29 October 2026

Quarterly Activity Report - Period ending 30 September 2026

Skin Elements Limited (ASX: SKN) (Skin Elements, the Company), an Australian developer of all-natural antimicrobial biotechnology, is pleased to provide its Quarterly Activity Report for the quarter ended 30 September 2026 (the **Quarter**). The Quarter was a period of commercial delivery and operational renewal under a renewed Board, highlighted by the execution of the Company's first commercial-scale export distribution agreement for its ECO-Nurture product, a strengthened balance sheet and the commencement of a strategic review of operations encompassing supply chain optimisation, manufacturing, cost efficiency and customer engagement.

Quarterly Highlights

- **Farmlands Distribution Agreement executed and first delivery completed**

  Executed an exclusive distribution agreement with Farmlands Co-Operative Society, New Zealand's leading rural co-operative, including an initial order of ECO-Nurture valued at NZ$600,000 (plus NZ GST). The first delivery of NZ$150,000 was completed during the Quarter, representing the first commercial-scale order of ECO-Nurture in New Zealand.

- **$900,000 June placement proceeds received**

  Proceeds of $900,000 from the placement to sophisticated and professional investors announced in June 2026 were received early in the Quarter, strengthening the Company's balance sheet and providing flexibility to advance its commercial and regulatory programs.

- **Strategic and operational review underway**

  Following its refresh in late June 2026, the renewed Board commenced a strategic and operational review during the Quarter covering the Company's supply chain, manufacturing and laboratory arrangements. While the review remains in progress, preliminary initiatives to date include the engagement of a preferred contract manufacturing laboratory, rationalisation of operating expenditure and enhanced budgeting and expenditure-approval controls.

- **Customer engagement program launched – new online shop and re-engagement of 34,000+ registered customers**

  As the first step in a broader customer engagement program, the Company launched a new online shop site and commenced re-engaging its database of 34,816 registered customers through a targeted email marketing campaign.

- **Soléo Organics high-performance sunscreen range development**

  Following a number of formulation modifications, the Soléo high-performance sunscreen range is progressing toward production.

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- **Participation in IFSCC 2026 Congress, Perth**

  Chief Technical Officer, Leo Fung, attended the International Federation of Societies of Cosmetic Chemists (IFSCC) 2026 Congress, held in Perth from 28 September to 1 October 2026.

Commenting on the Quarter, Skin Elements Non-Executive Chairman, Mr Rod Nicholas, said:

"The September Quarter was an important period for Skin Elements. Executing our agreement with Farmlands and completing the first commercial-scale delivery of ECO-Nurture into New Zealand demonstrates the commercial potential of ECO-Nurture in this sector. At the same time, the renewed Board has been working across the business – reviewing our supply chain, manufacturing and cost base, engaging a preferred contract manufacturing laboratory and starting to re-engage our more than 34,000 registered customers through a new online shop. This will remain an ongoing priority, and with the Soléo high-performance sunscreen range progressing toward production and a strengthened balance sheet, we are well positioned to build momentum."

Farmlands Distribution Agreement

On 9 July 2026, Skin Elements announced the execution of an exclusive distribution agreement with New Zealand's leading rural co-operative, Farmlands Co-Operative Society Limited (Farmlands), following a multi-stage trial and evaluation of ECO-Nurture over four growing seasons in the New Zealand kiwifruit industry and earlier pilot sales to validate product performance. The agreement includes an initial order of ECO-Nurture for NZ$600,000 (plus NZ GST) and is the Company's first commercial-scale export agreement for this product.

During the Quarter, SKN completed the first delivery under the initial order, supplying NZ$150,000 of ECO-Nurture horticultural plant bio-stimulant to Farmlands, with proceeds equivalent to A$117k received during the Quarter.

The Company is currently working on the second NZ$150,000 delivery, with the balance of the initial order to follow.

Skin Elements and Farmlands have an initial focus on the $5 billion kiwifruit industry where the pseudomonas syringae pv actonidiae (PSA) bacteria has caused major economic damage.

ECO-Nurture is a horticultural plant bio-stimulant technology that has demonstrated in independent laboratory and field trials to be an effective alternative to chemical-based agricultural sprays currently used in crop protection globally. ECO-Nurture helps support the overall health of the plant by naturally improving the plant's tolerance to stress using only environmentally friendly, biodegradable plant-based ingredients which support the crop and the surrounding environment.

SKN is currently progressing ECO-Nurture towards New Zealand government approval under the Agricultural Compounds and Veterinary Medicines Act 1997 (NZ) (ACVM). Once ACVM is obtained, SKN and Farmlands intend to enter into a National Sales Agreement for exclusive ongoing sales and distribution of ECO-Nurture by Farmlands on a broader scale in New Zealand.

June 2026 Placement – Proceeds Received

On 26 June 2026, SKN announced that it had received firm commitments to raise $900,000 (before costs) through a placement to sophisticated and professional investors under the Company's existing ASX Listing Rule 7.1 placement capacity. The placement was finalised on 20 July 2026, with the proceeds received early in the Quarter.

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Operational Optimisation Program

Following its renewal in late June 2026, the new Board commenced a strategic and operational review of the Company's business during the Quarter, with the objective of building a scalable, cost-efficient platform for commercial growth. The review is ongoing, and progress during the Quarter included:

- **Supply chain:** review of raw material sourcing, contract manufacturing and logistics arrangements to improve reliability and lead times ahead of increased ECO-Nurture volumes, additional product SKUs and future production runs.
- **Manufacturing and laboratory:** carried out a detailed review of a number of potential providers, resulting in the Company engaging a preferred contract manufacturing laboratory, providing greater control over production quality and capacity.
- **Production processes:** review of laboratory and production processes across the product portfolio, with the aim of identifying potential efficiencies and supporting regulatory requirements.
- **Cost rationalisation and controls:** rationalisation of administrative and operating expenditure and implementation of enhanced budgeting and expenditure-approval controls, contributing to reduced administrative cash outflows.

Customer Engagement Program

The Board has commenced a review of the Company's customer engagement strategy, marking the start of a broader program to rebuild direct relationships with Skin Elements' customers and grow online sales. The first initiative is a new online shop page featuring the PapayaActivs pawpaw product range, available at sknlife.com.au/collections/papayaactivs-pawpaw-products.

The Company has also commenced re-engaging its database of 34,816 registered customers through a targeted Mailchimp email campaign introducing the new online shop. Further initiatives, including enhanced digital marketing, will be rolled out as the program progresses.

Industry Engagement – IFSCC 2026 Congress

Skin Elements attended the International Federation of Societies of Cosmetic Chemists (IFSCC) 2026 Congress, held in Perth from 28 September to 1 October 2026, which reportedly brought together more than 1,000 cosmetic scientists, formulators and ingredient suppliers from around the world. The Company was represented by Chief Technical Officer, Leo Fung, who engaged with industry participants, promoting the Company's natural SE Formula™ biotechnology.

Product Development – Soléo Organics High-Performance Sunscreen Range

Following a number of formulation modifications, the Soléo high-performance sunscreen range is progressing towards production, subject to testing and any applicable regulatory requirements. The Soléo range uses zinc oxide, a mineral UV filter, as its sole active sun-protection ingredient. Its development comes as regulators in Australia, the United States and other jurisdictions continue to review the safety of certain chemical UV filters, and as consumer demand for natural and mineral-based sun protection grows.

Research & Development Tax Incentive and Radium Facility

The Company's research and development programs for its natural SE Formula™ biotechnology are eligible for the Federal Government's R&D Tax Incentive.

During the Quarter, the Company assessed its qualifying FY2026 R&D tax incentive refund at $502,090, against which it had previously received an advance of $288,000 from Radium Capital.

With AusIndustry registration for FY2026 confirmed, the net balance of the refund (after repayment of the Radium advance) is expected to be received during the December 2026 quarter.

Summary of Operating Cashflows

Customer receipts for the Quarter were $123k (June quarter: $6k), including A$117k from the first Farmlands delivery, with the balance from online product sales. Operating cash outflows included $268k for product manufacturing, staff and research & development, $44k for marketing, premises and administration, and $82k for corporate costs.

Included in the above is $114k paid to key management personnel for current services.

Management fees paid during the September 2026 quarter reflected only two months (July and August), as September fees were paid after quarter-end. Accordingly, the $114,360 paid to Key Management Personnel during the quarter represents approximately two months of remuneration. On a full three-month basis, total management remuneration is estimated at approx. $171,540.

Net cash used in operating activities was $272k (June quarter: $874k, which included non-recurring legal and professional costs associated with the section 249D requisitions). The Board took steps during the Quarter to reduce operating costs, and this will remain a continued focus in the December 2026 quarter.



The Company held cash and cash equivalents of $1.455 million at 30 September 2026.

Payments to related parties: As disclosed at item 6.1 of the Appendix 4C, $97k was paid to Directors and their associates during the Quarter, comprising non-executive directors' fees for the Quarter of $47k and $50k of accrued directors' fees relating to prior periods. Directors' fees for the Quarter reflect the Board's review of its remuneration structure in late June 2026, which resulted in an immediate reduction in the annual base fee for non-executive directors to $48,000 per annum, and $60,000 per annum for the Non-Executive Chair.

Outlook

The Company's key priorities include:

- extra focus on progressing the ACVM registration of ECO-Nurture as the pathway to a National Sales Agreement with Farmlands;

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- continued delivery of the second balance of the Farmlands order;
- commissioning product production with the preferred contract manufacturing laboratory;
- further refinement and roll-out of the customer engagement and online sales strategy;
- preparing the Soléo high-performance sunscreen range and the PapayaActivs natural therapeutic skincare range for scalable production runs; and
- progressing the Board's strategic and operational review and implementation of its outcomes.

This announcement has been authorised for release by the Board of Directors.

- END -

For further information

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About Skin Elements

Skin Elements (ASX: SKN) is an award-winning Australian-owned and operated ASX-listed natural biotechnology company focused on the development of its SE Formula Biotechnology. Skin Elements' approach to research and development of plant-based and organically sourced ingredients has enabled the creation of a portfolio of natural plant-based formulations with global applications.Its product portfolio includes SuprCuvr TGA-registered hospital-grade plant-based disinfectant, ECO-Nurture plant bio-stimulant, Soléo Organics, PapayaActivs natural therapeutics skincare products and the Elizabeth Jane Natural Cosmetics brand.

Further information is available via the Company website: http://skinelementslimited.com and on the Company online store: www.sknlife.com.au.

Forward-Looking Statements

This announcement may contain forward-looking statements, including statements regarding Skin Elements' plans, strategies, objectives and expectations for its products, commercialisation programs, regulatory approvals, distribution arrangements, revenue and financial position. Forward-looking statements are often, but not always, identified by words such as "anticipate", "believe", "expect", "intend", "may", "plan", "target", "will" and similar expressions. Forward-looking statements are based on the Company's current expectations and assumptions as at the date of this announcement. They are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, many of which are outside the Company's control, that may cause actual results to differ materially from those expressed or implied. These include regulatory, commercial, operational, funding and market risks, and changes in laws and economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law or the ASX Listing Rules, Skin Elements does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. While the information in this announcement has been prepared in good faith, neither the Company nor any of its directors, officers, employees or advisers gives any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. Descriptions of the Company's products in this announcement are provided for investor information only and are not intended as therapeutic, medical or agricultural chemical claims. Product claims are made only in accordance with each product's applicable regulatory classification and approvals.









Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

SKIN ELEMENTS LIMITED (ASX:SKN)

ABN	Quarter ended (**"current quarter"**)
90 608 047 794	**30 September 2026**

Consolidated statement of cash flows		Current Quarter $A'000	Year to date (3 Months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	123	123
1.2	Payments for:	-	-
	(a) research and development	(140)	(140)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(3)	(3)
	(d) leased assets	(19)	(19)
	(e) staff costs	(128)	(128)
	(f) administration costs	(23)	(23)
	(g) corporate costs	(82)	(82)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid) / refunded	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other: Repayment of historical advanced R&D costs previously recognised	-	-
1.9	**Net cash from / (used in) operating activities**	(272)	(272)
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	-	-

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Consolidated statement of cash flows		Current Quarter $A'000	Year to date (3 Months) $A'000
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	900	900
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(13)	(13)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	887	887
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	840	840
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(272)	(272)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	887	887
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	1,455	1,455

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,455	840
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details):	-	-
5.5	**Cash and cash equivalents at end of quarter** (should equal item 4.6 above)	1,455	840

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	97
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

During the quarter $97k was paid to Directors and associated entities for current and prior period services.

7. Financing facilities Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify): R&D Rebate Advance Facility	288	288
7.4 **Total financing facilities**	288	288

7.5 **Unused financing facilities available at quarter end**	nil

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

- ***R&D Rebate Advance Facility Terms and conditions:***

Terms	Up to 31 December 2026. The facility and interest is repaid on receipt of the R&D Rebate.
Total facility	$288K based on eligible R&D spend.
Drawdown	As at 30 September 2026, this has been fully drawn down.
Security	The facility is secured against the R&D Tax Rebate based on eligible R&D spend.
Interest Rate	15% p.a. pro rata.

8. Estimated cash available for future operating activities	**$A'000**
8.1 **Net cash from / (used in) operating activities** (Item 1.9)	(272)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,455
8.3 Unused finance facilities available at quarter end (Item 7.5)	nil
8.4 Total available funding (Item 8.2 + Item 8.3)	1,455
8.5 **Estimated quarters of funding available** (Item 8.4 divided by Item 8.1)	5.35

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. *Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not*?

   Answer:

N/A

2. *Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

   Answer:

N/A

3. *Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

   Answer:

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: Thursday, 29 October 2026

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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