



Niks Professional Ltd.

新加坡阅肤有限公司

Company Registration Number: 199804609D

Registered Address: 825 Tampines Street 81 #01-64, Singapore 520825

**Condensed Interim Financial Statements (“Interim FS”)
As at and for the 2nd Half Year (“2H 2024”) and Full Year (“FY2024”) Ended 31 December 2024**

About Niks Professional

Niks Professional Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is a trusted and established family practice dermatology and aesthetic medical services provider that also offers a comprehensive range of medical skincare products and salon services to complement medical solutions.

In Singapore, the Group operates clinics and shop salon outlets retailing NIKS skincare products and offering facial services. The Group also operates an online store on their website, and supplies NIKS skincare products to third-party medical clinics and beauty salons.

In China, the Group distributes NIKS skincare products to regional agents, which in turn supply the products to hospitals, clinics, pharmacies, retail shops, doctors and end-consumers in their provinces and municipalities. The Group also sells directly via its sales channels to doctors and doctor groups, as well as to end-consumers.

The Company was incorporated in Singapore on 22 September 1998 under the Companies Act 1967 of Singapore as a private company limited by shares under the name of "Niks Professional Pte Ltd" and was listed on the Catalist of the SGX-ST on 27 October 2023, pursuant to an initial public offering (“**IPO**”) exercise. The Company undertook an internal restructuring to rationalise the Group structure in preparation for the Company’s IPO as disclosed in the Company’s offer document dated 18 October 2023 (the “**Offer Document**”). The Company was converted into a public limited company on 13 October 2023 and the Company’s name was changed to “Niks Professional Ltd.”. Please refer to page 64 of the Offer Document and Note 17 of the Interim FS for further details on the internal restructuring.

*This announcement has been prepared by Niks Professional Ltd. (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”).*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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Statement of Comprehensive Income

| Notes | Group | | Increase/ (Decrease) % | Group | | Increase/ (Decrease) % | |
|---|--------------------|--------------------|------------------------------|-------------------|-------------------|------------------------------|--------|
| | 2H 2024 S\$'000 | 2H 2023 S\$'000 | | FY2024 S\$'000 | FY2023 S\$'000 | | |
| Revenue | 5 | 5,793 | 5,538 | 4.6 | 11,190 | 10,854 | 3.1 |
| Interest income | | 103 | 118 | (12.7) | 206 | 210 | (1.9) |
| Other income and gains | 6.1 | 112 | 450 | (75.1) | 301 | 577 | (47.8) |
| Changes in inventories | | 178 | 40 | 345.0 | 260 | (25) | NM |
| Purchases and related costs | | (1,084) | (870) | 24.6 | (2,074) | (1,593) | 30.2 |
| Employee benefits expense | | (2,517) | (2,455) | 2.5 | (5,033) | (4,768) | 5.6 |
| Depreciation | 6.1 | (547) | (425) | 28.7 | (1,023) | (740) | 38.2 |
| Other losses | 6.1 | (43) | (116) | (62.9) | (43) | (111) | (61.3) |
| Finance costs | 6.1 | (28) | (41) | (31.7) | (74) | (76) | (2.6) |
| Other expenses | 6.1 | (623) | (1,390) | (55.2) | (1,224) | (2,099) | (41.7) |
| Profit before income tax | | 1,344 | 849 | 58.3 | 2,486 | 2,229 | 11.5 |
| Income tax expense | 7 | (195) | (237) | (17.7) | (407) | (488) | (16.6) |
| Profit for the period | | 1,149 | 612 | 87.7 | 2,079 | 1,741 | 19.4 |
| Profit attributable to: | | | | | | | |
| Owners of the Company | | 1,149 | 591 | 94.4 | 2,079 | 1,686 | 23.3 |
| Non-controlling interest | | - | 21 | NM | - | 55 | NM |
| Profit for the period | | 1,149 | 612 | 87.7 | 2,079 | 1,741 | 19.4 |
| Other comprehensive income: | | | | | | | |
| <u>Items that may be reclassified subsequently to profit or loss:</u> | | | | | | | |
| Foreign currency translation differences | | (2) | (4) | (50.0) | 15 | (40) | NM |
| Other comprehensive income | | (2) | (4) | (50.0) | 15 | (40) | NM |
| Total comprehensive income for the period | | 1,147 | 608 | 88.7 | 2,094 | 1,701 | 23.1 |
| Total comprehensive income attributable to: | | | | | | | |
| Owners of the Company | | 1,147 | 587 | 95.4 | 2,094 | 1,646 | 27.2 |
| Non-controlling interest | | - | 21 | NM | - | 55 | NM |
| | | 1,147 | 608 | 88.7 | 2,094 | 1,701 | 23.1 |

Notes:

| | | |
|---------|---|--|
| 2H 2023 | - | 2 nd half year ended 31 December 2023 |
| FY2023 | - | Full year ended 31 December 2023 |
| NM | - | Not meaningful |

For illustrative purpose only, these adjustments show what the profit attributable to owners of the Company would have been in the absence of non-recurring IPO-related income and expenses.

| | Group | | Increase/ (Decrease) % | Group | | Increase/ (Decrease) % |
|---|--------------------|--------------------|------------------------------|-------------------|-------------------|------------------------------|
| | 2H 2024 S\$'000 | 2H 2023 S\$'000 | | FY2024 S\$'000 | FY2023 S\$'000 | |
| Profit attributable to owners of the Company ("NPAT") | 1,149 | 591 | 94.4 | 2,079 | 1,686 | 23.3 |
| <u>Adjustments:</u> | | | | | | |
| Non-recurring IPO expenses | - | 701 | NM | - | 931 | NM |
| IPO-related government grant income | - | (300) | NM | - | (300) | NM |
| IPO-related share-based payment | - | 157 | NM | - | 157 | NM |
| Adjusted NPAT | 1,149 | 1,149 | - | 2,079 | 2,474 | (16.0) |

Statement of Financial Position

| Notes | Group | | Company | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------|
| | 31 | 31 | 31 | 31 | |
| | December 2024 S\$'000 | December 2023 S\$'000 | December 2024 S\$'000 | December 2023 S\$'000 | |
| ASSETS | | | | | |
| <u>Non-current assets</u> | | | | | |
| Property, plant and equipment | 12 | 11,699 | 10,970 | 11,674 | 10,918 |
| Investment property | 13 | - | - | - | - |
| Investment in subsidiaries | 14 | - | - | 800 | 1,050 |
| Deferred tax assets | | 44 | 44 | 44 | 44 |
| Other assets | | 145 | 102 | 145 | 102 |
| Total non-current assets | | 11,888 | 11,116 | 12,663 | 12,114 |
| <u>Current assets</u> | | | | | |
| Inventories | 15 | 2,059 | 1,842 | 1,669 | 1,582 |
| Trade and other receivables | 16 | 364 | 586 | 948 | 596 |
| Cash and cash equivalents | | 9,180 | 9,086 | 8,502 | 7,632 |
| Total current assets | | 11,603 | 11,514 | 11,119 | 9,810 |
| Total assets | | 23,491 | 22,630 | 23,782 | 21,924 |
| EQUITY AND LIABILITIES | | | | | |
| <u>Equity</u> | | | | | |
| Share capital | 17 | 6,475 | 6,475 | 6,475 | 6,475 |
| Retained earnings | | 13,845 | 13,066 | 13,897 | 12,367 |
| Foreign currency translation reserve | 18 | (4) | (19) | - | - |
| Share-based payment reserve | | 157 | 157 | 157 | 157 |
| Other reserves | 18 | (297) | (297) | - | - |
| Equity, attributable to owners of the Company | | 20,176 | 19,382 | 20,529 | 18,999 |
| Non-controlling interest | | - | - | - | - |
| Total equity | | 20,176 | 19,382 | 20,529 | 18,999 |
| <u>Non-current liabilities</u> | | | | | |
| Lease liabilities | 19 | 892 | 912 | 892 | 889 |
| Provision | 20 | 80 | - | 80 | - |
| Total non-current liabilities | | 972 | 912 | 972 | 889 |
| <u>Current liabilities</u> | | | | | |
| Income tax payable | | 400 | 445 | 393 | 414 |
| Trade and other payables | 21 | 993 | 1,070 | 962 | 828 |
| Lease liabilities | 19 | 675 | 522 | 651 | 495 |
| Other liabilities | 22 | 275 | 299 | 275 | 299 |
| Total current liabilities | | 2,343 | 2,336 | 2,281 | 2,036 |
| Total liabilities | | 3,315 | 3,248 | 3,253 | 2,925 |
| Total equity and liabilities | | 23,491 | 22,630 | 23,782 | 21,924 |

Statement of Changes in Equity

| Group | Attributable to owners of the Company | | | | | | Non-controlling interest | Total equity |
|---|---------------------------------------|-------------------|--------------------------------------|-----------------------------|----------------|---------|--------------------------|--------------|
| | Share capital | Retained earnings | Foreign currency translation reserve | Share-based payment reserve | Other reserves | Total | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 1 January 2023 | 1,220 | 20,880 | 21 | - | - | 22,121 | 205 | 22,326 |
| Total comprehensive income for the period | - | 1,095 | (36) | - | - | 1,059 | 34 | 1,093 |
| Dividends | - | - | - | - | - | - | (82) | (82) |
| At 30 June 2023 | 1,220 | 21,975 | (15) | - | - | 23,180 | 157 | 23,337 |
| Total comprehensive income for the period | - | 591 | (4) | - | - | 587 | 21 | 608 |
| Issue of shares pursuant to IPO | 5,014 | - | - | - | - | 5,014 | - | 5,014 |
| Share issue expenses | (436) | - | - | - | - | (436) | - | (436) |
| Issue of shares for acquisition of non-controlling interest | 441 | - | - | - | (297) | 144 | (144) | - |
| Conversion of convertible loans | 236 | - | - | - | - | 236 | - | 236 |
| Share-based payment expense | - | - | - | 157 | - | 157 | - | 157 |
| Dividends (Note 10) | - | (9,500) | - | - | - | (9,500) | (34) | (9,534) |
| At 31 December 2023 | 6,475 | 13,066 | (19) | 157 | (297) | 19,382 | - | 19,382 |
| At 1 January 2024 | 6,475 | 13,066 | (19) | 157 | (297) | 19,382 | - | 19,382 |
| Total comprehensive income for the period | - | 930 | 17 | - | - | 947 | - | 947 |
| Dividends (Note 10) | - | (1,300) | - | - | - | (1,300) | - | (1,300) |
| At 30 June 2024 | 6,475 | 12,696 | (2) | 157 | (297) | 19,029 | - | 19,029 |
| Total comprehensive income for the period | - | 1,149 | (2) | - | - | 1,147 | - | 1,147 |
| At 31 December 2024 | 6,475 | 13,845 | (4) | 157 | (297) | 20,176 | - | 20,176 |

| Company | Share capital | Retained earnings | Share-based payment reserve | Total equity |
|---|---------------|-------------------|-----------------------------|--------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 1 January 2023 | 1,220 | 20,958 | - | 22,178 |
| Total comprehensive income for the period | - | 1,037 | - | 1,037 |
| At 30 June 2023 | 1,220 | 21,995 | - | 23,215 |
| Total comprehensive income for the period | - | (128) | - | (128) |
| Issue of shares pursuant to IPO | 5,014 | - | - | 5,014 |
| Share issue expenses | (436) | - | - | (436) |
| Issue of shares for acquisition of non-controlling interest | 441 | - | - | 441 |
| Conversion of convertible loans | 236 | - | - | 236 |
| Share-based payment expense | - | - | 157 | 157 |
| Dividends (Note 10) | - | (9,500) | - | (9,500) |
| At 31 December 2023 | 6,475 | 12,367 | 157 | 18,999 |
| At 1 January 2024 | 6,475 | 12,367 | 157 | 18,999 |
| Total comprehensive income for the period | - | 1,086 | - | 1,086 |
| Dividends (Note 10) | - | (1,300) | - | (1,300) |
| At 30 June 2024 | 6,475 | 12,153 | 157 | 18,785 |
| Total comprehensive income for the period | - | 1,744 | - | 1,744 |
| At 31 December 2024 | 6,475 | 13,897 | 157 | 20,529 |

Statement of Cash Flows

| | Group | | | |
|--|--------------------|--------------------|-------------------|-------------------|
| | 2H 2024 S\$'000 | 2H 2023 S\$'000 | FY2024 S\$'000 | FY2023 S\$'000 |
| Cash flows from operating activities | | | | |
| Profit before income tax | 1,344 | 849 | 2,486 | 2,229 |
| <u>Adjustments for:</u> | | | | |
| Interest income | (103) | (118) | (206) | (210) |
| Interest expense | 28 | 41 | 74 | 76 |
| Share-based payment, equity-settled | - | 157 | - | 157 |
| Depreciation of property, plant and equipment | 547 | 425 | 1,023 | 740 |
| Allowance for impairment of inventories | 43 | 85 | 43 | 85 |
| Other payables written back | - | - | 31 | - |
| Operating cash flows before changes in working capital | 1,859 | 1,439 | 3,451 | 3,077 |
| <u>Changes in working capital:</u> | | | | |
| Inventories | (165) | (40) | (247) | 25 |
| Trade and other receivables | 107 | 228 | 167 | (97) |
| Other assets | (4) | (2) | (43) | (2) |
| Trade and other payables | (193) | 181 | (291) | (254) |
| Other liabilities | (21) | (3) | (24) | (1) |
| Net cash generated from operations | 1,583 | 1,803 | 3,013 | 2,748 |
| Income tax paid | (171) | (229) | (452) | (555) |
| Net cash from operating activities | 1,412 | 1,574 | 2,561 | 2,193 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (244) | (294) | (808) | (300) |
| Interest received | 83 | 65 | 261 | 131 |
| Net cash used in investing activities | (161) | (229) | (547) | (169) |
| Cash flows from financing activities | | | | |
| Dividends paid to owners of the Company | - | (9,500) | (1,300) | (9,500) |
| Dividends paid to non-controlling interest | - | (34) | - | (116) |
| Proceeds from convertible loans | - | 236 | - | 236 |
| Payment of lease liabilities | (330) | (253) | (590) | (430) |
| Interest paid | (28) | (41) | (74) | (76) |
| Issue of shares, net of share issue expense | - | 4,578 | - | 4,578 |
| Net cash used in financing activities | (358) | (5,014) | (1,964) | (5,308) |
| Net increase/ (decrease) in cash and cash equivalents | 893 | (3,669) | 50 | (3,284) |
| Cash and cash equivalents, beginning balance | 8,271 | 12,785 | 9,086 | 12,371 |
| Effects of exchange rate fluctuation | 16 | (30) | 44 | (1) |
| Cash and cash equivalents, ending balance | 9,180 | 9,086 | 9,180 | 9,086 |

Selected Notes to the Interim FS

1 Corporate information

Niks Professional Ltd. (the “**Company**”) is incorporated and domiciled in Singapore whose shares are publicly traded on the Catalist of the Singapore Exchange. The registered office of the Company is at 825 Tampines Street 81, #01-64, Tampines Grove, Singapore 520825 and its principal place of business at 16 Kallang Place, #03-27 Singapore 339156.

The principal activities of the Group and Company are operation of medical clinics focusing on aesthetic medical and family practice dermatology services as well as to carry on the business as wholesalers, retailers, importers, exporters and distributors of cosmetics and skincare products.

2 Basis of preparation

This Interim FS have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The Interim FS do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the most recently audited annual financial statements for the financial year ended 31 December 2023.

The accounting policies and methods of computation applied in the Interim FS are consistent with those of the most recently audited annual financial statements which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The Interim FS are presented in Singapore dollar (“**S\$**”), which is the Company’s functional currency, and all values are rounded to the nearest thousand (S\$’000), except when otherwise stated.

2.1 New and amended standards adopted by the Group

A number of new standards and amendments to standard have been issued and are effective for annual periods beginning on or after 1 January 2024. The adoption of these new and amended standards did not result in changes to the Group’s accounting policies and has no material effect on the disclosures or on the amounts reported.

2.2 Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below.

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates. The nature and the carrying amount of such significant assets and liabilities are disclose with further details in the relevant notes to the Interim FS.

Impairment of non-financial assets

The carrying values of non-financial assets, including property, plant and equipment, are tested for impairment whenever there is any objective evidence or indication that the non-financial assets may be impaired. The determination and derivation of the relevant inputs require significant judgement. Such impairment would take into account the market value of the asset, changes to the technological, market, economic or legal environment in which the Group operates, market interest rates, evidence of obsolescence or physical damage to the assets and changes to the expected usage to the assets, if any.

NIK\$ Scheme

The Group's NIK\$ Scheme allows customers to pay for purchases of NIKS skincare products at any Niks Maple Clinic or Niks Shop Salon, at the rate of 1 NIK\$ = S\$1. A portion of revenue attributable to the NIK\$ Scheme benefits is deferred until they are utilised and recognised as a contract liability. The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

Allowance for inventories obsolescence

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories and obsolescence, and an allowance is recorded against the inventory balances for any such instances.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group is organised into the following key operating segments:

a) Clinics

Provision of family practice dermatology and aesthetic medical services and sale of skincare and beauty products and medicines at the Group's medical clinics.

b) Retail

Sale of skincare and beauty products and provision of facial services at the Group's salons and retail outlets

c) Headquarters

Distribution of skincare and beauty products to customers (including medical clinics and beauty salons) in Singapore and China and sale of the products to end-customers in Singapore through the Company's online sale platforms.

'Others' comprise mainly corporate activities and items relating to investment activities including rental generated from and expenses incurred on leasehold properties.

These operating segments are reported in a manner consistent with internal reporting provided to the executive directors of the Company who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Profit or loss and other material items:

| | <u>Clinics</u> | | <u>Retail</u> | | <u>Headquarters</u> | | <u>Others</u> | | <u>Total</u> | |
|---|----------------|---------|---------------|---------|---------------------|---------|---------------|---------|--------------|---------|
| | 2H 2024 | 2H 2023 | 2H 2024 | 2H 2023 | 2H 2024 | 2H 2023 | 2H 2024 | 2H 2023 | 2H 2024 | 2H 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue by segment | 3,609 | 3,424 | 1,151 | 1,166 | 1,668 | 1,361 | - | - | 6,428 | 5,951 |
| Intersegment sales | - | - | - | - | (635) | (413) | - | - | (635) | (413) |
| Total revenue | 3,609 | 3,424 | 1,151 | 1,166 | 1,033 | 948 | - | - | 5,793 | 5,538 |
| Recurring EBITDA | 1,560 | 1,482 | 517 | 563 | 255 | 395 | (516) | (1,243) | 1,816 | 1,197 |
| Depreciation | (367) | (248) | (109) | (94) | (19) | (25) | (52) | (58) | (547) | (425) |
| Interest income | - | - | - | - | - | - | 103 | 118 | 103 | 118 |
| Finance costs | (22) | (27) | (4) | (11) | (2) | (2) | - | (1) | (28) | (41) |
| Profit before tax | 1,171 | 1,207 | 404 | 458 | 234 | 368 | (465) | (1,184) | 1,344 | 849 |
| Income tax expense | - | - | - | - | - | - | - | - | (195) | (237) |
| Profit, net of income tax | - | - | - | - | - | - | - | - | 1,149 | 612 |
| Capital expenditure: | | | | | | | | | | |
| Purchase of property, plant and equipment | 403 | 211 | (8) | 55 | 1 | - | - | 28 | 396 | 294 |
| Additions to right-of-use assets | 163 | 432 | 46 | - | 43 | - | 107 | - | 359 | 432 |

Note: During 2H 2024, the Company received government grant of S\$8,000 in relation to the purchase of energy-efficient air-conditioners, which cost S\$11,000 and capitalised during 1H 2024.

| | <u>Clinics</u> | | <u>Retail</u> | | <u>Headquarters</u> | | <u>Others</u> | | <u>Total</u> | |
|---|----------------|---------|---------------|---------|---------------------|---------|---------------|---------|--------------|---------|
| | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 | FY2024 | FY2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue by segment | 6,868 | 6,808 | 2,211 | 2,216 | 3,691 | 3,066 | - | - | 12,770 | 12,090 |
| Intersegment sales | - | - | - | - | (1,580) | (1,236) | - | - | (1,580) | (1,236) |
| Total revenue | 6,868 | 6,808 | 2,211 | 2,216 | 2,111 | 1,830 | - | - | 11,190 | 10,854 |
| Recurring EBITDA | 2,975 | 2,956 | 928 | 1,023 | 604 | 723 | (1,130) | (1,867) | 3,377 | 2,835 |
| Depreciation | (651) | (394) | (213) | (184) | (49) | (50) | (110) | (112) | (1,023) | (740) |
| Interest income | - | - | - | - | - | - | 206 | 210 | 206 | 210 |
| Finance costs | (52) | (46) | (18) | (23) | (3) | (4) | (1) | (3) | (74) | (76) |
| Profit before tax | 2,272 | 2,516 | 697 | 816 | 552 | 669 | (1,035) | (1,772) | 2,486 | 2,229 |
| Income tax expense | - | - | - | - | - | - | - | - | (407) | (488) |
| Profit, net of income tax | - | - | - | - | - | - | - | - | 2,079 | 1,741 |
| Capital expenditure: | | | | | | | | | | |
| Purchase of property, plant and equipment | 812 | 212 | 146 | 57 | 2 | - | - | 31 | 960 | 300 |
| Additions to right-of-use assets | 571 | 432 | 82 | - | 43 | 75 | 107 | - | 803 | 507 |

4.2 Assets and liabilities

| | <u>Clinics</u> | | <u>Retail</u> | | <u>Headquarters</u> | | <u>Others</u> | | <u>Total</u> | |
|---------------------------|----------------|----------|---------------|----------|---------------------|----------|---------------|----------|--------------|----------|
| | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| | December | December | December | December | December | December | December | December | December | December |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Segment assets | 6,806 | 5,898 | 2,693 | 2,662 | 848 | 652 | 3,920 | 4,288 | 14,267 | 13,500 |
| Deferred tax assets | | | | | | | | | 44 | 44 |
| Cash and cash equivalents | | | | | | | | | 9,180 | 9,086 |
| Total assets | | | | | | | | | 23,491 | 22,630 |
| Segment liabilities | 1,895 | 1,605 | 526 | 578 | 224 | 357 | 270 | 263 | 2,915 | 2,803 |
| Income tax payable | | | | | | | | | 400 | 445 |
| Total liabilities | | | | | | | | | 3,315 | 3,248 |

4.3 Geographical segments

Segment revenue is based on the geographical location of customers and segment non-current assets (excluding financial instruments and deferred tax assets) are based on geographical location of the non-current assets.

| | 2H 2024 | 2H 2023 | FY2024 | FY2023 |
|-----------------|---------|---------|---------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Revenue:</u> | | | | |
| Singapore | 4,924 | 4,745 | 9,396 | 9,272 |
| China | 869 | 793 | 1,794 | 1,582 |
| | 5,793 | 5,538 | 11,190 | 10,854 |

| | 31 | 31 |
|----------------------------|----------|----------|
| | December | December |
| | 2024 | 2023 |
| | S\$'000 | S\$'000 |
| <u>Non-current assets:</u> | | |
| Singapore | 11,863 | 11,064 |
| China | 25 | 52 |
| | 11,888 | 11,116 |

5 Revenue

| Group | 2H 2024 | 2H 2023 | FY2024 | FY2023 |
|--------------------------------|---------|---------|---------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Sale of goods: | | | | |
| - Clinics | 2,570 | 2,509 | 4,949 | 5,005 |
| - Retail | 972 | 999 | 1,865 | 1,887 |
| - Headquarters | 1,033 | 948 | 2,111 | 1,830 |
| | 4,575 | 4,456 | 8,925 | 8,722 |
| Rendering of services: | | | | |
| - Clinics | 1,039 | 915 | 1,919 | 1,803 |
| - Retail | 179 | 167 | 346 | 329 |
| | 1,218 | 1,082 | 2,265 | 2,132 |
| Total | 5,793 | 5,538 | 11,190 | 10,854 |
| Timing of revenue recognition: | | | | |
| At point in time | 5,793 | 5,538 | 11,190 | 10,854 |

6 Profit, net of tax

6.1 Significant items

| | Group | | Increase/ (Decrease) % | Group | | Increase/ (Decrease) % |
|---|--------------------|--------------------|------------------------------|-------------------|-------------------|------------------------------|
| | 2H 2024 S\$'000 | 2H 2023 S\$'000 | | FY2024 S\$'000 | FY2023 S\$'000 | |
| Other income and gains | | | | | | |
| IPO-related government grant income | - | 300 | NM | - | 300 | NM |
| Other government grant income | 8 | 58 | (86.2) | 46 | 110 | (58.2) |
| Foreign exchange adjustment gains | 10 | - | NM | 47 | - | NM |
| Rental income | 78 | 69 | 13.0 | 155 | 135 | 14.8 |
| Other payables written back | - | - | - | 31 | - | NM |
| Sundry income | 16 | 23 | (30.4) | 22 | 32 | (31.3) |
| | <u>112</u> | <u>450</u> | <u>(75.1)</u> | <u>301</u> | <u>577</u> | <u>(47.8)</u> |
| Depreciation | | | | | | |
| Depreciation of property, plant and equipment | 222 | 175 | 26.9 | 426 | 307 | 38.8 |
| Depreciation of right-of-use assets | 325 | 250 | 30.0 | 597 | 433 | 37.9 |
| | <u>547</u> | <u>425</u> | <u>28.7</u> | <u>1,023</u> | <u>740</u> | <u>38.2</u> |
| Other losses | | | | | | |
| Allowance for impairment of inventories | 43 | 85 | (49.4) | 43 | 85 | (49.4) |
| Foreign exchange adjustment losses | - | 31 | NM | - | 26 | NM |
| | <u>43</u> | <u>116</u> | <u>(62.9)</u> | <u>43</u> | <u>111</u> | <u>(61.3)</u> |
| Finance costs | | | | | | |
| Interest expenses on lease liabilities | 28 | 41 | (31.7) | 74 | 76 | (2.6) |
| Significant items of other expenses: | | | | | | |
| Non-recurring IPO expenses | - | 701 | NM | - | 931 | NM |
| IPO-related share-based payment | - | 157 | NM | - | 157 | NM |

6.2 Related party transactions

Significant related party transactions, in addition to transactions and balances disclosed elsewhere in the notes to the Interim FS, include:

| Group | 2H 2024 S\$'000 | 2H 2023 S\$'000 | FY2024 S\$'000 | FY2023 S\$'000 |
|------------------|--------------------|--------------------|-------------------|-------------------|
| <u>Director:</u> | | | | |
| Rental expenses | 78 | 78 | 156 | 120 |

7 Income tax expense

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are:

| Group | 2H 2024 S\$'000 | 2H 2023 S\$'000 | FY2024 S\$'000 | FY2023 S\$'000 |
|---|--------------------|--------------------|-------------------|-------------------|
| <u>Income tax:</u> | | | | |
| Current income tax | 184 | 125 | 396 | 376 |
| (Over)/ Under provision in respect of prior years | (11) | 112 | (11) | 112 |
| <u>Withholding tax:</u> | | | | |
| Current year | 22 | - | 22 | - |
| | <u>195</u> | <u>237</u> | <u>407</u> | <u>488</u> |

8 Earnings per ordinary shares ("EPS")

| Group | 2H 2024 | 2H 2023 | FY2024 | FY2023 |
|--|-------------|-------------|-------------|-------------|
| Profit attributable to owners of the Company (S\$'000) | 1,149 | 591 | 2,079 | 1,686 |
| Weighted average number of ordinary shares ('000) | 130,000 | 130,000 | 130,000 | 130,000 |
| EPS (Basic and diluted) (cents) | <u>0.88</u> | <u>0.45</u> | <u>1.60</u> | <u>1.30</u> |

For comparative and illustrative purposes, the weighted average number of ordinary shares used for the calculation of EPS for the financial periods under review is based on the post-invitation number of shares of 130,000,000 ordinary shares.

As there were no potential dilutive ordinary shares, basic and diluted EPS for the financial periods under review are the same.

9 Net asset value ("NAV") per ordinary share

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| NAV attributable to owners of the Company (S\$'000) | 20,176 | 19,382 | 20,529 | 18,999 |
| Total number of issued shares ('000) | 130,000 | 130,000 | 130,000 | 130,000 |
| NAV per ordinary share (cents) | <u>15.5</u> | <u>14.9</u> | <u>15.8</u> | <u>14.6</u> |

10 Dividends

| | Dividend per share | | Group | |
|---|--------------------|---------------|-------------------|-------------------|
| | FY2024 S\$ | FY2023 S\$ | FY2024 S\$'000 | FY2023 S\$'000 |
| Final tax exempt (1-tier) dividend paid | 0.01 | 7.79 | 1,300 | 9,500 |

Dividends for FY2023 were declared in respect of 1,220,002 ordinary shares in issue prior to the commencement of internal restructuring (Note 17). There are no income tax consequences of the dividends to shareholders.

11 Financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and finance liabilities as at 31 December 2024 and 31 December 2023.

| | Group | | Company | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 |
| <u>Financial assets:</u> | | | | |
| Cash and cash equivalents | 9,180 | 9,086 | 8,502 | 7,632 |
| Trade and other receivables * | 215 | 501 | 820 | 511 |
| Financial assets at amortised cost | 9,395 | 9,587 | 9,322 | 8,143 |
| <u>Financial liabilities</u> | | | | |
| Trade and other payables # | 898 | 1,008 | 822 | 779 |
| Financial liabilities at amortised cost | 898 | 1,008 | 822 | 779 |

* Excludes advance payment to suppliers and prepayments.

Excludes GST payables.

12 Property, plant and equipment

During FY2024, the Group acquired assets amounting to S\$1,763,000 (FY2023: S\$807,000). These include right-of-use assets, pertaining to leasing arrangements for office, warehouse, clinic and retail premises, amounting to S\$803,000 (FY2023: S\$507,000). Property, plant and equipment amounting to S\$40,000 and fully depreciated were written off during FY2024. There was no disposal or writing-off of property, plant and equipment during FY2023.

During 2H 2024, the Group acquired assets amounting to S\$755,000 (2H 2023: S\$726,000). These include right-of-use assets amounting to S\$359,000 (2H 2023: S\$432,000). Property, plant and equipment amounting to S\$40,000 and fully depreciated were written off during 2H 2024. There was no disposal or writing-off of property, plant and equipment during 2H 2023.

Property, plant and equipment are initially recorded at cost and subsequently carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on the straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives.

13 Investment property

| Group and Company | FY2024 S\$'000 | FY2023 S\$'000 |
|---|-------------------|-------------------|
| <u>Cost:</u> | | |
| At 1 January | - | 3,875 |
| Transfer to property, plant and equipment | - | (3,875) |
| At 31 December 2024 or 31 December 2023 (whichever applicable) | - | - |
| <u>Accumulated depreciation:</u> | | |
| At 1 January | - | 231 |
| Depreciation | - | 38 |
| Transfer to property, plant and equipment | - | (269) |
| At 31 December 2024 or 31 December 2023 (whichever applicable) | - | - |
| <u>Carrying amounts:</u> | | |
| At 31 December 2024 or 31 December 2023 (whichever applicable) | - | - |

Description of the valuation techniques and the significant other observable inputs used in the fair value measurement (Level 3) of the investment property are as follows:

| | |
|---------------------------|--|
| Description of asset: | Leasehold retail shop |
| Location: | 2 Venture Drive #01-27 Vision Exchange Singapore 608526 |
| Gross floor area: | 861 square feet |
| Fair value: | S\$3.7 million |
| Valuation date: | 31 December 2022 |
| Valuation technique used: | Comparison with market evidence of recent transaction prices and offer of sale prices for similar properties |

The fair value of the investment property was measured based on the the highest and best use method to reflect the actual market state and circumstances as at the valuation date. The fair value was based on a valuation made by Kiong Chai Woon & Co Pte Ltd, a firm of independent professional valuers. The valuer holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued.

Before 1 December 2023, the investment property was leased out to subsidiary, Niks Maple West Pte. Ltd. (“**NMWPL**”), under operating leases and the management has not entered into contractual obligations for the maintenance or enhancement of the investment property. In September 2023, NMWPL became a wholly-owned subsidiary of the Company after the Company acquired the non-controlling interest of NMWPL. On 30 November 2023, the Company took over the operations of NMWPL at the above premises and recognised the leasehold property as property, plant and equipment.

14 Investment in subsidiaries

| Company | FY2024 S\$'000 | FY2023 S\$'000 |
|--|-------------------|-------------------|
| Unquoted equity shares, at cost | 843 | 1,412 |
| Less: Allowance for impairment loss | (43) | (362) |
| | 800 | 1,050 |
| <u>Movements in unquoted equity shares, at cost:</u> | | |
| At 1 January | 1,412 | 971 |
| Acquisition of non-controlling interest (Note 17) | - | 441 |
| Derecognition | (569) | - |
| At 31 December 2024 or 31 December 2023 (whichever applicable) | 843 | 1,412 |
| <u>Movements in allowance for impairment loss:</u> | | |
| At 1 January | 362 | 43 |
| Impairment loss charged to profit or loss included in other losses | - | 319 |
| Impairment loss utilised | (319) | - |
| At 31 December 2024 or 31 December 2023 (whichever applicable) | 43 | 362 |

Investments in subsidiaries are reviewed at the end of each financial year to determine whether there is any indication of impairment by assessing the factors that affect the recoverable amount of an investment, and the financial health of and business outlook for the subsidiary. Impairment loss recognised during FY2023 was in relation to NMWPL which became an inactive company after its operations were transferred to the Company following the Company's acquisition of its non-controlling interest. Investment in NMWPL was derecognised during 2H 2024 following NMWPL's submission of application for its name to be struck off the registry the Accounting and Corporate Regulatory Authority of Singapore.

15 Inventories

| | Group | | Company | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 |
| Medicine, skincare and beauty products and packaging materials | 1,843 | 1,815 | 1,453 | 1,555 |
| Goods-in-transit | 216 | 27 | 216 | 27 |
| | 2,059 | 1,842 | 1,669 | 1,582 |

As at 31 December 2024, inventories are stated after deducting an allowance for slow-moving inventories of S\$128,000 (31 December 2023: S\$85,000).

16 Trade and other receivables

| | Group | | Company | |
|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 |
| Trade receivables | | | | |
| - Outside parties | 97 | 100 | 86 | 99 |
| - Subsidiaries | - | - | 635 | 17 |
| Other receivables | | | | |
| - Outside parties | 44 | 386 | 25 | 380 |
| Deposits | 74 | 15 | 74 | 15 |
| Financial assets at amortised costs | 215 | 501 | 820 | 511 |
| Advance payment to suppliers | 112 | 72 | 112 | 72 |
| Prepayments | 37 | 13 | 16 | 13 |
| Total trade and other receivables | 364 | 586 | 948 | 596 |

17 Share capital

| Group and Company | Number of ordinary shares | Share capital S\$'000 |
|---|---------------------------------|-----------------------------|
| As at 1 January 2023 | 1,220,002 | 1,220 |
| Issue of shares pursuant to Internal Restructuring: | | |
| a) Subdivision of 1,220,002 shares | 103,140,868 | - |
| b) Issue of shares for acquisition of subsidiary | 2,130,435 | 441 |
| c) Conversion of convertible loans | 1,708,695 | 236 |
| Issue of shares pursuant to IPO | 21,800,000 | 5,014 |
| Less: Capitalisation of IPO expenses | - | (436) |
| As at 31 December 2023 and 31 December 2024 | 130,000,000 | 6,475 |

In preparation for the Company's IPO and to rationalise the Group structure, the Company underwent an internal restructuring which involves:

- Subdivision of 1,220,002 shares in the issued and paid-up share capital of the Company into 104,360,870 shares on 13 October 2023;
- Acquisition of the remaining 49% of the issued and paid-up share capital of subsidiary, NMWPL, for a consideration of S\$441,000 on 27 September 2023 which was satisfied by the issue of 2,130,435 new shares of the Company to the non-controlling shareholders; and
- Conversion of convertible loans amounting to S\$235,800 extended by 4 doctors of the Group (who are not directors of the Company) into 1,708,695 ordinary shares at the conversion price of S\$0.138 per share. The conversion price implied a discount of 40.0% to the IPO invitation price of S\$0.23 and the aggregate discount of S\$157,200 was recognised as an IPO-related share-based payment expense in profit or loss and with a corresponding increase in equity (Share-based payment reserve).

Pursuant to the IPO, 21,800,000 new shares were issued on 26 October 2023 and gross proceeds of S\$5,014,000 was raised. S\$436,000 of IPO expenses were capitalised against share capital according to SFRS(I).

There were no outstanding convertibles as at 31 December 2024 and 31 December 2023.

The Company did not hold any treasury shares as at 31 December 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

18 Reserves

Foreign currency translation reserve:

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

Other reserves:

This represents the excess of consideration paid for the 49.0% of NMWPL over relating non-controlling interest as at the date of acquisition during FY2023.

19 Leases

Lease liabilities are presented in the statements of financial position as follows:

| | Group | | Company | |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 |
| Current liabilities | 675 | 522 | 651 | 495 |
| Non-current liabilities | 892 | 912 | 892 | 889 |
| | <u>1,567</u> | <u>1,434</u> | <u>1,543</u> | <u>1,384</u> |

Lease liabilities pertain to leasing arrangements for office, warehouse, clinic and retail premises.

20 Provision

| | Group | | Company | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 |
| Provision for restoring sites relating to property, plant and equipment | 80 | - | 80 | - |
| <u>Movements in the above provision:</u> | | | | |
| At beginning of the year | - | - | - | - |
| Additions | 80 | - | 80 | - |
| At end of the year | <u>80</u> | <u>-</u> | <u>80</u> | <u>-</u> |

The provision is based on the present value of costs to be incurred to remove the leasehold improvements from leased premises. The estimate is based on amounts charged for reinstatement works previously procured by the Company and quotations from external contractors.

21 Trade and other payables

| | Group | | Company | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 |
| Trade payables | 146 | 146 | 146 | 146 |
| Accrued liabilities | 425 | 546 | 418 | 543 |
| Other payables | 173 | 5 | 172 | - |
| Advance received | 59 | 63 | 45 | 63 |
| Deposit received | 95 | 248 | 41 | 27 |
| Financial liabilities at amortised costs | 898 | 1,008 | 822 | 779 |
| GST payable | 95 | 62 | 140 | 49 |
| Total trade and other payables | 993 | 1,070 | 962 | 828 |

22 Other liabilities

Other liabilities comprise contract liabilities. The Group has a customer loyalty programme (NIK\$ Scheme) that enables end-customers to earn loyalty points, in the form of NIK\$, each time they purchase the Group's skincare products. Each NIK\$ awarded is redeemable for a S\$1 discount on skincare product purchase by the end-customer at the Group's clinics and retail outlets in Singapore within the next 1 year. Consideration equivalent to NIK\$ awarded for a sale transaction would be allocated to future product sale on a relative price proportionate basis, treated as deferred revenue and recognised as a contract liability. When the NIK\$ are redeemed or expire, the corresponding contract liability would be reversed to revenue.

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | FY2024 S\$'000 | FY2023 S\$'000 | FY2024 S\$'000 | FY2023 S\$'000 |
| Revenue recognised from amounts included in contract liabilities at beginning of year | 299 | 300 | 299 | 251 |

23 Capital commitment

Estimated amounts committed at the end of the financial period for future capital expenditure but not recognised in the Interim FS are as follows:

| Group | 31 December 2024 S\$'000 | 31 December 2023 S\$'000 |
|--|-----------------------------|-----------------------------|
| Commitments to purchase of property, plant and equipment | 174 | 43 |

24 Subsequent events

Save as disclosed, there are no known subsequent events which have led to adjustments to this set of Interim FS.

Information required and stipulated under Appendix 7C of the Catalyst Rules

1 Audit Statement

The consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2024 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months and full year ended 31 December 2024, explanatory notes and other information have not been audited or reviewed by the Company's auditors.

2 Review of Performance of the Group

Profit or loss review

Revenue

Revenue increased by S\$0.3 million or 4.6% in 2H 2024 compared to 2H 2023. Revenue increased by S\$0.3 million or 3.1% in FY2024 compared to FY2023. These were mainly attributable to the increase in sales in the headquarters segment, mainly driven by sales to new regional agents in China, sales generated from our new online store at Tmall and higher volume of sales generated from online store at the Company's website. The higher sales generated from the clinics segment in 2H 2024 compared to 2H 2023 was mainly attributable to higher volume of clinical services rendered to patients.

Other income and gains

The decrease in other income and gains by S\$0.3 million or 75.1% in 2H 2024 compared to 2H 2023 was mainly due to lower government grant income. During 2H 2023, the Company recognised a one-time grant income (Grant for Equity Market Singapore) in relation to the Company's IPO amounting to S\$300,000.

Correspondingly, a lower amount of government grant income was recorded for FY2024 compared to FY2023. This decrease was partially offset by a write-back of deposits and advance payments amounting to S\$31,000 during FY2024 (FY2023: NIL) and foreign exchange adjustment gains amounting to S\$47,000 (FY2023: NIL) mainly arising from foreign exchange gain on bank deposits denominated in United States dollar.

Please refer to Note 6.1 of Interim FS for the breakdown of key items in other income and gains.

Costs of goods sold and gross profit on product sales

Costs of goods sold amounted to S\$0.9 million and S\$0.8 million for 2H 2024 and 2H 2023 respectively. Costs of goods sold amounted to S\$1.8 million and S\$1.6 million for FY2024 and FY2023 respectively. The increases in cost of goods sold were due to increases in purchase costs and also in tandem with the increase in revenue.

Gross profit ("GP") on product sales was S\$3.7 million (GP margin: 80.2%) in 2H 2024 and S\$3.6 million (GP margin: 81.4%) in 2H 2023. GP was S\$7.1 million (GP margin: 79.7%) in FY2024 and S\$7.1 million (GP margin: 81.4%) in FY2023.

Employee benefits expense

The increase in employee benefits expense for FY2024 as compared to FY2023 was mainly due to salary increment and increase in headcount, such as the hiring of a doctor and deputy general manager (Sales and marketing) during 1H 2024.

No performance bonus was paid or payable to the executive directors in relation of FY2024 (FY2023: S\$168,000) as the minimum Group's profit before income tax required for the executive directors to be entitled to performance bonus is not achieved. Please refer to page 65 of Annual Report 2023 for key terms of the executive directors' service agreements.

Depreciation

Depreciation increased by S\$0.1 million or 28.7% during 2H 2024 compared to 2H 2023 and increased by S\$0.3 million or 38.2% during FY2024 compared to FY2023. This was mainly due to addition of medical equipment, computers, renovation and right-of-use assets (in relation to leasing arrangement for office, warehouse, clinic and retail premises) since the start of 2H 2023 which resulted in higher depreciation recognised thereafter.

Other expenses

The decrease in other expenses for 2H 2024 and FY2024 compared to 2H 2023 and FY2023 was mainly due to the absence of non-recurring IPO-related expenses and a reduction in rental expenses. The above decreases were partially offset by increases in listing expenses, professional fees, advertising and marketing expenses and foreign workers' levy.

Profit before income tax

Profit before income tax was S\$1.3 million for 2H 2024 and S\$0.8 million for 2H 2023. Excluding non-recurring IPO-related income and expenses of S\$0.6 million, profit before income tax for 2H 2023 would have been S\$1.4 million.

Profit before income tax was S\$2.5 million for FY2024 and S\$2.2 million for FY2023. Excluding non-recurring IPO-related income and expenses of S\$0.8 million, profit before income tax for FY2023 would have been S\$3.0 million.

Breakdown of sales and operating profit

| | FY2024 S\$'000 | FY2023 S\$'000 | Increase/ (Decrease) % |
|--|-------------------|-------------------|---------------------------|
| Sales reported for 1st half year | 5,397 | 5,316 | 1.5 |
| Operating profit after tax before deducting non-controlling interest (" Operating PAT ") reported for 1st half year | 930 | 1,095 | (15.1) |
| Add: Non-recurring IPO expenses | - | 230 | NM |
| Adjusted Operating PAT for 1st half year | 930 | 1,325 | (29.8) |
| Sales reported for 2nd half year | 5,793 | 5,538 | 4.6 |
| Operating PAT reported for 2nd half year | 1,149 | 591 | 94.4 |
| Add: Non-recurring IPO-related expenses, government grant income and share-based payment expenses | - | 558 | NM |
| Adjusted Operating PAT for 2nd half year | 1,149 | 1,149 | - |

Financial position review

Non-current assets

Non-current assets increased by S\$0.8 million from S\$11.1 million as at 31 December 2023 to S\$11.9 million as at 31 December 2024. The increase was mainly due to additions of plant and equipment amounting to S\$1.0 million and recognition of rights-of-use assets (relating to leases of premises) amounting to S\$0.8 million. During FY2024, the Company paid deposits of S\$40,000 relating to rental of premise for our new clinic in Yishun Central. The above increases were partially offset by depreciation amounting to S\$1.0 million.

Current assets

Current assets increased by S\$0.1 million from S\$11.5 million as at 31 December 2023 to S\$11.6 million as at 31 December 2024. The increase was mainly due to increase in inventories by S\$0.2 million and cash and cash equivalents by S\$0.1 million. The above increases were partially offset by decrease in trade and other receivables by S\$0.2 million.

Inventories turnover was 392 days for FY2024 and 428 days for FY2023. The Group maintains adequate inventories to avoid risk of stockouts arising from supply chain disruptions. As such, it is usual for inventory turnover period to hover around 365 days.

Included in trade and other receivables as at 31 December 2023 was IPO-related government grant receivable amounting to S\$0.3 million that was received during FY2024. This decrease in government grant receivable was partially offset by increases in deposits paid and advance payments to suppliers. The higher deposits as at 31 December 2024 was attributable to deposits paid for purchases of medical and other equipment.

Non-current liabilities

Non-current liabilities mainly comprised non-current portion of lease liabilities in relation to leases of premises. Increase in lease liabilities arising from the recognition of lease liabilities relating to the Company's new clinic premise in Yishun Central and the renewal of lease of the Company's corporate headquarters at 16 Kallang Place, were offset by lease repayments during FY2024. During FY2024, a provision for restoration of leased premises amounting to S\$0.1 million was recognised.

Current liabilities

Current liabilities remained constant at S\$2.3 million as at 31 December 2024 and 31 December 2023. Increase in lease liabilities by S\$0.2 million was offset by decreases in income tax payable, trade and other payables and other liabilities.

Trade payables' turnover was 26 days for FY2024 and 36 days for FY2023. Other payables comprised amount due to a medical equipment supplier. The lower customers' deposits received was due to the smaller amount of outstanding customers' orders as at 31 December 2024 compared to 31 December 2023.

Cash flow review

2H 2024

Net cash from operating activities was S\$1.4 million and S\$1.6 million for 2H 2024 and 2H 2023 respectively while operating cash flows before changes in working capital was S\$1.9 million and S\$1.4 million for 2H 2024 and 2H 2023 respectively. Changes in working capital amounted to a decrease of S\$0.3 million and an increase of S\$0.4 million for 2H 2024 and 2H 2023 respectively

Net cash used in investing activities amounting to S\$0.2 million was mainly attributable to S\$0.3 million paid for purchase of property, plant and equipment (mainly medical equipment and renovation and equipment at our new clinic in Yishun Central). Purchase of property, plant and equipment during 2H 2023 was mainly in relation to upgrades in accounting and point-of-sales systems.

Net cash used in financing activities amounting to S\$0.4 million was mainly attributable to payment of lease liabilities amounting to S\$0.3 million. Net cash used in financing activities was higher during 2H 2023 mainly due to payment of pre-IPO dividend to shareholders of the Company amounting to S\$9.5 million, partially offset by net proceeds from issue of IPO shares amounting to S\$4.6 million.

As a result of the above, there was a net increase of S\$0.9 million in cash and cash equivalents during 2H 2024. Cash and cash equivalents was S\$9.2 million as at 31 December 2024.

FY2024

Net cash from operating activities were S\$2.6 million during FY2024 and S\$2.2 million during FY2023. Operating cash flows before changes in working capital was S\$3.5 million and S\$3.1 million for FY2024 and FY2023 respectively. Decreases in working capital amounted to S\$0.4 million and S\$0.3 million for FY2024 and FY2023 respectively.

Net cash used in investing activities amounting to S\$0.5 million was mainly attributable to S\$0.8 million paid for purchase of property, plant and equipment (mainly medical equipment and renovation and equipment at our new clinic in Yishun Central). Property, plant and equipment purchased during FY2023 were mainly in relation to upgrades in accounting and point-of-sales systems.

Net cash used in financing activities amounting to S\$2.0 million was mainly attributable to payment of lease liabilities amounting to S\$0.6 million and payment of dividend to shareholders of the Company amounting to S\$1.3 million. Net cash used in financing activities was higher during FY2023 mainly due to payment of pre-IPO dividend to shareholders of the Company, which was partially offset by net proceeds from issuance of IPO shares.

As a result of the above, there was a net increase of S\$0.1 million in cash and cash equivalents during FY2024. Cash and cash equivalents was S\$9.2 million as at 31 December 2024

3 Variance from Forecast/ Prospect Statement

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

4 Significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The beauty and skincare industry is dynamic, and Niks Professional has distinguished itself by prioritizing product efficacy and delivering long-lasting treatment results.

In FY2024, the Group focused on expanding presence in existing markets, achieving the following key milestones:

- Launched new online stores in e-commerce platforms in Singapore (Shopee and Lazada) and China (Tmall);
- Established regional distributorships in Guangdong, Hunan and Anhui Provinces, thereby expanding its presence in China; and
- Opened a new clinic in Yishun Central.

Additionally, the Group invested in several new machines for clinic and salon use. Please refer to SGXNet announcement dated 14 May 2024 for more details. The Tricorpat machines, for instance, treat male and female androgenetic alopecia, allowing the Group to extend its services to address hair thinning concerns.

Over the next 12 months, the Group aims to enhance its presence on social media, strengthening engagement with new and younger consumers. The Group continues to be on the lookout for potential acquisitions, joint ventures or strategic alliances to augment its business and shall update shareholders as and when there is significant development in this aspect.

5 Dividend Information

(a) Dividend declared for the current financial period

| | FY2024 |
|---|--------------------------------|
| Name of dividend | Final dividend exempt (1-tier) |
| Type of dividend | Cash |
| Total number of issued ordinary shares ('000) | 130,000 |
| Dividend per share (cents) | 1.0 |
| Total dividend (S\$'000) | <u>1,300</u> |

The directors are pleased to propose the above final dividend that is according to the intended dividend recommendation as disclosed on page 63 of the Offer Document (i.e. not less than 40.0% of profit attributable to owners of the Company for FY2024). This dividend is subject to approval by shareholders at the forthcoming annual general meeting and has not been included as a liability in the Interim FS.

(b) Dividend declared for the previous corresponding period of the immediately preceding financial year

| | FY2023 |
|---|--------------------------------|
| Name of dividend | Final dividend exempt (1-tier) |
| Type of dividend | Cash |
| Total number of issued ordinary shares ('000) | 130,000 |
| Dividend per share (cents) | 1.0 |
| Total dividend (S\$'000) | <u>1,300</u> |

(c) Date payable; and record date - Date on which registrable transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

To be announced later.

6 Interested Person Transactions ("IPTs")

| Name of interested persons and nature of transactions | Nature of relationship | Aggregate value of all IPTs during 9M 2024 (excluding transactions less than S\$100,000) | |
|---|------------------------|---|---|
| | | Not conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000 | Conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules S\$'000 |
| Dr Ong Fung Chin: Rental of premises | Director | 156 | - |

Pursuant to rental agreement dated 22 June 2023 entered into between Dr Ong and the Company, Dr Ong agreed to lease the property situated at 825 Tampines Street 81, #01-64, Tampines Grove, Singapore 520825 to the Company at a monthly rental of S\$13,000 per month for a term of 3 years from 1 July 2023 to 30 June 2026. This rental rate is based on an independent rental valuation of the said premises dated 16 June 2023. The rental agreement and the lease thereunder do not require shareholders' approval as it is exempted under Rule 916(1) of the Catalist Rules.

The Company does not have a general mandate from shareholders for IPTs.

7 Use of IPO Proceeds

The Company raised gross proceeds of S\$5.0 million from the IPO. As at the date of this Interim FS, the utilisation of the gross proceeds are as follows:

| Use of proceeds (as set out in the Offer Document) | Amount allocated per Offer Document S\$'000 | Re-allocation as announced on 9 August 2024 S\$'000 | Revised amount after re- allocation S\$'000 | Amount utilised as at the date of this Interim FS S\$'000 | Amount balance S\$'000 |
|---|---|---|---|--|------------------------------|
| Organic expansion of business through: | 800 | 500 | 1,300 | (1,080) | 220 |
| a) Opening of new clinics and outlets, recruitment of healthcare and management professionals, purchase of new equipment; and | | | | | |
| b) Expansion of medical skincare products distribution business in China | | | | | |
| Expansion of business through acquisitions, joint ventures and/ or strategic alliances | 2,200 | (500) | 1,700 | - | 1,700 |
| General working capital purposes | 327 | - | 327 | - | 327 |
| Net proceeds | 3,327 | - | 3,327 | (1,080) | 2,247 |
| Share issue and listing expenses | 1,687 | - | 1,687 | (1,687) | - |
| Gross proceeds | 5,014 | - | 5,014 | (2,767) | 2,247 |

The above utilisation of gross proceeds is in line with the intended use and allocation of gross proceeds as set out in the Offer Document and the Company's announcement dated 9 August 2024.

The Company will make further periodic announcements via SGXNet on the utilisation of the above IPO proceeds as and when such balance of proceeds is materially disbursed and will also provide a status report on the use of proceeds in annual report 2024.

8 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules of the SGX-ST in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family relationship with any director and/ or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|--------------|-----|---|--|---|
| Ong Huey Jwu | 57 | Sister and sister-in-law of Dr Ong Fung Chin (President, Chief Medical Officer and Controlling Shareholder) and Mr Cheng Shoong Tat (Chairman, CEO and Controlling Shareholder) respectively. | <p>Current position: General Manager (Singapore) (since January 2020).</p> <p>Duties: In charge of the general operational matters in the Singapore office and retail outlets.</p> | Not applicable |

9 Confirmation that the issuer has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules

The Company has received undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Mr Cheng Shoong Tat
 Chairman and Chief Executive Officer

Dr Ong Fung Chin
 President and Chief Medical Officer

21 February 2025