

SKIN ELEMENTS LIMITED
ACN 608 047 794

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one (1) Share for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.003 per Share, together with one (1) free New Option for every one (1) Share applied for and issued, to raise up to \$513,692 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 19 December 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' 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 the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by 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.

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.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

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

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.9.

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 Securities.

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.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.skinelementslimited.com/).

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.skinelementslimited.com/. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6311 1900 during office hours or by emailing the Company at www.skinelementslimited.com/.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in

their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 8 6311 1900 or the Offer hotline on 1800 653 805.

CORPORATE DIRECTORY

Directors

Mr Peter Malone
Managing Director

Mr Filippo (Phil) Giglia
Non-Executive Director

Mr Stuart Usher
Non-Executive Director

Company Secretary

Mr Stuart Usher

Registered Office

1242 Hay Street
WEST PERTH WA 6005

Telephone: +61 8 6311 1900

Facsimile: +61 8 6311 1999

Email: info@skinelements.com

Website: www.skinelementslimited.com/

Auditor

BDO Audit Pty Ltd
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

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1. KEY OFFER INFORMATION

1.1 Timetable

EVENT	DATE
Announcement of Offer & Appendix 3B	Thursday, 19 December 2024
Lodgement of Prospectus with ASIC & ASX	Thursday, 19 December 2024
Ex date	Tuesday, 31 December 2024
Record Date for determining Entitlements	Thursday, 2 January 2025
Prospectus despatched to Shareholders & Company announces despatch has been completed	Tuesday, 7 January 2025
Last day to extend Closing Date	Tuesday, 11 February 2025
Closing Date*	Friday, 14 February 2025
Shares quoted on a deferred settlement basis from market open	Monday, 17 February 2025
Announcement of results of issue	Friday, 21 February 2025
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares (before noon Sydney time)	Friday, 21 February 2025
Trading of Securities commences	Monday, 24 February 2025

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

	FULL SUBSCRIPTION (\$513,692)
Offer Price per Share	\$0.003
Entitlement Ratio (based on existing Shares)	1:5
Shares currently on issue	856,152,760
Shares to be issued under the Offer	171,230,552
Gross proceeds of the issue of Shares	\$513,692
Shares on issue Post-Offer	1,027,383,312

Notes:

1. Refer to Section 4.1 for the terms of the Shares.

Options

	FULL SUBSCRIPTION (\$513,692)
Offer Price per New Option	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1:1
Options currently on issue	161,351,198
New Options to be issued under the Offer	171,230,552
Gross proceeds of the issue of Options	Nil
Options on issue Post-Offer	332,581,750

Notes:

1. Refer to Section 4.2 for the terms of the New Options.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

The predominant risks relating to the Company and the Offer are summarised below:

RISK	DESCRIPTION
Potential for dilution	<p>Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus, however subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 28.57% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p>
SE Formula™ – Plant Based Anti-Microbial Technology	<p>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.</p> <p>The SE Formula™ is the result of more than 19 years research and development by the Skin Elements team in the area of plant-based bio technology. Since launching, the Company has achieved over \$8 million in global test marketing sales of its SE Formula™ products historically through its national and international network of distributors and online sales.</p> <p>The Company's business structure utilises third party manufacturing, logistics, distribution and sales organisations to undertake activities for the commercialisation of its SE Formula™ products.</p> <p>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.</p>
Regulatory Requirements and Government legislation and policy changes	<p>The Company's products are classified as "therapeutic goods" in Australia to ensure quality, safety and efficacy and have strict controls for independent testing of therapeutic claims and use of GMP manufacturing. Similar regulations framework exists in most countries such as USA (Food and Drug Administration – FDA).</p> <p>The Company has obtained Therapeutic Goods Administration (TGA) approval and registration for its Invisi Shield SuprCuvr COVID 19 disinfectant (AUST-L 373328), Soléo Organics natural</p>

RISK	DESCRIPTION
	<p>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.</p> <p>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.</p>
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its operations as the case may be. There is however 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.</p>

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

DIRECTOR	SHARES	OPTIONS ⁴	PERFORMANCE RIGHTS	SHARE ENTITLEMENT	NEW OPTION ENTITLEMENT	\$	PERCENTAGE (%) FULL SUBSCRIPTION, FULLY DILUTED
Mr Peter Malone ¹	138,363,116	5,290,520	50,000,000	27,672,623	27,672,623	\$83,018	16.36%
Mr Filippo Giglia ³	19,192,610	844,880	10,000,000	3,838,522	3,838,522	\$11,516	2.48%
Mr Stuart Usher ³	14,123,333	-	2,000,000	2,824,667	2,824,667	\$8,474	1.43%

Notes:

- All Securities held by Mr Malone are held indirectly through Sovereign Empire Pty Ltd and Josaxa Pty Ltd, of which Mr Malone is the sole director. This company also acts as trustee for trusts of which Mr Malone is the beneficiary.
- All Securities held by Mr Giglia are held indirectly through Colosseum Securities Pty Ltd, of which Mr Giglia is the sole director. This company also acts as trustee for trusts of which Mr Giglia is the beneficiary.
- All Securities held by Mr Usher are held directly by Mr Usher as trustee for trusts of which Mr Usher is the beneficiary.
- SKNOD Options exercisable at \$0.025 and expiring on 31 May 2026.

The Board recommends all Shareholders take up their Entitlements. The Board advises that each of the Directors intend to take up their full Entitlements.

1.5 Details of Substantial Holders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
Sovereign Empire Pty Ltd and Josaxa Pty Ltd (Mr Peter Malone)	138,363,116	16.16%
Ozada Pty Ltd, Mgold Pty Ltd and Blackridge Pty Ltd (Mr Leo Fung)	86,065,101	10.05%
Sovereign Equities Pty Ltd, Equities Services Pty Ltd and Boston Technology Management Pty Ltd (Mr Craig Piercy)	75,986,898	8.88%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Effect on Control

Sovereign Empire Pty Ltd and Josaxa Pty Ltd (the **Malone Entities**) are presently the Company's largest Shareholder. The Malone Entities are associated entities and together, are a related party of the Company for the purposes of the Corporations Act by virtue of Mr Peter Malone (who is the sole director and shareholder of both Malone Entities), being a Director of the Company. The issue of Securities under this Prospectus to the Malone Entities may increase their interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

As at the date of this Prospectus, the Malone Entities have a voting power of 16.16% (138,363,116 Shares). The Malone Entities have confirmed they intend to intend to take up their full Entitlements.

The Malone Entities' potential relevant interest and maximum voting power in the Company under several scenarios are set out in the table below.

EVENT	MAXIMUM SHARES TO BE ISSUED TO THE MALONE ENTITIES'	TOTAL SHARES HELD BY THE MALONE ENTITIES FOLLOWING COMPLETION OF THE OFFER	UNDILUTED VOTING POWER OF THE MALONE ENTITIES
Prospectus Date	-	138,363,116	16.16%
If only Malone Entities took up Entitlements	27,672,623	166,035,739	18.79%
Full Subscription	27,672,623	166,035,739	16.16%

As set out in the table above, even if only the Malone Entities took up their full Entitlements in the Offer, the Malone Entities' interest would not increase above 20%.

1.7 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.6, Shareholders should note that, assuming Full Subscription, if they do not participate in the Offer, their holdings are likely to be diluted by approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 28.57% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

HOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE OFFER	HOLDINGS IF OFFER NOT TAKEN UP	% POST OFFER
Shareholder 1	10,000,000	1.17%	2,000,000	10,000,000	0.97%
Shareholder 2	5,000,000	0.58%	1,000,000	5,000,000	0.49%
Shareholder 3	1,500,000	0.18%	300,000	1,500,000	0.15%
Shareholder 4	400,000	0.05%	80,000	400,000	0.04%
Shareholder 5	50,000	0.01%	10,000	50,000	0.005%

Notes:

1. This is based on a share capital of 856,152,760 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including New Options or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.003 per Share together with one (1) New Option for every one (1) Share subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of Securities on issue) approximately 171,230,552 Shares and 171,230,552 New Options may be issued under the Offer to raise up to approximately \$513,692. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 161,351,198 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Refer to Section 3.3 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.01 on or before the date that is 3 years from issue and otherwise on the terms set out in Section 4.2.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus / can be accessed at <https://events.miraqle.com/skn-offer>. Eligible Shareholders may choose any of the options set out in the table below.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus / can be accessed at https://events.miraqle.com/skn-offer. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Sections 2.3 and 2.4.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus / can be accessed at https://events.miraqle.com/skn-offer. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.	Sections 2.3, 2.4 and 2.6.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
	<ul style="list-style-type: none"> If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus / can be accessed at https://events.miraqle.com/skn-offer, for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Sections 2.3 and 2.4
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00PM (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your

Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form. You **MUST** use your HIN or SRN, or your application may not be able to be reconciled and your funds may be returned to you. **If you make your payment with EFT, you must return your completed personalised Application Form to the Share Registry by contacting the Share Registry at capitalmarkets@linkmarketservices.com.au;**
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription in respect of the Offer.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.003 being the price at which Shares have been offered under the Offer, together with 1 New Option for every 1 Share subscribed for and issued.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Securities proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Securities will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

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

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Cth) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Cth) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. 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.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$513,692 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

ITEM	PROCEEDS OF THE OFFER	FULL SUBSCRIPTION (\$513,692)	%
1.	Business development – sales, marketing, production overheads, research & development	\$357,000	69
2.	Corporate Costs	\$60,000	12
3.	Working capital	\$50,742	10
4.	Expenses of the Offer ¹	\$45,950	9
Total		\$513,692	100

Notes:

1. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, the proceeds of the Offer will first be used towards the expenses of the Offer and otherwise scaled back proportionately in respect to the proposed use of funds set out above. If the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$467,742 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 856,152,760 as at the date of this Prospectus to 1,027,383,312 Shares; and
- (c) increase the number of Options on issue from 161,351,198 as at the date of this Prospectus to 332,581,750 Options.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	NUMBER
Shares currently on issue	856,152,760
Shares offered pursuant to the Offer	171,230,552
Total Shares on issue after completion of the Offer	1,027,383,312

Options

	NUMBER
Options currently on issue	
Listed Options exercisable at \$0.025 on or before 31 May 2026	133,351,198
Unlisted Options exercisable at \$0.05 on or before 31 October 2025	28,000,000
Total Options on issue as at the date of this Prospectus	161,351,198
New Options to be issued pursuant to the Offer	171,230,552
Total Options on issue after completion of the Offer	332,581,750

Performance Rights

	NUMBER
Performance Rights currently on issue	162,000,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	162,000,000

The capital structure on a fully diluted basis as at the date of this Prospectus is 1,179,503,958 Securities and on completion of the Offer would be 1,521,965,062 Securities.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2024 and the unaudited pro-forma balance sheet as at 30 June 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 JUNE 2024 \$	PROFORMA UNAUDITED 30 JUNE 2024 FULL SUBSCRIPTION \$
CURRENT ASSETS		
Cash	\$115,071	\$582,813
Trade Receivables	\$1,258,884	\$1,258,884
Inventories	\$31,908	\$31,908
Other current assets	\$28,680	\$28,680
TOTAL CURRENT ASSETS	\$1,434,543	\$1,902,285
NON-CURRENT ASSETS		
Plant and equipment	\$8,365	\$8,365
TOTAL NON-CURRENT ASSETS	\$8,365	\$8,365
TOTAL ASSETS	\$1,442,908	\$1,910,650
CURRENT LIABILITIES		
Creditors and borrowings	\$2,344,019	\$1,844,019
Borrowings	\$731,727	\$731,727
TOTAL LIABILITIES	\$3,075,746	\$2,575,746
NET ASSETS (LIABILITIES)	-\$1,632,838	-\$665,096
EQUITY		
Share capital	\$24,444,454	\$25,712,196
Options Reserve	\$335,827	\$335,827
Retained loss	-\$26,413,119	-\$26,713,119
TOTAL EQUITY	-\$1,632,838	-\$665,096

Notes:

The Pro-Forma Statement of Financial Position assumes the Offer is fully subscribed and has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 30 June 2024 and the completion of the Entitlement Offer except for:

- issue of 166,666,665 Shares at \$0.003 in satisfaction of \$500,000 outstanding fees to Directors and key management as approved at the Annual General Meeting on 29 November 2024.
- issue of 100,000,000 Shares issued pursuant to the vesting of Class A Performance Rights as approved at the Annual General Meeting on 29 November 2024
- under the Offer, the issue of 171,230,552 Shares, and 171,230,552 free attaching New Options, at \$0.003 each to raise approximately \$513,592 (before costs); and
- estimated costs of the Offer of \$45,950.

No allowance has been made for expenditure incurred in the normal course of business from 30 June 2024 to the Closing Date.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities 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**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

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.

(g) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(h) **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.

4.2 Terms and Conditions of the New Options

(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 \$0.01 (**Exercise Price**).
- (c) **Expiry Date**
- The expiry date of the New Options is 5.00pm (WST) on the date that is 3 years from date of issue (**Expiry Date**).
- (d) **Exercise Period**
- 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.
- (e) **Transferable**
- The New Options are transferable.
- (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.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Potential for dilution	<p>Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 28.57% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.004 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its operations as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the</p>

RISK CATEGORY	RISK
	Company.
Going Concern	<p>The Company's full year financial report released on 30 June 2024 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding this, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current commitments and short-term working capital requirements. The ability of the Company to continue as a going concern is dependent on the Company securing additional debt and/or equity funding and/or generating profits from its normal course of business.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
SE Formula™ – Plant Based Anti-Microbial Technology	<p>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.</p> <p>The SE Formula™ is the result of more than 19 years research and development by the Company's team in the area of plant-based bio technology. Since launching the Company has achieved over \$8 million in global test marketing sales of its SE Formula products historically through its national and international network of distributors and online sales.</p> <p>The Company's business structure utilises third party manufacturing, logistics, distribution and sales organisations to undertake activities for the commercialisation of its SE Formula™ products.</p> <p>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.</p>
Regulatory Requirements and Government legislation and policy changes	<p>The Company's products are classified as "therapeutic goods" in Australia to ensure quality, safety and efficacy and have strict controls for independent testing of therapeutic claims and use of GMP manufacturing. Similar regulations framework exists in most countries such as USA (Food and Drug Administration – FDA).</p> <p>The Company 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.</p> <p>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.</p>
Competition Risks	<p>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</p>

RISK CATEGORY	RISK
	<p>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.</p>
<p>Change in Regulations</p>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> (a) product packaging or labelling requirements as a requirement of regulatory medicine content disclosures; or (b) restrictions that prevent or restrict access to markets by amendments to regulations governing the export or importation of products. <p>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.</p>
<p>Manufacturing Risks and Regulations</p>	<p>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:</p> <ul style="list-style-type: none"> (a) deviations from normal manufacturing processes and controls could result in delays in production, reduced production yields, product defects and other supply disruptions; (b) 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; (c) 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,

RISK CATEGORY	RISK
	<p>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</p> <p>(d) 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.</p> <p>The Company currently only utilises three TGA approved manufacturers 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 manufacturers, although the parties have worked together for many years. The manufacturers have advised that they currently have sufficient capacity to manufacture the Company's products in the near future.</p> <p>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.</p> <p>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.</p>
Raw Ingredients Supply	<p>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.</p>
Distribution	<p>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 prospects of the business.</p>
Brand and Reputation	<p>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</p>

RISK CATEGORY	RISK
	<p>social media), or other circumstances including those beyond the direct control of the Company.</p> <p>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.</p>
<p>Unable to adequately prevent disclosure of Intellectual Property</p>	<p>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 Intellectual Property.</p> <p>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.</p>
<p>Claims by third parties that the Company has infringed their proprietary rights</p>	<p>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:</p> <ul style="list-style-type: none"> (a) result in costly litigation; (b) divert the time and attention of the Company's technical personnel and management; (c) cause development delays; (d) 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; (e) require the Company to develop non-infringing products; or (f) require the Company to enter into royalty or licensing agreements. <p>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</p>

RISK CATEGORY	RISK
	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.
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 Messrs. Peter Malone and 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.

5.3 Industry specific

RISK CATEGORY	RISK
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 appropriate insurance in place).
Foreign Exchange	The Company distributes its products both in Australia 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.
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.
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.
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.

RISK CATEGORY	RISK
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.

5.4

General risks

RISK CATEGORY	RISK
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.
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's operations, as well as on its ability to fund those activities.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
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.
Macro-economic risks	<p>Changes in the general economic outlook in Australia and globally may impact the performance of the Company. Such changes may include:</p> <ul style="list-style-type: none"> (a) 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); (b) increases in expenses (including the cost of goods and services used by the Company);

RISK CATEGORY	RISK
	<p>(c) new or increased government taxes, duties or changes in taxation laws; and</p> <p>(d) fluctuations in equity markets in Australia and internationally.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the 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.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>
Broader general risks	<p>There are also a number of broader general risks which may impact the Company's performance. These include:</p> <p>(a) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption;</p> <p>(b) higher than budgeted costs associated with the provision of service offerings; and</p> <p>(c) 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.</p>
Acquisitions	<p>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,</p>

RISK CATEGORY	RISK
	achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

5.5 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company and its subsidiaries are not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or any of its subsidiaries.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, 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:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
18 December 2024	Trading Halt
11 December 2024	Change of Director's Interest Notice x 3
10 December 2024	Notice under section 708A(5)(e) of the Corporations Act
9 December 2024	Update – Application for quotation of securities - SKN
6 December 2024	Application for quotation of securities – SKN
6 December 2024	Application for quotation of securities – SKN
6 December 2024	Notification regarding unquoted securities – SKN
6 December 2024	Notification of cessation of securities – SKN
29 November 2024	Results of 2024 AGM
29 November 2024	Results of 2023 AGM
31 October 2024	Quarterly Activities Report/Appendix 4C Cash Flow Report
30 October 2024	Notice of 2024 Annual General Meeting/Proxy Form

DATE	DESCRIPTION OF ANNOUNCEMENT
30 October 2024	Notice of Annual General Meeting/Proxy Form
1 October 2024	Research and Development Rebate
30 September 2024	Corporate Governance Statement
30 September 2024	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.skinelementslimited.com.

6.3 Market price of Shares and New Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

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

	(\$)	DATE
Highest	\$0.005	17 September 2024
Lowest	\$0.003	28 October 2024
Last	\$0.004	17 December 2024

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent

variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2024 Annual Report.

DIRECTOR	FY ENDED 30 JUNE 2024	FY ENDING 30 JUNE 2025
Peter Malone	\$48,330 ¹	\$461,413 ⁴
Filippo (Phil) Giglia	\$35,426 ²	\$82,442 ⁵
Stuart Usher	\$90,000 ³	\$90,489 ⁶

Notes:

1. Comprising \$271,200 in salary, fees and leave and a deduction of \$222,870 due to the cancellation of Performance Rights, due to the low probability that the Performance Rights will reach their vesting conditions by the milestone dates.
2. Comprising \$60,000 in salary, fees and leave and a deduction of \$37,836 due to the cancellation of Performance Rights, as referenced above.
3. Comprising salary, fees and leave.
4. Comprising \$271,200 in salary, fees and \$190,213 in respect to the valuation of Performance Rights.
5. Comprising \$80,000 in salary, fees and \$2,442 in respect to the valuation of Performance Rights.
6. Comprising \$90,000 in salary, fees and \$489 in respect to the valuation of Performance Rights.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has not received any fees from the Company.

6.6 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

BDO Audit Pty Ltd given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2024 audited balance sheet of the Company in Section 3.4. BDO Audit Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are expected to be applied towards the items set out in the table below:

	FULL SUBSCRIPTION \$
ASIC fees	3,206
ASX fees	4,200
Legal fees	15,000
Share Registry, printing and distribution	21,044
Miscellaneous	2,500
Total	45,950

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

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).

CRN means Customer Reference Number in relation to BPAY@.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.01.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

New Option means an Option issued on the terms set out in Section 4.2.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

TGA means the Therapeutic Goods Administration of Australia.

WST means Western Standard Time as observed in Perth, Western Australia.

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