Adore Beauty Group Limited

APPENDIX 4E

Preliminary final report

1. Company details

Name of entity:	Adore Beauty Group Limited
ABN:	78 636 138 988
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	1.6%	to	198,815
Profit from ordinary activities after tax attributable to the owners of Adore Beauty Group Limited	down	65.0%	to	761
Profit for the year attributable to the owners of Adore Beauty Group Limited	down	65.0%	to	761

Dividends

There were no dividends paid, recommended or declared during or since the end of the current financial year.

Comments

FY25 revenue increased 1.6% over the previous year to $198.8 million. Profit before tax of $1,232,000 (30 June 2024: $2,825,000) decreased 56.4%, reflecting $2,547,000 in one-off costs comprising acquisition-related expenses and restructure costs.

Earnings before interest, tax and other one-off costs ('Normalised EBIT') for the year was $4,000,000 at a Normalised EBIT margin of 2.0%.

Earnings before interest, tax and other one-off costs ('Normalised EBIT') is a non-IFRS measure and is the primary reporting measure used by the Key Management Personnel (KMP), being the Chief Executive Officer, Management and the Board of Directors, for the purpose of assessing the performance of the Group. The below table includes the reconciliation of the statutory profit before tax to the underlying Normalised EBIT:

	2025 $'000	**2024 $'000**
Statutory profit before tax	1,232	2,825
Adjustments		
Add: Finance costs	322	103
Deduct: Interest income	(101)	(638)
Normalisations		
Add: Acquisition related costs	1,998	–
Add: Restructure costs	549	–
Normalised EBIT	4,000	2,290

Normalisation adjustments relate to one-off costs impacting the period, relating to restructure costs and acquisition-related costs.

Further commentary on the operating results can be found in the 'Review of operations and financial performance' section within the Directors' Report of the Annual Financial Report.

3. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible assets per ordinary security	1	36

Movement in Net Tangible Assets driven by reduction in cash for iKOU acquisition and increase in lease liabilities.

4. Control gained over entities

Name of entities (or group of entities)	iKOU Holdings Pty Ltd iKOU Australia Pty Ltd iKOU Retail Pty Ltd
Date control gained	31 July 2024

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

8. Attachments

Details of attachments (if any):

The Annual Financial Report of Adore Beauty Group Limited for the year ended 30 June 2025 is attached.

9. Signed

Marina Go

Chair

25 August 2025
Melbourne

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ANNUAL REPORT 2025

ADOREBEAUTY GROUP

DEWY-C
ENZYMATIC CLEANSING BALM
+ Vitamin C & Fruit Enzymes
AB LAB
100 mL
3.38 fl.oz

ADOREBEAUTY GROUP

Adore Beauty Group delivered record profitability and gross margins in FY25, benefitting from multiple growth levers under its strategic refresh

FY25 FINANCIAL HIGHLIGHTS[1,2]

$198.8M

Revenue
+1.6% on prior corresponding period

35.3%

Gross profit margin
+1.9 ppts on PCP

$8.1M

Reported EBITDA
+67.8% on PCP
EBITDA margin 4.1%

$4.0M

Reported EBIT
+74.8% on PCP
EBIT margin 2.0%

1.35M

Total contactable database
+20.4% on PCP

$12.7M

Cash
+8.7% on PCP[3]

1. Comparisons to 12 months ending 30 June 2024 ('prior corresponding period', 'PCP') unless stated otherwise.
2. EBITDA and EBIT are normalised, excluding one-off acquisition and restructuring costs. Refer to the Directors' Report for a reconciliation of Statutory Profit before Tax to Normalised EBITDA and EBIT.
3. Comparison to 31 Dec 2024.

Five Adore Beauty retail stores opened, materially broadening addressable market[1]

Launched in 2000 as Australia's first beauty focused e-commerce website, Adore Beauty's vision is to help customers feel more confident every day, by delivering an empowering and engaging beauty shopping experience personalised to their needs.

Adore Beauty has evolved from an e-commerce retailer into a leading beauty authority as a multi-channel growth platform powered by technology and data. Our aim is to be known as a trusted, authentic and credible voice in beauty and personal care and to deliver 'Beauty Done Better' for our customers.

1. As at 25 August 2025.

CHAIR'S LETTER

DEAR SHAREHOLDERS,

On behalf of the Board of Adore Beauty Limited it is a privilege to present the Company's Annual Report for the year ending 30 June 2025 (FY25).

FY25 has marked a year of significant change for Adore Beauty. Under the leadership of our new CEO Sacha Laing, the company has refreshed its strategic growth plans to deliver a step change in revenue and margins over the next three years. For the first time, we've outlined what material growth looks like with five measurable FY27 targets. These are Group revenue growth of more than 30%, gross margin expansion of over 200 basis points, owned brands accounting for 8-10% of product revenue, EBITDA margin above 8%, EBIT margin above 5%, and more than 1.25 million annual customers.

Our mid-term strategy will see us diversify our operating model to include a national retail network of more than 25 stores. The team has wasted no time in building an omni-channel presence, opening five Adore Beauty branded stores and two iKOU stores since February. A retail network provides brand awareness benefits and significantly increases our addressable market – enabling us to take share within the broader $13.9 billion Australian beauty and personal care sector. While our retail stores are an extension of our industry-leading online business, we are certainly seen as a challenger in the physical beauty market. We are encouraged by the early performance of our higher-margin stores, and continue to add new functionality to enhance customer experience such as endless aisles and treatment rooms.

During the fiscal year, we also acquired and successfully integrated the iKOU business. iKOU delivered strong growth across all channels in FY25, benefitting from improved brand awareness and product availability. More than 100 iKOU SKUs are now available through the Adore Beauty platform, and the brand launched as a marketplace partner on The Iconic in March. We're also investing in expanding iKOU's retail network beyond NSW, opening a flagship store in Melbourne CBD with another under development in the Victorian seaside town of Sorrento. Our newly opened store in the NSW coastal town of Berry features our first day spa. We are leveraging Group shared services to realise efficiencies, including online fulfilment moved to Adore's customer fulfilment centre as well as finance, property and store development.

Operational initiatives under the new strategy and the integration of IKOU delivered record profitability and gross margins in FY25. Reported EBITDA[1] of $8.1 million was more than 67% higher than the prior year and EBIT[1] increased almost 75% over the same period to $4.0 million. Revenue increased 1.6% over the PCP to $198.8 million, reflecting a greater focus on improving quality of earnings with reduced promotional activity. Our active customer base grew 2.6% over the prior year to 837,000 with improved marketing efficiency in the second half delivering more profitable new customer growth. New customers increased almost 5% in the second half compared to the same period last year, alongside a $15 reduction in acquisition costs. Importantly, the company remains well-funded to deliver on its growth plans with a cash balance of $12.7 million at the end of the financial year, and no debt.

In April, we welcomed seasoned industry executive Iain Nairn as an independent Non-Executive Director. Iain brings extensive omni-channel and retail experience to the Board, previously holding senior roles at David Jones, Country Road PLC and Witchery Group. His retail know-how will be invaluable as we build our national retail network and grow our online business. During the year, co-founder and Non-Executive Director James Height stepped down from the Board. Importantly, we continue to retain his expertise as an alternate Director to Kate Morris. I'd like to take this opportunity to thank my fellow Directors for their guidance and counsel.

On behalf of the Board, I'd like to thank the entire Adore Beauty team for their hard work and dedication over the past year. In challenging retail conditions the team have delivered a solid financial result while making significant operational progress under the new strategy.

Finally, thank you to our shareholders for being on the journey with us. Adore Beauty is executing on a clear mid-term strategy to significantly increase active customers, revenue and profitability. I've never been more excited about the company's future, and firmly believe our share price does not reflect our online market leadership or broader omni-channel opportunity. We look forward to growing the business and delivering value for our stakeholders in FY26.

Marina Go AM
Chair

1. EBITDA and EBIT are normalised, excluding one-off acquisition and restructuring costs. Refer to the Director's Report for a reconciliation of Statutory Profit before Tax to Normalised EBITDA and EBIT.

837,000

Active customers

+2.6% on PCP

1.35M

Total Contactable Database

+20.4% on PCP

“While our retail stores are an extension of our industry-leading online business, we are certainly seen as a challenger in the physical beauty market”

CEO'S LETTER

DEAR SHAREHOLDERS,

Since joining Adore Beauty Group in September, working with the Board and leadership team we have reset our strategic plans with a clear three-year roadmap to deliver a step change in revenue, profitability, and active customers. The strength of Adore Beauty's leading e-commerce capability and active customers underpins our growth ambitions, providing a strong platform for our omni-channel expansion and transformation.

FY25 Results

The early impacts of our strategic refresh delivered record profitability in FY25, driven by improved quality of revenue through refined promotional cadence, growing owned brands, expanding retail media, as well as disciplined cost and inventory management.

Reported EBITDA[1] increased 67.8% over the prior year to $8.1 million with margin up 160 basis points to 4.1%. EBIT[1] of $4.0 million was 74.8% higher than the prior year at a margin of 2.0%, up 80 basis points on FY24. This significant step-up ensures we are on track to double our EBIT margin to more than 5% of revenue by the end of FY27.

Gross profit margin of 35.3% was another financial-year record, improving 1.9 percentage points over the prior period and reflecting increased revenue contribution from higher-margin owned brands, retail media and improved inventory discipline.

Revenue of $198.8 million increased 1.6% on prior year as we continue to focus on improving the quality of our earnings through reduced promotional cadence. This approach is also lifting the quality of our active customer base, which increased 2.6% over the year to 837,000. Our large and growing total contactable database now sits at more than 1.3 million, providing a material opportunity for us to cost-effectively grow our active customers and share-of-wallet.

A revised focus on quality of revenue combined with redefined new customer acquisition strategies saw new customers return to growth in the second half of the year, up 4.9% over the same period in FY24. Whilst delivering this growth in new customers the business also delivered significant reduction in the cost of new customer acquisition, down $15 on the PCP to $59. As a result, FY25 marketing expenditure was also more efficient, representing 12% of sales — down 1.3 percentage points over the prior year. We expect marketing efficiency to deliver further improvement both in the short term through our refined acquisition strategies and long term supported by improved brand awareness and in-store new customer growth.

Strategic refresh

In November, we outlined a new three-year strategy to materially grow the business. Key to our future growth is diversification of our operating model to include a physical retail network, substantially broadening our addressable market, improving our margin profile, and driving sales to our online platform, as well as growing owned brands revenue and margin contribution.

Our online market leadership over more than two decades provides us with unique advantages within the physical Australian beauty market — as we are a trusted authority on beauty and personal care, with an extensive brand portfolio of the best and most desired international and national brands supported by an existing large customer base (and contactable database).

We've made significant in-roads in establishing a retail footprint, opening five digitally enabled Adore Beauty stores this calendar year across Victoria (Southland, Watergardens), Western Australia (Carousel, Booragoon) and New South Wales (Broadway).
A further four are under construction and will open later in 2025. A total of 12—14 new retail stores are planned for FY26, including our first stores in Queensland and South Australia. Our stores are performing well against revenue targets with strong margins and well managed operating costs. Almost a third of all store transactions are from new customers, and over 78% of existing customers have bought a brand in-store they have never purchased from us online. Skincare accounts for almost half of all in-store sales, and we're seeing the higher-margin fragrance category represent a larger proportion of our sales mix.

While our store network is rapidly building, continued investment in our core business remains our priority. During the year, we significantly enhanced our online infrastructure with AI-driven personalisation, faster site speed, and a soon-to-be launched platform refresh. These enhancements elevate

1. EBITDA and EBIT are normalised, excluding one-off acquisition and restructuring costs. Refer to the Director's Report for a reconciliation of Statutory Profit before Tax to Normalised EBITDA and EBIT.

"Over the year ahead, we expect strong revenue growth from higher-margin owned brands, retail media and retail stores, supported by upward momentum in our online business."

customer experience and are delivering meaningful conversion improvements – up 7.8% on the prior year.

In FY25, we launched a new tiered loyalty program to improve on-site member experience and reward customers for making repeat purchases. 'Adore Rewards' enables members to earn $20 for every $250 spent, with the opportunity to choose from a selection of free full-size gifts four times a year along with access to special events and campaigns. 'Adore Rewards' now has over 440,000 members with more than half shopping via the Adore app, driving further marketing efficiencies and engagement.

This year we further enhanced our brands portfolio, onboarding 60 new brands and building out our Korean beauty range. New brands include Biodance, Hermes, Gucci Beauty, MCoBeauty and Prada Beauty, and we have a strong new brand pipeline in FY26 to support customer engagement, acquisition and retention. Adore Beauty's range is extensive with over 15,000 products – all of which can be ordered from our platform or in-store from our endless aisles.

Significant growth of high-margin owned brands is key to unlocking margin expansion. During the year, we integrated the iKOU brand within the broader Group, leveraging our existing infrastructure and capability to drive growth and realise efficiencies. In FY25, iKOU delivered strong growth across all channels – retail, direct-to-consumer, and wholesale – and we continue to improve availability of the brand through our core business and complementary channels. We're also expanding iKOU's retail network, opening new stores in Berry (NSW) and a flagship store in Melbourne CBD. An additional store in Sorrento in Victoria will open later this calendar year with 1–2 additional stores planned in H2 FY26. We expect our owned brand portfolio, comprising iKOU, Viviology and AB Lab, to account for more than 6% of Group revenue in FY26.

Our growing retail media arm is another driver of margin improvement, and we have invested in a dedicated team to increase revenue contribution from the commercialisation of our platform and marketing assets. At the same time, operational efficiency across the Group is reducing the cost of doing business and supporting our 2027 profitability targets. Optimised inventory management has created $3.1 million in improved working capital whilst maintaining in-stock benchmarks. Over the course of the year, we also in-housed our digital agency, rationalised technology infrastructure partners, and awarded a 3-year shopfit partner. A new Group freight provider will deliver material cost savings from October 2025.

Outlook

Adore Beauty's positive momentum has continued into the new financial year with trading in the first seven weeks up 9.0% over the PCP. Growth is being driven by online conversion improvements, new retail stores, growing customer base, owned brand growth, our new loyalty program, and more effective marketing.

Over the year ahead, we expect strong revenue growth from higher-margin owned brands, retail media and retail stores, supported by upward momentum in our online business as the benefits of our strategic direction continue to enhance our core business. In FY26, with strong revenue expectations the company is targeting a Group EBITDA margin of 5–6% and Group EBIT margins of 2.5–3.5%.

Our operational and financial progress over the past year would not have been possible without the dedication of the talented Adore Beauty team - now expanded to also include our iKOU team. FY25 has been a year of significant transformation for the Group, and I thank the team for embracing our forward vision and driving our momentum.

I would like to also thank Marina and the Board for the opportunity to lead Adore Beauty Group. We have made significant progress in our three-year strategy with strong momentum heading into what I believe will be a fantastic period of growth and value creation for our stakeholders.

Sacha Laing
CEO

FY27 STRATEGIC PLAN – TARGETS[1,2]

Our Vision is to make beauty a source of confidence, empowerment and wellbeing, offering personalised experiences that celebrate individuality

>$260M

Total Group Revenue[2]

+30%

>200bpts

Gross margin expansion

>8%

EBITDA target of revenue

>(150bpts)

CODB contraction/efficiencies

>5%

EBIT target of revenue

>8%

Owned brands mix of total product revenue

>1.25M

Annual active customers

1. Management targets, not a forecast. Based on management estimates and subject to timing and execution of each initiative.
2. Comparison to FY24.

REVIEW OF OPERATIONS

3

Executing against a clear three-year strategy to materially grow the business

Financial performance

Adore Beauty delivered record profitability and gross margins in FY25, underpinned by owned brands, retail media, and disciplined cost and inventory management. Reported EBITDA[1] of $8.1 million and EBIT[1] of $4.0 million increased 67.8% and 74.8% respectively over the prior year. Margins were in line with guidance at 4.1% for EBITDA and 2.0% for EBIT – up 160 and 80 basis points on the PCP[1]. Cost efficiencies, improved inventory turnover, and growing revenue contribution from high-margin retail media lifted gross profit margin to a record 35.3% for a financial year, up 190 basis points on FY24.

In a challenging consumer market, Adore Beauty's annual revenue increased 1.6% over the prior period to $198.8 million with reduced promotional cadence improving the quality of its earnings. The company is cash flow positive and debt-free with a cash balance of $12.7 million as at 30 June 2025, following its $20 million upfront consideration for Australian beauty and wellness brand iKOU during the year.

3-year strategic refresh

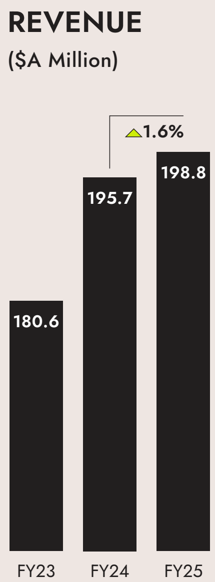
In FY25, Adore Beauty outlined a new three-year strategy to become a leading omni-channel retailer and improve the quality of its earnings. Under the plan, the company is establishing a national retail store footprint to significantly broaden its addressable market, targeting more than 25 stores to deliver a step change in growth. Greater availability of high-margin owned brands, including iKOU, and growing revenue contribution from retail media will drive material margin expansion.

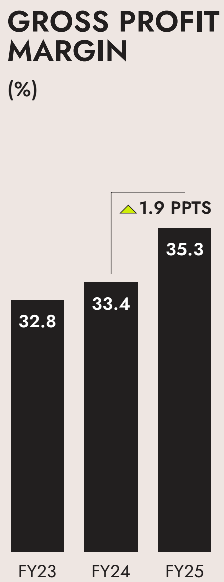
The three-year strategy aims to deliver five key targets by the end of FY27: total Group revenue of more than $260 million, gross margin expansion of over 200 basis points, owned brands representing 8-10% of total product revenue, EBITDA margin above 8% and EBIT margin above 5%, and more than 1.25 million active customers.

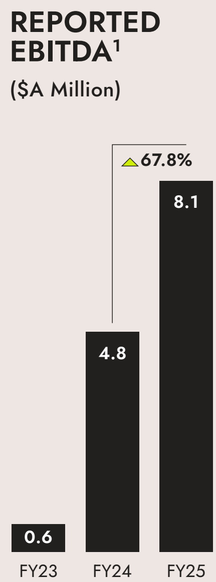
Operational

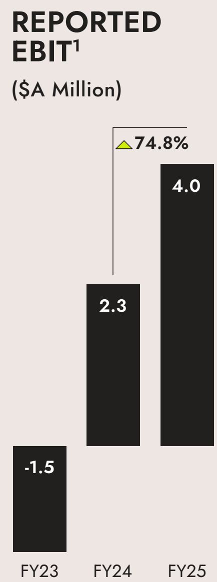
Adore Beauty's active customer base increased 2.6% over the prior period to 837,000, with new customer acquisition returning to growth in the second half of the year. New customers in H2 FY25 increased 4.9% over the PCP, achieved alongside a $15 reduction in customer acquisition costs to $59 over the same period. Adore Beauty's acquisition strategy is focused on profitable customer growth and is improving the quality of its active customer base. Marketing efficiencies are expected to deliver further improvement over the coming years, supported by in-store customer acquisition and greater brand awareness.

Adore Beauty's total contactable database continues to grow, up 20.4% over the prior year to more than 1.3 million. It provides a significant opportunity for the company to cost-effectively grow active customers and share-of-wallet.





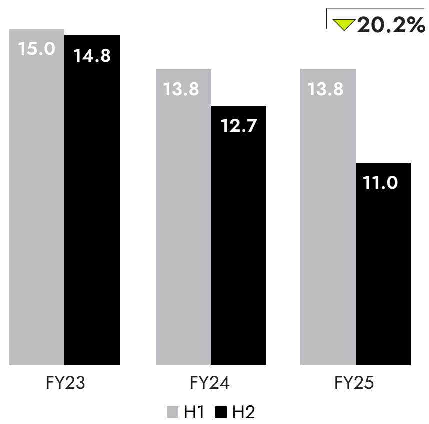




1. EBITDA and EBIT are normalised, excluding one-off acquisition and restructuring costs. Refer to the Director's Report for a reconciliation of Statutory Profit before Tax to Normalised EBITDA and EBIT.

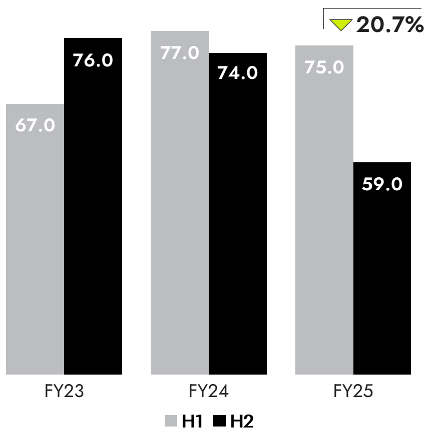
MARKETING SPEND

(% of revenue)



CUSTOMER ACQUISITION COST

($)



NEW CUSTOMERS[1]

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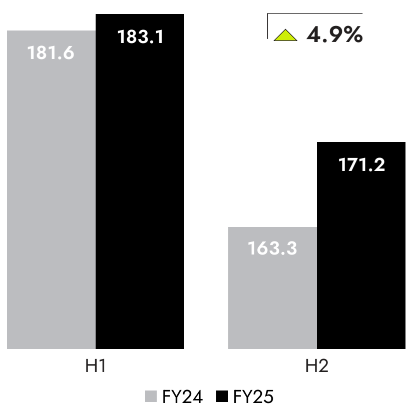

1. Excludes iKOU

Investment in tech stack

Adore Beauty continued to invest in its core business in FY25, implementing significant online infrastructure enhancements that delivered a 7.8% increase in conversion. Enhancements include AI-driven personalisation to improve product selection, faster site speed, and a soon-to-be-launched platform refresh. The re-platformed tech stack has materially improved site speed with the time it takes for the largest visible element on a page to load now best-in-class at 1.2 seconds.

Adore Rewards

During the year, Adore Beauty launched a new loyalty program to improve its member experience and encourage repeat purchasing. Adore Rewards is a value-led program that enables members to earn $20 for every $250 spent, with the opportunity to choose from a selection of full-size gifts four times a year. The tiered program rewards repeat purchases – addressing Adore Beauty's largest opportunity to increase retention and share-of-wallet.

Retail stores

Adore Beauty diversified its operating model in the second half of FY25, opening three integrated retail stores located in Southland (VIC), Watergardens (VIC), and Carousel (WA). Booragoon (WA) and Broadway (NSW) opened in July and August 2025 respectively. The company's retail network is expected to expand by a further 12-14 new stores in FY26, including its first stores in Queensland and South Australia.

The Adore Beauty-branded stores are in high foot-traffic locations, enhancing customer convenience, building brand awareness for the core business, and delivering incremental sales.

Owned brands

In early FY25, Adore Beauty significantly strengthened its owned brand portfolio, acquiring premium Australian beauty and wellness brand iKOU. The acquisition included three retail boutiques in New South Wales, a direct-to-consumer website, wholesale distribution agreements with retail stockists and luxury spas, and more than 300 SKUs.

iKOU delivered strong revenue growth across all channels in FY25, benefitting from improved availability with more than 100 SKUs now on the Adore Beauty platform, marketplace partner with The Iconic, and new retail stores in Berry (NSW) and a flagship location in Melbourne CBD. A store in Sorrento (VIC) is opening in November 2025.

iKOU was successfully integrated into the company's shared services during the year with online fulfilment now moved to the Adore Beauty Customer Fulfilment Centre. A new Managing Director has recently been appointed to drive growth and provide dedicated leadership focus.

Adore Beauty's owned brands include iKOU, Viviology, and AB Lab, and are expected to account for more than 6% of Group revenue in FY26. Owned brands are high-margin growth levers and support the Group's mid-term profitability targets.

Range expansion

Range expansion remains an important driver of customer acquisition and retention. In FY25, Adore Beauty onboarded 60 new brands, including Hermes, Gucci Beauty, MCoBeauty, Ecoya, and Prada Beauty. The company also enhanced its Korean skincare offering, launching Biodance, Medicube and Beauty of Joseon. The Company's full range comprises over 300 brands and more than 15,000 products.

Retail media

Adore Beauty continued to leverage its platform and marketing assets in FY25, with strong retail media growth supporting margin expansion. The company invested in a dedicated team to drive increased revenue contribution from retail media. Improved marketing efficiency and retail media growth delivered a reduction in marketing as a percentage of sales, down 1.3 percentage points over the prior year to 12%.

CODB efficiencies

In FY25, Adore Beauty implemented initiatives across marketing, inventory, and freight to improve operational efficiency.

On the marketing front, the company in-housed its digital agency, which is delivering higher ROI and cost savings. Adore Beauty also reduced its promotional cadence, which has improved the quality of its earnings and active customer base.

Optimised inventory management prioritising best-performing brands increased stockturn, creating $3.1 million in improved working capital whilst maintaining in-stock benchmarks.

A new partnership with a freight provider will deliver material cost savings from October 2025 while a 3-year shopfit partner will deliver efficiencies at scale for ongoing store capital costs. Other efficiencies include rationalised and streamlined technology infrastructure partners and commissioned machinery to automate carton making.

Outlook

Retail trading conditions are expected to improve over FY26 as macro tailwinds ease cost-of-living pressures for consumers. Adore Beauty has had a strong start to the new fiscal year with trading in the first seven weeks up 9.0% over the same period last year.

Over the coming year, the company will continue to execute on its mid-term strategy, diversifying its operating model to strengthen the core business and grow revenues, active customers, and profitability. Higher-margin owned brands and retail stores will drive margin improvements in FY26.

Adore Beauty remains on track to achieve its FY27 targets. The company is targeting Group EBITDA margin of 5-6% for the full year in FY26 – a 90-200 basis point improvement on FY25. Group EBIT margins are expected to be in the range of 2.5-3.5% in FY26, up 50-150 basis points on the PCP.

Adore Beauty's owned brands include iKOU, Viviology, and AB Lab, and are expected to account for more than 6% of Group revenue in FY26.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Adore Beauty Group refined its ESG program in FY25, improving the sustainability of its operations and enhancing corporate transparency and inclusivity. The Group continues to drive positive change for its customers and community, creating a more resilient and responsible business for the future. This report outlines the Group's ESG progress over the past year.

Sustainability

As part of Adore Beauty's commitment to improving the sustainability of its operations, all new retail stores are equipped with digital visual merchandise and screens. This has reduced the need for traditional printed materials, including paper pricing and signage. Paper receipts are only available upon customer request.

The Group also improved the sustainability of its iKOU business, eliminating paper invoices from customer orders and replacing poly bean packaging with recyclable and recycled void fill.

Modern Slavery

Adore Beauty remains committed to responsible sourcing[1] and eliminating modern slavery risks across its supply chains and operations. In FY25, the Group strengthened its Modern Slavery Compliance Program, conducted internal training and utilising its Adore Trade Partner review form to assess supplier practices and prioritise areas for further due diligence.

The Group will release a new video-based course over the coming year, ensuring team members remain informed, engaged, and empowered to identify risks.

Wellbeing, Flexibility and Inclusion

In FY25, Adore Beauty Group introduced a new, more inclusive approach to flexible working. It replaced its Compressed Work Week model with an expanded leave benefits program with five days of dedicated Wellbeing Leave, enabling all team members to take time off for personal milestones, cultural events, and family commitments. Adore Beauty also introduced a day of Birthday Leave, which has enhanced the Group's flexibility arrangements, and something team members had advised would be a valued benefit.

Importantly, these leave benefits are available to all permanent team members across the Group, including its retail stores and fulfillment/distribution centres. The changes have had a particularly positive impact in parts of the business where hybrid work isn't possible, ensuring the Group's approach to wellbeing is more equitable.

Workplace and Accessibility

During the year, Adore Beauty relocated its Head Office to a central Southbank location, improving accessibility via public transport and providing greater support for employees with additional needs. The new Head Office has created more opportunities for cross-functional engagement, and has supported the Group in attracting high-quality talent. Adore Beauty continues to offer a hybrid working model for corporate roles.

1. Responsible sourcing is an approach to procurement and supply chain management that prioritizes ethical, social, and environmental considerations alongside traditional business factors like cost and quality.

Inclusive Recruitment

In FY25, Adore Beauty continued to evolve its recruitment practices to create a more inclusive and equitable candidate experience. For retail teams, the Group introduced a blended interview model combining group interviews with individual conversations. This approach ensures candidates have the opportunity to present themselves in the way they feel most comfortable, whether that's through team interaction or one-on-one discussion. Across all roles, Adore Beauty uses structured interview guides to support fair assessment and provide each candidate with a consistent opportunity to demonstrate their skills, values and potential. These practices are part of the Group's ongoing commitment to inclusive hiring and building diverse teams.

Reconciliation and Community Impact

FY25 marked the company's first full year implementing its Reflect Reconciliation Action Plan (RAP), endorsed by Reconciliation Australia. Adore Beauty has embedded Acknowledgements of Country into weekly meetings, engaged First Nations suppliers for goods and services, and continued its internal education efforts. These initiatives reflect a broader commitment to community, inclusion and making a meaningful contribution to reconciliation in Australia.

Leadership, Growth and Representation

During the year, the Group continued to invest in employee development through 'Adore Beauty University' and expanded its leadership coaching program. In FY25, the Group made 17 internal promotions, reflecting a strong culture of growth and capability building.

Looking ahead, Adore Beauty remains focused on creating meaningful change through inclusive practices, flexibility that works for everyone, and a culture where wellbeing and belonging are central to how the Group functions.

Adore Beauty Group Limited
ABN 78 636 138 988

FINANCIAL REPORT

30 June 2025

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DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Adore Beauty Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were Directors of Adore Beauty Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Marina Go AM – Non-Executive Chair
- Kate Morris – Non-Executive Director
- Sandra Birkensleigh – Non-Executive Director
- Lisa Hennessy – Non-Executive Director
- Iain Nairn – Non-Executive Director (appointed 1 May 2025)
- James Height – Non-Executive Director (resigned 22 November 2024 and reappointed as an alternate director on 27 June 2025)

Principal activities

Adore Beauty Group generates its revenue as a major retailer in the beauty and personal care industry, offering a wide selection of products both in-store and online. With over 15,000 products and 300 brands, the Group has a broad range to offer its customer base in Australia and New Zealand. The Group has fulfillment centres in Victoria and New South Wales.

There have been no changes in the Group's principal activities during the financial year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations and financial performance

FY25 was a year that demonstrated strong momentum of the Group's strategy refresh and focus on profitable growth.
The Group delivered margin expansion as it progresses it's near-term objectives of improving quality of revenue and underlying profitability. The Group also completed its acquisition of iKOU Holdings Pty Ltd (Group) on 31 July 2024.

Revenue for the year was $198.8 million which a 1.6% increase over the prior comparative period.

Profit before tax was $1,232,000 (30 June 2024: $2,825,000) down 56.4% on the previous corresponding period. This includes one-off acquisition-related and restructuring costs totalling $2.5 million.

Earnings before interest, tax, depreciation, amortisation and other one-off costs ('Normalised EBITDA') for FY25 was $8,062,000 and the Normalised EBITDA margin was 4.1%.

Earnings before interest, tax, depreciation, amortisation and other one-off costs ('Normalised EBITDA') is a non-IFRS measure and is the primary reporting measure used by Key Management Personnel (KMP), being the Chief Executive Officer, Management and the Board of Directors, for the purpose of assessing the performance of the Group. The table below includes the reconciliation of the statutory profit before tax to the underlying normalised profit before tax, normalised EBIT, normalised EBITDA:

	2025 $'000	**2024 $'000**
Statutory profit before tax	1,232	2,825
Normalisations		
Add: Acquisition-related costs	1,998	–
Add: Restructure costs	549	–
Normalised profit before tax	3,779	2,825
Adjustments		
Add: Finance costs	322	103
Deduct: Interest income	(101)	(638)
Normalised EBIT	4,000	2,290
Adjustments		
Add: Depreciation	1,965	753
Add: Amortisation	2,097	1,766
Normalised EBITDA	8,062	4,809

Normalisation adjustments relate to one-off costs impacting the period, comprising restructure and acquisition-related costs.

The Group delivered a strong operational and financial performance in FY25, achieving growth in profitability and margin expansion. These reflect the successful early execution of strategic priorities, including a focus on owned brands, growth in retail media, and disciplined cost and inventory management.

Normalised EBIT increased 74.8% over the prior comparative period to $4.0 million, delivering a normalised EBIT margin of 2.0%, in line with guidance. The Group achieved gross margin of 35.3%, up 187 basis points on prior comparative period, driven by improved product mix and operational efficiencies.

Operating cash flow was positive, with a closing cash balance of $12.7 million as at 30 June 2025, down $20.2 million on prior year, reflecting the Group's investment in iKOU.

Please refer to the Group's FY25 results presentation for further commentary on the Group's financial and operational results.

Business strategies into the future

In November 2024, the Group outlined its new three-year strategy to become a leading omni-channel beauty retailer.

Key components of the strategy include:

- A national retail store footprint, targeting 25+ stores;
- Significant growth of owned brands through channel expansion and investment in retail media capability delivering material margin expansion;
- New customer acquisition through new channels growing active customers to +1.25M; and
- Accelerated operational efficiencies through advance data and AI capability to drive enhanced customer experience and significant operating efficiency.

The Group is executing on its mid-term growth plan.

Some of the initiative highlights across the year included:

- The Group continued to invest in its core business, implementing significant online infrastructure enhancements to improve customer experience and conversion. Enhancements include AI-driven personalisation, faster site speed, and a soon-to-be-launched platform refresh;
- Newly launched loyalty program, "Adore Rewards". Adore Rewards focuses on rewarding customers for making repeat purchases and targets the Group's largest opportunity to increase retention and share-of-wallet;
- New customer acquisition returned to growth in H2 FY25, up 4.9% on the prior comparative period. This growth was achieved with significantly reduced marketing costs;
- The Group successfully opened three integrated retail Adore Beauty stores with a further two under construction as at the end of FY25;
- Completed the acquisition of iKOU on 31 July 2024. The acquisition of iKOU is a key lever to deliver owned brand margin expansion; and
- The iKOU brand continues to grow across all channels benefitting from availability on the Adore Beauty platform. One new retail store opened during the year, taking the total to three retail stores with a further store under construction at year-end. Owned brands are a high-margin growth lever and support the Group's mid-term profitability targets.

Please refer to the operational review section and the Group's FY25 results presentation for further commentary on the Group's financial and operational results.

Material business risks

There are a number of market, financial and operational risks, both specific to the Group and externally that could have an adverse effect on the Group's future performance. The Group has a risk management framework in place with internal control systems to identify key business risks and mitigate them to an acceptable level. The material business risks are summarised below:

Risk	Description
External economic factors affecting continued growth	While the retail market and the beauty and personal care market have been growing, there is no guarantee this will continue into the future. The Group is subject to factors outside its control including Australia's economic outlook, movements in the cash rate and unemployment rate, levels of building activity, instability in real estate and housing markets, consumer sentiment, global economic outlook, foreign economic shocks and adverse exchange rate instability. One or more of these factors could cause a contraction in the forecasted growth of retail or the demand for beauty and personal care products.
Supply chain disruption	The Group's supply chain is important in ensuring that products are available for our customers. The key risks in the Group's supply chain include events of global significance that disrupt global supply chains and domestic disruption due to natural disasters. If the Group's supply chain is significantly disrupted, this may have a material adverse effect on the Group's financial and/or operating performance.
New and existing competitors could adversely affect prices and demand for beauty and personal care products and decrease ABY's market share	The beauty and personal care market is highly fragmented. Competition can arise from several sources including traditional physical retailers, omni-channel, mono-channel, multi-branded retailers, and online-only e-commerce competitors. Existing competitors may strengthen their market share through increased funding or industry consolidation, an increase in brand awareness or attractiveness to customers, or through financial or operational advantages which allow them to compete aggressively on pricing. New competitors may also enter market and take share from the Group. Competition may also come from third-party suppliers establishing their own presence — as opposed to utilising the Group's network.
Supplier relationships	The Group's ability to grow relies on retaining its existing key supplier relationships and continuing to attract suppliers on acceptable terms. The Group's supply agreements are negotiated on a case-by-case basis and there is no guarantee that these arrangements will be renewed on like terms. The deterioration of the Group's relationships with these suppliers or inability of these suppliers to renew contractual agreements on acceptable terms, or at all, may have a material adverse effect on the financial and/or operational performance in the future.
Health, safety and wellbeing risks	The health, safety and wellbeing of the team and everyone who could be impacted by Adore Beauty's business, including customers and suppliers, is its highest priority. A major health, safety or wellbeing incident could have adverse impacts on an employee, supplier or customer.
Employee recruitment and retention	The future success of the Group is dependent on its key personnel and its ability to attract and retain individuals that will complement its culture and retain an experienced and high performing team. Competition for key personnel within the retail e-commerce market could increase the demand and cost for quality employees. The Group's ability to meet its labour needs while controlling costs associated with hiring and training employees is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics. This may impact the Group's ability to achieve its financial and/or operational performance goals.

Risk	Description
Performance and reliability of websites, databases, its operating systems and internet.	The Group's website, databases, IT, warehouse systems and management systems are critically important to its success in attracting and retaining customers and maximising sales conversion from those customers. The Group also relies on services provided by third party providers. The Group's financial and operational performance could be adversely impacted by a system failure within its own systems, or to third-party suppliers of its systems and products. This may adversely affect the customer experience and reduce the attractiveness of its website to customers, limiting future sales.
Cyber and security risks	The Group could be subject to a range of cyber risks which could result in unauthorised access or disclosure of information held by the Group. A cybersecurity incident could adversely impact the Group's ability to operate and to meet the needs of its customers. Unauthorised disclosure of, or unauthorised access to, personal information under the control of the Group could have an adverse impact on the Group's reputation, market position, financial performance and could result in regulatory action.
Legal, regulatory and compliance	The Group could misinterpret or have a poor understanding of tax, corporate, or other key legislation impacting the Group's operations which could lead to regulatory non-compliance. This may result in misstatements of tax liabilities, breaches of legal or regulatory requirements, and violations of data privacy obligations. Consequences may include significant financial penalties, legal action, reputational damage, and loss of stakeholder trust.
Sustainability and Social responsibility	The sustainability of the business is impacted by a number of environmental and social factors. Any actual or perceived failure to adequately address sustainability related issues may have an adverse impact on the Group's reputation, operational or financial performance, in particular: • Identifying issues in its supply chain (including modern slavery practices) • Sourcing sustainable materials and packaging • Implementing product compliant systems to impact product safety • Promoting inclusion and gender equality
Strategic	Adore Beauty Group is executing a three-year strategic plan. This plan could be impacted by a number of factors including: • Entrance of new competitors • Aggressive discounting by local competitors • DTC distribution strategies of global brands • Reduction in consumer spending and demand may lead to a decline in the Group's sales and profitability • Inability to secure leases in good/profitable locations • Trends in consumers not shifting to online at the same rate as the UK and US
Stores	A key pillar of the Group's strategic plan is the expansion into a physical store environment. There are a number of risks that could impact the delivery of this initiative: • Broader economic conditions and cost of living impacts • Long term leases • Suppliers may not support Adore Beauty Group's physical store expansion which may impact store revenue • Supply chain disruption • New market entrants diluting share

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The Group is in the process of opening new stores throughout Australia in 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	**Marina Go AM**
Title:	Non-Executive Chair
Qualifications:	B.Arts, MBA
Experience and expertise:	Marina is an experienced independent Non-Executive director. She serves on the boards of a diverse range of listed and private entities across retail, convenience, energy and infrastructure. Marina has more than 26 years of leadership experience in the media industry, including CEO, GM and Publishing Director roles. She is a member of O'Connell Street Associates, the Australian Institute of Company Directors and Chief Executive Women.
Other current directorships[1]:	Non-Executive Director of Metcash Ltd (appointed 1 February 2025) Non-Executive Director of Southern Cross Media Group (appointed October 2024) Non-Executive Director of Transurban Group (appointed 1 December 2021)
Former directorships (last 3 years)[2]:	Non-executive director of Autosports Group Ltd (retired 22 November 2024)
Special responsibilities:	Member of the Audit and Risk Management Committee
Interests in shares:	27,407 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Name:	**Kate Morris**
Title:	Non-Executive Director
Qualifications:	B.Bus. (Management)
Experience and expertise:	Kate is a co-founder of Adore Beauty, and was Director and joint CEO with James Height since the Company's formation in 2000 until 2018 when she became an Executive Director. She transitioned to Non-Executive Director from 1 July 2023. Kate is a two-time winner of the Telstra Business Women's Awards (2010 and 2014), and the first woman to be awarded the Industry Recognition Award for e-commerce at the StarTrack ORIAs in 2017.
Other current directorships[1]:	Nil
Former directorships (last 3 years)[2]:	Nil
Special responsibilities:	Member of the People and Remuneration Committee
Interests in shares:	10,400,000 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Name:	**Sandra Birkensleigh**
Title:	Non-Executive Director
Qualifications:	B.Com
Experience and expertise:	Sandra is an experienced independent Non-Executive Director. She serves on the boards of a diverse range of entities across financial services, convenience, retail and resource companies. Sandra was formerly a partner of PwC for 16 years. Sandra is a member of the Institute of Chartered Accountants in Australia and New Zealand, a member of the Australia Institute of Company Directors and a life member of the Governance, Risk and Compliance Institute of Australia and a Certified Compliance Professional (Fellow).
Other current directorships[1]:	Non-Executive Director of MyState Bank Group Ltd (appointed February 2025) Non-Executive Director of Horizon Oil Ltd (appointed February 2016) Non-Executive Director and Chair of Auswide Bank Ltd (appointed January 2015)
Former directorships (last 3 years)[2]:	Nil
Special responsibilities:	Chair of the Audit and Risk Management Committee Member of the People and Remuneration Committee
Interests in shares:	7,407 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Name:	**Lisa Hennessy**
Title:	Non-Executive Director
Qualifications:	B.Sci (Electrical Engineering), MBA, GAICD
Experience and expertise:	Lisa has extensive Non-Executive Director experience across listed, private and not-for-profit organisations. Lisa is currently a Non-Executive Director of ASX listed Cleanspace Holdings Limited and served as Lead Independent and Non- Executive Director of Nitro Software Limited. Previously, Ms Hennessy has held executive roles within global organisations and enterprise software businesses, including Bain, General Electric and Del Monte Foods working across the USA, Australia and EMEA. Lisa is a graduate of Australian Institute of Company Directors.
Other current directorships[1]:	Non-Executive Director of Cleanspace Holdings Ltd (appointed December 2021)
Former directorships (last 3 years)[2]:	Non-Executive Director of Nitro Software Ltd (Resigned March 2023)
Special responsibilities:	Chair of the People and Remuneration Committee Member of the Audit and Risk Management Committee
Interests in shares:	50,000 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

Name:	**Iain Nairn**
Title:	Non-Executive Director (appointed 1 May 2025)
Qualifications:	Secondary Education
Experience and expertise:	Iain is an experienced Non-Executive Director with extensive board and executive experience in both Australia and internationally. Iain has significant omnichannel, retail, data, sales and marketing experience in Australia and overseas, having held senior positions with organisations including HBC, David Jones, Country Road PLC and Witchery Group.
Other current directorships[1]:	Nil
Former directorships (last 3 years)[2]:	Nil
Special responsibilities:	Nil
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Name:	**James Height**
Title:	Non-Executive Director (resigned 22 November 2024) Alternate Non-Executive Director for Kate Morris (re-appointed 27 June 2025)
Qualifications:	B.Arts, B.Law, MBusMgt
Experience and expertise:	James is a co-founder of Adore Beauty, and was Director and joint CEO since the Company's formation in 2000 until 2018 and then sole CEO between 2018 and August 2020. James was most recently the Chief Data Officer at Adore Beauty before resigning on 30 June 2023. He transitioned to Non-Executive Director from 1st July 2023.
Other current directorships[1]:	Nil
Former directorships (last 3 years)[2]:	Nil
Special responsibilities:	Nil
Interests in shares:	10,400,000 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

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

Joint Company Secretaries

Stephanie Carroll (BEc.) has held the role of Company Secretary since October 2020. Stephanie is Chief Financial Officer (CFO) of the Group. Stephanie is a Certified Practicing Accountant and holds a Bachelor of Economics (Honours) from the University of Sydney.

Melissa Jones has held the role of Company Secretary since October 2020. Melissa is the General Manager of Company Matters, a part of MUFG Corporate Markets, a division of MUFG Pension & Market Services. Melissa has over 20 years' experience as a lawyer, company secretary and governance professional. Melissa is admitted as a Solicitor of the Supreme Court of New South Wales, holds a Bachelor of Laws (Honours) and is a Fellow of the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Group's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		People and Remuneration Committee		Audit and Risk Management Committee	
	Attended	Held	Attended	Held	Attended	Held
Marina Go AM	12	12	–	–	4	4
Kate Morris	11	12	4	4	–	–
James Height(i)	5	5	–	–	–	–
James Height(ii) *(as Alternate Director)*	1	1	–	–	–	–
Sandra Birkensleigh	12	12	4	4	4	4
Lisa Hennessy	11	12	4	4	4	4
Iain Nairn(iii)	2	2	–	–	–	–

(i) James Height retired as a Non-Executive Director with effect from the Annual General Meeting, which was held on Friday, 22 November 2024.
(ii) James Height was appointed as an Alternate Non-Executive Director to Ms Kate Morris, effective from 27 June 2025.
(iii) Iain Nairn was appointed as an independent Non=Executive Director, effective 1 May 2025.

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

The Board also convenes special committee meetings from time to time as may be required. There were no special meetings convened during the year.

Shares under option and rights

Unissued ordinary shares of Adore Beauty Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option or performance rights
17/01/2024	30/09/2028	$0.00	328,651
9/10/2024	24/11/2027	$0.00	1,500,000
9/10/2024	09/10/2034	$0.88	500,000
4/02/2025	28/11/2027	$0.00	982,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Group or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Adore Beauty Group Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

The Group has indemnified the Directors and executives of the Group for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the Directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of the Group

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

Officers of the Group who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Group who are former partners of Grant Thornton Audit Pty Ltd.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Marina Go
Chair

25 August 2025
Melbourne

REMUNERATION REPORT

Dear Shareholder,

On behalf of the Board, we are pleased to present Adore Beauty's remuneration report for the financial year ended 30 June 2025.

The 2025 financial year saw the delivery of $198.8 million in revenue, an increase of 1.6% on the previous year. Importantly, the Group delivered profit and gross margin improvements. The company delivered normalised EBITDA[1] of 4.1% which was in line with guidance and positive net operating cash flows of $7.9 million.

Adore Beauty also implemented key initiatives in its 3-year strategy that focus on near-term material profit growth, including the move to an omni-channel retailer with the opening of our three Adore Beauty branded stores across Victoria and Western Australia, with further store openings planned across the Group for FY26. The acquisition of iKOU was completed in July 2024.

The Group's results and strong financial position mean it is fully funded to execute on its strategic plans. The Board has established a remuneration framework that aligns the Company's performance with remuneration outcomes and delivers shareholder value.

Key Management Personnel (KMP) Changes

Tamalin Morton stepped down from her role as Chief Executive Officer on 27 September 2024.

Sacha Laing joined the business on 24 September 2024 as Chief Executive Officer. Sacha has extensive retail experience and has held roles as CEO and Director of Alquemie Group, CEO of General Pants and executive leadership positions with brands such as Country Road PLC and David Jones.

FY25 Remuneration outcomes

The remuneration outcomes described below deliver the balance between attracting, rewarding and motivating our key executives whilst meeting the expectations of our shareholders.

Fixed Remuneration

As advised last year, the Board undertook market benchmarking to ensure remuneration for executives are aligned with the market and organisation structure and size. Adjustments to Fixed Remuneration for KMP during FY25 were limited to recognising remuneration movement in the market (refer section 2a).

STI

Performance targets are linked directly to company financial results and individual strategic priorities for FY25. This plan was introduced in FY22 to retain and provide an incentive to KMP, offering them an 'at risk' incentive to remain clearly focused on the elements of the strategic plan that most impact profitable growth.

FY25 outcomes for KMP were based on the company full year results and the delivery of strategic priorities. The CEO will receive a payment of 25.0% of target, and 22.0% of the maximum opportunity under the STI plan. The CFO will receive a payment of 25.7% of target, and 22.6% of the maximum opportunity under the STI plan.

1. EBITDA margin represents normalised Earnings Before, Interest, Tax, Depreciation and Amortisation as percentage of revenue. A reconciliation of statutory profit to normalised EBITDA is located in Section 5 and excludes acquisition-related expenses and restructure costs.

LTI

In FY25, a new rights award was made to KMP under the LTIP. These rights will vest subject to achievement of share price targets (refer section 2c) to ensure complete alignment with all shareholders.

The initial rights offer made in FY23, due to vest at the end of the FY25 year has been tested for achievement of it's Compound Annual Growth Rate (CAGR) and relative Total Shareholder Return (rTSR) targets. This testing resulted in all rights lapsing as CAGR and rTSR performances were below threshold levels.

Looking ahead to FY26

The Board will maintain a focus on profitable results with 'at risk' remuneration for KMP and senior executives. This includes maintaining 'at risk' components and ensuring remuneration is competitive with peer companies. Goals will remain focused on profitable revenue growth and execution of strategic initiatives that drive long-term shareholder value.

Conclusion

FY25 has been a year of strategic evolution for Adore Beauty, maintaining positive growth trajectory and achieving EBITDA and EBIT improvement on a normalised basis.

Into FY26, the business is well positioned to execute on its mid-term strategy and we see further growth opportunities for the increasingly diversified Adore Beauty business, as we grow our core business, open additional stores and grow the iKOU brand. With this in mind, we remain focused on ensuring our remuneration framework supports and incentivises our business growth goals, whilst also reinforcing our strong company values and being aligned to the expectations of our shareholders.

Sincerely,

Lisa Hennessy
Chair – People and Remuneration Committee

The Contents

The remuneration report is set out under the following main headings:

1. Reward Overview

a. What does this report cover?

The remuneration report provides a summary of remuneration arrangements for the Group's Key Management Personnel (KMP) for the financial year ended 30 June 2025. This report has been prepared in accordance with the requirements of the Corporations Act 2001 and its Regulations and subsequently audited by Adore Beauty's External Auditor.

b. Key Management Personnel (KMP)

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. In this Report this includes Directors, the CEO and CFO.

The KMP of the Group are outlined in the following table:

Name	**Title**	**Independent**	**Term**
Non-Executive Directors			
Marina Go	Non-Executive Chair	Yes	Full financial year
Sandra Birkensleigh	Non-Executive Director	Yes	Full financial year
Lisa Hennessy	Non-Executive Director	Yes	Full financial year
Kate Morris	Non-Executive Director	No	Full financial year
Iain Nairn	Non-Executive Director	Yes	1 May 2025 to 30 June 2025
James Height	Non-Executive Director	No	1 July 2024 to 22 November 2024
James Height	Alternate Non-Executive Director	No	27 June 2025 to 30 June 2025
Executive Management			
Sacha Laing	Chief Executive Officer		24 September 2024 to 30 June 2025
Tamalin Morton	Chief Executive Officer		1 July 2024 to 27 September 2024
Stephanie Carroll	Chief Financial Officer		Full financial year

c. Role of the People and Remuneration Committee

The People and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The remuneration philosophy is to attract, motivate and retain experienced and high performing people.

d. Governance framework

The reward framework is designed to align executive reward to shareholders' interests. The Board maintains accountability for the oversight of the remuneration approach for all Adore Beauty Executives and Non-Executive Directors (NED), having regard to the recommendations made by the People and Remuneration Committee. More information on the Board's role and Adore Beauty corporate governance policies for KMP can be found on Adore Beauty's website at: https://www.adorebeautygroup.com.au/investor-centre/

In accordance with best practice corporate governance, the structure of Non-Executive Director, and Executive KMP remuneration is separate.

CONSULTATION WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

THE ADORE BEAUTY BOARD

Maintains overall accountability for oversight of remuneration approach for all executives, having regard to recommendations made by People & Remuneration Committee

PEOPLE AND REMUNERATION COMMITTEE

Responsible for reviewing and making recommendations to the Board on matters including (but not limited to):

- Remuneration of KMP
- At risk remuneration policies and participation for Executive KMP
- Talent management, health and safety, diversity and code of conduct policies

ADVISORS

The People and Remuneration Committee may seek advice from independent remuneration consultants in determining appropriate senior executive remuneration.

During the financial year ended 30 June 2025, the People and Remuneration Committee did not receive formal advice from external consultants.

MANAGEMENT

Responsible for making recommendations to the People and Remuneration Committee on matters including (but not limited to):

- Remuneration of other executives and senior managers
- At risk remuneration policies for other employees
- Implementing company policies on people and culture initiatives

e. Remuneration framework

The executive reward framework consists of the following components:

- fixed remuneration, comprising base salary and Company contributions to superannuation;
- short-term performance incentive;
- long-term performance incentive;
- sign-on equity where appropriate; and
- non-monetary benefits.

In combination, these components comprise the executive's total reward as outlined in the table below. As part of their development, the KMP remuneration at Adore Beauty has been evolving so that for FY25, the table below reflects our remuneration framework.

	Remuneration Component	Payment Vehicle	Benchmark	Performance Measures	Link to Strategy
	Fixed Remuneration	Cash Salary and Retirement Benefits[(i)]	Reference to the market median remuneration for similar roles in ASX listed companies of similar size to Adore Beauty.	Scope and responsibilities of role; together with skills, experience, and performance of individual.	Market competitive fixed remuneration is paid to attract, motivate, and retain executive KMP with the appropriate experience and talent to drive Adore Beauty's strategy.
			+		
VARIABLE REMUNERATION	Short-term Incentive (STI)	Any award achieved will be delivered, following the release of end of year results as a cash payment.	Target opportunity based on a % of base salary (varies by role). Maximum opportunity of 120% of target for financial objective.	Key Adore Beauty financial measures are used to determine any STI award payable. These measures represent the key priority areas for the current year. The measures relate to profit, revenue and strategy.	Provides a reward linked to the delivery of short-term (1 year) objectives.
			+		
VARIABLE REMUNERATION	Long-Term Incentive (LTI)	Performance Rights with vesting based on the delivery of set performance measures over a 3-year performance period. Grants are made using market value.	Grant varies by role.	External Measure: Share price growth.	The LTI builds executive KMP equity ownership. It aligns the interests of KMP with shareholders.
			=		
	Total Remuneration		On-target level based on market median for companies of similar size to Adore Beauty.		

(i) Retirement Benefits are delivered under defined contribution superannuation funds for all KMP. Retirement benefits are set by reference to relevant legislation.

f. Reward principles

The structure of Adore Beauty remuneration is aligned to business outcomes that deliver value to shareholders. Systems of evaluation for performance of senior executives are based on predetermined KPIs, including alignment with our values.

The Board retains discretion on variable remuneration to mitigate the risk of unintended consequences and to alter outcomes in certain circumstances.

ADORE BEAUTY VALUES

WORKING FOR EACH OTHER

All executives work together towards sharing in the success of consolidated corporate goals

DOING THE RIGHT THING

Being cognisant of market expectations of environment, social and governance issues and acting within ASX and corporate guidelines

ALWAYS GROWING

Incentives linked with creation of sustainable shareholder returns

A POSITIVE APPROACH

Setting challenging goals within performance structure, and working towards them with energy

REWARD PRINCIPLES

- Equitable, motivating and attractive to skilled executives
- Aligned with long-term interest of shareholders
- Incentives that are challenging and linked with sustainable returns

2. Executive Remuneration

a. Fixed remuneration

Remuneration benchmarking against peer companies was undertaken for FY25. This market benchmarking informed remuneration decisions for FY25, with an increase approved for the CFO of 5.8%. The market benchmarking data was also referred to when setting the remuneration for the incoming CEO.

b. Short term remuneration

The maximum incentive for the Key Management Personnel was limited to less than 120% of the target amount for FY25.

EBIT was selected as the key financial performance metric for FY25 STI with a 70% weighting of the target STIP award. EBITDA remains the incentive gateway to amplify the focus on profitable growth in FY25. For FY25 the Board adopted 2-3 individual Strategic Priorities for each KMP with a combined weighting of 30%, all of which directly aligned with corporate strategic priorities.

Who was invited to participate?	The CEO and CFO were invited to participate in FY25. Other members of senior management are also eligible to participate, provided they were employed on 1 April 2025 (minimum of 3 months service).
What is the performance period?	1 July 2024 – 30 June 2025.
What are potential earnings?	The CEO has a target opportunity based on a percentage of base salary as follows: • 60% of base salary at target (70.0% at maximum, ie $420,000 at maximum) • For FY25 the maximum STI opportunity was 114% of the target opportunity The CFO has a target opportunity based on a percentage of base salary as follows: • 35% of base salary at target (39.9% at maximum, ie $143,640 at maximum) • For FY25 the maximum STI opportunity was 114% of the target opportunity.
How is it paid?	CEO and CFO receive their rewards in cash. Superannuation may be payable subject to the maximum contribution base.
Is there a gateway?	Yes, there is a minimum level of financial performance that must be reached to ensure alignment with shareholder interests. For FY25, achievement of the EBITDA margin hurdle must be achieved before an award can be made.
How is performance measured?	The STI is based on two weighted components: EBIT and Strategic Initiatives. • EBIT margin: three levels of performance (threshold, target and stretch) are based on Company budget. (70% weighting) • Strategic Initiative: A key business strategic priority, determined by the Board was assigned to each KMP as part of their STI. There is no stretch award for the Strategic Initiative. (30% weighting) For EBIT performance between threshold and target, and between target and stretch, the payment is based on straight line interpolation. The Board reserves the right to exercise discretion.

Are there any malus or clawback provisions?	Malus and clawback apply to any awards made under this plan.
When is it paid?	The STI award is determined after the end of the financial year following a review of performance against measures. Payments are made in September, following the release of statutory audited results.
What happens if a participant leaves?	If a participant resigns or is terminated prior to payment, no STI is awarded. The Board reserves the right to apply discretion in the case of a participant leaving due to ill health, death, redundancy or other circumstances.

At the end of the 2025 financial year, the Board met to review performance against the established STI targets and consequent payments.

The EBITDA margin result was between threshold and target and the Revenue result was just below target, resulting in part payment. The Board assessed successful delivery of the Strategic Initiative for each KMP.

		Actual Outcome		
Name	**STI maximum % of base salary**	**STI earned as % of base salary**	**Total STI earned $**	**Actual Earned as % of Maximum Opportunity**
Sacha Laing	70.0%	15.0%	90,133	21.4%
Stephanie Carroll	39.9%	9.0%	32,400	22.6%

c. Long term remuneration

Equity awards were made to KMP and selected senior employees under the Long Term Incentive Plan.

For the FY25-FY27 LTIP, the Board approved a change in structure so that the plan offered to KMP and other selected senior employees aligns with the Performance Rights offered to the CEO upon joining, ensuring alignment with all shareholders. All Performance Rights are subject to the single performance measure of share price growth during the performance period. This plan will operate for 3 years, and it is intended that there will not be another offer to KMP and selected senior employees during the performance period, with the next offer scheduled for the FY28 year.

Who was invited to participate?	The CFO was invited to participate in FY25 (refer section 6). Other members of senior management were also invited to participate. The CEO was not invited to participate in the FY25 LTI plan, but was offered a sign-on equity package upon commencement.
How is it paid?	Awards are in the form of performance rights. Each performance right is a right to acquire one ordinary share at no cost to the participant, subject to meeting vesting conditions over the performance period.
What is the performance period?	3 years: 1 July 2024 – 30 June 2027
What are potential earnings?	The CFO has the opportunity of up to 225,000 performance rights across 3 tranches.

How is performance measured?	Performance Rights will vest over the performance period subject to the volume weighted average price (VWAP) of Adore Beauty shares as follows: • Tranche 1 – Performance Rights will vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $1.80 or higher. • Tranche 2 – Performance Rights will vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $2.50 or higher • Tranche 3 – Performance Rights will vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $3.15 or higher If not vested prior, these performance rights lapse 90 days after the FY27 results are announced.
Are there any malus or clawback provisions?	Malus and clawback apply to any awards made under this plan.
What happens if a participant leaves?	If a participant is classified as a 'bad leaver' (resigns or is terminated with cause or due to poor performance), all unvested awards will be forfeited or lapse. The Board reserves the right to apply discretion in the case of a 'good leaver' (leaving due to ill health, death, redundancy or other circumstances). In this case, a pro-rated portion of unvested awards may remain 'on foot' and be subject to applicable vesting provisions.

The initial offer under the LTIP for the performance period FY23-FY25 was tested for achievement of the performance conditions following 30 June 2025.

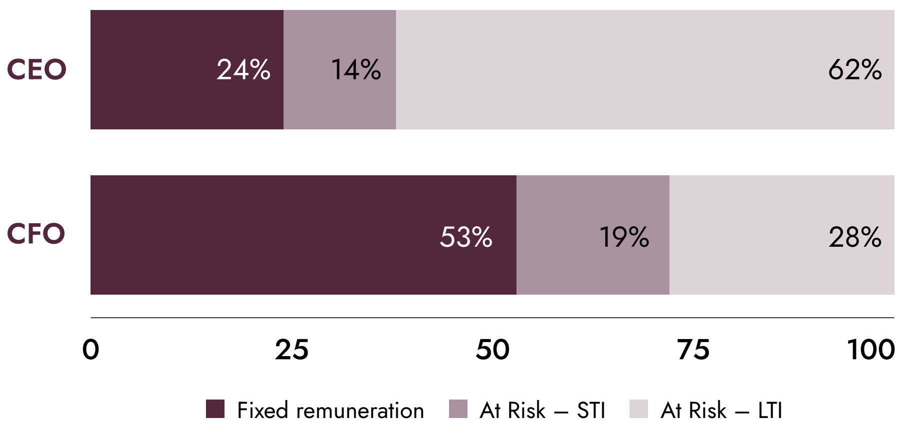
The EBITDA margin gateway was achieved, which led to the testing of the Revenue Growth and relative Total Shareholder Return performance conditions. Both performance conditions were not satisfied and as a result no performance rights were eligible for vesting.

Both the 2021 Options and the 2023 Performance rights issued to the CFO lapsed during the financial year ended 30 June 2025 as they failed to meet the vesting conditions.

d. CEO long term performance rights

Who was invited to participate?	The CEO was offered performance rights as part of a sign-on equity package at commencement.
How is it paid?	Awards are in the form of performance rights. Each performance right is a right to acquire one ordinary share at no cost to the participant, subject to meeting vesting conditions over the performance period.
What is the performance period?	3 years: 1 July 2024 – 30 June 2027
What are potential earnings?	The CEO has the opportunity of up to 1,500,000 performance rights across 3 tranches.
How is performance measured?	Performance Rights will vest over the performance period subject to the volume weighted average price (VWAP) of Adore Beauty shares as follows: • Tranche 1 – Performance Rights will vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches \$1.80 or higher. • Tranche 2 – Performance Rights will vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches \$2.50 or higher • Tranche 3 – Performance Rights will vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches \$3.15 or higher If not vested prior, these performance rights lapse 90 days after the FY27 results are announced.
Are there any malus or clawback provisions?	Malus and clawback apply to any awards made under this plan
What happens if a participant leaves?	If a participant is classified as a 'bad leaver' (resigns or is terminated with cause or due to poor performance), all unvested awards will be forfeited or lapse. The Board reserves the right to apply discretion in the case of a 'good leaver' (leaving due to ill health, death, redundancy or other circumstances). In this case, a pro-rated portion of unvested awards may remain 'on foot' and be subject to applicable vesting provisions.

Target Remuneration Mix – FY25



1. Fair value of Performance Rights at grant date.

e. Service agreements

Remuneration and other terms of employment for Executive KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	**Sacha Laing**
Title:	Chief Executive Officer
Agreement commenced:	24 September 2024
Term of agreement:	Ongoing employment
Details:	Base salary for the year ending 30 June 2025 (effective from 24 September 2024) of $600,000 plus superannuation capped at the maximum contribution base as referred to in the *Superannuation Guarantee Administration Act 1992* (Cth). Base salary is reviewed annually by the People and Remuneration Committee. Eligible to participate in short-term and long-term incentive programs. 6-month termination notice by either party, non-solicitation and non-compete clauses.

Name:	**Stephanie Carroll**
Title:	Chief Financial Officer
Agreement commenced:	20 April 2020
Term of agreement:	Ongoing employment
Details:	Base salary for the year ending 30 June 2025 of $360,000 plus superannuation capped at the maximum contribution base as referred to in the *Superannuation Guarantee Administration Act 1992* (Cth). Base salary is reviewed annually by the People and Remuneration Committee. Eligible to participate in short-term and long-term incentive programs. 6-month termination notice by either party, non-solicitation and non-compete clauses.

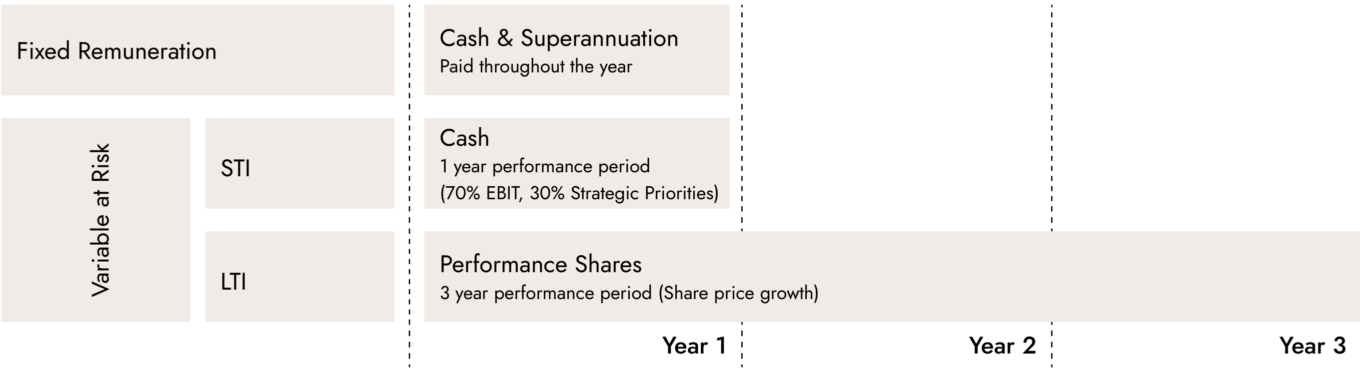
Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

f. Looking ahead to FY26

In compliance with the increase in the Superannuation Guarantee rate, an adjustment was made for KMP that was effective from 1 July 2025. For clarification, all contributions to superannuation for KMP are made in line with the Superannuation Guarantee rate, limited by the Maximum Contribution Base.

The Board did not make significant changes to KMP remuneration but managed salary increases in line with market movement.

As previously outlined, there is no intention to make an offer under the LTIP for FY26, with the FY25 offer covering the 3 year period FY25 – FY27.



3. Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the People and Remuneration Committee. The People and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of their own remuneration. Non-Executive Directors do not receive cash or equity incentives.

The maximum aggregate Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is $800,000 per annum of which $598,333 is currently used.

The following annual fees are payable to Non-Executive Directors:

- Chair – Marina Go $200,000
- Non-Executive Director – Sandra Birkensleigh $100,000
- Non-Executive Director – Lisa Hennessy $100,000
- Non-Executive Director – Kate Morris $100,000
- Non-Executive Director – Iain Nairn $100,000 (appointed 1 May 2025)
- Non-Executive Director – James Height $100,000 (resigned 22 November 2024, re-appointed 27 June 2025) as an alternate director)

The following annual committee fees are payable to the Chair of the Audit and Risk Management Committee and the People and Remuneration Committee:

- Audit and Risk Management Committee – Sandra Birkensleigh $20,000
- People and Remuneration Committee – Lisa Hennessy $20,000

Directors do not receive any additional fees for being a member of a Board committee. All Directors' fees include superannuation payments required by law.

Details of the Non-Executive Directors' remuneration during the reporting period are given in the table below:

	Year	Cash salary and fees	Superannuation	Equity settled shares	Total
Non-Executive Directors:					
Marina Go AM	**2025**	**179,372**	**20,628**	**–**	**200,000**
	2024	180,180	19,820	–	200,000
Sandra Birkensleigh	**2025**	**107,623**	**12,377**	**–**	**120,000**
	2024	108,108	11,892	–	120,000
Lisa Hennessy	**2025**	**107,623**	**12,377**	**–**	**120,000**
	2024	108,108	11,892	–	120,000
Kate Morris	**2025**	**89,686**	**10,314**	**–**	**100,000**
	2024	90,090	9,910	–	100,000
Iain Nairn(i)	**2025**	**16,666**	**–**	**–**	**16,666**
	2024	–	–	–	–
James Height(ii)	**2025**	**37,370**	**4,297**	**–**	**41,667**
	2024	90,090	9,910	–	100,000
Total of Non-Executive Directors	**2025**	**538,340**	**59,993**	**–**	**598,333**
	2024	576,576	63,424	–	640,000

(i) Represents remuneration from 1 May to 30 June 2025.
(ii) Represents remuneration from 1 July to 22 November 2024 and 27 June 2025 to 30 June 2025.

4. Share-based compensation

Issue of performance rights

The CEO was awarded 1,500,000 Performance Rights across 3 tranches on commencement of employment.

The CFO was awarded 225,000 Performance Rights across 3 tranches during FY25.

The performance conditions for vesting are outlined in section 2c and section 6.

Issue of options

500,000 options over ordinary shares were granted to the CEO upon commencement of employment (refer to section 6). These will vest, subject to continued employment over a three-year period from the commencement date (24 September 2024):

- 180,000 Options to vest on the one-year anniversary of the Commencement Date; and
- the remaining 320,000 Options to vest on a quarterly basis following the one-year anniversary of the Commencement Date and ending on the three-year anniversary of the Commencement Date in equal tranches.

5. Company performance and remuneration outcomes

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. Incentive Payments are at the discretion of the People and Remuneration Committee. Refer to the tables below for details of the earnings and total shareholders return for the last five years.

The key financial metrics of the Group for the five years to 30 June 2025 are summarised below:

	2025 $'000	**2024 $'000**	**2023 $'000**	**2022 $'000**	**2021 $'000**
Sales revenue	**198,815**	195,719	180,588	199,660	179,277
EBITDA(i)	**8,062**	4,809	625	5,337	1,651
EBIT(ii)	**4,000**	2,290	(1,516)	3,481	170
Profit/(loss) before income tax(iii)	**3,779**	2,825	(1,451)	3,307	46

(i) EBITDA for the year ended 30 June 2025 represents normalised Earnings Before Interest, Tax, Depreciation and Amortisation.
(ii) EBIT for the year ended 30 June 2025 represents normalised Earnings Before Interest and Tax.
(iii) Profit before income tax for the year ended 30 June 2025 represents normalised Profit before income tax.

The below table includes a reconciliation of the statutory profit before tax to the underlying normalised profit before tax, normalised EBIT and normalised EBITDA:

	2025 $'000
Statutory profit before tax	1,232
Normalisations	
Add: Acquisition related costs	1,998
Add: Restructure costs	549
Normalised profit before tax	3,779
Adjustments	
Add: Finance costs	322
Deduct: Interest income	(101)
Normalised EBIT	4,000
Adjustments	
Add: Depreciation	1,965
Add: Amortisation	2,097
Normalised EBITDA	8,062

Normalisation adjustments relate to one-off costs impacting the period, comprising restructure and acquisition-related costs.

REMUNERATION REPORT CONT.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end ($)	**$0.67**	$0.89	$0.80	$1.05	$4.28
Total dividends declared (cents per share)	**Nil**	Nil	Nil	Nil	Nil
Basic earnings per share (cents per share)	**0.01c**	0.02c	(0.59c)	2.53c	0.92c

Details of the Key Management Personnel's remuneration during the reporting period are given in the table below:

		Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments(iv)		
	Year	**Cash salary and fees $**	**Cash Bonus $**	**Annual Leave $**	**Super-annuation $**	**Long service leave $**	**Equity settled shares $**	**Equity options and rights $**	**Total $**
Key Management Personnel									
Sacha Laing(i)	**2025**	**461,500**	**90,133**	**27,575**	**22,449**	**452**	**–**	**505,403**	**1,107,512**
	2024	–	–	–	–	–	–	–	–
Tamalin Morton(ii),(iii)	**2025**	**168,009**	**–**	**–**	**15,898**	**(1,132)**	**–**	**(478,532)**	**(295,757)**
	2024	523,100	194,484	16,203	27,399	879	–	372,131	1,134,196
Stephanie Carroll	**2025**	**355,000**	**32,400**	**9,665**	**29,932**	**11,800**	**–**	**(134,697)**	**304,100**
	2024	337,500	62,642	9,785	27,399	9,396	–	94,361	541,083
Total of Key Management Personnel	**2025**	**984,509**	**122,533**	**37,240**	**68,279**	**11,120**	**–**	**(107,826)**	**1,115,855**
	2024	860,600	257,126	25,988	54,798	10,275	–	466,492	1,675,279

(i) FY25 remuneration represents remuneration from 24 September 2024 to 30 June 2025.
(ii) Represents remuneration from 1 July to 27 September 2024.
(iii) Includes payment of accrued and unused annual and long service leave upon end of executive employment.
(iv) Share based payments for 2025 reflect: a) rights awarded to CFO as part of LTIP on 17 January 2024 that are due to vest on 30 June 2026, b) rights and options awarded to CEO on 9 October 2024 as part of employment, subject to performance vesting conditions outlined in section 6, and c) rights awarded to CFO as part of LTIP on 4 February 2025, subject to participant's continued employment and subject to performance vesting conditions outlined in section 6.

6. Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Group held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/Other	Balance at the end of the year
Kate Morris	10,400,000	–	–	–	10,400,000
James Height	10,400,000	–	–	–	10,400,000
Marina Go AM	27,407	–	–	–	27,407
Sandra Birkensleigh	7,407	–	–	–	7,407
Lisa Hennessy	50,000	–	–	–	50,000
Tamalin Morton	50,556	–	–	–	50,556
Sacha Laing	–	–	–	–	–
Stephanie Carroll[(i)]	86,850	–	–	–	86,850
	21,022,220	**–**	**–**	**–**	**21,022,220**

(i) The shareholding relates to the loan backed shares under the Management Equity Plan pursuant to which the Group has loaned participant monies to fund part or all of the purchase of management shares. The loan attaching to the shares is limited recourse and must be repaid out of any proceeds from the sale of the loan shares. These shares vested at 30 June 2023 and the loan remains unpaid as at 30 June 2025.

Reconciliation of options movement (detailing awards, vested outcome, and expiry during the year)

Executive	Plan	Year	Grant Date	Fair Value at Grant	Exercise Price
CEO Options					
Sacha Laing	Tranche 1	2025	9 Oct 24	$0.61	$0.88
Sacha Laing	Tranche 2	2025	9 Oct 24	$0.61	$0.88
Sacha Laing	Tranche 3	2025	9 Oct 24	$0.62	$0.88
Sacha Laing	Tranche 4	2025	9 Oct 24	$0.62	$0.88
Sacha Laing	Tranche 5	2025	9 Oct 24	$0.63	$0.88
Sacha Laing	Tranche 6	2025	9 Oct 24	$0.63	$0.88
Sacha Laing	Tranche 7	2025	9 Oct 24	$0.64	$0.88
Sacha Laing	Tranche 8	2025	9 Oct 24	$0.64	$0.88
Sacha Laing	Tranche 9	2025	9 Oct 24	$0.65	$0.88
Tamalin Morton	Tranche 1	2023	27 Jan 23	$0.49	$1.53
Tamalin Morton	Tranche 2	2023	27 Jan 23	$0.50	$1.53
Tamalin Morton	Tranche 3	2023	27 Jan 23	$0.50	$1.53
Tamalin Morton	Tranche 4	2023	27 Jan 23	$0.51	$1.53
Tamalin Morton	Tranche 5	2023	27 Jan 23	$0.52	$1.53
Tamalin Morton	Tranche 6	2023	27 Jan 23	$0.52	$1.53
Tamalin Morton	Tranche 7	2023	27 Jan 23	$0.53	$1.53
Tamalin Morton	Tranche 8	2023	27 Jan 23	$0.54	$1.53
Tamalin Morton	Tranche 9	2023	27 Jan 23	$0.54	$1.53
Tamalin Morton	Tranche 10	2023	27 Jan 23	$0.55	$1.53
Tamalin Morton	Tranche 11	2023	27 Jan 23	$0.56	$1.53
CEO Performance Rights					
Sacha Laing	Tranche 1	2025	9 Oct 24	$0.59	Nil
Sacha Laing	Tranche 2	2025	9 Oct 24	$0.41	Nil
Sacha Laing	Tranche 3	2025	9 Oct 24	$0.31	Nil
Tamalin Morton	Tranche 1	2023	27 Jan 23	$0.58	Nil
Tamalin Morton	Tranche 2	2023	27 Jan 23	$0.29	Nil
Tamalin Morton	Tranche 3	2023	27 Jan 23	$0.17	Nil
Tamalin Morton	Performance Rights – TSR	2024	17 Jan 24	$0.89	Nil
Tamalin Morton	Performance Rights – Revenue Growth	2024	17 Jan 24	$1.13	Nil
CFO Options					
Stephanie Carroll	Options	2021	6 Oct 20	$3.52	$6.75
CFO Performance Rights					
Stephanie Carroll	Performance Rights – TSR	2023	15 Nov 22	$1.53	Nil
Stephanie Carroll	Performance Rights – Revenue Growth	2023	15 Nov 22	$1.75	Nil
Stephanie Carroll	Performance Rights – TSR	2024	17 Jan 24	$0.89	Nil
Stephanie Carroll	Performance Rights – Revenue Growth	2024	17 Jan 24	$1.13	Nil
Stephanie Carroll	Tranche 1	2025	4 Feb 25	$0.30	Nil
Stephanie Carroll	Tranche 2	2025	4 Feb 25	$0.17	Nil
Stephanie Carroll	Tranche 3	2025	4 Feb 25	$0.11	Nil

The vesting conditions for the awards are detailed below.

		Movement				At year end		
Expiry Date	1 Jul 24	Granted (awards)	Exercised	Other changes	30 Jun 25	Vested	Unvested	Exercisable
9 Oct 34	–	180,000	–	–	180,000	–	180,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
9 Oct 34	–	40,000	–	–	40,000	–	40,000	–
27 Jan 33	100,000	–	–	(100,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
27 Jan 33	40,000	–	–	(40,000)	–	–	–	–
24 Nov 27	–	350,000	–	–	350,000	–	350,000	–
24 Nov 27	–	500,000	–	–	500,000	–	500,000	–
24 Nov 27	–	650,000	–	–	650,000	–	650,000	–
30 Nov 26	350,000	–	–	(350,000)	–	–	–	–
30 Nov 26	500,000	–	–	(500,000)	–	–	–	–
30 Nov 26	650,000	–	–	(650,000)	–	–	–	–
30 Sep 28	133,404	–	–	(133,404)	–	–	–	–
30 Sep 28	133,404	–	–	(133,404)	–	–	–	–
30 Jun 26	50,000	–	–	(50,000)	–	–	–	–
30 Sep 27	20,756	–	–	(20,756)	–	–	–	–
30 Sep 27	20,756	–	–	(20,756)	–	–	–	–
30 Sep 28	51,562	–	–	–	51,562	–	51,562	–
30 Sep 28	51,562	–	–	–	51,562	–	51,562	–
28 Nov 27	–	50,000	–	–	50,000	–	50,000	–
28 Nov 27	–	75,000	–	–	75,000	–	75,000	–
28 Nov 27	–	100,000	–	–	100,000	–	100,000	–

2021 Options

Options will vest based on performance of the Group measured at the end of the performance period at 30 June 2024, subject to participant's continued employment. Of the total number of options granted:

- 50% are subject to the satisfaction of a vesting condition relating to the Group's revenue at the end of the performance period (Revenue component); and
- 50% are subject to the satisfaction of a vesting condition relating to the Group's EBITDA growth during the performance period (EBITDA component).

Revenue component

In order for any options in the Revenue component to vest, a threshold level of performance must be achieved. The percentage of options comprising the Revenue component that vest, if any, will be determined over the performance period by reference to the below vesting schedule. Group's revenue at the end of the performance period and % of options that vest:

- Less than threshold revenue – Nil
- Equal to threshold revenue – 50%
- Between threshold and maximum revenue – Straight line pro-rata vesting between 50% and 100%
- At or above maximum revenue – 100%

Threshold and maximum level of performance set by the Board.

EBITDA component

In order for any options in the EBITDA component to vest, a threshold level of performance must be achieved. The percentage of options comprising the EBITDA component that vest, if any, will be determined over the performance period by reference to the below vesting schedule. Group's EBITDA at the end of the performance period and % of options that vest.

- Less than threshold EBITDA – Nil
- Equal to threshold EBITDA – 50%
- Between threshold and maximum EBITDA – Straight line pro-rata vesting between 50% and 100%

2023 Performance Rights (S Carroll)

Performance Rights will vest based on performance of the Group measured at the end of the performance period at 30 June 2025, subject to participant's continued employment. Of the total number of performance rights granted:

50% are subject to the satisfaction of a vesting condition relating to the Group's relative Total Shareholder Return (rTSR) at the end of the performance period (TSR component); and

50% are subject to the satisfaction of a vesting condition relating to the Group's revenue growth at the end of the performance period (Revenue component).

TSR component

In order for any performance rights in the TSR component to vest, a threshold level of performance must be achieved. The percentage of performance rights comprising the TSR component that vest, if any, will be determined over the performance period by reference to the below vesting schedule.

Group's rTSR against comparator group at the end of the performance period and % of performance rights that vest:

- Below 50th percentile – Nil
- Equal to 50th percentile – 50%
- Between 50th & 75th percentile – Straight line pro-rata vesting between 50% and 100%
- At or above 75th percentile – 100%

Threshold and maximum level of performance set by the Board.

Revenue component

In order for any performance rights in the revenue component to vest, an EBITDA margin gateway must be achieved. The percentage of performance rights comprising the revenue component that vest, if any, will be determined over the performance period by reference to the below vesting schedule.

Group's revenue at the end of the performance period and % of options that vest.

- Less than target revenue growth – Nil
- Equal to target revenue growth provided EBITDA margin gateway in respect to FY25 is met – 50%
- Between target and stretch growth provided the EBITDA margin gateway in respect to FY25 is met – pro-rata straight line vesting between 50% and 100%
- At or above stretch revenue growth provided the EBITDA margin gateway in respect to FY25 is met – 100%

Threshold and maximum level of performance set by the Board.

2023 Performance Rights (T Morton)

Performance Rights awarded to the CEO upon commencement will vest, subject to participant's continued employment and to the Group's share price over a three-year period from the commencement date (9 January 2023):

- Tranche 1 – 350,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $2.50 or higher.
- Tranche 2 – 500,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $4.75 or higher.
- Tranche 3 – 650,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $6.75 or higher.

If not vested prior, these performance rights lapse 27 November 2026. All Performance Rights and Options to T Morton have lapsed following her resignation from the business during FY25.

2023 Options (T Morton)

Options awarded to the CEO upon commencement will vest, subject to continued employment over a three-year period from the commencement date (9 January 2023):

- 100,000 Options vested on the six-month anniversary of the Commencement Date (9 July 2023); and
- A further 120,000 Options vested during FY24 and have not been exercised; and

the remaining 280,000 Options to vest on a quarterly basis ending on the three-year anniversary of the Commencement Date in equal tranches.

All Performance Rights and Options to T Morton have lapsed following her resignation from the business during FY25.

2024 Performance Rights (T Morton & S Carroll)

Performance Rights will vest based on performance of the Group measured at the end of the performance period at 30 June 2026, subject to participant's continued employment. Of the total number of performance rights granted:

- 50% are subject to the satisfaction of a vesting condition relating to the Group's relative Total Shareholder Return (rTSR) at the end of the performance period (TSR component); and
- 50% are subject to the satisfaction of a vesting condition relating to the Group's revenue growth at the end of the performance period (revenue component).

TSR component

In order for any performance rights in the TSR component to vest, a threshold level of performance must be achieved. The percentage of performance rights comprising the TSR component that vest, if any, will be determined over the performance period by reference to the below vesting schedule. Group's rTSR against comparator group at the end of the performance period and % of performance rights that vest:

- Below 50th percentile – Nil
- Equal to 50th percentile – 50%
- Between 50th & 75th percentile – Straight line pro-rata vesting between 50% and 100%
- At or above 75th percentile – 100%

Threshold and maximum level of performance set by the Board.

Revenue component

In order for any performance rights in the revenue component to vest, an EBITDA margin gateway must be achieved. The percentage of performance rights comprising the revenue component that vest, if any, will be determined over the performance period by reference to the below vesting schedule. Group's revenue at the end of the performance period and % of performance rights that vest:

- Less than target revenue growth – Nil
- Equal to target revenue growth provided EBITDA margin gateway in respect to FY26 is met – 50%
- Between target and stretch growth provided the EBITDA margin gateway in respect to FY26 is met – pro-rata straight line vesting between 50% and 100%
- At or above stretch revenue growth provided the EBITDA margin gateway in respect to FY26 is met – 100%

Threshold and maximum level of performance set by the Board.

2025 Performance Rights (S Laing)

Performance Rights awarded to the CEO will vest, subject to participant's continued employment and to the Group's share price over a three-year period from the commencement date (9 October 2024):

- Tranche 1 – 350,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $1.80 or higher.
- Tranche 2 – 500,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $2.50 or higher.
- Tranche 3 – 650,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $3.15 or higher.

If not vested prior, these performance rights lapse 24 November 2027.

Performance will not be retested if any of the Vesting Conditions are not satisfied at the end of the performance period. Any performance rights that remain unvested at the end of the performance period will lapse immediately.

2025 Options (S Laing)

Options awarded to the CEO upon commencement will vest, subject to continued employment over a three-year period from the Commencement Date (24 September 2024):

- 180,000 Options will vest on the one year anniversary of the Commencement Date (24 September 2024); and
- the remaining 320,000 Options to vest on a quarterly basis following the one year anniversary of the Commencement Date and ending on the three year anniversary of the Commencement Date in equal tranches.

2025 Performance Rights (S Carroll)

Performance Rights awarded will vest, subject to participant's continued employment and to the Group's share price over a three-year period from the commencement date (4 February 2025):

- Tranche 1 – 50,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $1.80 or higher.
- Tranche 2 –75,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $2.50 or higher.
- Tranche 3 – 100,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $3.15 or higher.

If not vested prior, these performance rights lapse 28 November 2027.

Performance will not be retested if any of the Vesting Conditions are not satisfied at the end of the performance period. Any performance rights that remain unvested at the end of the performance period will lapse immediately.

Management Equity – Future Vesting Profile

							Movement		
Executive	**Plan**	**Grant Year**	**Grant Amount**	**% Vesting previous periods**	**Vesting in FY25**	**% Incentive at risk**	**Vesting % FY26**	**Vesting % FY27**	**Vesting % FY28**
Sacha Laing	Options	**2025**	500,000	–	–	–	60%	32%	8%
	Performance Rights	**2025**	**1,500,000**	–	–	–	–	–	**100%**
Stephanie Carroll	Performance Rights	2023	41,512	–	100%	100%	–	–	–
	Performance Rights	2024	103,124	–	–	–	100%	–	–
	Performance Rights	**2025**	**225,000**	–	–	–	–	–	**100%**

Other transactions with key management personnel and their related parties

During the financial year, payments for the use of platform services and consumables purchased from Director-related entities of Kate Morris and James Height of $47,428 (2024: $34,680) were made. The current trade payable balance as at 30 June 2025 was $12,843 (2024: $5,209). All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

AUDITOR'S INDEPENDENCE DECLARATION

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Adore Beauty Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Adore Beauty Group Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A C Pitts
Partner – Audit & Assurance

Melbourne, 25 August 2025

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ACN-130 913 594

FINANCIAL STATEMENTS

30 June 2025

CONTENTS

General information

The financial statements cover Adore Beauty Group Limited as a Group consisting of Adore Beauty Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Adore Beauty Group Limited's functional and presentation currency.

Adore Beauty Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7
324 St Kilda Road
Southbank VIC 3006

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Revenue			
Revenue	4	198,815	195,719
Cost of sales		(128,605)	(130,250)
Gross profit		70,210	65,469
Other income		101	638
Expenses			
Advertising and marketing expense		(23,815)	(26,049)
Employee benefits expense	5	(23,326)	(21,197)
Depreciation and amortisation expense	5	(4,062)	(2,519)
Finance costs		(322)	(103)
Acquisition-related costs	27	(1,998)	–
Other operating expenses	5	(15,007)	(13,414)
Restructure costs		(549)	–
Profit before income tax expense		1,232	2,825
Income tax expense	6	(471)	(650)
Profit after income tax expense for the year attributable to the owners of Adore Beauty Group Limited	19	761	2,175
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year attributable to the owners of Adore Beauty Group Limited		761	2,175
		Cents	**Cents**
Basic earnings per share	32	0.01	0.02
Diluted earnings per share	32	0.01	0.02

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	Note	Consolidated 2025 $'000	2024 $'000
Assets			
Current assets			
Cash and cash equivalents	7	12,668	32,852
Trade and other receivables		2,607	2,133
Inventories	8	20,304	21,618
Other current assets		2,715	1,850
Total current assets		38,294	58,453
Non-current assets			
Property, plant and equipment	9	6,155	928
Right-of-use assets	10	9,753	1,561
Intangibles	11	29,346	5,136
Deferred tax asset	6	261	1,588
Total non-current assets		45,515	9,213
Total assets		83,809	**67,666**
Liabilities			
Current liabilities			
Trade and other payables	12	21,938	20,810
Current tax payable		124	256
Contract liabilities	13	3,977	3,790
Lease liabilities	15	1,908	426
Employee benefits		1,639	1,244
Deferred consideration payable	16	4,890	–
Total current liabilities		34,476	26,526
Non-current liabilities			
Lease liabilities	15	8,789	1,297
Employee benefits		283	197
Total non-current liabilities		9,072	1,494
Total liabilities		43,548	**28,020**
Net assets		40,261	**39,646**
Equity			
Issued capital	17	102,777	102,777
Reserves	18	(66,962)	(66,686)
Retained earnings	19	4,446	3,555
Total equity		40,261	**39,646**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2025

	Issued capital $'000	Corporate re-organisation reserve $'000	Share based payments reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2023	102,076	(68,104)	1,118	1,126	36,216
Profit after income tax expense for the year	–	–	–	2,175	2,175
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive income for the year	–	–	–	2,175	2,175
Transactions with owners:					
Contributions of equity, net of transaction costs	651	–	–	–	651
Share-based payments (note 33)	–	–	604	–	604
Transfer from reserves	50	–	(304)	254	–
Balance at 30 June 2024	**102,777**	**(68,104)**	**1,418**	**3,555**	**39,646**
Balance at 1 July 2024	102,777	(68,104)	1,418	3,555	39,646
Profit after income tax expense for the year	–	–	–	761	761
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive income for the year	–	–	–	761	761
Transactions with owners:					
Share-based payments (note 33)	–	–	(146)	–	(146)
Transfer from reserves	–	–	(130)	130	–
Balance at 30 June 2025	**102,777**	**(68,104)**	**1,142**	**4,446**	**40,261**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2025

		Consolidated	
	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		218,719	215,682
Payments to suppliers and employees (inclusive of GST)		(208,249)	(209,701)
		10,470	5,981
Interest received		102	638
Interest and other finance costs paid		–	(95)
Income taxes (paid)/refunded		(633)	1,796
Transaction costs relating to acquisition of subsidiary	27	(1,998)	–
Net cash from operating activities	30	7,941	8,320
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	27	(19,206)	–
Payments for intangible assets	11	(2,348)	(3,308)
Payments for property, plant and equipment	9	(5,336)	(116)
Net cash used in investing activities		(26,890)	(3,424)
Cash flows from financing activities			
Repayment of lease liabilities		(912)	(448)
Payments of finance charges on lease liabilities		(323)	(8)
Repayment of loan-backed shares		–	651
Net cash (used in)/from financing activities		(1,235)	195
Net (decrease)/increase in cash and cash equivalents		(20,184)	5,091
Cash and cash equivalents at the beginning of the financial year		32,852	27,761
Cash and cash equivalents at the end of the year	7	12,668	32,852

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2025

Note 1. Material accounting policy information

The principal accounting policies that are material to the Group are set out in the respective notes. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

New or amended Accounting Standards and Interpretations adopted

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

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

New or amended Accounting Standards which have been issued not yet effective

The Group has considered Accounting Standards and Interpretations which have been issued but are not yet effective, identifying the following which are relevant to the Group:

- AASB 18 Presentation and Disclosure in Financial Statements
- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

The Group has not yet undertaken an assessment of the potential impact of first-time adoption of the AASB 18 amendments, which will become effective for the financial year ending 30 June 2028.

Upon initial adoption of AASB 2024-2 for the financial year ending 30 June 2027, the amendments are not expected to have a material impact on the financial statements.

The following Accounting Standards and Interpretations are most relevant to the Group:

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Adore Beauty Group Limited ('Group' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Adore Beauty Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies Adopted by the Group. Refer to note 21 for further information on fair value measurement.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification

Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below and within respective notes throughout this report.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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 group of assets (cash generating unit).

The recoverable amount of an asset or cash generating unit (CGU) is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Profit or Loss. They are allocated to reduce the carrying amount of assets in the CGU on a pro-rata basis. 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 depreciation, if no impairment loss had been recognised.

There was no impairment of assets in the financial year.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates as a major retailer in the beauty and personal care industry, offering a wide selection of products both in-store and online. Sales are predominantly through the Australian geographical region, with international sales being immaterial. The Group has identified two distinct operating segments based on quantitative thresholds on profit or loss, encompassing the Adore Beauty and iKOU brands, based on the manner in which internal reports are reviewed and utilised by the Board of Directors (identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and determining the allocation of resources. On the basis that both segments possess similar economic characteristics and satisfy the criteria outlined in AASB 8.12, the results of both segments have been aggregated due to similarities in products and services offered, nature of customers, methods of distribution and the regulatory environment they operate in.

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated. The information reported to the CODM is on at least a monthly basis.

Major customers

During the current and previous financial year, no individual customer contributed more than 10 per cent of the Group's revenue.

Note 4. Revenue

	Consolidated	
	2025 $'000	**2024 $'000**
Revenues from contracts with customers		
Sale of goods – point in time	**192,897**	190,663
Commission revenue – point in time	**877**	927
Marketing revenue – over time	**5,041**	4,129
Total revenues	**198,815**	195,719

Accounting policy for revenue

The Group recognises revenue as follows:

Sale of goods

The Group's contracts with customers generally include one performance obligation being the sale of goods. Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Cash payment is generally received at the point of sale.

A right of return is held by customers. The right of return has been valued at the carrying amount of inventory, less expected costs to recover the goods and any potential decreases in value. The right of return is presented within other assets, and corresponding refund liability, within other payables.

Commission revenue

Adore Beauty has agreements with select brands, whereby its performance obligation is to facilitate the sale of the Brands' products through Adore Beauty's website. Adore Beauty is the agent in such transactions as it does not control the specified goods before they are transferred to the retail customer. Control of products under such arrangements are retained by the Brand until the products are sold to the retail customer, and does not at any point, transfer to Adore Beauty. Therefore, whilst gross proceeds are received, Adore Beauty recognises revenue on a net basis, being the commissions received on eligible sales, at the point in time when Adore Beauty has satisfied its performance obligation.

Marketing revenue

Marketing revenue is recognised over time as the services are rendered based on a fixed price. Marketing revenue is generated through short-term contracts with brands to provide individualised marketing campaigns or advertising space on Adore Beauty's website for an agreed period. Consideration for such campaigns is typically received at contract inception and initially recognised as a contract liability. Revenue is recognised over the period the services are rendered, using an input method to measure progress towards satisfaction of the performance obligation.

Note 5. Expenses

	Consolidated	
	2025 $'000	**2024 $'000**
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	149	173
Leasehold improvements	121	–
Buildings right-of-use assets	1,695	580
Total depreciation	1,965	753
Amortisation		
Brand name	69	–
Recipes	89	–
Customer relationships	67	–
Website and mobile app	1,812	1,751
Other intangible assets	60	15
Total amortisation	2,097	1,766
Total depreciation and amortisation	4,062	2,519
Other operating expenses		
Bank and merchant fees	4,300	4,249
Website, software, other IT costs	4,621	4,718
Net foreign exchange loss	67	5
Other expenses	6,019	4,442
Total other operating expenses	15,007	13,414
Employee benefits expense		
Salaries, wages and contractor payments	20,238	17,841
Share-based payments (reversal)/expense	(146)	604
Defined contribution superannuation expense	1,816	1,482
Annual and long service leave	290	284
Other employee benefits expenses	1,128	986
Total employee benefits expense	23,326	21,197

Note 6. Income tax expense

	Consolidated	
	2025 $'000	**2024 $'000**
Income tax expense		
Current tax expense	396	255
Deferred tax – origination and reversal of temporary differences	75	395
Aggregate income tax expense	471	650
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	1,232	2,825
Tax at the statutory tax rate of 30%	370	848
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenditure/other assessable income	149	57
Share-based payments (reversal)/expense	(44)	181
Impact of ACA step downs	(64)	(286)
Sundry items	60	(150)
Income tax expense	471	650
Deferred tax assets comprises temporary differences attributable to:		
Employee benefits	596	433
Plant and equipment	(294)	(655)
Leases	373	(468)
Right of return asset	(110)	(110)
Refund liabilities	174	174
Gift voucher liabilities	309	207
Capitalised fees and acquisition-related costs	314	32
Accrued expenses	124	526
IPO Costs – blackhole expenditure	–	895
Other items	(41)	554
Intangible assets other than goodwill	(1,184)	–
Deferred tax assets	261	1,588
Movements:		
Opening balance	1,588	1,983
Charged to profit or loss	(75)	(395)
Additions through business combination (note 27)	(1,252)	–
Closing balance	261	1,588

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Adore Beauty Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries, have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 7. Cash and cash equivalents

	Consolidated	
	2025 $'000	**2024 $'000**
Current assets		
Cash on hand	5	–
Cash at bank	12,663	32,852
	12,668	32,852

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Inventories

	Consolidated	
	2025 $'000	**2024 $'000**
Current assets		
Finished goods	19,109	20,628
Less provision for stock obsolescence	(100)	(100)
Stock in transit	1,295	1,090
	20,304	21,618

Accounting policy for inventories

The first in, first out (FIFO) method of inventory valuation is used. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit and stock on hand are stated at the lower of cost and net realisable value. Cost is comprised of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 9. Property, plant and equipment

	Consolidated	
	2025 $'000	**2024 $'000**
Non-current assets		
Plant and equipment – at cost	2,373	1,449
Less: Accumulated depreciation	(1,230)	(780)
	1,143	669
Leasehold improvements – at cost	4,276	–
Less: Accumulated depreciation	(121)	–
	4,155	–
Work in progress	857	259
	6,155	928

Reconciliations

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

Consolidated	**Plant and equipment $'000**	**Leasehold improvements $'000**	**Work in progress $'000**	**Total $'000**
Balance at 1 July 2023	726	–	–	726
Additions	116	–	259	375
Depreciation expense	(173)	–	–	(173)
Balance at 30 June 2024	669	–	259	928
Additions	462	127	4,747	5,336
Additions through business combination (note 27)	161	–	–	161
Transfers in/(out)	–	4,149	(4,149)	–
Depreciation expense	(149)	(121)	–	(270)
Balance at 30 June 2025	1,143	4,155	857	6,155

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	50%
Plant and equipment	2.5% – 20%
Leasehold improvements	10% – 20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 10. Right-of-use assets

	Consolidated	
	2025 $'000	**2024 $'000**
Non-current assets		
Land and buildings – right-of-use	13,797	3,910
Less: Accumulated depreciation	(4,044)	(2,349)
	9,753	1,561

The Group leases land and buildings for its offices, warehouse and retail stores under agreements of between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

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

Consolidated	**$'000**
Balance at 1 July 2023	502
Lease remeasurements	1,639
Depreciation expense	(580)
Balance at 30 June 2024	1,561
Additions	**6,925**
Additions through business combination (note 27)	**2,369**
Lease remeasurements	**593**
Depreciation expense	**(1,695)**
Balance at 30 June 2025	**9,753**

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 11. Intangibles

	Consolidated	
	2025 $'000	**2024 $'000**
Non-current assets		
Goodwill – at cost	19,735	–
Brand name – at cost	1,503	–
Less: Accumulated amortisation	(69)	–
	1,434	–
Recipes – at cost	1,940	–
Less: Accumulated amortisation	(89)	–
	1,851	–
Customer relationships – at cost	729	–
Less: Accumulated amortisation	(67)	–
	662	–
Website and mobile app – at cost	10,225	8,257
Less: Accumulated amortisation	(6,262)	(4,450)
	3,963	3,807
Other intangible assets – at cost	746	144
Less: Accumulated amortisation	(109)	(49)
	637	95
Work in progress	1,064	1,234
	29,346	5,136

Reconciliations

Reconciliations of the written down values at the beginning and end of the year are set out below:

Consolidated	Goodwill $'000	Brand name $'000	Recipes $'000	Customer relation-ships $'000	Website and mobile app $'000	Other intangible assets $'000	Work in progress $'000	Total $'000
Balance at 1 July 2023	–	–	–	–	3,750	102	–	3,852
Additions	–	–	–	–	1,808	8	1,234	3,050
Amortisation expense	–	–	–	–	(1,751)	(15)	–	(1,766)
Balance at 30 June 2024	–	–	–	–	3,807	95	1,234	5,136
Additions	–	–	–	–	–	8	2,340	2,348
Additions through business combination (note 27)	19,735	1,503	1,940	729	–	52	–	23,959
Transfers in/(out)	–	–	–	–	1,968	542	(2,510)	–
Amortisation expense	–	(69)	(89)	(67)	(1,812)	(60)	–	(2,097)
Balance at 30 June 2025	**19,735**	**1,434**	**1,851**	**662**	**3,963**	**637**	**1,064**	**29,346**

Accounting policy for intangibles

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arising on the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs) (or group of CGUs) that is expected to benefit from the synergies of the combination. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Brand name

Brand name acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

Recipes

Recipes acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Website and mobile app

Website and mobile app costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Other intangible assets

Other intangible assets are amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to 10 years.

Work in progress

Work in progress costs refer to costs incurred on projects that are not yet completed as of the reporting date and therefore is not yet amortised. The Group capitalises these costs as an asset when it is probable that future economic benefits associated with the project will flow to the entity, and its costs can be reliably measured. Work in progress is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on work in progress are taken to profit or loss.

Critical accounting judgements, estimates and assumptions – intangibles

Impairment of intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and work in progress have suffered any impairment, in accordance with the accounting policy.

Further, the Group assesses impairment of non-financial assets other than goodwill and work in progress assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates (reflecting the time value of money and the specific risks associated with the cash flows expected to be generated by the CGU) and growth rates of the estimated future cash flows.

There was no impairment of assets in the current reporting period.

Estimation of useful lives of intangible assets

The Group determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The Group has reviewed the useful lives of intangible assets in the period, and concluded that the useful lives adopted remains appropriate. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment testing

The carrying amount of goodwill is allocated to the following cash-generating unit (CGU) for impairment testing purposes:

	Consolidated
	2025 **$'000**
Goodwill	
iKOU	19,735

The recoverable amount of the iKOU cash-generating unit (CGU) has been determined using a value in use (VIU) approach. This involves estimating the present value of future cash flows expected to be derived from the CGU, based on financial budgets and forecasts approved by the Board.

The VIU calculation is based on:

- Cash flow projections covering a five-year period, with Year 1 based on the FY26 Board-approved budget.
- Key assumptions include:
  - Sales growth rates, reflecting historical performance, market trends and new store openings in line with the Group's strategy;
  - Gross margins, based on product mix and supplier arrangements;
  - Operating expenses, including employee and marketing costs;
  - A long-term growth rate of 2.5% applied beyond the forecast period, consistent with mid-point inflation expectations from external sources; and
  - A post-tax discount rate of 10.0%, reflecting the time value of money and the specific risks associated with the cash flows expected to be generated by the CGU.

Management has applied judgement in determining these assumptions, which are based on past experience, current market conditions, and expectations of future performance. The assumptions are reviewed annually and benchmarked against external data where available.

The Group has performed sensitivity analysis on key assumptions, including discount rate and growth rate, to assess the impact of reasonably possible changes. The analysis indicated that no reasonably possible change in key assumptions would result in the carrying amount of the CGU exceeding its recoverable amount.

Accordingly, no impairment loss has been recognised for the year ended 30 June 2025.

The Group has also considered the headroom between the recoverable amount and carrying amount of the iKOU CGU and concluded that sufficient headroom exists under current assumptions.

Note 12. Trade and other payables

	Consolidated	
	2025 $'000	**2024 $'000**
Current liabilities		
Trade payables	**18,184**	15,255
Accrued expenses	**2,230**	4,040
Refund liability	**581**	581
Other payables	**943**	934
	21,938	20,810

Refer to note 21 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 days of recognition.

Note 13. Contract liabilities

	Consolidated	
	2025 $'000	**2024 $'000**
Current liabilities		
Gift voucher liability	**2,486**	2,196
Deferred revenue	**1,491**	1,594
	3,977	3,790

Accounting policy for contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Gift voucher liability

Gift vouchers are considered a prepayment by a customer for goods to be delivered in the future. The Group has an obligation to transfer the goods in the future – creating a performance obligation. The Group recognises a current gift voucher liability as a contract liability for the amount of the prepayment and recognises revenue when the customer redeems the gift voucher and the entity fulfils the performance obligation related to the transaction, or where breakage is applied. Breakage, being the customer's unexercised right, is estimated and recognised as revenue in proportion to the pattern of rights exercised by the customer and the likelihood of the gift voucher being redeemed by the customer is remote.

Deferred revenue

Deferred revenue refers to payments received from customers in advance for goods that are yet to be delivered. The Group has an obligation to transfer the promised goods to the customer. The Group recognises revenue once the promised goods have been delivered to the customer.

Note 14. Borrowings

Assets pledged as security

Financial facilities are secured by a guarantee by the Company and each of its wholly owned subsidiaries. The lender has general security over all of the assets of the Group Companies that are guarantors.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2025 $'000	**2024 $'000**
Total facilities		
Multi-option revolving credit facility	10,000	–
Used at the reporting date		
Multi-option revolving credit facility	–	–
Unused at the reporting date		
Multi-option revolving credit facility	10,000	–

Refer to note 21 for further information on financial instruments.

Note 15. Lease liabilities

	Consolidated	
	2025 $'000	**2024 $'000**
Current liabilities		
Lease liability	1,908	426
Non-current liabilities		
Lease liability	8,539	1,297
Provision for make good	250	–
	8,789	1,297
	10,697	1,723

Future lease payments (undiscounted):

Consolidated – 30 June 2025	Weighted average interest rate %	1 year or less $'000	Between 1 & 2 years $'000	Between 2 & 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Lease liabilities	5.00%	2,952	3,015	6,009	318	12,294

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 16. Deferred consideration payable

	Consolidated	
	2025 $'000	**2024 $'000**
Current liabilities		
Deferred consideration payable	4,890	–

Refer to note 27 for accounting policy on deferred consideration payable.

Movements in deferred consideration payable

Movements in the deferred consideration payable during the current financial year are set out below:

Consolidated	Deferred consideration payable $'000
Carrying amount at the start of the year	–
Additions through business combinations (note 27)	4,722
Interest expense	168
Carrying amount at the end of the year	**4,890**

Note 17. Issued capital

	Consolidated			
	2025 Shares	2024 Shares	2025 $'000	2024 $'000
Ordinary shares — fully paid	**93,957,928**	93,957,928	**102,777**	102,777

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk and going concern management

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

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

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Group's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

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

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 18. Reserves

	Consolidated	
	2025 $'000	**2024 $'000**
Corporate re-organisation reserve	**(68,104)**	(68,104)
Share based payments reserve	**1,142**	1,418
	(66,962)	(66,686)

Accounting policy for reserves

Corporate re-organisation reserve

The reserve represents the difference between the fair value of the consideration paid and the book value of assets and liabilities acquired in a business combination.

Share based payments reserve

The reserve is used to recognise share-based payments accrued as part of employee remuneration, including management equity plan shares that have vested but not yet exercised.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	**Share based payments $'000**	**Corporate re-organisation $'000**	**Total $'000**
Balance at 1 July 2023	1,118	(68,104)	(66,986)
Share-based payment transactions	604	–	604
Share buy back	(254)	–	(254)
Transfer from reserve	(50)	–	(50)
Balance at 30 June 2024	1,418	(68,104)	(66,686)
Share-based payment transactions	(146)	–	(146)
Transfer from reserve	(130)	–	(130)
Balance at 30 June 2025	**1,142**	**(68,104)**	**(66,962)**

Note 19. Retained earnings

	Consolidated	
	2025 $'000	**2024 $'000**
Retained earnings at the beginning of the financial year	3,555	1,126
Profit after income tax expense for the year	761	2,175
Transfer from reserve	130	254
Retained earnings at the end of the financial year	4,446	3,555

Note 20. Dividends

Dividends

No dividend has been declared during or since the end of the financial year.

Franking credits

	Consolidated	
	2025 $'000	**2024 $'000**
Franking credits available for subsequent financial years based on a tax rate of 30%	2,526	952

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Accounting policy for dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

Note 21. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2025 $'000	**2024 $'000**
Multi-option revolving credit facility	10,000	–

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

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 interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

Consolidated – 2025	Weighted average interest rate %	1 year or less $'000	Between 1 & 2 years $'000	Between 2 & 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	–	21,357	–	–	–	21,357
Refund liability	–	581	–	–	–	581
Deferred consideration payable	–	4,890	–	–	–	4,890
Interest-bearing – variable						
Lease liability	5%	2,952	3,015	6,009	318	12,294
Total non-derivatives		29,780	3,015	6,009	318	39,122

Consolidated – 2024	Weighted average interest rate %	1 year or less $'000	Between 1 & 2 years $'000	Between 2 & 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	–	21,357	–	–	–	21,357
Refund liability	–	581	–	–	–	581
Interest-bearing – variable						
Lease liability	5%	1,908	3,015	6,009	318	11,250
Total non-derivatives		28,736	3,015	6,009	318	38,078

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

Fair value of financial instruments

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

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025 $	**2024 $**
Short-term employee benefits	**1,682,621**	1,720,290
Post-employment benefits	**128,272**	118,222
Long-term benefits	**11,120**	10,275
Share-based payments	**(107,826)**	466,492
	1,714,187	2,315,279

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Group:

	Consolidated	
	2025 $	**2024 $**
Audit services – Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	**215,080**	153,510
Other services – Grant Thornton Australia Limited		
Tax services	**88,004**	33,270
	303,084	186,780

Note 24. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2025 (30 June 2024: $nil).

Note 25. Related party transactions

Parent entity

Adore Beauty Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2025 $	**2024 $**
Payment for goods and services:		
Purchase of goods from Director related entities	**47,428**	34,680

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2025 $	**2024 $**
Current payables:		
Trade payables to Director related entities	**12,843**	8,605

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

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

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Consolidated statement of profit or loss and other comprehensive income

	Parent	
	2025 $'000	**2024 $'000**
Loss after income tax	(4,399)	(2,911)
Total comprehensive loss	(4,399)	(2,911)

	Parent	
	2025 $'000	**2024 $'000**
Total assets	43,319	41,627
Total liabilities	(8,072)	(1,981)
Net assets	35,247	39,646
Equity		
Issued capital	102,125	102,126
Share based payments reserve	1,198	1,198
Accumulated losses	(68,076)	(63,678)
Total equity	35,247	39,646

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has entered into a cross deed of guarantee with the subsidiaries listed in note 28.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1 and throughout this financial report, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 27. Business combinations

On 31 July 2024, Adore Beauty Group Limited acquired 100% of the ordinary shares of iKOU Holdings Pty Ltd. This is a retail skincare and spa business that operates in Australia. It was acquired to strengthen Adore Beauty's existing business, deliver revenue growth and margin expansion, and support owned label expansion through channel expansion and physical store initiatives.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value recognised on acquisition $'000
Cash and cash equivalents	1,649
Trade and other receivables	331
Inventories	1,570
Other current assets	122
Plant and equipment	462
Plant and equipment – accumulated depreciation	(301)
Intangible assets – goodwill (a)	19,735
Intangible assets – brand name (a)	1,503
Intangible assets – recipes (a)	1,940
Intangible assets – customer relationships (a)	729
Intangible assets – other	52
Right-of-use assets	2,369
Trade and other payables	(648)
Contract liabilities	(21)
Provision for income tax	(104)
Deferred tax liability	(1,252)
Lease liabilities	(2,369)
Employee benefits	(190)
Net assets acquired	**25,577**
Acquisition-date fair value of the total consideration transferred, representing:	
Cash paid to vendor	20,855
Deferred consideration payable (c)	4,722
	25,577
Cash used to acquire the subsidiary, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	25,577
Less: cash and cash equivalents acquired in business combination	(1,649)
Less: deferred consideration payable (c)	(4,722)
Net cash used to acquire the subsidiary	**19,206**

a. Goodwill and identifiable net assets

Goodwill is attributable to iKOU Holdings Pty Ltd's strong position and profitability in trading in the beauty and wellness market and synergies expected to arise as a result of the acquisition.

The fair value of the acquired brand name, recipes and customer relationships is $4,172,000.

b. Acquisition-related costs

Transaction costs of $1,998,000 are included in the statement of profit or loss and other comprehensive income.

c. Deferred consideration payable

The deferred consideration payable requires the Group to pay the former owners of iKOU Holdings Pty Ltd $5,000,000, due 31 January 2026. The fair value of the deferred consideration payable on acquisition date was $4,722,000. The total interest expense of $168,000 was recognised in the statement of profit or loss and other comprehensive income. The carrying value of the deferred consideration is $4,890,000 at 30 June 2025.

d. Warranties

The purchase agreement also includes customary seller warranties and indemnities. No amounts have been recognised in respect of these warranties as at acquisition date.

Accounting policy for business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Deferred consideration arising from business combinations is recognised as part of the acquisition cost at the acquisition date when the amount is fixed and not contingent on future events or performance. The liability is initially measured at its present value using an appropriate discount rate and is included in the calculation of goodwill. Subsequent to initial recognition, the liability is measured at amortised cost, with the unwinding of the discount recognised as a finance cost in the statement of profit or loss and other comprehensive income over the payment period.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Critical accounting judgements, estimates and assumptions – business combination

Acquisition of subsidiaries

Accounting for acquisitions is inherently complex, requiring a number of judgements and estimates to be made. Management judgement, estimates and assumptions are required to determine the fair value of identifiable assets and liabilities acquired in a business combination. A number of judgements have been made in relation to the identification of fair values attributable to separately identifiable assets and liabilities acquired, including brand name, recipes and customer relationships.

The determination of fair values require the use of valuation techniques based on assumptions including future cash flows, royalty rates, revenue growth, terminal growth, margins, customer attrition rates and discount rates.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	**Principal place of business/ Country of incorporation**	**2025 %**	**2024 %**
Adore Beauty Group Limited	Australia	100.00%	100.00%
Tate Midco Pty Ltd	Australia	100.00%	100.00%
Tate Bidco Pty Ltd	Australia	100.00%	100.00%
Adore Beauty Pty Ltd	Australia	100.00%	100.00%
Northside Brands Pty Ltd	Australia	100.00%	100.00%
Jakat Pte Ltd	Singapore	–	100.00%
iKOU Holdings Pty Ltd	Australia	100.00%	–
iKOU Australia Pty Ltd	Australia	100.00%	–
iKOU Retail Pty Ltd	Australia	100.00%	–

Note 29. Events after the reporting period

The Group is in the process of opening new stores throughout Australia in 2025.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 30. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2025 $'000	**2024 $'000**
Profit after income tax expense for the year	**761**	2,175
Adjustments for:		
Depreciation and amortisation	**4,062**	2,519
Share-based payments	**(117)**	604
Interest expense reclassified to financing activities	**323**	8
Interest expense – deferred consideration payable	**168**	–
Other	**–**	(25)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(143)**	379
Decrease/(increase) in inventories	**2,884**	(539)
(Increase)/decrease in current tax receivable	**(236)**	2,051
Decrease in deferred tax assets	**75**	395
(Increase)/decrease in other current assets	**(767)**	375
Increase in trade and other payables	**475**	54
Increase in contract liabilities	**166**	12
Increase in employee benefits	**290**	306
Net cash from operating activities	**7,941**	8,314

Note 31. Changes in liabilities arising from financing activities

Consolidated	Lease liability $'000	Total $'000
Balance at 1 July 2023	624	624
Net cash used in financing activities	(448)	(448)
Lease remeasurements	1,547	1,547
Balance at 30 June 2024	**1,723**	1,723
Net cash used in financing activities	**(912)**	(912)
New and modified leases	**7,517**	7,517
Additions through business combinations (note 27)	**2,369**	2,369
Balance at 30 June 2025	**10,697**	10,697

Note 32. Earnings per share

	Consolidated	
	2025 $'000	**2024 $'000**
Profit after income tax attributable to the owners of Adore Beauty Group Limited	761	2,175
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**93,957,928**	93,929,538
Adjustments for calculation of diluted earnings per share:		
Options and rights over ordinary shares	**3,064,919**	2,563,931
Weighted average number of ordinary shares used in calculating diluted earnings per share	**97,022,847**	96,493,469

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Adore Beauty Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 33. Share-based payments

Long-term Incentive Plan

a. Details of the Long-Term Incentive Plans of the Company

The Company has established a long-term incentive plan (LTIP) to assist in the motivation, retention and reward of eligible employees. The LTIP is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the Company. The LTIP provides flexibility for the Company to grant performance rights to acquire shares, subject to the terms of individual offers.

Plan	Granted (Awards)	Grant Date	Fair Value at Grant	Vesting Date	Expiry Date	Exercise Price
CEO Options(i)						
Tranche 1	180,000	9/10/2024	$0.61	24/09/2025	9/10/2034	$0.88
Tranche 2	40,000	9/10/2024	$0.61	24/12/2025	9/10/2034	$0.88
Tranche 3	40,000	9/10/2024	$0.62	24/03/2026	9/10/2034	$0.88
Tranche 4	40,000	9/10/2024	$0.62	24/06/2026	9/10/2034	$0.88
Tranche 5	40,000	9/10/2024	$0.63	24/09/2026	9/10/2034	$0.88
Tranche 6	40,000	9/10/2024	$0.63	24/12/2026	9/10/2034	$0.88
Tranche 7	40,000	9/10/2024	$0.64	24/03/2027	9/10/2034	$0.88
Tranche 8	40,000	9/10/2024	$0.64	24/06/2027	9/10/2034	$0.88
Tranche 9	40,000	9/10/2024	$0.65	24/09/2027	9/10/2034	$0.88

Plan	Granted (Awards)	Grant Date	Fair Value at Grant	Vesting Date	Expiry Date	Exercise Price
CEO Performance Rights						
Tranche 1(ii)	350,000	9/10/2024	$0.59	30/06/2025	24/11/2027	Nil
Tranche 2(ii)	500,000	9/10/2024	$0.41	30/06/2026	24/11/2027	Nil
Tranche 3(ii)	650,000	9/10/2024	$0.31	31/08/2027	24/11/2027	Nil
CFO Performance Rights						
Performance Rights – Relative TSR Hurdle(iv)	20,756	15/11/2022	$1.53	31/08/2025	30/09/2027	Nil
Performance Rights – CAGR of EBITDA Hurdle(iv)	20,756	15/11/2022	$1.75	31/08/2025	30/09/2027	Nil
Performance rights – Relative TSR Hurdle(iii)	51,562	17/01/2024	$0.89	31/08/2026	30/09/2028	Nil
Performance rights – Revenue growth(iii)	51,562	17/01/2024	$1.13	31/08/2026	30/09/2028	Nil
Tranche 1(v)	50,000	4/02/2025	$0.30	31/01/2026	28/11/2027	Nil
Tranche 2(v)	75,000	4/02/2025	$0.17	31/01/2027	28/11/2027	Nil
Tranche 3(v)	100,000	4/02/2025	$0.11	28/11/2027	28/11/2027	Nil

Plan	Granted (Awards)	Grant Date	Fair Value at Grant	Vesting Date	Expiry Date	Exercise Price
2023 Other Performance Rights						
Performance Rights — Relative TSR Hurdle(iv)	46,871	15/11/2022	$1.53	31/08/2025	30/09/2027	Nil
Performance Rights — CAGR of EBITDA Hurdle(iv)	46,871	15/11/2022	$1.75	31/08/2025	30/09/2027	Nil
2024 Other Performance Rights						
Performance Rights — Relative TSR Hurdle(iii)	108,278	17/01/2024	$0.89	31/08/2026	30/09/2028	Nil
Performance Rights — Revenue growth(iii)	108,278	17/01/2024	$1.13	31/08/2026	30/09/2028	Nil
2025 Other Performance Rights						
Tranche 1(v)	167,000	4/02/2025	$0.30	31/01/2026	28/11/2027	Nil
Tranche 2(v)	250,500	4/02/2025	$0.17	31/01/2027	28/11/2027	Nil
Tranche 3(v)	339,500	4/02/2025	$0.11	28/11/2027	28/11/2027	Nil

(i) Fair value of options based on Black-Scholes pricing model. Options vest in tranches subject to the participant's continued employment.

(ii) Performance Rights awarded to the CEO upon commencement have been valued using the Monte Carlo simulation approach. These performance rights will vest if the following targets are met at any point in time during the period from 24 September 2024 to 24 November 2027, subject to continuous employment up until the date those targets have been met:
- Tranche 1 — 350,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $1.80 or higher. Fair value at grant date of $0.59.
- Tranche 2 — 500,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $2.50 or higher. Fair value at grant date of $0.41.
- Tranche 3 — 650,000 Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $3.15 or higher. Fair value at grant date of $0.31.
- If not vested prior, these performance rights lapse 28 November 2027

(iii) Performance rights are valued using the Monte Carlo simulation approach and vest on 31 August 2026 subject to the participant's continued employment and the achievement of below equally weighted measures over the performance period (1 July 2023 to 30 June 2026):
- Market measure — relative TSR (50% weighting):
  The Company's TSR over the performance period will be assessed against selected companies in retail and ecommerce (TSR Peer Group) at 30 June 2026 to assess performance.
  The proportion of performance shares that will vest will be determined by calculating the percentile ranking of the Company's TSR performance relative to the TSR performance of the TSR Peer Group in line with the following vesting schedule:
  - Below 50th %le — nil vesting
  - At 50th %le — 50% vesting
  - Between 50th and 75th %le, pro-rata straight line vesting will occur
  - 75th %le or above — full (100%) vesting
- Non-market measure — Revenue growth (50% weighting):
  If the Revenue growth hurdle (as defined in the Company's long term plan) has been achieved at the end of the performance period, revenue growth targets will be tested.
  The proportion of performance shares that will vest will be determined by the revenue growth targets in line with the following vesting schedule:
  - Less than target revenue growth — nil vesting
  - At target revenue growth provided the EBITDA margin gateway in respect to FY26 is met — 50% vesting
  - Between target and stretch provided the EBITDA margin gateway in respect to FY26 is met, pro-rata straight line vesting will occur
  - At or above stretch revenue growth provided the EBITDA margin gateway in respect to FY26 is met — full (100%) vesting

(iv) Performance rights are valued using the Monte Carlo simulation approach and vest on 31 August 2025 subject to the participant's continued employment and the achievement of below equally weighted measures over the performance period (1 July 2022 to 30 June 2025):
- Market measure — relative TSR (50% weighting):
  The Company's TSR over the performance period will be assessed against selected companies in retail and ecommerce (TSR Peer Group) at 30 June 2025 to assess performance.
  The proportion of performance shares that will vest will be determined by calculating the percentile ranking of the Company's TSR performance relative to the TSR performance of the TSR Peer Group in line with the following vesting schedule:
  - Below 50th %le — nil vesting
  - At 50th %le — 50% vesting
  - Between 50th and 75th %le, pro-rata straight line vesting will occur
  - 75th %le or above — full (100%) vesting
- Non-market measure — CAGR of EBITDA (50% weighting):
  If the EBITDA margin hurdle (as defined in the Company's long term plan) has been achieved at the end of the performance period, revenue growth targets will be tested.
  The proportion of performance shares that will vest will be determined by the revenue CAGR targets in line with the following vesting schedule:
  - Less than target revenue CAGR — nil vesting
  - At target revenue CAGR — 50% vesting
  - Between target and stretch, pro-rata straight line vesting will occur
  - At or above stretch revenue CAGR — full (100%) vesting
- The initial offer under the LTIP for the performance period FY23-FY25 was tested for achievement of the performance conditions following 30 June 2025.
  The EBITDA margin gateway was achieved, which led to the testing of the Revenue Growth and relative Total Shareholder Return performance conditions. Both performance conditions were not satisfied and as a result no performance rights were eligible for vesting.

(v) Performance Rights awarded are valued using the Monte Carlo simulation approach and will vest, subject to participant's continued employment and to the Group's share price over a three-year period from the commencement date (4 February 2025):
- Tranche 1 — Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $1.80 or higher. Fair value at grant date of $0.30.
- Tranche 2 — Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $2.50 or higher. Fair value at grant date of $0.17.
- Tranche 3 — Performance Rights that vest if the VWAP of Adore Beauty shares for any consecutive 60 day period following the Grant Date reaches $3.15 or higher. Fair value at grant date of $0.11.
- If not vested prior, these performance rights lapse 24 November 2027

b. Long-Term Incentive Plan options or performance rights issued during the period:

There were 2,600,750 performance rights issued during the period.

c. Share options exercised during the year

There were no share options exercised during the period year or the prior corresponding period.

d. Movements in share options and performance rights during the period

The following reconciles the share options and performance rights outstanding at the beginning and end of the period.

Set out below are summaries of options granted under the plan:

	Number of options 2025	Weighted average exercise price 2025	Number of options 2024	Weighted average exercise price 2024
Balance at the beginning of the year	**2,905,657**	**$0.37**	2,196,103	$0.49
Options granted during the year	**500,000**	**$0.88**	-	$0.00
Performance rights granted during the year	**2,600,750**	**$0.00**	714,900	$0.00
Forfeited during the year	**(2,704,728)**	**$4.14**	(5,346)	$0.00
Balance at the end of the year	**3,301,679**	**$0.12**	**2,905,657**	**$0.37**

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte Carlo simulation approach or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Critical accounting judgements, estimates and assumptions – share based payments

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 34. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Adore Beauty Group Ltd

Adore Beauty Pty Ltd

Tate Midco Pty Ltd

Tate Bidco Pty Ltd

Northside Brands Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument.

Set out below is a consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position of the 'Closed Group' have been presented below:

Consolidated statement of profit or loss and other comprehensive income	**2025 $'000**	**2024 $'000**
Revenue	190,914	195,718
Cost of sales	(126,486)	(130,250)
Interest income	92	638
Advertising and marketing expense	(23,407)	(26,049)
Employee benefits expense	(20,861)	(21,237)
Depreciation and amortisation expense	(3,148)	(2,519)
Bank and merchant fees	(192)	(103)
Other operating expenses	(14,523)	(13,385)
Acquisition-related costs	(1,998)	–
Restructure costs	(549)	–
Profit/(loss) before income tax expense	(158)	2,813
Income tax expense	(697)	(648)
Profit/(loss) after income tax expense	(855)	2,165
Total comprehensive (loss)/income for the year	(855)	2,165

Equity – retained earnings	**2025 $'000**	**2024 $'000**
Retained earnings at the beginning of the financial year	3,536	1,119
Profit/(loss) after income tax expense	(855)	2,165
Transfer from reserve	130	254
Retained earnings at the end of the financial year	2,811	3,538

Consolidated statement of financial position for the Closed Group	2025 $'000	2024 $'000
Current assets		
Cash and cash equivalents	11,557	32,735
Trade and other receivables	2,020	2,133
Inventories	18,069	21,618
Other current assets	2,494	1,849
	34,140	58,335
Non-current assets		
Investments in subsidiaries	25,569	58
Property, plant and equipment	5,119	670
Right-of-use assets	6,442	1,561
Intangibles	5,605	5,395
Deferred tax asset	1,300	1,588
Other non-current assets	12	36
	44,047	9,308
Total assets	78,187	67,643
Current liabilities		
Trade and other payables	21,658	20,803
Current tax payable	278	256
Contract liabilities	3,793	3,790
Lease liabilities	1,260	426
Employee benefits	1,457	1,244
Deferred consideration payable	4,890	–
	33,336	26,519
Non-current liabilities		
Lease liabilities	5,982	1,297
Employee benefits	243	198
	6,225	1,495
Total liabilities	39,561	28,014
Net assets	38,626	39,629
Equity		
Issued capital	102,777	102,777
Reserves	(66,962)	(66,686)
Retained earnings	2,811	3,538
Total equity	38,626	39,629

Note 35. Consolidated entity disclosure statement

Name of entity	Type of entity	Trustee, partner, or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Adore Beauty Group Limited	Body corporate	n/a	100	Australia	Australian	n/a
Tate Midco Pty Ltd	Body corporate	n/a	100	Australia	Australian	n/a
Tate Bidco Pty Ltd	Body corporate	n/a	100	Australia	Australian	n/a
Adore Beauty Pty Ltd	Body corporate	n/a	100	Australia	Australian	n/a
Northside Brands Pty Ltd	Body corporate	n/a	100	Australia	Australian	n/a
iKOU Holdings Pty Ltd	Body corporate	n/a	100	Australia	Australian	n/a
iKOU Australia Pty Ltd	Body corporate	n/a	100	Australia	Australian	n/a
iKOU Retail Pty Ltd	Body corporate	n/a	100	Australia	Australian	n/a

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 and throughout the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the consolidated entity disclosure statement, is true and correct as at 30 June 2025.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 for the year ended 30 June 2025.

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

On behalf of the Directors

Marina Go AM
Chair

25 August 2025

INDEPENDENT AUDITOR'S REPORT

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Independent Auditor's Report

To the Members of Adore Beauty Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Adore Beauty Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the 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, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Consolidated Entity in accordance with the auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenues (sale of goods) – Note 4	
For the year ended 30 June 2025, the Group recognised sale of goods at a point in time of $192,897,000. Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. The Group recognises revenue at an amount that reflects the consideration to which they expect to be entitled in exchange for transferring goods to a customer. Revenue from the sale of goods is recognised at a point in time when the customer obtains control of the goods, which is generally at the time of delivery and the performance obligation is satisfied in accordance with AASB 15. Given that the Group recognises revenue upon delivery of goods to a customer, an assessment is required at the end of the reporting period for all orders shipped but not yet delivered. This area is a key audit matter due to the judgement involved in this assessment, and the daily volume of transactions.	Our procedures included, amongst others: • Obtaining a detailed understanding of the underlying processes for revenue recognition, through discussion with individuals across the organisation and review of relevant documentation; • Assessing the design and implementation of relevant control(s) in relation to accounting for revenue; • Using data analytics to risk-profile revenue transactions throughout the year, identifying and testing transactions which are higher risk; • Vouching a sample of revenue transactions throughout the period to source document that verifies the occurrence of revenue in line with AASB 15 and the accuracy of the amounts recorded during the year; • Validating management's assessment of the orders shipped but not yet delivered (contract liabilities) at year-end; • Reviewing management's assessment of the variable consideration as it relates to the loyalty program; • Reviewing management's assessment of the refund liability and right-of-return asset based on customer terms and percentage of actual returns during the year; and • Assessing whether the disclosures in the financial statements are appropriate and in accordance with the Australian Accounting Standards.
Business combination of iKOU Group – Note 27	
On 31 July 2024, the Group acquired 100% of the shares in iKOU Holdings Pty Ltd for a total fair value consideration of $25,577,000. The acquisition was accounted for under AASB 3 *Business Combinations*. AASB 3 requires an analysis to be performed in order to accurately detect, recognise and measure at fair value the tangible and intangible assets and liabilities acquired in a business combination.	Our procedures included, amongst others: • Assessing the design and implementation of relevant control(s) in place to accurately detect, recognise and measure at fair value the tangible and intangible assets and liabilities acquired in a business combination; • Reviewing the Share Purchase Agreement and assessing whether the transaction has been appropriately accounted for under AASB 3;

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The accounting for intangible assets acquired in a business combination is particularly challenging as intangible assets are by nature less detectable than tangible ones and many are not recognised in the acquiree's pre-combination financial statements. There is a risk that intangible assets acquired in a business combination are not appropriately identified and measured. This is a key audit matter due to the high degree of management judgement involved in determining fair value of tangible and intangible assets and the resulting goodwill.	• Reviewing management's purchase price allocation, including tracing inputs to supporting documentation and assessing whether goodwill arising as a result of the acquisition has been appropriately recognised within the financial statements; • Assessing whether there are any separately identifiable intangible assets which are to be recognised and measured; • Recalculating the fair value of the deferred consideration payable on acquisition date and the remeasurement at reporting date; • Reviewing the identification and valuation of intangible assets performed by management's expert; • Evaluating the competence, capabilities and objectivity of management's expert in respect to the purchase price allocation; • Reviewing any material balances from the completion accounts including selecting samples and tracing to source documentation to verify the fair value of balances on acquisition date; and • Assessing whether the disclosures in the financial statements, including critical judgements and estimates, are appropriate and in accordance with Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:

i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

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

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Adore Beauty Group Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A C Pitts
Partner – Audit & Assurance

Melbourne, 25 August 2025

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SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 July 2025.

Voting rights

The voting rights attached to ordinary shares are set out below

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are currently 93,957,928 Ordinary Fully Paid Shares on issue.

Holders of performance rights and options have no voting rights.

The below information is current as at 30 July 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Range	Number of holders	% of holders	Number of securities	% of securities
1 to 1,000	4,490	70.88	1,610,498	1.71
1,001 to 5,000	1,355	21.39	3,140,888	3.34
5,001 to 10,000	264	4.17	1,978,239	2.11
10,001 to 100,000	201	3.17	5,316,456	5.66
100,001 and over	25	0.39	81,911,847	87.18
Total number of security holders	**6,335**	**100.00**	**93,957,928**	**100.00**
Holding less than a marketable parcel of shares*	**3,701**	**58.42**	**921,275**	**0.98**

* Marketable parcel of shares calculated based on closing market price on 30 July 2025 of $0.785 (637 shares).

Restricted securities and voluntary escrow

There are no restricted securities (as defined by the ASX Listing Rules) on issue and no securities are currently subject to voluntary escrow arrangements.

On-market buy back

There is no current on-market buy back.

Total of quoted and restricted securities

Fully paid ordinary shares (quoted securities)	**93,957,928**
Total number of shares	**93,957,928**

Unquoted securities

Type of security	Number of holders	Number of securities
Performance Rights	19	3,130,819
Options	1	500,000

Performance Rights

Range	Number of holders	% of holders	Number of securities	% of securities
1,001 to 5,000	–	–	–	–
5,001 to 10,000	–	–	–	–
10,001 to 100,000	12	63.00	357,242	11.40
100,001 and over	7	37.00	2,773,577	88.60
Total number of security holders	**19**	**100.00**	**3,130,819**	**100.00**

Options

Range	Number of holders	% of holders	Number of securities	% of securities
100,001 and over	1	100	500,000	100
Total number of security holders	**1**	**100**	**500,000**	**100.00**

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Rank	Name	29 Aug 2025	% of Issued Capital
1	QPE GROWTH, LP	30,600,001	32.57
2	KATY ANN MORRIS	10,200,000	10.86
2	JAMES ALEXANDER HEIGHT	10,200,000	10.86
3	CITICORP NOMINEES PTY LIMITED	9,147,428	9.74
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,035,000	7.49
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,512,346	4.80
6	BNP PARIBAS NOMINEES PTY LTD	2,105,534	2.24
7	RYANBRIDGE PTY LTD	1,866,213	1.99
8	BNP PARIBAS NOMINEES PTY LTD	1,054,934	1.12
9	MRS SARAH MARY MENZIES MULLEN	823,192	0.88
10	MAST FINANCIAL PTY LTD	742,047	0.79
11	DANIEL ANDREW FERGUSON	619,452	0.66
12	GARETH WILLIAMS	597,427	0.64
13	SARWELL PTY LTD	315,000	0.34
14	MR SEAN PATRICK MARTIN	253,275	0.27
15	MR KIM BEE TAN & MRS VERNA SUAT WAH TAN	248,692	0.26
16	THE AWSMCHAN MANAGEMENT PTY LTD	204,687	0.22
17	HAJA HOLDINGS PTY LTD ACN 642 738 172	203,740	0.22
18	JAMES ALEXANDER HEIGHT	200,000	0.21
18	MR JORDAN STEPHEN BAILEY	200,000	0.21
18	KATY ANN MORRIS	200,000	0.21
19	FINCLEAR SERVICES PTY LTD	179,771	0.19
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	170,442	0.18
	Total	**87,679,181**	**86.95**
	Balance of register	**12,278,747**	**13.05**
	Grand total	**93,957,928**	**100.00**

Substantial holders

Shareholder	Date of notice	Number of shares	% of issued equity[1]
QPE Growth, LP	27/10/2020	30,600,001	32.51
Kate Morris	27/10/2020	20,400,000	21.67
James Height	27/10/2020	20,400,000	21.67
Spheria Asset Management Pty Ltd	03/10/2024	14,440,545	15.37
Pinnacle Investment Management Group	24/06/2025	8,196,545	8.72

1. Percentage of issued equity held as disclosed in the substantial holding notices provided to the Company.

Corporate governance statement

Adore Beauty is committed to achieving and demonstrating the highest standards of corporate governance to protect and enhance stakeholder interests.

Adore Beauty has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

Adore Beauty's Corporate Governance Statement, which sets out further details of the corporate governance practices and identifies and explains any Recommendations that have not been followed can be found at the Adore Beauty website (https://www.adorebeautygroup.com.au).

CORPORATE DIRECTORY

Directors	Marina Go AM — Non-Executive Chair Kate Morris — Non-Executive Director Sandra Birkensleigh — Non-Executive Director Lisa Hennessy — Non-Executive Director Iain Nairn - Non-Executive Director (appointed 1 May 2025) James Height — Non-Executive Director (resigned 22 November 2024 and reappointed as an alternate director on 27 June 2025)
Company secretaries	Stephanie Carroll Melissa Jones
Registered office	Level 7 324 St Kilda Road Southbank VIC 3006
Principal place of business	Level 7 324 St Kilda Road Southbank VIC 3006 Telephone: 03 9344 1671
Share register	MUFG Corporate Markets (AU) Limited Liberty Place Level 41, 161 Castlereagh Street Sydney NSW 2000 Telephone: 1300 554 474
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Solicitors	Gilbert + Tobin Level 35 International Towers Sydney 200 Barangaroo Avenue Sydney NSW 2000
Stock exchange listing	Adore Beauty Group Limited shares are listed on the Australian Securities Exchange (ASX code: ABY)
Website	www.adorebeauty.com.au

ADOREBEAUTY
GROUP