SkinKandy Holdings Pty Ltd

ACN 636 484 814

Interim Consolidated Financial Statements

For the 26 weeks ended 3 January 2026

Contents

Directors' report

The Directors present their report together with the interim consolidated financial statements of SkinKandy Holdings Pty Ltd (the "Company") and its controlled entities (the "Group") for the 26-week period from 6 July 2025 to 3 January 2026 (the "period" or "2026 H1") and the prior comparative period from 30 June 2024 to 4 January 2025 ("2025 H1").

The Group utilises a 52-week retail calendar year for financial reporting purposes. The half year represents 26 weeks which ended on 3 January 2026 (2025: 27 weeks ended 4 January 2025).

1. Directors

The Directors of the Company at any time during or since the end of the period are set out below. Directors were in office for this entire period unless otherwise stated.

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 100 stores throughout Australia and New Zealand, as well as an online store. A total of 13 new stores were added to the network during the period.

REVIEW OF OPERATIONS

The Group achieved strong revenue growth during the period, driven by increased body piercing and jewellery sales in like-for-like stores, the full-period contribution from stores opened in the prior period, and sales from new stores opened during the current period.

Profitability improved during the period primarily due to higher sales volumes achieved at consistent gross margins, together with an improved wages-to-sales ratio.

Cash flow during the period was supported by 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.

Directors' report

3. Review of operations and results of those operations (continued)

The following summary of operating results and operating metrics reflects the Group's performance for the 26 weeks ended 3 January 2026:

FINANCIAL PERFORMANCE

2026 H1 Highlights

- Total stores: 100 (↑ 23 YoY)
- Like-for-like store sales growth 9.5% *(26w vs 26w comparison)*
- Revenue growth 25% (vs 2025 H1)

DIVIDENDS

During the period $4,500,000 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

- The Group has entered into a further 3 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 and 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.

7. 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 Company is an entity to which the legislative instrument applies.

Signed by:

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Mark Oliphant

Director

Date: 18/03/2026

Consolidated statement of profit or loss and other comprehensive income

For the 26-week period ended 3 January 2026 (2025: 27-week period ended 4 January 2025)

Consolidated ($000s)	Note	2026 H1	2025 H1
Revenue	3	45,363	36,279
Cost of sales		(4,852)	(3,746)
Gross profit		**40,511**	**32,533**
Employee benefits expense	4	(19,756)	(15,389)
Occupancy expenses		(1,118)	(803)
Distribution expenses		(479)	(286)
Depreciation and amortisation		(4,619)	(3,559)
Loss on disposal of plant and equipment		(42)	-
Other expenses	4	(6,333)	(5,121)
Operating profit		**8,164**	**7,375**
Finance income		64	160
Finance costs	4	(571)	(492)
Net finance income/ (costs)		**(507)**	**(332)**
Profit before income tax		**7,657**	**7,043**
Income tax expense		(2,766)	(2,144)
Profit after income tax expense attributable to the owners		**4,891**	**4,899**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		1	(1)
Total comprehensive income		**4,892**	**4,898**
		Cents	**Cents**
Earnings per share for profit attributable to the owners			
Basic earnings per share	16	36.2	36.3
Diluted earnings per share	16	34.8	34.9

Consolidated statement of financial position

As at 3 January 2026 (2025: 5 July 2025)

Consolidated ($000s)	Note	2026 H1	2025
ASSETS			
Current assets			
Cash and cash equivalents		5,307	8,579
Trade and other receivables		944	368
Inventories	5	7,023	6,186
Other current assets	6	2,122	1,783
Total current assets		**15,396**	**16,916**
Non-current assets			
Plant and equipment	7	18,852	14,752
Right-of-use assets	8	19,722	17,433
Intangible assets	9	8,818	8,811
Deferred tax assets		3,021	3,625
Total non-current assets		**50,413**	**44,621**
Total assets		**65,809**	**61,537**
LIABILITIES			
Current liabilities			
Trade and other payables	10	2,415	1,707
Employee benefits liabilities	11	4,255	3,754
Current tax liabilities		106	1,177
Other liabilities	12	1,463	1,666
Lease liabilities	14	7,991	6,916
Total current liabilities		**16,230**	**15,220**
Non-current liabilities			
Employee benefits liabilities	11	75	69
Provisions	13	1,346	1,001
Lease liabilities	14	16,832	14,744
Total non-current liabilities		**18,253**	**15,814**
Total liabilities		**34,483**	**31,034**
NET ASSETS		**31,326**	**30,503**
EQUITY			
Share capital		13,059	13,059
Reserves		635	203
Retained earnings		17,632	17,241
Total equity		**31,326**	**30,503**

Consolidated statement of changes in equity

For the 26-week period ended 3 January 2026

Consolidated ($000s)	Note	Share capital	Share-based payments reserve	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 29 June 2024		**13,059**	**106**	**-**	**12,859**	**26,024**
Profit for the period		-	-	-	4,899	4,899
Other comprehensive income		-	-	(1)	-	(1)
Total comprehensive income		**-**	**-**	**(1)**	**4,899**	**4,898**
Transactions with owners:						
Share-based payments expense	15	-	48	-	-	48
Dividends paid	17	-	-	-	(500)	(500)
Balance at 4 January 2025		**13,059**	**154**	**(1)**	**17,258**	**30,470**

Consolidated ($000s)	Note	Share capital	Share-based payments reserve	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 5 July 2025		**13,059**	**202**	**1**	**17,241**	**30,503**
Profit for the period		-	-	-	4,891	4,891
Other comprehensive income		-	-	(1)	-	(1)
Total comprehensive income		**-**	**-**	**(1)**	**4,891**	**4,890**
Transactions with owners:						
Share-based payments expense	15	-	433	-	-	433
Dividends paid	17	-	-	-	(4,500)	(4,500)
Balance at 3 January 2026		**13,059**	**635**	**-**	**17,632**	**31,326**

Consolidated statement of cash flows

For the 26-week period ended 3 January 2026 (2025: 27-week period ended 4 January 2025)

Consolidated ($000s)	Note	2026 H1	2025 H1
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		47,992	38,690
Cash paid to suppliers and employees (inclusive of GST)		(35,254)	(28,407)
Interest paid on leases		(571)	(487)
Interest received		64	160
Income taxes paid		(3,231)	(2,979)
Net cash from operating activities		**9,000**	**6,977**
Cash flows from investing activities			
Acquisition of plant and equipment		(4,274)	(2,066)
Acquisition of intangibles		(7)	(13)
Net cash used in investing activities		**(4,281)**	**(2,079)**
Cash flows from financing activities			
Payments of lease liabilities		(3,491)	(3,185)
Repayments of borrowings		-	(45)
Payment of dividends		(4,500)	(500)
Net cash used in financing activities		**(7,991)**	**(3,730)**
Net (decrease)/increase in cash and cash equivalents		**(3,272)**	**1,168**
Cash and cash equivalents at the beginning of the period		8,579	10,517
Cash and cash equivalents at the end of the period		**5,307**	**11,685**

Notes to the financial statements

For the 26 weeks from 6 July 2025 to 3 January 2026

Corporate information

REPORTING ENTITY

SkinKandy Holdings Pty Ltd (the ‘Company’) is domiciled in Australia. The Group’s registered office is at Suite 15, 12-20 Ocean Street, Maroochydore, Queensland, 4558.

The interim consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group') for the 26-week period from 6 July 2025 to 3 January 2026 (the “period” or “2026 H1”) and the prior comparative period from 30 June 2024 to 4 January 2025 (“2025 H1”) and was authorised for issue in accordance with a resolution of the Directors on the date the Directors’ declaration was signed.

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

The Group utilises a 52-week retail calendar year for financial reporting purposes. The half year represents 26 weeks which ended on 3 January 2026 (2025: 27 weeks ended 4 January 2025).

Note 1. Material accounting policy information

The Group’s accounting policies are consistent with the previous period unless otherwise stated.

BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 3 January 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The consolidated financial statements have been prepared to assist the Directors for a potential Initial Public Offering.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 5 July 2025.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

SEASONALITY

Revenue is typically higher in the first half of the financial year, reflecting increased trading activity in the period leading up to Christmas.

Note 2. Segment information

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

The Group has considered its internal reporting framework, management and operating structure and the Directors' conclusion is that the Group has one operating segment being piercing services and jewellery retail sales.

Notes to the financial statements

For the 26 weeks from 6 July 2025 to 3 January 2026

Note 3. Revenue

Consolidated ($000s)	**2026 H1**	**2025 H1**
Piercing services and jewellery sales	45,363	36,279
	45,363	**36,279**

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 4. Expenses

Employee benefits liabilities *Consolidated ($000s)*	**2026 H1**	**2025 H1**
Salaries, benefits and associated costs	19,156	15,132
Outsourced contractors	167	209
Share based payments	433	48
	19,756	**15,389**

Other expenses *Consolidated ($000s)*	**2026 H1**	**2025 H1**
Professional fees and consultancy	871	1,320
Software and service subscriptions	987	750
Supplies and consumables	699	581
Other	3,776	2,470
	6,333	**5,121**

Finance costs *Consolidated ($000s)*	**2026 H1**	**2025 H1**
Interest expense	-	5
Interest on lease liabilities	571	487
	571	**492**

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Notes to the financial statements

For the 26 weeks from 6 July 2025 to 3 January 2026

Note 5. Inventories

Consolidated ($000s)	**2026 H1**	**2025**
Finished goods	6,863	6,791
Provision for stock loss and obsolescence	(173)	(1,028)
Stock in transit	333	423
	7,023	**6,186**

Note 6. Other current assets

Consolidated ($000s)	**2026 H1**	**2025**
Other assets	42	168
Prepayments	2,080	1,615
	2,122	**1,783**

Note 7. Plant and equipment

Reconciliation of carrying amount *Consolidated ($000s)*	**Property Improvements**	**Motor Vehicles**	**Office Equipment**	**Furniture and Fittings**	**Total**
Balance at 5 July 2025	**13,590**	**51**	**294**	**817**	**14,752**
Additions	4,718	26	222	648	5,614
Depreciation	(1,332)	(10)	(77)	(95)	(1,514)
Balance at 3 January 2026	**16,976**	**67**	**439**	**1,370**	**18,852**

Notes to the financial statements

For the 26 weeks from 6 July 2025 to 3 January 2026

Note 8. Right-of-use assets

Net carrying value *Consolidated ($000s)*	**Total**
Balance at 5 July 2025	**17,433**
Additions	5,192
Depreciation charges	(3,105)
Remeasurement/Modifications of lease terms	202
Balance at 3 January 2026	**19,722**

Note 9. Intangibles assets and goodwill

Consolidated ($000s)	**2026 H1**	**2025**
Domain names and trademarks	119	112
Goodwill	8,699	8,699
	8,818	**8,811**

Note 10. Trade and other payables

Consolidated ($000s)	**2026 H1**	**2025**
Trade creditors	1,635	763
Other payables	780	944
	2,415	**1,707**

Note 11. Employee benefits liabilities

Consolidated ($000s)	**2026 H1**	**2025**
Current liabilities		
Accrued wages payable	1,712	1,567
Annual leave	770	629
Other employment provisions	1,773	1,558
	4,255	**3,754**
Non-current liabilities		
Long service leave	**75**	**69**

During the period the Group recorded $503k of Superannuation Guarantee Charges (included within Other employment provisions above) and $294k of tax effect of these non-deductible payments (2025: nil).

Notes to the financial statements

For the 26 weeks from 6 July 2025 to 3 January 2026

Note 12. Other liabilities

Consolidated ($000s)	**2026 H1**	**2025**
Accrued expenses	552	102
Other liabilities	911	1,564
	1,463	**1,666**

Other liabilities include unredeemed gift cards.

Note 13. Provisions

Consolidated ($000s)	**2026 H1**	**2025**
Non-current liabilities		
Make good provisions	**1,346**	**1,001**

Note 14. Lease liabilities

LEASES AS LESSEE

The Group leases retail facilities.

Net carrying values *Consolidated ($000s)*	**2026 H1**	**2025**
Current	7,991	6,916
Non-current	16,832	14,744
	24,823	**21,660**

Reconciliation of carrying values *Consolidated ($000s)*	**Total**
Balance at 5 July 2025	**21,660**
Additions	6,508
Interest charges	571
Remeasurement of lease liabilities	144
Repayments	(4,060)
Balance at 3 January 2026	**24,823**

Notes to the financial statements

For the 26 weeks from 6 July 2025 to 3 January 2026

Note 15. Share-based payments reserve

Net carrying values *Consolidated ($000s)*	**2026 H1**	**2025**
Equity		
Share-based payments reserve	**635**	**202**

Reconciliation of carrying values *Consolidated ($000s)*	**Total**
Balance at 5 July 2025	**202**
Share-based payments expense	433
Balance at 3 January 2026	**635**

During the period the vesting period of the share based payments was accelerated due to an anticipated company transaction. The impact of this was an additional charge to the profit and loss of $385k (2025: nil).

Note 16. Earnings per share

Basic earnings per share *Consolidated (000s)*	**2026 H1**	**2025 H1**
Profit after income tax attributable to the owners of the group	$4,891	$4,899
Weighted average number of shares on issue	*13,500*	*13,500*
Profit per share	**36.2c**	**36.3c**

Diluted earnings per share *Consolidated (000s)*	**2026 H1**	**2025 H1**
Profit after income tax attributable to the owners of the group	$4,891	$4,899
*Weighted average number of shares on issue**	*14,040*	*14,040*
Profit per share	**34.8c**	**34.9c**

Notes to the financial statements

For the 26 weeks from 6 July 2025 to 3 January 2026

Note 17. Dividends

The following dividends were paid by the Group.

Fully franked dividends *Consolidated ($000s)*	**2026 H1**	**2025 H1**
32.9c per Ordinary share	4,438	-
6.2c per A class share	62	-
1.8c per Ordinary share	-	494
0.3c per A class share	-	6
Total dividends paid	**4,500**	**500**

Note 18. Subsequent events

The Group has entered into a further 3 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 19. Commitments and contingencies

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

Consolidated ($000s)	**2026 H1**	**2025 H1**
Related to leasehold improvements	200	150
	200	**150**

The group has a $4m bank guarantee facility (5 July 2025: $3m) and a $2.5m overdraft facility (5 July 2025: none) with the Commonwealth Bank of Australia.

The Group did not have any contingent liabilities as at 3 January 2026 (5 July 2025: none).

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 already disclosed.

Directors' declaration

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

a) The consolidated financial statements and notes that are set out on pages 5 to 15:

i. Present fairly the financial position of the Group as at 3 January 2026 and its performance for the half-year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 1; and

ii. Comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting*; and

b) 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.

Signed by:

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Mark Oliphant
Director
Date: 18/03/2026

Independent Auditor's Review Report

To the Directors of SkinKandy Holdings Pty Ltd

Conclusion

We have reviewed the accompanying ***Interim Consolidated Financial Report*** of the ***Group***.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying Interim Consolidated Financial Report of the Group does not present fairly, in all material respects, the financial position of the Group as at 3 January 2026, and of its financial performance and its cash flows for the period from 6 July 2025 to 3 January 2026, in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

The ***Interim Consolidated Financial Report*** comprises:

- Consolidated statement of financial position as at 3 January 2026
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the period from 6 July 2025 to 3 January 2026
- Notes 1 to 19 comprising material accounting policies and other explanatory information.

The ***Group*** comprises SkinKandy Holdings Pty Ltd (the Company) and the entities it controlled at the period end, being 3 January 2026 or from time to time during the period from 6 July 2025 to 3 January 2026.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Consolidated Financial Report* section of our report.

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & 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 annual financial report Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Restriction on use and distribution

The Interim Consolidated Financial Report has been prepared to assist the Directors of SkinKandy Holdings Pty Ltd for the purpose of providing historical financial information on the Group and the Directors due diligence in relation to a potential Initial Public Offering.

As a result, the Interim Consolidated Financial Report and this Auditor's Review Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of SkinKandy Holdings Pty Ltd and should not be used by or distributed to parties other than the Directors of SkinKandy Holdings Pty Ltd. We disclaim any assumption of responsibility for any reliance on this report, or on the Interim Consolidated Financial Report to which it relates, to any person other than the Directors of SkinKandy Holdings Pty Ltd or for any other purposes than that for which they were prepared.

Responsibilities of Management for the Interim Consolidated Financial Report

Management of the Group are responsible for:

- the preparation and fair presentation of the Interim Consolidated Financial Report in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting*, and have determined that the financial reporting framework is appropriate to meet the needs of the Directors for the purpose of providing historical financial information on the Group and the Directors due diligence in relation to a potential Initial Public Offering
- such internal control as Management determine is necessary to enable the preparation and fair presentation of the Interim Consolidated Financial Report that is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Review of the Interim Consolidated Financial Report

Our responsibility is to express a conclusion on the Interim Consolidated Financial Report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Interim Consolidated Financial Report does not present fairly, in all material respects, the financial position of the Group as at 3 January 2026 and of its financial performance and its cash flows for the period from 6 July 2025 to 3 January 2026, in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

A review of an Interim Consolidated Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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18 March 2026