping thresholds to better balance fulfilment efficiency with customer satisfaction.
- Enhanced booking and customer consent processes that integrate more seamlessly with store operations, improving conversion from online engagement to in-store piercing services.
- Targeted CRM and data-led marketing, using proprietary transaction and demographic data to drive repeat visitation, personalised offers and stronger customer retention.
- Expanded social media investment across platforms such as Instagram, TikTok and Facebook to strengthen brand visibility, audience growth and new customer acquisition.

These initiatives are complemented by the continued expansion of the loyalty customer base and growing data capabilities, enabling more effective promotion design, performance tracking and customer lifecycle management. Together with store roll out and ongoing improvements in-store operations and supply chain efficiency, these digital investments help maintain quality and consistency of service and operations as the business grows.

3.11.3 Enter new international markets

SkinKandy's international expansion strategy is underpinned by the Company's proven operational framework, attractive store-level economics, and expertise in scaling retail store networks.

Having successfully expanded across Australia and New Zealand using a methodical and risk-aware roll out approach, and with the deep experience of Management, the Company intends to use the learnings to expand into select international markets.

3.11.3.1 Target market selection

SkinKandy has identified priority international markets based on strong customer demand for piercing services, favourable demographic trends, and well-established shopping centre and specialty retail environments suited to its compact, services-led store design. The Company also focuses on markets with fragmented competitive landscapes, where a scaled specialist operator could profitably build market share and develop a meaningful presence in the context of the market (or sub-market, e.g. state) and a strong financial contribution in the context of the Company as a whole.

This market selection approach is supported by direct executive experience in international specialty retail roll out. SkinKandy's CEO, Dain, had a leadership role in Lovisa's rapid global expansion, helping establish and scale store networks across the United States, United Kingdom, South Africa and multiple Asian markets. This experience provides practical insight into target market evaluation, entry sequencing and store network development across diverse retail and consumer environments.

Based on these factors, the United States, United Kingdom and South Africa represent priority markets for future expansion.

The United States represents the most advanced international opportunity for SkinKandy. Management have identified specific markets and catchments in the USA they see as more conducive to an initial entry platform.

In addition, Management have identified a range of positive indicators and attributes in this market, including;

- strong underlying demand for piercing services, including complex piercing;
- favourable demographic trends aligned with the Company's core youth and young adult customer base;
- a large and fragmented competitive landscape;
- established and familiar retail property infrastructure;
- no established market leader or insurmountable competition;
- English speaking, stable rule of law and acceptable sovereign risks; and
- acceptable tax and regulatory regimes.

SkinKandy intends to enter selected international markets through an initial metropolitan store cluster in a specific sub market, applying its phased expansion playbook to validate local market dynamics, refine operating procedures, and establish local leadership capability and evidence of financial performance of stores before progressing to broader regional expansion.

The USA is the most advanced market in terms of scoping. Management have also identified the United Kingdom and South Africa as attractive potential entry markets since they have many of the same attributes set out above and certain others that have relative appeal compared to the USA.

In each of these potential entry markets, Management see that the combination of factors together provide scope for a scaled specialist operator to emerge as a category leader.

In progressing any international expansion, SkinKandy will adopt an agile approach. The timing and execution of entry will be dependent on the alignment of attractive sites, commercially viable leasing outcomes, and the operational capability and skillset required to support a scalable roll out.

SkinKandy will remain agile and will only advance where these elements are in place and Management has confidence in delivery.

The Company is also aware of broader macro-economic and changing global market conditions and will only enter new markets when operating environments are believed to be acceptable taken as a whole. This approach provides the flexibility to pause, adjust or pivot market entry sequencing should commercial, operational or external factors change, ensuring risk is appropriately managed and capital is deployed prudently.

3.11.3.2 Phased roll out strategy

SkinKandy has developed a market development framework to guide entry into each new international market. This framework provides a structured pathway from initial market testing through to national scale, ensuring that expansion is driven by validated performance, operational control and prudent capital deployment.

The staged approach enables SkinKandy to refine its framework early, prove scalability in targeted regions and replicate strong unit economics before expanding more broadly.

3. COMPANY OVERVIEW CONTINUED

Figure 24: SkinKandy market development framework

ENTRY	EARLY EXPANSION	SCALE EXPANSION	LONG TERM SCALE
Validate market fit	Prove regional scalability	Replicate proven economics	Agile national roll out
During the entry phase, SkinKandy plans to establish an initial cluster of approximately two to five stores within a high-demand metropolitan region, with site selection focused on locations offering strong foot traffic, favourable demographics, and proximity to major retail centres. This stage is designed to build early brand awareness through cluster density, activate local digital channels to support customer acquisition, and embed core operating procedures, staffing, and training standards. Proximity between stores also supports efficient recruitment, hands-on training, and strong operational oversight as the Company refines its model for the local market.	Following validation of store performance and operating metrics, expansion will extend into adjacent cities and premium retail centres. This phase confirms repeatability across sites while strengthening local leadership capability and landlord relationships.	Once unit economics are consistently demonstrated, SkinKandy will expand into additional cities or regions within the country. Expansion is focused on geographic proximity to maintain service quality, training standards and operational efficiency.	Over time, expansion into secondary regions will be pursued selectively, guided by proven track record metrics and capital discipline rather than fixed store targets. This approach ensures brand standards, service quality, and unit economics remain protected as network density increases.

3.11.3.3 Execution capability and operating advantage

Management has established deep knowledge of the largely non-seasonal fashion jewellery and piercing category recognising it as an increasingly globalised category (in developed economies). Management notes that the counter seasonality of ANZ relative to the northern hemisphere is less relevant in jewellery and piercing than observed in most other fashion related categories of retailing.

Management observe that popular culture trends in western markets are broadly observed to be transferable in the jewellery and piercing category. Management believe that the major fashion trends in jewellery and piercing apply to its offering in ANZ and other priority expansion markets and will support its appeal of SkinKandy's product and service offering in selected international markets (i.e. the category trends observed in ANZ are similar to those observed in North America, Europe, South Africa and the UK).

SkinKandy's ability to succeed in selected international markets is supported by real market knowledge and established landlord relationships.

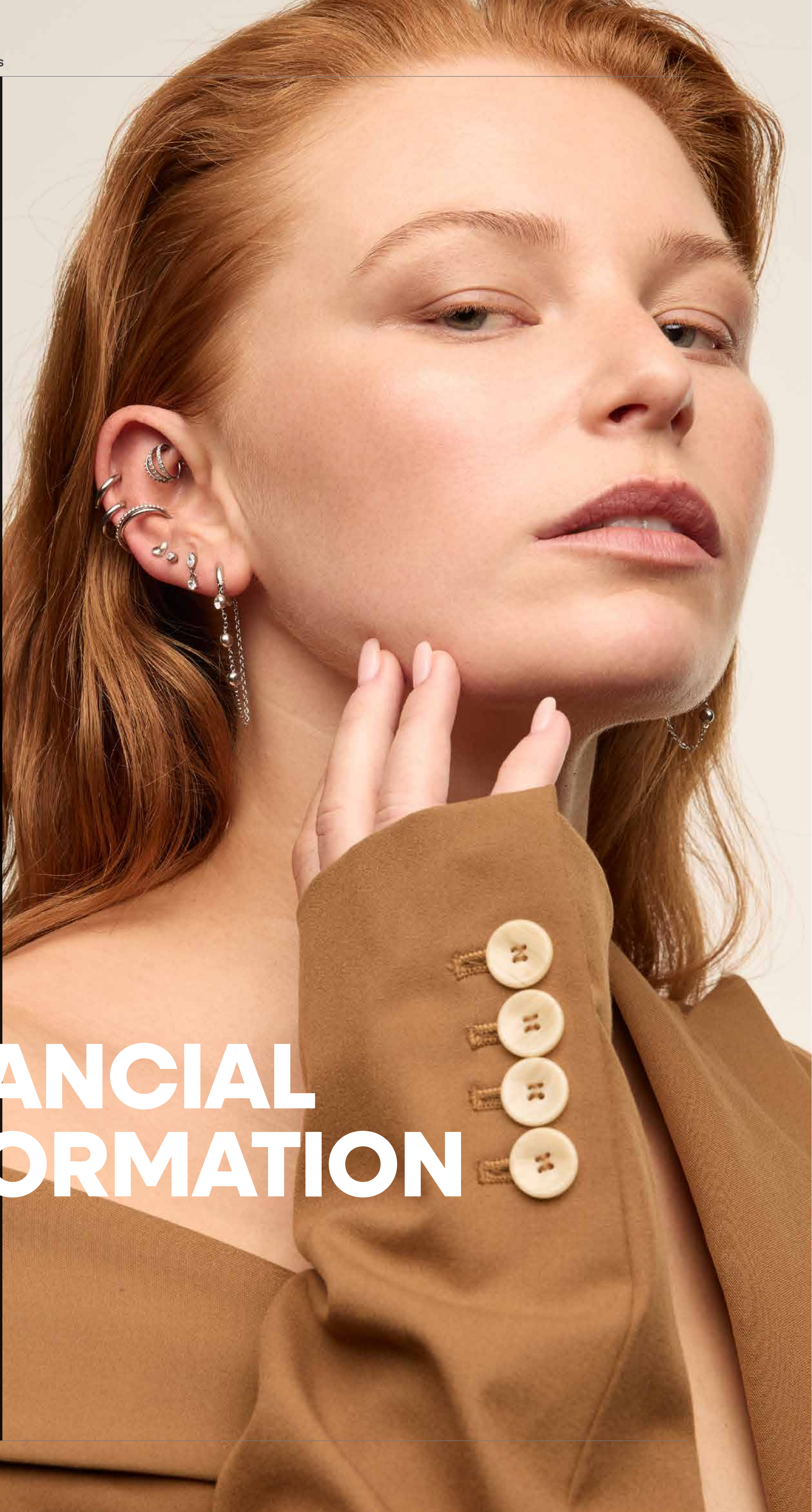
These factors are expected to yield a pipeline of opportunities in these markets and reduce the risk of erroneous site selection and specifically improve access to the desired initial store clusters on reasonable terms to facilitate initial market entry.

SkinKandy plans to combine access to sites with localised in-market execution coupled with proven centralised systems and processes.

SkinKandy has a range of other capabilities that will support the execution of the international expansion strategy, including:

- learnings from trained clinical teams and processes in ANZ;
- established training frameworks that support consistent service quality and compliance;
- a comprehensive product range curated to complement its wide range of piercing services;
- scale in ANZ to provide buying power to support product procurement at costs to support price competitiveness;
- a scalable and capital-efficient store design with short ramp-up periods; and
- established governance and operating standards.

Together, these capabilities provide a strong foundation for replicating SkinKandy's proven ANZ success in selected international markets.



4. FINANCIAL INFORMATION

4. FINANCIAL INFORMATION

4.1 Overview of Financial Information

The financial information for SkinKandy contained in this Section 4 includes:

- historical consolidated financial information for the financial years ended 1 July 2023 (**FY23**), 29 June 2024 (**FY24**), 5 July 2025 (**FY25**), and the six month periods ended 4 January 2025 (**1H FY25**) and 3 January 2026 (**1H FY26**); and
- forecast consolidated financial information for the financial year ending 4 July 2026 (**FY26F**).

Table 1: Summary of Financial Information in this Section 4

	STATUTORY FINANCIAL INFORMATION	PRO FORMA FINANCIAL INFORMATION
Historical Financial Information	**Statutory Historical Financial Information** includes the: • statutory historical consolidated statements of profit or loss for FY23, FY24, FY25, 1H FY25 and 1H FY26 (**Statutory Historical Income Statements**); • statutory historical consolidated statements of cash flows for FY23, FY24, FY25, 1H FY25 and 1H FY26 (**Statutory Historical Cash Flows**); and • statutory historical consolidated statement of financial position as at 3 January 2026 (**Statutory Historical Statement of Financial Position**).	**Pro Forma Historical Financial Information** includes the: • pro forma historical consolidated statements of profit or loss for FY23, FY24, FY25, 1H FY25 and 1H FY26 (**Pro Forma Historical Income Statements**); • pro forma historical consolidated statements of cash flows for FY23, FY24, FY25, 1H FY25 and 1H FY26 (**Pro Forma Historical Cash Flows**); and • pro forma historical consolidated statement of financial position as at 3 January 2026 (**Pro Forma Historical Statement of Financial Position**).
Forecast Financial Information	**Statutory Forecast Financial Information** comprises: • statutory forecast consolidated statements of profit or loss for FY26F (**Statutory Forecast Income Statements**); and • statutory forecast consolidated statements of cash flows for FY26F (**Statutory Forecast Cash Flows**).	**Pro Forma Forecast Financial Information** comprises: • pro forma forecast consolidated statement of profit or loss for FY26F (**Pro Forma Forecast Income Statement**); and • pro forma forecast consolidated statement of cash flows for FY26F (**Pro Forma Forecast Cash Flow**).

The Historical Financial Information and the Forecast Financial Information defined in the table above together form the **Financial Information**.

SkinKandy operates on a weekly retail calendar, with reporting periods ending on a Saturday. Accordingly, SkinKandy's financial year end can vary such that financial periods can be either 52 weeks or 53 weeks. FY25 was a 53-week period, whereas FY23, FY24 and FY26F are 52-week periods. In addition, 1H FY25 was a 27-week period whereas 1H FY26 was a 26-week period.

SkinKandy reports on a June financial year basis (subject to the weekly retail calendar), and the Financial Information in this Section has been presented in accordance with this.

4. FINANCIAL INFORMATION CONTINUED

This Section 4 also includes:

- a summary of the basis of preparation and presentation of the Financial Information (refer to Section 4.2);
- an explanation of certain non-IFRS financial and operating measures (refer to Section 4.2.4);
- the pro forma adjustments to the Statutory Historical Financial Information and Statutory Forecast Financial Information (refer to Section 4.3.2, 4.4.1 and 4.5.2);
- a summary of key financial and operating metrics (refer to Section 4.3.3);
- a summary of SkinKandy's net debt position before and following Completion of the Offer (refer to Section 4.4.2);
- a summary of SkinKandy's banking facilities and a summary of SkinKandy's lease commitments as at 3 January 2026 (refer to Section 4.4.4 and 4.4.5);
- details of SkinKandy's liquidity, capital resources and indebtedness (refer to Section 4.4.3);
- the Directors' best estimate general and specific assumptions underlying the Pro Forma Forecast Financial Information (refer to Section 4.6);
- detailed Management discussion and analysis of the Pro Forma Financial Information (refer to Section 4.7);
- an analysis of the key sensitivities in respect of the Pro Forma Forecast Financial Information (refer to Section 4.10); and
- a summary of SkinKandy's proposed dividend policy (refer to Section 4.11).

The Pro Forma Historical Financial Information and Forecast Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagement involving Fundraisings and/or Prospective Financial Information* by the Investigating Accountant, whose Limited Assurance Investigating Accountant's Report is contained in Section 8. Investors should note the scope and limitations of that report.

The information in this Section 4 should also be read in conjunction with the risk factors in Section 5 and other information contained in this Prospectus, including the summary of material accounting policies in Appendix A.

All amounts disclosed in this Section 4 and the Appendices are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest $100,000. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in tables or figures contained in this Prospectus are due to rounding. Amounts translated from foreign currencies have been converted at the average exchange rate over the relevant period (for the income statements and statements of cash flows) and at the exchange rate as at the reporting date (for the statement of financial position).

4.2 Basis of preparation of the Financial Information

4.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information. The Financial Information is intended to present potential investors with information to assist them in understanding the underlying financial performance, cash flows and financial position of SkinKandy.

The Statutory Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

SkinKandy currently manages its operations as a single business operation and there are no parts of its business or geographies that currently qualify as a reportable segment under AASB 8 *Operating Segments*.

The Pro Forma Financial Information has been prepared in accordance with the measurement and recognition principles of the AAS issued by the AASB, which are consistent with IFRS issued by the International Accounting Standards Board and SkinKandy's material accounting policies summarised in Appendix A. This Prospectus presents the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information on a consistent basis, other than that it includes adjustments which have been prepared in a manner consistent with AAS, reflecting the impact of certain transactions as if they occurred from 3 July 2022 for income statement and cash flow items or as at 3 January 2026 for items impacting the financial position.

Section 4.2.4 describes certain non-IFRS financial and operating measures that SkinKandy uses to manage and report on its business that are not defined under or recognised by AAS or IFRS.

4.2.2 Preparation of Historical Financial Information

The Statutory Historical Financial Information has been extracted from SkinKandy's annual reports for FY23, FY24, FY25 and SkinKandy's interim reports for the half year to 1H FY26. The statutory financial statements included within the annual reports have been audited by KPMG (partnership) who issued unmodified audit opinions in respect of these periods. The statutory financial statements included within the interim report have been reviewed by KPMG (partnership) who issued an unmodified review conclusion in respect of this period.

The Pro Forma Historical Financial Information has been prepared for the sole purpose of inclusion in this Prospectus and has been derived from the Statutory Historical Financial Information outlined above.

The pro forma adjustments applied to the income statements and cash flows are as described in Section 4.3.2 and Section 4.5.2. In particular, pro forma adjustments have been made to reflect the following:

- incremental costs associated with being a publicly listed company, including ASX and share registry fees, Board and governance costs, incremental director and officer insurance D&O policy costs, incremental audit, tax, legal and compliance related costs;
- net impact of incremental employee remuneration arrangements aligned with the fixed, short-term and long-term incentives for key management personnel (**KMP**) going forward;
- removal of transaction costs in relation to the Offer;
- removal of the 53rd week trading in FY25 and the 27th week trading in 1H FY25, representing 1 week of trading in July 2024;
- removal of the accelerated vesting of share based payments (in relation to the Legacy MEP) during FY26F and at Completion of the Offer (refer to Section 6.6 for more information);
- removal of non-recurring income recognised on release of historical provisions pertaining to the loyalty scheme which expired in November 2024;
- reversal of superannuation guarantee late charges and associated interest payments recognised in the statutory financial statements for 1H FY26 and allocation of these costs into historical periods to the extent they were incurred in each respective period; and
- net impact on the tax expense based on the statutory tax rate applicable in each period.

Investors should note that past results are not a guarantee of future performance.

The Pro Forma Historical Statement of Financial Position is derived from the Statutory Historical Statement of Financial Position, and is adjusted to reflect the following pro forma adjustments:

- the impacts of the Offer, including the primary raise and costs of the Offer which are apportioned between the income statement and ordinary equity (as an offset);
- recognition of deferred tax assets in respect of Offer costs deductible over future periods;
- adjustments in relation to the wind up of the legacy management equity plan (**Legacy MEP**) and repayment of part of the Shareholder Loans associated with KMP shareholdings (Refer to Section 6.6 and Section 9.5 for more information); and
- changes to the capital structure which have occurred since 3 January 2026 including the dividend that will be paid to the Existing Shareholders prior to the Completion of the Offer and the proceeds received from the issue of shares to certain Non-Executive Directors prior to Completion of the Offer.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of SkinKandy's future financial position.

4. FINANCIAL INFORMATION CONTINUED

4.2.3 Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The Pro Forma Forecast Financial Information reflects the full-year impact of the operating structure that will be in place upon Completion of the Offer, and excludes costs and non-recurring items related to the Offer that are not expected to occur in the future.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all best estimate general and specific assumptions when taken as a whole to be reasonable as at the Prospectus Date. However, this information is not factual and potential investors are cautioned not to place undue reliance on the Forecast Financial Information.

The Forecast Financial Information has been prepared by the Directors based on an assessment of present economic and operating conditions and on a number of best estimate general and specific assumptions regarding future events and actions as set out in Section 4.6 the Forecast Financial Information is subject to the risk factors set out in Section 5. This information is intended to assist potential investors in assessing the reasonableness and likelihood of the assumptions occurring but is not intended to be a representation that the assumptions will occur. The Forecast Financial Information has been reviewed by KPMG Financial Advisory Services (Australia) Pty Ltd but has not been audited. Investors should note the scope and limitations of the Limited Assurance Investigating Accountant's Report on the Pro Forma Historical Financial Information and Forecast Financial Information (refer to Section 8).

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on SkinKandy's actual underlying financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside of the control of SkinKandy, the Directors and Management and are not reliably predictable.

Accordingly, none of the Directors, Management or any other person can give potential investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. The Forecast Financial Information should be read in conjunction with the best estimate general and specific assumptions as set out in Section 4.6, the sensitivities as set out in Section 4.10, the risk factors set out in Section 5 and other information in this Prospectus.

The Directors have no intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Due to its nature, the Pro Forma Forecast Financial Information does not represent SkinKandy's actual or prospective financial performance or cash flows.

4.2.4 Explanation of certain non-IFRS financial and operating measures

SkinKandy uses certain measures to manage and report on its business that are not recognised under AAS. These measures, which are presented in accordance with ASIC Regulatory Guide RG 230 *Disclosing Non-IFRS Financial Information*, are collectively referred to as **"non-IFRS financial measures"**.

Non-IFRS financial measures are intended to supplement the measures calculated in accordance with AAS and not as a substitute for those measures. SkinKandy believes that the presentation of these measures facilitates a more comprehensive analysis of its underlying performance, and that these measures provide useful information to users in measuring the financial and operating performance and the present financial position, and in making comparisons with industry and market peers.

It should be noted that these non-IFRS financial measures do not have a prescribed definition under IFRS and the method that the Company uses to calculate them may be different to methods adopted by other companies to calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non-IFRS financial measures included in the Prospectus.

In the disclosures in Section 4, SkinKandy uses the following non-IFRS financial and operating measures:

- **LFL Revenue Growth** represents the percentage change in revenues generated by stores in a relevant period, compared to the total revenues from the same stores in the prior corresponding financial period. A store is included in SkinKandy's LFL Revenue Growth calculation after it has been trading for both the full comparative and current period. Stores relocated in the same shopping centre remain in the LFL calculations. By way of example, a LFL store in the FY26 LFL calculation would reflect all stores that were opened prior to July 2024;
- **Number of stores** is presented based on the number of stores operational as at each period end date, excluding the online store (unless otherwise stated);
- **ATV (physical stores)** refers to average transaction value and is calculated as the total physical store sales (exclusive of GST) divided by total physical store transaction volumes for that period;
- **Physical store transaction volume** is equal to the total number of transactions from physical stores;
- **Gross Profit** is calculated as revenue less cost of sales;
- **Gross Profit Margin** refers to Gross Profit divided by revenue, expressed as a percentage;
- **EBITDA** is calculated as profit or loss before interest income, interest expense, interest on the lease liability recognised under AASB 16 *Leases*, income tax expense, depreciation and amortisation;
- **EBITDA margin** refers to EBITDA divided by revenue, expressed as a percentage;
- **EBIT** is calculated as profit or loss before interest income, interest expense and interest on the lease liability recognised under AASB 16 *Leases* and income tax expense. Management uses EBIT margin as a measure to evaluate the profitability of the overall business;
- **EBIT margin** is calculated by dividing EBIT by revenue, expressed as a percentage;
- **Working Capital** mainly comprises inventories, prepaid expenses, employee liabilities, trade payables and accruals;
- **Operating cash flow** is EBITDA after adjusting for non-cash items including share based payment expenses on the Legacy MEP and movements in provisions and changes in working capital. Income tax expense is deducted in the presentation of operating cash flow set out in this prospectus. Operating cash flow assists management's understanding of the cash flow generation of the business prior to capital expenditure and financing cash flows (the latter including lease payments under AASB 16 *Leases*);
- **Operating cash flow conversion** is defined as operating cash flow above prior to the inclusion of interest income and income tax expense divided by EBITDA, and expressed as a percentage. The ratio is used by Management to monitor how profit turns into cash and therefore interest income and income taxes are excluded from the calculation; and
- **Net capital expenditure** includes spending on new store fit outs (including relocations), existing store refurbishments and non-store capital expenditure including investments in the online store, support office and warehouse, net of amounts of any capital lease contributions within the respective financial period.

4. FINANCIAL INFORMATION CONTINUED

4.3 Historical and forecast income statements

4.3.1 Overview

Table 2 sets out the Pro Forma Historical Income Statements for FY23, FY24 and FY25, and the Pro Forma Forecast Income Statement for FY26F.

Table 2: Pro Forma Historical and Forecast Income Statements

A$ MILLIONS	NOTES	PRO FORMA HISTORICAL			PRO FORMA FORECAST
		FY23	FY24	FY25	FY26F
Revenue	**1**	**38.6**	**51.7**	**70.1**	**88.7**
Cost of sales	2	(4.8)	(5.6)	(7.3)	(9.5)
Gross profit		**33.9**	**46.0**	**62.8**	**79.2**
Salaries and employee benefits expenses	3	(18.3)	(23.2)	(31.3)	(39.3)
Occupancy expenses	4	(0.8)	(1.5)	(1.7)	(2.3)
Distribution expenses	5	(0.3)	(0.4)	(0.6)	(0.9)
Other expenses	6	(5.0)	(7.9)	(11.8)	(13.1)
EBITDA		**9.4**	**12.9**	**17.5**	**23.5**
Depreciation and amortisation	7	(4.4)	(5.5)	(7.6)	(10.1)
EBIT		**5.0**	**7.5**	**9.9**	**13.4**
Finance income	8	0.1	0.2	0.3	0.1
Finance costs	9	(0.5)	(0.7)	(1.0)	(1.3)
Profit before income tax		**4.6**	**7.0**	**9.2**	**12.3**
Income tax expense	10	(1.2)	(2.2)	(2.8)	(3.7)
Net profit after tax		**3.4**	**4.8**	**6.4**	**8.6**

Notes: Refer to Table 6 which sets out the pro forma adjustments that have been applied to the Statutory Income Statements.

1. Revenue comprises sales from the provision of piercing services, the sale of fashion jewellery and aftercare products, and includes both store revenues and non-store (online) revenues. Other revenues which in FY23 and FY24 included certain government subsidies have been offset against other expenses and are considered not material.
2. Cost of sales relates to the cost of jewellery, other consumables, packaging and inbound freight that are part of the products sold.
3. Salaries and employee benefits expenses includes salaries, wages, bonuses, share based payments, and other employment related costs (e.g. annual leave, long service leave and superannuation contributions).
4. Occupancy expenses include variable lease payments (turnover rent) and outgoings related to leased rental properties, both stores and corporate head office.
5. Distribution expenses reflect both distribution related to eCommerce sales as well as internal distribution related to the movement of product available for sale from the warehouse to stores.
6. Other expenses include consultancy and professional fees, software and service subscriptions, consumables and other administrative costs. Other income of $0.7 million in FY23 and $0.2 million in FY24 has been netted off against other expenses and largely related to government subsidies received.
7. Depreciation and amortisation consists of depreciation of property, plant and equipment, amortisation of intangible assets and depreciation of right-of-use assets under *AASB 16 Leases*.
8. Finance income includes interest earned on cash deposits.
9. Finance costs predominantly include interest on lease liabilities accounted for under *AASB 16 Leases*.
10. Income tax represents the income tax expense in respect of the income generated in each period from the application of the pro forma effective tax rates across Australia and New Zealand, being approximately 25% in FY23 being the Base Rate Entity corporate tax rate and 30% in subsequent periods.

Table 3 sets out the half year Pro Forma Historical Income Statements for 1H FY25 and 1H FY26.

Table 3: Pro Forma Historical Income Statements for half year reporting periods

A$ MILLIONS	NOTES	PRO FORMA HISTORICAL	
		1H FY25	1H FY26
Revenue	1	**35.0**	**45.1**
Cost of sales	2	(3.6)	(4.9)
Gross profit		**31.3**	**40.2**
Salaries and employee benefits expenses	3	(15.4)	(19.1)
Occupancy expenses	4	(0.8)	(1.1)
Distribution expenses	5	(0.3)	(0.5)
Other expenses	6	(5.4)	(6.6)
EBITDA		**9.5**	**12.9**
Depreciation and amortisation	7	(3.6)	(4.7)
EBIT		**5.9**	**8.3**
Finance income	8	0.2	0.1
Finance costs	9	(0.5)	(0.6)
Profit before income tax		**5.6**	**7.7**
Income tax expense	10	(1.7)	(2.3)
Net profit after tax		**3.9**	**5.4**

Notes: Refer to Table 2 and the associated notes.

4. FINANCIAL INFORMATION CONTINUED

Table 4 sets out the Statutory Historical Income Statements for FY23, FY24 and FY25, and the Statutory Forecast Income Statement for FY26F.

Table 4: Statutory Historical and Forecast Income Statements

A$ MILLIONS	NOTES		STATUTORY HISTORICAL		STATUTORY FORECAST
		FY23	FY24	FY25	FY26F
Revenue	1	**38.6**	**51.7**	**71.8**	**89.0**
Cost of sales	2	(4.8)	(5.6)	(7.4)	(9.5)
Gross profit		**33.9**	**46.0**	**64.4**	**79.5**
Salaries and employee benefits expenses	3	(17.4)	(22.5)	(30.9)	(39.9)
Occupancy expenses	4	(0.8)	(1.5)	(1.7)	(2.3)
Distribution expenses	5	(0.3)	(0.4)	(0.6)	(0.9)
Other expenses	6	(4.3)	(7.4)	(11.2)	(24.9)
EBITDA		**11.0**	**14.3**	**19.9**	**11.5**
Depreciation and amortisation	7	(4.4)	(5.5)	(7.6)	(10.1)
EBIT		**6.6**	**8.8**	**12.3**	**1.4**
Finance income	8	0.1	0.2	0.3	0.1
Finance costs	9	(0.5)	(0.7)	(1.0)	(1.3)
Profit before income tax		**6.1**	**8.4**	**11.6**	**0.3**
Income tax expense	10	(1.6)	(2.3)	(3.4)	(0.6)
Net profit after tax		**4.6**	**6.1**	**8.1**	**(0.2)**

Notes: Refer to Table 2 and the associated notes.

The presentation above is a summarised version of the presentation shown in the financial statements of SkinKandy. It should be noted that:

1. In the statutory financial statements, the categories for "Other income" ($668,000, $190,000 and $8,000 in FY23, FY24 and FY25 respectively) and "Profit/(loss) on disposal of property, plant and equipment" ($(107,000) and $(8,000) in FY24 and FY25 respectively) are shown on the face of the income statement. In the table above, "Other income" has been reclassified into "Other expenses" and "Profit/(loss) on disposal of property, plant and equipment" has been reclassified into "Depreciation and amortisation".
2. The classification and presentation of expenses for FY23 differs to the FY25 statutory financial statements (including the FY24 comparatives within). Reclassifications were made to the FY23 expenses for consistency with the most recent FY25 financial statements prepared in accordance with reporting requirements applicable under Australian Accounting Standards for *General Purpose Financial Statements Tier 1 reporting*.

Table 5 sets out the half year Statutory Historical Income Statements for 1H FY25 and 1H FY26.

Table 5: Statutory Historical Income Statements for the half year reporting periods

A$ MILLIONS	NOTES	STATUTORY HISTORICAL	
		1H FY25	1H FY26
Revenue	1	**36.3**	**45.4**
Cost of sales	2	(3.7)	(4.9)
Gross profit		**32.5**	**40.5**
Salaries and employee benefits expenses	3	(15.4)	(19.8)
Occupancy expenses	4	(0.8)	(1.1)
Distribution expenses	5	(0.3)	(0.5)
Other expenses	6	(5.1)	(6.3)
EBITDA		**10.9**	**12.8**
Depreciation and amortisation	7	(3.6)	(4.7)
EBIT		**7.4**	**8.2**
Finance income	8	0.2	0.1
Finance costs	9	(0.5)	(0.6)
Profit before income tax		**7.0**	**7.7**
Income tax expense	10	(2.1)	(2.8)
Net profit after tax		**4.9**	**4.9**

Notes: Refer to Table 2 and the associated notes.

4. FINANCIAL INFORMATION CONTINUED

4.3.2 Pro forma adjustments to the Statutory Historical and Forecast Income Statements

The Pro Forma Historical and Forecast Income Statements included in this Prospectus have been derived by applying certain pro forma adjustments to the Statutory Historical and Forecast Income Statements. These adjustments have been summarised in Table 6 below.

Table 6: Pro forma adjustments to the Statutory Historical and Forecast Income Statements

A$ MILLIONS	NOTES	FINANCIAL YEAR				FINANCIAL HALF YEAR	
		FY23	FY24	FY25	FY26F	1H FY25	1H FY26
Revenue – Statutory		**38.6**	**51.7**	**71.8**	**89.0**	**36.3**	**45.4**
53rd week adjustment	1	–	–	(1.2)	–	(1.2)	–
Loyalty scheme adjustment	2	–	–	(0.4)	(0.3)	(0.1)	(0.3)
Revenue – Pro forma		**38.6**	**51.7**	**70.1**	**88.7**	**35.0**	**45.1**
EBITDA – Statutory		**11.0**	**14.3**	**19.9**	**11.5**	**10.9**	**12.8**
53rd week adjustment	1	–	–	(0.7)	–	(0.7)	–
Loyalty scheme adjustment	2	–	–	(0.4)	(0.3)	(0.1)	(0.3)
Offer costs	3	–	–	–	12.3	–	–
Incremental KMP remuneration	4	(0.9)	(0.6)	(0.6)	(0.4)	(0.3)	(0.2)
Acceleration of share based payments	5	–	–	–	0.5	–	0.4
Incremental public company costs	6	(0.7)	(0.6)	(0.6)	(0.5)	(0.3)	(0.3)
Superannuation guarantee adjustment	7	(0.1)	(0.2)	(0.1)	0.5	(0.1)	0.5
EBITDA – Pro forma		**9.4**	**12.9**	**17.5**	**23.5**	**9.5**	**12.9**
Net profit after tax – Statutory		**4.6**	**6.1**	**8.1**	**(0.2)**	**4.9**	**4.9**
EBITDA adjustments (above)		(1.6)	(1.4)	(2.4)	12.0	(1.5)	0.1
Net tax impact	8	0.4	0.1	0.6	(3.1)	0.4	0.4
Net profit after tax – Pro forma		**3.4**	**4.8**	**6.4**	**8.6**	**3.9**	**5.4**

Notes:

1. **53rd week adjustment:** reflects the removal of the 53rd week of trading in FY25 and the 27th week 1H FY25, to align with the other annual and half yearly reporting periods being 52 weeks and 26 weeks, respectively. The adjustment excludes the trading results for the first week of FY25 being the week commencing 30 June 2024.
2. **Loyalty scheme adjustment:** reflects the removal of revenue recognised from the release of provisions associated with the historical loyalty schemes operated by the Company. The issuance of 'points' on these schemes ceased in November 2023 and the use of these points by customers ceased in November 2024. The Company maintained provisions for deferred revenue in connection with those points and those provisions were released to revenue in FY25 and 1H FY26 as a result of the end of the program. Due to the one-off and non-cash nature of this discontinued incentive in the most recent Prospectus financial periods, the Directors believe this is an appropriate exclusion and reduces revenues by $0.4 million in FY25 and $0.3 million in FY26F.
3. **Offer costs:** reflects costs incurred in relation to the Offer (including fees payable to Joint Lead Managers, advisers, tax, accounting and legal fees and other offer-related costs). Of the total $13.5 million of Offer costs, $12.3 million will be expensed in FY26F, with the remaining $1.3 million deemed to be the portion in relation to the primary raise being offset against issued capital.

4. **Incremental KMP remuneration:** reflects the net impact of incremental KMP remuneration arrangements aligned with the fixed, short-term and long-term incentives going forward. KMP consists of the CEO and CFO in this context, with details of CEO and CFO remuneration contained in Section 6.4. In respect of short term and long-term incentives, pro forma adjustments assume that 'target' incentives are achieved and in the instance of long-term incentives that one tranche of long-term incentives (issued in the first year post IPO) are on issue. It should be noted that in future years, subject to meeting future performance hurdles, additional tranches of the long-term incentives may be on foot.
5. **Acceleration of share based payments:** reflects the removal of the accelerated vesting of share based payments pertaining to the Legacy MEP during FY26F and at Completion of the Offer, in accordance with AASB 2 *Share Based Payments* (Refer to Section 6.6 for more information).
6. **Incremental public company costs:** reflects SkinKandy's incremental costs associated with being a publicly listed entity, including ASX and share registry fees, Board and governance costs, incremental directors & officers insurance policy costs inclusive of Prospectus Liability insurance, and incremental audit, tax, legal and compliance related costs. Note that these incremental costs reflect the reversal of previously incurred management fees and consulting services fees paid in respect of related party agreements set out in Section 6.7.
7. **Superannuation guarantee adjustment:** reflects the reversal of superannuation guarantee late charges and associated interest payments recognised in the statutory financial statements for 1H FY26 and allocation of these costs into historical periods (FY20-FY25) to the extent they were incurred in each respective period. The late charges arose due to an administrative processing issue whereby payments made by SkinKandy on a timely basis were subject to delays in clearing and remittance to the ATO by the clearing house.
8. **Income tax expense impact:** reflects the tax impact to align the pro forma income tax expense by applying the statutory tax rate for the period, being 25% of Profit before income tax in FY23 (being the Base Rate Entity corporate tax rate) and 30% in subsequent periods.

4.3.3 Pro forma financial and operating metrics

Set out in Table 7 and Table 8 is a summary of SkinKandy's key financial and operating metrics.

Table 7: Key financial and operating metrics

	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
New stores opened (#)	8	16	21	21
Store count at period end (#)	50	66	87	108
Revenue growth (%)	–	33.8%	35.7%	26.5%
LFL Revenue Growth (%)	–	10.2%	9.6%	8.1%
ATV (physical stores) ($)	46.4	52.5	59.0	
Physical store transaction volume (000)	838.2	967.7	1,179.8	
Gross profit margin (%)	87.7%	89.1%	89.6%	89.3%
EBITDA margin (%)	24.4%	25.0%	24.9%	26.5%
EBIT margin (%)	12.9%	14.5%	14.1%	15.2%
Operating cash flow conversion (%)	100.4%	107.6%	92.1%	99.3%

See Section 4.2.4 for a description of each key financial and operating metric.

4. FINANCIAL INFORMATION CONTINUED

Table 8: Key financial and operating metrics for the half year reporting periods

	PRO FORMA HISTORICAL	
	1H FY25	1H FY26
New stores opened (#)	11	13
Store count at period end (#)	77	100
Revenue growth (%)	–	28.9%
LFL Revenue Growth (%)	13.2%	10.1%
ATV (physical stores) ($)		
Physical store transaction volume (000)		
Gross profit margin (%)	89.7%	89.2%
EBITDA margin (%)	27.1%	28.7%
EBIT margin (%)	16.9%	18.3%
Operating cash flow conversion (%)	98.0%	99.3%

Notes: Refer to Table 7 and the associated notes.

4.4 Historical statement of financial position

4.4.1 Statutory and Pro Forma Historical Statement of Financial Position

Table 9 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position for SkinKandy as at 3 January 2026. The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and includes certain pro forma adjustments to reflect the net impact of the Offer, changes to the capital structure prior to Completion of the Offer, and accelerated vesting of share based payments during FY26F and resulting from the Offer as if these had occurred as at 3 January 2026. The Pro Forma Historical Statement of Financial Position is not intended to be representative of SkinKandy's view on its future financial position.

Table 9: Statutory and Pro Forma Historical Statement of Financial Position as at 3 January 2026

A$ MILLIONS	STATUTORY HISTORICAL	LEGACY MEP AND SHARE-HOLDER LOANS	PRE-IPO CAPITAL RAISE	PRE-IPO DIVIDEND	OFFER PROCEEDS	OFFER COSTS	PRO FORMA HISTORICAL
		PRO FORMA ADJUSTMENTS					
NOTES	3 JAN 26	A	B	C	D	E	3 JAN 26
Cash and cash equivalents	5.3	0.7	1.8	(4.0)	20.0	(13.5)	10.3
Trade and other receivables	0.9	–	–	–	–	–	0.9
Inventories	7.0	–	–	–	–	–	7.0
Other current assets	2.1	–	–	–	–	–	2.1
Total current assets	**15.4**	**0.7**	**1.8**	**(4.0)**	**20.0**	**(13.5)**	**20.4**
Plant and equipment	18.9	–	–	–	–	–	18.9
Right-of-use assets	19.7	–	–	–	–	–	19.7
Intangible assets	8.8	–	–	–	–	–	8.8
Deferred tax assets	3.0	–	–	–	–	4.1	7.1
Total non-current assets	**50.4**	**–**	**–**	**–**	**–**	**4.1**	**54.5**
TOTAL ASSETS	**65.8**	**0.7**	**1.8**	**(4.0)**	**20.0**	**(9.5)**	**74.8**
Trade and other payables	2.4	–	–	–	–	–	2.4
Employee benefit liabilities	4.3	–	–	–	–	–	4.3
Current tax liabilities	0.1	–	–	–	–	–	0.1
Other liabilities	1.5	–	–	–	–	–	1.5
Lease liabilities	8.0	–	–	–	–	–	8.0
Total current liabilities	**16.2**	**–**	**–**	**–**	**–**	**–**	**16.2**
Employee benefit liabilities	0.1	–	–	–	–	–	0.1
Provisions	1.3	–	–	–	–	–	1.3
Lease liabilities	16.8	–	–	–	–	–	16.8
Total non-current liabilities	**18.3**	**–**	**–**	**–**	**–**	**–**	**18.3**
TOTAL LIABILITIES	**34.5**	**–**	**–**	**–**	**–**	**–**	**34.5**
Net assets	**31.3**	**0.7**	**1.8**	**(4.0)**	**20.0**	**(9.5)**	**40.4**
Share capital	13.1	1.4	1.8	–	20.0	(0.9)	35.4
Reserves	0.6	(0.6)	–	–	–	–	–
Retained earnings	17.6	(0.1)	–	(4.0)	–	(8.6)	5.0
TOTAL EQUITY	**31.3**	**0.7**	**1.8**	**(4.0)**	**20.0**	**(9.5)**	**40.4**

Notes:

A. **Legacy MEP and Shareholder Loans:** reflects i) $0.7 million increase in cash and reserves from the partial repayment of Shareholder Loans (Refer to Section 6.6); and ii) the impact of the accelerated vesting of the Legacy MEP and subsequent conversion to issued capital. The new LTI scheme for KMP is set out in section 6.5.

B. **Pre-IPO capital raise:** reflects the subscription of Shares by Trent Peterson and Melanie Wilson. Further details of the Non-Executive Directors interests are set out in Section 6.3.4.

C. **Pre-IPO dividend:** reflects the payment of a fully franked dividend to Existing Shareholders prior to Completion of the Offer.

D. **Offer proceeds:** reflects gross Offer proceeds from the primary issuance of $20.0 million.

E. **Offer costs:** reflects the total cash offer costs (inclusive of GST) of $13.5 million which are expected to be incurred in connection with the Offer. Of these costs, $12.3 million are forecast to be expensed and the remainder offset against issued capital on the balance sheet in accordance with accounting standards. A deferred tax asset is recognised in respect of the Offer costs that are considered deductible in future.

4. FINANCIAL INFORMATION CONTINUED

4.4.2 Net debt

Table 10 below sets out a summary of the net debt as at 3 January 2026, before and following Completion of the Offer. The pro forma net debt position (including lease liabilities) of $14.5 million reflects pro forma net debt adjusted as if the Completion of the Offer had occurred as at 3 January 2026.

Table 10: Net debt as at 3 January 2026

A$ MILLIONS	STATUTORY HISTORICAL	PRO FORMA ADJUSTMENTS[1]	PRO FORMA HISTORICAL
	3 JAN 2026		3 JAN 2026
Cash and cash equivalents	5.3	5.0	10.3
Total net (debt) / cash – Excluding lease liabilities (pre-AASB 16 basis)	**5.3**	**5.0**	**10.3**
Lease liabilities	(24.8)	–	(24.8)
Total net (debt) / cash – Including lease liabilities (post-AASB 16 basis)	**(19.5)**	**5.0**	**(14.5)**

Note:

1. Refer to Table 9 for a description if the adjustments between the statutory and pro forma cash and cash equivalents and borrowings as at 3 January 2026.

Since 3 January 2026, the Company has continued to renew existing leases and enter into new lease agreements in the ordinary course of business, consistent with its stated strategy and forecast growth plans.

In accordance with AASB 16 *Leases*, these activities give rise to the recognition of additional lease liabilities and corresponding right-of-use assets, which has the effect of increasing reported net debt. These lease-related liabilities arising after 3 January 2026 are not reflected in the table above.

Management currently expects that, between 3 January 2026 and Completion, the Company will open approximately 6 new stores. The associated lease liabilities are estimated to increase net debt by approximately $2.3 million relative to the pro forma net debt of $14.5 million presented in Table 10, which will be partly offset by cash payments (rent) towards these liabilities. Additionally, the Company has approximately 6 leases in holdover which, once renewed, will give rise to a new lease liability. The aggregate lease liability impact of these renewals is estimated to be approximately $2.5 million, however the timing of these renewals being finalised is not known as it depends on the outcome of commercial negotiations.

The pro forma net debt outlined in the above table also does not reflect earnings generated by the Company since 3 January 2026, which has the impact of reducing reported net debt.

Investors should have regard to these factors when considering the Company's pro forma capital structure.

4.4.3 Liquidity, capital resources and indebtedness

Following Completion of the Offer, SkinKandy's principal sources of funds are expected to be cash flow generated from operations, available cash on its balance sheet and any undrawn amounts under its Banking Facilities. See Section 9.7 for a summary of the material terms of the Banking Facilities.

SkinKandy's primary use of its Banking Facilities is to fund working capital requirements and to provide liquidity for operations and growth initiatives.

SkinKandy expects that it will have sufficient working capital to meet its stated business objectives.

The Directors have made enquiries, and nothing has come to their attention to suggest that SkinKandy is not continuing to earn a profit from continuing operations up to the Prospectus Date.

SkinKandy's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond SkinKandy's control including general economic, financial and competitive conditions. Refer to Section 5 for risks associated with SkinKandy's future performance.

4.4.4 Description of Banking Facilities

SkinKandy's banking facilities (**Banking Facilities**) are summarised in Table 11 below.

Table 11: A summary of SkinKandy's Banking Facilities

A$ MILLIONS FACILITY	FACILITY LIMIT	ESTIMATED AMOUNT DRAWN AT COMPLETION
Overdraft facility	2.5	nil
Contingent liability bank guarantee facility	4.0	nil

Notes: This leaves out a $0.025 million corporate charge card facility. The overdraft, corporate charge card and contingent liability bank guarantee facilities are held with the Commonwealth Bank of Australia (**CBA**). These facilities' have no set term but may be reduced or cancelled by CBA on 90 days' written demand.

4.4.5 Lease commitments

SkinKandy has a number of lease commitments related to its stores, which are shown in Table 12.

Table 12: Lease commitments by duration as at 3 January 2026

A$ MILLIONS	1 YEAR OR LESS	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	TOTAL
Lease commitments	8.3	18.7	0.0	27.0

Note: Please refer to section 3.9 for further information on SkinKandy's lease portfolio, including figure 21 which illustrates the Current Lease Expiry Profile as at FY25 year end.

4. FINANCIAL INFORMATION CONTINUED

4.5 Historical and forecast statement of cash flows

4.5.1 Pro Forma Historical and Forecast Statements of Cash Flows

Table 13 sets out the Pro Forma Historical Statements of Cash Flows for FY23, FY24 and FY25, and the Pro Forma Forecast Statement of Cash Flows for FY26F.

Table 13: Pro Forma Historical and Forecast Cash Flows

A$ MILLIONS	NOTES	PRO FORMA HISTORICAL			PRO FORMA FORECAST
		FY23	FY24	FY25	FY26F
EBITDA		**9.4**	**12.9**	**17.5**	**23.5**
Non-cash items	1	0.2	0.4	0.3	0.3
Net interest received	2	0.1	0.2	0.3	0.1
Change in working capital	3	(0.1)	0.6	(1.6)	(0.4)
Income tax paid	4	(1.2)	(2.2)	(2.8)	(3.7)
Operating cash flow		**8.4**	**12.0**	**13.6**	**19.8**
Acquisition of plant and equipment	5	(2.5)	(3.9)	(3.9)	(6.4)
Acquisition of intangibles	6	(0.0)	(0.0)	(0.0)	(0.0)
Cash flow before financing		**5.9**	**8.1**	**9.7**	**13.3**
Payment of lease liabilities	7	(3.7)	(5.0)	(7.3)	(8.9)
Issue of equity	8				
Repayment of borrowings	9				
Payment of dividends	10				
Offer proceeds	11				
Offer costs	12				
Net cash flow		**2.2**	**3.1**	**2.3**	**4.4**

Notes: Refer to Table 15 the associated notes for 8 to 12.

1. **Non-cash items:** reflects the impact of non-cash items captured within EBITDA, predominately made up of share based payments. The acceleration of the Legacy MEP during FY26F ($0.5 million) is excluded in deriving the pro forma EBITDA and accordingly does not form part of the non-cash items in the table.
2. **Net interest received:** reflects the cash interest earned on cash deposits, including forecast interest on the cash balance expected following the Offer at Completion. This excludes any interest expense relating to liabilities accounted for under AASB 16 *Leases*, which is captured in Lease payments (principal and interest).
3. **Changes in working capital:** reflects the net cash impact of change in inventories, prepaid expenses, employee liabilities, trade payables, GST assets and liabilities and accruals.
4. **Income tax paid:** on a pro forma basis, taxes paid have been assumed to be consistent with the pro forma tax expense for the period i.e. it is assumed that all cash tax payments are made in the period in which they are incurred. Management believe this is a reasonable basis to reflect pro forma tax payments and that any deviations as a result of timing of cash tax payments do not materially impact this pro forma tax payment by period. Pro forma tax cash payments illustrate the expected go forward typical tax cash payments of the business based on the profitability each year.
5. **Acquisition of plant and equipment:** reflects amounts paid for property, plant and equipment, predominantly the fit out on new stores, net of lease incentives received.
6. **Acquisition of intangibles:** reflects amounts paid for domain names and trademarks.
7. **Payment of lease liabilities:** In accordance with AASB 16 *Leases*, the principal and interest payments associated with the store portfolio, head office and warehouse have been included as a financing activity.

Table 14 sets out the Pro Forma Historical Statements of Cash Flows for 1H FY25 and 1H FY26.

Table 14: Pro Forma Historical Cash Flows for the half year reporting periods

A$ MILLIONS	NOTES	PRO FORMA HISTORICAL	
		1H FY25	1H FY26
EBITDA		**9.5**	**12.9**
Non-cash items	1	0.1	0.1
Net interest received	2	0.2	0.1
Change in working capital	3	(0.3)	(0.2)
Income tax paid	4	(1.7)	(2.3)
Operating cash flow		**7.7**	**10.6**
Acquisition of plant and equipment	5	(2.1)	(4.3)
Acquisition of intangibles	6	(0.0)	(0.0)
Cash flow before financing		**5.6**	**6.3**
Payment of lease liabilities	7	(3.7)	(4.1)
Issue of equity	8		
Repayment of borrowings	9		
Payment of dividends	10		
Offer proceeds	11		
Offer costs	12		
Net cash flow		**2.0**	**2.2**

Notes: Refer to Table 13 and associated notes for 1 to 7 and Table 15 the associated notes for 8 to 12.

4. FINANCIAL INFORMATION CONTINUED

Table 15 sets out the Statutory Historical Cash Flows for FY23, FY24 and FY25, and the Statutory Forecast Cash Flows for FY26F.

Table 15: Statutory Historical and Forecast Cash Flows

A$ MILLIONS	NOTES	STATUTORY HISTORICAL			STATUTORY FORECAST
		FY23	FY24	FY25	FY26F
EBITDA		**11.0**	**14.3**	**19.9**	**11.5**
Non-cash items	1	(0.1)	0.2	0.1	0.5
Net interest received	2	0.1	0.2	0.3	0.1
Change in working capital	3	(0.1)	0.6	(2.1)	(0.7)
Income tax paid	4	(2.2)	(2.0)	(5.0)	(5.9)
Operating cash flow		**8.7**	**13.4**	**13.1**	**5.5**
Acquisition of plant and equipment	5	(2.5)	(3.9)	(3.9)	(6.4)
Acquisition of intangibles	6	(0.0)	(0.0)	(0.0)	(0.0)
Cash flow before financing		**6.2**	**9.5**	**9.2**	**(1.0)**
Payment of lease liabilities	7	(3.7)	(5.0)	(7.3)	(8.9)
Issue of equity	8	–	–	–	2.5
Repayment of borrowings	9	–	–	(0.0)	–
Payment of dividends	10	(1.3)	–	(3.8)	(8.5)
Offer proceeds	11	–	–	–	20.0
Offer costs	12	–	–	–	(1.3)
Net cash flow		**1.3**	**4.5**	**(1.9)**	**2.9**

Notes: Refer to Table 13 and the associated notes for 1 to 7.

8. **Issue of equity:** reflects i) the partial repayment of Shareholder Loans pertaining to the Legacy MEP and ii) the subscription of Shares by Trent Peterson and Melanie Wilson during FY26F prior to the Prospectus Date. Further details of the Non-Executive Directors interests are set out in Section 6.3.4.
9. **Repayment of borrowings:** In FY25 related to repayment of a related party loan of $24,000.
10. **Payment of dividends:** reflects the payment of dividends to Existing Shareholders. A dividend of $4.5 million was paid in 1H FY26 and $2.5 million was paid in April 2026. A further $1.5 million dividend is forecast to be paid immediately prior to Completion.
11. **Offer Proceeds:** reflects the cash received from the primary raise component of the Offer.
12. **Offer costs:** reflects the capitalised costs in relation to the Offer (being forecast at $1.3 million). The majority of the Offer costs will be expensed through the statutory forecast income statement ($12.3 million).

Table 16 sets out the Statutory Historical Cash Flows for 1H FY25 and 1H FY26.

Table 16: Statutory Historical and Forecast Cash Flows for the half year reporting periods

A$ MILLIONS	NOTES	STATUTORY HISTORICAL	
		1H FY25	1H FY26
EBITDA		**10.9**	**12.8**
Non-cash items	1	0.0	0.4
Net interest received	2	0.2	0.1
Change in working capital	3	(0.4)	(0.5)
Income tax paid	4	(3.2)	(3.2)
Operating cash flow		**7.5**	**9.6**
Acquisition of plant and equipment	5	(2.1)	(4.3)
Acquisition of intangibles	6	(0.0)	(0.0)
Cash flow before financing		**5.4**	**5.3**
Payment of lease liabilities	7	(3.7)	(4.1)
Issue of equity	8	–	–
Repayment of borrowings	9	(0.0)	–
Payment of dividends	10	(0.5)	(4.5)
Offer proceeds	11	–	–
Offer costs	12	–	–
Net cash flow		**1.2**	**(3.3)**

Notes: Refer to Table 13 and Table 15 and the associated notes.

4. FINANCIAL INFORMATION CONTINUED

4.5.2 Pro forma adjustments to the Statutory Historical and Forecast Cash Flows

Set out in Table 17 are the pro forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows.

Table 17: Pro forma adjustments to the Statutory Historical and Forecast Cash Flows

A$ MILLIONS	NOTES	FINANCIAL YEAR				FINANCIAL HALF YEAR	
		FY23	FY24	FY25	FY26F	1H FY25	1H FY26
Statutory cash flow before financing		**6.2**	**9.5**	**9.2**	**(1.0)**	**5.4**	**5.3**
53rd week	1	–	–	(0.7)	–	(0.7)	–
Offer costs	3	–	–	–	12.3	–	–
Incremental KMP costs	4	(0.6)	(0.4)	(0.4)	(0.2)	(0.2)	(0.1)
Incremental public company costs	6	(0.7)	(0.6)	(0.6)	(0.5)	(0.3)	(0.3)
Superannuation guarantee adjustment	7	(0.1)	(0.2)	(0.1)	0.5	(0.1)	0.5
Income tax impacts	8	1.0	(0.3)	2.2	2.3	1.5	0.9
Pro forma cash flow before financing		**5.9**	**8.1**	**9.7**	**13.3**	**5.6**	**6.3**

Notes: Refer to Table 6 and the associated notes in respect of pro forma adjustments to the Statutory Historical Income Statements. In respect of cash flow adjustments, it should be noted that:

a. Pro forma income tax payments are assumed to be paid in the period in which the income tax expense is incurred; and

b. Incremental KMP costs within cash flow statements exclude the impact of LTIs which are a non-cash item.

4.6 Assumptions underlying the Pro Forma Forecast Financial information

The Forecast Financial Information is based on various specific and general assumptions, including those set out in this Section 4.6. In preparing the Forecast Financial Information, Management has undertaken an analysis of historical performance and applied assumptions, where appropriate, in order to forecast future performance for FY26F. Refer to the basis of preparation in Section 4.2 for more detail on the preparation of Forecast Financial Information.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all assumptions when taken as a whole to be reasonable at the Prospectus Date. However, actual results are likely to vary from those forecast and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of the Company, and its Directors and Management, and are not reliably predictable. Accordingly, neither the Company nor its Directors, or any other person, can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information. The assumptions set out below should be read in conjunction with the sensitivity analysis in Section 4.10, the risk factors in Section 5 and the other information in this Prospectus.

The Forecast Financial Information has been prepared based on the pro forma adjustments outlined in Section 4.3.2 and the material accounting policies summarised in Appendix A.

4.6.1 General assumptions

In preparing the Forecast Financial Information, the Directors have adopted the following general assumptions:

- no material changes in the current competitive environment in which SkinKandy operates;
- no material change in economic, geopolitical or other conditions affecting consumer demand;
- no material changes from current government regulations, tax legislation or policies which impact SkinKandy's business or customers or which affect consumer demand. No expectations in relation to government restrictions on use or availability of fuel or on movements of people in response to the impacts of the Middle East conflict have been included in this forecast, such as fuel rationing;
- no significant interruptions, industry disturbances or disruptions in relation to SkinKandy's operating model;
- no material amendment to any material contract, agreement or arrangement relating to SkinKandy's business;
- no material industrial actions or other disturbances, environmental costs or legal claims;
- no material cash flow or consolidated income statement or financial position impact in relation to litigation (existing or otherwise);
- no material changes in key personnel, including key management personnel, and SkinKandy is able to continue to recruit and retain personnel which will be required to support future growth;
- no material change in SkinKandy's corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- no material unexpected change in applicable AAS, the Corporations Act or other mandatory professional reporting requirements which have a material effect on SkinKandy's financial performance or cash flows, financial position, accounting policies, financial reporting or disclosures;
- no significant entry costs are incurred by SkinKandy in establishing potential new markets;
- no material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus; and
- none of the key risks listed in Section 5 occurs, or if they do none of them has a material adverse impact on SkinKandy's operations.

4.6.2 Specific assumptions

The specific assumptions adopted in preparing the Forecast Financial Information are set out below. In preparing the Forecast Financial Information, Management has analysed historical performance including the current rates of sales and expenses and applied assumptions, where appropriate, across the business.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.10, the risk factors set out in Section 5, the Limited Assurance Investigating Accountant's Report on the Pro Forma Historical Financial Information and Forecast Financial Information set out in Section 8 and other information contained in this Prospectus.

The FY26F forecast comprises nine months of actual results for SkinKandy, and three months of forecast results. The FY26F forecast has had regard to the actual trading results for SkinKandy in Q3 FY26, as described below in section 4.8.

The specific, best estimate assumptions applied in preparing the Forecast Financial Information for the forecast period are described below in Section 4.7.

4. FINANCIAL INFORMATION CONTINUED

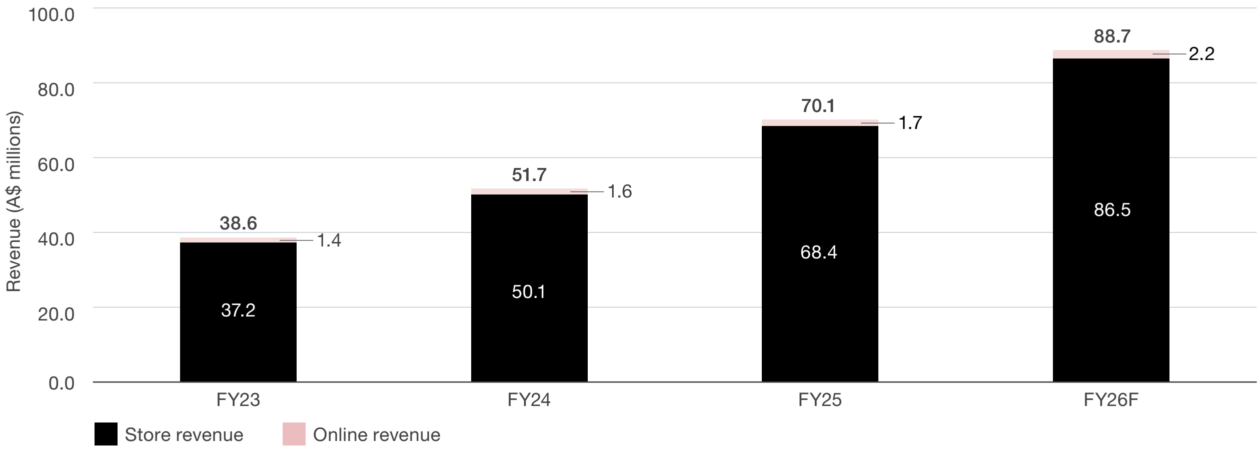
4.7 Management discussion and analysis of the Pro Forma Financial Information

Section 4.7 discusses the composition of SkinKandy's operating and financial performance during the period of the Historical Financial Information and Management's expectation of the Company's operating and financial performance over the period of the Forecast Financial Information.

The general matters discussed below are a summary only and do not represent all events and factors that affected SkinKandy's historical operating and financial performance, nor everything that may affect its operating and financial performance in future periods. The information in this Section 4.7 should also be read in conjunction with the risk factors set out in Section 5 and the other information contained in this Prospectus.

4.7.1 Revenue

Figure 25: Revenue (FY23 – FY26F)



Note: Store revenue in FY23 and FY24 includes $(1.6) million and $(0.8) million respectively related to the now-expired legacy loyalty program, respectively. Under AASB 15 *Revenue from Contracts with Customers*, certain transactions involving loyalty points were treated as deferred revenue.

Revenue is generated by SkinKandy through the provision of piercing services and the sale of fashion jewellery and aftercare products through its network of physical stores. Additionally, revenue is also earned from the sale of fashion jewellery and aftercare products from its online store.

The key drivers of revenue for SkinKandy are:

- growth in the number of physical stores; and
- growth in revenue per physical store, for which performance is measured by LFL Revenue Growth.

During the period FY23 to FY25, SkinKandy's revenue increased from $38.6 million to $70.1 million, representing a CAGR of 34.8%.

Expansion of the physical store network has been a key contributor to revenue growth, with new store openings increasing network coverage and providing access to additional retail locations.

In addition, the existing store network has delivered LFL Revenue Growth, supported by increasing brand awareness, strong customer engagement and continued demand for piercing services and related fashion jewellery and aftercare products. LFL Revenue Growth has also been supported by increases in average transaction value (**ATV**), reflecting higher average spend per customer transaction.

Growth in SkinKandy's ATV has been largely driven by a deliberate redesign of how prices are structured and captured across the customer transaction. This redesign was underpinned by four key strategies:

- the introduction of tiered jewellery ranges across entry, mid, and premium price points;
- the expansion of piercing and carded jewellery offerings at higher price points;
- the systematic attachment of aftercare products to piercing transactions; and
- the uplift of in-store sales capability to increase customer upgrades to premium jewellery at point of piercing.

The repricing and tiering of SkinKandy's jewellery range has shifted customer purchasing behaviour toward higher-quality materials, including titanium and gold products (although, see Section 5 for risks associated with the increased cost of gold), while also increasing the incidence of needle piercings and multiple piercings per visit. Both trends support a higher ATV.

Most of SkinKandy's piercing services are currently sold on a bundled basis to customers along with the individual's choice of piercing product (i.e. post and top). Management continue to refine how price is positioned to customers and whether the component parts are bundled or disaggregated.

SkinKandy also generates revenue through its online store, which provides customers with access to fashion jewellery and aftercare products beyond the physical store network. While online sales currently represent a smaller proportion of total revenue relative to the physical store network, the channel provides an incremental revenue stream and supports ongoing customer engagement with SkinKandy's brand.

In FY26F, SkinKandy is forecasting revenue of $88.7 million, up 26.5% on FY25. Consistent with historical performance, this growth is expected to be primarily driven by continued expansion of the physical store network, ramp-up in recently established stores and increases in ATV. Additionally, volume growth in established stores is expected in line with recent trends.

4.7.1.1 Physical store growth

Table 18: New physical store openings and closures (FY23 – FY26F)

#	FY23	FY24	FY25	FY26F
Stores at start of period	43	50	66	87
Stores opened	8	16	21	21
Stores closed[1]	(1)	–	–	–
Stores at end of period	**50**	**66**	**87**	**108**
Net new stores	7	16	21	21

Note:

1. The only store closure in the periods above was due to demolition and reconfiguration of the centre, forcing a store closure.

The number of stores has increased from 43 at the start of the FY23 period to 87 stores at the end of the FY25 period, representing 45 store openings and 1 store closure over the period. Of the 45 openings, 40 of the new stores opened in Australia and 5 in New Zealand. In 1H FY26, SkinKandy opened 13 new stores, increasing the total store network to 100 stores at the end of 1H FY26.

In 2H FY26F, a further 8 stores are expected to open (of which 2 have opened in Q3 FY26), bringing the total store network to 108 stores by the end of the period. This planned expansion is expected to support continued revenue growth through both incremental store openings and increasing brand visibility across the Australian and New Zealand markets. No store closures are assumed in the forecast period.

Further detail on the store portfolio and the strategy for SkinKandy's planned expansion is set out in Section 3.11.

4. FINANCIAL INFORMATION CONTINUED

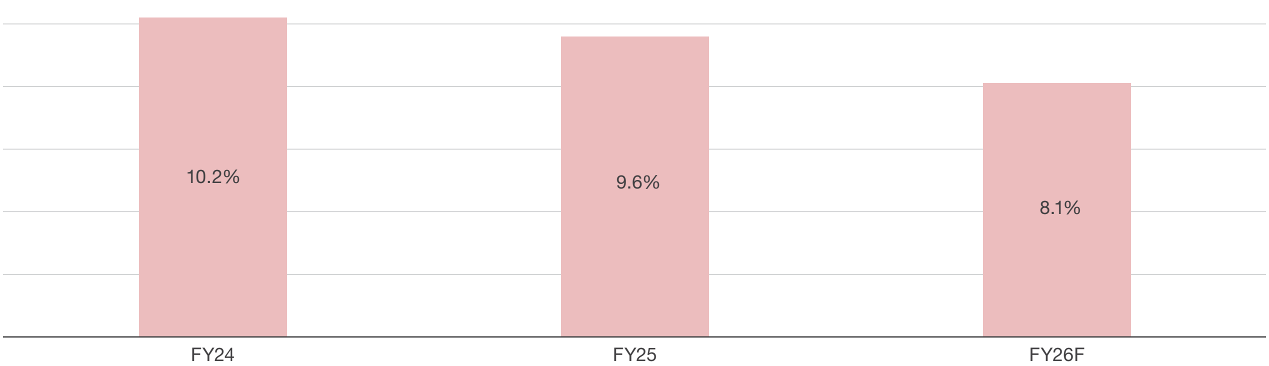
4.7.1.2 Like-for-like revenue performance

SkinKandy's primary revenue performance metric is like-for-like (**LFL**) revenue, which measures the growth or decline in revenue generated by comparable stores over time. LFL revenue compares the revenue generated by a store, or group of stores, during a given period with the revenue generated by the same store or group of stores during the corresponding period in the prior year.

LFL revenue is calculated as the percentage change in the total aggregated revenue generated by comparable stores (excluding the online channel) during the relevant period, compared with the total aggregated revenue generated by the same set of stores in the prior corresponding period. Stores are included in this calculation only when they have been open for the entirety of the current and prior comparative period. Stores that are relocated within the same shopping centre are treated as the same store for the purpose of the LFL calculation.

LFL Revenue Growth is widely regarded as an important indicator of the underlying performance of a retail business. This metric is particularly relevant for retailers undertaking store roll out programs, where changes in total revenue may otherwise be materially influenced by new store openings or store closures rather than the performance of existing stores.

Figure 26: Like-for-like revenue growth rates (FY24 – FY26F)



SkinKandy reported LFL Revenue Growth of 10.2% in FY24 and 9.6% in FY25. SkinKandy has forecast LFL Revenue Growth of 8.1% in FY26F.

SkinKandy's LFL Revenue Growth strategy has been deliberately sequenced. The business has initially prioritised expansion of its physical store network across Australia and New Zealand to establish scale and geographic coverage. This reflects a conscious decision to invest in store network growth ahead of optimising like-for-like volume productivity, positioning the network to deliver sustainable LFL Revenue Growth as it matures.

Within the established store network, LFL Revenue Growth has been driven primarily by ATV expansion rather than transaction volume growth, which increased from $46 in FY23 to $59 in FY25 on a group level. This reflects SkinKandy's pricing structure redesign, a deliberate product mix shift toward higher-value jewellery tiers, and increased attachment of complementary products at point of sale. These margin-accretive initiatives improve transaction quality and support revenue growth independent of reliance on traffic growth.

Despite not being a LFL Revenue Growth driver historically, LFL transaction volume growth has been achieved in 1H FY26, reflecting an increased focus on market penetration alongside continued network expansion (as discussed above).

Illustrated in Figure 27 is SkinKandy's historic ATV and transaction volumes across FY23 – FY25 at a Store level (i.e. all stores including established and new stores).

Figure 27: Group ATV and transaction volumes (FY23 – FY25)

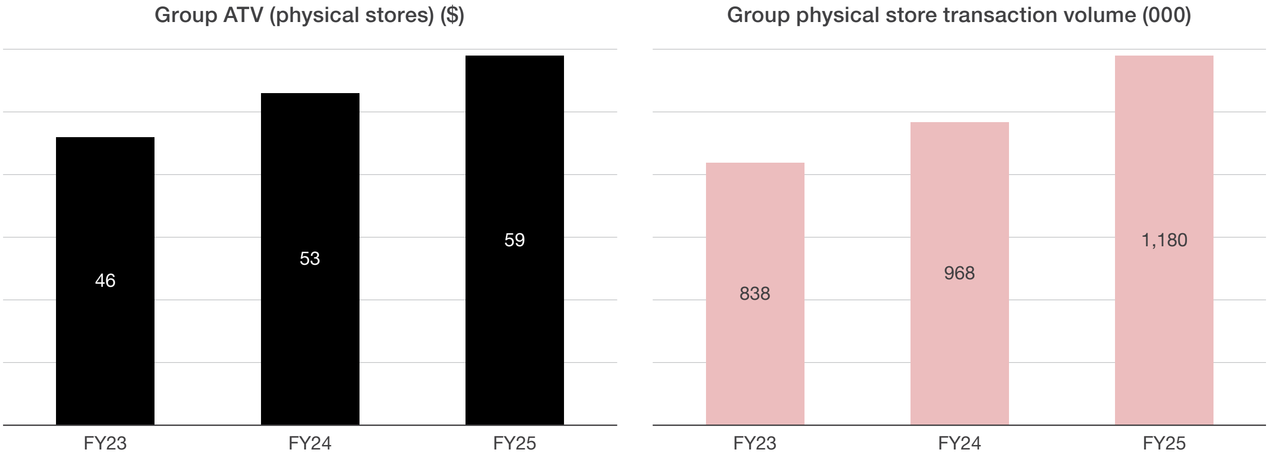
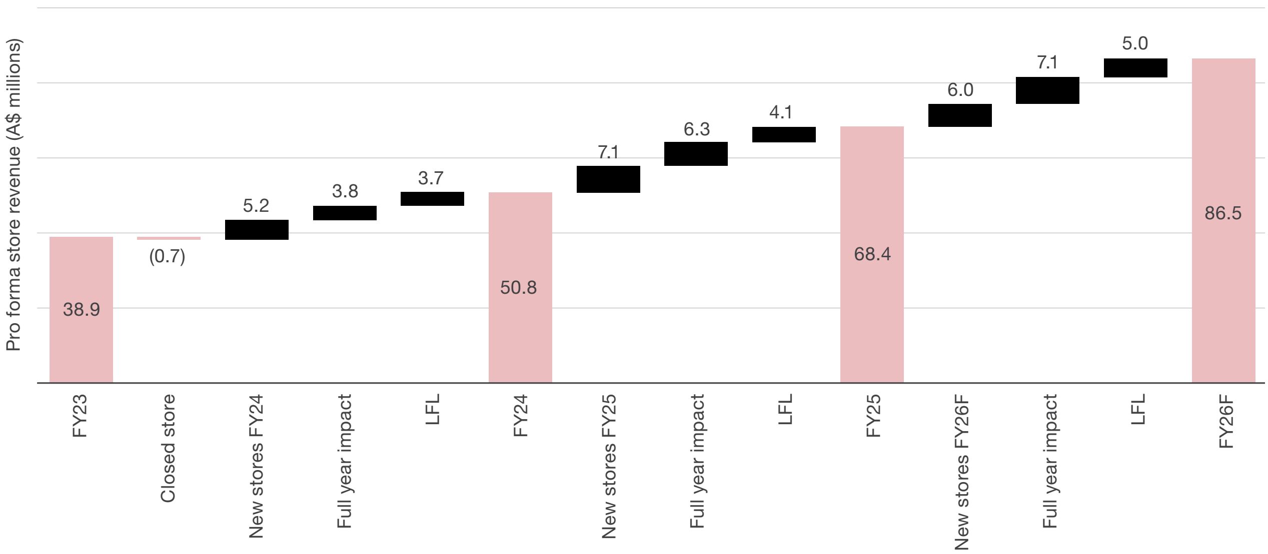


Figure 28 below illustrates the combined impact on store revenue of new stores opened in the period, the full-year contribution from stores opened in the prior period, and LFL Revenue Growth over FY23 to FY26F.

Figure 28: Pro forma store revenue bridge FY23 to FY26F



The $12.0 million increase in store revenue in FY24 was driven by the $5.2 million revenue generated from the 16 new stores opened in FY24, offset by $0.7 million for the closed store, the full year impact of the 8 new stores opened in FY23 ($3.8 million) and LFL Revenue Growth of $3.7 million.

The $17.6 million increase in store revenue in FY25 was driven by the $7.1 million revenue generated from the 21 new stores opened in FY25, the full year impact of the 16 new stores opened in FY24 ($6.3 million) and LFL Revenue Growth of $4.1 million.

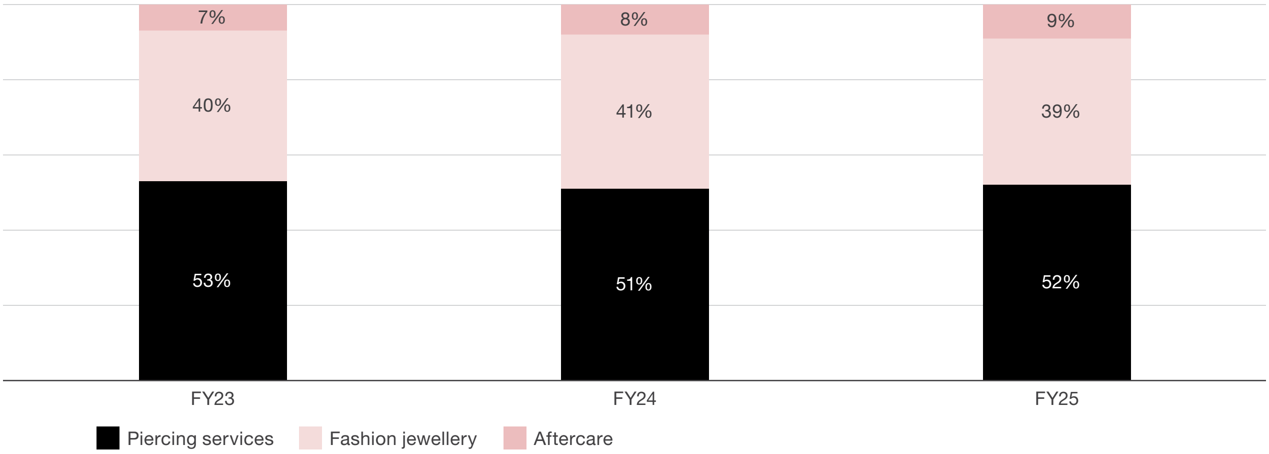
The forecast $18.1 million increase in store revenue in FY26F is assumed to be generated from $6.0 million forecast from the 21 new stores scheduled to be opened in FY26F, $7.1 million from the full year impact of the 21 new stores opened in FY25 and $5.0 million from LFL Revenue Growth.

4. FINANCIAL INFORMATION CONTINUED

4.7.1.3 Store revenue – Revenue by service and product offerings

SkinKandy generates store revenue across three core service and product offerings, being piercing services, fashion jewellery and aftercare. Figure 29 represents the contribution of each service and product offering to overall store revenue over the historical period.

Figure 29: Store revenue by service and product offerings (FY23 – FY25)



Revenue mix by service and product offering has remained broadly stable over the historical period and the Company is not aware of any reason why this should change materially over the forecast period.

Piercing services represent the largest contributor to store revenue (52% of store revenue in FY25), followed by fashion jewellery (39% of store revenue in FY25) and aftercare products (9% of store revenue in FY25). Revenue growth across the period has predominately been driven by growth in the number of physical stores and increases in ATV across each segment, supported by average selling price growth, pricing initiatives, a continued shift towards higher-quality product offerings and multiple piercings in a single session.

4.7.2 Gross profit

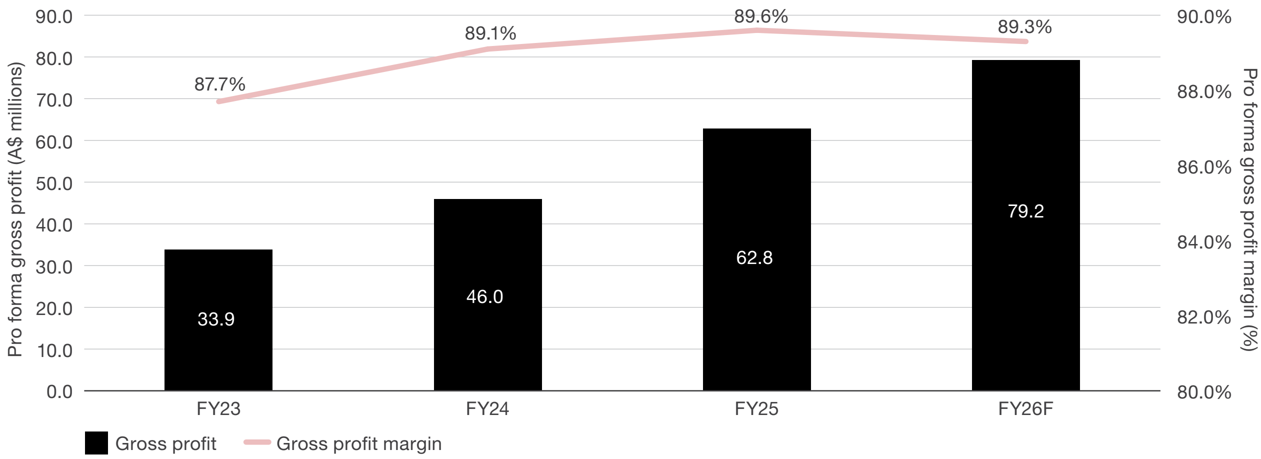
Cost of sales is deducted from revenue to determine gross profit and primarily comprises the direct cost of inventory purchased from suppliers. This includes the purchase price of goods, importation costs (such as freight, customs duties and clearance charges), and the applicable foreign exchange rate at the time inventory is settled.

SkinKandy sources a large proportion of its products from offshore suppliers, many of whom require payment in US dollars, creating exposure to foreign exchange rates movements. SkinKandy currently does not use hedging to manage FX risk. China and the United States represent the Company's largest sourcing regions. Refer to section 3.7 for more details on SkinKandy's sourcing and supply chain.

Gross profit margin improved from 87.7% to 89.6% between FY23 and FY25, driven by two factors: the restructuring of SkinKandy's pricing structure, which shifted the revenue mix toward higher-margin jewellery and piercing jewellery tiers, and improvements in in-store merchandise presentation that increased the rate at which customers selected premium jewellery options at point of piercing.

Gross profit margin is expected to moderate slightly in FY26F to 89.3%, reflecting a higher proportion of sales generated from gold products, which typically carry lower margin percentages but higher gross profit contribution than other jewellery products.

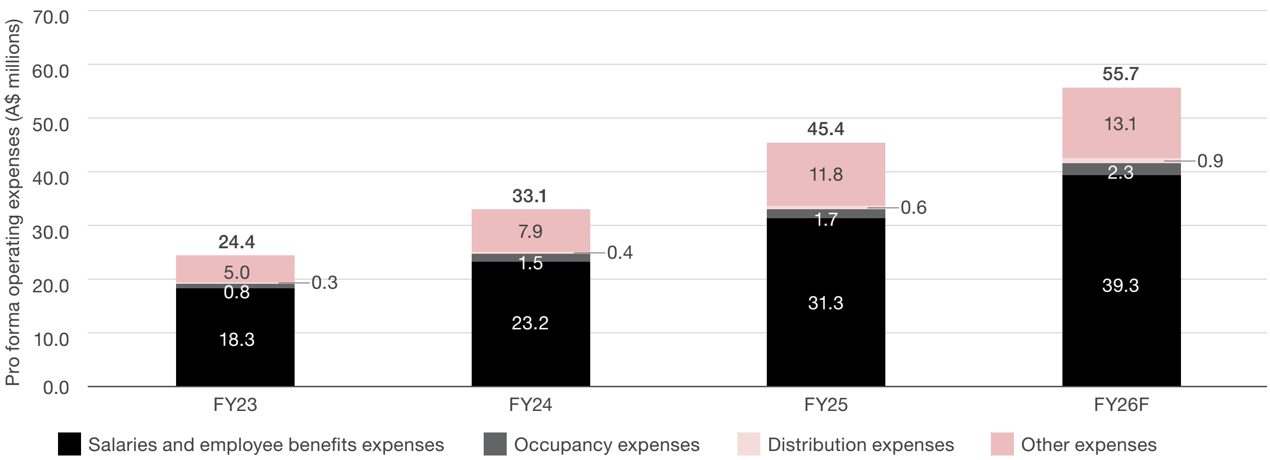
Figure 30: Gross profit and gross profit margin (FY23 – FY26F)



4.7.3 Operating expenses

SkinKandy's key operating expenses include salaries and employee benefits expenses, occupancy expenses, distribution expenses and other expenses. A summary of SkinKandy's operating expenses by category over FY23 to FY26F is set out in Figure 31 below.

Figure 31: Pro forma operating expenses by category (FY23 – FY26F)



SkinKandy's total operating expenses increased from $24.4 million in FY23 to $45.4 million in FY25. Operating expenses are forecast to increase to $55.7 million in FY26F.

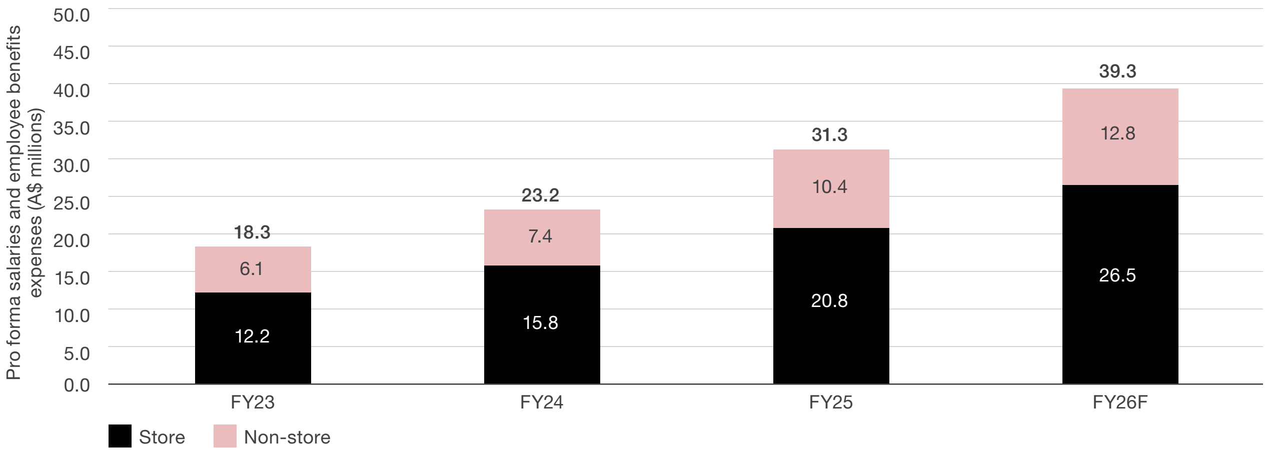
The key factors impacting operating expenses over the period are discussed in more detail below.

4. FINANCIAL INFORMATION CONTINUED

4.7.3.1 Salaries and employee benefits expenses

Figure 32 illustrates SkinKandy's pro forma salaries and employee benefits expenses by category (store versus non-store) over FY23 to FY26F.

Figure 32: Pro forma salaries and employee benefits expenses by category (FY23 – FY26F)



Store salaries and employee benefits expenses

The largest component of SkinKandy's salaries and employee benefits expense are store-related staff expenses which were $20.8 million in FY25 (approximately 66.6% of total employee expenses). These costs relate to wages, superannuation and other employment-related costs for store-based employees, including retail piercing staff, and store managers.

These costs increased from $12.2 million in FY23 to $20.8 million in FY25, primarily driven by the expansion of the store network, which grew from 43 stores at the start of FY23 to 87 stores at the end of FY25. Store numbers are forecast to increase by a further 21 stores in FY26F. This is expected to result in an increase in-store salaries and employee benefits expenses of $5.7 million to FY26F to a total of $26.5 million.

As a percentage of store revenue, these costs have remained relatively stable at an average of ~31% of store revenue, with a slight improvement from FY23 to FY25 from 31.5% to 30.4%, as a result of efficiencies that Management have attributed to improved rostering management.

Non-store salaries and employee benefits expenses

Non-store salaries and employee benefits expenses are predominately made up of head office wages, which includes staff working across admin (executive, finance, IT), operations (HR, customer support, store development, merchandising), distribution and marketing.

Non-store salaries and employee benefits increased over FY23 to FY25, reflecting continued investment in SkinKandy's labour platform and corporate infrastructure to support store network expansion and position the business for future growth. Non-store employee costs are expected to increase to $12.8 million in FY26F, reflecting additional headcount required to support the continued expansion of the store network and the scaling of the Company's corporate and operational support functions.

As a percentage of revenue, SkinKandy's non-store salaries and employee benefits expense has remained relatively consistent, between 14.5% – 16.0%, reflecting continued investment into SkinKandy's corporate infrastructure to support store roll out.

4.7.3.2 Occupancy expenses

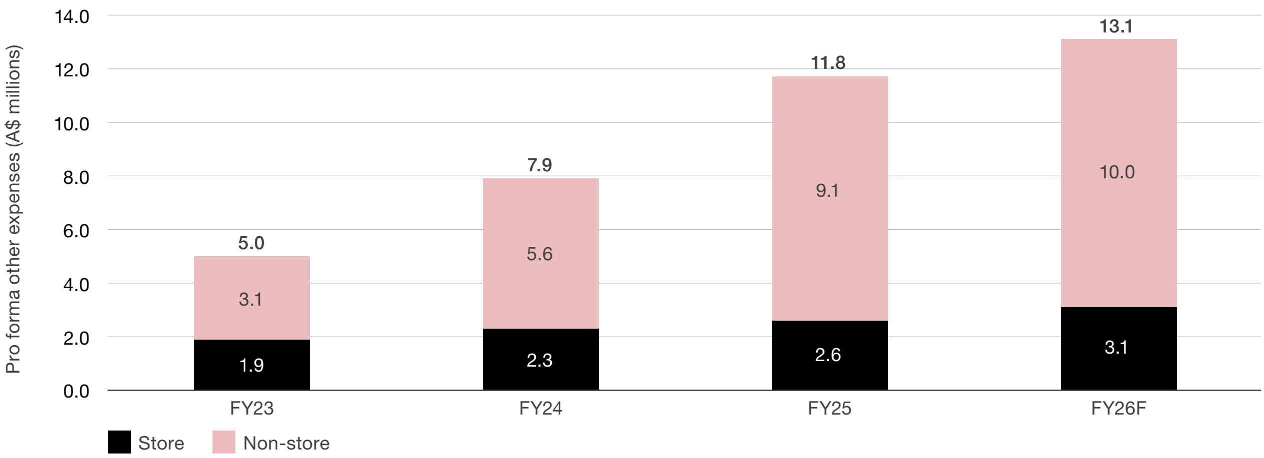
Occupancy expenses relate to store, head office facilities and warehouse. These costs include outgoings, marketing levy, variable lease commitments and other property-related expenses associated with these facilities. Occupancy costs are presented on a post-AASB 16 basis, whereby fixed lease commitments are treated as a payment towards a lease liability. Occupancy costs have grown in proportion to the store network growth. Please refer to Section 4.7.9 for further details on SkinKandy's lease expenses over FY23 – FY26F.

4.7.3.3 Other expenses

Other expenses are predominately made up of advertising and marketing, software, consultancy, supplies, merchant fees, travel and other central support costs. These costs can be split between store and non-store related other expenses.

Figure 33 illustrates SkinKandy's pro forma other expenses by category (store versus non-store) over FY23 to FY26F.

Figure 33: Pro forma other expenses by category (FY23 – FY26F)



Store other expenses

Store-related other operating expenses are predominately made up of store supplies and merchant fees. These expenses increased from $1.9 million in FY23 to $2.6 million in FY25, reflecting 4.9% and 3.9% as a percentage of store revenue, respectively. The increase in these expenses has been broadly in line with the growth in the store network and overall sales activity. These expenses are expected to increase by $0.5 million to FY26F, reflecting continued growth roll out of the store network.

Non-store other expenses

Non-store other expenses include advertising and marketing, consultancy, travel and other central support costs. These expenses increased from $3.1 million in FY23 to $9.1 million in FY25, reflecting 8.0% and 13.0% as a percentage of total revenue, respectively. The relative increase reflects investment in marketing initiatives, digital capability and systems to support the expanding store network and broader brand development. It was also driven by non-recurring consultancy costs associated with the implementation of a new enterprise resource planning system and an inventory obsolescence provision recognised following a range review, including a change in product sanitising requirements.

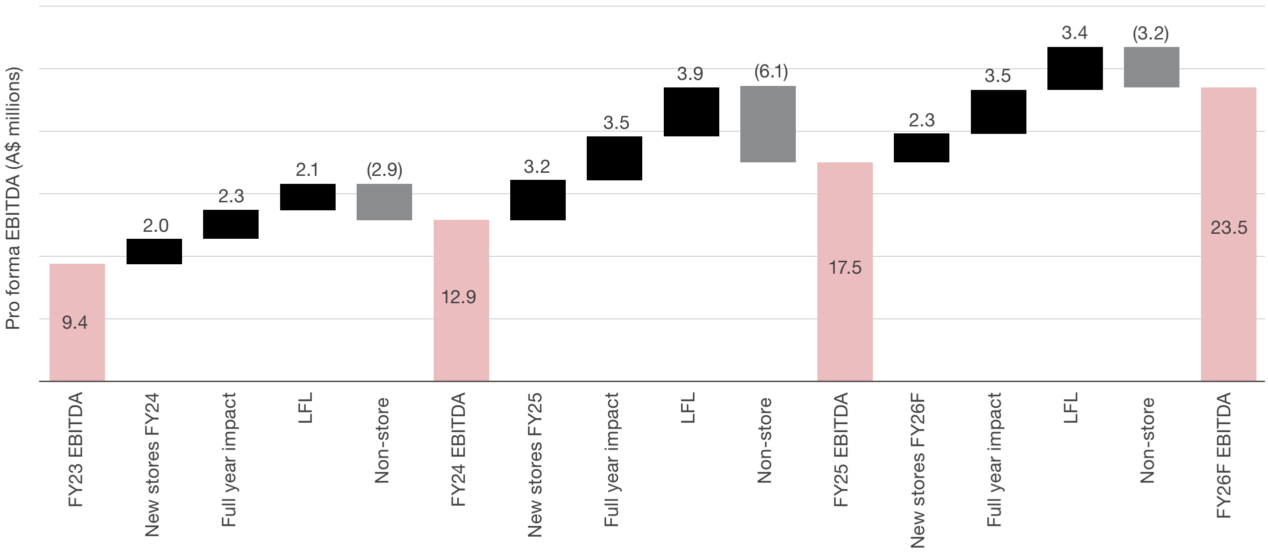
In FY26F, non-store other expenses as a percentage of revenue is expected to decrease to 11.3%. This is expected to be driven by the absence of prior period non-recurring items and resulting benefits of the fixed cost elements of the operating cost base.

4. FINANCIAL INFORMATION CONTINUED

4.7.4 EBITDA and EBITDA margin

As reflected in Figure 34, Pro forma EBITDA was $9.4 million in FY23, $12.9 million in FY24 and $17.5 million in FY25. Pro forma EBITDA is expected to increase to $23.5 million in FY26F.

Figure 34: Pro forma EBITDA bridge (FY23 – FY26F)



Historical EBITDA growth has been driven by:

- organic growth from established stores;
- the maturation and ramp-up of stores opened in recent years; and
- the continued roll out of new stores.

This growth has been partially offset by increased non-store costs, primarily relating to head office and operational support salaries and wages.

In the forecast period FY26F:

Existing stores:

- Growth in established stores is expected to remain in line with historical trends, supported by ATV and volume growth.
- Growth in recently established stores is expected to moderate as stores mature and the benefit of the first full-year contribution unwinds.

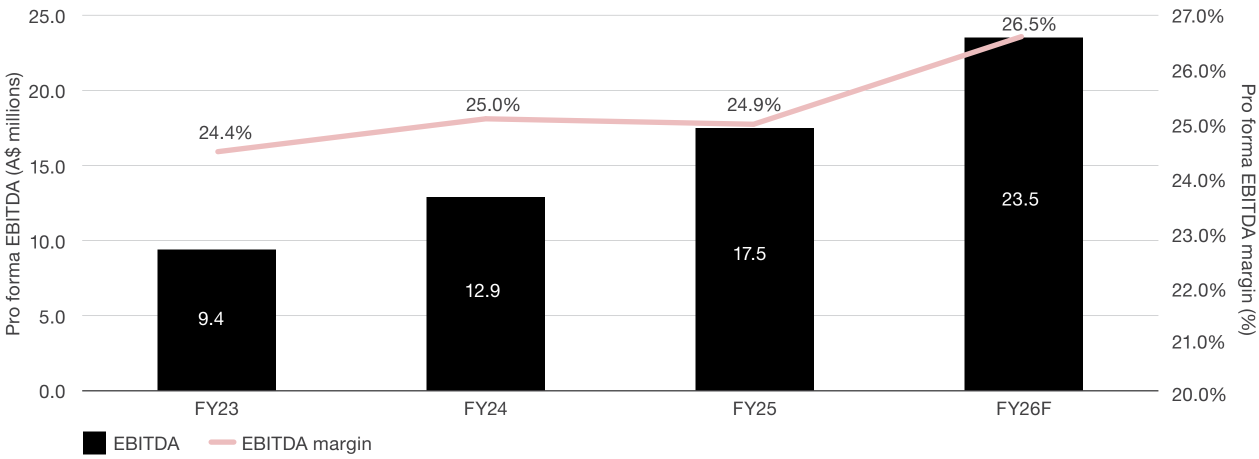
New stores:

- A total of 21 new stores are forecast to open in FY26F (including 15 opened at the end of Q3 FY26), with a further 6 stores expected to open in the three month period ending 4 July 2026.

Non-store:

- Non-store costs are expected to increase by $3.2 million between FY25 and FY26F, primarily due to incremental head office salaries and wages.
- Head office salaries are forecast to increase by approximately 22.8% over FY25 to FY26F, reflecting investment in operations and marketing functions to support the expanding store network.

Figure 35: Pro forma EBITDA and EBITDA margin (FY23 – FY26F)



Pro forma EBITDA margins have remained relatively stable over the historical period, reflecting SkinKandy's consistent cost structure and operational leverage generated from both existing and newly opened stores. Store-level margins have benefited from scale over that period operational efficiencies, while non-store costs have increased broadly in line with the expansion of the store network.

Margins are forecast to improve modestly over the forecast period, as ATV and transaction volume grows in established stores and the maturation of recently opened locations are expected to offset incremental non-store costs. Figure 35 presents Pro forma EBITDA margins from FY23 to FY26F, illustrating the anticipated improvement in EBITDA margins over the forecast period.

4.7.5 Depreciation

SkinKandy's depreciation expense primarily comprises of right-of-use asset depreciation recognised in respect of leased store locations, head office facilities and warehouse, as well as depreciation of property improvements, plant and equipment and fixtures and fittings across the store network, head office facilities and warehouse. Given the Company's significant lease asset base, depreciation of right-of-use (**ROU**) assets represents a substantial proportion of total depreciation.

The increase in depreciation charge over the historical period broadly reflects the growth in the store portfolio which has increased from 50 stores at the end of FY23 to 100 stores at the end of 1H FY26 and is forecast to increase to 108 at the end of FY26F.

Table 19: Depreciation (FY23 – FY26F)

A$ MILLIONS		PRO FORMA HISTORICAL		PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
Right-of-use assets	2.9	3.7	5.2	6.8
Property, plant & equipment[1]	1.5	1.8	2.4	3.3
Total depreciation	**4.4**	**5.5**	**7.6**	**10.1**

Note:

1. In FY24, SkinKandy adjusted its accounting estimate for useful life of property improvements from the lease term (typically 5 years) to 7.5-years. The impact of this change in accounting estimate has not been considered as a pro forma adjustment, with the impact to each of FY24, FY25 and FY26F considered to be not material.

4. FINANCIAL INFORMATION CONTINUED

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. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Property improvements 3 to 7.5 years
- Plant and equipment 3 to 12 years
- Fixtures and fittings 2 to 10 years
- Motor vehicles 2 to 10 years
- Office furniture and equipment 5 to 8 years

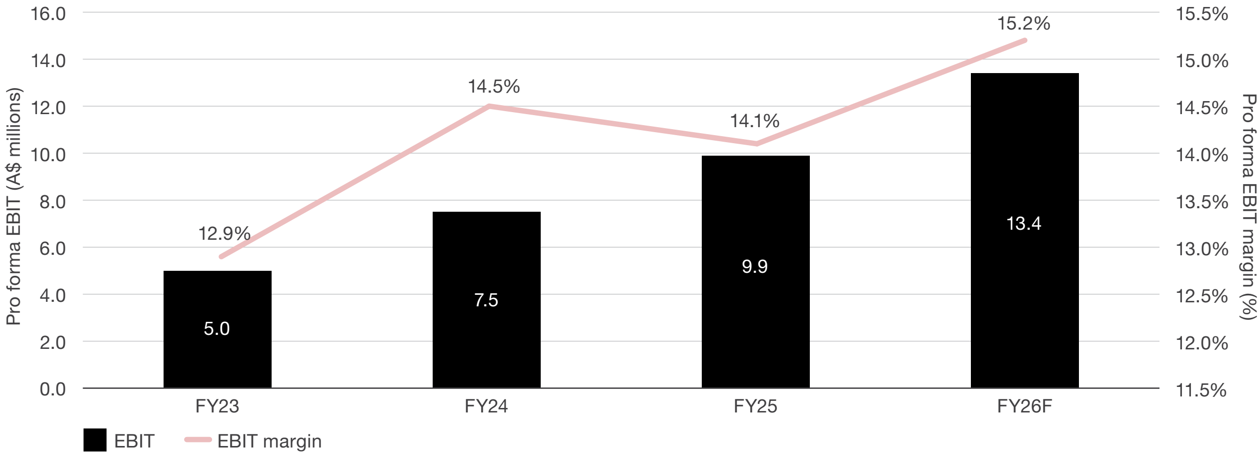
Property improvements account for the vast majority of the total fixed assets held by the business and the depreciation charge relating to property plant and equipment. While total property plant and equipment depreciation has increased in line with store roll out activity, depreciation on a per-store basis has remained broadly stable historically and is expected to continue on a similar basis over the forecast period.

ROU depreciation mainly relates to deprecation of the ROU asset recognised under AASB 16 and is recognised on a straight-line basis over the lease term, with any lease incentives offset against the initial ROU asset balance. ROU depreciation per store has remained broadly consistent and is expected to remain stable over the forecast period.

4.7.6 EBIT and EBIT margin

EBIT increased from $5.0 million in FY23 to $9.9 million in FY25, with EBIT margin increasing from 12.9% to 14.1% over the same period. The EBIT margin increase was driven by the same drivers as EBITDA (discussed in section 4.7.4), net of the movement in depreciation and amortisation as a percentage of revenue.

Figure 36: Pro Forma EBIT and EBIT margin (FY23 – FY26F)



4.7.7 Finance income and costs

Finance income includes interest earned on cash balances. Finance costs predominately include interest on lease liabilities accounted for under AASB 16 *Leases*.

The increase in the interest expense on leases under AASB 16 over the period under review broadly reflects the growth in the store portfolio which has increased from 50 stores at the end of FY23 to 100 stores at the end of 1H FY26 and is forecast to increase to 108 at the end of FY26F.

Table 20: Finance income and costs (FY23 – FY26F)

A$ MILLIONS	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
Interest income from cash and cash equivalents	0.1	0.2	0.3	0.1
Interest expense on leases under AASB 16	(0.5)	(0.7)	(1.0)	(1.3)

4.7.8 Income tax expense

SkinKandy operates in Australia and New Zealand. In Australia, SkinKandy pays the corporate tax rate of 30% and in New Zealand it pays the corporate tax rate of 28%. SkinKandy was subject to the Base Rate Entity corporate tax rate of 25% in FY23.

4.7.9 Leases

The consolidated statutory and pro forma income statements included within this Prospectus include the impact of AASB 16 *Leases*. Under AASB 16 *Leases*, leases are brought onto the balance sheet, and accordingly the income statement presents the impact of the lease as a depreciation expense in relation to the right-of-use assets, and interest cost relating to the finance cost embedded within the lease. The AASB 16 standard does not impact the actual cash outlays in respect of the lease, set out in the table below as *Payment of lease liabilities*.

Table 21: AASB 16 *Leases* – Statement of Profit and Loss impact

A$ MILLIONS	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
Payment of lease liabilities	3.7	5.0	7.3	8.9
Depreciation of right-of-use assets	(2.9)	(3.7)	(5.2)	(6.8)
Lease interest	(0.5)	(0.7)	(1.0)	(1.3)

Table 22: AASB 16 *Leases* – Statement of Profit and Loss impact for half year reporting periods

A$ MILLIONS	1H FY25	1H FY26
Payment of lease liabilities	3.7	4.1
Depreciation of right-of-use assets	(2.4)	(3.1)
Lease interest	(0.5)	(0.6)

4. FINANCIAL INFORMATION CONTINUED

4.7.10 Cash flow conversion

The Pro Forma Historical and Forecast Cash Flows are set out in Table 13 in Section 4.5.1 above. SkinKandy delivered an average operating cash flow conversion (prior to interest and payment of taxes) of approximately 100.0% between FY23 and FY25, reflecting the inherently cash-generative nature of its operating model. This is underpinned by its relatively light net working capital requirements. In FY26F, SkinKandy expects operating cash flow conversion of 99.3%, supported by continued store-level discipline and largely unchanged working capital profile.

In addition to operating cash flow conversion, we draw your attention to other key items to derive net cash flows, specifically capital expenditure requirements set out below in Table 24, payments in respect of lease liabilities classified as financing cash flows (see Table 21), and payment of income taxes.

4.7.11 Change in net working capital

Working capital comprises inventories, prepaid expenses, employee liabilities, trade payables and accruals. Trade receivables (primarily relating to lease incentive receivables) and capital expenditure payables have been netted against capital expenditure and excluded from net working capital.

Net working capital increased by $1.6 million between FY24 and FY25, largely due to an increase in inventories and other assets. This was partially offset by an increase in employee benefit liabilities, reflecting a higher labour cost base associated with the expansion of the store network.

Inventory growth has been driven by both network expansion and changes in the supply chain resulting from both sterilisation and carding at source, which has extended manufacturing lead times and necessitated higher safety stock levels, and a broader fashion jewellery range. Increases in employee liabilities are consistent with workforce growth as the business scales. Other liabilities primarily comprise gift card and store credit balances, legacy loyalty program liabilities, and accrued expenses.

SkinKandy's inventory holdings reflect stock at warehouses and in store, as well as stock in transit net of inventory provisions. Inventory increased from $3.9 million at 30 June 2024 to $6.2 million at 5 July 2025 and $7.0 million at 3 January 2026. These inventory balances translate to Days of Inventory Outstanding (measured relative to cost of sales) increasing from 194 days at the end of FY24 to 234 days at the end of FY25.

Inventory levels have reduced at the end of Q3 FY26 reflecting management's efforts around optimising working capital levels and are forecast to remain consistent over the forecast period. Note that the inventory balance per the Pro Forma Statement of Financial Position at 3 January 2026 includes a provision of $0.1 million.

Net working capital is forecast to increase by $0.4 million between FY25 and FY26F period ends. The net marginal increase reflects a small increase in inventory levels driven by a larger store network with ongoing inventory management initiatives, and offset in part by improvements in supplier payment terms.

Table 23: Change in net working capital (FY23 – FY26F)

A$ MILLIONS	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
Change in net working capital	(0.1)	0.6	(1.6)	(0.4)

4.7.12 Capital expenditure

SkinKandy's capital expenditure largely relates to new store fit outs, existing store refurbishments and other, non-store capital expenditure including investments in the online store, support office and warehouse.

Set out in Table 24 below is a summary of SkinKandy's capital expenditure for the periods FY23 – FY26F.

Table 24: Capital expenditure (FY23-FY26F)[1]

A$ MILLIONS	PRO FORMA HISTORICAL			PRO FORMA FORECAST
	FY23	FY24	FY25	FY26F
Fit out on new stores	(1.5)	(4.7)	(5.3)	(5.1)
Fit out on stores related to relocation/refresh	(0.9)	(0.7)	(0.4)	(1.1)
Other[2]	(0.3)	(0.3)	(0.4)	(1.9)
Gross capital expenditure	**(2.7)**	**(5.6)**	**(6.1)**	**(8.1)**
Gross fit out contribution	0.6	1.5	1.6	1.7
Timing adjustments	(0.4)	0.3	0.6	(0.1)
Net capital expenditure	**(2.5)**	**(3.9)**	**(3.9)**	**(6.4)**

Notes:

1. The figures above reflect the gross fit out costs and other capital expenditure (fixed asset additions) derived from SkinKandy's fixed asset register. Landlord contributions in respect of store fit outs are also shown above on a gross basis. Timing differences reflect the difference between the gross amounts and the net cash payments each period in respect of these fixed asset acquisitions.
2. FY26F other capital expenditure reflects refurbishment and fit out costs in respect of SkinKandy's head office in Maroochydore ($1.0m in 1HFY26), as well as costs associated with the relocations / fit out of the new warehouse.

The primary driver of SkinKandy's capital expenditure is the fit out of new stores. The number of new store fit outs completed in FY23, FY24 and FY25 was 8, 16 and 21, respectively. Capital expenditure is forecast based on the planned roll out of new stores, each of which requires initial fit out investment.

The average capital cost per new store was approximately $250,000 to $260,000 over FY23 to FY25. In the forecast period, the cost per new store is expected to remain broadly stable.

Historically, full refreshes have averaged approximately 2 to 4 per year, with a cost of approximately $200,000 per store.

4.8 Trading update for Q3 FY26

The following trading update is based on financial and operating results for the third quarter of FY26, comprising the period from 4 January 2026 to 4 April 2026 (Q3 FY26). The information has been extracted from SkinKandy's management accounts and remains unaudited, however it has been subject to review in the context of the Investigating Accountant's role in respect of the FY26F forecast financial information.

During Q3 FY26, Management note the following in respect of the operating and financial performance metrics:

- 2 new stores were opened during the period, taking the total store network to 102 stores at period end and the number of new stores opened in the financial year-to-date to 15 stores;
- Revenue was $22.3 million, representing 25% of FY26F revenue;
- Revenue increased compared with the prior corresponding period[76], up 28.2%, reflecting the contribution from new stores opened in FY26, ongoing ramp-up of recently opened stores, and strong like-for-like performance from the existing store network;
- Across the quarter, the company delivered LFL Revenue Growth of 10.9%, comprising monthly results of 12.4%, 12.5% and 8.3% LFL Revenue Growth in January, February and March, respectively;
- Management note that the rate of LFL Revenue Growth in March 2026 was lower than both January and February, driven primarily by a moderation in weekly per store transaction volumes offset by an increase in ATV;
- Management note that the changes in sales trends observed in March are over a short period and the emerging fuel crisis and conflict in the Middle East is also relatively new;
- Operating expenses for the period were broadly in line with Management's expectations; and
- Underlying earnings (EBIT and NPAT) in the quarter were materially ahead of prior corresponding period.

76. The prior corresponding period factors in the pro-forma adjustment in Q325.

4. FINANCIAL INFORMATION CONTINUED

Table 25: Unaudited trading results for Q3 FY26 (4 January to 4 April 2026)

	Q3 FY26 (3 MONTHS)	FY26F (12 MONTHS)
New stores opened (#)	2	21
Store count at period end (#)	102	108
Revenue ($ million)	22.3	88.7
LFL Revenue Growth on pcp (%)	10.9%	8.1%
Gross profit margin (%)	89.4%	89.3%

4.9 FY27F outlook

SkinKandy expects revenue growth to continue in the financial year ending 3 July 2027 (**FY27F**), driven by further store roll out, the full-year contribution from the 21 stores opened and forecast to be opened during FY26, ongoing maturation and ramp-up of stores opened in FY24 and FY25, and the realisation of revenue benefits arising from the investment made in the operational foundations of the business over recent years.

Management notes that the macroeconomic and operating environment in Australia and New Zealand may become more challenging and volatile as a result of the developing global fuel crisis and conflicts in the Middle East. The potential impacts on consumer demand, operating costs, freight and supply chains from those developments, which could include changes in consumer sentiment, higher freight and logistics costs, and potential government interventions to manage fuel demand and supply, remain uncertain and the timing, form and extent of any such impacts cannot be reliably forecast at this time.

The outlook statements below assume that there is no material further deterioration (or improvement) in the current macroeconomic or operating environment relative to the conditions observed since the commencement of conflicts in the Middle East in late February and early March 2026.

These FY27F outlook statements should also be read in light of the risk factors outlined in Section 5.

In relation to its FY27F outlook, SkinKandy intends to continue executing the Company's strategy, including:

- **Network expansion:** Target opening of 15 to 20 new stores across Australia and New Zealand in FY27F, broadly consistent with the pace of network expansion achieved in FY25 and currently expected for FY26. So far, Management has agreed terms for 9 of the new stores to open in FY27F, and as at the date of this Prospectus, has an additional 5 sites under active negotiation, providing high visibility over 14 of the anticipated 15 to 20 new store openings planned for FY27F. Management also expects to re-locate and upsize 1 to 3 existing stores during the period, consistent with the Company's ongoing programme of network optimisation.
- **Gross margin profile:** Management currently expects gross margin in FY27F to be broadly consistent with margin achieved in the year-to-date FY26 period, noting that the Company continues to pursue a range of operational initiatives intended to support and improve margin performance over time.
- **International expansion:** Management currently expects initial investment (i.e. incremental operating and capital expenditure) in 2027 and plans to open initial stores in select international markets during this period. These plans remain subject to an ongoing assessment of market conditions and the availability of attractive leasing opportunities. As is typical in new markets, the initial investment is expected to occur ahead of store openings, and a period of establishment is required before stores reach maturity. Management expects each new market to have a modest short-term negative impact on earnings as stores are established and performance ramps up.

Notwithstanding the current uncertainty in the broader macroeconomic environment, Management intends to continue progressing the Company's growth strategy as described in section 3.11, with the objective of increasing the long-term earnings capacity of the Company.

4.10 Sensitivity analysis

The Forecast Financial Information included in Section 4 of this Prospectus is based on a number of estimates and assumptions as described in Section 4.6.1 and Section 4.6.2. These estimates and assumptions are subject to business, general economic and competitive uncertainties, many of which are beyond the control of SkinKandy's Directors and Management. These estimates are also based on assumptions with respect to future business developments and decisions, which are subject to change.

Table 26 sets out a summary of the sensitivity of certain of the Pro Forma Forecast Financial Information to changes in a number of key assumptions. The changes in key assumptions as set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely impact on the Pro Forma Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and, where reasonable, it is likely that SkinKandy Management would seek to respond to a known adverse change in one assumption to seek to minimise the net effect on SkinKandy's earnings and cash flow.

For the purpose of the sensitivity analysis shown in Table 26 each sensitivity is presented in terms of the full-year impact on the FY26F pro forma revenue and net profit before tax (**NPBT**), respectively.

Table 26: Sensitivity analysis on pro forma revenue and NPBT for FY26F (Full-year impacts)

METRIC	NOTES	INCREASE/ DECREASE	IMPACT ON FY26F PRO FORMA REVENUE ($ MILLION)	IMPACT ON FY26F PRO FORMA NPBT ($ MILLION)
Group revenue	1	+/- 1%	+/- 0.9	+/- 0.5
LFL Revenue Growth (% change to prior corresponding period)	2	+/- 1ppt	+/- 0.6	+/- 0.3
Gross profit margin (%)	3	+/- 1ppt	+/- n.a.	+/- 0.9
Addition / removal of store opening	4	+/- 1	+/- 0.4	+/- 0.2
Store operating expenditure as a % of revenue	5	+/- 1ppt	+/- n.a.	+/- 0.9

Notes:

In the increase scenario, the driver is increased by the respective rate. Conversely, in the decrease scenario, the driver is decreased by the respective rate. The impact on pro forma revenue and NPBT as a result of increasing and decreasing these drivers is reflected in the table above.

The NPBT impact of revenue sensitivities for group revenue and LFL Revenue Growth have been calculated based on store-level margins reflecting cost of goods sold and store-level operating expenses as a percentage of group revenue for FY26F being 46.3%.

Note also that the above sensitivities reflect full-year impacts based on FY26F forecast performance. Based on Forecast Financial Information reflecting year-to-date performance to March 2026, the actual impact of changes to the variables is expected to be significantly lower.

The selected sensitivity metrics represent key assumptions that are primarily driven by external factors and are not directly controllable by the Group. Variations in these assumptions are considered most likely to have a material impact on NPBT.

1. **Group revenue**

   This sensitivity reflects the impact of a 1% increase or decrease in forecast Group revenue for FY26F (being $88.7 million), with the corresponding NPBT impact calculated by applying the forecast store EBITDA margin of approximately 52.5% to the change in revenue.

2. **LFL Revenue Growth**

   This sensitivity reflects a 1 percentage point movement in LFL revenue growth between FY25 and FY26F across the comparable store base (66 stores generating $61.3 million in FY25 revenue). The NPBT impact is calculated by applying the forecast store EBITDA margin of approximately 52.5% to the incremental or reduced revenue.

3. **Gross profit margin (%)**

   This sensitivity reflects the impact on NPBT of a 1 percentage point increase or decrease from the forecast gross margin of 89.3% in FY26F.

4. **Addition / removal of store opening**

   This sensitivity reflects the impact of adding or removing one store, midway through FY26F (January 2026). The impact is calculated based on the average financial performance of a new store, being approximately $0.4 million in annual revenue and $0.2 million in annual NPBT contribution.

5. **Store operating expenses as a % of revenue**

   This sensitivity reflects a 1 percentage point movement in store operating expenses (including wages) as a proportion of store revenue (forecast at 36.8% in FY26F).

4. FINANCIAL INFORMATION CONTINUED

4.11 Dividend policy

The payment of a dividend by SkinKandy, if any, is at the discretion of the Directors and will be a function of several factors (some of which are outside the control of the Company and its Directors and Management), which include the general business environment, operating results, cash flows and financial condition of SkinKandy, future funding requirements, capital management initiatives, taxation considerations, the level of franking credits available, any contractual, legal or regulatory restrictions on the payment of dividends by SkinKandy and any other factors the Directors deem relevant.

SkinKandy does not intend to pay a dividend in the remainder of the forecast period subsequent to Completion of the Offer and future shareholder distributions will be assessed by the Board at the relevant time. No assurances can be given by any person, including SkinKandy Directors, about the payment of any dividend or, in the event a dividend is paid, the extent to which such dividend will be franked (if at all).

5. KEY RISKS

5. KEY RISKS

This Section describes some of the potential risks associated with the Company's business and the industry and markets in which the Company operates, and risks associated with an investment in Shares. The Company is subject to a number of risks both specific to the Company's business activities and of a general nature, which may, either individually or in combination, adversely impact the Company's future operating and financial performance and the price or value of its Shares. This Section does not purport to list every risk faced by the Company now or in the future. Many of these risks, or the consequences of such risks, are outside the control of the Company, the Directors and Management. If one or more of these risks eventuates, then the future operating and financial performance of the Company and the value of your investment in Shares may be adversely affected.

The selection of risks outlined in this Section is based on an assessment of the probability of the risk occurring, the impact of the risk on the Company should the risk materialise and the Company's ability to mitigate the risk. This assessment is based on the knowledge of Directors and Management as at the Prospectus Date. There is no guarantee or assurance that the importance of the risks will not change or other risks that may adversely impact the Company will not emerge.

There can be no guarantee that the Company will achieve its stated objectives, successfully implement its business strategy, or that the forecast financial information or any forward-looking statement contained in this Prospectus will be achieved or eventuate. You should note that past performance may not be a reliable indicator of future performance.

An investment in the Company is not risk free. Before applying for Shares, you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in the Company and whether the Shares are a suitable investment for you having regard to your investment objectives, financial circumstances and taxation position. Before deciding whether to apply for Shares, you should read this Prospectus in its entirety and seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

RISK	DETAIL
1. Risks specific to an investment in the Company	
(a) ANZ store roll out and network optimisation and renewal	SkinKandy's growth strategy depends on opening new stores across Australia and New Zealand, which presents risks to site selection, delivery and performance. Key risks to this roll out strategy include: • insufficient availability of suitable sites or inability to secure leases on acceptable terms, including in targeted centres, exacerbated by limited new centre development and competition for prime sites; • delays in landlord delivery or vacant possession, permitting delays, disputes with landlords, and fit out cost overruns due to unexpected increases in the costs of materials and labour; • underperforming new stores and/or revenue cannibalisation of existing stores, and establishment costs that are higher than budgeted; • execution strain on training, staffing and supervision required to support the roll out; and • changes in consumer preferences and fashion trends that reduce demand for body jewellery and piercing services.

RISK	DETAIL
(a) ANZ store roll out and network optimisation and renewal continued	Current assumptions regarding the store growth opportunity in Australia and New Zealand may prove overstated, which could limit the achievable store network and growth. For example, SkinKandy's current estimated market penetration may be incorrect, which would make certain assumptions about store roll outs inaccurate. Redevelopments, department store exits, tenant remixing, traffic shifts and competitive dynamics are expected to change the addressable opportunity over time and the consequence of any of these may be that SkinKandy's existing ANZ network may not be optimised on renewal. The rate of new store roll out is not expected to be linear. In addition, SkinKandy's eCommerce channel may not grow as predicted. If these risks materialise, SkinKandy may experience delays to its network plan, reduced sales and operating margins, and lower returns on invested capital; lease constraints or variations could also lead to store relocations or closures, adversely affecting financial performance and prospects.
(b) International expansion	SkinKandy's growth strategy also includes disciplined expansion into priority international markets. The risks set out above in relation to expansion of SkinKandy's network in Australia and New Zealand also apply to its international expansion. In addition, international expansion (for example, into the United States, the United Kingdom or South Africa) would increase execution complexity, regulatory risk and costs, and could divert management focus from existing operations. Assumptions regarding market suitability in target countries may prove incorrect, and expansion initiatives may not be successful. If roll out economics are below expectations, returns may be diluted. Entering new jurisdictions would materially increase regulatory complexity, including compliance with state- and county-specific rules across public health, consumer protection, employment, privacy and property/leases, and may expose SkinKandy to heightened litigation and enforcement risk. In particular, SkinKandy acknowledges the increased risk of litigation that comes with operating in the United States. These factors could increase operating costs, delay store roll outs, constrain growth or require changes to SkinKandy's operating model, which may adversely affect the successful execution of its growth strategy and the use of Offer proceeds. As the Group expands internationally, differences in retail market dynamics (including trading hours, store design and occupancy costs) may interact with macroeconomic cycles in those markets, potentially increasing earnings volatility. These effects could have a material impact on SkinKandy's operating performance and financial position.

5. KEY RISKS CONTINUED

RISK	DETAIL
(c) Retail environment, geopolitical and macroeconomic conditions	SkinKandy's products and services are discretionary and customer demand for SkinKandy's products and services is influenced by a variety of economic and geopolitical factors including but not limited to economic growth, inflation, interest rates, consumer confidence, fiscal and monetary policy, wars and employment rates in not only the key markets in which it operates, but also countries, economies and industries which have the capacity to affect the key markets in which SkinKandy operates. Adverse movements in these macroeconomic factors or cost-of-living pressures, may reduce consumer demand for discretionary items, compress margins and negatively impact trading performance. For example, a deterioration in economic conditions and concerns arising out of geopolitical tensions, including the present conflicts in the Middle East, may cause consumers to delay spending decisions, or the cost or availability of fuel (or potential government mandated rationing of fuel) may become prohibitive to making non-essential trips, which may mean that potential customers are not visiting physical stores. Relatedly, prolonged economic downturns or recessions can result in higher unemployment rates, reduced consumer spending, and diminished demand for SkinKandy's products. SkinKandy may encounter difficulties adjusting its cost structures or pricing strategies in response to changing economic or geopolitical conditions or a drop in demand for its products. Any increase in the price of its products to compensate for reduced revenue may further reduce SkinKandy's number of sales and reductions in prices to incentivise consumer demand may adversely impact margin performance. Prolonged weakness in retail conditions in Australia and New Zealand, and in any new markets that SkinKandy enters, could have a material adverse effect on the business. Broader macro-related factors, including disruptions to international shipping (because of the present conflicts in the Middle East or otherwise), imposition of tariffs and other charges, and supplier or production issues in foreign jurisdictions, may affect product availability, increase sourcing costs and adversely impact sales and margins. See Section (l) for more information on specific supply chain risks.

RISK	DETAIL
(d) 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. These requirements apply at federal and state levels and include standards governing sterilisation, cleaning, disinfection and storage practices, as well as personal appearance and public health legislation. In Australia, state-based skin penetration businesses are regulated by state and territory-based public health legislation and regulations. While the requirements vary by location, skin penetration businesses are generally required to hold a licence (Queensland, Tasmania and the Australian Capital Territory), or registration (Victoria and Northern Territory), or submit a one-time notification to the local council (New South Wales and Western Australia). In New Zealand, operations are subject to local authority requirements and national guidance on safe piercing practices. Compliance obligations apply across SkinKandy's business and at individual store level. There is significant complexity in the laws and regulations which apply to SkinKandy and notwithstanding the Company's processes and systems, it may from time to time fail to meet all requirements. Any failure by SkinKandy or its employees to comply with applicable regulatory or legal requirements could result in regulatory outcomes that may include fines, suspension of services, mandated remediation, loss of licences, reputational damage or other enforcement action, any of which could adversely affect SkinKandy's operations, financial performance and prospects. Regulatory requirements may evolve over time, and SkinKandy may be required to incur additional costs to implement changes to policies, procedures, training, staffing or equipment in order to maintain compliance. These compliance costs may increase as the business scales and could adversely impact operating margins. If SkinKandy is unable to keep pace with regulatory developments, or if future regulatory changes impose more onerous obligations, this could adversely affect its financial position and operating results.

5. KEY RISKS CONTINUED

RISK	DETAIL
(e) Health, safety and clinical risks in piercing operations	Risks involved with providing piercing services primarily include: • customer adverse reactions, fainting episodes, bleeding or post-procedure complications; • needle-stick injuries to customers or staff (and potential consequences of needle-stick, including disease); and • cross-contamination or infection risk if protocols fail. Needle-stick incidents can occur due to handling or disposal errors, missed receiving tubes, unexpected client movement or startle responses. Potential disease transmission from blood-to-blood exposure may occur. Any exposure event may necessitate immediate first aid, incident reporting, risk assessment, baseline and follow-up serology, medical monitoring and counselling. Adverse outcomes could give rise to workers' compensation or public liability claims, regulatory investigation and penalties, criminal sanctions in extreme cases, and material reputational harm. Infection-control risk is inherent to skin penetration services. Controls include single-use sterile needles and consumables, validated sterilisation of re-usable instruments (including appropriate cleaning, packaging and autoclave cycles), routine biological and mechanical testing of sterilisation equipment, hand hygiene and personal protective equipment, surface and equipment disinfection between clients, sharps handling and disposal protocols, and documented clinical procedures and aftercare instructions. Failures in any step (including staff non-compliance or lapses in training or supervision) could lead to localised or systemic infection, scarring or allergic reactions. In addition to regulatory and licensing compliance, skin penetration businesses are required to meet to infection-control standards (sterile equipment, single use needles, personal protective equipment) and may be subject to periodic inspections. In Australia, infection-control requirements generally refer to Australian Standards which govern the reprocessing of reusable medical and other devices (AS 5369:2023) and set out the requirements for single-use and reusable sharps containers (AS 23907:2023). The extent to which these Standards apply by law in each state or territory will vary. Any serious incident, or perception of unsafe practices, could harm customers or staff, trigger claims, regulatory actions (including penalty notices, improvement notices, prohibition orders) or store closures, and damage the SkinKandy brand. This may result in a decline in sales, a deterioration in competitive position or impact growth initiatives and adversely affect SkinKandy's financial performance. SkinKandy provides piercing services to minors (with parental or guardian consent, where required). Performing piercings on minors introduces additional legislative and regulatory complexity – including age verification requirements, parental or guardian consent protocols, and restrictions on certain piercing types or locations for minors. These requirements vary across the jurisdictions in which SkinKandy operates and may be subject to change. The need to monitor, document and enforce compliance with these obligations heightens the risk that SkinKandy may inadvertently breach its regulatory requirements, which could lead to regulatory investigation, customer complaints, litigation, penalties, or reputational damage.

RISK	DETAIL
(f) Leasing and change-of-control provisions	As at December 2025, SkinKandy operates stores from 100 leased premises throughout Australia and New Zealand. A number of the Group's material leases require the landlord's prior consent for the relevant Group Company to continue as the tenant following a change of control event. Under a number of the Group's material leases, the transfer of the Selling Shareholders' Shares to SaleCo, or subsequent corporate actions, may trigger the change of control, assignment or consent provisions or could be at risk of being argued as doing so. The Group may notify its landlords of the IPO following Completion, as commercially appropriate or as required under the terms of its leases. If the relevant Group Companies do not satisfy their obligations (or asserted obligations) to obtain prior consent under the relevant change of control provisions that may be triggered in connection with the Offer, the relevant Group Company tenants may be in breach of their leases and the relevant landlords may take actions adverse to SkinKandy. For example, this may include unfavourable variation of lease terms, store closures, relocation costs, or other financial consequences, such as make-good obligations. There may also be fit out contribution clawback provisions triggered by the Offer. Additionally, landlords could use these rights as leverage in future negotiations on lease renewals, in securing leases for new sites (where it is the same landlord) or the relationship with the landlord may otherwise deteriorate. This may have a material adverse impact on SkinKandy through additional costs and even the loss of a site at which a profitable store is operated.
(g) Reputational damage	SkinKandy's ability to maintain its reputation is critical to the consumer perception of its piercing offerings. The following factors may adversely impact brand name, intellectual property and general reputation of SkinKandy's business: • failure to maintain consistent and high standards across the network in relation to piercing services; • failure to adhere with applicable laws and regulations; • serious or unexpected side effects experienced by customers from the piercing services and/or from the failure of the aftercare procedures/products; • inadvertent breach of privacy obligations leading to the disclosure of personal client information; and • other risks to SkinKandy's brand and reputation that are beyond the Company's control. SkinKandy's brand is central to customer acquisition and trust in a clinical service environment. Negative media or social media coverage relating to safety incidents, customer experience, product quality, data breaches, or employee conduct could reduce customer traffic, affect landlord and supplier relationships, and harm growth.

5. KEY RISKS CONTINUED

RISK	DETAIL
(h) People, training and labour costs	SkinKandy's business depends on its ability to recruit, train and retain skilled piercers and store leaders, supported by formal onboarding and upskilling programmes and succession pathways. Tight labour markets, minimum and regulatory modern award and wage change and inflation may increase labour costs and adversely affect financial performance if sustained. Given the levels of staff attrition in the retail industry, there is a continuous requirement to attract and train new members of staff in piercing operations. Any difficulty in attracting and training new staff members would have a material impact on the business and may also lead to increase in labour costs to secure employees. SkinKandy operates under the Australian industrial awards framework and is exposed to payroll compliance risk. While the Company seeks to pay employees in accordance with applicable modern awards and has supporting automated and substantive procedures, the complexity of the system, including ensuring correct classification of employees under modern awards, mean errors could occur, potentially resulting in back-pay liabilities of wages, entitlements or superannuation, regulatory penalties, remediation costs and reputational damage. In times of low unemployment or shortage of skilled employees, there can be upward pressure on wages. Store teams may encounter aggressive behaviour and assaults from customers or members of the public, including verbal aggression, sexualised behaviour and physical incidents, which can increase safety, training and supervisory demands. These risks are actively managed through incident reporting, de-escalation training and safety measures, but higher incidence can still disrupt operations and increase costs.
(i) Key person risk	SkinKandy's success also depends on the retention of senior Management and critical operational leaders. The loss of key management personnel, particularly members of the senior leadership team, or an inability to attract and retain suitable replacements, could adversely affect SkinKandy's strategic direction, operational execution, financial performance and growth prospects. The Company's head office and warehouse is located in Maroochydore, Queensland, a relatively smaller and less deep talent market compared to major metropolitan centres. This geographic location may present a structural challenge in attracting and retaining experienced and credentialed personnel over time, particularly for senior and specialist roles requiring specific expertise or qualifications. This could potentially limit the Company's ability to build organisational capability at the required pace to support its growth strategy.

RISK	DETAIL
(j) Competition and market dynamics	The piercing and fashion jewellery sector is highly fragmented with relatively low barriers to entry. SkinKandy faces competition from existing players or the entry of new competitors including: • independent piercing studios; • national cosmetic/beauty chains offering piercing services (e.g. Essential Beauty and Hairhouse Warehouse); • fashion accessories retailers (including those with in-store piercing services) (e.g. Lovisa); and • smaller multi-store piercing retailers (e.g. Unicorn Piercing and Punktured). See Section 2.4 of the Prospectus for further details about the competitive landscape in which SkinKandy operates. Competitors may intensify store roll-outs, promotional activity or discounting, or shift to direct-to-consumer models. New or existing competitors may adopt a price-led customer acquisition strategy and adopt a posture of intensive price competitiveness with SkinKandy. The same competitors may seek to replicate elements of SkinKandy's business model, but with more a aggressive, lower-cost price architecture, in an attempt to take market share by undercutting on price. More intensive price-based competition could compress SkinKandy's margins, reduce its pricing power and increase its customer acquisitions costs and require it to respond with promotional activity or price reductions that adversely affect profitability. Failure by SkinKandy to maintain compelling service standards, a differentiated product range, attractive pricing, and effective marketing could lead to loss of market share and margin pressure. Whilst the costs and time that would be required to replicate SkinKandy's business model, training protocols, store network, IT systems and brand recognition would be substantial, the industry as a whole has relatively low barriers to entry. Although SkinKandy continues to invest in people, place and product to build category leadership, including training, network expansion, technology enablement and brand scale, increased competition remains a key risk for the business. SkinKandy's competitive position may deteriorate due to actions by existing competitors, entry by new competitors (including international retailers), or a failure to respond effectively to changing consumer preferences and industry dynamics. If these risks materialises, SkinKandy could experience loss of market share and reduced sales, leading to margin compression and lower earnings, which may negatively affect cash generation, store roll out and overall financial performance.
(k) 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. Customers may not resonate with the available product ranges or they may not purchase the high-margin and premium produce ranges.

5. KEY RISKS CONTINUED

RISK	DETAIL
(l) 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 to SkinKandy's supply chain include: • supplier financial stress, quality failures or non-compliance with legal or ethical standards (e.g., modern slavery, environmental breaches); • geopolitical events including wars, tariffs, import restrictions, customs delays, natural disasters or pandemics; • freight disruption and cost volatility, including increased fuel costs or scarcity, transportation capacity and port congestion; and • concentration in specific countries, ports or vendors, any of which may result in delayed product delivery or complete failure to receive products ordered. While SkinKandy aims to mitigate such risks by continually reviewing business relationships with a number of suppliers, it does not typically enter into long term arrangements with suppliers. Disruptions may increase cost of goods, reduce product range, necessitate re-sourcing on less favourable terms, or result in stock-outs. This may in turn adversely impact sales and margins, reduce overall profitability and adversely impact the future financial performance of SkinKandy. While diversification initiatives and responsible sourcing frameworks are being developed, concentration risk remains. Changes to customs and tariff regimes, or the imposition or increase of tariffs, duties, taxes or import restrictions in Australia, New Zealand or other markets, could increase landed costs, delay clearance and materially disrupt supply. These measures may necessitate re-sourcing on less favourable terms and, together with foreign exchange movements on USD-priced imports, could further compress gross margins. Tariff policy in the United States is particularly unpredictable and may adversely impact goods sourced from China. As the Group expands internationally, the complexity of multi-territory distribution, logistics frameworks and inventory models increases, which may heighten execution risk in the supply chain. Should any of these risks occur, they could have a material adverse impact on SkinKandy's future financial performance.

RISK	DETAIL
(m) Superannuation	The Group employs a significant number of retail employees, including casual and part-time employees whose working hours and remuneration may vary from pay period to pay period. As an employer in Australia, the Group is required to comply with the superannuation guarantee regime under Australian taxation laws, including obligations relating to the calculation, payment and reporting of compulsory superannuation contributions. Compliance with these obligations can be complex, particularly where employees have variable hours, receive different types of remuneration or work across multiple roles or locations. The Group relies on payroll systems, processes and employee data to calculate and pay superannuation contributions. While the Group has implemented systems, policies and processes designed to support compliance with its superannuation obligations, there is a risk that errors, incorrect employee classifications, data entry issues or administrative oversights may occur. If the Group fails to comply with its superannuation guarantee obligations, it may be required to make additional payments, including the superannuation guarantee charge, interest and administrative penalties, and may be subject to regulatory scrutiny or enforcement action by the Australian Taxation Office. Any such matters could result in financial liabilities, increased compliance costs and reputational damage, which may adversely affect the Group's financial performance and position. See Section 4.3 for details of a provision that has been made in the Pro Forma Financial Information relating to interest and late charges as a result of inadvertent late payments of superannuation in historic years.
(n) Cybersecurity, privacy, data and IT systems	SkinKandy relies on integrated information technology systems, including point-of-sale, booking and CRM platforms and financial/ERP systems, to process transactions, manage customer relationships and meet legal, regulatory and tax obligations. Risks of this reliance include cyber-attacks (including ransomware and malware), data loss, privacy breaches, unauthorised disclosure, insider threats, and third-party vendor compromises, as well as outages, degradation or recovery failures that disrupt operations. SkinKandy also holds significant volumes of personal information through its loyalty and booking databases, and any compromise of customer, employee or company data may attract significant media attention, cause brand and reputational damage, lost sales and regulatory investigation, fines or litigation. Any of these could have a material adverse effect on SkinKandy's future financial performance and financial position. It is also possible that the Group may not be fully compliant with its privacy obligations or that inadvertent breaches of its privacy obligations occur. There is a risk that security measures taken by SkinKandy may not be sufficient to detect or prevent unauthorised access to, or disclosure of, personal or confidential information, whether malicious or inadvertent. While SkinKandy has policies and processes in place relating to information security, there can be no guarantee that this will be sufficient to prevent or detect future cyber-attacks or otherwise prevent information security breaches.

5. KEY RISKS CONTINUED

RISK	DETAIL
(o) Product safety, quality and recalls	SkinKandy sells jewellery, including implant-grade and precious metal items, and aftercare products. SkinKandy sources high-quality, own-brand and pre-sterilised jewellery through direct Asia sourcing, with a focus on infection control and risk management in sterile piercing clinics. Product faults, material non-conformance (for example, sub-standard materials), labelling or packaging defects, or contamination can lead to consumer harm, complaints, potential product withdrawals, warranty claims, and brand or reputational damage. Regulators may take enforcement action or impose penalties where non-compliance with public health or related regulations is identified, including under legislation and regulations governing sterilisation and skin penetration services in Australia and New Zealand. SkinKandy relies on upstream supplier controls and assurance, together with internal quality assurance and training; failure in any part of this chain, or broader supply chain disruptions, could have adverse consequences for the business. Given the high-touch nature of piercing services and the volume of customer interactions, the business can experience a relatively high level of customer complaints and service escalations which are typically resolved promptly. This could potentially increase the risk of a regulatory investigation.
(p) Technology/ service model disruption	It is possible that new piercing technologies or service models emerge that SkinKandy fails to keep up with. For example, there is a possibility that new technologies are developed which enable piercing to be performed in a manner that is faster, lower cost, less painful, or otherwise more attractive to consumers. Such developments may not align with SkinKandy's current store design, operating model, or capital investment in fit out and equipment. This could require incremental capital expenditure, changes to operating procedures, retraining, or a broader repositioning of the in-store experience. There is also a risk that such technologies may not be immediately accessible to SkinKandy (whether due to exclusivity, cost, or other barriers), which could place the business at a competitive disadvantage and impact its prospects.
(q) Legal and regulatory disputes	As a consumer-facing retailer providing clinical services, SkinKandy regularly faces customer complaints and is also at risk of facing investigations or litigation (e.g., consumer law, privacy, employment, health and safety). Adverse outcomes could lead to damages, penalties, or operational restrictions, and even successful defence can be costly and distracting. SkinKandy may from time to time be the subject of complaints, litigation, inquiries or audits initiated by customers, employees, landlords, government agencies, regulators or other third parties alleging matters such as incorrect product descriptions, injury, health, environmental, safety or operational concerns, nuisance, negligence or failure to comply with applicable laws and regulations. Such matters, even if successfully disposed of without direct adverse financial effect, could have an adverse effect on SkinKandy's reputation and divert its financial and management resources from more beneficial uses. With a large number of retail employees, SkinKandy is susceptible to claims from employees. If SkinKandy were found to be liable under any such claims, this could have a material adverse effect on SkinKandy's future financial performance. As noted above, the high level of complaints inherent in SkinKandy's high volume customer interactions potentially increases the risk of regulatory investigation. Further complexity and risk is introduced with new markets and specifically in the United States with the potential for highly litigious consumers and regulators.

RISK	DETAIL
(r) Insurance coverage	Although SkinKandy maintains insurances (including public liability and product liability), coverage may be inadequate or subject to exclusions, retentions, limits, or disputes. Premiums may increase materially following claims or market hardening, and some losses may be uninsured or uninsurable.
(s) Foreign exchange and commodity price exposure	Inventory purchases and inputs priced in USD, RMB or other currencies expose SkinKandy (directly or indirectly through AUD-denominated suppliers) to currency fluctuations. The majority of goods that are imported by SkinKandy are priced in USD. Adverse movements may increase landed costs and compress gross margins where price pass-through is constrained by consumer demand or competition. The Group's cost of goods is influenced by the market price of gold. Gold prices are volatile and are affected by a range of factors outside the Group's control, including global economic conditions, inflation expectations, interest rates, currency movements, geopolitical developments, central bank policies and investor demand. An increase in the price of gold may increase the cost at which the Group is able to source gold or gold-containing products from its suppliers. This may increase the Group's landed cost of goods and may adversely affect the Group's margins, particularly where the Group is unable to pass on higher input costs to customers through increased retail prices or where there is a delay in doing so. If the Group experiences sustained increases in gold prices, this may increase the Group's cost base and reduce profitability, which may adversely affect the Group's financial performance and position.
(t) Contracting risks	SkinKandy is a party to a number of contracts and agreements with a broad range of counterparties. These include supply, delivery, IT and lease contracts, which SkinKandy is dependent on to operate its business. There is a risk such contracts may be terminated or renegotiated on less favourable terms. SkinKandy is party to a number of contracts that contain a right for the counterparty to terminate for convenience at any time during the contract term or in some cases are not documented at all. Termination of such contracts before the end of a contract's term (or a decision by a counterparty to cease acting in accordance with past practices in the case of undocumented agreements) may require SkinKandy to seek alternative suppliers or delivery partners, which could adversely affect SkinKandy's financial performance and financial position if it is unable to replace those on similar terms. In addition, certain material contracts may have expired (or have upcoming expiry dates), even though the parties may continue to operate on the terms of the expired contracts. There is a risk that the expired or expiring contracts will not be renewed or be renewed on less favourable terms. Finally, SkinKandy does not in all cases have copies of fully executed versions of contracts to which it or other Group members are party which may create evidentiary issues where enforcement of those contracts is required.

5. KEY RISKS CONTINUED

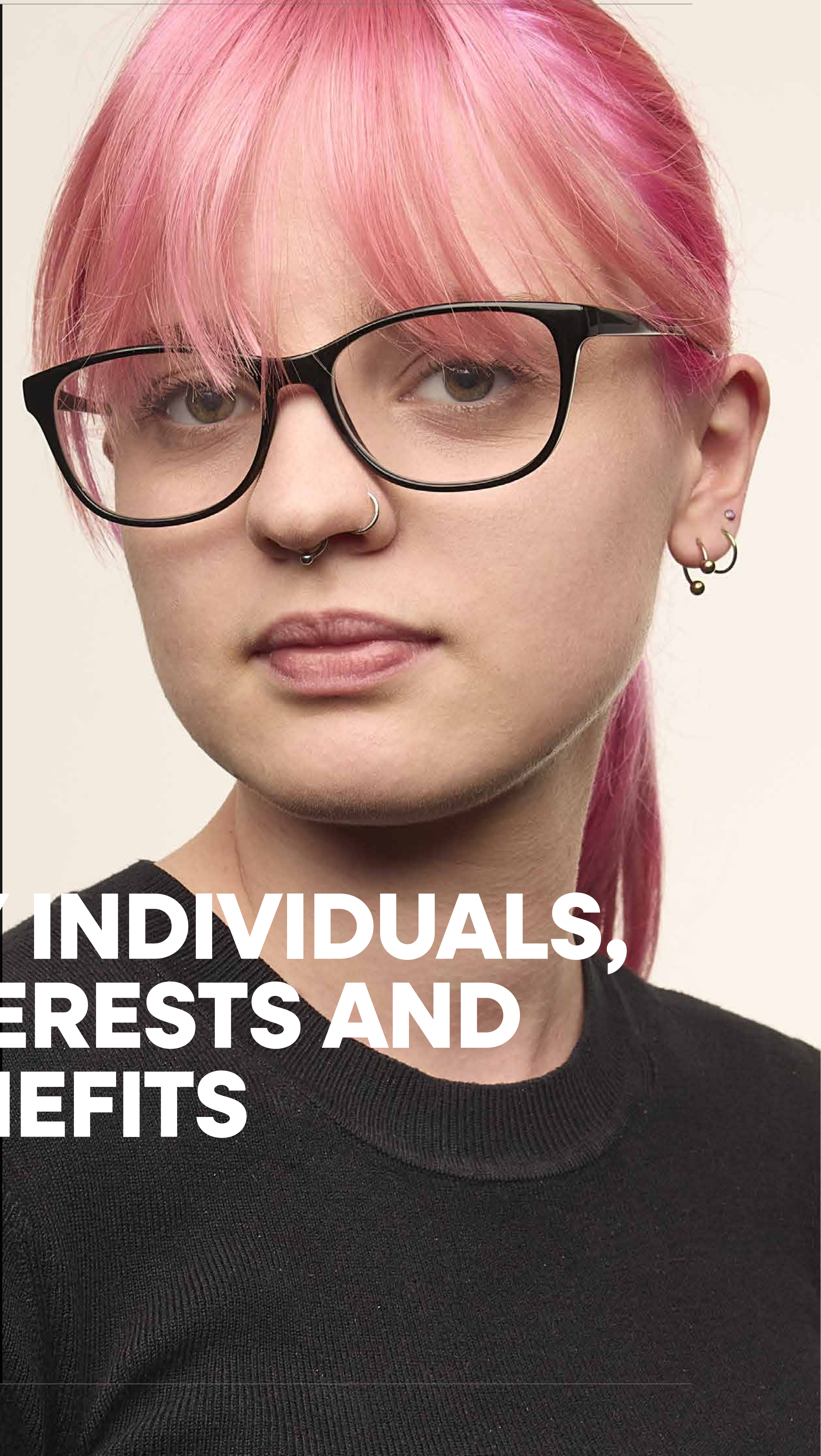
RISK	DETAIL
(u) ESG matters, including modern slavery and climate	Stakeholders expect responsible sourcing, safe workplaces and environmental stewardship. Failures in supplier labour practices (including modern slavery), materials sourcing, or environmental impacts could result in regulatory action and reputational damage. 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. The Group is likely to be captured by the new climate-related financial disclosures regime under the Corporations Act and will be required to prepare a sustainability report once reporting thresholds are met. To meet its reporting obligations, the Group will need to collect the necessary baseline emissions data collection and undertake initial scenario analysis and climate-related financial risk assessment. Compliance with the climate-related financial disclosures regime under adds additional regulatory complexity (and with it, the risk of non-compliance) as well as increased costs.
2 General investment risks	
(a) Failure to meet forecasts or achieve guidance	The financial forecast assumptions underpinning the Forecast Financial Information rely on various assumptions. Whilst the Directors believe the assumptions to be reasonable, the assumptions are by their very nature subject to significant uncertainties and contingencies, many of which will be outside of the control of SkinKandy, the Directors and Management and are not reliably predictable. Various factors, both known and unknown, may impact on the future performance of SkinKandy and cause its actual performance to vary significantly from expected results. As noted in Section 4.9 of this Prospectus, the FY27F outlook statements assume that there is no material further deterioration in the current macroeconomic or operating environment relative to the conditions observed since the commencement of conflicts in the Middle East in late February and early March 2026. Although the FY27F outlook statements (and the other Forecast Financial Information) have been prepared by the Directors based on an assessment of present economic and operating conditions, the macroeconomic and operating environment in Australia and New Zealand may become more challenging and volatile as a result of the developing global fuel crisis and conflicts in the Middle East and therefore, potential investors are cautioned not to place undue reliance on the FY27F outlook statements or Forecast Financial Information. There can be no guarantee that SkinKandy will achieve its stated objectives or that its forecast or any other forward looking guidance in this Prospectus will eventuate.

RISK	DETAIL
(b) Exposure to general economic and financial market conditions	On becoming a publicly listed company on the ASX, SkinKandy will be subject to the general market risk that is inherent in all securities traded on a stock exchange. This may result in fluctuations in the Share price that are not explained by SkinKandy's fundamental operations and activities. Some of the factors which may adversely impact the Share price include: • general market conditions, including investor sentiment; • general economic conditions including inflation, interest rates, exchange rates, domestic and international elections, growing or falling unemployment, changes to government fiscal, monetary or regulatory policies and settings; • changes in government or ASX regulation or policies both within Australia as well as in countries around the world; • actual or anticipated fluctuations in SkinKandy's financial performance and those of other public companies in its sector; • changes in accounting principles; • inclusion in or removal from market indices; and • general operational and business risks. Deterioration in general economic conditions may adversely impact SkinKandy's business operations and the price of the Shares after Listing as well as the Company's ability to pay dividends and the consequent returns from an investment in Shares. As a result, SkinKandy is unable to forecast the market price for Shares and its shares may trade on the ASX at a price that is below the Offer Price.
(c) Force majeure events	Events may occur within or outside Australia, or in the other markets in which SkinKandy operates, that could impact upon the global, Australian and other local economies, SkinKandy's operations and financial performance, and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak or escalation of international hostilities, fires, floods, water contamination, earthquakes, labour strikes, civil wars, natural disasters, epidemics or pandemics or other outbreaks of disease or other natural events or man-made occurrences (such as cybersecurity attacks) that can have an adverse effect on SkinKandy's suppliers, the demand for the Company's products and its ability to conduct business. If SkinKandy suffers a major disruption and does not have adequate business continuity plans in place, this could have a material adverse effect on sales, reputational damage and operating and financial performance. The Company has only a limited ability to insure against some of these risks.
(d) Trading in Shares may not be liquid	Prior to the Offer, there has been no public market in the Shares. On and from Listing, the Shares will only be listed on the ASX and will not be listed for trading on any other securities exchange in Australia or elsewhere. There can be no guarantee that an active trading market for Shares will develop or that the market price of Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. Furthermore, the market price for Shares may fall or be made more volatile because of the relatively low volume of trading in SkinKandy's securities. When trading volume is low, significant price movement can be caused by trading a relatively small number of Shares. If illiquidity arises, there is a real risk that security holders will be unable to realise their investment in the Company.

5. KEY RISKS CONTINUED

RISK	DETAIL
(e) Existing Shareholders will retain a significant stake in the Company post-Listing	Following Completion, it is expected that the Existing Shareholders will hold up to 34.9% of the Shares which, as a result of the voluntary escrow arrangements described in Section 7.15 and 9.8 of the Prospectus will not be able to be offered for sale on ASX until expiration of those arrangements. The absence of any sale of Shares by these Existing Shareholders during this period may cause, or at least contribute to, limited liquidity in the market for Shares and may prevent investors from acquiring more SkinKandy Shares or disposing of Shares acquired under the Offer, which could have a downward impact on the Share price. Following release from escrow, Shares held by Existing Shareholders will be able to be freely traded on the ASX. A significant sale of Shares by Existing Shareholders, or the perception that such sales have occurred or might occur, could adversely impact the price of Shares both before and after the end of the escrow restrictions. Alternatively, the absence of any sale of Shares by Existing Shareholders may cause or contribute to a diminution in the liquidity of the market for the Shares. The interests of Existing Shareholders may be different from the interests of investors who acquire Shares in the Offer.
(f) No guarantee of future dividend payments	There is no guarantee that the Company will generate sufficient cash flow from its operations in the future to pay dividends. Accordingly, any investment in the Shares may not carry with it income returns in the form of dividends or other distributions and any returns will be limited to any capital growth arising from any increase in the price of the Shares. The Company's dividend policy is set out in Section 4.11 of the Prospectus. To the extent that the Company is able to, and does, pay dividends in the future, there is no guarantee that the Company will have sufficient franking credits in the future to fully frank dividends or that the imputation system will not be varied or abolished. In addition, if a portion of the Company's future earnings are derived from offshore operations, it may not be possible to fully frank dividends. The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.
(g) Future Shareholder dilution	In the future, SkinKandy may elect to issue Shares to raise further funding. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such fundraisings and Shareholders may experience a loss in value of their equity as a result of such issues of shares and fundraisings. SkinKandy may also issue Shares, options or rights under employee incentive plans that can, in certain circumstances, convert into Shares to new or existing employees. Whilst SkinKandy will do so in accordance with the Corporations Act, ASX Listing Rules and its constitution, any new issue of SkinKandy Shares to employees may result in the dilution of a Shareholder's proportional beneficial ownership in the underlying assets of SkinKandy, and Shareholders may experience a fall in the price or loss in the value of their Shares as a result. Details of SkinKandy's equity-based remuneration are set out in Section 6.4 of the Prospectus.

RISK	DETAIL
(h) Exposure to changes in tax rules or their interpretation	Tax laws in each of the jurisdictions in which SkinKandy operates are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to applicable tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty. Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian or overseas tax law and practices that impact SkinKandy or its industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by the Company which is contrary to that of a revenue authority in Australia or overseas may give rise to additional tax payable.
(i) Australian Accounting Standards	Australian Accounting Standards are set by the AASB and are outside SkinKandy's control. The AASB may, from time to time, introduce new or refined AAS, which may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables and lease obligations. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to the AAS issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the reported financial performance and position of the Company.
(j) Access to future capital	Future capital requirements may necessitate that SkinKandy seeks additional equity or debt financing to support its operations and growth strategy. There is no assurance that SkinKandy's internally generated capital will be sufficient to meet the future needs of its business. The Company may face challenges in raising additional capital when needed, or it may not be able to secure such capital on favourable terms or at cost-effective rates. Failure to obtain necessary funding could hinder SkinKandy's ability to operate or expand its business. This could lead to significant adverse effects on the company's business operations, financial performance, financial condition, or growth prospects, including limiting the roll out of stores based on capital requirements.



6.
KEY INDIVIDUALS, INTERESTS AND BENEFITS

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including sector and business knowledge, financial management and corporate governance experience. Profiles of each member of the Board are set out in the table below.

Trent Peterson

Independent Non-Executive Chair

Trent Peterson was appointed as a Director in May 2026.

Trent is a professional director, investor and advisor through his business Catalyst Direct Capital Management. Trent was a Partner at Catalyst Investment Managers, where he led equity investments for over 25 years – this role is now part time.

He is currently the Chair of Adairs Limited and is a non-executive director of Universal Store Holdings Limited, dusk Group Limited, and Shaver Shop Group. He brings extensive experience across retail and consumer businesses, with a strong track record in growth and governance. Trent has previously held board roles with Just Group, SkyBus, Power Farming, Max Fashions, Global Television and EziBuy.

BComm (Melb University) and qualified as a Chartered Accountant.

Committees: ARC and PRC

Dain Friis

Chief Executive Officer and Executive Director

Dain was appointed as Chief Executive Officer in January 2023 and as a Director in May 2026.

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 and growth, with a particular focus on establishing and scaling operations within the United States and other international markets.

Dain previously held senior leadership roles at Adairs Retail Group, MYER and Mr Price Group. He has led businesses across Australia, the United States and South Africa, bringing deep experience in scaling multi-brand retail platforms.

Melanie Wilson

Independent Non-Executive Director

Melanie Wilson was appointed as a Director in May 2026.

Melanie is an experienced non-executive director with extensive experience across consumer, retail, digital and eCommerce businesses.

Melanie is currently a non-executive director of Web Travel Group, and JB Hi-Fi Limited. She previously served as Chair of Baby Bunting from 2021 to 2025 and non-executive director from 2016. She has previously held board roles with iSelect, EML Payments, PropertyGuru Group and Shaver Shop.

She previously held senior roles at BB Retail Capital, Woolworths Limited, including Head of Online BIG W, Limited Brands (USA), and has held executive and business development roles across a range of retail and consumer businesses. Earlier in her career, Melanie worked at Bain & Company and Goldman Sachs.

MBA (Harvard University), BComm (University of Queensland);

Committees: ARC and PRC

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

Richard Whiteoak

Non-Executive Director

Richard Whiteoak led a majority investment into SkinKandy in November 2019 and was appointed as a Director in September 2022.

Richard is the founder and Managing Director of Whiteoak[77], an Australian private equity firm established in 2016. He is the Chair of Zeus Street Greek and Avolution Software and a non-executive director of Sovereign Capability Group and Status Anxiety. He brings deep experience across private equity and public markets, underpinned by a strong track record of strategic value creation.

Earlier in his career, Richard was a management consultant at McKinsey & Company, a fund manager and a medical doctor.

MBA (University of Oxford); MB BCh (University of Wales)

Committees: ARC

Mark Oliphant

Non-Executive Director

Mark Oliphant is the founder of SkinKandy and its former CEO, 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. His appreciation of the Company's culture and entrepreneurial DNA strengthens the Board's oversight of long-term strategy and disciplined growth.

Committees: PRC

Each Director above has confirmed to the Company that they anticipate being able to perform their duties as a non-executive director or executive director, as the case may be, without constraint having regard to their other commitments.

77. Dr Whiteoak will be nominated to the Board by Whiteoak. Whiteoak's post-Completion shareholding is set out in Section 7.5 of this Prospectus. See also Section 6.3.4 and Section 6.8.2.

6.2 Executive Management

Profiles of the key members of the Company's executive Management team are set out in the table below.

	**Dain Friis** *Chief Executive Officer* See Section 6.1.
	**Carl Larzabal** *Chief Financial Officer and Company Secretary* Carl was appointed as SkinKandy's Chief Financial Officer in June 2023 and was appointed as SkinKandy's Company Secretary in March 2025. He has extensive experience in delivering exit-focused financial strategies, complex project management, M&A transactions and accelerated growth strategies. Prior to joining SkinKandy, Carl was the Director of Finance and Operations at Whiteoak, Carl has a chartered accounting background and was formerly an Accounting and Tax Manager at KPMG. He has deep knowledge guiding the finance, information technology and operational teams of private equity-backed fast-growing businesses across tech, consumer/retail eCommerce and service industries. Carl is a qualified Chartered Accountant.

6.3 Interests and benefits

6.3.1 Introduction

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company or SaleCo;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer, holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
  - the formation or promotion of the Company;
  - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
  - the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of the Company or SaleCo.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

6.3.2 Directors' interests and remuneration

6.3.2.1 Chief Executive Officer

Dain Friis is employed as Chief Executive Officer. See Section 6.4.1.1 for further details of his remuneration and Section 6.3.4 for details of his interests in the Company as at the Prospectus Date and as at Completion.

6.3.3 Non-Executive Directors

6.3.3.1 Non-Executive Directors' appointment letters

Prior to the Prospectus Date, each of the Non-Executive Directors has entered into an appointment letter with the Company, confirming the terms of their appointment, their roles and responsibilities and the Company's expectations of them as Directors.

6.3.3.2 Non-Executive Directors' remuneration

Under the Constitution, the Company at a general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount of directors' fees paid to the Directors (subject to certain exceptions) (**NED Fee Cap**) must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting.

Initially, and until a different amount is determined, the maximum aggregate NED Fee Cap for the purposes of the ASX Listing Rules and the Constitution is $800,000 per annum. This amount excludes, among other things, amounts payable to any executive Director under any executive services agreement with the Group or any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for, or at the request of, the Company.

The following annual base fees are payable to Directors (with effect from Completion).

Chair of the Board	$170,000
Each other Non-Executive Director	$70,000

Non-Executive Directors will also be paid Committee fees of $15,000 per year for each Board Committee of which they are a Chair. Non-Executive Directors (other than the Chair of a Board Committee) will be paid Committee fees of $5,000 per year for being a member of a Board Committee[78].

Trent Peterson's annual base fee and Committee fees will be paid to Catalyst Direct Capital Management Pty Ltd (ACN 169 644 606) as trustee for the CDCM Investment Trust, his business of which Mr Peterson is a director and partner, in return for arranging the provision of his services as a Director.

Dain Friis will not receive any fees in his capacity as a Director, rather he will be paid in his capacity as Chief Executive Officer.

All Non-Executive Directors' fees are inclusive of statutory superannuation contributions.

Mr Peterson[79] will be entitled to receive $110,000 for work performed in preparation for the Offer. This payment is conditional upon Listing occurring and will be paid from the gross Offer proceeds following Completion. The fee is not an annual Director's fee but is specifically linked to the achievement of the Offer.

Melanie Wilson will be entitled to receive $30,000 for work performed in preparation for the Offer. This payment is conditional upon Listing occurring and will be paid from the gross Offer proceeds on Completion. The fee is not an annual Director's fee but is specifically linked to the achievement of the Offer.

78. The Chair of the Board is not entitled to an additional committee member fee.
79. Via Catalyst Direct Capital Management Pty Ltd.

6.3.3.3 Deeds of access, indemnity and insurance for Directors

SkinKandy has entered into a deed of access, indemnity and insurance with each Director which contains the Director's right of access to certain books and records of the Company and its related bodies corporate for the period from the date of the deed until seven years after the Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires but are not resolved before the seven-year period expires.

Pursuant to the Constitution, the Company must indemnify all officers including the Directors, executive officers and other officers, past and present, on a full indemnity basis against all losses, liabilities, costs, charges and expenses that arise from their position as an officer of the Company to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company indemnifies each Director against any liability that may arise from their position as an officer of the Company, to the extent permitted by law. The deed provides that the Company must meet the full amount of any such liabilities, including reasonable legal costs that are reasonably incurred, charges and expenses except that the Company is not required to indemnify a Director for legal costs incurred defending an excluded liability claim. An excluded liability claim means any liability which the Company is legally prohibited from insuring against.

Pursuant to the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Pursuant to the deed of access, indemnity and insurance the Company must, to the extent permitted by law, maintain such insurance for the period from the date of the deed until seven years after the Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

6.3.3.4 Other information about Directors' interests and benefits

Directors will be reimbursed for properly documented and incurred travelling and other expenses in connection with and returning from Board or Committee meetings and general meetings. Non-Executive Directors may be paid such additional remuneration as the Directors consider to be appropriate where a Director performs extra services which are in addition to the ordinary duties of a Director of SkinKandy.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions. Chapter 2E of the Corporations Act prohibits a company from giving a financial benefit to a related party (including any Director) without the prior approval of its members by ordinary resolution.

In addition, Mark Oliphant will receive a one-off cash transaction bonus of approximately $1.1 million (before any applicable GST) conditional upon Settlement in recognition of his overall contribution to the creation of value in the business, payable from the gross Offer proceeds.

Other interests of Directors are set out in Section 6.3.4.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

6.3.4 Directors' interests in A Class Shares and in Shares

The interests of all Directors (and their associated entities) on the Prospectus Date and on Completion of the Offer are expected to be as follows:

DIRECTORS	INTERESTS HELD ON THE PROSPECTUS DATE		SHARES HELD ON COMPLETION OF THE OFFER[80]
	SHARES (MILLIONS)	A CLASS SHARES (MILLIONS)	SHARES (MILLIONS)
Trent Peterson[81]	0.9	–	0.9
Dain Friis	–	6.0	3.6
Melanie Wilson	0.1	–	0.1
Richard Whiteoak[82]	–	–	–
Mark Oliphant	14.2	–	7.8
Total	**15.2**	**6.0**	**12.4**

All A Class Shares on issue as at the Prospectus Date (which were issued under the Legacy MEP) will convert to Shares between the Prospectus Date and Completion. As the grant of Performance Rights will not be made until after Completion and the release of the Company's annual report for FY26 in the ordinary course, as at Completion the Company will only have Shares on issue. For more information, please see Section 9.4.

The table above includes all securities in which Directors have a "Relevant Interest" for the purposes of the Corporations Act. The Directors (and their associated entities) are entitled to apply for Shares under the Offer. The table above does not include any new Shares that may be acquired by the Directors (and their associated entities) under the Offer at the Offer Price.

Final shareholdings held directly or indirectly by the Directors (and their associated entities) will be notified to ASX following Listing. The Shares (including Shares issued on conversion of the A Class Shares issued under the Legacy MEP) recorded in the above table under "Interests held at Completion" for all Directors will be held subject to voluntary escrow arrangements as outlined in Section 9.8 (other than any Shares acquired under the Offer).

From Listing, the Non-Executive Directors (together with Dain Friis and Carl Larzabal) are subject to the Company's Minimum Shareholding Policy, as described in Section 6.8.15 below.

80. Does not include Shares acquired in connection with the Offer.
81. Via Catalyst Direct Capital Management Pty Ltd (ACN 169 644 606) as trustee for the CDCM Investment Trust.
82. As at the Prospectus Date, Richard Whiteoak has an indirect minority interest in the Company through the Whiteoak Funds. He is the founder of Whiteoak Asset Management (the manager of the Whiteoak Funds), one of three members of its investment committee and its nominee on the Board, however Richard has no power to vote or control unilaterally the disposal of Whiteoak's Shares and no entitlement to seek redelivery of the Shares. Accordingly, Richard does not have a relevant interest in the Shares held by the Whiteoak Funds. On Completion of the Offer, Richard's direct and indirect interests in the Company will represent less than 1% of the Shares on issue. Richard may receive payments determined by the performance of the Whiteoak Funds (which will be influenced by the performance of assets held by those funds, including in relation to the sale of Shares to SaleCo in connection with the Offer and the ongoing shareholding of those funds in the Company).

6.3.5 Interests of advisers

The Company has engaged the following professional advisers in relation to the Offer:

- Highbury Partnership Pty Limited has acted as Financial Adviser to SkinKandy in relation to the Offer. SkinKandy has paid, or agreed to pay, the Financial Adviser a fee of up to 0.6% of the Market Capitalisation of the Company on Listing (excluding disbursements and GST) for its services;
- Barrenjoey Markets Pty Limited and Morgans Corporate Limited have acted as the Joint Lead Managers and Underwriters of the Offer. SkinKandy has paid, or agreed to pay, the Joint Lead Managers the fees pursuant to the Underwriting Agreement as described in Section 9.9 for these services;
- Gilbert + Tobin has acted as Australian legal adviser to the Company and SaleCo in relation to the Offer. SkinKandy has paid, or agreed to pay, approximately $0.9 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Gilbert + Tobin in accordance with its normal time-based charges;
- LegalVision has acted as Australian legal adviser to the Company and SaleCo in relation to its leasehold interests in Australia and its intellectual property. SkinKandy has paid, or agreed to pay, approximately $45,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to LegalVision in accordance with its normal time-based charges;
- Wynn Williams has acted as New Zealand legal adviser to the Company and SaleCo in relation to its leasehold interests in New Zealand and its New Zealand business, other than its intellectual property. SkinKandy has paid, or agreed to pay, approximately NZ$33,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Wynn Williams in accordance with its normal time-based charges;
- KPMG Financial Advisory Services (Australia) Pty Ltd has acted as Investigating Accountant to the Company in connection with the Offer and has prepared the Limited Assurance Investigating Accountant's Report set out in Section 8. SkinKandy has paid, or agreed to pay, up to $0.8 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to KPMG Financial Advisory Services (Australia) Pty Ltd in accordance with its normal time-based charges;
- KPMG (partnership) has acted as the Australian tax advisor in relation to the Offer. SkinKandy has paid, or agreed to pay, up to $0.2 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to the KPMG (partnership) in accordance with its normal time-based charges; and
- Frost & Sullivan Australia Pty Ltd has prepared the Independent Market Report referred to in Section 2. The Company has paid, or has agreed to pay, up to $33,500 (excluding disbursements and GST) for these services up and until the Prospectus Date.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.4.

6.4 Executive remuneration

SkinKandy's key management personnel (**KMP**) comprises Dain Friis (Executive Director and Chief Executive Officer) and Carl Larzabal (Chief Financial Officer).

Details of the remuneration and interests held by the KMP from Completion are described below.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

6.4.1 Executive service agreements

6.4.1.1 Dain Friis (Executive Director and Chief Executive Officer)

TERM	DESCRIPTION
Employer	SkinKandy Operations.
Remuneration and other benefits	Dain's total fixed remuneration with effect from Completion will be $580,000 per annum (inclusive of salary, superannuation and a novated lease allowance of $30,000). The 3.6 million Shares that Dain will hold on the date of Completion will be subject to the escrow arrangements described in Section 9.8.
Short-term incentive (STI)	For FY26 (subject to Completion) – Dain is entitled to receive an annual cash bonus equivalent to 2% of normalised EBITDA[83]. Payment of 9 months to be made prior to IPO, with the remaining 3 months following finalisation of FY26 audited financial statements subject to achieving IPO forecasts and Board approval. For FY27 onwards (subject to Completion) – Dain is entitled to receive an annual cash bonus of a maximum of 100% of his total fixed remuneration, conditional on the achievement of financial and non-financial metrics.
Long-term incentive (LTI)	Dain is eligible to participate in the Company's long term incentive schemes. Details of Dain's current interests under in the LTI Plans are set out in Section 6.4.3 below.
Notice period, termination and termination payments	Dain's employment can be terminated by either him or by the Company upon giving the other party 6 months' notice (in either event, the Company may make payment in lieu of part or all of the notice period). The Company may, at its sole discretion, elect to extend this notice period by an additional six months by paying Dain 1.5 times his total fixed remuneration. In the event of serious misconduct or other circumstances warranting summary dismissal, the Company may terminate Dain's employment immediately without payment in lieu of notice.
Restraints	Dain's employment contract contains restraints that apply during his employment and for 12 months post-employment, including: • non-competition restraints; • restrictions against soliciting SkinKandy customers, contractors or suppliers; and • restrictions against soliciting, employing or engaging any employees. The non-competition restriction above purports to operate in Australia and any other jurisdiction in which the Company and/or its Related Bodies Corporate operates. SkinKandy Operations and Dain may, by mutual written agreement, agree to extend the restraint period for a further period of up to 6 months. In which case, SkinKandy Operations will pay Dain $300,000 (gross) in consideration for his ongoing compliance with these obligations. The enforceability of the above restraints is subject to all usual legal requirements.

83. The normalised EBITDA will be determined by the Directors prior to the time of grant.

TERM	DESCRIPTION
Material diminution	If there is a material diminution in Dain's position, seniority or authority, or a material adverse change to his reporting relationship with the Board, Dain may provide one month's written notice of termination to SkinKandy Operations and in addition, be eligible for a payment of 12 months remuneration in lieu of any notice period that would otherwise apply. Where Dain's employment is termination in the circumstances outlined above, the Board will consider in good faith whether to make a pro-rata payment to Dain in respect of any STI for the portion of the relevant performance period during which he was employed, any such determination being at the Board's sole and absolute discretion.
Minimum shareholding requirement	Dain is required to hold a minimum shareholding in the Company equivalent to 150% of his total fixed remuneration from time to time. The number of Shares to be held by Dain will increase or decrease proportionally with any increase or decrease in his total fixed remuneration. See Section 6.8.15 of this Prospectus for a description of the Company's Minimum Shareholding Policy, including how it applies to Dain.

6.4.1.2 Carl Larzabal (Chief Financial Officer)

TERM	DESCRIPTION
Employer	SkinKandy Operations.
Remuneration and other benefits	Carl's total fixed remuneration with effect from Completion will be $350,000 per annum (inclusive of salary, superannuation and a novated lease allowance of $20,000). The 0.6 million Shares that Carl will hold on the date of Completion will be subject to the escrow arrangements described in Section 9.8.
Short-term Incentive (STI)	For FY26 (subject to Completion) – Carl is entitled to receive an annual cash bonus equivalent up to 0.75% of normalised EBITDA[84], up to 45% of his fixed remuneration. Payment of 9 months to be made prior to IPO, with the remaining 3 months following finalisation of FY26 audited financial statements subject to achieving IPO forecasts and Board approval. For FY27 onwards (subject to Completion) – Carl is entitled to receive an annual cash bonus of maximum of 70% of his total fixed remuneration, conditional on the achievement of financial and non-financial metrics.
Long-term Incentive (LTI)	Carl is eligible to participate in the Company's long term incentive schemes. Details of Carl's current interests under in the LTI Plans are set out in Section 6.4.3 below.

84. The normalised EBITDA will be determined by the Directors prior to the time of grant.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

TERM	DESCRIPTION
Notice period, termination and termination payments	Carl's employment can be terminated by either him or by the Company upon giving the other party 6 months' notice (in either event, the Company may make payment in lieu of part or all of the notice period). The Company may, at its sole discretion, elect to extend this notice period by an additional three months by paying Carl 1.5 times his total fixed remuneration. In the event of serious misconduct or other circumstances warranting summary dismissal, the Company may terminate Carl's employment immediately without payment in lieu of notice.
Restraints	Carl's employment contract contains restraints that apply during his employment and for 12 months post-employment, including: • non-competition restraints; • restrictions against soliciting SkinKandy customers, contractors or suppliers; and • restrictions against soliciting, employing or engaging any employees. The non-competition restriction above purports to operate in Australia and any other jurisdiction in which the Company and/or its Related Bodies Corporate operates. SkinKandy Operations and Carl may, by mutual written agreement, agree to extend the restraint period for a further period of up to 6 months. In which case, SkinKandy Operations will pay Carl $200,000 (gross) in consideration for his ongoing compliance with these obligations. The enforceability of the above restraints is subject to all usual legal requirements.
Material diminution	If there is a material diminution in Carl's position, seniority or authority, or a material adverse change to his reporting relationship with the Chief Executive Officer, Carl may provide one month's written notice of termination to SkinKandy Operations and in addition, be eligible for a payment of 9 months remuneration in lieu of any notice period that would otherwise apply. Where Carl's employment is terminated in the circumstances outlined above, the Board will consider in good faith whether to make a pro-rata payment to Carl in respect of any STI for the portion of the relevant performance period during which he was employed, any such determination being at the Board's sole and absolute discretion.
Minimum shareholding requirement	Carl is required to hold a minimum shareholding in the Company equivalent to 100% of his total fixed remuneration from time to time. The number of shares to be held by Carl will increase or decrease proportionally with any increase or decrease in his total fixed remuneration. See Section 6.8.15 of this Prospectus for a description of the Company's Minimum Shareholding Policy, including how it applies to Carl.

6.4.2 Short-Term Incentive (STI) arrangements for CEO and CFO

Set out below is a summary of the STI arrangements for the CEO and CFO, effective from FY27.

It is intended that the CEO and CFO will be offered award opportunities calculated as a percentage of their annual Total Fixed Remuneration (**TFR**) each year, conditional upon the achievement of Company financial and non-financial metrics in the form of a balanced scorecard.

The initial STI grants will be made to the CEO and CFO only, but the Board may determine to make STI grants available to other senior Management in the future.

The People and Remuneration Committee oversees the design, operation and annual calibration of the STI, including selection and weighting of scorecard metrics, target-setting, performance assessment and consideration of the exercise of any discretion.

Having regard to People and Remuneration Committee input, the Board sets the annual STI plan, determines Company performance against the plan, decides whether any discretion should be applied to Company performance, and determines whether to modify the individual payout of an executive in exceptional circumstances. Ultimately, all STI payments are subject to Board approval.

<table>
<tr><th>TERM</th><th>DESCRIPTION</th></tr>
<tr><td>Opportunity</td><td>The percentages below refer to an executive's STI opportunity expressed as a proportion of TFR.

For the Chief Executive Officer and Chief Financial Officer, STI outcomes are calibrated at three levels in relation to the achievement of scorecard targets:

<table>
<tr><th></th><th>CEO</th><th>CFO</th></tr>
<tr><td>Threshold</td><td>50%</td><td>30%</td></tr>
<tr><td>Target</td><td>80%</td><td>50%</td></tr>
<tr><td>Maximum</td><td>100%</td><td>70%</td></tr>
</table>

Actual short-term awards in any given year may be below, at or above the opportunity target depending on the achievement of financial and non-financial criteria as set by the Board.

Outcomes above maximum are not available unless determined by the Board.</td></tr>
<tr><td>Scorecard, metrics and weighting</td><td>For FY27, the weighting is expected to be:

<table>
<tr><td>Underlying profit before tax</td><td>60%</td></tr>
<tr><td>Like-for-like revenue growth</td><td>25%</td></tr>
<tr><td>Strategic execution measures (to be determined at the time of finalising the STI plan)</td><td>15%</td></tr>
</table>

Metrics and weightings are treated as independent tranches with no dependencies or gates.

The scorecard may be refined year-on-year to reflect the Company's operating plan.</td></tr>
</table>

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

TERM	DESCRIPTION
Performance calibration and assessment	In setting annual goals, the target level of performance will generally align with the Board-approved operating plan and budget. Threshold represents a minimum acceptable outcome that remains challenging but achievable, and maximum reflects a more demanding stretch outcome. Each scorecard metric is assessed independently, a straight-line vesting curve 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.
Timing	STI outcomes are determined after finalisation of audited full-year results for the relevant financial year and are ordinarily paid in cash shortly thereafter.
Deferral	The STI opportunity is currently payable 100% in cash with no mandatory deferral into equity, but the Board may consider introducing an equity deferred component into the STI program in the future, as the Company's market capitalisation and governance requirements evolve.
Forfeiture	All unpaid STI will lapse 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 will be at the Board's discretion.
Clawback and preventing inappropriate benefits	The Board has broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.

In addition to the above, in connection with the IPO, the Board has approved a one-off transitional approach to the FY26 STI.

Immediately prior to Completion of the Offer, the Board intends to pay a pro-rata portion of the FY26 STI, reflecting prior service and performance for the period from 1 July 2025 until 31 March 2026 (9 months). This interim payment will be approximately $296,000 (for the CEO) and approximately $112,000 (for the CFO).

For the period from 1 April 2026 to 30 June 2026 (a stub period expected to be approximately 3 months), the balance of the STI entitlement (up to $55,000 (for the CEO) and $15,000 (for the CFO)) will, in the first instance, be determined by reference to the forecast full-year FY26 STI outcome and will be payable following finalisation and release of the Company's audited FY26 results. If there is a material variance between the prospectus forecasts and the audited FY26 results, the Board may adjust the stub period outcome to reflect actual performance. The Board retains discretion to ensure outcomes are appropriate and to avoid windfall gains or losses.

6.4.3 Long-Term Incentive (LTI) arrangements for CEO and CFO

Set out below is a summary of the LTI arrangements for the CEO and CFO, effective from FY27.

The People and Remuneration Committee oversees the design, operation and annual calibration of the LTI, including selection and weighting of metrics, target-setting and consideration of the exercise of any discretion.

As a matter of good governance, the Company intends to seek shareholder approval for the CEO's LTI grant at the Annual General Meeting, noting that final grants will be made after the release of the Company's audited FY26 results.

TERM	DESCRIPTION
Opportunity	The CEO and CFO's LTI entitlement will be delivered in the form of Performance Rights (**Performance Rights**) subject to performance conditions over a three-year period. A Performance Right entitles the CEO or CFO to acquire a Share on vesting, subject to the satisfaction of the vesting conditions set out below. The KMP's LTI entitlement as a proportion of their TFR is set out below. The grant value will be based on the maximum percent below multiplied by the executive's TFR. **CEO — % OF TFR** Threshold: 50% Target: 100% Maximum: 120% **CFO** Threshold: 40% Target: 70% Maximum: 90% The number of Performance Rights to be granted will be calculated by reference to a 10-day pre-grant volume-weighted average price (**VWAP**) commencing 10 days after release of the Company's audited full-year financial results.
Performance period	The LTI commences in FY27, with FY26 used as the base year for performance measurement.
Grant timing	The initial LTI grant is intended to be made to the CEO and CFO in September 2026, following finalisation of the Company's FY26 audited results.
Issue and exercise price	Performance Rights will be issued to the participant at no cost and no exercise price is payable on vesting of Performance Rights.
Vesting period	Vesting will be measured over the three-year performance period with straight-line vesting between threshold, target and maximum.
Performance conditions	The Board has the discretion to set performance conditions in relation to the LTI awards. As at the Prospectus Date, the performance conditions for the FY27 grants have not yet been determined but will be based on EPS CAGR and LFL sales growth, having regard to the Company's strategy, long-term financial plan and market expectations.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

<table>
<tr><th>TERM</th><th>DESCRIPTION</th></tr>
<tr><td>Metrics and weighting</td><td>The FY27 LTI grant of securities focuses participants on long-term value creation through two measures:
<table>
<tr><td>Earnings per Share (EPS) growth (3-year CAGR)</td><td>70%</td></tr>
<tr><td>LFL sales growth (simple average over the period)</td><td>30%</td></tr>
</table>
The Board will set the threshold at the lower end of acceptable shareholder returns and maximum at a level representing outperformance relative to market expectations.</td></tr>
<tr><td>Settlement</td><td>The Company may satisfy vested Performance Rights by issuing new Shares or by procuring on-market purchases of existing Shares.</td></tr>
<tr><td>Restrictions</td><td>Vested awards remain subject to the Company's Securities Trading Policy (see Section 6.8.10).</td></tr>
<tr><td>Forfeiture</td><td>Unvested awards will lapse to the extent performance conditions are not met at the end of the performance period.
Unvested LTI grants will lapse 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 unvested LTI will be subject to customary "good leaver" provisions.</td></tr>
<tr><td>Discretion</td><td>The Board retains discretion to adjust performance outcomes for abnormal or non-recurring items to ensure alignment with underlying performance.</td></tr>
<tr><td>Other terms</td><td>The balance of the terms applicable to the CEO and CFO's LTI grants are summarised in Section 6.5.</td></tr>
<tr><td>Worked example</td><td>As an illustrative example of the mechanics only, a worked example is provided below. This worked example assumes performance conditions and a Share price which are not yet determined or capable of being known as at the date of this Prospectus. The actual performance conditions and Share price will be disclosed to Shareholders at the time approval is sought for the LTI grant to the CEO and in the Company's relevant remuneration report.

Background
As disclosed above, the CEO's TFR is $580,000. The threshold is 50% of TFR, target is 100% of TFR and Maximum is 120% of TFR. The performance period is 3 years. For the purposes of these worked examples, the 10 day VWAP after release of FY26 results is $3.
In FY27 the CEO will receive an LTI of $696,000 worth of Performance Rights ($580,000 x 120%). Accordingly, after FY29 a maximum of 232,000 Performance Rights ($696,000 / $3 10 day VWAP) are capable of vesting if the maximum EPS and LFL are achieved during FY27-FY29 inclusive. The LFL growth is the simple average of the LFL growth % achieved in FY27 to FY29 inclusive. The weighting is 70% in favour of EPS and 30% in favour of LFL. Straight line vesting applies to achievements between threshold, target and maximum.</td></tr>
</table>

TERM	DESCRIPTION
Worked example continued	**Example 1: Maximum achieved** If in FY27 to FY29 inclusive, both the maximum EPS growth performance condition target is achieved exactly and the maximum LFL sales growth target (being the simple average of the LFL growth % achieved in FY27 to FY29 inclusive) is achieved exactly, then 193,333 Performance Rights ($580,000 x 100% / $3 10 day VWAP) out of 232,000 Performance Rights will vest for the CEO. **Example 2: Target EPS is exceeded, Threshold LFL is exceeded** If in FY27 to FY29 inclusive: (a) the EPS growth performance condition target is $3.50 (or 350 cents), maximum is $4 (or 400 cents), and actual FY29 EPS is $3.55 (or 355 cents) the target is exceeded; and (b) the LFL growth performance condition threshold is 3%, the target is 5% and the actual LFL growth (being the simple average of the LFL growth % achieved in FY27 to FY29 inclusive) is 4.5% then the threshold is exceeded, then the CEO will receive: (c) in respect of EPS growth: $414,120 worth of Performance Rights because $\left(\$580{,}000 + \frac{\$696{,}000 - \$580{,}000}{400\ \mathit{cents} - 350\ \mathit{cents}} \times (355\ \mathit{cents} - 350\ \mathit{cents})\right) \times 70\% = \$414{,}120$; and (d) in respect of LFL growth $152,250 worth of Performance Rights because $\left(\$290{,}000 + \frac{\$580{,}000 - \$290{,}000}{500\ \text{bps} - 300\ \text{bps}} \times (450\ \text{bps} - 300\ \text{bps})\right) \times 30\% = \$152{,}250$ where bps means basis points and $290,000 equals $580,000 (TFR) x 50% (threshold). In this example $566,370 ($414,120 + $566,370) worth of Performance Rights, being 188,790 ($566,370 / $3 10 day VWAP) Performance Rights, will vest.

6.5 LTI Plan

The Company has established the SkinKandy LTI Plan (**LTI Plan**) to assist in the motivation, retention and reward of senior Management and other employees that may be invited to participate in the plan from time to time. The LTI grants to the CEO and CFO described above in Section 6.4.3 are made under the LTI Plan.

The LTI Plan is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in SkinKandy.

The LTI Plan rules (**Plan Rules**) provide flexibility for SkinKandy to grant Performance Rights or Service Rights as incentives, subject to the terms of individual offers and the satisfaction of performance and vesting conditions determined by the Board from time to time.

Details of any awards issued under the STI or LTI (including those issued to the CEO and CFO as set out above in Sections 6.4.2 and 6.4.3 will be published in the Company's annual report relating to the period in which they were issued.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

The key features of the Plan Rules are outlined in the table below:

TERM	DESCRIPTION
Eligibility	Offers may be made at the Board's discretion to senior Management of SkinKandy or any other person that the Board determines to be eligible to receive a grant under the Plan Rules.
Types of securities	The Company may grant Performance Rights and Service Rights (each, **Rights**) as incentives, subject to the terms of individual offers. Performance Rights are an entitlement to receive Shares subject to the satisfaction of applicable performance and service conditions. Service Rights are an entitlement to receive Shares subject to the satisfaction of applicable service conditions, which may be used in connection with senior Management transition between employers. Unless otherwise specified in an offer document, the Board has the discretion to settle Rights with a cash equivalent payment. The Company will not apply for quotation of the Performance Rights or Service Rights.
Offers under the Plan Rules	Under the Plan Rules, the Board may make offers at its discretion, subject to any requirements for Shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant and can be made on an opt-in or opt-out basis.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of a Right allocated under the Plan Rules.
Vesting	Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the Plan Rules and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied. Rights may have an exercise mechanism; however, no exercise price is payable.
Clawback and preventing inappropriate benefits	The Plan Rules provide the Board with broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
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 Plan Rules.

TERM	DESCRIPTION
Reconstructions, corporate action, rights issues, bonus issues etc.	The Plan Rules include specific provisions dealing with rights issues, bonus issues and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions. Participants are not entitled to participate in new issues of securities by the Company prior to the vesting (and exercise if applicable) of their Rights. In the event of a bonus issue, Rights will be adjusted in the manner allowed or required by the ASX Listing Rules.
Restrictions on dealing	Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. Post-vesting, Shares acquired on exercise under the LTI Plan may be restricted from dealing during the periods determined in SkinKandy's Securities Trading Policy (see Section 6.8.10) or due to the application of restrictions contained in the Corporations Act or any other applicable laws or due to restrictions contained in the Plan Rules or terms of the invitation. Any dealing will also be subject to compliance with the Company's Minimum Shareholding Policy (see Section 6.8.15) for a description of this Policy.
Return of capital and surplus profit	Prior to vesting and exercise, Rights do not entitle the participant to any return of capital, whether in a winding up or upon a reduction of capital and do not entitle the participant to participate in any surplus profit or assets of the Company on winding up.
Dividends and voting rights	Rights do not carry dividend or voting rights prior to vesting. Shares allocated on vesting of Rights carry the same dividend and voting rights as other Shares.
Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. Unless the Board determines otherwise: • If a participant's employment is terminated for cause or a participant resigns (or gives notice of their resignation) prior to vesting, all their unvested Rights will lapse; and • If a participant ceases employment for any other reason (such as retirement, redundancy, death, total and permanent disability, or termination by mutual agreement) prior to vesting, a pro-rata portion of unvested Rights based on the proportion of the performance period that has elapsed up to the date of cessation will remain on foot and will continue to be subject to the original performance condition. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if the participating employee ceases employment.
Expiry	Rights which have vested and are not exercised prior to their expiry date will lapse on their expiry date.
Other terms	The Plan Rules contain customary and usual terms for dealing with administration, variation, suspension and termination of any incentive plan.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

6.6 Shareholder loans

Each of Dain Friis and Carl Larzabal received the A Class Shares (see the table in Section 6.3.4) under a limited recourse loan (**Shareholder Loans**) pursuant to the Legacy MEP.

Dain Friis and Carl Larzabal will each sell down a portion of their Shares to SaleCo immediately before Completion (following conversion of all of their A Class shares to Shares as described in Section 9.4) and will use a portion of the gross proceeds to repay some of their outstanding Shareholder Loan balance.

On Completion, the balance of the Shareholder Loans will be $900,000 for Dain Friis and $150,000 for Carl Larzabal. Under amended terms for the Shareholder Loans, certain proceeds from the future sale of their Shares (and dividends paid on their Shares) and cash STI payments must be applied towards repayment of the Shareholder Loans, until such time as those loans are repaid in full. Should Dain Friis or Carl Larzabal cease to be employed by the Group, become bankrupt or for any other reason cease to own or control the Shares issued to them upon conversion of their A Class shares whilst the Shareholder Loans remain outstanding, their Shareholder Loan will become repayable within 14 days of the relevant event.

For more information, see Section 9.5.

6.7 Related party agreements

Other than as set out below or disclosed elsewhere in this Prospectus, SkinKandy is not a party to any related party arrangements, and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest:

- the compensation arrangements with Directors and the CEO, which are described in Section 6.4;
- the indemnification arrangements with the Directors which are described in Section 6.3;
- the Shareholder Loans described in Section 6.6 and Section 9.5; and
- the matters summarised below.

Whiteoak Asset Management Pty Limited (**Whiteoak Asset Management**) entered into a services agreement with the Company on 23 November 2019, under which Whiteoak Asset Management is entitled to a fixed monthly service fee of $20,000 (exclusive of GST) as consideration for the provision of consulting services to the Group in relation to the development of the business. Since commencement of the services agreement up to 20 May 2026, Whiteoak Asset Management has received aggregate fees of $1,558,163.23 under that agreement, exclusive of $21,765.47 of reimbursements. The substantial majority of those fees were paid prior to the Company being converted into a public company (at which time the related party provisions in Chapter 2E of the Corporations Act did not apply) and to the extent they were paid post conversion to a public company, the approval of the Company's eligible voting Shareholders will be obtained prior to Completion. Richard Whiteoak is a director of Whiteoak Asset Management and has an indirect shareholding in it. The services agreement will terminate on Listing.

As described in Section 6.3.3, Mr Oliphant will receive a one-off cash transaction bonus from the gross Offer proceeds. Payment of that bonus was approved by eligible voting Shareholders pursuant to Chapter 2E of the Corporations Act.

6.8 Corporate governance

6.8.1 Introduction

This Section 6.8 explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving its strategic plan and annual financial budget.

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company having regard to its risk appetite.

The Company is seeking a listing on the ASX. The ASX Corporate Governance Council has developed and released its fourth edition of the Corporate Governance Principles and Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations (**ASX Recommendations**). The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it and must also disclose what
(if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Prior to Completion, copies of the Company's key policies and practices and the charters for the Board and each of its committees will be available at https://events.miraqle.com/sk1-offer.

6.8.2 The Board of Directors

The name and biographical details of the current members of the Board of Directors are contained in Section 6.1.

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director without constraint having regard to their other commitments.

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the ASX Recommendations.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

Dain Friis is not considered independent by the Board as he is the Chief Executive Officer and from Completion will be the holder of 3.2% of Shares in the Company on a fully diluted basis (assuming the Employee Gift Offer is fully subscribed and that he does not apply for additional Shares in the Offer). See the table in Section 6.3.4 for more information.

Richard Whiteoak is not considered independent by the Board as he is the nominee director of Whiteoak which (through the Whiteoak Funds) will be a holder of 23.2% of Shares in the Company on a fully diluted basis (assuming that the Employee Gift Offer is fully subscribed). See the table in Section 6.3.4 for more information.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

Mark Oliphant is not considered independent by the Board as he is the founder of SkinKandy and on Completion will be a substantial holder of 7.0% of Shares in the Company on a fully diluted basis (assuming the Employee Gift Offer is fully subscribed and that he does not apply for additional Shares in the Offer). See the table in Section 6.3.4 for more information.

The Board considers that Trent Peterson and Melanie Wilson are independent.

The Company intends to comply with the ASX Recommendations to the extent applicable from Listing, with the exception of Recommendation 2.1, Recommendation 2.4 and Recommendation 8.1.

At Listing, the Board will comprise of two independent and three non-independent directors and therefore will not have a majority of independent directors as contemplated by Recommendation 2.4. The Board considers that, notwithstanding this departure, each non-independent director brings objective and unbiased judgement to the Board's deliberations and offers skills and experience that are of clear benefit to the Company and its shareholders and that having less than a majority of Directors considered independent does not impede the ability of the Board to ensure that decisions are made in the best interests of the Company. The Board further considers that the composition of the Board is appropriate having regard to the composition of the Company's Share register following Completion. The Board will consider appointing an additional independent non-executive director post-Listing (to establish an equality of independent and non-independent directors) and will keep its composition under regular review as the Company evolves, with a view to aligning with Recommendation 2.4 over time where appropriate.

6.8.3 Board charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail. It provides that the Board is responsible for providing leadership, approving the Company's strategic plan and financial budget as well as monitoring the Group's culture, risk and governance. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

6.8.4 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee and a People and Remuneration Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

6.8.5 Audit and Risk Committee

The role of the Audit and Risk Committee is to provide a structured, systematic oversight of SkinKandy's governance, risk management and internal control practices. This includes reviewing the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor.

The Audit and Risk Committee provides advice to the Board and reports on the status and management of the risks to the Company. The purpose of the Audit and Risk Committee's risk management process is to assist the Board to identify risks (including non-compliance with applicable laws, regulations, contracts or best practice) and mitigate those risks through its risk management plan.

The Company will comply with the ASX Recommendations in relation to the composition and operation of the Audit and Risk Committee[85]. The Audit and Risk Committee will be comprised of Melanie Wilson (Chair), Trent Peterson and Richard Whiteoak.

85. ASX Recommendation 4.1 states that the board of a listed entity should have an audit committee which has at least three members, all of whom are non-executive directors, and a majority of whom are independent directors, and is chaired by an independent director, who is not the chair of the Board. ASX Recommendation 7.1 states that the board of a listed entity should have a risk committee which has at least three members, a majority of whom are independent directors, and is chaired by an independent director.

6.8.6 People and Remuneration Committee

The role of the People and Remuneration Committee is to assist and advise the Board on matters relating to the compensation, bonus, incentives and remuneration issues of the directors, 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 People and Remuneration Committee is also responsible for administering incentive plans (including any equity plans).

The Company will not comply with the ASX Recommendations 2.1 and 8.1 in relation to the composition and operation of the People and Remuneration Committee[86], which recommends that the board of a listed entity should have a nomination and remuneration committee that is chaired by an independent director. The People and Remuneration Committee will be comprised of Mark Oliphant (Chair), Trent Peterson and Melanie Wilson. Notwithstanding that Mark Oliphant is not independent, the Board considers that Mark's skills and experience make him suitable for the role and that he will bring objective and independent judgment to the Board's deliberations. In addition, the Board considers that Mark's historic experience with the business and the broader SkinKandy team will be valuable in the role as Chair.

6.8.7 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Recommendations.

6.8.8 Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately advise the ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company has adopted a Disclosure Policy to take effect from Listing, which reinforces the Company's commitment to its continuous disclosure obligations and describes the processes in place that enable the Company to provide Shareholders with timely disclosure in accordance with those obligations. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX, and copies of the Company's announcements to ASX will be available on the Company's website.

6.8.9 Shareholder Communication Policy

The Company aims to keep Shareholders informed of major developments affecting the Company. The Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, the Company will communicate information regularly to Shareholders and other stakeholders through a range of forums and publications, including the Company's website, at the Company's Annual General Meeting and through the Company's Annual Report and ASX announcements.

86. ASX Recommendation 2.1 states that the board of a listed entity should have a nomination committee which has at least three members, a majority of whom are independent directors, and is chaired by an independent director. ASX Recommendation 8.1 states that the board of a listed entity should have a remuneration committee which has at least three members, a majority of whom are independent directors, and is chaired by an independent director.

6. KEY INDIVIDUALS, INTERESTS AND BENEFITS CONTINUED

6.8.10 Securities Trading Policy

The Company has adopted a Securities Trading Policy that is intended to explain the types of conduct in relation to dealing in securities that are prohibited by law and establish procedures for the buying and selling of securities to ensure that public confidence is maintained in the reputation of the Company and the Company's Directors and employees, and in the trading of the Company's securities.

The Securities Trading Policy provides that Directors, employees and contractors must not deal in the Company's securities when they are aware of 'inside' information. Directors and certain restricted employees must not deal in the Company's securities during any of the following blackout periods:

- the period each year from the close of trading on ASX 5 trading days before the end of the Company's full financial year until 10:00am on the trading day one day following the announcement to ASX of the Company's full year results;
- the period each year from the close of trading on ASX 5 trading days before the end of the Company's financial half-year until 10:00am on the trading day one day following the announcement to ASX of the Company's half-yearly results;
- the period each year from the close of trading on ASX 10 trading days before the Company's Annual General Meeting until 10:00am on the trading day following the Company's Annual General Meeting; and
- any other period that the Board specifies from time to time.

Directors and senior Management must receive prior Board approval for any proposed dealing in the Company's securities (including any proposed dealing by one of their connected persons).

6.8.11 Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct that outlines how it expects its teams to conduct themselves when dealing with each other, customers, suppliers, audiences and other stakeholders associated with SkinKandy, including legal compliance and guidelines on appropriate ethical standards.

The Code of Conduct is designed to provide a set of guiding principles for ethical behaviour which aligns with and underlies SkinKandy's values as well as making the Company's Directors and employees aware of the consequences if they breach this policy.

6.8.12 Diversity, Equity, Inclusion and Belonging Policy

The Board has approved a Diversity Policy, which sets out the Company's commitment to maintaining a diverse and welcoming workplace which values the inclusion of individuals with a broad range of skills, values and experiences from many different backgrounds.

6.8.13 Whistleblower Protection Policy

The Company is committed to fostering a culture of compliance, ethical behaviour and good corporate governance which does not result in detriment being suffered by a person who reports potential misconduct concerns. This policy has been adopted to provide a safe and confidential environment where concerns can be raised by whistleblowers without fear of reprisal or detrimental treatment.

6.8.14 Anti-Bribery and Corruption Policy

The Company is committed to complying with all laws of the jurisdictions in which it operates and has a zero-tolerance approach to bribery and corruption. The Anti-Bribery and Corruption Policy sets out the responsibilities of the Company's personnel, including in their dealings with, and through, third parties. It addresses different types of actions which may constitute bribery and corruption, including contact with government officials, donations, in-kind gifts and corporate hospitality, political and charitable contributions and sponsorships, facilitation payments and secret commissions, whilst also advising how conduct can be reported and the Company's record keeping and training obligations to ensure compliance by its officers, employees and contractors with this policy.

6.8.15 Minimum Shareholding Policy

The Company will have a Minimum Shareholding Policy in place from Listing, which applies to the CEO, CFO and the Non-Executive Directors. The purpose of the Minimum Shareholding Policy is to strengthen the alignment between the interests of KMP and the Non-Executive Directors and those of shareholders, encouraging a focus on building long-term shareholder value.

The Minimum Shareholding Policy requires the CEO and CFO to hold a minimum holding of Shares equivalent to 150% of the CEO's and to 100% of the CFO's TFR (before any taxation or deductions).

The Minimum Shareholding Policy will also require Non-Executive Directors to acquire and hold a minimum holding of Shares equivalent to 100% of each Non-Executive Director's base fee (before any taxation or deductions).

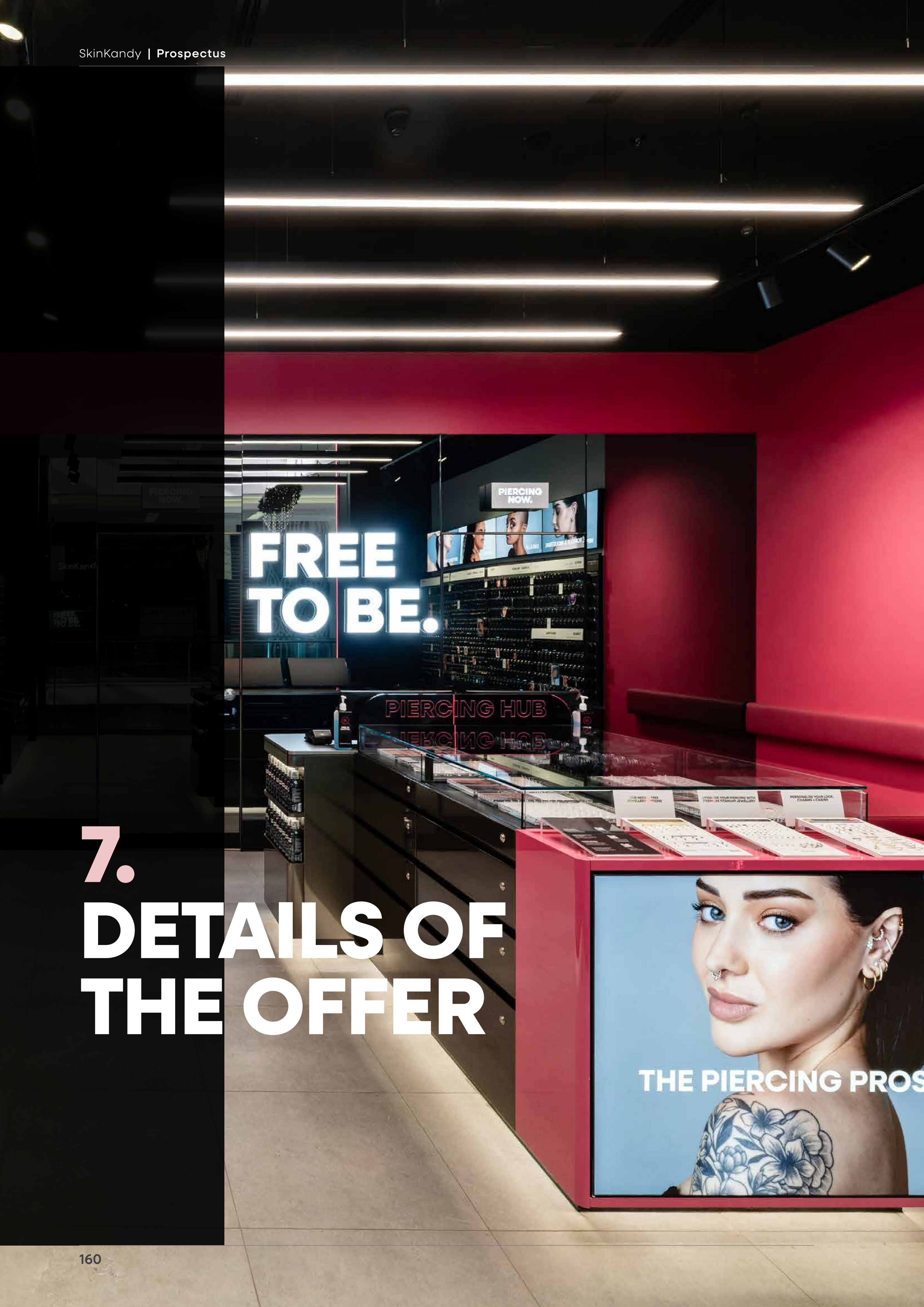
Under the Minimum Shareholding Policy, other than to meet any tax obligations, severe financial hardship or compliance with a court order or statutory obligations no Shares may be sold by the CEO, CFO or a Non-Executive Director unless they will continue to meet their relevant minimum holding requirement following completion of such sale.

The CEO and CFO (and any other relevant executives to whom the Minimum Shareholding Policy applies in the future) will have until the end of 3 annual vesting periods for their LTI grants to reach their minimum holding requirement. The Non-Executive Directors to whom the Minimum Shareholding Policy applies have until the third anniversary from their appointment or the third anniversary from Listing, whichever is later.

The Shares held on Completion will be credited towards the minimum holding requirement. As at the date of this Prospectus, all Directors to whom the minimum holding requirement applies, are expected to satisfy their obligations under the Minimum Shareholding Policy.

6.8.16 Modern slavery

SkinKandy is committed to implementing and enforcing effective systems and controls to reduce the risk of modern slavery taking place in its own business and supply chains. Team members are encouraged to report any concerns about modern slavery to their manager or member of the executive leadership team.



7.
DETAILS OF THE OFFER

7. DETAILS OF THE OFFER

7.1 The Offer

This Prospectus relates to an initial public offering of 9.1 million Shares and the sale of 63.6 Shares held by SaleCo, both at the Offer Price of $2.20 per Share.

The Offer (excluding the Employee Gift Offer, under which no proceeds will be raised) is expected to raise approximately $160.0 million based on the Offer Price. This comprises $20.0 million for the issue of New Shares (the proceeds of which will be received by the Company) and $140.0 million for the sale of Existing Shares by SaleCo (the proceeds of which SaleCo will pay to the Selling Shareholders).

These Shares will be available for investors under the Broker Firm Offer, Priority Offer, Employee Gift Offer and Institutional Offer (as described in Sections 7.9, 7.10, 7.11 and 7.12, respectively). Successful Applicants for Shares under the Offer will pay the Offer Price (other than for Shares under the Employee Gift Offer as described in Section 7.11). No consideration is payable under the Employee Gift Offer.

The total number of Shares expected to be on issue at Completion will be 111.7 million. All Shares will rank equally with each other. The Shares offered under this Prospectus will represent approximately 65.1% of the Shares on issue at Completion.

The Offer (other than the Employee Gift Offer) has been underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement is set out in Section 9.9.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.2 Structure of the Offer

The Offer comprises:

- The **Institutional Offer**, which consists of an invitation to bid for Shares made to Institutional Investors in Australia, New Zealand, Hong Kong and Singapore and a number of other eligible jurisdictions (see Section 7.12).
- the Retail Offer, consisting of:
  - the **Broker Firm Offer**, which is open only to Australian and eligible New Zealand resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate (see Section 7.9);
  - the **Priority Offer**, which is open to selected investors in Australia who have received a Priority Offer Invitation (see Section 7.10); and
  - the **Employee Gift Offer**, which is open to Eligible Employees in Australia who have received an offer from the Company to acquire, at no cost, $1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price) (see Section 7.11); and

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer. The allocation of Shares between the Broker Firm Offer, Priority Offer, Employee Gift Offer and the Institutional Offer was determined by the Company and the Joint Lead Managers, having regard to the allocation policies outlined in Sections 7.9.4, 7.10.4, 7.11.4 and 7.12.2 respectively.

7. DETAILS OF THE OFFER CONTINUED

7.3 Purpose of the Offer

The purpose of the Offer and the ASX listing is:

- provide the Existing Shareholders with an opportunity to realise all or part of their investment in the Company through the sale of Existing Shares through SaleCo;
- provide SkinKandy with a liquid market for the shares and an opportunity for others to invest in the Company;
- provide the Company with additional financial flexibility to pursue growth opportunities through improved access to capital markets;
- assist the Company in attracting and retaining staff;
- fund the Company's international expansion strategy, including initial market entry costs; and
- pay the costs of the Offer.

7.4 Sources and uses of funds

The proceeds of the Offer will be received by the Company and applied as set out in the table below.

The Offer is expected to raise gross proceeds of approximately $160.0 million. The proceeds of the Offer received by SaleCo in respect of the sale of Shares by it will be paid to SaleCo and paid by SaleCo to the Selling Shareholders.

SOURCES OF FUNDS	$ MILLION	%	USES OF FUNDS	$ MILLION	%
Company					
Cash proceeds received by the Company under the Offer from the issue of Shares	20.0	12.5%	Costs of the Offer	13.5[87]	8.4%
			International expansion[88]	6.5	4.1%
SaleCo					
Cash proceeds received by SaleCo under the Offer from the sale of Shares	140.0	87.5%	Payments to Selling Shareholders	140.0	87.5%
Total sources	**160.0**	**100%**	**Total uses**	**160.0**	**100%**

Note: Costs of the Offer includes the fees payable to advisers as referred to in Section 6.4, as well as other costs such as ASX listing fees and other adviser fees.

87. The costs of the Offer (inclusive of GST) comprises of Joint Lead Managers' fees of approximately $6.6 million, Financial Adviser fees of up to $1.6 million, legal adviser fees (including underwriters' legal counsel reimbursement) of approximately $1.1 million, Investigating Accountant and Australian tax advisor fees of approximately $1.1 million, and other IPO related costs of approximately $3.0 million (which includes fees payable to Trent Peterson and Melanie Wilson for their pre-IPO work, as disclosed in Section 6.3.3.2, Mark Oliphant's transaction bonus, as disclosed in Section 6.3.3, and other standard IPO costs, including ASX listing fees, insurance costs and other adviser fees). Further details of the Joint Lead Managers' fees are set out in Section 9.9 and details of the other fees and costs referred to above are disclosed in Section 6.3.5.
88. Although the Company cannot guarantee that it will not require additional capital over the medium term, to the extent that additional capital is required for international expansion beyond the Offer proceeds, the Company expects to fund this from free cashflow internally generated by the business.

The above tables and descriptions are a statement of current intentions as at the Prospectus Date. Investors should note that, as with any budget, the allocation of funds set out in the above tables may change depending on a number of factors, including the outcome of operational activities, regulatory developments, the market, and general and specific economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The Company does not intend to pay a dividend in the forecast period and future shareholder distributions will be assessed by the Board at the relevant time having regard to the Company's capital allocation framework (see Section 4.9 for further information).

7.5 Shareholding structure

The details of the ownership of Shares as at the Prospectus Date, and on Completion of the Offer, are set out in the table below.

SHAREHOLDER(S)[89]	A CLASS SHARES AND SHARES HELD AT THE PROSPECTUS DATE		SHARES HELD AT COMPLETION[90]	
	(MILLION)	(%)[91]	(MILLION)	(%)
The Whiteoak Funds[92]	80.3 Shares	78.3%	25.9 Shares	23.2%
Mark Oliphant	14.2 Shares	13.8%	7.8 Shares	7.0%
Dain Friis	6.0 A Class Shares	5.9%	3.6 Shares	3.2%
Carl Larzabal	1.0 A Class Shares	1.0%	0.6 Shares	0.5%
Trent Peterson[93]	0.9 Shares	0.9%	0.9 Shares	0.8%
Melanie Wilson	0.1 Shares	0.1%	0.1 Shares	0.1%
Other Shareholders	–	–	72.8 Shares	65.1%
Total	**95.5 Shares**	**100.0%**	**111.7 Shares**	**100.0%**
	7.0 A Class Shares			

Note: The table above includes all securities in which Directors have a "relevant interest" for the purposes of the Corporations Act. The Directors (and their associated entities) are entitled to apply for Shares under the Offer. The table above does not include any new Shares that may be acquired by the Directors (and their associated entities) under the Offer at the Offer Price. Final Directors' shareholdings will be notified to ASX following Completion of the Offer.

Note: Refer to Section 6.3 for further information on interests and benefits (including Directors' interests in Shares).

Note: Assuming all Shares under the Employee Gift Offer are taken up.

At Completion, 38.9 million Shares held by the Existing Shareholders will be subject to escrow arrangements described in Section 9.8 of this Prospectus. Consequently, the free float of the Company on Listing is expected to be 65.1%.

7.6 Control implications of the Offer

The Directors do not expect any Shareholder to control (as defined in section 50AA of the Corporations Act) the Company on Completion.

89. Shareholdings are either held directly or through beneficial interests or associated or controlled entities.
90. Assumes the maximum of 24,516 Shares are issued under the Employee Gift Offer.
91. On a fully diluted basis.
92. 10,095,110 Shares held by Perpetual Corporate Trust Limited as custodian for the Whiteoak Growth Fund I LP and 15,791,233 Shares held by Whiteoak Pty Limited as trustee for the SkinKandy Co-Investment Trust i.e. the Whiteoak Funds.
93. Via Catalyst Direct Capital Management Pty Ltd (ACN 169 644 606) as trustee for the CDCM Investment Trust.

7. DETAILS OF THE OFFER CONTINUED

7.7 Description of the Syndicate

Barrenjoey Markets Pty Limited and Morgans Corporate Limited are the Joint Lead Managers to the Offer. One or more Co-managers to the offer may be appointed.

The Joint Lead Managers and their affiliates are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, margin financing, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. The Joint Lead Managers or their affiliates may, from time to time in the future, perform other corporate advisory and financial advisory services for the Company, its shareholders or their respective affiliates. Further, in the ordinary course of their trading, brokerage and financing activities, the Joint Lead Managers and their affiliates may act as a market maker or buy or sell securities issued by the Company or associated derivatives as principal or agent. Customary fees and commissions are expected to be paid for any such services in the future.

7.8 Terms and conditions of the Offer

TOPIC	SUMMARY
What is the type of security being offered?	Shares (being fully paid ordinary shares).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.19 below.
What is the consideration payable for each security being offered?	Successful Applicants under the Offer (other than the Employee Gift Offer) will pay the Offer Price, being $2.20 per Share. There is no consideration payable for the Employee Gift Shares.
What is the Offer period?	The key dates, including details of the Offer period, are set out on page 7. No securities will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney, Australia time.
What are the cash proceeds to be raised?	$160.0 million will be raised under the Offer based on the Offer Price (comprising approximately $20.0 million from the issue of New Shares by the Company and approximately $140.0 million for the sale of Existing Shares held by SaleCo).

TOPIC	SUMMARY
Is the Offer underwritten?	Yes. The Joint Lead Managers have fully underwritten the Offer (other than the Employee Gift Offer). Details are provided in Section 7.14 and Section 9.9.
What is the minimum and maximum Application size under the Retail Offer?	**Institutional Offer** There is no minimum or maximum Application size under the Institutional Offer. **Broker Firm Offer** Applications under the Broker Firm Offer must be for a minimum of $2,000 worth of Shares. There is no maximum application size under the Broker Firm Offer. The Joint Lead Managers, the Company and SaleCo reserve the right to treat any applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors as bids in the Institutional Offer or to reject the application(s). The Joint Lead Managers, the Company and SaleCo also reserve the right to aggregate any applications that they believe may be multiple applications from the same person. **Priority Offer** Applicants under the Priority Offer must be for a minimum of $2,000 worth of Shares. There is no maximum Application size under the Priority Offer. **Employee Gift Offer** Under the Employee Gift Offer, Eligible Gift Employees who submit a valid Application will receive a guaranteed allocation of $1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price). It is not possible for Eligible Gift Employees to apply for more than $1,000 worth of Shares and allocations of Shares under the Employee Gift Offer will not exceed $60,000 worth of Shares.

7. DETAILS OF THE OFFER CONTINUED

TOPIC	SUMMARY
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, the Priority Offer, the Employee Gift Offer and the Institutional Offer was determined by the Company, the Financial Adviser and the Joint Lead Managers. The allocation of Shares under the Institutional Offer and Priority Offer was determined by the Company in agreement with the Joint Lead Managers prior to the Prospectus Date. With respect to the Broker Firm Offer, it will be a matter for the Brokers to determine how they allocate Shares among their eligible retail clients, and they (and not the Company, the Financial Adviser or the Joint Lead Managers) will be responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant Shares. The allocation of Shares under the Employee Gift Offer will be determined by the Company at its discretion provided that allocations do not exceed $60,000 worth of Shares. Except for Shares to be issued under the Employee Gift Offer in respect of valid Applications from Eligible Gift Employees, the Company, along with the Joint Lead Managers, has absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than the number or equivalent dollar amount applied for, in its absolute discretion. The Company and SaleCo, in conjunction with the Joint Lead Managers, also reserve the right to aggregate or refuse any Applications that they believe may be multiple Applications from the same person. All Eligible Gift Employees who apply correctly for Shares under the Employee Gift Offer are guaranteed the allocation of those Shares. For further information on the: • Broker Firm Offer, see Section 7.9.4; • Priority Offer, see Section 7.10.4; • Employee Gift Offer, see Section 7.11.4; and • Institutional Offer, see Section 7.12.2.
Will the securities be quoted on the ASX?	The Company will apply to ASX within seven days of the Prospectus Date for admission to the official list of, and quotation of its Shares by, ASX under the code 'SK1'. Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

TOPIC	SUMMARY
When are the securities expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about Thursday, 21 May 2026, initially on a conditional and deferred settlement basis. Trades occurring on the ASX before Settlement will be conditional on Settlement occurring, completion of the Capital Restructure and the issue and allotment of Shares under the Offer. Shares are expected to commence trading on a normal settlement basis on or about Monday, 25 May 2026. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, SaleCo and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the SkinKandy IPO Offer Information Line, by a Broker or otherwise.
When will I receive confirmation of whether my Application has been successful?	It is expected that initial holding statements will be mailed to Successful Applicants on or about Tuesday, 26 May 2026. Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion.
Are there any escrow arrangements?	Yes. Details are provided in Section 7.15 and Section 9.8.
Are there any other restrictions on trading Shares?	Yes. Eligible Gift Employees may not sell, transfer or otherwise dispose of any Shares acquired under the Employee Gift Offer for a minimum period of three years from Completion, unless the Eligible Gift Employee ceases to be employed by SkinKandy or the dealing is required by law (in which case the Shares will be released). Details are provided in Section 7.11.5.
Has any ASX relief or ASIC waiver or modification been obtained or been relied on?	Yes. Details are provided in Section 9.12.
Are there any taxation considerations?	Yes. Details are provided in Section 9.13. It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

7. DETAILS OF THE OFFER CONTINUED

TOPIC	SUMMARY
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Successful Applicants on the acquisition of Shares under the Offer. See Section 9.9.1 for details of various fees payable by the Company to the Joint Lead Managers and by the Joint Lead Managers to certain Brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the SkinKandy IPO Offer Information Line on 1800 992 149 (within Australia) or +61 1800 992 149 (outside Australia) between 8:30am and 7:00pm, Monday to Friday (excluding public holidays). Enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

7.9 Broker Firm Offer

7.9.1 Who can apply?

The Broker Firm Offer is open only to Australian and eligible New Zealand resident retail investors who have a registered address in Australia or New Zealand are not Institutional Investors and who have received an invitation from their Broker to participate in the Offer under this Prospectus.

If you have received an invitation to participate from your Broker, you will be treated as eligible to become a Broker Firm Offer Applicant under the Broker Firm Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer.

7.9.2 How to apply?

If you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Application Form and for payment instructions.

Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form. Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form or download a copy at https://events.miraqle.com/sk1-offer.

Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5:00pm on the Closing Date (being Monday, 18 May) or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your invitation to participate. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application size under the Broker Firm Offer is $2,000 worth of Shares. Applications in excess of the minimum number of Shares must be multiples of at least $500.

There is no maximum value of Shares that may be applied for under the Broker Firm Offer.

The Company, SaleCo and the Joint Lead Managers reserve the right to reject or scale back any Applications in the Broker Firm Offer in their absolute discretion. Any amount applied for in excess of the amount allocated to you, will be refunded by your broker in full (without interest).

The Company, SaleCo and the Joint Lead Managers may determine a person to be eligible to participate in the Broker Firm Offer and may amend or waive the Broker Firm Offer application procedures or requirements, in their discretion in compliance with applicable laws.

The Company, SaleCo, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Company, SaleCo and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications. The Offer may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

Applications may be received from the Prospectus Date. Applications under the Broker Firm Offer must be received on or before the closing date of the Retail Offer, at 5.00pm on Monday, 18 May 2026.

7.9.3 How to pay?

Successful Applicants under the Broker Firm Offer must pay their Application Monies in accordance with the instructions received from their Broker.

7.9.4 What is the Broker Firm Offer allocation policy?

The basis of allocation of Shares under the Offer will be determined by the Company, SaleCo and the Joint Lead Managers. Shares which are allocated to Brokers for allocation to their retail clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Company, SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company, SaleCo or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

The Company expects to announce the final allocation policy under the Broker Firm Offer on or about Completion. Applicants in the Broker Firm Offer will be able to call the SkinKandy IPO Information Line on 1800 992 149 (within Australia) or +61 1800 992 149 (outside Australia) from 8:30am to 7:00pm to confirm their allocation after the Settlement Date. Prior to that date, participants under the Broker Firm Offer must consult with their Broker.

Applicants under the Broker Firm Offer, including those outside Australia, will be able to confirm their allocation through the Broker from whom they received their allocation.

However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the SkinKandy IPO Information Line or confirmed your allocation through a Broker.

7.9.5 Acceptance of applications

An Application in the Broker Firm Offer is an offer by you to the Company and SaleCo to apply for the amount of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

The Joint Lead Managers, in agreement with the Company and SaleCo, reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

7. DETAILS OF THE OFFER CONTINUED

7.10 Priority Offer

7.10.1 Who can apply?

The Priority Offer is open to select investors nominated by the Company in Australia. If you are a Priority Offer Applicant, you should have received a personalised Priority Offer Invitation to apply for Shares under the Priority Offer.

7.10.2 How to apply?

If you have received a personalised Priority Offer Invitation and wish to apply for Shares, you should follow the instructions on your personalised Priority Offer Invitation.

Applicants under the Priority Offer will receive a guaranteed minimum allocation of $2,000 worth of Shares.

Priority Offer Applicants may apply for Shares online and must comply with the instructions provided in their personalised Priority Offer invitation and on the Offer Website.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum application size under the Priority Offer is $2,000 worth of Shares. Application in excess of the minimum number of shares must be multiples of at least $500 worth of Shares.

There is no maximum value of Shares that may be applied for under the Priority Offer.

The Company, SaleCo and the Joint Lead Managers reserve the right to reject or scale back and Applications under the Priority Offer in their absolute discretion. Any amount applied for in excess of the amount allocated to you, will be refunded in full (without interest).

The Company, SaleCo and the Joint Lead Managers may determine a person to be eligible to participate in the Priority Offer and may amend or waive the Priority Offer application procedures or requirements, in their discretion in compliance with applicable laws.

The Company, SaleCo and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications. The Offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

If the amount of your Application Monies (or the amount for which those payments clear in time for allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

If you are a Priority Offer Applicant, go to https://events.miraqle.com/sk1-offer and complete an online Application Form.

Applications may be received from the Prospectus Date. Applications under the Priority Offer must be received on or before the closing date of the Retail Offer, at 5.00pm on Monday, 18 May 2026.

7.10.3 How to pay?

Payment may be made via BPAY® or electronic funds transfer (**EFT**) only by following the instructions on the online Application Form. It is the responsibility of the Applicant to ensure payments are received by the Share Registry by 5.00pm on the Closing Date (being Monday, 18 May 2026). You should be aware that your financial institution may impose a limit on the amount that you can transact on BPAY® or EFT transactions and policies with respect to timing for processing BPAY® transactions, which may vary between financial institutions, and you should therefore take this into consideration when making payment.

7.10.4 What is the Priority Offer allocation policy?

Allocations under the Priority Offer will be at the absolute discretion of the Company, SaleCo and the Joint Lead Managers provided that those allocations (in aggregate) do not exceed $1,000,000.

7.10.5 Acceptance of applications

An Application in the Priority Offer is an offer by an Applicant to the Company and SaleCo to apply for Shares in the amount specified the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Priority Offer Invitation (including the terms and conditions in Section 7.8 and the acknowledgements in Section 7.13. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted in respect of the full number of Shares specified in the Application Form or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

The Joint Lead Managers, in agreement with the Company and SaleCo, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Priority Offer, or to waive or correct any errors made by an Applicant in completing their Application.

7.11 Employee Gift Offer

7.11.1 Who can apply?

The Employee Gift Offer is open to Eligible Gift Employees, who are persons who have a registered address in Australia.

Eligible Gift Employees will receive a personalised invitation to apply for Shares under the Employee Gift Offer on the Prospectus Date. Eligible Gift Employees should read the invitation and this Prospectus carefully and in their entirety before deciding whether to apply for Shares under the Employee Gift Offer.

If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7.11.2 How to apply?

Eligible Gift Employees who wish to apply for Shares under the Employee Gift Offer must apply for Shares by submitting the Employee Gift Offer Application Form in accordance with the instructions on your personalised invitation. Eligible Gift Employees must comply with the instructions on their personalised invitation and the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications under the Employee Gift Offer must be received on or before the closing date of the Retail Offer, at 5.00pm on Monday, 18 May 2026.

The Employee Gift Offer may only be accepted in full by each Applicant.

7.11.3 How to pay?

No payment for Shares is required under the Employee Gift Offer.

7. DETAILS OF THE OFFER CONTINUED

7.11.4 What is the Employee Gift Offer allocation policy?

Eligible Gift Employees who submit a valid Application will receive a guaranteed allocation of $1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price).

7.11.5 Restrictions on disposing of Employee Gift Shares

Eligible Gift Employees may not sell, transfer or otherwise dispose of any Shares acquired under the Employee Gift Offer for a minimum period of three years, unless the Eligible Gift Employee ceases to be employed by SkinKandy or the dealing is required by law (in which case the Shares will be released).

The Company will implement necessary arrangements to give effect to this restriction. By applying for Shares under the Employee Gift Offer, Eligible Gift Employees will be agreeing to the imposition of any restriction, including a holding lock, on a sale, transfer or disposal of those Shares.

Once the restriction period ends or Shares are released, Eligible Gift Employees will, subject to the requirements of the Company's Securities Trading Policy, be free to deal with the Shares acquired under the Employee Gift Offer.

Employee Gift Offer Shares are not subject to forfeiture.

7.12 Institutional Offer

7.12.1 Invitations to bid

The Company and the Joint Lead Managers have invited certain Institutional Investors in Australia, New Zealand and other eligible foreign jurisdictions to bid for Shares in the Institutional Offer under this Prospectus.

The Joint Lead Managers separately advised Institutional Investors of the application procedures for the Institutional Offer.

7.12.2 Allocation policy under the Institutional Offer

The allocation of Shares among bidders in the Institutional Offer was determined by the Joint Lead Managers in agreement with the Company and SaleCo prior to the Prospectus Date. The Joint Lead Managers, the Company and SaleCo have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer will be advised of their allocation of Shares, if any, by the Joint Lead Managers.

The allocation policy was influenced by a number of factors including:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed and active trading market following listing on ASX;
- the Company's desire to establish a wide spread of institutional shareholders;
- the overall level of demand under the Broker Firm Offer, Priority Offer and the Institutional Offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long term Shareholders; and
- any other factors that the Joint Lead Managers, the Company and SaleCo considered appropriate.

7.13 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company, the Share Registry or a Broker receives an Application Form (including electronically), it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant under the Broker Firm Offer, Priority Offer and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and other applicable state securities laws;
- it is not in the United States or acting for the account or benefit of a US Person;
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, the registration requirements under the Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

7. DETAILS OF THE OFFER CONTINUED

7.14 Underwriting agreement

The Offer is fully underwritten pursuant to an Underwriting Agreement under which the Joint Lead Manager have been appointed to arrange and manage and act as the joint lead managers, bookrunner and underwriter of the Offer. The Joint Lead Managers agree, subject to certain conditions and termination events, to underwrite severally Applications for all Shares under the Offer (other than the Employee Gift Offer).

The Underwriting Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which the Joint Lead Managers may terminate the Underwriting Agreement and their underwriting obligations. A summary of certain terms of the agreement and underwriting arrangements, including the conditions precedent and termination provisions, is provided in Section 9.9.

7.15 Voluntary escrow arrangements

Upon Completion of the Offer, Escrowed Shareholders will be subject to voluntary escrow arrangements (other than any Shares acquired by them, or entities related to them, under the Offer at the Offer Price).

The Escrowed Shareholders have entered into voluntary escrow arrangements which prevent them from disposing of their Escrowed Shares during the relevant Escrow Period (subject to relevant exceptions).

See Section 9.8 for a summary of the terms of the escrow arrangements and the limited exceptions that permit dealing in the Escrowed Shares during the relevant Escrow Period.

7.16 Restrictions on distributions

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act laws and any other applicable securities laws.

For more information on the other selling restrictions which apply to the Offer, refer to Section 9.14.

7.17 Discretion regarding Offer

The Company and SaleCo may withdraw the Offer at any time before the issue of Shares to Successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Joint Lead Managers, the Company and SaleCo also reserve the right to, subject to the Corporations Act, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for.

7.18 ASX listing, registers and holding statements and deferred settlement trading

7.18.1 Application for ASX listing and quotation of Shares

The Company will apply to ASX within seven days of the Prospectus Date, for admission to the Official List and quotation of the Shares on ASX under the code 'SK1'.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If approval for official quotation of the Shares is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act.

Upon Listing, the Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time.

7.18.2 CHESS and issuer sponsored holdings

The Company will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.18.3 Conditional and deferred settlement trading and selling Shares on market

It is expected that trading of the Shares on ASX, on a conditional and deferred basis, will commence on or about Thursday, 21 May 2026.

Trades occurring on the ASX before Settlement will be conditional on Settlement occurring, completion of the Capital Restructure and the issue and allotment of Shares under the Offer (**Conditions**).

If the Offer is withdrawn before shares have commenced trading on an unconditional basis, all contracts for the sale of Shares on ASX will be cancelled and any Application Monies received will be refunded as soon as possible.

7. DETAILS OF THE OFFER CONTINUED

Conditional and deferred settlement trading will continue until the Company has advised ASX that the Conditions have been satisfied, which is expected to be on or about Monday, 25 May 2026. If the Conditions have not been satisfied by the end of the conditional and deferred settlement trading period or the Offer is withdrawn, the Offer will not complete and all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle. All Application Monies received will be refunded to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, Successful Applicants do so at their own risk. The Company, SaleCo, the Share Registry, the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, even if the Shareholder obtained details of their holding from the SkinKandy IPO Offer Information Line or confirmed their firm allocation through a Broker.

7.19 Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

7.19.1 Introduction

The rights and liabilities attaching to ownership of Shares are:

- detailed in the Constitution which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and all other applicable laws and regulations.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders.

The summary assumes that the Company is admitted to the Official List of the ASX.

7.19.2 Meeting of members

Each Shareholder is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. At least 28 days' notice of a meeting must be given to shareholders.

7.19.3 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, attorney or representative has (a) on a show of hands, one vote and (b) on a poll, one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held (with adjusted voting rights for partially paid shares). The Chair has a casting vote.

7.19.4 Dividends

Subject to the Corporations Act, the Constitution and any special terms and conditions of issue, the Directors may, from time to time, pay, resolve to pay, or declare any interim, special or final dividend as, in their judgement, the financial position of the Company justifies.

The Directors may fix the amount, time and method of payment of the dividends. The payment, resolution to pay, or declaration of a dividend does not require any confirmation by a general meeting.

For further information in respect of the Company's proposed dividend policy, see Section 4.11.

7.19.5 Transfer of Shares

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, a member may transfer all or any of the member's shares by:

- a Proper ASTC transfer (as that term is defined in the Corporations Regulations); or
- an instrument in writing in any usual form or in any other form that the Directors approve, as permitted by the Corporations Act and ASX Listing Rules.

The Company may, in circumstances permitted under the ASX Listing Rules or ASX Settlement Rules, decline to register a transfer of Shares or apply a holding lock to prevent a transfer of Shares.

If the Directors decline to register a transfer or apply a holding lock, the Company must give the party lodging the transfer written notice of the refusal or holding lock and the reason for refusal or holding lock.

7.19.6 Issue of further Shares

Subject to the Constitution, the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act, the Directors may issue shares or grant options over unissued shares to any person and they may do so at such times and on the conditions they think fit.

The shares may be issued with preferred, deferred or special rights, or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors see fit.

7.19.7 Preference shares

The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to Shares.

The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

7.19.8 Winding up

If the Company is wound up, then subject to the Constitution and to the rights or restrictions attached to a class of shares, any surplus assets must be divided among the Company's members in proportion to the shares held by them (irrespective of the amounts paid or credited as paid on the shares), less any amounts which remain unpaid on these shares at the time of distribution.

7.19.9 Sale of non-marketable parcels

Provided that the procedures set out in the Constitution are followed, the Company may sell the shares of a shareholder who holds less than a marketable parcel of those shares. A marketable parcel of shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than $500.

7.19.10 Share buy-backs

The Company may buy back shares in itself in accordance with the provisions of the Corporations Act and, where applicable, the ASX Listing Rules.

7.19.11 Variation of class rights

Subject to the Corporations Act and the terms of issue of a class of shares, wherever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may be varied with:

- the written consent of the holders of at least three quarters of the issued shares in the particular class; or
- the sanction of a special resolution passed at a separate meeting of the holders of shares in that class.

7. DETAILS OF THE OFFER CONTINUED

7.19.12 Reduction of share capital

Subject to the Constitution, Corporations Act and ASX Listing Rules, the Company may reduce its share capital in any way permissible by the Corporations Act.

7.19.13 Proportional takeover provisions

The Constitution contains provisions requiring shareholder approval before any proportional takeover bid can proceed.

The provisions will cease to have effect three years from the date of adoption of the Constitution unless it is renewed by special resolution of shareholders in a general meeting.

7.19.14 Dividend reinvestment plan

The Constitution contains a provision allowing Directors, on the terms and conditions they think fit, to implement a dividend reinvestment plan (under which any Shareholder or any class of shareholders may elect that the dividends payable by the Company be reinvested by a subscription for Shares in the Company).

7.19.15 Directors – appointment and removal

Under the Constitution, the minimum number of Directors is 3 and the maximum is 12 or such lower number as the Directors determine, provided the proposed lower number has been authorised by general meeting of the Company's members if required under the Corporations Act.

Directors are elected or re-elected by resolution at a general meeting of Shareholders. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who (other than the managing director) will then hold office until the next annual general meeting of the Company and is then eligible for election at that meeting.

No Director (other than the managing director) may hold office without re-election after three years or beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected (whichever is later).

7.19.16 Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter.

In the case of an equality of votes on a resolution, the chair of the meeting has a casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

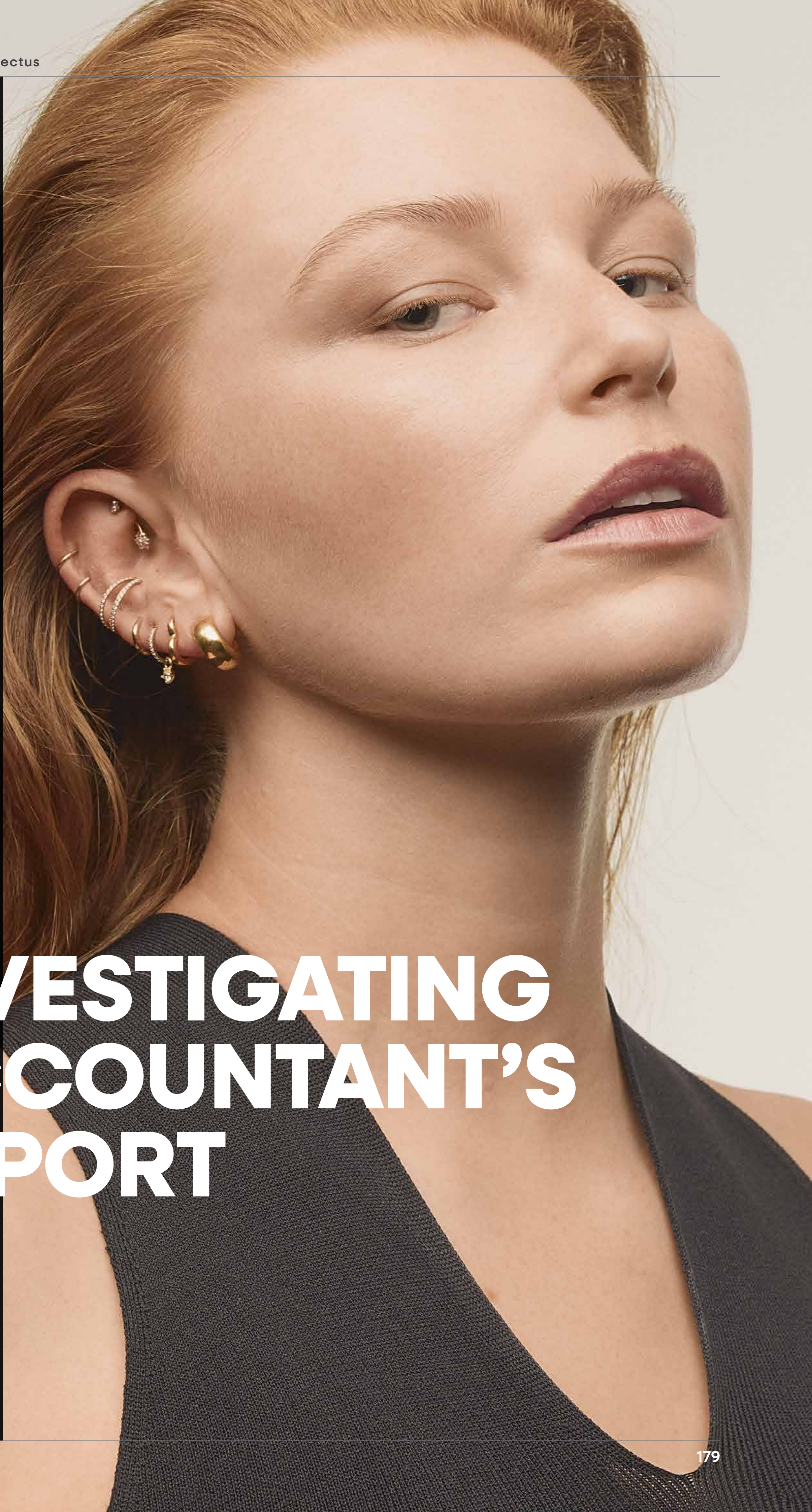
7.19.17 Variation of the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of the Company. The Company must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

7.19.18 Directors' and officers' indemnity

The Company, to the extent permitted by law, may indemnify each person who is a current or former Director, executive officer, officer or auditor of the Company, and such other officers or former officers of the Company or its Related Bodies Corporate as the Directors in each case determine, against any losses or liability incurred by that person as an officer or auditor of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for reasonable legal costs on a full indemnity basis.

The Company, to the extent permitted by law, may enter into and pay premiums on a contract insuring any person who is a current or former Director, executive officer, officer or auditor of the Company, and such other officers or former officers of the Company or its Related Bodies Corporate as the Directors in each case determine, against any liability incurred by the person as an officer or auditor of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for legal costs.



8.
INVESTIGATING ACCOUNTANT'S REPORT

8. INVESTIGATING ACCOUNTANT'S REPORT

KPMG Transaction Services
A division of KPMG Financial Advisory Services (Australia) Pty Ltd
Australian Financial Services Licence No. 246901
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

P O Box H67 Australia Square
Sydney NSW 1213
Australia

ABN: 43 007 363 215
Telephone: +61 2 9335 7621
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

The Directors
SkinKandy Limited
Suite 15, 12-20 Ocean Street
Maroochydore QLD 4558

The Directors
SkinKandy SaleCo Limited
Suite 15, 12-20 Ocean Street
Maroochydore QLD 4558

11 May 2026

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) (**KPMG Transaction Services**) has been engaged by SkinKandy Limited ACN 636 484 814 (**SkinKandy** or **Company**) and SkinKandy SaleCo Limited ACN 696 911 216 (**SaleCo**) (together, **Issuer**) to prepare this report for inclusion in the prospectus to be dated on or around 11 May 2026 (**Prospectus**), in connection with the proposed initial public offering of ordinary shares in the Company and the offer of certain existing shares in the Company by SaleCo (**Offer**), and the listing of the Company's shares on the Australian Securities Exchange (**ASX**).

Expressions defined in the Prospectus have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Prospectus.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the pro forma historical financial information and forecast financial information of the Company described below and disclosed in the Prospectus.

The pro forma historical financial information and forecast financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Australia, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Pro Forma Historical Financial Information

The pro forma historical financial information consists of the Company's:

- pro forma historical consolidated statements of profit or loss for the financial years ended 1 July 2023, 29 June 2024 and 5 July 2025, and the half-year reporting period ended 3 January 2026 (together with the comparative half-year ended 4 January 2025), as set out in Table 2 and Table 3 of section 4.3.1 of the Prospectus;
- pro forma historical consolidated statements of cash flows for the financial years ended 1 July 2023, 29 June 2024 and 5 July 2025, and the half-year reporting period ended 3 January 2026 (together with the comparative half-year ended 4 January 2025), as set out in Table 13 and Table 14 of section 4.5.1 of the Prospectus; and
- pro forma historical consolidated statement of financial position as at 3 January 2026, as set out in Table 9 of section 4.4.1 of the Prospectus,

(collectively, the **Pro Forma Historical Financial Information**).

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company, after adjusting for the effects of pro forma adjustments described in sections 4.3.2, 4.5.2 and 4.4.1 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4.2 of the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial performance, cash flows, and/or financial position.

The Pro Forma Historical Financial Information has been compiled by the Company based on the historical financial information including the historical consolidated statements of profit or loss, historical consolidated statements of cash flows and historical consolidated statement of financial position extracted from the Company's financial statements for the financial years ended 1 July 2023, 29 June 2024 and 5 July 2025, and the half-year reporting period ended 3 January 2026 (together with the comparative half-year ended 4 January 2025).

The financial statements of the Company for the financial years ended 1 July 2023, 29 June 2024 and 5 July 2025 were audited by KPMG in accordance with Australian Auditing Standards. The audit opinions issued to the members of the Company relating to those financial statements were unmodified.

8. INVESTIGATING ACCOUNTANT'S REPORT CONTINUED

SkinKandy Limited and SkinKandy SaleCo Limited
Limited Assurance Investigating Accountant's Report
and Financial Services Guide
11 May 2026

The financial statements of the Company for the half-year reporting period ended 3 January 2026 (together with the comparative half-year ended 4 January 2025) were reviewed by KPMG in accordance with Australian Auditing Standards on Review Engagements. The review conclusion issued to the members of the Company relating to those financial statements was unmodified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in section 4.2 of the Prospectus.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Forecast Financial Information and directors' best-estimate assumptions

The forecast financial information consists of the Company's:

- statutory forecast consolidated statement of profit or loss and statutory forecast consolidated statement of cash flows for the financial year ending 4 July 2026, as set out in Table 4 of section 4.3.1 and Table 15 of section 4.5.1 respectively of the Prospectus; and
- pro forma forecast consolidated statement of profit or loss and pro forma forecast consolidated statement of cash flows for the financial year ending 4 July 2026, as set out in Table 2 of section 4.3.1 and Table 13 of section 4.5.1 respectively of the Prospectus,

(collectively, the **Forecast Financial Information**).

The directors' best-estimate assumptions underlying the Forecast Financial Information are described in sections 4.6 and 4.7 of the Prospectus. As stated in section 4.2 of the Prospectus, the basis of preparation of the Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Company's accounting policies.

We have performed limited assurance procedures in relation to the Forecast Financial Information, set out in sections 4.3 and 4.5 of the Prospectus, and the directors' best-estimate assumptions underlying it in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects the Forecast Financial Information is not:
  - prepared on the basis of the directors' best-estimate assumptions as described in the Prospectus; and
  - presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards and the Company's accounting policies;
- the Forecast Financial Information itself is unreasonable.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The directors of the Company and SaleCo are responsible for the preparation of:

- the Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information and included in the Pro Forma Historical Information; and
- the Forecast Financial Information, including the directors' best-estimate assumptions on which the Forecast Financial Information is based and the sensitivity of the Forecast Financial Information to changes in key assumptions.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Review statement on the Pro Forma Historical Financial Information

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in section 4.2 of the Prospectus, and in

8. INVESTIGATING ACCOUNTANT'S REPORT CONTINUED

accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and the Company's accounting policies.

Forecast Financial Information and the directors' best-estimate assumptions

Based on our procedures, which are not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information do not provide reasonable grounds for the Forecast Financial Information; and
- in all material respects, the Forecast Financial Information:
  - is not prepared on the basis of the directors' best-estimate assumptions as described in sections 4.6 and 4.7 of the Prospectus; and
  - is not presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards, and the Company's accounting policies; and
- the Forecast Financial Information itself is unreasonable.

The Forecast Financial Information has been prepared by Company management and adopted and disclosed by the directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the financial year ending 4 July 2026.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in section 5 of the Prospectus. The sensitivity analysis described in section 4.10 of the Prospectus demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Offer, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

KPMG is the auditor of SkinKandy Limited, and from time to time, KPMG also provides the Company with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Design and Distribution Obligations

KPMG has made reasonable enquiries of the Issuer as to whether the ordinary shares pursuant to the Offer are captured by Design and Distribution Obligations (**DDO**) regulations. Where a Target Market Determination (**TMD**) is required, KPMG has reviewed the TMD to ensure the content of this report is consistent with the TMD.

Restriction on use

Without modifying our conclusions, we draw attention to section 4.2 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

8. INVESTIGATING ACCOUNTANT'S REPORT CONTINUED

SkinKandy Limited and SkinKandy SaleCo Limited
Limited Assurance Investigating Accountant's Report
and Financial Services Guide
11 May 2026

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

Tapan Verma
Authorised Representative
AFS Representative Number 1282070

7

KPMG

KPMG Financial Advisory Services (Australia) Pty Ltd

ABN 43 007 363 215
Australian Financial Services Licence No. 246901

Financial Services Guide

Dated December 2023

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215 (KPMG FAS)**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**KPMG Transaction Services**), and **Tapan Verma** as an authorised representative of KPMG Transaction Services, authorised representative number 1282070 (**Authorised Representative**).

This FSG includes information about:

- KPMG FAS and its Authorised Representative and how they can be contacted;
- The services KPMG FAS and its Authorised Representative are authorised to provide;
- How KPMG FAS and its Authorised Representative are paid;
- Any relevant associations or relationships of KPMG FAS and its Authorised Representative;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG FAS has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG FAS.

This FSG forms part of an Investigating Accountant's Report (**Report**) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (**PDS**). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits, and costs of acquiring the particular financial product.

Financial services that KPMG FAS and the Authorised Representative are authorised to provide

KPMG FAS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and

8. INVESTIGATING ACCOUNTANT'S REPORT CONTINUED

- eligible international emissions units,

to retail and wholesale clients.

KPMG FAS provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG FAS to provide financial product advice on KPMG FAS' behalf.

KPMG FAS and the Authorised Representative's responsibility to you

KPMG FAS has been engaged by SkinKandy Limited ACN 636 484 814 (the **Company**) and SkinKandy SaleCo Limited ACN 696 911 216 (**SaleCo**) (together, **Issuer**) to provide general financial product advice in the form of a Report to be included in the Prospectus (the **Document**) in relation to the offer of ordinary shares in the Company and its listing on the Australian Securities Exchange (**Transaction**).

You have not engaged KPMG FAS or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG FAS nor the Authorised Representative are acting for any person other than the Issuer.

KPMG FAS and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice Warning

As KPMG FAS has been engaged by the Issuer, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG FAS may receive, and remuneration or other benefits received by our representatives

KPMG FAS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Issuer. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Company and SaleCo have agreed to pay KPMG FAS $750,000 for preparing the Report. KPMG FAS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG FAS officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory, tax and accounting practice (the **KPMG Partnership**). KPMG FAS' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG FAS nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG FAS operates as part of the KPMG Australian firm. KPMG FAS' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG FAS and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG FAS, the KPMG Partnership and related entities (**KPMG entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Company or of SaleCo or has other material financial interests in the Transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let KPMG FAS or the Authorised Representative know. Complaints can be sent in writing to The Complaints Officer, KPMG, GPO Box 2291U, Melbourne, VIC 3000 or via email (AU-FM-AFSL-COMPLAINT@kpmg.com.au). If you have difficulty in putting your complaint in writing, please call (03) 9288 5555 where you will be directed to the Complaints Officer who will assist you in documenting your complaint.

We will acknowledge receipt of your complaint, in writing, within 1 business day or as soon as practicable and will investigate your complaint fairly and in a timely manner.

Following an investigation of your complaint, you will receive a written response within 30 calendar days. If KPMG FAS is unable to resolve your complaint within 30 calendar days, we will let you know the reasons for the delay and advise you of your right to refer the matter to the Australian Financial Complaints Authority (**AFCA**).

External complaints resolution process

If KPMG FAS cannot resolve your complaint to your satisfaction within 30 calendar days, you can refer the matter to AFCA. AFCA is an independent body that has been established to provide free and impartial assistance to consumers to help in resolving complaints relating to the financial services industry. KPMG FAS is a member of AFCA (member no 11690).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address:	Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne Victoria 3001
Telephone:	1800 931 678
Email:	info@afca.org.au

The Australian Securities and Investments Commission also has a free call Customer Contact Centre info-line on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG FAS has compensation arrangements for loss or damage in accordance with section 912B of the *Corporations Act 2001(Cth)*. KPMG FAS holds professional indemnity insurance which, subject to its terms, provides cover for work performed by KPMG FAS including current and former representatives of KPMG FAS.

8. 8.ACCOUNTANT'S REPORT CONTINUED

Contact details

You may contact KPMG FAS or the Authorised Representative using the below contact details:

KPMG Transaction Services (a division of KPMG Financial Advisory Services (Australia) Pty Ltd)
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7621
Facsimile: (02) 9335 7001

Tapan Verma

c/- KPMG

PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7621
Facsimile: (02) 9335 7001

9. ADDITIONAL INFORMATION

9. ADDITIONAL INFORMATION

9.1 Registration

The Company was registered in Queensland on 27 September 2019.

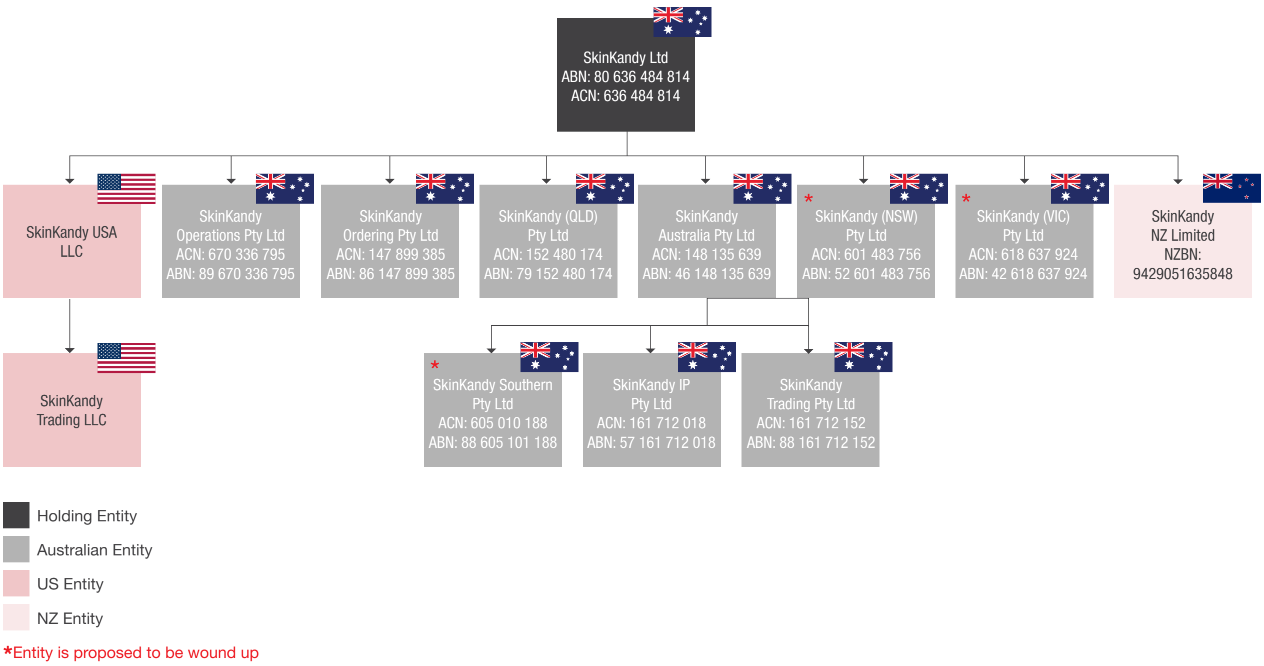
SaleCo was registered in Queensland, Australia on 7 April 2026.

9.2 Company tax status and financial year

The Company and its subsidiaries are subject to tax at the prevailing rates of tax in the countries in which they have operating subsidiaries (presently, Australia and New Zealand).

The Company's financial year for taxation purposes ends on 30 June.

9.3 Corporate structure



9.4 Capital restructure

As at the Prospectus Date, the shareholding structure of the Company is shown in Section 7.5.

With effect immediately from admission of the Shares to the Official List, the Shareholders' Agreement in relation to the Company will be terminated.

With effect immediately following Settlement of the Offer, and before Completion of the Offer, the Company will restructure its capital so that the 7.0 million A Class Shares on issue on the Prospectus Date will convert to 7.0 million Shares. This means that from Completion, the Company will have only Shares on issue.

All of the above is collectively referred to in this Prospectus as the **Capital Restructure**. As at Completion of the Offer, the shareholding structure of the Company will be as shown in Section 7.5.

9.5 Shareholder Loans

SkinKandy Australia Pty Ltd has, prior to the Prospectus Date, provided each of Dain Friis and Carl Larzabal with an interest free limited recourse loan, secured by all of their A Class Shares.

Dain Friis and Carl Larzabal will each sell down a portion of their Shares to SaleCo immediately before Completion (following conversion of all of their A Class shares to Shares as described in Section 9.4 above) and will use a portion of the gross proceeds to repay some of their outstanding Shareholder Loan balance.

The details of the Shareholder Loans are set out below:

	AS AT PROSPECTUS DATE	AS AT COMPLETION
Dain Friis	$1,500,000	$900,000
Carl Larzabal	$250,000	$150,000

As the Shareholder Loans are secured by the A Class Shares, that security will be released in relation to the converted Shares before they are transferred to SaleCo.

The Shareholder Loans will be amended so that from Completion, 50% of the proceeds from future dividends, 100% of the proceeds from future sales of Shares and 25% of post-tax STI payments must first be applied to the repayment of the Shareholder Loans.

Outstanding Shareholder Loans, if any, will be repayable within 14 days of the relevant event if Dain Friis or Carl Larzabal cease to be employed by the Group, become bankrupt or for any other reason cease to own or control the Shares issued to them upon conversion of their A Class shares whilst the Shareholder Loans remain outstanding. Following Completion, the remaining Shares held by Dain Friis and Carl Larzabal which results from the conversion of their A Class shares into Shares will be used as security for the balance of their Shareholder Loans.

9.6 Sales of Shares by SaleCo

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Existing Shares by the Selling Shareholders.

Each of the Selling Shareholders has entered into a deed poll in favour of SaleCo and the Company (**Sale Deed Poll**) under which the relevant Selling Shareholder has agreed to sell to SaleCo some or all of their Existing Shares, which will be sold by SaleCo into the Offer. The sales will take place after completion of the Capital Restructure described in Section 9.4 above.

Under each Sale Deed Poll:

- the Selling Shareholder has offered to sell to SaleCo a number of their Shares, subject to successful settlement of the Offer;
- immediately upon successful settlement of the Offer, SaleCo will accept the sale offers for Shares (**Sale Shares**) under each Sale Deed Poll;
- the Sale Shares will be transferred to Successful Applicants at the Offer Price at the time of Completion, free from encumbrances and third-party rights; and
- the price payable by SaleCo to Selling Shareholders will be, in respect of each Sale Share, the Offer Price, and will be payable to the Selling Shareholders after Completion.

Selling Shareholders have, in aggregate, agreed to sell 63.6 million Shares to SaleCo under their individual Sale Deed Polls.

9. ADDITIONAL INFORMATION CONTINUED

SaleCo has no material assets, liabilities or operations, other than its interests in and obligations under the Underwriting Agreement (see Section 9.9 below) and the Sale Deed Polls described in this Section 6. The sole shareholder of SaleCo is Dain Friis, who is also a Director of the Company. Dain Friis, Trent Peterson and Richard Whiteoak are the Directors of SaleCo.

The Company has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo in respect of costs of the Offer. The Company has indemnified SaleCo and the shareholders and officers of SaleCo for any loss which they may incur as a consequence of the Offer.

9.7 Finance Arrangements

The Group has in place a combination of secured and unsecured financing facilities. This Section 9.7 contains a summary of the material terms of the Group's corporate facilities and an overview of the other financing facilities that it has in place.

9.7.1 Description of facilities with Commonwealth Bank of Australia

Certain members of the Group have facilities in place with Commonwealth Bank of Australia (**CBA**), namely (together, the **CBA Facilities**):

TYPE OF FACILITY	FACILITY LIMIT	DRAWN AS AT 28 FEBRUARY 2026	UNDRAWN AS AT 28 FEBRUARY 2026	PURPOSE
Overdraft Facility	$2,500,000	Nil	$2,500,000	Working capital
Contingent Liability Bank Guarantee Facility	$4,000,000	Nil	$4,000,000	Issuance of bank guarantees issue in AUD and NZD only

9.7.2 Financial covenants, undertakings and events of default in CBA Facilities

The CBA's Current Terms and Conditions for Business Finance apply to the CBA Facilities (**CBA Terms**). The CBA Terms incorporate declarations, undertakings and events of default which are customary for facilities of this type.

The standard declarations under the CBA Terms include, but are not limited to, no breach of laws, security provided being free of competing security interests, no material default under other credit arrangements, no misleading information, financial soundness and no proceedings. The undertakings and default events contemplated in the CBA Terms also apply, which include, but are not limited to, non-payment, cross default, material adverse effect, misrepresentation, enforcement, insolvency and change of control.

In respect of change of control undertakings, a borrower or guarantor is required to notify CBA and seek consent if they are changing their form, nature, beneficial ownership, management or control within 10 days of becoming aware that there is a proposal for such a change to happen. If reasonable to do so, CBA may impose conditions on granting their consent for such a change to occur. It is also a default under the CBA Facilities if CBA decide there has been an unacceptable material change in the legal or beneficial ownership, or management or control of the borrower or guarantor or the borrower's or guarantor's business changes without CBA's consent.

The Company is a borrower under the Contingent Liability Bank Guarantee Facility and a guarantor under the Overdraft Facility and Corporate Charge Card Facility.

In addition, there are some additional undertakings under the CBA Facilities which include a fixed charge coverage ratio, leverage ratio cap and a group coverage test requiring the obligors of the CBA Facilities to at all times comprise 90% of the EBITDA and total assets of the Group.

Failure to comply with the obligations set out above will constitute a default and if it cannot be remedied, then CBA may exercise their rights under the CBA Facilities including, among others, by charging default interest, cancelling the CBA Facilities, terminating the agreement, requiring payment of any outstanding balance and enforcing their security.

9.7.3 Security granted in relation to CBA Facilities

The CBA Facilities are secured by guarantees and/or first ranking all-asset security granted in favour of CBA by certain members of the Group, namely SkinKandy Australia Pty Ltd, the Company, SkinKandy (VIC) Pty Ltd, SkinKandy Southern Pty Ltd, SkinKandy Ordering Pty Ltd, SkinKandy (NSW) Pty Ltd, SkinKandy IP Pty Ltd and SkinKandy (QLD) Pty Ltd.

9.7.4 Equipment and goods financing leases

Certain members of the Group maintain financing leases with their vendors relating to retention of title and similar supply arrangements for goods and equipment on the vendors' standard terms.

9.8 Voluntary escrow arrangements

9.8.1 Escrow arrangements

The following Existing Shareholders are subject to voluntary escrow arrangements in respect of the Shares that they will hold at Completion.

Each Escrowed Shareholder below has entered into an Escrow Deed in respect of their Escrowed Shares, which prevents them from disposing of their Escrowed Shares for the Escrow Period described in Section 9.8.2 below.

ESCROWED SHAREHOLDER	NUMBER OF ESCROWED SHARES
Perpetual Corporate Trust Limited as Trustee for the Whiteoak Growth Fund I LP	10,095,110
Whiteoak Pty Ltd as Trustee for the SkinKandy Co-Investment Trust	15,791,233
Mark Oliphant	7,796,250
Other Directors	**4,634,618**[94]
Others	609,286
TOTAL	**38,926,497**

9.8.2 Escrow Period

The Escrow Period will commence on Listing and end:

- for Whiteoak, at 4:15pm on the trading day after the date on which the Company releases to the ASX its 1H FY27 financial results; and
- for all other Escrowed Shareholders other than Whiteoak, at 4:15pm on the trading day after the date on which the Company releases to the ASX its 1H FY28 results.

9.8.3 Restrictions on dealing

The restriction on dealing is broadly defined in the Escrow Deeds. It restricts the Escrowed Shareholder from, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Escrowed Shares, creating or agreeing to create a security interest over the Escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Escrowed Shares or agreeing to do any of those things.

94. Any Shares acquired by Directors under the Offer will not be escrowed.

9. ADDITIONAL INFORMATION CONTINUED

However, Escrowed Shareholders whose Shares remain subject to escrow may still deal in any of their Escrowed Shares during the Escrow Period to the extent that the dealing is exempted under the Escrow Deeds, which includes to the extent that the dealing is:

- to enable the Escrowed Shareholder to accept an offer under a takeover bid in relation to its Escrowed Shares if holders of at least half of the Shares the subject of the bid that are not held by the Escrowed Shareholders have accepted the takeover bid. However, the escrow obligations will continue to apply to any Escrowed Shares which are not unconditionally bought by the bidder under the takeover bid;
- to enable to Escrowed Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act. However, the escrow obligations will continue to apply to the Escrowed Shares if the merger does not take effect; or
- an encumbrance of any or all Escrowed Shares to a bona fide third-party financial institution as securities for a loan, hedge or other financial accommodation.

9.8.4 Restrictions on transfers

During the Escrow Period, Escrowed Shareholders whose Shares remain subject to escrow may dispose of any of their Escrowed Shares to the extent that the disposal is:

- required by an order of a court of competent jurisdiction;
- a transfer by the personal representative of the Escrowed Shareholder to whom the Escrowed Shares have been bequeathed;
- to the Escrowed Shareholder's company or entity under the full and effective control of the Escrowed Shareholder, where there is no change to the beneficial ownership and the transferee also enters into an escrow arrangement with the Company on substantially the same terms; or
- to an Affiliate or Affiliated Fund of the Escrowed Shareholder where there is no change to the beneficial ownership.

9.9 Underwriting Agreement

The Offer is fully underwritten by the Joint Lead Managers pursuant to an underwriting agreement dated on or about the date of the Prospectus between the Joint Lead Managers, the Company and SaleCo (**Underwriting Agreement**). Under the Underwriting Agreement, the Joint Lead Managers have agreed to arrange, manage and underwrite the Offer (excluding the Employee Gift Offer).

9.9.1 Fees and expenses

The Company has agreed to pay the Joint Lead Managers fees of an amount equal to 2.60% of the gross proceeds of the Offer, for underwriting the Offer, plus 0.65% of the gross proceeds of the Offer, for managing the Offer.

In addition, the Company may, in its sole discretion, pay the Joint Lead Managers an incentive fee of up to 0.75% of the gross proceeds of the Offer. If paid, the incentive fee may be split between the Joint Lead Managers at the Company's sole discretion.

In addition to the fees described above, the Company and SaleCo have agreed to reimburse the Joint Lead Managers for certain agreed costs and expenses incurred by the Joint Lead Managers in relation to the Offer.

The total maximum dollar amount of fees that the Joint Lead Managers could receive under the Underwriting Agreement is $6.6 million inclusive of GST. This amount is inclusive of a discretionary incentive fee of up to $1.3 million, which is payable by the Company in its sole discretion.

The Joint Lead Managers must pay, on behalf of the Company(as set out in the Underwriting Agreement), any fees, commissions or rebates due to any co-lead managers, co-managers or Brokers appointed by the Joint Lead Managers. Any such fees are payable out of the fees payable to the Joint Lead Managers and at no additional cost to the Company.

9.9.2 Termination events not subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until 4:00pm on the Settlement Date, terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo and the other Joint Lead Manager if any of the following events occur:

- (**disclosures in the offer documents**) the offer documents do not comply with the Corporations Act, including if a statement in an offer document is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from the offer documents;
- (**new circumstances**) an adverse new circumstance arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement;
- (**supplementary Prospectus**) the Company and SaleCo issue or are required to issue a supplementary prospectus or lodge a supplementary prospectus with ASIC in a form and substance that has not been approved by the Joint Lead Managers;
- (**forecasts**) there are not, or there cease to be, reasonable grounds for any statement or estimate in the offer documents, which relates to a future matter or any statement or estimate in the offer documents that relate to a future matter is, in the reasonable opinion of the terminating Joint Lead Manager, unlikely to be met in the projected timeframe (including in each case financial forecasts);
- (**share sale deeds**) the share sale deeds are withdrawn, terminated, rescinded, amended in a material respect or breached, without the consent of the Joint Lead Managers;
- (**Escrow Deeds**) any of the Escrow Deeds are withdrawn, terminated, rescinded, amended in a material respect or breached, without the consent of the Joint Lead Managers;
- (**market fall**) at any time before the Settlement Date, the S&P/ASX 200 Index closes at a level that is 15% or less of the level as at the close of trading on the business day immediately prior to the date of this agreement and closes at or below that 15% level on 2 consecutive business days;
- (**listing and quotation**) approval is refused or not granted prior to the listing approval date, or approval is granted subject to conditions other than customary conditions, to:
  - the Company's admission to the official list of ASX on or before the listing approval date, or
  - the quotation of the Shares on ASX or for the Shares to be traded through CHESS on or before the quotation date,

  or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- (**certificate**) the Company and SaleCo do not provide a certificate required by the Underwriting Agreement;
- (**ASIC**) any of the following occurs in respect of the Offer:
  - ASIC issues an order (including an interim order) under section 1324B or under section 739 of the Corporations Act;
  - ASIC holds a hearing under section 739(2) of the Corporations Act; or
  - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an offer document;
- (**notifications**) any of the following notifications are made in respect of the Offer:
  - any person who has previously consented to the inclusion of its name in the Prospectus (other than the terminating Joint Lead Manager) withdraws that consent; or
  - any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus (other than the terminating Joint Lead Manager);
- (**withdrawal**) the Company or SaleCo withdraws the Prospectus or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- (**unable to issue Shares under the Offer**) the Company is prevented from allotting and issuing or SaleCo is prevented from transferring (as applicable) the Shares under the Offer by applicable laws, an order of a court of competent jurisdiction or a governmental authority, within the time required by the Listing Rules;

9. ADDITIONAL INFORMATION CONTINUED

- (**regulatory approvals**) a regulatory body withdraws, revokes or amends any regulatory approvals, including an ASX waiver and ASIC modification, required for the Company or SaleCo to perform its obligations under this agreement or to carry out the transactions contemplated by the offer documents;
- (**Material Contracts**) any of the obligations of the relevant parties under any of the material contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Joint Lead Manager) or if all or any part of any of the material contracts:
  - is terminated, withdrawn, rescinded, avoided or repudiated;
  - is materially altered, amended or varied without the consent of the Joint Lead Managers (acting reasonably);
  - is materially breached, or there is a failure by a party to comply;
  - ceases to have effect, otherwise than in accordance with its terms; or
  - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and affect, or its performance is or becomes illegal;
- (**timetable**) an event specified in the timetable up to and including the Settlement Date is delayed by more than 2 business days (other than any delay agreed between the Company, SaleCo and the Joint Lead Managers or an extension to the exposure period by ASIC under section 727(3) of the Corporations Act);
- (**insolvency events**) any member of the Group becomes insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;
- (**change in directors or senior Management**) a change occurs in the directors, the chief executive officer or chief financial officer of the Company or SaleCo or a director of the Company or SaleCo, the chief executive officer or the chief financial officer dies or becomes permanently incapacitated;
- (**action against directors**) any of the following occur:
  - a director of the Company or any member of the Group is charged with an indictable offence relating to a financial or corporate matter;
  - any government agency commences any public action against a director of the Company or any member of the Group;
  - any director of the Company or any member of the Group is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
  - the Company or a member of the Group or any of their respective directors engages in any fraudulent conduct or activity;
- (**unauthorised change**) without the prior written consent of the Joint Lead Managers, the Company or a Group member:
  - disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than as contemplated in the Prospectus;
  - ceases or threatens to cease to carry on business;
  - alters its capital structure, other than as contemplated in the Prospectus; or
  - amends its constitution or any other constituent document, or the terms of issue of the Shares under the Offer or corresponding Shares;
- (**encumbrance**) other than as disclosed in the Prospectus, the Company creates or agrees to create an encumbrance over the whole or a substantial part of its business or property; or
- (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Joint Lead Manager to satisfy an obligation under this agreement, or to market, promote or settle the Offer.

9.9.3 Termination events subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until on or before the issue and transfer of Shares under the Offer, terminate the Underwriting Agreement without any cost or liability by notice to the Company, SaleCo and the other Joint Lead Manager if any of the following events occur and the Joint Lead Manager has reasonable grounds to believe the event:

- has or is likely to have a materially adverse effect on the success, settlement or marketing of the Offer, or on the ability of the Joint Lead Manager to market, promote or settle the Offer, or on the likely price Shares will trade at on the ASX following the Offer, or the willingness of investors to subscribe for Shares under the Offer, or
- will, or is likely to, give rise to a liability of the Joint Lead Manager under, or a contravention by the Joint Lead Manager or its affiliates or the Joint Lead Manager or its affiliate being involved in a contravention of, any applicable law.

The events referred to above are:

- (**compliance with law**) any of the offer documents or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules, or any other applicable law or regulation;
- (**information supplied**) any information supplied (including any information supplied prior to the date of this agreement) by or on behalf of a member of the Group to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or is likely to mislead or deceive (including by omission);
- (**disclosures in public information**) a statement in any of the public information is or becomes misleading or deceptive or likely to mislead or deceive;
- (**disclosures in the due diligence report**) the due diligence report or any other information supplied by or on behalf of the Company and SaleCo to the Joint Lead Managers in relation to the Shares, the Group or the Offer is, or becomes (or becomes likely to be) untrue, incorrect, misleading or deceptive, including by way of omission;
- (**adverse change**) an event occurs which is, or is likely to give rise to, an adverse change in the assets, liabilities, financial position or performance, profits, losses, earnings, prospects or condition or otherwise of the Group from that disclosed in the Prospectus lodged with ASIC on the lodgement date; or
- (**certificate**) a statement in any closing certificate furnished under the Underwriting Agreement is false, misleading, inaccurate, untrue or incorrect;
- (**hostilities**) any of the following occurs:
  - hostilities not presently existing commence (whether or not war or a national emergency has been declared);
  - a major escalation in existing hostilities occurs (whether or not war or a national emergency has been declared);
  - a major terrorist act is perpetrated; or
  - involving any one or more of Australia, New Zealand, the United States, the Peoples' Republic of China, Singapore or Japan, or involving any diplomatic, military, commercial or political establishment of any of those countries; and
  - in respect of the ongoing conflicts in Israel, Russia or Ukraine as at the date of the Underwriting Agreement:
    - chemical, nuclear or biological weapons of any sort are used in connection with the conflict; or
    - the military of any member state of the North Atlantic Treaty Organisation, who is not already involved, becomes directly involved in the conflict (as distinct from providing support to a protagonist);
- (**change of law**) there is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or policy in Australia, or any State or Territory of Australia (including a policy of the Reserve Bank of Australia or ASIC);
- (**breach of laws**) there is a contravention by the Company or any entity in the Group of its constitution or other constituent document, an encumbrance or document that is binding on it or any applicable law, regulation, authorisation, ruling, consent, judgment, order or decree of any government authority;

9. ADDITIONAL INFORMATION CONTINUED

- (**representations and warranties**) a representation or warranty contained in the Underwriting Agreement on the part of the Company or SaleCo (whether severally or jointly) is breached, becomes not true or correct or is not performed;
- (**breach**) the Company or SaleCo (whether severally or jointly) defaults on one or more of its undertakings or obligations under the Underwriting Agreement;
- (**legal proceedings**) legal proceedings are commenced against the Company or SaleCo, any member of the Group or against any director of the Company or SaleCo or any member of the Group in that capacity;
- (**disruption in financial markets**) any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the United Kingdom, the United States, Hong Kong, or Singapore is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange or the Hong Kong Stock Exchange is suspended for at least 1 day on which that exchange is open for trading; or
  - any material adverse change or material disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, Hong Kong, Singapore, the United States or the United Kingdom, or the international financial markets or any adverse change in national or international political, financial or economic conditions.

9.9.4 Representations, warranties, undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers. The Underwriting Agreement also contains customary representations and warranties by the Joint Lead Managers to the Company and SaleCo.

The representations and warranties given by the Company and SaleCo relate to matters such as conduct of the Company and SaleCo, power and authorisations, information provided by the Company and SaleCo, financial information, information in this Prospectus, the conduct of the Offer, compliance with laws, the ASX Listing Rules and other legally binding requirements.

The Company also provides additional representations and warranties in connection with matters including, but not limited to, due diligence, insolvency, the Shares, litigation, material contracts, licences, dividends and distributions, anti-money laundering, bribery and sanctions, US securities laws, insurance, assets and other matters.

The Company's undertakings include, among other things, that it will not,(without the prior written consent of the Joint Lead Managers) at any time after the date of the Underwriting Agreement and up to 120 days after Completion:

- allot, or agree to allot, or indicate in any way that it may or will allot, or agree to allot, any Shares or other securities of the Company or any member of the Group except as disclosed in this Prospectus and subject to limited exceptions including pursuant to an employee or option plan or a non-underwritten dividend reinvestment plan or bonus share plan; and
- carry on its business and procure that each member of the Group carries on its business in the ordinary course and not dispose (or permit any other member of the Group to dispose) of any material part of its (or their) business or property, and not acquire (or permit any other member of the Group to acquire) any business or property, except in the ordinary course.

9.9.5 Indemnity

Subject to certain customary exclusions (including gross negligence, wilful misconduct, recklessness or fraud of an indemnified party), the Company and SaleCo agree to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer.

9.10 Litigation and claims

The Company may, from time to time, be party to litigation and other claims and disputes incidental to the conduct of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Company's business, operating and financial performance.

As far as the Directors are aware, however, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or Governmental prosecution of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

9.11 Ownership restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.11 contains a general description of these laws.

9.11.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or through an associate.

9.11.2 Competition and Consumer Act

From 1 January 2026, certain acquisitions that meet designated monetary and/or other thresholds determined by the relevant Minister are mandatorily required to be notified to, and approved or waived by, the ACCC before the acquisition is put into effect, in accordance with provisions set out in the *Competition and Consumer Act 2010* (Cth) and relevant Ministerial Determinations (**Mandatory Merger Regime**).

A broad range of acquisitions, subject to limited exemptions, are captured by the Mandatory Merger Regime, including acquisitions of assets (which can include property rights, leases, intellectual property rights and licences) and acquisitions of 'control' through share sale. The definition of 'control' is broad, and in some cases minority stakes may offer sufficient influence to be considered a controlling interest. Any 'joint control' aspects, including under shareholder agreements, joint venture agreements or similar documents that give all members joint influence over a company, must also be considered when determining if an acquisition is notifiable under the Mandatory Merger Regime.

From 1 April 2026, additional thresholds will apply that will require mandatory notification and approval by the ACCC. This includes acquisitions that meet the monetary thresholds and are acquisitions of entities that fall within the definition of Chapter 6 of the Corporations Act (**Chapter 6 Entity**) where (i) the principal party already controls the Chapter 6 Entity and the voting power moves from below 20% to above 20% of the Chapter 6 Entity or (ii) the principal party does not control the Chapter 6 Entity immediately before or after the acquisition and the voting power moves from below 20% to above 50%.

Decisions by the ACCC under the Mandatory Merger Regime are subject to statutory time frames (unless extended) and filing fees that vary depending on the complexity of the acquisition and the transaction value. An acquisition will be permitted to proceed following the conclusion of the ACCC's merger assessment process (subject to any appeals to the Australian Competition Tribunal), unless the ACCC is satisfied that the acquisition would, in all circumstances, have the effect or likely effect of substantially lessening competition in any market.

The consequences of not notifying a notifiable acquisition are that the transaction is void (automatically treated as if it never occurred) and significant civil penalties can apply.

9. ADDITIONAL INFORMATION CONTINUED

9.11.3 Foreign Acquisitions and Takeovers Act 1975 (Cth) and Federal Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisition of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**), where the acquisition meets a threshold value (which varies by investor type and industry). Where a foreign person holds a Substantial Interest in the Company or foreign persons hold an Aggregate Substantial Interest in the Company, the Company will be a “foreign person” for the purposes of FATA.

In addition, FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A “direct interest” is an interest of 10% in the entity but may also include an interest of less than 5% where the investor has entered into business arrangements with the entity or the investor is in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

Where FATA applies to the acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting.

An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without no objection notification or contravening a condition in a no objection notification.

9.12 ASX waivers and confirmations

ASX has provided the following in-principle confirmations in respect of the ASX Listing Rules:

- confirmation that the Company may seek admission to the Official List of the ASX under the profits test in ASX Listing Rule 1.3;
- confirmation that the Company may undertake deferred and conditional settlement trading of the Shares, subject to certain conditions to be approved by the ASX;
- confirmation that the timetable the Company has adopted in connection with the Offer is acceptable to ASX; and
- confirmation that the form of the Constitution of the Company is acceptable to the ASX pursuant to ASX Listing Rule 1.1 Condition 2.

9.13 Taxation considerations

9.13.1 Introduction

This Section does not constitute financial product advice as defined in the Corporations Act and is confined to Australian taxation issues only. Taxation is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments.

The following tax comments are based on the current enacted tax, GST and duty laws in Australia as at the Prospectus Date. Australian tax, GST and duty laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax, GST and duty implications for each investor or relied upon as tax advice. During the period of ownership of the Shares by investors, the taxation laws of Australia, or their interpretation, may change both prospectively and retrospectively. The precise tax implications of ownership or disposal will depend upon each investor’s specific circumstances. Investors should seek their own professional advice on the tax implications of holding or disposing of the Shares, considering their specific circumstances.

The following information is a general summary of the Australian income tax, GST and duty implications for Australian tax resident individuals, complying superannuation entities, trusts, partnerships and corporate investors that hold their Shares on capital account. These comments do not apply to non-resident investors, investors that hold their Shares on revenue account or as trading stock, investors who are exempt from Australian income tax or investors subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

9.13.2 Dividends paid on Shares

9.13.2.1 Australian tax resident individuals and complying superannuation entities

Dividends paid by the Company on a Share will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

Subject to the comments in Section 9.13.3, such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, the investor should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, the investor will generally be taxed at his or her prevailing marginal rate on the unfranked portion of the dividend received (with no tax offset available in respect of the unfranked portion). Complying superannuation entities will generally be taxed at the prevailing rate for the complying superannuation entities (with no tax offset).

9.13.2.2 Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a share of the franking credit received by the trust or partnership.

9.13.2.3 Corporate investors

Corporate investors are also required to include both the dividend and the associated franking credit in their assessable income. Subject to the comments in Section 9.13.3, corporate investors are then entitled to a tax offset up to the amount of the franking credit attached to the dividend.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the corporate investor to pass on the franking credits to its investor(s) on the subsequent payment of franked dividends.

Excess franking credits received by corporate investors will not give rise to a refund entitlement for a company, but may be converted into carry forward tax losses instead.

9.13.3 Shares held at risk

The benefit of franking credits can be denied where an investor is not a 'qualified person', in which case the investor will not need to include the amount of the franking credits in their assessable income and will not be entitled to a tax offset for the amount of the franking credit.

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold shares 'at risk' for more than 45 days continuously (which is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares become ex-dividend) to qualify for the benefit of the franking credits. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed $5,000.

9. ADDITIONAL INFORMATION CONTINUED

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the Shares at risk for the continuous 45-day period as above but within the period commencing on the 45th day before, and ending on the 45th day after, the day the Shares become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received because of 'dividend washing' or certain other arrangements. Shareholders should consider the impact of these rules given their own personal circumstances.

9.13.4 Disposal of Shares

Typically, Australian resident investors will be subject to Australian capital gains tax (**CGT**) on the disposal of their Shares. Some investors may hold their Shares on revenue account as trading stock, or be subject to the Taxation of Financial Arrangements regime. These investors should seek their own professional advice in respect of the consequences of a disposal of their Shares.

An investor will derive a capital gain on the disposal of Shares where the capital proceeds received (or deemed to be received) on disposal exceeds the CGT cost base of the Shares. The CGT cost base of the Shares is broadly the amount paid to acquire the Shares plus any qualifying incidental costs such a certain transaction or holding costs and subject to certain other potential modifications.

A CGT discount may be available on the capital gain for individual investors, certain trust investors and investors that are complying superannuation entities, provided the particular Shares are held for at least 12 months prior to sale. Any current year or carry forward capital losses should offset the capital gain first before the CGT discount can be applied.

The CGT discount for individuals and certain trusts is 50% and for complying superannuation entities is 33⅓%. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to presently entitled beneficiaries of the trust. An investor will incur a capital loss on the disposal of their particular Shares to the extent that the capital proceeds received or deemed to be received on disposal are less than the CGT reduced cost base of the Shares.

If an investor derives a net capital gain in a year, this amount is, subject to the following comments, included in the investor's assessable income (if they are an individual or company) or in the investor's net income (if they are a trust or partnership). If an investor incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject to corporate and trust investors satisfying certain rules relating to the recoupment of carried forward losses.

9.13.5 Tax file number (TFN) and Australian business number (ABN)

Resident investors may, if they choose, notify the Company of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends. In the event the Company is not notified, tax will automatically be deducted at the highest marginal rate, in addition to where relevant, the Medicare levy from dividends.

Resident investors may be able to claim a tax credit in respect of any tax withheld on dividends in their tax returns. An investor is not required to quote their TFN to the Company.

An investor who holds Shares as part of an enterprise may quote its ABN instead of its TFN.

9.13.6 Goods and Services Tax (GST)

The acquisition, redemption or disposal of the Shares by an Australian resident (registered for GST) will be an input taxed or GST-free financial supply and therefore is not subject to GST.

No GST should be payable in respect of dividends paid to investors.

An Australian resident investor (registered for GST) may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, redemption or disposal of the Shares (e.g. lawyers' and accountants' fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances, including reverse-charge GST liabilities and entitlement to claim input tax credits (including 'reduced input tax credits') on account of any GST that is paid on expenses incurred relating to the acquisition, redemption or disposal of the Shares.

9.13.7 Stamp Duty

Stamp duty may arise on the acquisition of the Shares under the Offer where a person (alone/with associated persons/part of an associated transaction) acquires a 90% or greater interest in the Company. Investors should seek their own tax and duty advice as to the impact of stamp duty on their own particular circumstances.

9.14 Selling restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

European Union (excluding Austria)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Prospectus may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

9. ADDITIONAL INFORMATION CONTINUED

New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**).

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

This Prospectus has not been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of Regulation 21 of The Public Offers and Admissions to Trading Regulations 2024 (**POATRs**)) has been published or is required to be published in respect of the New Shares.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of paragraph 2 of Schedule 1 to the POATRs) in the United Kingdom. The New Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document except pursuant to an exemption from the general prohibition on offers of relevant securities to the public in the United Kingdom. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) received in connection with the offer or sale of the New Shares has been, and only will be, communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (**relevant persons**). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

9.15 Consents to be named and disclaimers of responsibility

Each of the parties listed below in this Section 9.15 each a consenting party, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility, for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- Barrenjoey Markets Pty Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager and Underwriter to the Offer in the form and context in which it is named;
- Morgans Corporate Limited has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Joint Lead Manager to the Offer in the form and context in which it is named;
- Highbury Partnership Pty Limited has given and has not withdrawn prior to lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as financial adviser to the Company in the form and context in which it is named;
- Gilbert + Tobin has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation matters and Australian legal due diligence enquiries undertaken by LegalVision) to the Company and SaleCo in relation to the Offer in the form and context in which it is named;
- LegalVision has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as having provided certain Australian legal due diligence services to the Company and SaleCo in relation to the Offer in the form and context in which it is named;
- Wynn Williams has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as having provided certain New Zealand legal due diligence services to the Company and SaleCo in relation to the Offer in the form and context in which it is named;
- Frost & Sullivan Australia Pty Ltd has given, and has not withdrawn before lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in relation to the inclusion in this Prospectus of references to the Market Report that the Company commissioned Frost & Sullivan to prepare in the form and context in which they are included. Frost & Sullivan takes no responsibility for any part of this Prospectus other than any reference to its name and its Market Report;
- Tracksuit has given, and has not withdrawn before lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in relation to the inclusion in this Prospectus of references to statements attributed to Tracksuit in the form and context in which they are included. Tracksuit takes no responsibility for any part of this Prospectus other than any reference to its name and the statements attributed to it;
- KPMG Financial Advisory Services (Australia) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion of its Investigating Accountant's Report on the Financial Information set out in Section 8 in the form and context in which it appears in this Prospectus;
- KPMG (partnership), an Australian partnership, has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the auditor of the Company;

9. ADDITIONAL INFORMATION CONTINUED

- KPMG (partnership), an Australian partnership, has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax adviser to the Company in the form and context in which it is so named; and
- MUFG has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Share Registry of the Company in the form and context in which it is named. MUFG has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company. MUFG has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

9.16 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under the Prospectus are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

9.17 Statement of directors

This Prospectus is authorised by each director of the Company and SaleCo who consents to its lodgement with ASIC and its issue. The Directors have made enquiries and nothing has come to their attention to suggest that, as at the date of this Prospectus, the Company is not continuing to earn profit from continuing operations.

APPENDIX A: MATERIAL ACCOUNTING POLICIES

APPENDIX A: MATERIAL ACCOUNTING POLICIES

Basis of Preparation

The material accounting policies adopted in the presentation of the financial information included in Section 4 of the Prospectus (the 'Financial Information') are set out below. These accounting policies are consistent with the statutory general purpose financial statements of SkinKandy Limited (previously SkinKandy Holdings Pty Ltd) (the 'Company') for the financial year ended 5 July 2025.

The consolidated financial statements which form the basis of the Financial Information were 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"), except for as described in Section 4.2.1.

The financial statements have 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 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.

Use of Judgements and Estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Each individual store is assessed as a single cash generating unit ("CGU"). 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 calculation of make good provisions 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.

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.

Functional & 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.

Income 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.

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 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. 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.

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.

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.

Property Plant & Equipment

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

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 property, plant and equipment for current and comparative periods are as follows:

ASSET CLASS	USEFUL LIFE
Property improvements	3 – 7.5 years
Plant and equipment	3 – 12 years
Fixtures and fittings	2 – 10 years
Motor vehicles	2 – 10 years
Office furniture and equipment	5 – 8 years

APPENDIX A: MATERIAL ACCOUNTING POLICIES CONTINUED

Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group assesses and reviews property, 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 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. Cash flow forecasts are modelled for the length of the store lease and often include a terminal value due to the precedence and expectation that the store will operate beyond the lease term.

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 unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Leases

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.

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 Group recognises lease liabilities in relation to leases in accordance with AASB 16: *Leases*. These liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense over the lease term.

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.

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.

Financial Instruments

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 FVTPL, 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.

Employee Benefits

Short-term employee benefits 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.

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.

APPENDIX A: MATERIAL ACCOUNTING POLICIES CONTINUED

The Group's net obligation in respect of long-term employee benefits 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.

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.

Provisions

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.

Finance Income and Finance Costs

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.

Share Capital

Incremental costs directly attributable to the issue of Shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with AASB 112 *Income Taxes*.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Intangibles

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

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

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.

Software-as-a-service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received unless such costs are incurred for the development of software code that is under the Groups control. Hence, the Group recognises these as operating expenses.

Revenue

Revenue is measured at fair value of the consideration received or receivable. The Group primarily generates revenue from providing body piercing services and the sale of jewellery products.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of control of the goods and the cessation of all involvement in those goods. This revenue is recognised when control over the inventory has transferred to the customer. 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 is recognised when performance obligations have been satisfied. All revenue is stated net of the amount of goods and services tax.

Goods and Services Tax (GST)

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.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price. Most sales are made on the basis of normal credit terms and do not bear interest. Receivables are not discounted to present value.

Trade and Other Payables

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.

APPENDIX B: GLOSSARY

APPENDIX B: GLOSSARY

TERM	MEANING
1H FY25	Six month periods ended 4 January 2025
1H FY26	Six month periods ended 3 January 2026
1H FY27	Six month periods ending 2 January 2027
$ or A$ or AUD	Australian dollars
A Class Shares	Class of shares issued under the Legacy MEP
"F"	Denotes forecast financial period (i.e. FY26F)
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABN	Australian business number
ACCC	The Australian Competition and Consumer Commission
ACL	Australian Consumer Law
Affiliate	Means any other Person which directly or indirectly through one or more of its intermediaries controls, or is controlled by, or is under common control with, the Escrowed Shareholder, and Affiliated has the correlative meaning
Affiliated Fund	Each corporation, trust, limited liability company, general or limited partnership or other entity under common control with the Escrowed Shareholder or that receives investment advice from the investment adviser to the Escrowed Shareholders or any of the investments adviser's Affiliates
Aggregate Substantial Interest	Voting power in a company of 40% or more by two or more unassociated foreign persons and their associates
ANZ	Australia and New Zealand
Applicant	A person who submits an Application
Application	An application made to subscribe for, or acquire, Shares offered under this Prospectus
Application Form	The application form attached to or accompanying this Prospectus and any replacement prospectus (including the electronic form provided by an online application facility)
Application Monies	The amount of money accompanying an Application Form submitted by an Applicant
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The rules of the ASX that govern the admission, quotation and removal of securities from the ASX official list

APPENDIX B: GLOSSARY CONTINUED

TERM	MEANING
ASX Recommendations	The fourth edition ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
ASX Settlement Operating Rules	The settlement rules of ASX as amended, varied or waived from time to time
ATV	Average Transaction Value
Audit and Risk Committee	The committee described in Section 6.8.5
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group interpretations
Board	The board of directors of the Company
Broker	Any ASX participating organisation selected by the Joint Lead Managers and the Company to act as a Broker to the Offer
Broker Firm Offer	The offer of Shares under this Prospectus to Retail Offer Investors who are clients of Brokers and who have received a firm allocation from their Broker as detailed in section 7.9
Broker Firm Offer Applicant	A person who submits an Application under the Broker Firm Offer
CAGR	Compound Annual Growth Rate
Capex	Capital expenditure
Capital Restructure	Those details described in Section 9.4
CBA	Commonwealth Bank of Australia
CBA Facilities	Facilities in place with Commonwealth Bank of Australia
CBA Terms	CBA's Current Terms and Conditions for Business Finance apply to the CBA Facilities
CCA	*Competition and Consumer Act 2010*
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGA	*Consumer Guarantee Act 1993* (NZ)
CGT	Capital gains tax
Chapter 6 Entity	Entities that fall within the definition of Chapter 6 of the Corporations Act
CHESS	Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules

TERM	MEANING
Closing Date	The date on which the Offer is expected to close, being 18 May 2026 in respect of the Retail Offer and the Institutional Offer. These dates may be varied without prior notice
Company or **SkinKandy**	SkinKandy Limited (ACN 636 484 814) or the business operated by it, as the context requires
Completion	The completion of the Offer, being the date upon which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer
Constitution	The constitution of the Company
Corporations Act	*Corporations Act 2001* (Cth)
CRM	Customer Relationship Management
CY	Calendar Year
Directors	Each of the directors of the Company from time to time
EBIT	Earnings before interest and tax
EBIT Margin	Is calculated by dividing EBIT by revenue, expressed as a percentage
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA Margin	Refers to EBITDA divided by revenue, expressed as a percentage
EDM	Electronic Direct Mail
Eligible Gift Employee	Those employees described in Section 7.11
Employee Gift Shares	Shares on issue under the Employee Gift Offer
Enterprise Value	The sum of market capitalisation at the Offer Price and pro forma net debt
EPS	Earnings Per Share
ERA	*Employment Relations Act 2000* (NZ)
Escrow Deeds	The voluntary escrow deeds entered into between the Company and the Escrowed Shareholders as described in Sections 7.15 and 9.8
Escrow Period	The periods described in Section 9.8, as applicable to the relevant Escrowed Shareholder
Escrowed Shares	Each of the Shares held by the Escrowed Shareholders at Completion of the Offer (other than any Shares issued in connection with the Offer)
Escrowed Shareholders	Those Shareholders listed in Section 9.8
Existing Shares	The Shares held by the Existing Shareholders

APPENDIX B: GLOSSARY CONTINUED

TERM	MEANING
Existing Shareholders	Those persons holding Shares as at the Prospectus Date
Exposure Period	The seven day period after the Prospectus Date, which may be extended by ASIC for up to an additional seven days
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth)
Financial adviser	Highbury Partnership Pty Limited (ABN 162 169 502/AFSL 434 566)
Financial Information	Has the definition given in Section 4.1
Financial Services Guide	The financial services guide provided in Section 8
Frost & Sullivan	Frost & Sullivan Australia Pty Ltd
FTA	*Fair Trading Act 1986* (NZ)
FW Act	*The Fair Work Act 2009*
FY	Financial year ended or ending 30 June (e.g. FY26 would be the financial year ending 30 June 2026)
FY23	Financial year ended 1 July 2023
FY24	Financial year ended 29 June 2024
FY25	Financial year ended 5 July 2025
FY26F	Financial year ending 4 July 2026
FY27F	Financial year ending 3 July 2027
Forecast Financial Information	Has the definition given in Section 4.1
Gilbert + Tobin	Gilbert + Tobin ABN 88 775 098 848
GN19	ASX Guidance Note 19
Gross Profit	Is calculated as revenue less cost of sales
Gross Profit Margin	Refers to Gross Profit divided by revenue, expressed as a percentage
Group	The Company and each of its related bodies corporate and **Group Company** means any one of them
GST	Goods and services tax

TERM	MEANING
HIN	Holder Identification Number, being the number used to identify a Shareholder on the CHESS sub-register
Historical Financial Information	Has the definition given in Section 4.1
IAR	The Investigating Accountant's Report included in Section 8 of this Prospectus
IFRS	International Financial Reporting Standards
Industry Data	Data relating to the size, channels, segmentation, characteristics and growth of the ANZ market for piercing services, fashion, jewellery and aftercare products which is inherently subject to estimation uncertainty
Institutional Investor	Investors who are: • persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; • institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which the Company is willing in its discretion to comply); and • provided that in each case such investors are not in the United States
Institutional Offer	The invitation to Institutional Investors under this Prospectus to acquire Shares, as described in Section 7.12
Investigating Accountant	KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division)
IT	Information technology
Joint Lead Managers	Barrenjoey Markets Pty Limited (ABN 66 636 976 059) and Morgans Corporate Limited (ABN 32 010 539 607)
KandyClub	The Company's customer loyalty program
KMP	Key management personnel, being Dain Friis (CEO) and Carl Larzabal (CFO)
KPMG	When referring to the work of the Investigating Accountant, means KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) and when referring to the work as tax advisor or the Company's auditor, means KPMG (partnership), an Australian partnership
Legacy MEP	Legacy management equity plan
LFL	Like-for-like (in the context of sales growth, a comparison of sales performance for stores that have been open for a comparable period)

APPENDIX B: GLOSSARY CONTINUED

TERM	MEANING
LFL Revenue Growth	Represents the percentage change in revenues generated by stores in a relevant period, compared to the total revenues from the same stores in the prior corresponding financial period. A store is included in SkinKandy's LFL revenue growth calculation after it has been trading for both the full comparative and current period. Stores relocated in the same shopping centre remain in the LFL calculations
Listing	Admission of the Company to the Official List of the ASX
LTI Plan	The long term incentive plan described in Section 6.5
Management	As outlined in Section 6.2
Mandatory Merger Regime	From 1 January 2026, certain acquisitions that meet designated monetary and/or other thresholds determined by the relevant Minister are mandatorily required to be notified to, and approved or waived by, the ACCC before the acquisition is put into effect, in accordance with provisions set out in the *Competition and Consumer Act 2010* (Cth) and relevant Ministerial Determinations
Market Capitalisation	Set out on page 8
Market Report	The independent report dated 4 February 2026 prepared by Frost & Sullivan referred to in Section 2
MBIE	Ministry of Business, Innovation and Employment
MIC	Maintain Infection Control, being the nationally recognised infection control certification (HLTINF005)
Minimum Shareholding Policy	The minimum shareholding policy adopted by the Board, which applies to the CEO, CFO and Non-Executive Directors from Listing, as summarised in Section 6.8.15 of this Prospectus
NED Fee Cap	Total amount of directors' fees paid to the Directors (subject to certain exceptions)
Net capital expenditure	Includes spending on new store fit outs (including relocations), existing store refurbishments and non-store capital expenditure including investments in the online store, support office and warehouse, net of amounts of any capital lease contributions within the respective financial period
New Shares	The new Shares to be issued by the Company under the Offer
Non-IFRS financial measures	Measures that are not recognised under AAS, which are presented in accordance with ASIC Regulatory Guide RG 230 Disclosing Non-IFRS Financial Information
NPAT	Net profit after tax
NPS	Net Promoter Score, a measure of customer satisfaction and loyalty
Offer	The offer under this Prospectus of New Shares for issue by the Company and of Existing Shares by SaleCo
Offer Period	The period from the Opening Date, and ending on the Closing Date

TERM	MEANING
Offerors	The Company and SaleCo
Offer Price	$2.20 per Share
Official List	The official list of the ASX
Opening Date	The date on which the Retail Offer opens, being 12 May 2026
Operating Cash Flow	EBITDA after adjusting for non-cash items including share based payment expenses on the Legacy MEP and movements in provisions and changes in working capital. Income tax expense is deducted in the presentation of operating cash flow set out in this prospectus. Operating cash flow assists management's understanding of the cash flow generation of the business prior to capital expenditure and financing cash flows (the latter including lease payments under AASB 16 *Leases*)
Operating Cash Flow Conversion	Operating cash flow above prior to the inclusion of interest income and income tax expense divided by EBITDA, and expressed as a percentage. The ratio is used by Management to monitor how profit turns into cash and therefore interest income and income taxes are excluded from the calculation
OpEx	Operating expenditure
People Remuneration and Committee	The committee described in Section 6.8.6
Performance Rights	an entitlement to receive Shares granted under the LTI subject to the satisfaction of applicable performance and service conditions
Piercing Serviceability	Reflects the proportion of customer piercing demand that any given team member is certified to fulfil
Plan Rules	The rules of the LTIP as described in Section 6.5
POS	Point of sale
Priority Offer	The component of the Offer under which investors who have received a Priority Offer Invitation are invited to apply for Shares, as described in Section 7.10
Priority Offer Applicant	A person who submits an application under the Priority Offer
Priority Offer Invitation	The invitation under this Prospectus to selected investors in Australia to participate in the Priority Offer on a firm basis up to the allocation of Shares determined by the Company
Privacy Act	*Privacy Act 1988* (Cth)
Pro Forma Forecast Cash Flows	Has the meaning given in Section 4.1

APPENDIX B: GLOSSARY CONTINUED

TERM	MEANING
Pro Forma Forecast Financial Information	Has the meaning given in Section 4.1
Pro Forma Forecast Income Statement	Has the meaning given in Section 4.1
Pro Forma Historical Statement of Financial Position	Has the meaning given in Section 4.1
Pro Forma Historical Cash Flows	Has the meaning given in Section 4.1
Pro Forma Historical Income Statements	Has the meaning given in Section 4.1
Proper ASTC transfer	Has the meaning given in the *Corporations Regulations 2001* (Cth) reg 1.0.02
Prospectus	This document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document
Prospectus Date	The date on which this Prospectus was lodged with ASIC, being 11 May 2026
Related Bodies Corporate	Has the meaning given to that term in the Corporations Act
Relevant Interest	Has the meaning given in the Corporations Act
Retail Offer	Together, the Broker Firm Offer and Priority Offer
Retail Offer Investor	An Australian resident who is not in the United States and is not an Institutional Investor or a Broker
Rights	Performance Rights and Service Rights
ROU	Right-of-use assets
SaleCo	SkinKandy SaleCo Limited (ACN 696 911 216)
Sale Deed Poll	Deed poll in favour of SaleCo and the Company
SaleCo Directors	The directors of SaleCo as at the date of this Prospectus, being Dain Friis, Trent Peterson and Richard Whiteoak
Security Trading Policy	The security trading policy adopted by the Board governing the buying, selling or otherwise dealing in the Company's securities by Directors, senior management and other employees, as summarised in Section 6.8.10 of this Prospectus

TERM	MEANING
Selling Shareholders	Those Existing Shareholders who have irrevocably offered to sell Existing Shares to SaleCo prior to Listing
Service Rights	An entitlement granted under the LTI to receive Shares subject to the satisfaction of applicable service conditions, which may be used in connection with senior Management transition between employers
Settlement	The settlement in respect of the Shares the subject of the Offer occurring under the Underwriting Agreement and associated settlement support arrangements
Share	A fully paid ordinary share in the capital of the Company
Shareholder	A holder of a Share in the Company
Shareholder Loan	Has the meaning given in Section 6.6
Share Registry	MUFG Corporate Markets (AU) Limited (ACN 083 214 537)
SkinKandy Operations	SkinKandy Operations Pty Ltd (ACN 670 336 795)
SKU	Stock keeping unit, being a distinct product style or variant
SRN	Securityholder Reference Number, being the number used to identify a Shareholder on the issuer sponsored sub-register
Statutory Forecast Income Statement	Has the meaning given in Section 4.1
Statutory Forecast Cash Flows	Has the meaning given in Section 4.1
Statutory Forecast Financial Information	Has the meaning given in Section 4.1
Statutory Historical Statement of Financial Position	Has the meaning given in Section 4.1
Statutory Historical Cash Flows	Has the meaning given in Section 4.1
Statutory Historical Financial Information	Has the meaning given in Section 4.1
Statutory Historical Income Statement	Has the meaning given in Section 4.1

APPENDIX B: GLOSSARY CONTINUED

TERM	MEANING
STI Plan	Short Term Incentive Plan described in Section 6.4.2
Store-level EBITDA	Earnings before interest, tax, depreciation and amortisation at the individual store level, calculated on a pre-AASB 16 basis
Substantial Interest	Voting power in a company of 20% or more by a single foreign person and its associates
Successful Applicant	An Applicant who is issued or transferred Shares under the Offer
TAM	Total addressable market
TFN	Tax file number
TFR	Total fixed remuneration
Third Party Report	Any statements, data or other contents referenced or attributed to reports by or data from a third party
Underwriting Agreement	The underwriting agreement dated on or about the date of this Prospectus between the Company and the Joint Lead Managers as described in Section 9.9
USA	United States of America
US Person	Has the meaning given in Rule 902(k) of Regulation S under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
UX	User experience
VWAP	Volume weighted average price
Whiteoak	Refers to the private equity and asset management firm operated by W Holdco II Pty Ltd (ACN 682 418 051) and its subsidiary companies
Whiteoak Asset Management	Whiteoak Asset Management Pty Limited (ABN 29 621 263 858)
Whiteoak Funds	Perpetual Corporate Trust Limited ACN 000 341 533 as Trustee for the Whiteoak Growth Fund 1 LP and Whiteoak Pty. Limited ACN 612 477 415 as Trustee for the SkinKandy Co-investment Trust
Working Capital	Mainly comprises inventories, prepaid expenses, employee liabilities, trade payables and accruals

CORPORATE DIRECTORY

Company's registered office

Suite 15, 12-20 Ocean Street
Maroochydore QLD 4558

Joint Lead Manager and Underwriter

Barrenjoey Markets Pty Limited
(ACN 636 976 059)

Quay Quarter Tower
Level 19, 50 Bridge Street
Sydney NSW 2000

Morgans Corporate Limited
(ACN 010 539 607)

Level 29, 123 Eagle Street
Brisbane QLD 4000

Financial Adviser

Highbury Partnership Pty Ltd
(ACN 162 169 502)

Level 12, The Chifley Tower
2 Chifley Square
Sydney NSW 2000

Legal Adviser

Gilbert + Tobin

Level 35, Tower 2
200 Barangaroo Avenue
Barangaroo NSW 2000

Auditor

KPMG

Level 38, Tower 3
200 Barangaroo Avenue
Barangaroo NSW 2000

IPO Offer Information Line

Between 8:30am and 7:00pm, Monday to Friday

Toll free within Australia
1800 992 149

Outside Australia
+61 1800 992 149

Offer website

https://events.miraqle.com/sk1-offer

Share Registry

MUFG Corporate Markets (AU) Limited

Level 41, 161 Castlereagh Street
Sydney NSW 2000

Investigating Accountant

KPMG Financial Advisory Services (Australia) Pty Ltd

Level 38, Tower 3
200 Barangaroo Avenue
Barangaroo NSW 2000

Tax Adviser

KPMG

Level 38, Tower 3
200 Barangaroo Avenue
Barangaroo NSW 2000

www.colliercreative.com.au #SKK0001

SkinKandy.

skinkandy.com