SkinKandy Holdings Pty Ltd

ABN 80 636 484 814

Consolidated Annual Financial Report

For the 53-week period ended 5 July 2025

SkinKandy.

Contents

Directors' report

The Directors present their report together with the financial statements of SkinKandy Holdings Pty Ltd (the "Company") and its controlled entities (the "Group") for the period from 30 June 2024 to 5 July 2025 (the “period” or “2025”).

1. Directors

The Directors of the Company at any time during or since the end of the period are:

Director	Appointment Date
Mark Oliphant	27 Sep 2019
Gregory Garvin	22 Nov 2019
David Bortolussi	27 Sep 2019
Richard Whiteoak	29 Sep 2022

2. Principal activities

The principal activities of the Group during the period were body piercing and jewellery retailing.

There were no significant changes in the nature of the activities of the Group during the period.

3. Review of operations and results of those operations

OVERVIEW OF THE GROUP

As at the end of the period, SkinKandy operated 87 stores throughout Australia and New Zealand, as well as an online store. A total of 21 new stores were added to the network in 2025.

REVIEW OF OPERATIONS

The Group achieved significant growth in revenue during the period driven by body piercing and jewellery sales growth in like-for-like stores, new stores opened in the prior year annualising during the period and sales from new stores opened during the period.

Profitability improved during the period mainly due to the contribution from increased sales at similar gross margins, and an improved wage to sales ratio.

Cash flow during the period was strong with a high rate of cash conversion from operations funding investment in new store openings and other business improvement projects whilst maintaining a strong balance sheet.

The following summary of operating results and operating metrics reflects the Group’s performance for the year ended 5 July 2025:

Directors' report

FINANCIAL PERFORMANCE

2025 Highlights

- Total stores: 87 (↑ 21 YoY)
- Like-for-like store sales growth 9% *(52w vs 52w comparison)*

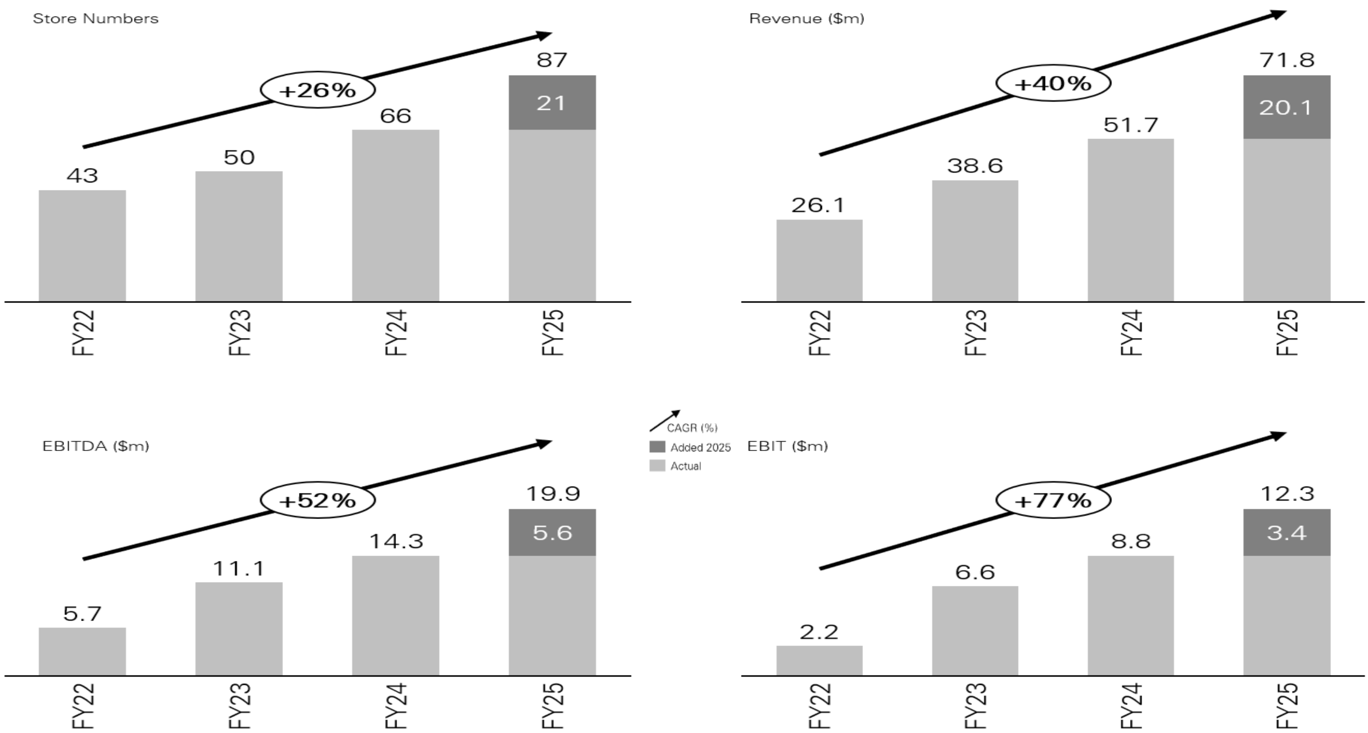
Highlights *Consolidated $'000s*	**2025**	**2024**	***Change***
Revenue	71,779	51,681	*+ 38.8%*
Gross profit	64,358	46,035	*+ 39.8%*
Gross margin	89.7%	89.1%	*+ 0.6% ppts*
EBITDA[1]	19,870	14,311	*+ 38.8%*
EBIT	12,281	8,846	*+ 38.8%*
Net profit after tax (NPAT)	8,132	6,100	*+ 33.3%*
Diluted earnings per share	56c	42c	*+ 33.2%*

[1] Non-AASB financial information: The Group defines EBITDA as earnings before interest, tax, depreciation and amortisation and loss on disposals of property, plant & equipment. Management uses EBITDA as a key internal performance measure, as it is commonly used by investors and analysts to evaluate the operating performance of businesses in the retail sector.

Reconciliation of Non-AASB Financial Information *Consolidated $'000s*	**2025**	**2024**	***Change***
Statutory net profit after tax (NPAT)	8,132	6,100	*+ 33.3%*
Add back: income tax expense	3,445	2,277	
Add back: net finance costs	704	469	
Add back: depreciation & amortisation	7,581	5,358	
Add back: profit /(loss) on disposals property, plant & equipment	8	107	
EBITDA	**19,870**	**14,311**	*+ 38.8%*

Directors' report

HISTORICAL PERFORMANCE



DIVIDENDS

During the period $3,750,000 fully franked dividends were proposed by the Directors and paid by the Company.

4. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the period.

5. Events subsequent to reporting date

- A dividend was declared on 11 September 2025 to the amount of $4,500,000.
- The Group has entered into a further 9 retail shopping center leases.

Other than the items detailed above there are no other events of a material or unusual nature that, in the opinion of the Directors, are likely to significantly affect the operations of the Group or the results of those operations in future periods.

6. Likely developments

The Group will continue to pursue its strategy of expanding its in store and online network in Australia and New Zealand along with plans for further international geographic expansion. The Group will also look to increase sales through investing in its brand, continuously improving its piercing service offering, expanding its jewellery product range, developing its people and building efficiencies through operational improvement initiatives.

INDEMNIFICATIONS

Since the end of the previous period, the Group has not indemnified or made a relevant agreement for indemnifying against any liability of any person who is or has been an officer or auditor of the Group.

Directors' report

INSURANCE PREMIUMS

During the period the Group has paid premiums in respect of Directors' and Officers' liability and legal expense insurance contracts for the period 30 June 2024 to 5 July 2025. Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are or have been Directors or executive officers of the Group.

The Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Directors' and Officers' liability and legal expense insurance contracts as such disclosure is prohibited under the terms of the contracts.

7. Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Directors recognise the importance of environmental responsibility and creating a sustainable business, and welcome the AASB changes that will result in the Group meeting the criteria for mandatory reporting requirements in 2027 and onwards. The Directors are not aware of any significant breaches of environmental regulations during the period covered by this report.

8. Directors' interests

Director	Ordinary shares held	Loans to Group
Mark Oliphant	2,025,000	Nil

9. Proceedings on behalf of the Group

There are no current proceedings on behalf of the Group.

10. Rounding of amounts

The Director's report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The Lead Auditor's independence declaration is set out on page 7 and forms part of the Directors report for the Period ended 5 July 2025.

Mark Oliphant

Director

Date: 13-11-25

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

To the Directors of SkinKandy Holdings Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of SkinKandy Holdings Pty Ltd for the financial period from 30 June 2024 to 5 July 2025 there have been:

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

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

KPMG

KPMG

Patrice Scott

Partner

Sydney

13 November 2025

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated statement of profit or loss and other comprehensive income

For the 53-week period ended 5 July 2025 (2024: 52-week period ended 29 June 2024)

Consolidated ($000s)	Note	2025	2024
Revenue	2	71,779	51,681
Cost of sales		(7,421)	(5,646)
Gross profit		**64,358**	**46,035**
Other income	3	8	190
Salaries and employee benefits expenses	4	(30,913)	(22,475)
Occupancy expenses		(1,741)	(1,532)
Distribution expenses		(606)	(231)
Depreciation & amortisation		(7,581)	(5,358)
Profit / (loss) on disposal of property, plant & equipment		(8)	(107)
Other expenses	4	(11,236)	(7,676)
Operating profit		**12,281**	**8,846**
Finance income		299	246
Finance costs	4	(1,003)	(715)
Net finance income/ (costs)		**(704)**	**(469)**
Profit before income tax		**11,577**	**8,377**
Income tax expense	5	(3,445)	(2,277)
Profit after income tax expense attributable to the owners		**8,132**	**6,100**
OTHER COMPREHENSIVE INCOME			
Foreign currency translation differences		1	-
Total comprehensive income		**8,133**	**6,100**
Earnings per share for profit attributable to the owners			
Basic earnings per share	22	60c	45c
Diluted earnings per share	22	56c	42c

Consolidated statement of financial position

As at 5 July 2025

Consolidated ($000s)	Note	5 July 2025 **2025**	29 June 2024 **2024**
ASSETS			
Current assets			
Cash and cash equivalents	6	8,579	10,517
Trade and other receivables		368	188
Inventories	7	6,186	3,890
Other current assets	8	1,783	1,067
Total current assets		**16,916**	**15,662**
Non-current assets			
Plant and equipment	9	14,752	10,861
Right-of-use assets	10	17,433	12,682
Intangible assets	11	8,811	8,774
Deferred tax assets	5	3,625	2,623
Total non-current assets		**44,621**	**34,940**
Total assets		**61,537**	**50,602**
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,707	1,890
Employee benefit liabilities	13	3,754	2,317
Current tax liabilities		1,177	1,772
Other liabilities	15	1,666	1,644
Lease liabilities	16	6,916	5,198
Total current liabilities		**15,220**	**12,821**
Non-current liabilities			
Borrowings	17	-	24
Employee benefits liabilities	13	69	78
Provisions	14	1,001	725
Lease liabilities	16	14,744	10,931
Total non-current liabilities		**15,814**	**11,758**
Total liabilities		**31,034**	**24,579**
NET ASSETS		**30,503**	**26,024**
EQUITY			
Share capital	19	13,059	13,059
Reserves	20	203	106
Retained earnings		17,241	12,859
Total equity		**30,503**	**26,024**

Consolidated statement of changes in equity

For the 53-week period ended 5 July 2025 (2024: 52-week period ended 29 June 2024)

Consolidated ($000s)	Note	Share capital	Share based payments reserve	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 1 July 2023		**13,059**	**23**	**-**	**6,759**	**19,841**
Profit for the period		-	-	-	6,100	6,100
Total comprehensive income		**-**	**-**	**-**	**6,100**	**6,100**
Transactions with owners:						
Transfers to reserves		-	83	-	-	83
Balance at 29 June 2024		**13,059**	**106**	**-**	**12,859**	**26,024**
Profit for the period		-	-	-	8,132	8,132
Transfers to reserves		-	-	1	-	1
Total comprehensive income		**-**	**-**	**1**	**8,132**	**8,133**
Transactions with owners:						
Dividends paid	23	-	-	-	(3,750)	(3,750)
Transfers to reserves	20	-	96	-	-	96
Balance at 5 July 2025		**13,059**	**202**	**1**	**17,241**	**30,503**

Consolidated statement of cash flows

For the 53-week period ended 5 July 2025 (2024: 52-week period ended 29 June 2024)

Consolidated ($000s)	Note	2025	2024
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		78,580	55,113
Cash paid to suppliers and employees (inclusive of GST)		(60,742)	(39,981)
Interest paid on leases		(998)	(702)
Interest received		299	246
Income taxes paid		(5,019)	(1,957)
Net cash from operating activities	6	**12,120**	**12,719**
Cash flows from investing activities			
Acquisition of plant and equipment		(3,892)	(5,521)
Acquisition of intangibles		(35)	(28)
Net cash used in investing activities		**(3,927)**	**(5,549)**
Cash flows from financing activities			
Payments of lease liabilities		(6,336)	(2,603)
Repayments of borrowings		(45)	-
Payment of dividends		(3,750)	-
Net cash used in financing activities		**(10,131)**	**(2,603)**
Net (decrease)/increase in cash and cash equivalents		**(1,938)**	**4,567**
Cash and cash equivalents at the beginning of the period		10,517	5,950
Cash and cash equivalents at the end of the period	**6**	**8,579**	**10,517**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Corporate information

REPORTING ENTITY

SkinKandy Holdings Pty Ltd (the 'Company') is domiciled in Australia. The Group's registered office is at Level 11 Corporate Centre One, BUNDALL, QLD, 4217.

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

The Group is a for-profit entity and is primarily involved in body piercing and jewellery retailing.

The Group reports within a retail financial period. The current financial period represents a 53-week period ended on 5 July 2025 ("2025"). The prior year was a 52-week period ended 29 June 2024 ("2024").

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies are consistent in the previous year, except as otherwise stated.

BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 200*1, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

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

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000s) except where otherwise indicated in accordance with ASIC Corporations (Rounding in financial/Directors' reports) Instrument 2016/191. The company as an entity to which this legislative instrument applies.

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

Change in presentation

During the Period, the Group revised the classification of certain accounts to more appropriately reflect the nature of its business operations. Comparative amounts in the statement of profit or loss and OCI, consolidated statement of financial position and the consolidated statement of cashflows were reclassified for consistency. A summary of these reclassifications is provided below:

- 'Shared based payments' were previously disclosed separately on the face of the statement of profit or loss and OCI, now disclosed as part of 'salaries and employee benefits'
- 'Outsourced contractors' were previously disclosed as 'other expenses' in statement of profit or loss and OCI, now disclosed as part of 'salaries and employee benefits'
- Provisions for annual leave and other employee related liabilities were previously disclosed as 'provisions' in the statement of financial position, now disclosed as 'employee benefit liabilities' separately on the face of the statement of financial position.
- 'Disposal of property, plant & equipment' was previously disclosed as Depreciation and amortisation on the face of the statement of profit or loss and OCI, now separately on this statement.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

PARENT ENTITY INFORMATION

In accordance with the *Corporations Act 200*1, these financial statements present the results of the Group only. Supplementary information about the parent entity is closed separately in Note 28.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of these 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.

Impairment of non-financial assets – store assets

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.

Make good provisions

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

Leases – Estimating the incremental borrowing rate

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

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

New or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the annual reporting period ended 5 July 2025. The Group’s has conducted a preliminary assessment on the impact of these standards and determine that they are not expected to have a significant impact on the Group’s consolidated financial statements.

BASIS OF CONSOLIDATION

i. Subsidiaries

The consolidated financial statements comprise the financial statements of the Group as at 5 July 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

ii. Loss of control

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

iii. Transactions eliminated on consolidation

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

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

FUNCTIONAL & 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.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

INCOME TAX

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

Current tax

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

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

Tax consolidation

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

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

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

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

PROPERTY PLANT & EQUIPMENT

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPEMENT 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.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

Key assumptions for impairment testing at year-end

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

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 lessee's incremental borrowing rate applied to the lease liabilities on 5 July 2025 was 4% - 8%.

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 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.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

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

i. Short-term 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.

ii. Share-based payments

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.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

iii. Other long-term employee benefits

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.

iv. Contribution plans

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.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. Benefits are discounted if not expected to be settled wholly within 12 months of the reporting date.

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

The Group's finance income and finance expenses include:

- interest income; and
- interest expense.

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

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

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

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

SHARE CAPITAL

Ordinary shares

Incremental costs directly attributable to the issue of ordinary 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.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

INTANGIBLES

i. Recognition and measurement

a. Goodwill

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

b. Other intangible assets

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.

ii. Subsequent expenditure

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

iii. Amortisation

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

iv. Impairment

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

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

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

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

CASH AND CASH EQUIVALENTS

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

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

FAIR VALUE MEASUREMENT

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

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

REVENUE AND OTHER INCOME

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

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.

Revenue from the sale of these goods 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

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

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

Finance income

Finance income is recognised using the effective interest rate method. Interest income is included in finance income in the consolidated statement of profit or loss and other comprehensive income.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 1 Material accounting policy information (continued)

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.

COMPARATIVE AMOUNTS

Comparatives are consistent with prior periods, unless otherwise stated.

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.

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

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.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 2 Revenue and other income

Consolidated ($000s)	**2025**	**2024**
Piercing services and jewellery sales	71,779	51,681
	71,779	**51,681**

Information about the performance obligations arising from revenue, including a description of when the Group typically satisfies its performance obligations, the significant payment terms, the nature of the goods and services provided, obligations for returns, refunds and other similar obligations, and types of warranties and related obligations is provided together with the accounting policies for revenue in Note 1.

PRIMARY GEOGRAPHICAL MARKETS

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

Note 3 Other income

Consolidated ($000s)	**2025**	**2024**
Government subsidies	-	190
Sundry income	8	-
	8	**190**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 4 Expenses

Employment expenses *Consolidated ($000s)*	**2025**	**2024**
Salaries, benefits and associated costs	30,432	22,318
Outsourced contractors	385	74
Share based payments	96	83
	30,913	**22,475**
Other expenses		
Professional fees and consultancy	2,519	1,826
Software and service subscriptions	1,571	975
Supplies and consumables	1,122	1,047
Other	6,024	3,828
	11,236	**7,676**
Finance costs		
Interest expense	5	12
Interest on lease liabilities	998	703
	1,003	**715**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 5 Income tax

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

Amounts recognised in profit and loss *Consolidated ($000s)*	**2025**	**2024**
Current tax expenses	4,447	3,389
Deferred tax expense	(1,002)	(1,112)
Income tax expense	**3,445**	**2,277**
Reconciliation of prima-facie profit to tax expense		
Profit before income tax	**11,577**	**8,377**
Tax using the Group's domestic tax rate of 30%	3,473	2,513
Non-deductible expenses	36	60
Other	(64)	(296)
Income tax expense	**3,445**	**2,277**
Deferred tax relates to the following:		
Plant and equipment	1,223	705
Right of use assets	(5,233)	(3,793)
Make good asset	(175)	(123)
Prepayments	-	(2)
Accruals and provisions	1,210	936
Lease liabilities	6,581	4,826
Other	19	74
Deferred tax asset	**3,625**	**2,623**
Reconciliation of movements in deferred tax		
Opening balance	**2,623**	**1,511**
Charged to profit or loss	1,002	1,112
	3,625	**2,623**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 6 Cash and cash equivalents

Consolidated ($000s)	**2025**	**2024**
Cash at bank	8,579	10,517
	8,579	**10,517**

Reconciliation of cash flows from operating activities *Consolidated ($000s)*	**2025**	**2024**
Profit for the period	**8,132**	**6,100**
Adjustments for:		
Depreciation	7,581	5,358
Share based payments	96	83
Disposal on property, plant and equipment	8	107
Other	(20)	316
Changes in assets and liabilities:		
- (Increase)/decrease in inventories	(2,516)	(829)
- (Increase)/decrease change in trade and other receivables	(895)	32
- (Increase)/decrease change in deferred tax assets	(1,002)	(1,112)
- Increase/(decrease) change in trade and other payables	(97)	47
- Increase/(decrease) in employee benefits liabilities	1,428	1,184
- Increase/(decrease) in current tax liabilities	(595)	1,433
	12,120	**12,719**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 7 Inventories

Consolidated ($000s)	**2025**	**2024**
Finished goods	6,820	3,854
Provision for stock loss and obsolescence	(1,028)	(108)
Stock in transit	394	144
	6,186	**3,890**

Note 8 Other current assets

Consolidated ($000s)	**2025**	**2024**
Other assets	168	272
Prepayments	1,615	795
	1,783	**1,067**

Note 9 Plant and equipment

Reconciliation of carrying amount *Consolidated ($000s)*	**Property Improvements**	**Motor Vehicles**	**Office Equipment**	**Furniture and Fittings**	**Total**
Balance at 1 July 2023	**6,213**	**87**	**402**	**417**	**7,119**
Additions	5,358	-	68	20	5,446
Depreciation	(1,363)	(5)	(118)	(86)	(1,572)
Disposals	(76)	(12)	(34)	(10)	(132)
Balance at 29 June 2024	**10,132**	**70**	**318**	**341**	**10,861**
Additions	5,596	-	110	606	6,312
Depreciation	(2,138)	(19)	(134)	(130)	(2,421)
Balance at 5 July 2025	**13,590**	**51**	**294**	**817**	**14,752**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 10 Right-of-use assets

Net carrying value *Consolidated ($000s)*	**Total**
Balance at 1 July 2023	**10,188**
Additions	6,382
Depreciation charges	(3,691)
Remeasurement of lease liabilities	(197)
Derecognition of right-of-use-assets	-
Balance at 29 June 2024	**12,682**
Additions	9,055
Depreciation charges	(5,093)
Remeasurement/modifications of lease terms	789
Derecognition of right-of-use-assets	-
Balance at 5 July 2025	**17,433**

Note 11 Intangibles assets and goodwill

Consolidated ($000s)	**2025**	**2024**
Domain names and trademarks	112	75
Goodwill	8,699	8,699
	8,811	**8,774**

Impairment of goodwill

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

At each reporting date, the Group evaluates whether any indicators exist that an asset may be impaired. Where such indicators are present, or when annual testing is required, the recoverable amount of the relevant asset or CGU is estimated. The recoverable amount represents the higher of fair value less costs of disposal or value in use. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is deemed impaired and written down accordingly. For the purposes of goodwill testing, the Group assesses impairment at the consolidated level, consistent with its internal reporting structure. Individual stores are treated as part of a single CGU for impairment testing purposes; however, stores that have been operating for less than 24 months at the reporting date are excluded from the impairment test.

Key assumptions applied in year-end testing

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

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

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

The key assumptions used in impairment testing were as follows:

- **Discount rate:** 11% (2024: 11%)
- **Annual revenue growth**
    - **Year 1:** Based on the financial year budget approved by the Board.
    - **Year 2:** Calculated based on blended historical growth rates.
- **Terminal value:** Calculated using a multiple-of-EBITDA approach, applying a terminal multiple of 4.5x

Based on these assumptions, the calculated recoverable amount exceeded the carrying amount of goodwill and, as a result, no impairment charge was recognised in profit or loss for the period.

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

Reconciliation of carrying amount *Consolidated ($000s)*	**Goodwill**	**Domain names / trademarks**	**Total**
Balance at 1 July 2023	**8,699**	**47**	**8,746**
Additions	-	28	28
Impairment	-	-	-
Balance at 29 June 2024	**8,699**	**75**	**8,774**
Additions	-	37	37
Impairment	-	-	-
Balance at 5 July 2025	**8,699**	**112**	**8,811**

Note 12 Trade and other payables

Consolidated ($000s)	**2025**	**2024**
Trade creditors	763	1,173
Other payables	944	717
	1,707	**1,890**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 13 Employee benefit liabilities

Consolidated ($000s)	**2025**	**2024**
Current liabilities		
Accrued wages payable	1,567	777
Annual leave	629	422
Other employment provisions	1,558	1,118
	3,754	**2,317**
Non-current liabilities		
Long service leave	**69**	**78**

Note 14 Provisions

Reconciliation of carrying amount *Consolidated ($000s)*		**Make good provisions**
Balance at 1 July 2023		**534**
Movement during the period		191
Balance at 29 June 2024		**725**
Movement during the period		276
Balance at 5 July 2025		**1,001**

Note 15 Other liabilities

Consolidated ($000s)	**2025**	**2024**
Accrued expenses	102	395
Other liabilities	1,564	1,249
	1,666	**1,644**

Other liabilities include unredeemed gift cards and revenue from contracts with customers received in advance.

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 16 Lease liabilities

LEASES AS LESSEE

The Group leases retail facilities. The lease typically runs for a period of 3-6 years excluding options to renew. The accounting policy for lease liabilities is provided in Note 1.

Net carrying values *Consolidated ($000s)*	**2025**	**2024**
Current	6,916	5,198
Non-current	14,744	10,931
	21,660	**16,129**

Reconciliation of carrying values *Consolidated ($000s)*	**Total**
Balance at 1 July 2023	**12,642**
Additions	7,682
Interest charges	702
Repayments	(4,700)
Gain or loss and revaluation	(197)
Balance at 29 June 2024	**16,129**
Additions	10,777
Interest charges	998
Remeasurement of lease liabilities	1,090
Repayments	(7,334)
Gain or loss and revaluation	-
Balance at 5 July 2025	**21,660**

Contractual cashflows

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

Consolidated ($000s)	**2025**	**2024**
Less than one year	7,094	5,198
One to five years	15,928	10,931
More than five years	91	-
	23,113	**16,129**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 17 Borrowings

Consolidated ($000s)	**2025**	**2024**
Related party loans	-	24
	-	**24**

Note 18 Related parties

KEY MANAGEMENT PERSONNEL TRANSACTIONS

Key management personnel compensation *Consolidated ($000s)*	**2025**	**2024**
Short-term employee benefits	1,123	994
Share-based payments	96	83
Total key management personnel compensation	**1,219**	**1,077**

Throughout the period SkinKandy Australia Pty Ltd paid rent to Donnaphant Holdings Pty Ltd ATF The Oliphant Family Trust, controlled by a Director. The Group also paid board fees to each member of the Board of Directors.

	Transaction values for the period		**Balance outstanding as at**	
Consolidated ($000s)	**2025**	**2024**	**5 July 2025**	**29 June 2024**
Transactions with Directors	739	440	-	50

Loans from related parties *Consolidated ($000s)*	**2025**	**2024**
Loan – Director	-	24
	-	**24**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 19 Share capital

Full paid share capital	A Class		Ordinary		Total	
	Value *($000)*	Quantity *(000s)*	Value *($000)*	Quantity *(000s)*	Value *($000s)*	Quantity *(000s)*
Balance at 1 July 2023	**-**	**862**	**13,059**	**13,500**	**13,059**	**14,362**
Shares issued	-	-	-	-	-	-
Balance at 29 June 2024	**-**	**862**	**13,059**	**13,500**	**13,059**	**14,362**
Shares issued	-	145	-	-	-	145
Balance at 5 July 2025	**-**	**1,007**	**13,059**	**13,500**	**13,059**	**14,507**

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

A class shares relate to the Management Equity Plan ("MEP") described in Note 21 and are fully paid, carry no voting rights and carry a right to 20% of the dividends declared on ordinary shares – on a share per share basis. There is nil share capital value attributed to the A class shares in these financial statements. This share class, whilst issued and fully paid, are treated as options for the purpose of these financial statements.

Note 20 Reserves

Consolidated ($000s)	Note	2025	2024
Shared based payments	21	202	106
Foreign currency translation reserve		1	-
		203	**106**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 21 Share-based payments

A. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

The share-based payments reserve is used to separately account for the grant of share options to key management personnel of the Group under the MEP. Under this plan, management are provided A class shares, fully paid by way of a non-recourse loan, in the parent entity SkinKandy Holdings Pty Ltd. These shares vest upon the satisfaction of service and performance conditions.

The key terms and conditions related to the grants under these programs are as follows; all options are to be settled by the physical delivery of shares, unless otherwise approved by the Board.

i. Share option programs (equity-settled)

The non-recourse loan provided by the Group is required to be repaid at the earlier of the date of an ‘exit event’, the date when management equity plan shares are compulsorily divested by the Group, or the date which is nine years and 360 days after the loan is advanced to the employee. Under the terms of the MEP, an ‘exit event’ is broadly defined as a share sale of over 50% of issued shares, an initial public offering (“IPO”) or a change of control, whereby the change of control is unrelated to the shareholders at the time of the MEP agreement.

B. MEASUREMENT OF FAIR VALUES

i. Equity-settled share-based payment arrangements

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

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

C. RECONCILIATION OF OUTSTANDING SHARE OPTIONS

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

Consolidated ($000s)	**Number of options**	**Weighted-average exercise price**
Balance at 1 July 2023	**862**	1.74
Granted during the period	-	-
Balance at 29 June 2024	**862**	1.74
Granted during the period	145	1.74
Balance at 5 July 2025	**1,007**	**1.74**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 21 Share-based payments (continued)

The following tables list the inputs to the models used for the MEP for the 53-week period ended 5 July 2025:

Inputs	**2025**	**2024**
Weighted average fair value, per share, at measurement date	$1.74	$1.74
Dividend yield	2.4%	2.4%
Expected volatility	65%	65%
Risk-free interest rate	3.47%	3.47%
Expected life of performance rights (years)	6.64	7.28
Weighted average price per share price	$1.85	$1.85
Model used	Black-Scholes /Monte Carlo	Black-Scholes /Monte Carlo

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

Reconciliation of closing balance *Consolidated ($000s)*	**2025**	**2024**
Opening balance	**106**	**23**
Expense related to vesting conditions	96	83
Total share-based payments reserve	**202**	**106**

Note 22 Earnings per share

Basic earnings per share *Consolidated (000s)*	**2025**	**2024**
Profit attributable to the owners of the group	$8,133	$6,100
Weighted average number of shares on issue	*13,500*	*13,500*
Profit per share	**60c**	**45c**

Diluted earnings per share *Consolidated (000s)*	**2025**	**2024**
Profit attributable to the owners of the group	$8,133	$6,100
*Weighted average number of shares on issue**	*14,507*	*14,362*
Profit per share	**56c**	**42c**

* The fully paid A class shares, issued in 2025, were issued on the first day of the period being 30 June 2024

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 23 Dividends

The following dividends were paid by the Group.

Fully franked dividends *Consolidated (000s)*	**2025**	**2024**
1.8c per Ordinary share	740	-
0.3c per A class share	10	-
21.9c per Ordinary share	2,958	-
4.1c per A class share	42	-
Total dividends paid	**3,750**	**-**

Franking credit balance

The franking rate of the Group is 30%. The amount of franking credits available to shareholders as at 5 July 2025 is $11,563,108 (2024: $9,827,740).

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 24 Financial instruments

The Group's exposure to market risk, credit risk and liquidity risk, and the policies in place to address these risks are disclosed below.

A. MARKET RISK

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

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk is through its cash holdings and is considered immaterial due to current interest rates. The Group does not have any substantial finance facilities with any banking institutions except for credit cards, however these facilities are largely undrawn at period end and no interest rate risk exists thereon.

ii. Foreign exchange risk

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

B. CREDIT RISK

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

C. LIQUIDITY RISK

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

The Group monitors its risk of a shortage of funds by performing a liquidity planning analysis. Given the Group's current cash reserves and cash flows from operations, the Group considers the exposure to liquidity risk to be manageable under ordinary circumstances.

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

Financing arrangements

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

Financial assets measured at amortised cost *Consolidated (000s)*	**2025**	**2024**
Trade receivables	368	188
Cash and cash equivalents	8,579	10,517
	8,947	**10,705**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 24 Financial instruments (continued)

Financial liabilities measured at amortised cost *Consolidated (000s)*	**2025**	**2024**
Related party loans	-	24
Trade and other payables	1,707	1,890
	1,707	**1,914**

Remaining contractual maturities

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

2025

Consolidated ($000s)	**%**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Trade and other payables		1,707	-	-	-	**1,707**
Lease liabilities	5%	1,774	5,320	15,928	91	**23,113**
		3,481	**5,320**	**15,928**	**91**	**24,820**

2024

Consolidated ($000s)	**%**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Trade and other payables		1,890	-	-	-	**1,890**
Lease liabilities	5%	1,384	3,814	10,931	-	**16,129**
		3,274	**3,814**	**10,931**	**-**	**18,019**

D. EXCESSIVE CONCENTRATION RISK

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

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

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 24 Financial instruments (continued)

E. OTHER RISKS

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

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

Note 25 List of subsidiaries

Set out below is a list of material subsidiaries of the Group.

Name of Company	Principal place of business	2025	2024
SkinKandy Australia Pty Ltd	Australia	100%	100%
SkinKandy (VIC) Pty Ltd	Australia	100%	100%
SkinKandy (QLD) Pty Ltd	Australia	100%	100%
SkinKandy (NSW) Pty Ltd	Australia	100%	100%
SkinKandy Southern Pty Ltd	Australia	100%	100%
SkinKandy Ordering Pty Ltd	Australia	100%	100%
SkinKandy Trading Pty Ltd[1]	Australia	100%	100%
SkinKandy IP Pty Ltd	Australia	100%	100%
SkinKandy Operations Pty Ltd	Australia	100%	100%
SkinKandy NZ Limited	New Zealand	100%	100%
SkinKandy USA LLC*	United States of America	100%	-
SkinKandy Trading LLC*	United States of America	100%	-

[1] *Formerly SkinKandy Franchising Pty Ltd*
**Incorporated in 2025*

The Companies, with a principal place of business listed as Australian are incorporated in Australia and members of the Australian tax consolidated group.

Note 26 Auditors remuneration

Consolidated (000s)	2025	2024
Audit services	128	73
Preparation of tax returns	59	49
Preparation of tax returns (KPMG NZ)	2	-
	189	**122**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 27 Deed of cross guarantee

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

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

A consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the Group and its controlled entity which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, at 5 July 2025 is set out as follows.

State of profit or loss and other comprehensive income *Consolidated ($000s)*	**Note**	**2025**	**2024**
Revenue		68,800	36,214
Cost of sales		(7,171)	(5,600)
Gross Profit		**61,629**	**30,614**
Other income		8	37
Salaries and employee benefits expenses		(3,561)	(8,162)
Occupancy expenses		(1,287)	(839)
Other expenses		(17,422)	(10,517)
Operating profit		**39,367**	**11,133**
Finance income		299	245
Finance costs		(927)	(551)
Net finance income/ (costs)		**(628)**	**(306)**
Profit before income tax		**38,739**	**10,827**
Income tax expense		(11,657)	(2,768)
Profit after income tax expense attributable to the owners		**27,082**	**8,059**
Total comprehensive income		**27,082**	**8,059**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 27 Deed of cross guarantee (continued)

Statement of financial position *Consolidated (000s)*	**2025**	**2024**
Current assets	12,357	12,598
Non-current assets	62,585	34,438
Current liabilities	(9,895)	(9,793)
Non-current liabilities	(24,458)	(20,138)
Net assets	**40,589**	**17,105**
TOTAL EQUITY COMPRISING OF:		
Share capital	13,059	13,059
Retained earnings	27,530	4046
Total equity	**40,589**	**17,105**

Note 28 Parent entity disclosures

As at, and throughout, the period the parent entity of the Group was SkinKandy Holdings Pty Ltd.

Result of the parent entity *Consolidated (000s)*	**2025**	**2024**
Profit for the Period	**5,062**	**31**
FINANCIAL POSITION AT PERIOD END		
Current assets	2,122	1,537
Non-current assets	20,315	16,945
Current liabilities	(1,085)	(1,537)
Non-current liabilities	(6,833)	(3,738)
Net assets	**14,519**	**13,207**
TOTAL EQUITY COMPRISING OF:		
Share capital	13,059	13,059
Retained earnings and reserves	1,460	148
Total equity	**14,519**	**13,207**

Notes to the financial statements

For the period 30 June 2024 to 5 July 2025

Note 28 Parent entity disclosures (continued)

Contingent liabilities of the parent entity

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

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

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

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for investments in subsidiaries which are accounted for at cost.

Note 29 Operating segments

Operating segments are presented using the ‘management approach’ , where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The Group operates within one operating segment, being retail sales of body piercing and jewellery retailing.

Note 30 Subsequent events

On 15 September 2025, the Directors declared a final dividend on ordinary and A class shares. The total amount of the dividend is $4.5 million fully franked. The dividend has not been provided for these financial statements.

The Group has entered into a further 9 retail shopping centre leases since the end of the period.

Other than the event above, no other subsequent events have arisen since the end of the period which are material to the operations, financial results or risk profile of the Group.

Note 31 Commitments and contingencies

The Group had the following capital commitments at the end of the period:

Consolidated (000s)	**2025**	**2024**
Related to leasehold improvements	150	600
	150	**600**

The group has a $3m bank guarantee facility with the Commonwealth Bank of Australia (2024: $2m).

Note 32 Contingencies

The Group did not have any contingent liabilities as at 5 July 2025 (2024: nil).

Directors' Declaration

In the opinion of the Directors of SkinKandy Holdings Pty Ltd (the "Group"):

a) The Group is not publicly accountable;

b) The consolidated financial statements and notes, as set out in these financial statements, are prepared in accordance with the *Corporations Act 2001*, including:

   i. Giving a true and fair view of the Group's financial position at 5 July 2025 and of its performance for the 53-week period ended on that date;

   ii. Complying with Australian Accounting Standards and the Corporations Regulations 2001.

c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Mark Oliphant
Director
Date: 13-11-25

Independent Auditor's Report

To the shareholders of SkinKandy Holdings Pty Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of SkinKandy Holdings Pty Ltd (the Company) and its controlled entities (the Group).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 5 July 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 5 July 2025;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

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

Basis for opinion

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

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

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

Other Information

Other Information is financial and non-financial information in SkinKandy Holdings Pty Ltd's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor's Report was the Director's report.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor’s responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf. This description forms part of our Auditor’s Report.

KPMG

KPMG

Patrice Scott

Partner

Sydney

13 November 2025