SKIN ELEMENTS LIMITED

ABN 90 608 047 794

and its controlled entities

skin elements
enhancing health + wellness naturally

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Annual Report 2025

Corporate directory

Current directors

Peter Malone	*Executive Chairman*
Filippo (Phil) Giglia	*Non-Executive Director*
Stuart Usher	*Non-Executive Director*

Company secretary

Stuart Usher

Registered office

Street + Postal: 1255A Hay Street
West Perth WA 6005
Telephone: +61 (0)8 6311 1900
Facsimile: +61 (0)8 6311 1999
Email: info@skinelements.com
Website: www.skinelementslimited.com

Auditors

BDO Audit Pty Ltd

Street: Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
Telephone: +61 (0)8 6382 4600
Facsimile: +61 (0)8 6382 4601
Website: www.bdo.com.au

Share registry

MUFG Corporate Markets (AU)

Street: Level 12, QV1 Building, 250 St Georges Terrace
Perth WA 6000
Telephone: 1300 554 474 (within Australia)
+61 1300 554 474 (International)
Facsimile: +61 (0)8 6370 4203
Email: support@cm.mpms.mufg.com
Website: au.investorcentre.mpms.mufg.com

Securities exchange

Australian Securities Exchange

Street: Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000
Telephone: 131 ASX (131 279) (within Australia)
Telephone: +61 (0)2 9338 0000
Facsimile: +61 (0)2 9227 0885
Website: www.asx.com.au
ASX Code: SKN

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Contents

- Directors' report 1
- Remuneration report 7
- Auditor's declaration of independence 13
- Consolidated statement of profit or loss and other comprehensive income 14
- Consolidated statement of financial position 15
- Consolidated statement of changes in equity 16
- Consolidated statement of cash flows 17
- Notes to the consolidated financial statements 18
- Consolidated Entity Disclosure Statement 44
- Directors' declaration 45
- Independent auditor's report 46
- Corporate governance statement 50
- Additional Information for Listed Public Companies 51

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Directors' report

Your Directors present their report on the Group, consisting of Skin Elements Limited (**Skin Elements** or **the Company**) and its controlled entities (collectively **the Group**), for the financial year ended 30 June 2025 (**FY2025**).

Skin Elements is listed on the Australian Securities Exchange (ASX: SKN).

1. Directors

The names of Directors in office at any time during or since the end of the year are:

- Peter Malone — Executive Chairman and Chief Executive Officer
- Filippo (Phil) Giglia — Independent Non-Executive Director
- Stuart Usher — Independent Non-Executive Director (**the Directors** or **the Board**)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information on Directors including details of the qualifications of Directors please refer to paragraph 6 *Information relating to the Directors* of this Directors Report.

2. Company secretary

The following persons held the position of Company Secretary at the end of the financial year:

- Stuart Usher — Please refer to paragraph 6 Information relating to the Directors of this Directors Report.

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2025 (2024: $nil).

4. Significant changes in the state of affairs

During the year, the Company raised $657,184 through a 1-for-5 non-renounceable rights issue and oversubscriptions, issuing 219,061,355 new shares with attaching free options. Shareholders also approved 162,000,000 performance rights under the 2024 Equity Incentive Plan, with Class A rights vesting immediately and converting into 100,000,000 shares in December 2024. Further details are provided in sections 5.2.7 and 5.2.8 of this Directors' report.

There have been no other significant changes in the state of affairs of the Group during FY2025 other than disclosed elsewhere in this Annual Report.

5. Operating and financial review

5.1. Nature of operations and principal activities

Skin Elements is a researcher and developer of the innovative proprietary *SE Formula™* biotechnology. This Green Tech plant-based and organic sourced *SE Formula™* is used in the Company's proprietary flagship products including the SuprCuvr TGA-registered hospital-grade plant-based disinfectant, ECO-Nurture plant bio-stimulant, Invisi Shield alcohol free natural sanitiser, Soléo Organics natural and organic sunscreen, PapayaActivs natural therapeutics skincare and Elizabeth Jane Natural Cosmetics brand.

5.2. Operations review

5.2.1. *Development of SE Formula™*

The *SE Formula™* has been developed by Skin Elements over the last 15 years and is the core of every natural product developed by Skin Elements. Products with the *SE Formula™* have been scientifically proven to be high-performing while using only natural and plant-based ingredients.

Skin Elements has a three-phase development process leading into commercial scale production and sales:

- *Phase 1* Pure research and development to undertake investigations into natural organic ingredients and processes to prepare prototype formulations.
- *Phase 2* Produce test batches and undertake product trials, test marketing and regulatory certifications.
- *Phase 3* Negotiate distribution agreements and commence scale up production and launch into commercialisation.

5.2.2. *Eco Nurture Plant Bio-Stimulant Phase 3 commencing*

ECO-Nurture is a sustainable, horticultural-specific plant bio-stimulant product developed from the plant-based *SE Formula™* biotechnology research and development program as an effective alternative to chemical-based agricultural sprays currently used in crop disease protection globally.

During the year, Skin Elements has continued to work through the certification for wide spread adoption of ECO-Nurture for the New Zealand kiwifruit industry under Zespri's spray list approved Zespri Crop Protection Standards. Headquartered in New Zealand, Zespri is the world's largest marketer of kiwifruit with over $5 billion in sales annually.

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Directors' report

Assessment of ECO-Nurture on over 120 kiwifruit orchards in New Zealand over the past three growing seasons has delivered positive outcomes for kiwifruit plant protection and productivity without leaving chemical residues. ECO Nurture has demonstrated that it is effective against bacteria which has negatively impacted kiwifruit industry in addition to supporting fruit quality, yield, and appearance of the fruit with zero residual toxicity.

During the year, over 2,400 litres of ECO Nurture concentrate have been delivered to kiwifruit orchard managers in New Zealand with a further 800 litres delivered in August.

Skin Elements has now commenced the commercial roll-out of ECO-Nurture for the 2026 New Zealand kiwifruit growing season with further deliveries to follow.

5.2.3. *SuprCuvr disinfectant Phase 3 commencing*

SuprCuvr is a TGA-registered hospital-grade disinfectant made from the Company's proprietary 100% plant-based *SE Formula™*. It combines the world's highest level of efficacy against viral and bacterial infection with a 100% plant-based organic input certified formula to present a significant market opportunity for a chemical-free disinfectant in large-scale settings such as food manufacturing, hospitality retail businesses, public transport, and health services.

SuprCuvr is currently being used by Spotless cleaning contractors in the Melbourne city trains with a further 900 litres delivered in August 2025. SuprCuvr is also undergoing trials with the agriculture sector in New Zealand. SuprCuvr is TGA-registered in Australia and has MPI registration in New Zealand.

5.2.4. *Soléo Organics Phase 3 commercialisation negotiations*

Soléo Organics is an award-winning, natural and organic sunscreen formulation, providing a highly effective, high-performance chemical-free sunscreen range. It was the first application borne out of Skin Elements' *SE Formula™* research and development program.

Soléo Organics is globally recognised, with certification by the TGA in Australia, FDA in the United States, Health Canada, the European Union and the United Kingdom, and the Ministry of Health, Japan.

Skin Elements is working on the development of a new, premium SPF50 Soléo Organics sunscreen for the domestic market, as well as negotiations with a leading health retail group in the United Kingdom for distribution of the Soléo Organics sunscreen formulation under white label.

5.2.5. *PapayaActivs Phase 2 completion*

Skin Elements continued to progress Phase 2 improvements in the PapayaActivs formulation and expansion of the product range. The Company also undertook small scale Phase 3 test market of skincare ranges through its online store.

PapayaActivs combines a high concentration of natural pawpaw extract with other active natural ingredients to help relieve the symptoms of skin conditions, like psoriasis, rashes, eczema, assist in healing of minor burns and wounds, and relieve mild muscle, joint and arthritic pain. PapayaActivs is listed on the TGA Australian Register of Therapeutic Goods.

5.2.6. *Research and development (**R&D**) tax incentive* grant income

During the year, Skin Elements received R&D Rebate of $1,193,629 in relation to the eligible research and development spend in the 2024 financial year.

The Company's commitment to the continued research and development of its natural *SE Formula™* Biotechnology sees it eligible for the Federal Government's R&D tax incentive for the FY2025 with R&D Rebate calculation of $635,592 as at 30 June 2025.

During the year, Skin Elements received an advance of $433,256 under a R&D Rebate advance facility provided by Radium Capital in relation to the FY2025 eligible R&D expenditure.

5.2.7. *Rights Issue*

During the year, the Company completed a non-renounceable rights issue on the basis of 1 new share for every 5 shares held, raising $513,692 through the issue of 171,230,552 shares with attaching free options exercisable at $0.01 on or before 7 March 2028. In addition, oversubscription applications for 47,830,803 shares (with attaching options) were accepted, raising a further $143,492 as a placement under the Company's LR7.1 capacity.

5.2.8. *Performance Rights*

At the 2024 Annual General Meeting, shareholders approved the issue of 100,000,000 Class A and 62,000,000 Class B performance rights under the Equity Incentive Plan. These rights were issued to Peter Malone (Executive Chairman), Non-Executive Directors Filippo (Phil) Giglia and Stuart Usher, and key management personnel Craig Piercy and Leo Fung, and were valued in accordance with accounting standards. The Class A rights vested immediately and converted into 100,000,000 fully paid ordinary shares in December 2024.

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Directors' report

5.2.9. *Repayment of Borrowings*

As approved by Shareholders at the 2024 Annual General Meeting, the Company issued 166,666,665 equity securities to Directors and Key Management for $500,000 unpaid executive services and Directors' services in accordance with service agreements.

5.3. Financial Review

5.3.1. *Key profit and loss measures*

	Movement (increased/ decreased)	Movement $	2025 $	2024 $
Revenues from ordinary activities	*increased*	*53,755*	469,957	416,202
Loss from ordinary activities after tax	*decreased*	*432,822*	(1,728,461)	(2,161,283)
EBITDA loss	*decreased*	*192,615*	(1,629,788)	(1,822,403)

5.3.2. *Key net asset measures*

	Movement (increased/ decreased)	Movement $	2025 $	2024 $
Cash and cash equivalents	*decreased*	*55,423*	59,648	115,071
Working capital deficit *(excluding prepayments)*	*decreased*	*274,545*	1,944,428	1,669,883
Net tangible liabilities	*increased*	*304,223*	(1,937,061)	(1,632,838)
Net liabilities	*increased*	*304,223*	(1,937,061)	(1,632,838)

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of $1,728,461 (2024: $2,161,283 loss) and a net cash in-flow from operating activities of $233,846 (2024: $279,377 out-flow). As at 30 June 2025, the Group had a working capital deficit of $1,944,428 (2024: $1,669,883 working capital deficit) and a net asset deficit of $1,937,061 (2024: $1,632,838 a net asset deficit).

The Group's ability to continue as a going concern depends on securing additional debt or equity funding and/or generating profits from its operations. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The Directors are confident that there will be sufficient funds for the Group to meet its obligations and liabilities and believe it is appropriate to prepare these accounts on a going concern basis for the following reasons:

- The Group continues to benefit from the Australian Government's R&D Tax Incentive, with $1,193,626 million received during the year for FY2024 expenditure and a further $635,592 accrued to 30 June 2025, with the claim lodged subsequent to balance date.
- Additional liquidity has been secured through the R&D advance facility with Radium Capital of $433,256 received in relation to the FY2025 R&D Rebate to be repaid out of funds claimed above.
- $500,000 in outstanding fees due to Directors and key management was settled through the issue of shares, further conserving cash resources.
- Directors have confirmed they will defer repayment of balances owed until the Company is in a position to repay without affecting its ability to meet ongoing commitments.
- The Company has a strong track record of raising capital when required and will secure additional working capital through equity raising as required.
- Detailed cash flow forecasts prepared by the Directors demonstrate that the Group will have sufficient funds to meet its obligations and working capital requirements for at least 12 months from the date of this report.

While these conditions indicate the existence of a material uncertainty, the Directors believe the mitigating factors outlined above provide a strong basis to prepare the financial statements on a going concern basis. In particular, the Group's consistent ability to access equity funding, combined with the expected receipt of R&D rebates, underpins their confidence in the Group's ongoing viability.

Should the Group be unable to continue as a going concern, it may be required to realise assets and extinguish liabilities outside the ordinary course of business, at amounts different from those stated in the financial statements. The financial statements do not include any such adjustments.

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Directors' report

5.4. Key business risks

The Group faces a range of risks, both business-specific and general, that may individually or collectively affect future operating and financial performance.

5.4.1. Reputation and brand

Sustained business success depends on the strength of Skin Elements' brands. Product issues, counterfeit goods, supplier failures or negative media coverage may materially damage reputation and performance.

5.4.2. Laws, regulations, and geopolitics

The Group operates in multiple regulated jurisdictions. Changes in laws, tax regimes, supply chains or geopolitical conditions can materially impact production, distribution and sales.

5.4.3. Cybersecurity and data

Protecting intellectual property and confidential data is critical. Increasing cybercrime and digital data storage heighten the need for robust security measures.

5.4.4. Key partnerships

Sales and strategic initiatives rely on key markets, distributors and retailers. Underperformance or shifts in market dynamics may materially affect results.

5.4.5. People and culture

Delivery of strategic objectives depends on attracting and retaining skilled, motivated staff and maintaining strong leadership.

5.4.6. Safety, health, and wellbeing

The Group prioritises the safety and wellbeing of employees, customers and partners. A safe and supportive environment is essential to sustainable operations.

5.4.7. Consumer and marketplace

Unanticipated shifts in consumer demand, competitive pressures or disruptive events (e.g. pandemics, online growth, price competition) may limit growth opportunities or disrupt inventory management.

5.4.8. Significant business interruption

Natural disasters, pandemics, hazards or politically motivated events may disrupt supply chains, infrastructure and workforce, causing financial and reputational impacts.

5.4.9. Climate and sustainability

Limited availability of sustainable natural ingredients, together with climate-related risks, may challenge supply continuity. Effective management of these issues is critical to the Group's growth and commitments.

5.4.10. Financial and treasury

The Group's financial performance is sensitive to fluctuations in exchange rates, interest rates, credit conditions and capital markets. Broader economic or business events, including recalls or pandemics, may also impair liquidity, profitability and funding access. Maintaining adequate liquidity, prudent capital management and secure financing are essential to support operations and growth.

5.5. Risk management

The Board adopts a proactive approach to risk management and is ultimately responsible for ensuring that risks and opportunities are identified in a timely manner, and that the Group's objectives and activities remain aligned with them.

To support this, the Board has established an Audit and Risk Committee, operating under a Board-approved charter, to assist in overseeing governance, risk management, compliance, and related practices.

5.6. Events Subsequent to Reporting Date

There are no material after balance date events that are not covered in this Directors' report or within the financial statements as disclosed in note 13 *Events subsequent to reporting date.*

5.7. Future developments, prospects, and business strategies

Likely developments in the operations of the Group have been disclosed in the *Operating and financial review* section of the Directors' Report.

Other likely developments, future prospects, and business strategies of the operations of the Group and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

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Directors' report

5.8. Environmental regulations

The Group's operations are not subject to significant environmental regulation in Australia.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (NGER Act), which establishes a national framework for reporting greenhouse gas emissions, energy use, and production. At the current stage of development, the NGER Act has no effect on the Company for the current or subsequent financial year. This position will be reassessed as circumstances require.

6. Information relating to the Directors

Peter Malone

- Executive Chairman and Chief Executive Officer *(Appointed 4 September 2015)*
  Non-independent
- Qualifications: B.Arch. MBA
- Experience: Mr Malone has over 30 years' experience in global financial markets and has been responsible for raising AUD$100m+ for technology development companies. He has a proven track record in developing and managing technology development programs, from idea stage to reality. Previous CEO to listed companies, he has a master's degree from UWA and has taught and consulted in Australia, USA, Europe and Asia in business and management. Mr Malone is responsible for the strategic direction of the Group and is Managing Director and CEO of the Company.
- Interest in equity:
  166,035,739 Ordinary Shares
  25,614,520 Options
  50,000,000 Performance rights
- Directorships in Listed Entities (Past 3 Years): None

Filippo (Phil) Giglia

- Non-Executive Director *(Appointed 22 November 2017)*
  Chairman of the Audit Committee, Remuneration Committee and Nomination Committee
  Independent
- Qualifications: B.Bus, CA, Registered Company Auditor, Registered Tax Agent
- Experience: Mr Giglia joined the Skin Elements' Board in November 2017. Mr Giglia is a Chartered Accountant with more than 25 years' experience in senior roles, with a strong depth of expertise in the small to medium enterprise sector. Mr Giglia worked for leading global accountancy firm Price Waterhouse Coopers from 1985 to 1991. He is the founder and principal of Perth accountancy practice, Giglia & Associates, and is also a director of Global Marine Enclosures Pty Ltd. Mr Giglia has a Bachelor of Business (with Distinction) from Curtin University, and is a Member of the Institute of Chartered Accountants in Australia and New Zealand.
- Interest in equity:
  33,031,132 Ordinary Shares
  4,683,402 Options
  10,000,000 Performance rights
- Directorships in Listed Entities (Past 3 Years): None

Stuart Usher

- Non-Executive Director *(Appointed on 17 January 2023)*
  Company Secretary *(Appointed on 17 January 2023)*
  Independent
- Qualifications: B.Bus, CPA, Grad Dip CSP, MBA, FGIA, FCIS
- Experience: Mr Usher is a CPA and Chartered Company Secretary with 25 years of extensive experience in the management and corporate affairs of public listed companies. He holds an MBA from the University of Western Australia and has extensive experience across many industries focusing on Corporate & Financial Management, Strategy & Planning, Mergers & Acquisitions, and Investor Relations & Corporate Governance.

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Directors' report

Interest in equity	○	16,947,652	Ordinary Shares
		2,824,319	Options
		2,000,000	Performance rights
Directorships in Listed Entities (Past 3 Years)	○	Story-I Limited	

7. Meetings of directors and committees

During the financial year, four meetings of Directors (including committees of Directors) were held.

	DIRECTORS MEETINGS		REMUNERATION AND NOMINATION COMMITTEE		AUDIT AND RISK COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Peter Malone	4	4	-	-	-	-	*The Finance and Operations Committee comprise the full Board. The Board believes the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate committee. Accordingly, all matters capable of delegation to such committees are considered by the full Board.*	
Filippo (Phil) Giglia	4	4	-	-	-	-		
Stuart Usher	4	4	-	-	-	-		

8. Indemnifying officers or auditor

8.1. Indemnification

During the financial year, the Company paid a premium for a contract insuring Directors and officers against liabilities incurred in their roles, to the extent permitted under the Corporations Act 2001. The Company has not otherwise indemnified, or agreed to indemnify, any officer or auditor of the Company or its related bodies corporate.

8.2. Insurance premiums

The Company paid insurance premiums during the year to cover Directors and officers against certain liabilities arising from their conduct while acting in office. In accordance with the terms of the policy, the premium amount is not disclosed.

9. Options

9.1. Unissued shares under option

At the date of this report, the unissued ordinary shares of the Company under option (listed and unlisted) are as follows:

ASX Security Code	Grant Date(s)	Date of Expiry	Exercise Price $	Number under Option
SKNOD	05.2023, 06.2023 & 11.2023	31.05.2026	0.025	133,351,198
SKNAS	11.2022 & 02.2023	31.10.2025	0.050	58,000,000
SKNUOH	3.2025	21.02.2028	0.010	219,061,355
				410,412,553

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

9.2. Shares issued on exercise of options

No ordinary shares have been issued by the Company during the financial year due to the exercise of options (2024: nil).

10. Auditor's independence and non-audit services

10.1. Auditor independence

The Company's auditor's, BDO Audit Pty Ltd's (**BDO**), independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2025 has been received and can be found on page 13 and forms part of this Directors' report for the year ended 30 June 2025.

10.2. Non-audit services

During the year, BDO Corporate Tax Pty Ltd provided professional advisory services to assist the Group with the preparation of *Research & Development Tax* rebate registration, with fees amounting to $39,449 (2024: $38,628). Details of remuneration paid to the auditor can be found within the financial statements at note 21 *Auditor's Remuneration*.

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Directors' report

As non-audit services are provided by BDO, the Board followed certain procedures to ensure that the provision of non-audit services is compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth). These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Board is satisfied that the provision of non-audit services is compatible with the general standard of independence.

11. Proceedings on behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001* (Cth).

12. Remuneration report (audited)

This report outlines the remuneration arrangements in place for the key management personnel of Skin Elements Limited (the **Company** or **Group** or individually **Skin Elements**) for the financial year ended 30 June 2025 and comparatives for the year ended 30 June 2024. The remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).

12.1. Key management personnel (KMP) covered in this report

For the purposes of this report KMP of Skin Elements are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company and all KMP. KMP comprise:

- *Directors*
  - Peter Malone — Executive Chairman and Chief Executive Officer
  - Filippo (Phil) Giglia — Non-Executive Director
  - Stuart Usher — Non-Executive Director
- *Other KMP*
  - Leo Fung — Chief Technical Advisor
  - Craig Piercy — Chief Financial Officer

There have been no other changes since the end of the reporting period.

12.2. Principles used to determine the nature and amount of remuneration

12.2.1. *Remuneration Policy*

The Board has established a Nomination and Remuneration Committee to assist in fulfilling its governance and oversight responsibilities. Ultimate responsibility for nomination and remuneration practices rests with the Board. The Committee's key functions include:

- assisting the Board in examining the selection and appointment practices of the Company;
- ensuring remuneration is equitable, transparent, and sufficient to attract and retain executives and directors who create sustainable value for members and stakeholders;
- monitoring the Board's composition, size, and commitment to ensure effective performance;
- reviewing Board succession planning, renewal, and performance evaluation processes, and ensuring rewards align with outcomes;
- monitoring diversity within the Company and reporting against any Board-approved diversity policy;
- reviewing remuneration, recruitment, retention, and termination policies for the Board and senior executives; and
- ensuring compliance with relevant legislation, including the ASX Listing Rules and the Corporations Act 2001 (Cth).

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Directors' report

12. Remuneration report (audited)

12.2.2. *Remuneration structure*

The Group's policy for determining the nature and amount of remuneration of KMP is as follows:

a. *Non-Executive Directors – Mr Filippo (Phil) Giglia and Mr Stuart Usher*

Non-Executive Director remuneration is set by the Board, based on recommendations of the Nomination and Remuneration Committee and an assessment of each Director's contribution.

The maximum aggregate annual remuneration payable to non-executive Directors is $500,000, as approved by shareholders under the Company's Constitution, the ASX Listing Rules and the *Corporations Act 2001* (Cth). Within this limit, fees are currently set at $60,000 p.a. for each Director. An additional $20,000 p.a. is payable to the Chairman of the Audit and Risk Committee and the Nomination and Remuneration Committee (Mr Giglia).

b. *Executive Directors and other Senior Executives*

The Company's remuneration policy seeks to align executive remuneration with shareholder interests and to attract and retain appropriately qualified executives. Remuneration is designed to reflect competitive market conditions and link individual rewards to both financial and non-financial performance outcomes.

The Board, through the *Nomination and Remuneration Committee*, is assessing and implementing an executive reward framework to ensure remuneration is competitive, performance-based, and aligned with results delivered.

12.2.3. *Performance-based remuneration – Short-term and long-term incentive structure*

The Board periodically reviews the Company's short- and long-term incentive arrangements to ensure alignment with shareholder interests.

a. *Short-term incentives*

No short-term incentives in the form of cash bonuses were granted during the year.

b. *Long-term incentives*

The Company maintains an Equity Incentive Plan under which Performance Rights, Options, or Restricted Shares may be granted to Directors, employees, or contractors. For the year ended 30 June 2025, executive remuneration comprised fixed base amounts at or below market levels, except as disclosed under *Share-based Compensation – Employee Incentive Plan*.

The Plan is designed to align executive and shareholder interests through performance hurdles, typically requiring achievement of share price targets above the issue price and expiring within defined timeframes. Executive Directors remain eligible to participate in both short-term and long-term incentive arrangements introduced by the Company or its subsidiaries from time to time.

The relative proportions of executive remuneration that are fixed or at risk is outlined below:

Group KMP	Contract commencement / termination date	Proportions of elements of remuneration not related to performance (Fixed remuneration)		Proportions of elements of remuneration related to performance (At Risk – LTI)	
		2025 %	2024 %	2025 %	2024 %
Peter Malone	Appt 4.9.2015[(1)]	58.9	100	41.1	Nil
Filippo (Phil) Giglia	Appt 22.11.2017	100	100	Nil	Nil
Stuart Usher	Appt 17.01.2023	100	100	Nil	Nil
Craig Piercy	Appt 29.11.2019[(1)]	65.0	100	35.0	Nil
Leo Fung	Appt 18.02.2019[(1)]	65.0	100	35.0	Nil

(1) These appointment dates are for the ultimate holding company Skin Elements Limited. Mr Malone, Mr Piercy, and Mr Fung were appointed as executives of wholly owned subsidiary SE Operations Pty Ltd on 1 March 2005.

12.2.4. *Service agreements*

Remuneration and terms of employment for other key management personnel are formalised in consultancy and employment agreements. The major provisions relating to remuneration to existing directors are set out below.

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Directors' report

12. Remuneration report (audited)

a. *Executive Agreement*

(1) **Peter Malone** *Executive Chairman*

The Company has a consultancy agreement with Boston Technology Management Pty Ltd (**Boston Tech**) (the **Boston Consultancy Agreement**). Through this arrangement, Mr Malone serves as Executive Chairman and Chief Executive Officer. Boston Tech receives $26,000 per month (plus GST) for at least 100 hours of service, and is reimbursed for reasonable expenses.

The agreement is ongoing until terminated by either party, requiring three months' written notice (or less in cases of material breach) or payment in lieu. On termination, the Company must pay Boston Tech an amount equivalent to consulting fees payable over the notice period.

(2) **Leo Fung** *Chief Technical Advisor*

The Company has a consultancy agreement with Blackridge Group Pty Ltd (**Blackridge**) (the ***Blackridge Consultancy Agreement***), under which Mr Fung serves as Chief Technical Advisor. Blackridge receives $14,690 per month (plus GST) for at least 100 hours of service, plus reimbursement of reasonable expenses.

The agreement is ongoing until terminated by either party, with the same standard provisions of three months' notice (or less in cases of material breach) or payment in lieu. On termination, the Company must pay Blackridge an amount equivalent to fees payable over the notice period.

(3) **Craig Piercy** *Chief Financial Officer*

Mr Piercy is engaged as Chief Financial Officer under the *Boston Consultancy Agreement*. Boston Tech receives $14,690 per month (plus GST) for at least 100 hours of service, plus reimbursement of reasonable expenses.

The agreement is ongoing until terminated by either party, with standard provisions requiring three months' written notice (or less in cases of material breach) or payment in lieu. On termination, the Company must pay Boston Tech an amount equivalent to fees payable over the notice period. These amounts are disclosed in the Remuneration Report below.

12.2.5. *Engagement of Remuneration Consultants*

During the financial year, the Company did not engage any remuneration consultants.

12.2.6. *Relationship between Remuneration of KMP and Earnings*

In assessing the Group's performance and shareholder value, the Board considers the following indicators for the current and preceding four financial years, where applicable. While the C*orporations Act 2001* (Cth) requires disclosure of these financial performance measures, they may differ from those used to determine variable remuneration for KMPs. As such, a direct correlation between reported performance metrics and variable remuneration may not always exist:

As at 30 June	2025	2024	2023	2022	2021
Revenue ($)	469,957	416,202	194,131	1,408,330	288,741
Loss for the year attributable to owners of the Company ($)	(1,728,461)	(2,161,283)	(11,416,168)	(1,580,910)	(3,042,523)
Basic earnings per share (cents)	(0.22)	(0.39)	(2.61)	(0.40)	(0.87)
Dividend payments ($)	Nil	Nil	Nil	Nil	Nil
Share price (cents per share) [1]	0.30	0.30	0.80	2.60	10.00
Increase/(decrease) in share price (%)	-	(62.50)	(69.23)	(74.00)	25.00

[1] **FY2021:** At last trade date, 14 January 2021. Company at the 30 June 2021 balance date was suspended

12.2.7. *Voting and comments made at the Company's 2023 and 2024 Annual General Meeting (AGM)*

At the AGMs held on 29 November 2024, the remuneration reports for the 2023 and 2024 financial year were approved as follows:

- **2023** 118,279,153 votes in favour (97.73%), 2,743,972 votes against (2.27%) and 24,356,768 abstentions; and
- **2024** 121,899,855 votes in favour (97.80%), 2,743,972 votes against (2.20%) and 24,331,768 abstentions.

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Directors' report

12. Remuneration report (audited)

12.3. KMP remuneration

KMP remuneration expenses for current and prior years are shown below in accordance with Australian Accounting Standards:

2025– Group	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
Group KMP	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other		Equity	Performance Rights[5]	
	$	$	$	$	$	$	$	$	$	$
Peter Malone[1]	271,200	-	-	-	-	-	-	-	190,000	461,200
Filippo (Phil) Giglia[2]	80,000	-	-	-	-	-	-	-	-	80,000
Stuart Usher[4]	90,000	-	-	-	-	-	-	-	-	90,000
Craig Piercy[1]	176,291	-	-	-	-	-	-	-	95,000	271,291
Leo Fung[3]	176,291	-	-	-	-	-	-	-	95,000	271,291
	793,782	-	-	-	-	-	-	-	380,000	1,173,782

2024 – Group	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
Group KMP	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other[7]	Super-annuation	Other		Equity	Performance Rights[6] (net of contra expense)	
	$	$	$	$	$	$	$	$	$	$
Peter Malone[1]	271,200	-	-	-	-	-	-	-	(222,870)	48,330
Filippo (Phil) Giglia[2]	60,000	-	-	20,000	-	-	-	-	(44,574)	35,426
Stuart Usher[4]	90,000	-	-	-	-	-	-	-	-	90,000
Craig Piercy[1]	176,291	-	-	-	-	-	-	-	-	176,291
Leo Fung[3]	176,291	-	-	-	-	-	-	-	-	176,291
	773,782	-	-	20,000	-	-	-	-	(267,444)	526,338

(1) Peter Malone's and Craig Piercy's fees are paid to Boston Technology Management Pty Ltd.

(2) Filippo (Phil) Giglia fees paid to Colosseum Securities Pty Ltd; agreement commenced on 22 November 2017.

(3) Leo Fung's fees are paid to Blackridge Group Pty Ltd who engage Leo Fung.

(4) Stuart Usher receives director fees and company secretary fees through two service entities. Mr Ushers company secretary fees are mandated at $2,500 per month, on an ongoing basis.

(5) In 2025, Messrs Malone, Piercy, and Fung, were granted 100 million 2024 Class A rights, valued at $190,000; and Messrs Malone, Giglia, and Usher were granted 62 million 2024 Class B rights, valued at $nil, both detailed in section 12.4.2 of this remuneration.

(6) In 2024, the 2022 Class B performance rights held by Messrs Malone and Giglia were derecognised as there was no probability of meeting vesting conditions (see note 18.2.2a). Both the 2024-year expense and prior period amounts previously recognised were reversed through a contra-expense in share-based payments.

(7) In 2024, o*ther short-term benefits* for Filippo (Phil) Giglia represent a back-pay of audit committee fees for the 2023 financial year.

12.4. Share-based compensation

12.4.1. *Employee Incentive Plan*

The Company has established an Equity Incentive Plan (**EIP**) to assist in the motivation, retention and reward of senior management and other employees. The EIP is designed to align the interest of senior management and other employees with the interest of Shareholders by providing an opportunity for participants to receive an equity interest in the Company.

The Company is currently assessing the suitability of this plan to achieve the proposed objectives.

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Directors' report

12. Remuneration report (audited)

12.4.2. As at 30 June 2025 the Company had the following securities on issue/lapse in connection with KMP share-based payments:

2025– Group *Group KMP*	Type of rights	Rights at the start of the year/grant date No.	Value of rights at grant date[1] $	Number of rights vested during the year No.	Value of rights at vesting date[1] $	Number of rights lapsed during the year No.	Value at lapse date $
Peter Malone	2024 Class A	50,000,000	190,000	(50,000,000)	190,000	-	-
Craig Piercy	2024 Class A	25,000,000	95,000	(25,000,000)	95,000	-	-
Leo Fung	2024 Class A	25,000,000	95,000	(25,000,000)	95,000	-	-
Peter Malone	2024 Class B	50,000,000	-	-	-	-	-
Filippo (Phil) Giglia	2024 Class B	10,000,000	-	-	-	-	-
Stuart Usher	2024 Class B	2,000,000	-	-	-	-	-
		162,000,000	380,000	(100,000,000)	380,000	-	-

[1] The value at grant date was calculated in accordance with AASB 2 *Share-based payments* for rights granted during the year. These were valued at fair value determined using binomial valuation methodology, refer to note 18.3 of the financial statement.

12.5. KMP equity holdings

12.5.1. *Fully paid ordinary shares in Skin Elements Limited held by each KMP and their related entities at 30 June 2025*

2025– Group *Group KMP*	Balance at start of year or date of appointment No.	Received during the year as remuneration No.	Received during the year on the exercise of options or rights No.	Other changes during the year[1] No.	Balance at end of year or date of resignation No.
Peter Malone	31,743,116	-	50,000,000	84,292,623	166,035,739
Filippo (Phil) Giglia	5,069,277	-	-	27,961,855	33,031,132
Stuart Usher	-	-	-	16,947,652	16,947,652
Craig Piercy	14,253,565	-	25,000,000	51,929,776	91,183,341
Leo Fung	24,331,768	-	25,000,000	53,946,353	103,278,121
	75,397,726	-	100,000,000	235,078,259	410,475,985

[1] Other changes include settlement of amounts as per note 18.2.1b, and purchases through a rights issue and a placement as detailed below:

KMP	Settlement of amounts owing Shares	$	Additional acquisitions
Peter Malone	56,620,000	$169,860	Rights issue and placement
Filippo (Phil) Giglia	14,123,333	$42,370	Rights issue and placement
Stuart Usher	14,123,333	$42,370	Rights issue
Craig Piercy	36,733,333	$110,200	Rights issue
Leo Fung	36,733,333	$110,200	Rights issue and placement

12.5.2. *Options in Skin Elements Limited held by each KMP and their related entities at 30 June 2025*

2025 – Group *Group KMP*	Balance at start of year or appointments No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year or resignation No.	Vested and Exercisable No.	Not Vested No.
Peter Malone	5,290,520	-	-	21,324,000	26,614,520	26,614,520	-
Filippo (Phil) Giglia	844,880	-	-	3,838,522	4,683,402	4,683,402	-
Stuart Usher	-	-	-	2,824,319	2,824,319	2,824,319	-
Craig Piercy	3,256,429	-	-	14,458,230	17,714,659	17,714,659	-
Leo Fung	4,055,295	-	-	17,213,020	21,268,315	21,268,315	-
	13,447,124	-	-	59,658,091	73,105,215	73,105,215	-

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Directors' report

12. Remuneration report (audited)

12.5.3. *Performance Rights in Skin Elements Limited held by each KMP and their related entities at 30 June 2025*

2025 – Group *Group KMP*	Balance at start of year or appointments No.	Granted as remuneration during the year[1] No.	Converted during the year No.	Other changes during the year No.	Balance at end of year or resignation No.	Vested and convertible No.	Not Vested No.
Peter Malone	50,000,000	100,000,000	(50,000,000)	(50,000,000)	50,000,000	-	50,000,000
Filippo (Phil) Giglia	10,000,000	10,000,000	-	(10,000,000)	10,000,000	-	10,000,000
Stuart Usher	-	2,000,000	-	-	2,000,000	-	2,000,000
Craig Piercy	-	25,000,000	(25,000,000)	-	-	-	-
Leo Fung	-	25,000,000	(25,000,000)	-	-	-	-
	60,000,000	162,000,000	(100,000,000)	(60,000,000)	62,000,000	-	62,000,000

[1] In 2025, Messrs Malone, Piercy, and Fung, were granted 100 million 2024 Class A rights, valued at $190,000; and Messrs Malone, Giglia, and Usher were granted 62 million 2024 Class B rights, valued at $nil, both detailed in section 12.4.2 of this remuneration.

[2] The 2022 Class B performance rights were derecognised in the prior year due to a nil probability of meeting the vesting conditions by the milestone dates, as outlined in note 18.2.2a. Consequently, current year amounts and historic charges previously recognised were reversed through a contra-expense in share-based payments. (see).

12.6. Other Equity-related KMP Transactions

There were no other equity-related KMP transactions beyond the option, right, and shareholdings disclosed above.

12.7. Other transactions with KMP and or their related parties

Entity	Nature of transactions	KMP	Payable Balance[1] 2025 $	2024 $
Boston Technology Management Pty Ltd	Service Fees	Peter Malone	220,164	360,462
Colosseum Securities Pty Ltd	Director's fee	Filippo (Phil) Giglia	158,102	147,472
Spitfire Corporate Advisory Pty Ltd	Director's fee	Stuart Usher	89,291	74,161
Geneva Partners Pty Ltd	Company secretary fees	Stuart Usher	57,750	24,750
Boston Technology Management Pty Ltd	Service Fees	Craig Piercy	286,419	335,086
Boston Technology Management Pty Ltd	R&D Costs [2]	Craig Piercy, Peter Malone	673,503	816,199
Blackridge Pty Ltd	Service Fees	Leo Fung	191,630	221,558
			1,676,859	1,979,688

[1] Balances are classified as current on statement of financial position under note 5.4.1 of Trade and other payables.

[2] *R&D Costs* provided by Boston Technology Management Pty Ltd for R&D project materials, formulations, testing and R&D contractors and consultants. This amount was recognised as an expense in the corresponding year.

KMP have confirmed they will not call on balances owed until the Company has capacity to repay without affecting its going concern status or ability to meet other liabilities as they fall due.

No other transactions occurred beyond those disclosed in this *Remuneration Report* or note 16 *Related party transactions*.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



PETER MALONE
Executive Chairman
Dated this Tuesday, 30 September 2025

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF SKIN ELEMENTS LIMITED

As lead auditor of Skin Elements Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Skin Elements Limited and the entities it controlled during the period.

Neil Smith

Director

BDO Audit Pty Ltd

Perth

30 September 2025

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BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2025

	Note	2025 $	2024 $
Continuing operations			
Revenue	2.1	469,957	416,202
Cost of sales		(63,665)	(54,328)
Gross profit		406,292	361,874
Other income	2.2	637,849	1,197,149
Administrative and other costs		(1,441,541)	(822,228)
Research and development costs		(1,190,906)	(2,487,755)
Selling and distribution costs		(45,319)	(74,017)
Operating loss		(1,633,625)	(1,824,977)
Interest and finance costs		(94,836)	(81,851)
Impairment expense	3.5	-	(254,455)
Put option agreement fees expensed		-	-
Loss before tax	3.1	(1,728,461)	(2,161,283)
Income tax benefit	4.1	-	-
Net loss for the year		(1,728,461)	(2,161,283)
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(1,728,461)	(2,161,283)
Earnings per share:		¢	¢
Basic and diluted loss per share (cents per share)	17.4	(0.22)	(0.39)

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

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Consolidated statement of financial position

as at 30 June 2025

	Note	2025 $	2024 $
Current assets			
Cash and cash equivalents	5.1	59,648	115,071
Trade and other receivables	5.2	653,197	1,258,884
Inventories	6.1	-	31,908
Other current assets	5.3.1	5,096	28,680
Total current assets		717,941	1,434,543
Non-current assets			
Right-of-use asset		2,271	8,365
Intangible assets	6.2	-	-
Total non-current assets		2,271	8,365
Total assets		720,212	1,442,908
Current liabilities			
Trade and other payables	5.4.1	2,212,883	2,344,019
Borrowings	5.5.1	444,390	731,727
Total current liabilities		2,657,273	3,075,746
Total liabilities		2,657,273	3,075,746
Net (asset deficiency) / assets		(1,937,061)	(1,632,838)
Equity			
Issued capital	7.1.1	25,868,692	24,444,454
Reserves	7.2	335,827	335,827
Accumulated losses		(28,141,580)	(26,413,119)
Total equity (deficiency)		(1,937,061)	(1,632,838)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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Consolidated statement of changes in equity

for the year ended 30 June 2025

	Note	Issued capital $	Accumulated losses $	Share-based payment reserve $	Total equity (deficiency) $
Balance at 1 July 2023		24,244,454	(24,464,349)	824,698	604,803
Loss for the year attributable to owners of the parent		-	(2,161,283)	-	(2,161,283)
Other comprehensive income for the year attributable to the owners of the parent		-	-	-	-
Total comprehensive income for the year attributable to the owners of the parent		-	(2,161,283)	-	(2,161,283)
Transaction with owners, directly in equity					
Shares issued during the year *(net of costs)*	7.1.1	200,000	-	-	200,000
Share-based payments during the year: *rights*	7.4.1	-	-	(276,358)	(276,358)
Transfers to/(from) reserves	7.4.1		212,513	(212,513)	-
Balance at 30 June 2024		24,444,454	(26,413,119)	335,827	(1,632,838)
Balance at 1 July 2024		24,444,454	(26,413,119)	335,827	(1,632,838)
Loss for the year attributable to owners of the parent		-	(1,728,461)	-	(1,728,461)
Other comprehensive loss for the year attributable to the owners of the parent		-	-	-	-
Total comprehensive loss for the year attributable to the owners of the parent		-	(1,728,461)	-	(1,728,461)
Transaction with owners, directly in equity					
Shares issued during the year *(net of costs)*	7.1.1	1,044,238	-	-	1,044,238
Share-based payments during the year: *rights*	7.4.1	-	-	380,000	380,000
Conversion of Class A performance rights	7.1.1	380,000	-	(380,000)	-
Balance at 30 June 2025		25,868,692	(28,141,580)	335,827	(1,937,061)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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Consolidated statement of cash flows

for the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		484,391	403,821
Payments to suppliers and employees		(1,351,595)	(1,734,801)
Receipt of *Research and development tax incentive* grant income		1,193,606	1,129,934
Interest paid and facility fees		(94,836)	(81,851)
Interest received		2,280	3,520
Net cash used in operating activities	5.1.2	233,846	(279,377)
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares	7.1.1	657,184	200,000
Share issue costs		(109,116)	(39,708)
Proceeds from borrowings	5.1.2b	523,166	983,413
Repayments of borrowings	5.1.2b	(1,360,503)	(1,107,689)
Net cash provided by financing activities		(289,269)	36,016
Net decrease in cash and cash equivalents held		(55,423)	(243,361)
Cash and cash equivalents at the beginning of the year		115,071	358,432
Cash and cash equivalents at the end of the year	5.1	59,648	115,071

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements

for the year ended 30 June 2025

In preparing the 2025 financial statements, Skin Elements Limited has grouped notes into sections under five key categories:

- Section A: How the numbers are calculated 19
- Section B: Risk 33
- Section C: Group structure 36
- Section D: Unrecognised items 37
- Section E: Other Information 38

Material accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-material are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

Company details

The registered office of the Company is:

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Notes to the consolidated financial statements

for the year ended 30 June 2025

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

(a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction.

(b) analysis and sub-totals.

(c) information about estimates and judgements made in relation to particular items.

Note 1 Statement of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

1.1.1 Reporting Entity

Skin Elements Limited (**Skin Elements** or **the Company**) is a listed public company limited by shares, incorporated and domiciled in Australia. These consolidated financial statements comprise the Company and its controlled entities (the Group) and have been prepared as a for-profit entity. The Group is primarily engaged in the research and development of its proprietary SE Formula™ biotechnology.

In accordance with the *Corporations Act 2001* (Cth), separate parent entity financial statements have not been presented.

1.1.2 Basis of accounting

These financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**), the *Corporations Act 2001* (Cth), and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AASB has determined result in financial statements providing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue by the Directors of the Company on 30 September 2025.

1.1.3 Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of $1,728,461 (2024: $2,161,283 loss) and a net cash in-flow from operating activities of $233,846 (2024: $279,377 out-flow). As at 30 June 2025, the Group a working capital deficit of $1,944,428 (2024: $1,669,883 working capital deficit) and a net asset deficit of $1,937,061 (2024: $1,632,838 a net asset deficit).

The Group's ability to continue as a going concern depends on securing additional debt or equity funding and/or generating profits from its operations. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The Directors are confident that there will be sufficient funds for the Group to meet its obligations and liabilities and believe it is appropriate to prepare these accounts on a going concern basis for the following reasons:

- The Group continues to benefit from the Australian Government's R&D Tax Incentive, with $1,193,626 million received during the year for FY2024 expenditure and a further $635,592 accrued to 30 June 2025, with the claim lodged subsequent to balance date.
- Additional liquidity has been secured through the R&D advance facility with Radium Capital of $433,256 received in relation to the FY2025 R&D Rebate to be repaid out of funds claimed above.
- $500,000 in outstanding fees due to Directors and key management was settled through the issue of shares, further conserving cash resources.
- Directors have confirmed they will defer repayment of balances owed until the Company is in a position to repay without affecting its ability to meet ongoing commitments.
- The Company has a strong track record of raising capital when required and will secure additional working capital through equity raising as required.
- Detailed cash flow forecasts prepared by the Directors demonstrate that the Group will have sufficient funds to meet its obligations and working capital requirements for at least 12 months from the date of this report.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 1 Statement of material accounting policies (cont.)

While these conditions indicate the existence of a material uncertainty, the Directors believe the mitigating factors outlined above provide a strong basis to prepare the financial statements on a going concern basis. In particular, the Group's consistent ability to access equity funding, combined with the expected receipt of R&D rebates, underpins their confidence in the Group's ongoing viability.

Should the Group be unable to continue as a going concern, it may be required to realise assets and extinguish liabilities outside the ordinary course of business, at amounts different from those stated in the financial statements. The financial statements do not include any such adjustments.

1.1.4 Comparative figures

Where required by AASBs, comparative figures have been adjusted to conform to changes in presentation for the current year. Where the Group retrospectively applies an accounting policy, makes a retrospective restatement, or reclassifies items, an additional statement of financial position is presented at the beginning of the preceding period, in addition to the minimum comparative information.

1.1.5 New and amended AASBs adopted by the group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

1.2 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where GST incurred is not recoverable from the taxation authority, in which case it is recognised as part of the asset cost or expense. Receivables and payables are stated inclusive of GST. Commitments and contingencies are disclosed net of GST recoverable from, or payable to, the taxation authority.

The net GST recoverable from, or payable to, the ATO is presented as a current asset or liability. Cash flows are presented gross of GST, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.3 Use of estimates and judgments

The preparation of these financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These are based on historical experience and other factors considered reasonable in the circumstances. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions are recognised in the period of revision and future periods affected. Significant judgements in applying AASBs, and estimates with a significant risk of material adjustment in the next year, are discussed in note 1.3.1.

1.3.1 Critical accounting estimates and judgments

Management, in consultation with the Board, considers the development, selection and disclosure of the Group's critical accounting policies and estimates. Estimates and judgements that involve a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

a. *Key estimate – Taxation* ..... Refer note 4 *Income Tax*.

b. *Key estimate – Impairment of intangibles* ..... Refer note 6.2 *Intangible assets*.

c. *Key estimate – Share-based payments* ..... Refer note 18 *Share-based payments*.

1.4 Fair value

1.4.1 Fair value of assets and liabilities

The Group measures certain assets and liabilities at fair value, either on a recurring or non-recurring basis, in accordance with the requirements of the applicable AASBs.

Fair value represents 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.

As fair value is a market-based measurement, observable market prices are used whenever available. Adjustments may be made to reflect the specific characteristics of the asset or liability. For items not traded in an active market, fair values are determined using valuation techniques that maximise the use of observable inputs.

Market information is taken from the principal market for the asset or liability, or, if there is no principal market, the most advantageous market available at the reporting date. For non-financial assets, fair value measurement also reflects a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another participant who would use it that way.

The fair value of liabilities and the Group's own equity instruments (excluding those related to share-based payment arrangements) is determined, where possible, by reference to observable market information. Where this is not available, other valuation techniques are applied and, where significant, are disclosed in the relevant notes to the financial statements.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 1 Statement of material accounting policies (cont.)

1.4.2 Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following hierarchy:

Level 1	Level 2	Level 3
Quoted (unadjusted) prices in active markets for identical assets or liabilities accessible at the measurement date.	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Unobservable inputs for the asset or liability.

An asset or liability is categorised in its entirety within the lowest level of input that is significant to the fair value measurement. Transfers between levels occur when there is a change in the observability of inputs or in market activity. The Group recognises such transfers at the date of the event or change in circumstances that caused the transfer.

1.5 New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2 Revenue and other income

	Note	2025 $	2024 $
2.1 Revenue			
Sales to customers		469,957	416,202
		469,957	416,202
2.2 Other income			
Research and development tax incentive grant income		635,592	1,193,629
Interest income		2,257	3,520
		637,849	1,197,149

2.3 Accounting policies

2.3.1 *Revenue from contracts with customers*

a. *Recognition*

The Group generates revenue from the sale and delivery of goods through online sales, direct sales by employees, and wholesalers or business customers who purchase products for resale. Online sales are made via the Skin Elements website, which establishes pricing and delivery terms. Orders from wholesalers and business customers are tailored to client requirements; however, in all cases, performance obligations are satisfied once the goods have been delivered to the customer. At 30 June 2025, the Group had no material customer contracts outstanding.

b. *Revenue from selling goods*

Revenue from the sale of suncare, skincare, disinfectant, and horticultural bio-stimulant products is recognised when customers obtain control of the goods, which generally occurs upon delivery. No additional products or services are bundled with these contracts. Invoices are typically payable within 30 days, with no significant financing component as payment terms are consistent with industry practice.

2.3.2 *Government grants*

Government grants are recognised at fair value when there is reasonable assurance that they will be received and the Group will comply with the attached conditions:

a. *Research and development tax incentive* ***(R&D incentive)*** is recognised at fair value when reasonable assurance of receipt exists and eligibility requirements are met. The *R&D incentive* received is presented in profit or loss as other income.

The Group did not benefit directly from any other forms of government assistance.

2.3.3 *Interest income*

Interest revenue is recognised in accordance with note 2.3.3a *Finance expenses* below.

a. *Finance expenses*

Finance expenses include interest on borrowings recognised using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses on financial assets. Borrowing costs comprise interest on overdrafts, short- and long-term borrowings, and lease liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets until substantially ready for use or sale. All other borrowing costs are expensed as incurred

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Notes to the consolidated financial statements

for the year ended 30 June 2025

Note 3 Expenses	Note	2025 $	2024 $
3.1 Expenses by nature			
Administration expenses	3.2	420,391	414,222
Advertising and marketing expenses		45,319	74,017
Corporate expenses	3.3	205,391	181,354
Depreciation – RoU assets		6,094	6,094
Employee benefits expense	3.4	798,973	187,415
Impairment expense	3.5	-	254,455
Occupancy costs		105,528	114,994
Manufacturing, purchasing, and distribution costs		63,665	54,328
Research and development expenses		1,190,906	2,487,755
Total expenses by nature		2,836,267	3,774,634
3.1.1 *Reconciliation to net profit or loss before tax reported by function*			
Total revenue and other income		1,107,806	1,613,351
Less: Total expenses by nature		(2,836,267)	(3,774,634)
Net loss before tax		(1,728,461)	(2,161,283)

	Note	2025 $	2024 $
3.2 Administration expenses			
Accounting expenses		82,541	121,143
External consulting fees		37,585	30,000
Interest expenses and finance facility costs		94,836	81,851
Other expenses		205,429	181,228
		420,391	414,222
3.3 Corporate expenses			
ASX fees		31,924	37,705
Audit expenses		87,945	88,362
Legal expenses		61,690	32,040
Share Registry and shareholder communications		23,832	23,247
		205,391	181,354
3.4 Employee benefits expense			
Directors' fees		140,000	160,000
Executive services contracts		239,782	239,782
Wages and salaries – non-R&D		39,191	63,991
Share-based performance rights: *amortisation*	18.1	380,000	(276,358)
		798,973	187,415

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 3 Expenses (cont.)

3.4.1 *Accounting policy - Employee benefits*

a. *Short-term benefits*

Liabilities for wages, salaries and annual leave expected to be settled within 12 months are measured at the undiscounted amounts the Group expects to pay, including related on-costs such as payroll tax and workers compensation insurance. Non-accumulating non-monetary benefits (for example, medical care, housing, cars, subsidised goods and services) are expensed at the net marginal cost to the Group as they are provided.

b. *Other long-term benefits*

Liabilities for long-term employee benefits, such as long service leave, are measured at the present value of the expected future benefit earned to date, less the fair value of any plan assets. The obligation is discounted using market yields on government bonds with maturities approximating the terms of the liability. Actuarial gains and losses are recognised in profit or loss in the period in which they arise.

c. *Retirement benefit obligations: Defined contribution superannuation funds*

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when incurred. The Group has no further payment obligations once contributions are made.

d. *Equity-settled compensation*

Share-based payments to employees and contractors are measured at the fair value of the equity instruments granted at the grant date. The cost is recognised over the vesting period, with a corresponding increase in equity. Amounts are adjusted to reflect the actual number of instruments that vest, except where non-vesting is due to market conditions.

	2025 $	2024 $
3.5 Impairment expense		
Impairment of trade receivables	-	254,455
	-	254,455

Note 4 Income tax

	Note	2025 $	2024 $
4.1 Income tax expense			
Current tax		-	-
Deferred tax		-	-
		-	-
Deferred income tax expense included in income tax expense comprises:			
Increase / (decrease) in deferred tax assets	4.5	-	-
(Increase) / decrease in deferred tax liabilities		-	-
		-	-
4.2 Reconciliation of income tax expense to prima facie tax payable			
The prima facie tax payable/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Accounting loss before tax		(1,728,461)	(2,161,283)
Prima facie tax on operating loss at 25% (2024: 25%)		(432,115)	(540,321)
Add / (Less) tax effect of:			
Other non-deductible expenses / (non-assessable income)		(159,118)	566,218
Other temporary differences not recognised		591,233	(25,897)
Income tax expense/(benefit) attributable to operating loss		-	-

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 4 Income tax (cont.)

		2025 %	2024 %
4.3	The applicable weighted average effective tax rates attributable to operating profit are as follows:	Nil	Nil

4.3.1 The tax rates used in the above reconciliations is the corporate tax rate of 25% payable by the Australian corporate entity on taxable profits under Australian tax law.

			2025 $	2024 $
4.4	Balance of the parent company franking account at year end		Nil	Nil
4.5	**Deferred tax assets**			
	Tax losses	4.6	2,595,110	2,003,877
	Intangible assets		1,869,952	1,869,952
			4,465,062	3,873,829
	Net deferred tax assets		4,465,062	3,873,829
	Less deferred tax assets not recognised		(4,465,062)	(3,873,829)
	Net deferred tax assets		-	-

4.6 Tax losses and deductible temporary differences

Unrecognised tax losses and deductible temporary differences that may be available to offset future taxable profits:

	2025 $	2024 $
Tax losses	2,595,110	2,003,877
	2,595,110	2,003,877

4.6.1 Potential deferred tax assets attributable to tax losses have not been recognised at 30 June 2025, as the Directors do not consider their realisation to be probable at this time. These benefits will only be available if:

i. the Group generates sufficient future taxable income;
ii. the Group continues to satisfy conditions for deductibility; and
iii. tax legislation does not adversely change.

Tax-related balances in the financial statements are based on directors' best estimates, reflecting current legislation, the Group's financial performance and position, and pending assessments by taxation authorities. No adjustment has been made for potential future legislative changes.

The parent company has accumulated tax losses of $10,380,440 (2024: $8,015,508) which may be available for offset against future taxable profits of the parent company in which the losses arose. The recoupment of these losses is subject to assessment by the Australian Taxation Office.

4.7 Accounting policy

The income tax expense or benefit for the year comprises current tax and movements in deferred tax assets (**DTAs**) and deferred tax liabilities (**DTLs**) arising from temporary differences and unused tax losses.

4.7.1 *Current tax*

The current income tax charge is based on taxable income for the period, calculated using tax rates and laws enacted or substantively enacted at the reporting date. Current tax assets and liabilities for current and prior periods are measured at the amounts expected to be recovered from, or paid to, the taxation authorities. Management evaluates positions taken in tax returns where regulations are subject to interpretation and establishes provisions where appropriate

4.7.2 *Deferred tax*

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities and their tax bases at the reporting date.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 4 Income tax (cont.)

4.7 Accounting policy (cont.)

DTLs are recognised for all taxable temporary differences except where:

- they arise from the initial recognition of goodwill, or from an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit; or
- the temporary difference relates to investments in subsidiaries, associates or joint ventures, and the timing of reversal can be controlled and it is probable that the difference will not reverse in the foreseeable future

DTAs are recognised for deductible temporary differences, unused tax credits and unused tax losses to the extent it is probable that future taxable profit will be available. DTAs are not recognised where:

- they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit; or
- they relate to investments in subsidiaries, associates or joint ventures, unless it is probable the difference will reverse in the foreseeable future and taxable profit will be available.

The carrying amount of DTAs is reviewed at each reporting date and reduced where recovery is no longer probable. Unrecognised DTAs are reassessed and recognised when future taxable profit is considered probable. DTAs and DTLs are measured at the tax rates expected to apply when the asset is realised or the liability settled, using tax rates and laws enacted or substantively enacted at the reporting date.

4.7.3 *Other matters*

DTAs and DTLs are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, and they relate to the same taxable entity and taxation authority. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

The Group accounts for refundable tax offsets, including the Australian Government's Research and Development (R&D) tax incentive, under AASB 112. Rebates are received through the parent company's income tax return.

Further information on unrecognised DTAs attributable to tax losses is provided in note 4.6.1

Note 5 Financial assets and financial liabilities

5.1 Cash and cash equivalents

	2025 $	2024 $
Cash at bank	59,648	115,071
	59,648	115,071

5.1.1 The Group's exposure to interest rate risk and a sensitivity analysis are disclosed in note 8 *Financial risk management*.

5.1.2 *Cash Flow Information*

	2025 $	2024 $
a. *Reconciliation of cash flow from operations to loss after income tax*		
Loss after income tax	(1,728,461)	(2,161,283)
Cash flows excluded from loss attributable to operating activities:	-	-
Non-cash flows in (loss)/profit from ordinary activities:		
○ Depreciation and amortisation	6,094	6,094
○ Share-based payments expensed	380,000	(276,358)
○ Share-settled payment	500,000	-
○ Impairment of assets	-	254,455
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
○ (Increase) / decrease in receivables and other assets	652,397	(73,176)
○ Decrease in inventories	23,584	325,262
○ Increase in payables	400,232	1,630,687
○ Increase / (decrease) in provisions	-	14,942
Cash flow (used in) from operations	233,846	(279,377)

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 5 Financial assets and financial liabilities (cont.)

5.1 Cash and cash equivalents (cont.)

b. *Reconciliation of liabilities arising from financing activities*

	2023 $	Cash flows $	Non-cash changes: Acquisitions $	Non-cash changes: Foreign exchange $	Non-cash changes: Other changes $	2024 $
Other payables	300,000	(300,000)	-	-	-	-
R&D loan facility	538,251	175,727	-	-	2,802	716,780
Total liabilities from financing activities	838,251	(124,273)	-	-	2,802	716,780

	2024 $	Cash flows $	Non-cash changes: Acquisitions $	Non-cash changes: Foreign exchange $	Non-cash changes: Other changes $	2025 $
Other payables	-	(550,000)	-	-	550,000	-
R&D loan facility	716,780	(287,337)	-	-	3,813	433,256
Total liabilities from financing activities	716,780	(837,337)	-	-	553,813	433,256

c. *Credit and loan standby arrangement with banks*

The Group has no credit standby facilities.

d. *Non-cash investing and financing activities*

2025

At the Company's AGM held on 29 November 2024, shareholder approval was obtained to 166,666,665 shares in part-settlement of $500,000 owing to KMP and other parties as detailed in note 18.2.1b.

2024

None

5.1.3 *Accounting policy*

Cash and cash equivalents include cash on hand, deposits at call, and short-term investments with original maturities of three months or less. For the *Statement of Cash Flows*, bank overdrafts are included as cash and cash equivalents; in the *Statement of Financial Position,* they are classified as borrowings.

5.2 Trade and other receivables

	Note	2025 $	2024 $
5.2.1 *Current*			
Trade receivables		17,228	31,662
Research and development tax incentive rebate receivable	5.2.3	635,592	1,193,629
Other receivables		377	33,593
		653,197	1,258,884

5.2.2 The Group's exposure to interest rate risk and a sensitivity analysis are disclosed in note 8 *Financial risk management*.

5.2.3 The Group continued its development program during the year ended 30 June 2025 resulting in a claim for research and development tax incentive which has been included as a receivable at year end.

5.2.4 *Accounting policy*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses (**ECLs**). Receivables are generally prepaid or COD, or up to 30 days.

The Group applies the simplified approach under AASB 9, recognising lifetime ECLs on trade receivables. Impairment is assessed on an ongoing basis. Receivables considered uncollectible are written off against the allowance account, with impairment losses recognised in profit or loss in other expenses. Any recoveries of amounts previously written off are credited to other expenses.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 5 Financial assets and financial liabilities (cont.)

5.3 Other assets

	2025 $	2024 $
5.3.1 *Current*		
Prepayments – Raw materials	5,096	28,680
	5,096	28,680

5.4 Trade and other payables

	Note	2025 $	2024 $
5.4.1 *Current*			
Unsecured			
Trade payables	5.4.2	415,899	307,988
Key management personnel related	16	1,676,859	1,979,688
Sundry payables and accrued expenses		105,909	83,051
Net Goods and Services Tax payable / (receivable)		14,216	(26,708)
		2,212,883	2,344,019

5.4.2 Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 60 days. As at 30 June 2025, creditors amounting to $281,930 were in excess of 60 days (2024: $166,826).

5.4.3 The Group's exposure to interest rate risk and a sensitivity analysis are disclosed in note 8 *Financial risk management*.

5.4.4 *Accounting policy*

Trade other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Amounts are unsecured, non-interest bearing, and usually settled within the lower of terms of trade or 60 days.

5.5 Borrowings

	Note	2025 $	2024 $
5.5.1 *Current*			
R&D Rebate Advance Facility	5.5.2	433,256	716,780
Leases – motor vehicle		11,134	14,947
		444,390	731,727

5.5.2 During the year, the Group received advance funding (wholly or predominantly for working capital or research and development expenditures) on its expected annual R&D rebate from Radium Capital. Refer key terms below:

- *Amounts* — For 30 June 2025, $433K has been drawn down.
- *Final maturity date* — 30 November 2025.
- *Repayment* — Skin Elements has the option to repay earlier without penalties.
- *Interest rate* — 15% per annum, with default rate of 18% if repayment is later than 30 November 2025.
- *Security* — Secured against the R&D refund receivable from the ATO

5.5.3 *Accounting policy*

Borrowings are initially recognised at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method. The difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the term of the borrowing.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that drawdown is probable. Where drawdown is not probable, fees are capitalised as a prepayment for liquidity services and amortised over the facility period.

Borrowings are classified as non-current when the Group has an unconditional right to defer settlement for at least 12 months after the reporting date; otherwise, they are classified as current.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 5 Financial assets and financial liabilities (cont.)

5.5 Borrowings (cont.)

5.5.3 Accounting policy (cont.)

Borrowings are derecognised when the contractual obligations are discharged, cancelled or expire. The difference between the carrying amount of a liability extinguished or transferred and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Where borrowings are settled through the issue of equity instruments (debt-for-equity swap), the gain or loss is measured as the difference between the carrying amount of the liability and the fair value of equity instruments issued, and recognised in profit or loss.

Note 6 Non-financial assets and financial liabilities

6.1 Inventories

	2025 $	2024 $
Finished goods	-	31,908
	-	31,908

6.1.1 *Accounting policy*

Raw materials, stores, work in progress and finished goods are carried at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and a proportion of variable and fixed production overheads, allocated on the basis of normal operating capacity. Purchased inventory costs are recorded net of rebates and discounts. Costs are assigned to inventory using the weighted average cost method.

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

Write-downs to net realisable value are recognised as an expense in the period in which they occur.

6.2 Intangible assets

		2025 $	2024 $
SE Formula™		9,859,296	9,859,296
Accumulated amortisation		(2,379,486)	(2,379,486)
Accumulated impairment	6.2.1a	(7,479,810)	(7,479,810)
		-	-
Website development costs		55,410	55,410
Accumulated amortisation		(45,230)	(45,230)
Accumulated impairment		(10,180)	(10,180)
		-	-
Total intangibles		-	-

6.2.1 *Key estimates*

a. *Impairment of intangible assets*

The Group assesses intangible assets for impairment at each reporting date in accordance with AASB 136. This involves evaluating conditions specific to the asset that may indicate a change in recoverable amount.

An impairment charge of $7,489,990 was recognised in a prior period against the Group's intellectual property assets, reducing their carrying amount to nil. The impairment was based on a value-in-use discounted cash flow model, reflecting limited sales history and insufficient contracted sales to support reliable cash flow forecasts. At the current reporting date, these conditions persist and the carrying value remains at nil.

The key estimate relates to the potential reversal of impairment. Under AASB 136, reversals are permitted when there is an indication that the recoverable amount of an asset has increased since the last impairment was recognised. A reversal would be recognised in profit or loss to the extent that the revised carrying amount does not exceed the amount that would have been determined (net of amortisation) had no impairment been recognised previously.

Accordingly, if commercialisation of the intellectual property proves successful and contracted sales provide reliable evidence of positive future cash inflows, some or all of the prior impairment may be reversed.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 6 Non-financial assets and financial liabilities (cont.)

6.2 Intangible assets (cont.)

b. *Amortisation rates*

The Group has assessed the effective life of its *SE Formula™* intangible asset (comprising *Soléo Organics, McArthur Skincare*, *Elizabeth Jane Natural Cosmetics*, and *Invisi® Shield Hand Sanitiser* formulas and technologies). This assessment considers industry practice, expected product life cycles, and internal knowledge of the underlying markets. The amortisation rate represents management's estimate of the period over which the assets are expected to generate economic benefits, but actual results may differ. The effective life will continue to be reviewed at each reporting date.

6.2.2 *Accounting policies*

a. *Intangible assets acquired separately*

Separately acquired intangible assets are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful lives. Useful lives and amortisation methods are reviewed annually, with changes accounted for prospectively.

i. **Formula and technology**

Skin Elements formula and technology (hereafter ***SE Formula™***), comprises the following, which utilise the same propriety formula in their ingredients: Soléo Organics formula and technology; PapayaActivs Skincare formula and technology; Elizabeth Jane Natural Cosmetics formula and technology; and Invisi® Shield SuprCuvr Disinfectant.

Formula and technology are carried at cost less accumulated amortisation and impairment. Where acquired in a business combination, they are recognised at fair value at the acquisition date. These assets are considered to have finite useful lives.

ii. **Software**

Costs incurred in maintaining software are expensed as incurred. Costs directly attributable to the development or improvement of identifiable and unique software controlled by the Group are capitalised when the recognition criteria for internally generated intangibles are met.

b. *Capitalising development costs of formula and technology and software*

Research expenditure is expensed as incurred. Development expenditure on formula, technology, and software is capitalised only when all of the following can be demonstrated:

- technical feasibility of completing the asset for use or sale;
- intention and ability to complete and use or sell the asset;
- evidence that the asset will generate probable future economic benefits;
- availability of resources to complete the development and use or sell the asset; and
- ability to reliably measure the attributable expenditure.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development costs are measured at cost less accumulated amortisation and impairment, consistent with separately acquired intangible assets. Expenditure that does not meet the recognition criteria is expensed as incurred.

c. *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination, other than goodwill, are recognised at fair value at the acquisition date. Subsequent measurement is at cost less amortisation and impairment for finite life assets, or at cost less impairment for indefinite life assets. Derecognition gains or losses are recognised in profit or loss as the difference between disposal proceeds and carrying amount. Useful lives and amortisation methods are reviewed annually, with changes accounted for prospectively.

d. *Subsequent measurement*

Amortisation commences when development is sufficiently advanced for products to be produced in commercial quantities. The *SE Formula™* has been assessed as meeting this test and is amortised on a straight-line basis over an estimated useful life of 25 years. The useful life of each intangible asset is reviewed regularly.

	2025 Years	2024 Years
SE Formula™	25	25
Website development costs	5	5

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 6 Non-financial assets and financial liabilities (cont.)

6.3 Other material accounting policies related to non-financial assets and liabilities

6.3.1 *Impairment of non-financial assets*

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see note 4.7), are reviewed at each reporting date to assess whether indicators of impairment exist. If such indicators are identified, the asset's recoverable amount is estimated. Certain assets are subject to annual impairment testing irrespective of indicators.

The recoverable amount is the higher of fair value less costs of disposal and value-in-use. Recoverable amounts are determined for individual assets, unless the asset does not generate largely independent cash inflows, in which case the assessment is made at the level of the cash-generating unit (CGU). An impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount.

Value-in-use is determined by discounting estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in profit or loss in the expense category consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

At each reporting date, the Group also considers whether previously recognised impairment losses should be reversed. A reversal is recognised if there has been a change in the estimates used to determine the recoverable amount since the last impairment. The carrying amount of an asset is increased to its recoverable amount, subject to not exceeding the carrying amount that would have been determined (net of depreciation) had no impairment been recognised. Reversals are recognised in profit or loss, except where the asset is measured at a revalued amount, in which case the reversal is treated as a revaluation increase. Future depreciation charges are adjusted prospectively to allocate the asset's revised carrying amount over its remaining useful life.

6.3.2 *Leases*

The Group recognises a lease liability and a corresponding right-of-use asset at the commencement date of a lease, being the date that the leased asset is available for use by the Group.

The Group has elected not to recognise right-of-use assets and lease liabilities for:

- short-term leases (lease terms of 12 months or less without a purchase option); and
- leases of low-value assets.

a. *Right of Use Asset*

Right-of-use assets are initially measured at cost, comprising

- the initial measurement of the lease liability;
- lease payments made at or before commencement less lease incentives received;
- initial direct costs; and
- estimated costs to dismantle, remove or restore the leased asset costs.

Subsequent to initial recognition, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the asset's useful life, and adjusted for impairment or for remeasurement of the related lease liability

b. *Lease liabilities*

Lease liabilities are initially measured at the present value of lease payments over the lease term, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, the Group's incremental borrowing rate. Lease payments include:

- fixed payments (including in-substance fixed payments) less lease incentives receivable;
- variable lease payments based on an index or rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of purchase options reasonably certain to be exercised; and
- penalties for termination if the lease term reflects exercising such an option.

Lease liabilities are subsequently measured at amortised cost using the effective interest method, increased for interest expense and reduced by lease payments made. Liabilities are remeasured when future lease payments change due to an index or rate, residual value guarantees, or changes in the assessment of purchase, extension or termination options. Corresponding adjustments are made to the right-of-use asset, or recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that are not based on an index or rate are expensed in the period in which the event or condition that triggers the payment occurs.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 7 Equity

7.1 Issued capital

	Note	2025 No.	2024 No.	2025 $	2024 $
Fully paid ordinary shares		1,049,714,115	563,986,095	25,868,692	24,444,454

7.1.1 *Ordinary shares*

	Note	2025 No.	2024 No.	2025 $	2024 $
At the beginning of the year		563,986,095	543,986,095	24,444,454	24,244,454
Shares issued during the year:					
01.11.23 *Placement*		-	20,000,000	-	200,000
04.11.24 *Debt for equity*	18.2.1b	166,666,665	-	500,000	-
04.12.24 *Class A performance rights converted*	7.4.1	100,000,000	-	380,000	-
07.03.25 *Rights issue*		171,230,552	-	513,692	-
13.03.25 *Oversubscriptions*		47,830,803	-	143,492	-
Prior period applications reversed		-	-	(26,113)	-
Share issue transaction costs		-	-	(86,833)	-
At end of the year		1,049,714,115	563,986,095	25,868,692	24,444,454

a. Ordinary shares entitle holders to dividends and, on winding up, to a proportionate share of the Company's residual assets according to the number and amounts paid on the shares held. Holders have one vote on a show of hands and one vote per share on a poll. Ordinary shares have no par value and the Company has no authorised capital.

7.1.2 *Treasury shares*

	Note	2025 No.	2024 No.
At beginning of the year		25,500,000	25,500,000
At end of the year		25,500,000	25,500,000

a. Treasury shares are ordinary shares issued as collateral shares for nil consideration.

7.1.3 *Accounting policy*

Ordinary shares are classified as equity and recorded at the fair value of consideration received, net of incremental costs directly attributable to the issue, and net of any related income tax benefit. Ordinary shares do not carry any special rights or restrictions and rank equally with respect to the Company's residual interest in profits and net assets.

7.2 Reserves

7.2.1 *Summary of share-based payment reserve*

		2025 $	2024 $
Options	7.3	335,827	335,827
Performance rights	7.4	-	-
		335,827	335,827

7.2.2 *Share-based payment reserve*

The share-based payment reserve records the value of options and performance rights issued by the Company to its employees or consultants.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 7 Equity (cont.)

7.3 Options

	Note	2025 No.	2024 No.	2025 $	2024 $
Options on issue		410,412,553	191,351,198	335,827	335,827

7.3.1 *Options movement during the year:*

	2025 No.	2024 No.	2025 $	2024 $
At the beginning of the year	191,351,198	197,351,198	335,827	335,827
01.11.23 *Free attaching to Placement shares*	-	20,000,000	-	-
15.03.24 *Expiration of LDA options*	-	(26,000,000)	-	-
07.03.25 *Free attaching to the rights issue*	171,230,552	-	-	-
13.03.25 *Free attaching to oversubscriptions*	47,830,803	-	-	-
At end of the year	410,412,553	191,351,198	335,827	335,827
Comprising the following options:				
Unlisted				
$0.05 options exp. 31.10.25	58,000,000	58,000,000		
$0.01 options exp. 21.02.28	219,061,355	-		
Listed				
$0.025 options exp. 31.05.26	133,351,198	133,351,198		
	410,412,553	191,351,198		

7.4 Performance rights

	2025 No.	2024 No.	2025 $	2024 $
Performance rights	62,000,000	62,000,000	-	-

7.4.1 *Movement during the year:*

	Note	2025 No.	2024 No.	2025 $	2024 $
At the beginning of the year		62,000,000	209,000,000	-	488,871
Amortisation of rights		-	-	-	235,226
Derecognition of rights not achieved *(in profit and loss)*		-	-	-	(511,584)
Cancellation of rights		(62,000,000)	-	-	-
Issue of Class A rights		100,000,000	-	380,000	-
Issue of Class B rights		62,000,000	-	-	-
Class A performance rights converted	7.1.1	(100,000,000)		(380,000)	-
Historically lapsed rights transferred within equity		-	(147,000,000)	-	(212,513)
At end of the year		62,000,000	62,000,000	-	-

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Notes to the consolidated financial statements
for the year ended 30 June 2025

SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

Note 8 Financial risk management

This note provides information on the nature and extent of risks arising from the Group's financial instruments, and its objectives, policies and processes for managing risk and capital. The Group's financial instruments comprise deposits with banks, short-term investments, receivables, payables, borrowings (including convertible instruments) and leases. The Group does not trade or speculate in financial instruments or derivatives. A summary of financial assets and liabilities, measured in accordance with AASB 9, is presented below.:

	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	2025 Total $	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	2024 Total $
Financial assets								
Cash and cash equivalents	59,648	-	-	59,648	115,071	-	-	115,071
Trade and other receivables	-	-	653,197	653,197	-	-	1,258,884	1,258,884
Total financial assets	59,648	-	653,197	712,845	115,071	-	1,258,884	1,373,955
Financial liabilities								
Trade and other payables	-	-	2,212,883	2,212,883	-	-	2,344,019	2,344,019
Borrowings	-	444,390	-	444,390	-	731,727	-	731,727
Total financial liabilities	-	444,390	2,212,883	2,657,273	-	731,727	2,344,019	3,075,746
Net financial assets / (liabilities)	59,648	(444,390)	(1,559,686)	(1,944,428)	115,071	(731,727)	(1,085,135)	(1,701,791)

8.1 Financial risk management policies

The Board oversees the Group's risk management framework, which is designed to assist in meeting financial targets while minimising adverse effects on performance. Risk management policies are approved and reviewed regularly and address credit risk, liquidity requirements, and market risk. Senior executives monitor financial risk exposures in light of current economic conditions and forecasts.

8.2 Specific financial risk exposures and management

The Group is exposed to credit risk, liquidity risk and market risk through its financial instruments.

The Board has overall responsibility for establishing and monitoring the risk management framework. Given the Group's size and complexity, a formalised risk management system has not been adopted. Instead, the Board approves all expenditure, remains closely involved with operations, and addresses risk issues directly at Board meetings. Operational and compliance risk management processes are also in place and have been assessed as effective.

8.2.1 *Credit risk*

Credit risk is the risk of financial loss if a counterparty fails to meet its contractual obligations. The Group's exposure arises primarily from cash at bank, short-term deposits and receivables.

Credit risk is managed by:

- dealing only with creditworthy counterparties;
- monitoring the financial stability of clients and counterparties;
- applying credit terms generally ranging from prepaid/cash on delivery up to 60 days (longer terms apply under specific contracts); and
- establishing an allowance for expected credit losses on receivables.

a. *Credit risk exposures*

The Group's maximum credit risk exposure is limited to the carrying amount of financial assets (net of provisions) as disclosed in the statement of financial position and notes. There are no significant concentrations of credit risk to individual customers, industry sectors or regions. Surplus funds are invested only with reputable Australian financial institutions in accordance with Board policy.

b. *Impairment losses*

Impairment losses are recognised against receivables when recovery is doubtful. Amounts considered irrecoverable are written off directly. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. The ageing of the Group's trade and other receivables at reporting date was as follows:

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 8 Financial risk management (cont.)

	Gross 2025 $	Impaired 2025 $	Net 2025 $	Past due but not impaired 2025 $
Trade receivables				
Not past due to 30 days	2,536	-	2,536	-
Past due 31 days to 90 days	1,195	-	1,195	1,195
Past due greater than 90 days	13,563	-	13,563	13,563
	17,294	-	17,294	14,758
Other receivables				
Not past due	635,903	-	635,903	-
Total	653,197	-	653,197	14,758

8.2.2 *Liquidity risk*

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. The Group's objective is to maintain sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or reputational damage.

Responsibility for liquidity risk management rests with the Board, which has established a framework to manage the Group's short, medium, and long-term funding requirements. The Group manages liquidity risk by:

- preparing forward looking cash flow analysis in relation to its operating, investing, and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group typically ensures sufficient cash to meet operational expenses and service financial obligations for at least 60 days. This excludes the potential impact of extreme and unpredictable events such as natural disasters.

The Group's financial liabilities comprise trade and other payables, which are non-interest bearing and generally payable within 60 days of the reporting date.

Contractual Maturities

The following are the contractual maturities of financial assets and liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2025 $	2024 $	2025 $	2024 $	2025 $	2024 $
Financial liabilities due for payment						
Trade and other payables	2,212,883	2,344,019	-	-	2,212,883	2,344,019
Borrowings	444,390	731,727	-	-	444,390	731,727
Total contractual outflows	2,657,273	3,075,746	-	-	2,657,273	3,075,746
Financial assets						
Cash and cash equivalents	59,648	115,071	-	-	59,648	115,071
Trade and other receivables	653,197	1,258,884	-	-	653,197	1,258,884
Total anticipated inflows	712,845	1,373,955	-	-	712,845	1,373,955
Net inflow / (outflow) on financial instruments	(1,944,428)	(1,701,791)	-	-	(1,944,428)	(1,701,791)

Cash flows from financial instruments reflect management's expectations and may differ from those disclosed. It is not expected that actual cash flows will occur significantly earlier, or at materially different amounts, than indicated in the maturity analysis.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 8 Financial risk management (cont.)

8.2.3 *Market risk*

Market risk is the risk that changes in market prices, including interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its financial instruments. The Group's objective is to manage exposures within acceptable parameters while optimising return.

The Group has minimal exposure to foreign exchange or commodity price risk and does not use derivative financial instruments to hedge market risks. There has been no material change in the Group's market risk exposures or the way risks are managed since the prior year. The Group is not exposed to material foreign exchange risk or price risk

The Group is exposed to interest rate risk through borrowings at both fixed and floating rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate debt. Details of the Group's exposure to interest rate risk are set out in the liquidity risk disclosures.

8.2.4 *Sensitivity Analyses*

The Group is not subject to material market risk sensitivities.

8.2.5 *Net Fair Values*

a. *Fair value estimation*

The fair values of financial assets and liabilities are presented in the table in note 8 and compared with their carrying amounts in the statement of financial position. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Directors consider that the carrying amounts of financial assets and liabilities approximate their fair values, as trade receivables and payables are short-term in nature and measured net of impairment provisions.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Trade and other receivables;
- Trade and other payables; and
- Derivative liabilities (recognised at fair value).

The methods and assumptions applied in determining fair values are set out in the accounting policies relevant to each asset or liability.

Note 9 Capital Management

9.1 Capital

The Group manages its capital to safeguard its ability to continue as a going concern, while maintaining an optimal debt–equity structure that reduces the cost of capital and maximises returns to shareholders and benefits to other stakeholders.

The capital structure comprises debt, cash and cash equivalents, and equity attributable to equity holders of the parent (issued capital, reserves and accumulated losses). None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, meet routine expenditures such as tax, dividends and administration, and manage the Group's gearing position. Gearing levels are reviewed regularly by the Board in line with target ratios, cost of capital, and the risks associated with each class of capital.

9.2 Working Capital

The working capital position of the Group was as follows:	Note	2025 $	2024 $
Cash and cash equivalents	5.1	59,648	115,071
Trade and other receivables	5.2	653,197	1,258,884
Inventories	6.1	-	31,908
Trade and other payables and current derivative liabilities	5.4	(2,212,883)	(2,344,019)
Borrowings	5.5	(444,390)	(731,727)
Working capital position		(1,944,428)	(1,669,883)

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Notes to the consolidated financial statements

for the year ended 30 June 2025

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

(a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation

(b) transactions with non-controlling interests, and

(c) interests in joint operations.

A list of material subsidiaries is provided in note 10.

Note 10 Interest in subsidiaries

The subsidiaries listed below have ordinary shares which are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. Investments in subsidiaries are accounted for at cost.

Entity name	Class of Shares	Percentage owned 2025	Percentage owned 2024	Country of incorporation
SE Operations Pty Ltd	Ord.	100	100	Australia

Note 11 Other material accounting policies related to group structure

11.1 Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the Company and all subsidiaries controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is obtained until the date on which control ceases. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from, or up to, the effective date of acquisition or disposal.

11.2 Subsidiaries

Subsidiaries are entities controlled by the Group. Their financial statements are included in the consolidated financial statements from the date control commences until the date it ceases and, where necessary, are adjusted to align with Group accounting policies.

Non-controlling interests are recognised either at fair value or at the proportionate share of net assets on initial recognition, and are subsequently attributed their share of profit or loss and other comprehensive income. They are presented separately in equity and in the statement of comprehensive income. Losses are allocated to non-controlling interests even if this results in a deficit balance.

Options granted by the Company over its equity instruments to employees of subsidiaries are treated as a capital contribution. The fair value of employee services received is recognised as an increase in investment in the subsidiary, with a corresponding credit to equity.

A list of controlled entities is disclosed in 10 *Interest in subsidiaries* of the financial statements.

11.3 Loss of control

On loss of control, the Group derecognises the subsidiary's assets, liabilities, non-controlling interests and related equity components. Any resulting gain or loss is recognised in profit or loss. Any retained interest is measured at fair value on the date control is lost and subsequently accounted for in accordance with the level of influence retained.

11.4 Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised profits or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

SECTION D. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

In addition to the items and transactions disclosed below, there are also unrecognised tax amounts – see note 4 Income tax.

Note 12 Commitments

12.1 Capital commitments

The Group does not have any capital commitments (2024: $nil).

Note 13 Events subsequent to reporting date

There have been no matters or circumstances that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 14 Contingent liabilities

There are no contingent liabilities as at 30 June 2025 (30 June 2024: Nil).

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Notes to the consolidated financial statements

for the year ended 30 June 2025

SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 15 Key Management Personnel compensation (KMP)

The names and positions of KMP are as follows:

Directors

- Peter Malone — Executive Chairman
- Filippo (Phil) Giglia — Independent Non-Executive Director
- Stuart Usher — Independent Non-Executive Director

Other key management

- Leo Fung — Chief Technical Advisor
- Craig Piercy — Chief Financial Officer

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by the *Corporations Regulations* 2M.3.03 is provided in the *Remuneration report* table on page 10.

	Note	2025 $	2024 $
Short-term employee benefits		793,782	793,782
Share-based payments	18.2.1a 18.2.2a	380,000	(267,444)
Total		1,173,782	526,338

Note 16 Related party transactions

The Group may enter into service agreements with individuals, or entities associated with them, in the ordinary course of business. During the year, several entities associated with Directors and certain technical staff provided consulting services, resulting in transactions with the Group. All related party transactions are conducted on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

Balances and transactions between the Company and its subsidiaries, being related parties, have been eliminated on consolidation and are not disclosed in this note. At reporting date, trade and other receivables and payables included the following balances with related parties:

Entity	Nature of transactions	KMP	Payable Balance 2025 $	Payable Balance 2024 $
Boston Technology Management Pty Ltd	Service Fees	Peter Malone	220,164	360,462
Colosseum Securities Pty Ltd	Director's fee	Filippo (Phil) Giglia	158,102	147,472
Spitfire Corporate Advisory Pty Ltd	Director's fee	Stuart Usher	89,291	74,161
Geneva Partners Pty Ltd	Company secretary fees	Stuart Usher	57,750	24,750
Boston Technology Management Pty Ltd	Service Fees	Craig Piercy	286,419	335,086
Boston Technology Management Pty Ltd	R&D Costs *(see a. below)*	Craig Piercy, Peter Malone	673,503	816,199
Blackridge Pty Ltd	Service Fees	Leo Fung	191,630	221,558
Total			1,676,859	1,979,688

a. *R&D Costs* is provided by Boston Technology Management Pty Ltd for R&D project materials, formulations, testing, and R&D contractors and consultants. This amount was recognised as an expense the corresponding year.

b. KMP have confirmed they will not call upon balances owed until such time where the Company able to do so.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 17 Earnings per share (EPS)	Note	2025 $	2024 $
17.1 Reconciliation of loss to profit or loss			
Loss for the year		(1,728,461)	(2,161,283)
Loss used in the calculation of basic and diluted EPS		(1,728,461)	(2,161,283)
		2025 No.	2024 No.
17.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		787,339,882	557,264,784
Weighted average number of dilutive equity instruments outstanding	17.5	N/A	N/A
17.3 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		787,339,882	557,264,784
		2025 ¢	2024 ¢
17.4 Earnings per share			
Basic EPS (cents per share)	17.5	(0.22)	(0.39)
Diluted EPS (cents per share)	17.5	N/A	N/A

17.5 As at 30 June 2025 the Group has 410,412,553 unissued shares under options (2024: 191,351,198) and 62,000,000 performance shares on issue (2024: 62,000,000). The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option and performance shares were anti-dilutive.

17.6 Accounting policy

Basic EPS is calculated as net profit attributable to members of the parent, adjusted for the costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares outstanding during the period, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for the after-tax effect of dividends, interest and other income or expense changes arising from dilutive potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element

Note 18 Share-based payments	Note	2025 $	2024 $
18.1 Share-based payments:			
Net recognised in profit and loss or (derecognised) as a contra expense	18.2.1a, 18.2.2a	380,000	(276,358)
Recognised in net assets (payables)	18.2.1b	500,000	-
Gross share-based payments		880,000	(276,358)

18.2 Share-based payment arrangements in effect during the year

18.2.1 *Issued during the current year*

a. *Director and KMP Performance Rights (2024)*

At the Company's AGM held on 29 November 2024, shareholder approval was obtained to issue performance rights that will convert into shares pursuant to the Equity Incentive Plan.

These performance rights are issued to Peter Malone, Executive Chairman, Filippo (Phil) Giglia and Stuart Usher, non-executive directors, and key management Craig Piercy and Leo Fung and have been valued and issued on terms as detailed in the following and valued in accordance with 18.3.

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 18 Share-based payments (cont.)

18.2 Share-based payment arrangements in effect during the year (cont.)

Class of Performance Right	Tranches of Performance Right	Performance Condition	Number of performance rights					Milestone Date	Expiry Date	Performance Condition Satisfied
			Peter Malone	Filippo (Phil) Giglia	Stuart Usher	Craig Piercy	Leo Fung			
A	N/A	Vested on issue date	50,000,000	-	-	25,000,000	25,000,000	Vested	Vested	Yes
		The Group receiving revenue from product sales of:								
B	1	$5,000,000 after 2.12.24	12,500,000	2,500,000	500,000	-	-	31.12.27	4 years from vesting date	No
B	2	$10,000,000 after 2.12.24	12,500,000	2,500,000	500,000	-	-	31.12.27	4 years from vesting date	No
B	3	$15,000,000 after 2.12.24	12,500,000	2,500,000	500,000	-	-	31.12.27	4 years from vesting date	No
B	4	$20,000,000 after 2.12.24	12,500,000	2,500,000	500,000	-	-	31.12.27	4 years from vesting date	No

Class B performance rights also require a service condition on continuing employment.

b. *Settlement of liabilities*

At the Company's AGM held on 29 November 2024, shareholder approval was obtained to issue shares in part-settlement of amounts owing to KMP and other parties as detailed below:

KMP or other party	Share issued	Fixed share price at notice date	Value settled
Peter Malone	56,620,000	$0.003	$169,860
Filippo (Phil) Giglia	14,123,333	$0.003	$42,370
Stuart Usher	14,123,333	$0.003	$42,370
Craig Piercy	36,733,333	$0.003	$110,200
Leo Fung	36,733,333	$0.003	$110,200
Other parties	8,333,333	$0.003	$25,000
	166,666,665		$500,000

18.2.2 *Issued in prior period, relating to comparative periods*

a. *Director and consultants' performance rights (2022)*

At the Company's AGM held on 26 April 2022, shareholder approval was obtained to issue performance rights that will convert into shares pursuant to the Equity Incentive Plan.

These performance rights were issued to Directors, Messrs Malone, Giglia and Christensen, and other KMP Messrs Piercy and Fung, and were issued and valued on terms as detailed below.

Class of Performance Right	Tranches of Performance Right	Performance Condition: *The Company receiving revenue from product sales of*	Number of performance rights					Milestone Date	Expiry Date	Performance Condition Satisfied
			Peter Malone	Filippo (Phil) Giglia	Lee Christensen	Craig Piercy	Leo Fung			
B	1	$25,000,000 after 1.01.22	12,500,000	2,500,000	500,000	-	-	31.12.27	3 years from vesting	No
B	2	$50,000,000 after 1.01.22	12,500,000	2,500,000	500,000	-	-	31.12.27	3 years from vesting	No
B	3	$75,000,000 after 1.01.22	12,500,000	2,500,000	500,000	-	-	31.12.27	3 years from vesting	No
B	4	$100,000,000 after 1.01.22	12,500,000	2,500,000	500,000	-	-	31.12.27	3 years from vesting	No

The Company determined there was a nil probability of the 2022 Class B performance rights meeting vesting conditions and accordingly derecognised prior accounting. In 2024, $253,226 was reversed as a contra-expense, allocated to Peter Malone ($189,698), Filippo Giglia ($37,940) and a former director ($7,588). A further $276,358 relating to amounts recognised in prior periods was also reversed, allocated to Peter Malone ($228,870), Filippo Giglia ($44,574) and a former director ($8,915).

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 18 Share-based payments (cont.)

18.3 Fair value of rights granted during the year

Class	A	B			
Methodology	Binomial Valuation methodology				
Tranche	N/A	1	2	3	4
Grant date:	29.11.2024				
Grant date share price:	$0.0038				
Vesting date	04.12.2024	On achieving condition			
Number of rights issued:	100,000,000	15,500,000	15,500,000	15,500,000	15,500,000
Expiry date	Vested	48 months			
Probability	100%	0%	0%	0%	0%
Value per right	$0.0038	$0.0038	$0.0038	$0.0038	$0.0038

Fair values

Total fair value	$380,000	$nil	$nil	$nil	$nil
Recognised in the year	$380,000	$nil	$nil	$nil	$nil

18.3.1 *Fair value of rights granted by KMP*

Class	A	B			
Tranche	N/A	1	2	3	4
Peter Malone					
Number of rights issued	50,000,000	12,500,000	12,500,000	12,500,000	12,500,000
Fair value of rights recognised	$190,000	$nil	$nil	$nil	$nil
Leo Fung					
Number of rights issued	25,000,000	Nil	Nil	Nil	Nil
Fair value of rights recognised	$95,000	$nil	$nil	$nil	$nil
Craig Piercy					
Number of rights issued	25,000,000	Nil	Nil	Nil	Nil
Fair value of rights recognised	$95,000	$nil	$nil	$nil	$nil
Phil Giglia					
Number of rights issued	Nil	2,500,000	2,500,000	2,500,000	2,500,000
Fair value of rights recognised	$nil	$nil	$nil	$nil	$nil
Stuart Usher					
Number of rights issued	Nil	500,000	500,000	500,000	500,000
Fair value of rights recognised	$nil	$nil	$nil	$nil	$nil

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Notes to the consolidated financial statements
for the year ended 30 June 2025

Note 18 Share-based payments (cont.)

18.4 Movement in Company options share-based payment arrangements during the year

A summary of the movements of all Company options issued as share-based payments is as follows:

	2025		2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	38,000,000	$0.043	38,000,000	$0.043
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at year-end	38,000,000	$0.043	38,000,000	$0.043
Exercisable at year-end	38,000,000	$0.043	38,000,000	$0.043
Reconciliation to total Company options				
Non-share-based payment options outstanding at the beginning of the year	20,000,000		20,000,000	
Options issued to shareholders	352,412,553		133,351,198	
Total Company options on issue	410,412,553		191,351,198	

a. The weighted average remaining contractual life of options outstanding at year end was 1.75 years (2024: 1.25 years).

b. The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

18.5 Fair value of options granted in prior period, remaining in effect

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

18.6 Accounting policy

The Group may provide benefits to employees (including Directors) and consultants in the form of share-based payment transactions, whereby services are exchanged for shares or rights over shares.

18.6.1 *Equity-settled transactions*

The cost of equity-settled awards is measured at fair value on the grant date using an option pricing model (e.g. Binomial or Black-Scholes) that considers the exercise price, option term, share price at grant date, expected volatility, dividend yield, risk-free interest rate and non-vesting conditions. Other vesting conditions are not included in the fair value measurement.

The fair value is expensed over the vesting period with a corresponding increase in equity, based on the best estimate of the number of awards expected to vest. The cumulative expense is reassessed at each reporting date and adjusted for changes in expectations, less amounts already recognised.

18.6.2 *Cash-settled transactions*

For cash-settled awards, a liability is recognised and remeasured at each reporting date until settlement, using an option pricing model and the award terms. During the vesting period, the liability is measured at fair value multiplied by the expired portion of the vesting period; thereafter it equals the full fair value of the liability. All changes are recognised in profit or loss, and the ultimate cost is the cash paid to settle the liability.

18.6.3 *Other provisions*

- Market conditions are included in fair value measurement; therefore, awards subject to market conditions are considered to vest if all other conditions are satisfied.
- Modifications are accounted for at a minimum as if unmodified, with additional expense recognised for any increase in fair value.
- Cancellations are treated as accelerated vesting on the date of cancellation, with immediate recognition of any remaining expense. Replacement awards are treated as modifications.

18.7 Key estimate

The cost of equity-settled awards is measured by reference to the fair value of the equity instruments at the grant date. The fair value of options granted is determined using the Black-Scholes option pricing model, which requires the use of assumptions and estimates as inputs.

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Note 19 Parent entity disclosures

Skin Elements Limited is the ultimate parent entity of the Group. The Company did not enter into any related party trading transactions during the year

19.1 Financial Position of Skin Elements Limited

	2025 $	2024 $
Current assets	59,387	147,004
Non-current assets	-	-
Total assets	59,387	147,004
Current liabilities	1,372,072	1,352,168
Non-current liabilities	-	-
Total liabilities	1,372,072	1,352,168
Net liabilities	(1,312,685)	(1,205,164)
Equity		
Issued capital	27,603,356	26,179,124
Reserve	675,488	675,488
Accumulated losses	(29,591,530)	(28,059,776)
Total equity	(1,312,686)	(1,205,164)

19.2 Financial performance of Skin Elements Limited

	2025 $	2024 $
Loss for the year	(1,531,754)	(156,640)
Other comprehensive loss	-	-
Total comprehensive loss	(1,531,754)	(156,640)

19.3 Guarantees, Commitments and contingent liabilities

The Company had no guarantees for subsidiary debts, no capital commitments (note 12.1), and no contingent liabilities as at 30 June 2025 (2024: none).

Note 20 Operating segments

20.1 Identification of reportable segments

The Group operates predominantly in the biotechnology industry as the developer of its proprietary *SE Formula™*. Operating segments are identified with reference to internal management reports reviewed by the Board of Directors for resource allocation and performance assessment. Based on this reporting, and an evaluation of current and comparative activities, the Group has determined that it operates in a single reportable segment. Revenues are derived materially from Australia.

Note 21 Auditor's remuneration

	2025 $	2024 $
Remuneration of the auditor, BDO Audit Pty Ltd, for:		
Assurance services:		
○ Auditing or reviewing the financial reports	87,945	83,747
Non-assurance services:		
○ Other – Research and development tax incentive	39,449	38,628
	127,394	122,375

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Consolidated Entity Disclosure Statement

Entity name	Ownership interest 2025	Type of Entity	Trustee, partner, or participant in a joint venture	Country of incorporation	Australian resident for tax purposes
SE Operations Pty Ltd	100	Body corporate	N/A	Australia	Australian

The Company has not formed a tax consolidated group with its wholly-owned Australian subsidiary

Basis of preparation

This Consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with the *Corporations Act 2001* (Cth), reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997.* The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the *Income Tax Assessment Act 1997* are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretation:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

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Directors' declaration

The Directors of the Company declare that in the Directors' opinion:

1. The attached financial statements and notes, as set out on pages 14 to 43, are in accordance with the *Corporations Act 2001* (Cth) including:
   (a) complying with Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
   (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date
2. Subject to the matters disclosed in note 1.1.3, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1.1.2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001* (Cth);

The Consolidation Entity Disclosure Statement on page 44 is true and correct as at 30 June 2025.

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

On behalf of the Directors



PETER MALONE
Executive Chairman
Dated this Tuesday, 30 September 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of Skin Elements Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Skin Elements 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

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

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1.1.3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation

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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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Research and Development Income

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 1.7, the Group has recognised a refundable tax offset from eligible expenditure under the Research and Development (R&D) Tax Incentive Scheme as income for the year ended 30 June 2025. Given the judgement and specialised knowledge in identifying eligible expenditures, as well as the material nature of the R&D income recognised, we consider this to be a key audit matter.	Our procedures included, but were not limited to the following: • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Enquired with Management to understand the basis of claim and assess the eligibility of the Group to claim the R&D; • In conjunction with our R&D expert, we reviewed the R&D calculations to ensure such calculations had been performed on a reasonable basis; • Performed analytical procedures to gain comfort over the correct recognition of the R&D revenue for the year; and • Assessed the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the 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.

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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 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 ability of the group 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 Group or to cease operations, or has 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 (http://www.auasb.gov.au/Home.aspx) 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 pages 7 to 12 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Skin Elements 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.

BDO Audit Pty Ltd



Neil Smith

Director

Perth, 30 September 2025

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Corporate governance statement

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's governance-related documents can be found on its website at www.skinelementslimited.com/investors.html#cg.

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Additional Information for Listed Public Companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital as at 11 September 2024

a. Ordinary share capital

563,986,095 ordinary fully paid shares held by 1,112 shareholders. There are an additional 25,500,000 treasury shares held by LDA Capital (USA) as collateral shares.

b. Options over Unissued Shares

The Company has an additional 133,351,198 listed options and 58,000,000 unlisted options on issue in accordance with section 9.1 of the Directors' Report.

ASX Security Code	Grant Date	Date of Expiry	Exercise Price $	Number under Option
SKNOD	05.2023 & 06.2023	31.05.2026	0.025	113,351,198
SKNAS	11.2022 & 02.2023	31.10.2025	0.050	58,000,000
				171,351,198

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

c. Performance Rights over Unissued Shares

Class of Right	Performance Condition	Rights No.	Milestone Date	Expiry Date
2022 Class B Tranche 1	The Company receiving revenue from product sales of $25M after 1.01.22	15,500,000	31 Dec 2027	3 years from vesting date
2022 Class B Tranche 2	The Company receiving revenue from product sales of $50M after 1.01.22	15,500,000	31 Dec 2027	3 years from vesting date
2022 Class B Tranche 3	The Company receiving revenue from product sales of $75M after 1.01.22	15,500,000	31 Dec 2027	3 years from vesting date
2022 Class B Tranche 4	The Company receiving revenue from product sales of $100M after 1.01.22	15,500,000	31 Dec 2027	3 years from vesting date
		62,000,000		

(1) The 2022 Class B rights were derecognised due to not meeting conditions as described in note 18.2.2a of the financial statements.

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

- *Ordinary shares* — Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- *Options* — Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.
- *Performance Rights* — A Performance Right does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company. A Performance Right does not entitle a Holder to any dividends. A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company. A Performance Right is not transferable.

e. Substantial Shareholders as at 11 September 2024

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
ABC Brightred Pty Ltd	35,000,000	6.21
Sovereign Empire Pty Ltd	31,743,116	5.63

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Additional Information for Listed Public Companies

f. Distribution of equity holders as at 11 September 2024

i. *Ordinary shareholders*

Category (size of holding)	Total Holders	Units held	% Held
1 – 1,000	34	4,479	0.00
1,001 – 5,000	42	177,566	0.03
5,001 – 10,000	213	1,842,769	0.33
10,001 – 100,000	432	18,104,940	3.22
100,001 – and over	391	543,856,341	96.41
	1,112	**563,986,095**	**99.99**

ii. *Listed options (ASX:SKNOD) exercisable at $0.025 on or before 31 May 2026*

Category (size of holding)	Total Holders	Units held	% Held
1 – 1,000	7	5,963	0.00
1,001 – 5,000	33	85,598	0.06
5,001 – 10,000	16	130,959	0.10
10,001 – 100,000	88	3,740,263	2.80
100,001 – and over	81	129,388,415	97.02
	225	**133,351,198**	**99.98**

g. Unmarketable Parcels as at 11 September 2024

There were 688 shareholders who held less than a marketable parcel of shares, holding 16,829,754 shares.

h. On-Market Buy-Back

There is no current on-market buy-back.

i. Restricted Securities

The Company has currently no restricted securities.

j. 20 Largest Shareholders — Ordinary Shares as at 11 September 2024

Rank	Name	No. Held	% Held
1.	ABC Brightred Pty Ltd	35,000,000	6.21
2.	Sovereign Empire Pty Ltd	31,743,116	5.63
3.	Sharesies Australia Nominee Pty Limited	28,855,557	5.12
4.	LKS Holdings WA Pty Ltd	25,259,022	4.48
5.	Citicorp Nominees Pty Limited	24,536,782	4.35
6.	Braunii Pty Ltd	20,000,000	3.55
7.	Ozada Pty Ltd	17,598,348	3.12
8.	Mr John Eugene Slisar	16,490,000	2.92
9.	Sovereign Equities Pty Ltd	12,320,354	2.18
10.	Bayroad Nominees Pty Ltd	12,000,000	2.13
11.	Nabawa Pty Ltd	8,250,000	1.46
12.	Mr Russell Wayne Allen	7,400,000	1.31
13.	State Securities Pty Ltd	7,166,667	1.27
14.	Ozada Pty Ltd	6,733,420	1.19
15.	Clare Malone	6,266,668	1.11
16.	Unique Choice International Pty Ltd	5,500,000	0.98
17.	Mr Peter Harry Kaladis	5,300,000	0.94
18.	Top Oceania International Limited	5,254,636	0.93
19.	Nevile Superannuation Fund Pty Ltd	5,000,000	0.89
20.	Kava Holdings Pty Ltd	5,000,000	0.89
	Total	285,674,570	50.66

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Additional Information for Listed Public Companies

k. 20 Largest Option holders (SKNOD)— Listed Options as at 11 September 2024

Rank	Name	No. Held	% Held
1.	ABC Brightred Pty Ltd	35,000,000	26.25
2.	708 Capital Pty Ltd	16,152,981	12.11
3.	Australian Executor Trustees Limited	5,387,963	4.04
4.	Sovereign Empire Pty Ltd	5,290,520	3.97
5.	Braunii Pty Ltd	4,710,445	3.53
6.	Bayroad Nominees Pty Ltd	4,200,000	3.15
7.	Superhero Securities Limited	3,003,144	2.25
8.	Dujon Holdings Pty Ltd	3,000,000	2.25
9.	Mgold Pty Ltd	2,933,058	2.20
10.	BNP Paribas Nominees Pty Ltd <IB AU Noms retailclient>	2,703,952	2.03
11.	Mr Kenneth Rayward	2,700,000	2.02
12.	Blue Albatross Pty Ltd	2,000,000	1.50
13.	Equities Services Pty Ltd	1,863,551	1.40
14.	BNP Paribas Nominees Pty Ltd <Clearstream>	1,740,000	1.30
15.	LKS Holdings WA Pty Ltd	1,600,000	1.20
16.	Mr Keith William Flynn	1,509,663	1.13
17.	Comnet Managements Pty Ltd	1,500,000	1.12
18.	Sovereign Equities Pty Ltd	1,386,726	1.04
19.	Nabawa Pty Ltd	1,375,000	1.03
20.	Keith Flynn	1,255,250	0.94
	Total	99,312,253	74.46

l. Unquoted Securities Holders Holding More than 20% of the Class as at 11 September 2024

Note: The 2022 Class B rights were derecognised due to not meeting conditions as described in note 18.2.2a of the financial statements.

2022 Class B Tranche 1 Performance Rights Holders

Name	No. Held	% Held
Peter Malone	12,500,000	100.00
Sub-total	12,500,000	100.00
Total 2022 Class B Tranche 1 Performance Rights	12,500,000	

2022 Class B Tranche 2 Performance Rights Holders

Name	No. Held	% Held
Peter Malone	12,500,000	100.00
Sub-total	12,500,000	100.00
Total 2022 Class B Tranche 2 Performance Rights	12,500,000	

2022 Class B Tranche 3 Performance Rights Holders

Name	No. Held	% Held
Peter Malone	12,500,000	100.00
Sub-total	12,500,000	100.00
Total 2022 Class B Tranche 3 Performance Rights	12,500,000	

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Additional Information for Listed Public Companies

2022 Class B Tranche 4 Performance Rights Holders

Name	No. Held	% Held
Peter Malone	12,500,000	100.00
Sub-total	12,500,000	100.00
Total 2022 Class B Tranche 4 Performance Rights	12,500,000	

SKNAS Unlisted Options (Exercise price: $0.05, Expiry Date: 31.10.2025)

Name	No. Held	% Held
Everblu Capital Corporate Pty Ltd	28,000,000	48.28
Sub-total	28,000,000	48.28
Total SKNAS Unlisted Options	58,000,000	

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Additional Information for Listed Public Companies

2 The Company Secretary is Stuart Usher.

3 Principal registered office

As disclosed in the *Corporate directory* on page i of this Annual Report.

4 Registers of securities

As disclosed in the *Corporate directory* on page i of this Annual Report.

5 Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the *Corporate directory* on page i of this Annual Report.

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skin elements
enhancing health + wellness naturally

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