skin elements
enhancing health + wellness naturally

ACN 608 047 794

PROSPECTUS

FOR

A non-renounceable pro rata entitlement offer of one New Share for every five Shares held by Eligible Shareholders at the Record Date at an issue price of $0.01 per New Share (together with one attaching New Option for every New Share issued) to raise approximately $932,270 (before costs).

THE ENTITLEMENT OFFER IS CURRENTLY EXPECTED TO CLOSE AT 5.00 PM (EST) ON 8 MAY 2023.

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

PLEASE READ THE INSTRUCTIONS IN THIS PROSPECTUS AND ON THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM REGARDING THE ACCEPTANCE OF YOUR ENTITLEMENT UNDER THE ENTITLEMENT OFFER.

THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, OR OTHER PROFESSIONAL ADVISER.

AN INVESTMENT IN THE NEW SHARES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED HIGHLY SPECULATIVE IN NATURE. PLEASE READ THE RISKS SECTION CAREFULLY WHEN YOU CONSIDER YOUR INVESTMENT.

CORPORATE DIRECTORY

Directors

Peter Malone	Executive Chairman
Phil Giglia	Non-Executive Director
Stuart Usher	Non-Executive Director

Company Secretary

Stuart Usher	Company Secretary

Registered and Principal Office

1242 Hay Street
West Perth WA 6005

Tel:	+61 8 6311 1900
Fax:	+61 8 6311 1999
Website:	www.skinelementslimited.com

Securities Exchange *

Australian Securities Exchange Limited (ASX)
Level 40, Central Park,
152-158 St Georges Tce
Perth WA 6000

Tel:	131 ASX (131 279)
Website:	www.asx.com.au

ASX Code: SKN

Share Registry to the Offer

Advanced Share Registry Limited
110 Stirling Hwy
Nedlands WA 6009
Telephone: 1300 113 258
Email: admin@advancedshare.com.au
Website: www.advancedshare.com.au

Auditor*

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

Underwriter

708 Capital Pty Ltd
Suite 1.05, 2-8 Elizabeth Street
Paddington NSW 2021

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

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IMPORTANT INFORMATION

General

This Prospectus is dated and was lodged with ASIC on 5 April 2023. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within five days of the closing of this Offer for Official Quotation by ASX of the New Shares the subject of the Offers.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at 1242 Hay Street, West Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Sections 7.1 and 7.13). Eligible Shareholders can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Company's website.

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

No updates to Prospectus

The information in this Prospectus may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company. Except as required by law or regulation, neither the Company, nor any other adviser of the Company intends to update this Prospectus or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in the Prospectus or in any other information that may be made available concerning the Company. Potential investors should conduct their own due diligence investigations regarding the Company.

Application Forms

The Application Form accompanying this Prospectus is important. An Application for New Shares under the Offers can only be submitted on an Application Form. If acceptance is by BPAY® there is no need to return an Application Form. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to the instructions in Section 4 regarding the acceptance of your Entitlement and completion of an Application Form.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offers detailed in this Prospectus.

Overseas Shareholders

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The Offers are not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong and China. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than Australia, New Zealand, Hong Kong and China) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia, New Zealand, Hong Kong and China. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Hong Kong and China is restricted by law and persons outside of Australia, New Zealand, Hong Kong and China should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Peoples Republic of China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

Notice to nominees and custodians

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia and New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

Continuously quoted securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Exposure period

No exposure period applies to the Offers.

Speculative investment

An investment in the New Shares should be considered highly speculative. Refer to Section 5 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for the New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 5. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Diagrams

Any diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AWST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 9.

INDICATIVE TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC and provision of a copy to ASX	**5 April 2023**
'Ex' Date	**12 April 2023**
Record Date (at 5.00pm AWST)	**13 April 2023**
Prospectus dispatched to Eligible Shareholders	**18 April 2023**
Entitlement Offer Opens	**18 April 2023**
Last Day to Extend Offer Closing date	**3 May 2023**
Entitlement Offer Closes (at 5.00pm AWST)	**8 May 2023**
Issue date and Announcement of results and lodgement of Appendix 2A	**15 May 2023**
Date trading starts on normal T+2 basis	**16 May 2023**
First settlement date of trades conducted on a +deferred settlement basis and on normal T+2 basis	**18 May 2023**

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest in accordance with the Corporations Act.

1. Investment overview

Topic	Summary	Further information
What is the Entitlement Offer?	The Company is offering one (1) New Share for every five (5) Shares held by Eligible Shareholders on the Record Date at an issue price of $0.01 per New Share (together with one (1) attaching New Option (exercise price $0.025, expiring three years from the date of issue) for every New Share issued).	Section 2.1
What is the purpose of the Entitlement Offer?	The purpose of the Entitlement Offer is to raise up to approximately $932,270 (before costs). The funds raised from the Entitlement Offer will be used for the Company's business development program for working capital purposes and to cover the costs of the Offer.	Section 2.3
What are the key investment highlights?	• The Company has developed the SE Formula plant based technology. • The Company has developed a range of high performance products in suncare, skincare, disinfectant and plant bio-stimulant, applications that utilise the SE Formula • These products have obtained Therapeutic Goods Administration (TGA) listing were applicable. • New product development and expanding product range and brand portfolio with 5 key brands and 50 product lines.	Refer to the Company's announcements released to ASX including the 2022 Annual Report and the Interim Financial Report for the six months ended 31 December 2022
What are key risks associated with an investment in the Company?	Some of the key risks that may affect the Company are detailed below. This list is not exhaustive, and further details of these risks and other risks associated with an investment in the Company are detailed in Section 5. In undertaking its business activities, the Company will be exposed to risks which include, but are not limited to: • **Future capital requirements** The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If adequate funds are not available to satisfy either short or long-term capital requirements, the Company may be required to limit its operations significantly. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. • **Regulatory requirements and Government legislation and policy changes** The Company's key products including SuperCuvr disinfectant, Soleo Organics sunscreens, and Papaya Activs skincare are classified as "therapeutic goods" in Australia to ensure quality, safety and efficacy and have strict controls for independent testing and use of GMP. Similar regulations framework exists in most	Section 5

Topic	Summary	Further information
	countries such as USA. Changes in relevant laws, regulations and government policies regarding the regulation of these products could adversely affect the Company's proposed operations, increase costs, or affect the financial performance or any future revenue of the Company. • **Competition and New Market Entrants Risks** The Company participates in a highly competitive skin care market against materially larger, globally focussed competitors with significantly more access to capital and resources. Should any of the Company's competitors participate more aggressively on price, product, innovation or other means then this could have a material adverse impact on the Company's financial performance and future prospects of the business. • **Manufacturing Risks and Regulations** The process of manufacturing the Company's products is complex, highly regulated and subject to numerous quality assessments controls and procedures. This process may be subject to several manufacturing risks, including the following: o deviations from normal manufacturing processes and controls could result in reduced production yields, product defects and other supply disruptions; o the manufacturing facilities in which the Company's products are made could be adversely affected by equipment failures, labour shortages, natural disasters, power failures and numerous other factors; o the Company and its contract manufacturers must comply with the TGA regulations and guidelines. The Company and its contract manufacturers may encounter difficulties in achieving quality control and quality assurances to the standard required or, changes to the regulations and guidelines may require the Company to seek an alternative manufacturer, increase in costs or reduce volumes. There may be a shortage of persons qualified to administer the regulations and guidelines or may require additional training or qualifications; and o any adverse developments affecting manufacturing operations for the Company's products may result in shipment delays, inventory shortages, product withdrawals or recalls, or other interruptions in the supply of the Company's products. • **Distribution** The Company relies on a network of distributors in Australia and internationally. Should the Company fail to secure suitable formal distribution contracts or fail to engage suitable distributors, the distribution of the Company's products could be limited or restricted which could have a material adverse impact on the	

Topic	Summary	Further information
	Company's financial performance and future prospects of the business.	
Is the Entitlement Offer subject to a minimum subscription?	No.	Section 2.4
Who can participate in the Entitlement Offer?	Eligible Shareholders, being Shareholders on the Record Date with a registered address in Australia, New Zealand, Hong Kong or China.	Section 2.1
How do I accept my Entitlement?	All Eligible Shareholders are entitled to participate in the Entitlement Offer. You can accept all or part of your Entitlement by follow the instructions to pay via BPAY® or you must complete your Entitlement and Acceptance Form that accompanies this Prospectus and send it to the Share Registry to the Offer, together with payment by electronic funds transfer (EFT), cheque, bank draft or money order.	Section 4.1
Can I apply for additional New Shares and New Options?	Yes. Eligible Shareholders may apply for additional New Shares and New Options under the Top Up Facility.	Section 2.5
Is the Entitlement Offer renounceable?	No. The Entitlement Offer is non-renounceable, which means that Eligible Shareholders who do not wish to exercise all or a portion of their Entitlements may not sell their Entitlements on ASX.	Section 2.7
Is the Entitlement Offer underwritten?	Yes. The offer is fully underwritten by 708 Capital Pty Ltd (ACN 142 319 202) (AFSL: 386279).	Section 7.2
How will Shortfall be allocated?	Shortfall Shares will be allocated pursuant to the Underwriting Agreement.	Section 7.2
What is the effect of the Offers on the Company?	The maximum number of securities that may be issued under the Offer is approximately 93,226,979 New Shares and 93,226,979 New Options (assuming that no Options are exercised before the Record Date).	Section 3.1
Key dates	Ex-Date 12 April 2023 Record Date (at 5.00pm AWST) 13 April 2023 Opening Date 18 April 2023 Closing Date (at 5.00pm AWST) 8 May 2023 Issue date 15 May 2023	See Indicative Timetable on page 7
Enquiries concerning the Entitlement Offer	If you have any queries concerning your Entitlement please call the Company Secretary on +61 6311 1900 between 8:30am and 5:30pm (AWST) Monday to Friday or email the Company Secretary on stuart@skinelementslimited.com.	Section 4.5

2. Details of the Offers

2.1 Entitlement Offer

The Company is making a fully underwritten non-renounceable pro rata entitlement offer of one (1) New Share for every five (5) Shares held by Eligible Shareholders on the Record Date at an issue price of $0.01 per New Share (together with one attaching New Option (exercise price of $0.025, expiring three years from date of issue) for each New Share issued) to raise up to approximately $932,270 (before costs) (**Entitlement Offer**).

Under this Prospectus, Eligible Shareholders, being Shareholders on the Record Date with a registered address in Australia, New Zealand, Hong Kong or China are eligible to participate in the Entitlement Offer.

At the date of this Prospectus, the Company has on issue 466,134,897 Shares. Assuming no further Shares are issued before the Record Date, approximately 93,226,979 New Shares and 93,226,979 attaching New Options may be issued under the Entitlement Offer.

All of the New Shares will rank equally with the Shares on issue at the date of this Prospectus and all New Options will rank equally with the Options on issue on the same terms. Refer to Section 6.1 for a summary of the rights attaching to New Shares and New Options.

2.2 Purpose of Prospectus

The purpose of this Prospectus is to:

(a) make the Entitlement Offer;

(b) ensure that the on-sale of New Options do not breach section 707(3) of the Corporations Act; and

(c) ensure that the on-sale of the underlying Shares to be issued upon the exercise of the New Options is in accordance with ASIC Corporations Instrument 2016/80.

2.3 Reasons for the Entitlement Offer and funding allocation

The purpose of the Entitlement Offer is to raise up to approximately $932,270 (before costs).

The Company intends to apply the funds raised from the Offers as follows:

Description	(A$)
Business development, sales, marketing, production and operations	$700,000
Working capital	$113,188
Costs of the Offers (Refer Section 7.10)	$119,082
TOTAL	**$932,270**

The above table is a statement of the Board's intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

2.4 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

2.5 Top Up Securities Offer

Under this Prospectus, Eligible Shareholders who have submitted a valid application for their full Entitlement may also apply for additional Top Up Securities under the Top Up Facility, on the following basis:

(a) the Top Up Securities will only be issued to the extent there is a sufficient number of available Top Up Securities;

(b) the Top Up Securities will be issued at the same price of $0.01 per New Share as that offered under the Entitlement Offer (together with one attaching New Option for each New Share issued);

(c) applications may be scaled back by the Company and allocation of Top Up Acceptance Securities will be determined by the directors of the Company in their sole discretion.

An Application for Top Up Securities accompanied by payment of the Application Monies does not guarantee the allotment of any Top Up Securities. The Company reserves the right to issue to an Applicant a lesser number of Top Up Securities than the number applied for, reject an Application or not proceed with the issuing of the Top Securities or part thereof. If the number of Top Up Securities issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

Top Up Securities will not be offered or issued to any Applicant if, in the view of the Directors, to do so would increase that Applicant's voting power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

2.6 Underwriting and Lead Management

The Entitlement offer is fully underwritten and lead managed by 708 Capital Pty Ltd (AFSL No 386279).

Any Shortfall will be allocated in accordance with the Underwriting Agreement.

A summary of the Underwriting Agreement is set out in Section 7.2.

2.7 No rights trading

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party. If you do not take up your Entitlement by the Closing Date, your Entitlement will lapse.

2.8 Opening and closing dates

The Company will accept Entitlement and Acceptance Forms in respect of the Entitlement Offer from Eligible Shareholders from the Opening Date until 5.00pm (AWST) on the Closing Date or such later date as the Directors shall determine, subject to the Listing Rules.

Payment made by BPAY® must be received no later than 5.00pm (AWST time) on the Closing Date. It is the responsibility of all Eligible Shareholders to ensure that their BPAY® payments are received by the Company on or before the Closing Date.

2.9 Risks of the Offers

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the matters detailed in Section 5, Eligible Shareholders and other investors should be aware that an investment in the New Shares should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 5),

and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

2.10 Application Forms and BPAY® payments

Acceptance of a completed Application Form, or alternatively, a BPAY® payment, by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

2.11 Issue and Dispatch

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell the New Shares before they receive their holding statements will do so at their own risk.

The expected dates for issue of New Shares and dispatch of holding statements are expected to occur on the dates specified in the Indicative Timetable.

2.12 Application Monies held on trust

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) in accordance with the Corporations Act if the New Shares are not issued.

2.13 ASX quotation

Application will be made to ASX no later than five days after the closing of this offer for Official Quotation of the New Shares. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Prospectus (or such period as the ASX allows), no New Shares will be issued or allotted under the Entitlement Offer and the Company will return all Application Monies without interest in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares.

The Company also intends to apply for Official Quotation of the New Options subject to meeting the quotation requirements of the Listing Rules. The issue of the New Options is not, however, dependent on the ASX granting Official Quotation and in the event that Official Quotation is not obtained the New Options will remain unlisted.

2.14 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

2.15 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.16 Ineligible Shareholders

The Entitlement Offer is not being extended to Shareholders with a registered address outside Australia, New Zealand, Hong Kong or China. The Company is of the view that it is unreasonable to make the Entitlement Offer to Shareholders outside Australia, New Zealand, Hong Kong or China, having regard to:

(a) the number of those Shareholders;

(b) the number and value of New Shares to be offered to those persons; and

(c) the cost of complying with overseas legal requirements.

This Prospectus and the Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Shareholders resident in Australia, New Zealand, Hong Kong or China holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.17 Taxation implications

The Directors and the Underwriter do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for the New Shares.

The Company, the Underwriter, their advisers and their officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

2.18 Major activities and financial information

Details of the activities and financial information relating to the Company for the financial year ended 30 June 2022 are contained in the Company's audited 2022 Annual Report which was lodged with ASX on 30 September 2022, and for the six months ended 31 December 2022 the Audit reviewed Interim Financial Report lodged with ASX on 28 February 2023.

The Company's ASX announcements since the lodgement of its Annual Report, are detailed in Section 7.1.

Copies of these documents are available free of charge from the Company or the Company's website: www.skinelementslimited.com. The Directors strongly recommend that Applicants review these announcements prior to deciding whether or not to participate in the Offers.

2.19 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry to the Offer, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on Application Form, the Company may not accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.20 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary on +61 (08) 6311 1900 or email stuart@skinelementslimited.com.

3. Effect of the Offers

3.1 Capital structure on completion of the Offers

On the basis that the Company completes the Offers and they are fully subscribed, the Company's capital structure will be as follows:

	Number of Shares	Number of Options in same class as New Options	Number of Options – Other Classes	Number of Performance Rights
Balance as at the date of this Prospectus	**466,134,897**	-	84,000,000[1]	209,000,000[2]
Entitlement Offer	93,226,979[3]	93,226,979[3]		
Securities issued to the Underwriter	6,152,981[4]	16,152,981[4]		
TOTAL	**565,514,857**	**109,379,950**	**84,000,000**	**209,000,000**

Notes:

1. Comprising:
   (i) 10,000,000 SKNUOB unquoted options exercisable at $0.12 on or before 15 March 2024,
   (ii) 10,000,000 SKNUOC unquoted options exercisable at $0.15 on or before 15 March 2024,
   (iii) 4,000,000 SKNUOD unquoted options exercisable at $0.18 on or before 15 March 2024, and
   (iv) 2,000,000 SKNUOE unquoted options exercisable at $0.22 on or before 15 March 2024
   (v) 58,000,000 SKN UOF unquoted options exercisable at $0.05 on or before 15 October 2025.
2. Comprising Performance Rights as set out in the Company's 2022 Annual Report.
3. The New Shares and Options issued under the Offers will represent approximately 16.67% of the issued share capital of the Company following the Offers.
4. In accordance with the Underwriting Agreement (Section 7.2), up to 6,152,981 New Shares and 6,152,981 New Options may be issued, subject to Shareholder approval, at the election of the Underwriter to the Underwriter or its nominee for the underwriter fee and 10,000,000 New Options are to be issued, subject to Shareholder approval, to the Underwriter for lead management fee.

3.2 Control implications

As at the date of this Prospectus the Company has two substantial Shareholders set out in section 7.6.

One of the Company's substantial Shareholders, LDA Capital Limited, is a resident of the United States of America and is therefore an Ineligible Shareholder. The Entitlement that would otherwise have been offered to LDA Capital Limited will form part of the Shortfall. Consequently, LDA Capital Limited's shareholding will be diluted as a result of the entitlement offer.

The Company's other substantial Shareholder, Sovereign Empire Pty Ltd, an entity controlled by the Company's Executive Chairman, Mr Peter Malone, intends to subscribe for its full Entitlement but is not entitled to apply pursuant to the Top Up Facility and therefore Sovereign Empire Pty Ltd's shareholding percentage will remain unchanged.

The Underwriter currently holds 220,000 shares. The issue of New Shares and New Options to the Underwriter for the Shortfall may increase its interest in the Company. The maximum number of New Shares that may comprise the Shortfall is 93,226,979 shares which would increase the Underwriter's voting power to a maximum of approximately 16.5%.

In addition, the Underwriter is entitled at its election to be issued additional shares in payment of the Underwriter's fee, subject to Shareholder approval. If the Underwriter elects to have these additional shares issued the maximum number of shares that would be held by the Underwriter is 99,599,960 shares representing a voting power of a maximum of approximately 17.6%.

3.3 Potential dilution to Shareholders

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted. Examples of how the dilution may impact Eligible Shareholders are detailed in the table below:

Shareholder	Shareholding as at Record Date	% at Record Date	Entitlements under the Entitlement Offer	Shareholding if Shareholder does not participate in the Entitlement Offer	% post Entitlement Offer[1]
Shareholder 1	50,000	0.011%	3,333	50,000	0.009%
Shareholder 2	100,000	0.021%	6,667	100,000	0.018%
Shareholder 3	250,000	0.054%	16,667	250,000	0.045%
Shareholder 4	500,000	0.107%	33,333	500,000	0.089%
Shareholder 5	750,000	0.161%	50,000	750,000	0.134%

Note:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are taken up by other investors under the Shortfall Offer.

3.4 Pro-forma statement of financial position

Set out on the following pages are the Company's Consolidated Statement of Financial Position as at 31 December 2022 (audit reviewed) (**Statements**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's Annual Report ended 30 June 2022.

The Pro-Forma Statement of Financial Position assumes the Offers are fully subscribed and has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 31 December 2022 and the completion of the Entitlement Offer inclusive of:

- Issue of 28,000,000 options on 20 February 2023 to the lead manager of the placement completed in November 2022, valued at $280,000.
- Under the proposed fully underwritten Entitlement Offer, the issue of 93,226,979 New Shares, and 93,226,979 attaching New Options, at $0.01 each to raise approximately $932,270 (before costs).
- estimated costs of the Entitlement Offer of $119,082 (excl GST), of which $63,146 will be paid in cash, and $55,936 may be paid through the issue, subject to Shareholder approval, of 6,152,981 shares and 6,152,981 options to the Underwriter.
- The issue, subject to shareholder approval, of 10,000,000 options to the Underwriter, valued at $100,000.

No allowance has been made for expenditure incurred in the normal course of business from 31 December 2022 to the Closing Date.

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Audit Reviewed as at 31/12/2022	Adjustments Proforma	Unaudited Proforma as at 31/12/2022
	$	$	$
Current Assets			
Cash and cash equivalents	$478,118	$869,124	$1,347,242
Trade receivables	$836,973		$836,973
Inventories	$108,478		$108,478
Other assets	$6,824		$6,824
Total Current Assets	$1,430,393	$869,124	$2,299,517
Non Current Assets			
Property plant & equipment	$17,507		$17,507
Financial Assets	$0		$0
Intangible assets	$7,690,030		$7,690,030
Total Non Current Assets	$7,707,537	$0	$7,707,537
Total Assets	$9,137,930	$869,124	$10,007,054
Current Liabilities			
Trade and other payables	$673,857		$673,857
Borrowings	$21,191		$21,191
Derivative Liability	18,000		$18,000
Total Current Liabilities	$713,048	$0	$713,048
Non Current Liabilities			
Trade and other payables	$200,000		$200,000
Derivative Liability	$18,000		$18,000
Total Non Current Liabilities	$218,000	$0	$218,000
Total Liabilities	$931,048	$0	$931,048
Net Assets	**$8,206,882**	**$869,124**	**$9,076,006**
Shareholders Equity			
Issued Capital	$23,640,803	$869,124	$24,509,927
Reserves	$503,802		$503,802
Accumulated losses	-$15,937,723		-$15,937,723
Total Shareholders Equity	**$8,206,882**	**$869,124**	**$9,076,006**

4. Action required by Applicants

4.1 Eligible Shareholders

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of New Shares which Eligible Shareholders are entitled to is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

If you are an Eligible Shareholder you may:

(a) take up all of your Entitlement in accordance with this Prospectus;

(b) take up all of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Top Up Facility Shares in accordance with this Prospectus;

(c) take up part of your Entitlement in accordance with this Prospectus and allow the balance of your Entitlement to lapse; or

(d) decline to exercise all your Entitlement and allow it to lapse.

If you are an Eligible Shareholder and wish to take up all or part of your Entitlement and also if you wish to apply for Top Up Facility Shares:

(a) carefully read this Prospectus in its entirety;

(b) consider the risks associated with an investment in the Company (refer to Section 5) in light of your personal circumstances;

(c) if you are paying by BPAY®, multiply the number of New Shares you wish to apply for by A$0.01 and make payment for that amount and you will be deemed to have completed an Application Form for the number of New Shares subject of your application payment;

(d) if you are paying by Electronic Funds Transfer (EFT), complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form, and return the completed Entitlement and Acceptance Form together with advice of Electronic Funds Transfer (EFT) to

By Email

admin@advancedshare.com.au

so that it is received by no later than 5:00pm (AWST) on the Closing Date. If you take no further action, the balance of your Entitlement will lapse.

(e) if you are paying by a cheque, bank draft or money order, complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form, and return the completed Entitlement and Acceptance Form together with a cheque, bank draft or money order for the Application Monies to:

By Delivery

Advanced Share Registry Ltd
110 Stirling Hwy
NEDLANDS WA 6009

By Postal Mailing Address

Skin Elements Limited
C/- Advanced Share Registry Ltd
PO BOX 1156
NEDLANDS WA 6909

so that it is received by no later than 5:00pm (AWST) on the Closing Date. If you take no further action, the balance of your Entitlement will lapse.

4.2 Ineligible Shareholders

If you are an Ineligible Shareholder, you may not accept any of, or do anything in relation to, your Entitlement. Refer to Section 2.16 for treatment of Ineligible Shareholders.

4.3 Payment

The offer price of New Shares under the Entitlement Offer and Top Up Facility is $0.01 per New Share.

Application Monies must be received by the Company by 5.00pm (AWST) on the Closing Date.

Eligible Shareholders who wish to pay via BPAY® must follow the instructions on the Entitlement and Acceptance Form. You will not need to return the Entitlement and Acceptance Form. You will be deemed to have accepted all or part of your Entitlement and application for Top Up Facility Shares (as applicable) upon receipt of the BPAY® payment by the Company.

If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of Eligible Shareholders to ensure that funds are submitted through BPAY® by the date and time mentioned above.

If paying by Electronic Funds Transfer (EFT), please ensure your SRN/HIN is included followed by your last name/surname or corporate name.

If paying by cheque, bank draft or money order the completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order drawn in Australian dollars, made payable to 'Skin Elements Limited' and crossed 'Not Negotiable'.

The Company shall not be responsible for any postal or delivery delays, or delay in the receipt of the BPAY® or Electronic Funds Transfer (EFT) payment.

4.4 Representations by Applicants

By completing and returning an Entitlement and Acceptance Form or paying any Application Monies by BPAY® you:

(a) represent to the Company that you are an Eligible Shareholder and declare that you were the registered holder at 5.00pm (AWST) on the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you at 5.00pm (AWST) on the Record Date;

(b) acknowledge that you have received a copy of this Prospectus and an accompanying Entitlement and Acceptance Form, and read them both in their entirety;

(c) agree to be bound by the terms of the Offers, the provisions of this Prospectus and the Constitution;

(d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;

(e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;

(f) acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law;

(g) agree to accept and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form or for which you have made payment for by BPAY® at the issue price of $0.01 per New Share;

(h) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry using the contact details set out in the Entitlement and Acceptance Form;

(i) acknowledge the statement of risks in Section 5 and that an investment in the Company is subject to risk;

(j) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from accepting New Shares and that if you participate in the Offers, that you are eligible to do so; and

(k) if you are in the People's Republic of China, you are a (i) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets or (ii) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment.

4.5 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement please call the Company Secretary on +61 6311 1900 between 8:30am and 5:30pm (AWST) Monday to Friday or email stuart@skinelementslimited.com.

5. Risks

The proposed future activities of the Company are subject to a number of risks and other factors which may impact the financial performance of the Company and the value of its securities. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Potential investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

5.1 Risks in Respect of the Company's Operations

(a) **SE Formula™ – Plant Based Anti-Microbial Technology**

The SE Formula™ is a high performance proprietary all-natural plant based technology used in the Company's proprietary award winning brands including Invisi-Shield SuprCuvr plant-based hospital grade disinfectant range, Eco Nuture horticultural based plant bio stimulant, Soléo Organics natural sunscreen brand, PapayaActivs therapeutic skincare range and Elizabeth Jane Natural Cosmetics.

The SE Formula™ is the result of more than 15 years research and development by the Skin Elements' team in the area of plant-based bio technology. Since launching SKN has achieved over $7.7 million in global test marketing sales of its SE Formula products historically through its national and international network of distributors and online sales.

Skin Elements business structure utilises third party manufacturing, logistics, distribution and sales organisations to undertake activities for the commercialisation of its SE Formula products.

There can be no guarantee that the Company will be able to achieve any significant sales revenue in regard to its SE Formula™ product range.

(b) **Regulatory Requirements and Government legislation and policy changes**

The Company's products are classified as "therapeutic goods" in Australia to ensure quality, safety and efficacy and have strict controls for independent SPF testing and use of GMP. Similar regulations framework exists in most countries such as USA (Food and Drug Administration – FDA).

SKN has obtained national Therapeutic Goods Administration (TGA) approval and registration for its Invisi Shield SuprCuvr TGA approved COVID 19 disinfectant (AUST-L 373328), Soléo Organics natural and organic sunscreen (AUST-L 348716, 322958, 322956, 322469, 322468, 310340, & 116246), and PapayaActivs natural therapeutics skincare (AUST-L 350987, 350986, 350476, 350475, & 345957) and international registrations including Federal Drug Administration (USA FDA), European Union, and Ministry of Health Japan and Canada.

Changes in relevant laws, regulations and government policies regarding the regulation of sunscreens or skincare products could adversely affect the Company's proposed operations, increase costs, or affect the financial performance or any future revenue of the Company.

(c) **Competition Risks**

The Company participates in a highly competitive skin care market against materially larger, globally focussed competitors with significantly more access to capital and resources. Should any of the Company's competitors participate more aggressively on price, product, innovation or other means then this could have a material adverse impact on the Company's financial performance and future prospects of the business.

Existing competitors may take steps to compete or hinder the Company's plans to market launch, commercialise and distribute its products and make take steps to cause downward price pressure on unit prices, thus potentially reducing margins and revenues available to the Company.

There is also no guarantee that existing competitors will not release further competing products to the Company's existing product portfolio which may impact upon demand for the Company's products.

(d) **New market entrants providing organic and natural skin care products**

While the research and development of all organic and natural skin care products requires considerable time, expertise, skill and process, competition for the Company's products may come from global and local skin care companies entering both the Australian market and international markets identified by the Company that currently do not provide all natural and organic skin care products to their customers. This could reduce the addressable market available to the Company, or increase competition or cause margin reductions available to the Company.

(e) **Change in Regulations**

There is a risk that laws or regulations may be introduced or amended in Australia, or in foreign jurisdictions in which the Company's sells, or sources its ingredients or products.

Changes to the regulatory environment could have a material effect in a number of ways. For example, the financial and production effects resulting from changing requirements to:

(i) product packaging or labelling requirements as a requirement of regulatory medicine content disclosures; or

(ii) restrictions that prevent or restrict access to markets by amendments to regulations governing the export or importation of products.

While the Directors are not aware of any current issues, or any impending regulatory change in relevant markets, there is the potential for any such measures to materially reduce the Company's revenues or increase its costs.

(f) **Manufacturing Risks and Regulations**

The process of manufacturing the Company's products is complex, highly regulated and subject to numerous quality assessments controls and procedures. This process may be subject to several manufacturing risks, including the following:

(i) deviations from normal manufacturing processes and controls could result in delays in production, reduced production yields, product defects and other supply disruptions;

(ii) the manufacturing facilities in which the Company's products are made could be adversely affected by equipment failures, labour shortages, natural disasters, power failures and numerous other factors;

(iii) the Company and its contract manufacturers must comply with the TGA regulations and guidelines. The Company and its contract manufacturers may encounter difficulties in achieving quality control and quality assurances to the standard required or, changes to the regulations and guidelines may require the Company to seek an alternative manufacturer, increase in costs or reduce volumes. There may be a shortage of persons qualified to administer the regulations and guidelines or may require additional training or qualifications. The Company and its contract manufacturers are subject to inspections by the TGA and comparable agencies in other jurisdictions to confirm compliance with applicable regulatory requirements. Any failure to follow TGA or other regulatory requirements or any delay, interruption or other issues that arise in the manufacture, packaging, or storage of the Company's products as a result of a failure of the Company's facilities or the facilities or operations of third parties to comply with regulatory requirements or pass any regulatory authority inspection could significantly impair the Company's ability to develop and commercialise the Company's products. Significant non-compliance could also result in the imposition of sanctions, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approvals for the Company's products, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could damage the Company's reputation. If the Company is not able to maintain regulatory compliance, the Company may not be

permitted to market its products or may be subject to product recalls, seizures, injunctions, or criminal prosecution; and

(iv) any adverse developments affecting manufacturing operations for the Company's products may result in shipment delays, inventory shortages, product withdrawals or recalls, or other interruptions in the supply of the Company's products. The Company may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.

The Company currently only utilises three TGA approved manufacturer across the product range. Accordingly, there is a concentration of manufacturing with each provider, in relation to each product line. There are no minimum production commitments in place between the Company and its manufacturer, although the parties have worked together for many years. The manufacturer has advised that they currently have sufficient capacity to manufacture the Company's products in the near future.

There is also a requirement that manufacturers producing the Company's products must comply with TGA regulations. There is a risk that for some reason outside the Company's control that its manufacturer(s) could lose their regulatory approvals.

Should there be a disruption with this particular manufacturer or others, or the manufacturer elects not to continue manufacturing the Company's products, then this could have a material adverse impact on the Company's ability to meet consumer demand and may impact the financial performance and future prospects of the business. However, this risk can be mitigated as there are also numerous other TGA approved manufacturing facilities in Australia and overseas.

(g) **Raw Ingredients Supply**

The availability of organic and natural materials to meet the growing production plans of the Company's products is a critical part of supply chain management. Should there be interruptions in the Company's ingredient supply chain or economic or environment events impacting the availability of these raw materials then this could have a material adverse impact on the Company's ability to meet consumer demand and impact the financial performance and future prospects of the business.

(h) **Distribution**

The Company relies on a network of distributors in Australia and internationally including New Zealand, Japan and Europe. The Company distributes its products both locally in Australia and internationally through distributors in these jurisdictions. Should the Company fail to secure suitable formal distribution contracts or fail to engage suitable distributors, or should engaged contracts default or fail to deliver, the distribution of the Company's products could be limited or restricted which could have a material adverse impact on the Company's financial performance and future prospectus of the business.

(i) **Brand and Reputation**

The Company's Intellectual Property is a key asset of its business. The reputation and value associated with the Company's brand names and related Intellectual Property could be adversely affected by a number of factors, including failing to provide customers with the quality of product they expect, contamination or recall issues, disputes or litigation with third parties, employees, suppliers or customers, or adverse media coverage (including social media), or other circumstances including those beyond the direct control of the Company.

Significant erosion in the reputation of, or value associated with the Company's brands, could have an adverse effect on customer loyalty, relationships with key suppliers, employee retention rates, and overall demand for the Company's products.

(j) **Unable to adequately prevent disclosure of Intellectual Property**

The Company relies on trade secrets to protect its Intellectual Property, especially where the Company does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. The Company relies in part on confidentiality agreements with its

employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect the Intellectual Property. These agreements may not effectively prevent disclosure of confidential information and the Intellectual Property and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information or the Intellectual Property. In addition, others may independently discover the Intellectual Property. Costly and time-consuming litigation could be necessary to enforce and determine the scope of the Intellectual Property. Failure to obtain or maintain trade secret protection, or failure to adequately protect the Intellectual Property could enable competitors to develop generic products or use the Intellectual Property to develop other products that compete with the Company's products or cause additional, material adverse effects upon the Company's business, results of operations and financial condition.

(k) **Claims by third parties that the Company has infringed their proprietary rights**

Because patent applications are maintained in secrecy until the application is published, the Company may be unaware of third party patents that may be infringed by commercialisation of the Company's product. In addition, identification of third party patent rights that may be relevant to the Company's products and technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. Any claims of patent infringement asserted by third parties would be time consuming and could likely:

(i) result in costly litigation;

(ii) divert the time and attention of the Company's technical personnel and management;

(iii) cause development delays;

(iv) prevent the Company from commercialising its products until the asserted patent expires or is held finally invalid or not infringed in a court of law;

(v) require the Company to develop non-infringing products; or

(vi) require the Company to enter into royalty or licensing agreements.

Although no third party has asserted a claim of patent infringement against the Company, others may hold proprietary rights that could prevent the Company's products from being marketed. Any patent-related legal action against the Company claiming damages and seeking to enjoin commercial activities relating to the Company's products could subject the Company to potential liability for damages and require the Company to obtain a license to continue to manufacture or market the Company's products. The Company cannot predict whether the Company would prevail in any such actions or that any license required under any of these patents would be made available on commercially acceptable terms, if at all. In addition, the Company cannot be sure that the Company could re-design its products to avoid infringement, if necessary. Accordingly, an adverse determination in a judicial or administrative proceeding, or the failure to obtain necessary licenses, could prevent the Company from developing and commercialising its products, which could harm its business, financial condition and operating results.

(l) **Loss of key personnel**

In the short term until a suitable team is put in place, the Company's success depends to a significant extent on its key personnel, in particular Mr Peter Malone and Mr Leo Fung. Peter and Leo have extensive experience in, and knowledge of, the Company's products and business. The loss of key management personnel or any delay in their replacement could have a significant adverse effect on the management of the Company, its financial performance and future prospects.

(m) **Product Contamination and Recall**

As a producer of natural skin care products, the Company is subject to a general risk that any product contamination or product recall issue (however caused) could have a material adverse effect on the Company's brand and thus its financial performance. The Company and its manufacturer employ a number of measures to minimise the risk in this area (such as requiring manufacturers to have current TGA and GMP accreditation and the Company having in place appropriate insurances).

(n) **Foreign Exchange**

The Company distributes its products both in Australian and overseas. As distribution networks grow and further expand into USA, Canada, Japan and other countries, it is anticipated that more business will be conducted in foreign currencies. Hence, foreign currency risk may become more relevant over time.

(o) **Insurance**

The Company insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(p) **Contractual Disputes**

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(q) **Third Party Risk**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(r) **Retail Environment**

There may be an economic downturn in Australia or the overseas markets that may cause the retail environment to deteriorate as consumers reduce their retail spending on discretionary items. This may result in reduced turnover in the Company's products in Australia or overseas markets.

5.2 General Risks Relating to the Company

(a) **LDA Capital Raising Facility**

SKN has entered into a Put Option Agreement (POA) with US based institutional investment group LDA Capital Limited and LDA Capital LLC (LDA Capital) under which LDA Capital has agreed to provide SKN with up to $20 million in committed equity capital in the period to 1 March 2024.

The Agreement enables Skin Elements to issue Shares to LDA Capital over the period to 1 March 2024 at the Company's discretion at a floor price to be determined by Skin Elements and receive funds for the issue of those shares.

Details of this facility are contained in the Company's announcement to the market on 6 April 2021 and in its 2022 Annual Report.

The Agreement further includes standard terms for events of default and termination. In the event that an event of default occurs, and the Agreement is terminated, there is a risk that no additional capital will be raised, no additional shares will be issued, and the Company will have to pay to LDA Capital the balance of any commitment fee not yet paid.

(b) **Future capital requirements**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If adequate funds are not available to satisfy either short or long-term capital requirements, the Company may be required to limit its operations significantly. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) **Securities investment risk**

The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies. There can be no guarantee that these trading prices will not fluctuate. These factors may materially affect the market price of the New Shares regardless of the Company's operational performance.

The New Shares issued by the Company carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX.

The value of the securities will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the directors and officers of the Company. Such factors include, but are not limited to, the demand for and availability of securities in the Company, movements in domestic interest rates, exchange rates, fluctuations in the Australian and international stock markets and general domestic and economic activity. Returns from an investment in securities in the Company may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that an active market in securities in the Company will develop or that the market price of securities in the Company will not decline below issue prices.

(d) **Dilution**

The Put Option Agreement, and any other additional equity financing, may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership Shareholders may be reduced and diluted.

5.3 General investment risks

In addition to the above specific risks associated with the Company's proposed operations there are also general risks associated with an investment in the Shares. These include:

(a) **Government legislation and policy changes**

Changes in relevant laws, regulations and government policies may adversely affect the Company's product approvals, ingredient availability, proposed operations, increase costs, or affect the financial performance or any future revenue of the Company. Such changes are beyond the control of the Company.

(b) **Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

The New Shares should be considered speculative due to the nature of the Company's business and the early stage of market development. There is no guarantee as to the payment of dividends, return of capital or the market value of the New Shares. The prices at which an investor may be able to trade the New Shares may be above or below the price paid by the investor for the New Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(c) **Economic risk**

The future performance and viability of the Company is also dependent on a number of factors which may affect the performance of all industries and not just the natural skin care industry including, but not limited to, the following:

(i) future demand for natural and organic sunscreen and natural skin care products;

(ii) general economic conditions;

(iii) changes in Government policies, taxation and other laws;

(iv) the strength of the equity and share markets in Australia and throughout the world and, in particular, investment sentiment towards the industrial sector;

(v) movement in, or outlook on, exchange rates, interest rates and inflation rates;

(vi) industrial disputes in Australia and overseas;

(vii) changes in investor sentiment toward particular market sectors;

(viii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and

(ix) natural disasters, social upheaval or war.

(d) **Share market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of securities in the Company may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) commodity price fluctuations;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital; and

(vii) terrorism or other hostilities.

(e) **Legal Proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. As at the date of this Prospectus, there are no material legal proceedings affecting

the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(f) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(g) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:

(i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

(ii) increases in expenses (including the cost of goods and services used by the Company);

(iii) new or increased government taxes, duties or changes in taxation laws; and

(iv) fluctuations in equity markets in Australia and internationally.

(h) **Broader general risks**

There are also a number of broader general risks which may impact the Company's performance. These include:

(i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption;

(ii) higher than budgeted costs associated with the provision of service offerings; and

(iii) material litigation – the Company is not currently involved in any material litigation and is not aware of any facts or circumstances that may give rise to any material litigation. However, given the scope of the Company's activities and the wide range of parties with which it is likely to deal, the Company may be exposed to potential litigation from third parties such as clients, regulators, employees and business associates.

(i) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

5.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of its securities.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

6. Rights attaching to Securities

6.1 Rights attaching to Shares

A summary of the rights attaching to Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **General Meetings**

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, financial reports and other documents required to be sent to Shareholders under the Constitution, Corporations Act or Listing Rules. The notice must state the general nature of business and any other matters required by the constitution, Corporations Act or Listing Rules.

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid shares, shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) **Dividend Rights**

The Directors may from time to time declare a dividend to be paid to Shareholders entitled to the dividend. The dividend shall (subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all Shares in accordance with the Corporations Act.

Dividends are payable out of the Company's profits and are declared by the Directors. The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. The Directors may direct payment of the dividend to be made wholly or in part by the distribution of specific assets. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and

may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other Securities in respect of which there is any liability.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or Listing Rules.

The Company may decline to register any transfer where permitted to do so by the Listing Rules and must decline to register a transfer of Shares where required by the Listing Rules.

(f) **Variation of Rights**

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to a class (unless otherwise provided by terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of 75% of the issued shares of that class, or if authorised by a special resolution at a separate meeting of the holders of the shares of that class.

6.2 Terms and Conditions of New Options

The terms and conditions of the New Options are set out below.

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (m), the amount payable upon exercise of each New Option will be A$0.025 (**Exercise Price**).

(c) **Expiry Date**

The expiry date of the New Options is 5.00pm AWST on the date three years from date of issue (**Expiry Date**).

The New Options may be exercised at any time prior to the Expiry Date (**Exercise Period**), in whole or in part, upon payment of the exercise price per New Option. New Options not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits.

(d) **Transferable**

The New Options are transferable.

(e) **Quotation**

The Company intends to apply for the quotation of the New Options on ASX subject to meeting quotation requirements of the Listing Rules.

(f) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified by the Company (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by cheque or electronic funds transfer or other means of payment acceptable to the Company.

The New Options may be exercised by the holder in whole or in part. The Notice of Exercise must state the number of New Options exercised, the consequent number of Shares to be issued and the identity of the proposed allottee.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing and issue of Shares on exercise**

Within 5 business days of a Notice of Exercise being given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company will:

(i) issue the Shares pursuant to the exercise of the New Options; and

(ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

(i) **Shares issued on exercise**

Shares issued on exercise of New Options rank equally with the then issued Shares of the Company.

(j) **Participation rights**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options.

(k) **Adjustment for entitlement issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than a bonus issue), there will be no adjustment of the Exercise Price of a New Option or the number of Shares over which the New Options are exercisable.

(l) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the New Option holder would have received if the holder had exercised the New Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(m) **Adjustment for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the holder will be varied in accordance with the Listing Rules.

6.3 Dividend policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7. Additional information

7.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of the New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Entitlement Offer:

    (i) the annual financial report of the Company for the financial year ended 30 June 2022 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and

    (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its 2022 Annual Report and Appendix 4G Corporate Governance Statement on 30 September 2022:

Date Lodged	Subject of Announcement
30 March 2023	SKN signs MOU with Eco Nurture Launch in NZ
20 March 2023	Change of share registry - Update
28 February 2023	Interim Financial Report & Appendix 4D
21 F1ebruary 2023	Notification regarding unquoted securities
21 February 2023	Transfer of share registry
31 January 2023	Quarterly Activities / Appendix 4C Cashflow Report
31 January 2023	Cancel – proposed issue of securities
30 January 2023	Update – proposed issue of securities
23 January 2023	Initial Director's Interest Notice
23 January 2023	Final Director's Interest Notice
17 January 2023	SKN appoints new Director and Company Secretary
12 January 2023	Non-Renounceable Issue
12 January 2023	Update – Proposed issue of securities
25 November 2022	Non-Renounceable Issue
25 November 2022	Update – Proposed issue of securities
18 November 2022	Non-Renounceable Issue
18 November 2022	Update – Proposed issue of securities
10 November 2022	Non-Renounceable Issue
10 November 2022	Update – Proposed issue of securities
4 November 2022	Disclosure Document
4 November 2022	Application for Quotation of Securities
31 October 2022	Quarterly Activities / Appendix 4C Cashflow Report
28 October 2022	Disclosure Document
28 October 2022	Application for Quotation of Securities
26 October 2022	Cancel Previous Proposed Issue of Securities – Entitlement Issue
26 October 2022	Proposed Issue of Securities – Entitlement Issue
26 October 2022	Proposed Issue of Securities – Corporate Fees
26 October 2022	Proposed Issue of Securities - Placement
26 October 2022	SKN Raising up to $1.5 million
24 October 2022	Trading Halt
19 October 2022	SKN Provides Market Update
30 September 2022	SKN Appendix 4G Corporate Governance Statement

7.2 Underwriting and Lead Management

Underwriting Agreement

The key terms of the Underwriting Agreement pursuant to which the Company has appointed 708 Capital Pty Ltd (ACN 142 319 202) (AFSL 386279) (**Underwriter**) to underwrite the Entitlement Offer are as follows:

Engagement

The Underwriter agrees to act as Lead Manager and Underwriter to the Entitlement Offer for up to 93,226,979 New Shares and 93,226,979 New Options (the **Underwritten Securities**) to raise approximately $932,270.

The Underwriter may appoint sub-underwriters to sub-underwrite the Underwritten Securities at its sole discretion.

Subscription for Shortfall Shares

Subject to the Company delivering:

(a) a Shortfall Notice,

(b) a Certificate that to the best of its knowledge and after due enquiry the Company has complied with all its obligations under the Underwriting Agreement and the Offer, none of the termination events have occurred, and the representations and warranties are true and correct, and

(c) a new circumstances sign off,

the Underwriter must subscribe or procure subscriptions for the Shortfall Shares and pay or procure payment for the Shortfall proceeds.

Fees

The Company agrees to pay the Underwriter an underwriting fee of 6% (exclusive of GST) of the aggregate Offer proceeds (which includes the Shortfall Proceeds) raised under the Entitlement Issue. At the election of the Underwriter, this fee can be paid in either, or a combination of:

(a) immediately available funds; and/or

(b) issue to the Underwriter, of New Shares and New Options calculated on the issue price of $0.01 per New Share and issued, subject to approval by the Company's shareholders, to the Underwriter or their nominee on the same terms as the securities issue under this Entitlement Offer

As soon as practicable after the date of Completion, and subject to approval by the Company's shareholders, the Company must issue to the Underwriter, or its nominee, 10 million options on the same terms as the New Options issued under this Entitlement Issue.

The Underwriter must pay all fees and commissions due to sub-underwriters to the offers.

The Company also agrees to pay or reimburse the Underwriter for all reasonable disbursements and out of pocket expenses incurred by the Underwriter in connection with the underwriting and the Offer (whether or not the Offer completes) including:

(a) Legal fees of the Underwriter up to $20,000 (exclusive of GST) incurred in relation to the Offer;

(b) Stamp duty, transfer taxes, withholding taxes or similar taxes (but excluding any income tax of the Lead Manager) payable in respect of the Underwriting Agreement or the Offer and any other costs in respect of the Offer;

(c) Marketing, advertising, publicity and communications costs;

(d) Printing, couriers, postage, and other distribution costs; and

(e) Travel, airfares, presentation and accommodation expenses, provided air travel under 3 hours duration will be economy class travel.

The Underwriter must obtain the approval of the Company (not to be unreasonably withheld or delayed) prior to incurring any individual out of pocket expenses in excess of $2,000 (exclusive of GST).

The Underwriter may set-off all fees in this Section 6.2 against any payment obligation owed by the Underwriter to the Company (including in relation to the subscription for the Offer Securities).

Conditions precedent

The obligations of the Underwriter are conditional upon satisfaction of each of the following:

(a) the Company's board and management participate in the Offer by agreeing to take up their entitlements for a minimum aggregate amount of $300,000;

(b) the signed Due Diligence Committee Report contemplated by the Due Diligence Planning Memorandum in a form and substance satisfactory to the Underwriter (dated that date or the day before that date), which is also to be addressed to, and expressed to be for the benefit of, each of the members of the Due Diligence Committee and the Underwriter and signed by each member of the Due Diligence Committee;

(c) the signed Management Questionnaire, completed to the satisfaction of the Underwriter;

(d) a legal sign off letter being provided to the Due Diligence Committee by the Company's legal advisers, in the form and substance agreed with the Underwriter prior to the Announcement Date, and addressed to be for the benefit of the Underwriter, by 8.00am on the Announcement Date;

(e) the Company obtaining by 8.00am on the Announcement Date all ASX Waivers and all approvals necessary for the conduct or completion of the Offer (including approval of the Timetable), in a form and substance satisfactory to the Lead Manager (acting reasonably);

(f) the Company releasing to ASX the Offer Announcement, the Investor Presentation Materials, an Appendix 2A and an Appendix 3B, each in a form and substance satisfactory to the Underwriter in accordance with the Timetable;

(g) the Company lodging the Prospectus with ASIC and releasing the Prospectus to the ASX on the Announcement Date;

(h) satisfaction or waiver in writing of each of the conditions precedent by the relevant date and time for satisfaction referred to in the relevant condition precedent;

(i) the Company giving ASX the Prospectus and distributing the Prospectus and the Entitlement and Acceptance Form, each in a form and substance satisfactory to the Underwriter (acting reasonably) to Eligible Securityholders in accordance with the Timetable;

(j) the Underwriter receiving a 'new circumstances sign-off' in accordance with, and signed by all relevant persons as required by, the Due Diligence Planning Memorandum in a form and substance satisfactory to the Underwriter acting reasonably by no later than 8.30am on the date that the Entitlement Offer opens in accordance with the Timetable;

(k) the Underwriter receiving a Shortfall Notice, a Certificate and a 'new circumstances sign-off'; and

(l) ASX not indicating that it will not grant permission for the official quotation of the Offer Securities to be issued in respect of the Offer, and the options required to be issued to the Underwriter on or before 2.00pm on the Entitlement Settlement Date.

Right of Termination

The Underwriter may, by notice given to the Company and without cost or liability to the Underwriter, immediately Terminate if any one or more of the Unqualified Termination Events listed below occurs or has occurred, or if any one or more of the Qualified Termination Events listed below occurs or has occurred and, in the reasonable opinion of the Underwriter:

(a) the event has had or could have, individually or in the aggregate, a material adverse effect on the financial condition, financial position or financial prospects of the Company or the Company Group; or

(b) the event has had or could have, individually or in the aggregate, a material adverse effect on:

(i) the success or outcome of the Offer;

(ii) the trading price of the Securities; or

(iii) the ability of the Underwriter to market or promote or settle the Offer; or

the Underwriter will or could contravene, be involved in a contravention of, or incur a liability under the Corporations Act or any other applicable law as a result of the event. For the avoidance of doubt, an obligation under this document to subscribe for Offer Securities will not constitute a liability under the Corporations Act or an applicable law for the purposes of this sub-clause.

Notification

The Company must notify the Underwriter in writing promptly after becoming aware that a Termination Event has occurred or is about to occur.

Effect of Termination

Any rights or entitlements of the Indemnified Parties accrued up to the date of Termination survive Termination.

If the Underwriter terminates, it and its Affiliates will have no obligations to subscribe, or cause the subscription, for Entitlement Securities under the Entitlement Offer.

If the Underwriter terminates on or before the issue of the Entitlement Securities, the Underwriter may notify applicants for Entitlement Securities in the Entitlement Offer that they have no obligations or rights to subscribe for such Entitlement Securities.

Repetition of Termination Event

If the Underwriter elects not to exercise its rights on the occurrence of a Termination Event, that election does not prevent the Underwriter from terminating the agreement if that Termination Event or any other Termination Event occurs at a later time.

Unqualified Termination Events

(a) **misleading disclosure** any Offer Materials or any statement, report, representation, matter or thing contained in them is or becomes misleading or deceptive or likely to mislead or deceive (including by omission) or a matter required to be included is omitted from the Offer Materials, or any forecast, expression of opinion, intention or expectation expressed in the Offer Materials is not fair honest and based on reasonable assumptions, when taken as a whole, or the Company no longer has any reasonable basis for any such forecast, expression of opinion, intention or expectation;

(b) **new circumstance** an obligation arises on the Company to give ASX a notice in accordance with section 708AA(12) of the Corporations Act or a new circumstance arises or becomes known which, if known at the time of issue of the Investor Presentation Materials would have been required to be included in the Investor Presentation Materials;

(c) **unable to proceed** the Company is or will be prevented from conducting or completing the Offer (including granting the Entitlements or issuing Offer Securities) by or in accordance with the Listing Rules, ASIC, ASX, any other Government Agency, any applicable laws or an order of a court of competent jurisdiction, or otherwise are or will become unable or unwilling to do any of these things or a third party applies to a court of competent jurisdiction seeking orders to prevent, or which will have the effect of preventing any of these things;

(d) **unable to issue** the Company is prevented from granting the Entitlements or issuing Offer Securities in accordance with Listing Rules, any applicable laws, a Government Agency or an order of a court of competent jurisdiction;

(e) **listing** the Company ceases to be admitted to the official list of ASX or the Securities (or interests in them) cease trading or are suspended from official quotation or cease to be quoted on the ASX (other than a voluntary suspension requested by the Company and consented to by the Underwriter to facilitate the Offer (such consent not to be unreasonably withheld or delayed)); or

ASX makes any official statement to any person, or indicates to the Company or the Underwriter, that it will not grant permission for the official quotation of the Offer Securities, or will grant permission for the official quotation of the Offer Securities on conditions which would have a material adverse effect on the Offer; or

if permission for the official quotation of the Acceptance Securities or Shortfall Securities is granted by the ASX before the date of issue of those Offer Securities, and the approval is subsequently withdrawn, qualified or withheld;

(f) **ASIC notifications** any of the following notifications are made in respect of the Offer (other than a notification that is not made public and that is withdrawn by the earlier of 3 Business Days after it is made, or prior to 9.00am on the Entitlement Settlement Date):

(iv) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Material;

(v) ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Material;

(vi) ASIC otherwise issues or threatens to issue proceedings or a prosecution in relation to the Offer or commences any formal inquiry or investigation into the Offer; or

(vii) any other Governmental Agency takes an action similar or analogous to those described in paragraph (f)(iv), f(v) or f(vii);

(g) **pandemic** a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving any one or more of Australia, New Zealand, the United States of America or a country in the Oceania region;

(h) **market fall** the ASX/S&P 300 Index closes for 2 consecutive Trading Days at any time before Completion, or, closes on the Trading Day prior to the Entitlement Settlement Date, at a level that is 10.0% or more below its level as at the close of trading on the Trading Day before the date of this document;

(i) **Timetable** any event specified in this document (including in the Timetable) to occur is delayed by more than 2 Business Days without the prior written consent of the Underwriter;

(j) **Capital Structure** other than as contemplated by this document at any time after the date of this document and before Completion, the Company alters its equity capital structure, including proposing or activating any buy-back, capital reduction or scheme of arrangement or any other form of recapitalisation, without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);

(k) **Certificate** any Certificate or 'new circumstance sign-off' which is required to be furnished by the Company under this document is:

i. not furnished when required; or is

ii. untrue, incorrect, misleading or deceptive

(l) **change in management** except as disclosed in in the Offer Materials as at the Announcement Date, a change to the chief executive officer or chief financial officer or the board of directors of the Company occurs or is announced;

(m) **prosecution** any of the following occurs:

i. a director, chief executive officer or chief financial officer of the Company is charged with an indictable offence;

ii. any Government Agency commences any public proceedings against the Company or any director in their capacity as a director of the Company, or announces that it intends to take such action; or

iii. any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act or any other relevant law;

(n) **fraud** a director, chief executive officer or chief financial officer of the Company, or a Company Group Member, is charged in relation to fraudulent conduct, whether or not in connection with the Offer;

(o) **regulatory** any other regulatory approval, relief or modification from any relevant Government Agency in any relevant jurisdiction in relation to Offer, the Offer Materials and the terms and conditions of this document to enable the Offer to proceed in accordance with the Timetable is withdrawn, revoked or amended;

(p) **Trading Halt** a Trading Halt ends before the expiry of the relevant period referred to in the Timetable without the prior written consent of the Underwriter; and

(q) **Insolvency** an Insolvency Event occurs to a Company Group Member or there is an act which has occurred or any omission made which would result in an Insolvency Event occurring in respect of any Company Group Member.

Qualified Termination Events

(a) **information** the Due Diligence Committee Report or any information supplied by or on behalf of the Company to the Underwriter for the purposes of the Due Diligence Investigations, the Offer Materials, or the Offer, is misleading or deceptive or likely to mislead or deceive (including by omission);

(b) **adverse change** any adverse change occurs, or an event involving a prospective change occurs, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company Group, from the position most recently disclosed to ASX by the Company before the date of this document, or otherwise fairly disclosed to the Underwriter prior to entry into this document;

(c) **future matters** any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in the Offer Materials is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;

(d) **change of law in Australia** there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this document), any of which does or in the reasonable opinion of the Underwriter is likely to prohibit or adversely affect or regulate the Offer, capital issues or stock markets or the Underwriter's ability to promote or market the Offer or enforce contracts to issue or allot the Offer Securities, or adversely affect the taxation treatment of the Offer Securities;

(e) **changes to the Company** the Company:

i. varies any term of the Constitution; or

ii. disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material Subsidiary),

without the prior written consent of the Underwriter;

(f) **information** the Due Diligence Committee Report or the information provided by or on behalf of the Company to the Underwriter in relation to the Due Diligence Investigations, the Offer Materials or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

(g) **no misleading or deceptive conduct** the Company engages in conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the making of the Offer;

(h) **withdrawal of Offer** the Company withdraws or indicates that it does not intend to proceed with the Offer or any part of the Offer or withdraws a document forming part of the Offer Materials;

(i) **market disruption** either of the following occurs:

i. a general moratorium on commercial banking activities in Australia, Canada, New Zealand, the United States of America, the United Kingdom, Singapore or Hong Kong is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or

ii. trading in all securities quoted or listed on ASX, the Toronto Stock Exchange, the New Zealand Stock Exchange, the London Stock Exchange, the Singapore Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading;

iii. any adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, New Zealand, the United States of America, Hong Kong, a member of the European Union, or the United Kingdom, or any new

change or development involving a prospective adverse change in the political, financial or economic conditions existing in those countries as at the time this document is entered into;

(j) **hostilities** in respect of or involving any one or more of Australia, Canada, New Zealand, the United States of America, Hong Kong or the United Kingdom:

i. hostilities not presently existing commence;

ii. a major escalation in existing hostilities occurs;

iii. a declaration is made of a national emergency or war; or

iv. a major terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world;

(k) **political or economic conditions** the occurrence of any adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, Canada, New Zealand, the United States of America, Hong Kong or the United Kingdom or the international financial markets, or any change in national or international, political, financial or economic conditions;

(l) **warranties** a warranty or representation contained in this document on the part of the Company is untrue or incorrect when given or taken to be given or becomes untrue or incorrect;

(m) **Change of control** a scheme of arrangement or reconstruction is announced by the Company, or another offer to holders of Securities is announced by another person which, if implemented, may result in a person or their associates acquiring a beneficial interest in Securities of, or voting power in the Company of, 50% or more;

(n) **breach** the Company fails to perform or observe any of its material obligations under this document;

(o) **compliance**:

i. a contravention by the Company or any Company Group Member of the Corporations Act, the Constitution (or equivalent applicable documents), the Listing Rules or any applicable laws, or a requirement, order or request made by or on behalf of the ASIC, ASX or any other Government Agency or any agreement entered into by it; or

ii. any Offer Materials or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation;

The Underwriting Agreement contains indemnities, representations and warranties and undertakings by the Company to the Underwriter normally associated with such an agreement.

7.3 Interests of Directors

On 3 January 2017, the Company was successfully admitted to the Official List of ASX. Mr Peter Malone, Executive Chairman, was involved in the formation and promotion of the Company in connection with the Company's listing on ASX.

Except as disclosed above, and elsewhere in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(a) any Director to induce him or her to become, or to qualify as, a Director; or

(d) any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

7.4 Directors' interests and participation

As at the date of this Prospectus, the relevant interests of the Directors and their related entities in securities in the Company, are detailed in the table below.

Director	Shares	Options	Performance Rights	Entitlement
Peter Malone	26,452,596	0	127,000,000(1)	5,290,519 New Shares and 5,290,519 New Options
Phil Giglia	4,224,397	0	10,000,000(1)	844,879 New Shares and 844,879 New Options
Stuart Usher[2]	0	0	0	0

Notes:
1. Comprising Performance Rights as set out in the Company's 2022 Annual Report.
2. Mr Stuart Usher was appointed to the Board as a Non-Executive Director and Company Secretary on 17 January 2023

At the date of this Prospectus, the Directors have advised the Company that they intend to take up their Entitlements in full.

7.5 Directors remuneration

Directors received the following remuneration (including superannuation) for the preceding two financial years:

Director	Financial Year	Total Remuneration[1]
Peter Malone	2022	$340,610
	2021	$268,515
Phil Giglia	2022	$78,299
	2021	$26,000
Stuart Usher[2]	2022	$0
	2021	$0
Lee Christensen[3]	2022	$50,769
	2021	Nil
Alex John Poulsen[4]	2022	$2,000
	2021	$16,000

Notes:
1. Includes non-monetary remuneration.
2. Mr Stuart Usher was appointed as a Non-Executive Director and Company Secretary on 17 January 2023.
3. Mr Lee Christensen was appointed as a Non-Executive Director on 31 August 2021 and resigned on 17 January 2023.
4. Mr Alex John Poulsen was appointed as a Non-Executive Director on 29 October 2020 and resigned on 31 August 2021.

Mr Peter Malone, Executive Chairman, was appointed on 4 September 2015. Boston Technology Management Pty Ltd has a consultancy agreement with the Company for the provision of executive chairman services of Mr Malone are provided at $240,000 per annum (plus GST).

Mr Filippo (Phil) Giglia, Non-Executive Director and Chairman of the Audit Committee, was appointed on 23 November 2017. Colosseum Securities Pty Ltd, a company which Mr Giglia is sole director and acts as trustee for trusts of which Mr Giglia is a beneficiary, has a consultancy agreement to provide the director services of Mr Giglia for $60,000 per annum (plus GST) and Chairman of the

Audit Committee for $20,000 per annum (plus GST).

Mr Stuart Usher, Non-Executive Director and Company Secretary was appointed on 17 January 2023. Mr Usher has a consultancy agreement to provide the director services for $60,000 per annum (plus GST) and Company Secretary fee for $30,000 per annum (plus GST).

Mr Lee Christensen, Non-Executive Director, was appointed on 31 August 2021 and resigned on 17 January 2023. Mr Christensen has a consultancy agreement to provide the director services for $60,000 per annum (plus GST).

Mr Alex John Poulsen, Non-Executive Director, was appointed on 29 October 2020 and resigned on 31 August 2021. Pickle Pty Ltd, a company which Mr Poulsen is a Director, had a consultancy agreement to provide the director services of Mr Poulsen for $24,000 per annum (plus GST).

7.6 Substantial shareholders

Based on the Company's share register, the following persons hold a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus:

Name	Shares	Percentage of Shares %
Sovereign Empire Pty Ltd	26,452.596	5.67
LDA Capital Limited	25,500,000	5.47

7.7 Interests of other persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) holds, and has not had in the two years before the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company;

(a) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or

(b) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus.

7.8 Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus and in publicly available announcements.

7.9 Market price of Shares

The highest and lowest market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus and the respective dates of those sales were:

Highest:	$0.019 per Share on 14 February 2023
Lowest:	$0.013 per Share on 18 January 2023
Latest	$0.014 per Share on 4 April 2023

7.10 Costs of the Offers

The costs of the Offers payable by the Company (exclusive of GST) are listed below.

	(A$)
ASIC lodgement fee	$3,206
ASX quotation fee	$6,606
Legal expenses	$35,000
Share Registry expenses	$10,000
Printing and other expenses	$8,334
Underwriting Fee*	$55,936
TOTAL	**$119,082**

*Payable in shares or options at the election of the Underwriter

7.11 Taxation implications

The acquisition and disposal of securities in the Company will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the securities in the Company.

To the maximum extent permitted by law, the Company, the Underwriter, their officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for New Shares.

7.12 Litigation and claims

So far as the Directors are aware, other than as disclosed by the Company to ASX, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

7.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Shares), the Directors, persons named in this Prospectus with their consent as proposed Directors of the Company, any underwriters, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

The Underwriter has given and has not withdrawn its consent to be named Underwriter of the Offer.

The Share Registry to the Offer has given its consent to being named in the Prospectus as the share registry to the offer and has not withdrawn such consent prior to the issue of the Prospectus. To the maximum extent permitted by law, the Share Registry to the Offer expressly disclaims and takes no responsibility for the Prospectus other than a reference to its name; and has not authorised or caused the issue of the Prospectus or the making of the offer.

7.14 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

7.15 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares.

8. Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

Mr Peter Malone
Executive Chairman

9. Glossary

In this Prospectus, unless the context otherwise requires:

A reference to the singular includes the plural and vice-versa.

$ means Australia dollar.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2022 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2022, together with a Directors' report in relation to that financial year and the auditor's report for the period ending 30 June 2022.

Applicant means a person who submits an Entitlement and Acceptance Form or Shortfall Application Form (as applicable).

Application means a valid application for New Shares under the Entitlement Offer or Shortfall Shares under the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form (as applicable).

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

AWST means Australian Western Standard Time.

Board means the board of Directors.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the date referred to as such in the Indicative Timetable.

Company means Skin Elements Limited ACN 608 047 794.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Eligible Shareholder means a person who:

(a) is a Shareholder at 5.00pm (AWST) on the Record Date; and

(b) has a registered address in Australia, New Zealand, Hong Kong or China as at the Record Date.

Entitlement means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to, or accompanying this Prospectus, that sets out the entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement Offer has the meaning given to that term in Section 2.1.

Entitlement Securities means the Securities and the New Options offered to Securityholders under the Entitlement Offer.

GMP means the Good Manufacturing Practices regulations and General Biologics Products Standards promulgated by FDA, as they may be amended from time to time and includes published standards of FDA (or other standards of the FDA that are generally recognised within the United States pharmaceutical industry)

Group means the Company and each of its subsidiaries.

Indicative Timetable means the indicative timetable on page # of this Prospectus.

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Issue Date means the date referred to as such in the Indicative Timetable.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the official listing rules of ASX.

New Option means an Option offered pursuant to this Prospectus.

New Share means a Share offered pursuant to this Prospectus.

Offers means the Entitlement Offer and Shortfall Offer.

Offer Price means $0.01.

Official List means the Official List of ASX.

Official Quotation means quotation of Shares or Options on the official list of ASX (as applicable).

Opening Date means the date referred to as such in the Indicative Timetable.

Option means an option to acquire a Share.

Performance Right means a right to be issued a Share subject to applicable performance milestones and/or vesting conditions.

Prospectus means this prospectus dated 5 April 2023.

Record Date means the date referred to as such in the Indicative Timetable.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares.

Share Registry to the Offer means Advanced Share Registry Limited.

Shortfall means the New Shares not applied for under the Entitlement Offer or the Top Up Facility before the Closing Date**.**

Shortfall Notice means a notice from the Company to the Underwriter specifying the number of Shortfall Shares.

Shortfall Proceeds means the amount which is the Offer Price multiplied by the number of Shortfall Shares.

Shortfall Shares means the New Shares constituting the Shortfall.

Statements has the meaning given to that term in Section 3.4.

TGA means the Therapeutic Goods Administration, a Division of the Department of Health and Ageing.

Top Up Facility means the top up facility pursuant to which Eligible Securityholders may elect to subscribe for a number of, or dollar value of, Top Up Securities at the Offer Price.

Top Up Acceptance Securities means the Top Up Securities for which Valid Applications are received by the Company and allocated to the Eligible Securityholders under the Top Up Facility.

Top Up Securities means the number of Entitlement Securities less the number of Securities issued pursuant to the Entitlement Offer.

Underwriter means the underwriter and Lead Manager to the Entitlement Offer being 708 Capital Pty Ltd (ACN 142 319 202) (AFSL No 386279).

Underwriting Agreement means the underwriting agreement dated 29 March 2023 between the Company and the Underwriter.