

SKIN ELEMENTS LIMITED

ABN 90 608 047 794

and its controlled entities



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Interim Report

December 2024

Corporate directory

Current Directors

Peter Malone	<i>Executive Chairman</i>
Filippo (Phil) Giglia	<i>Non-Executive Director</i>
Stuart Usher	<i>Non-Executive Director</i>

Company Secretary

Stuart Usher

Registered Office

<i>Street:</i>	1242 Hay Street West Perth WA 6005
<i>Postal:</i>	1242 Hay Street WEST PERTH WA 6005
<i>Telephone:</i>	+61 (0)8 6311 1900
<i>Facsimile:</i>	+61 (0)8 6311 1999
<i>Email:</i>	info@skinelements.com
<i>Website:</i>	www.skinelementslimited.com

Auditors

BDO Audit Pty Ltd

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

Share Registry

MUFG Corporate Markets (AU)

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











Securities Exchange

Australian Securities Exchange

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



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Results for announcement to the market

for the half-year ended 31 December 2024




1. REPORTING PERIOD (item 1)

 Report for the period ended:	31 December 2024
 Previous corresponding period is half-year ended:	31 December 2023

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Movement	Percentage %	Amount \$
 Revenues from ordinary activities (item 2.1)	Increase	270.13 to	313,040
 Loss from ordinary activities after tax attributable to members (item 2.2)	Decrease in loss	(0.33) to	(1,206,091)
 Loss after tax attributable to members (item 2.3)	Decrease in loss	(0.33) to	(1,206,091)

2.1. Dividends (items 2.4 and 5)

	Amount per Security ¢	Franked amount per security %
 Interim dividend	nil	n/a
 Final dividend	nil	n/a
 Record date for determining entitlements to the dividend (item 2.5)	n/a	

2.2. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):

The revenue and losses for the period reflect continued focus on the development and commercialisation of the Company's SE Formula technology brands and applications.

3. DIVIDENDS (item 6) **AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS**

Nil.

3.1. Details of dividend or distribution reinvestment plans in operation are described below (item 6):

Not applicable

4. RATIOS**4.1. Financial Information relating to 4.2:**

	6 months to 31 December 2024 \$	6 months to 31 December 2023 \$
Earnings for the period attributable to owners of the parent	(1,206,091)	(1,210,100)
Net asset deficiency	(1,967,135)	(287,041)
Less: Intangible assets	-	-
Net tangible liabilities	(1,967,135)	(287,041)

	Current Period No.	Previous Corresponding Period No.
Fully paid ordinary shares	830,652,760	563,986,095
	Current Period ¢	Previous Corresponding Period ¢

4.2. Net tangible liability backing per share (cents) (item 3):

(0.237)	(0.051)
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Results for announcement to the market
for the half-year ended 31 December 2024

5.

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 4)


5.1.

Control gained over entities



Name of entities (item 4.1)

Nil




Date(s) of gain of control (item 4.2)

n/a


5.2.

Loss of control of entities



Name of entities (item 4.1)

Nil



Date(s) of loss of control (item 4.2)

n/a

5.3.

Contribution to consolidated loss from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 4.3).

n/a


5.4.

Loss from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

n/a


6.

DETAILS OF ASSOCIATES AND JOINT VENTURES: (item 7)



Name of entities (item 7)

Nil




Percentage holding in each of these entities (item 7)

N/A

6 months to
31 December
2024
\$

6 months to
31 December
2023
\$



Aggregate share of profits (losses) of these entities (item 7)

N/A

N/A

7.

The financial information provided in the Appendix 4D is based on the interim final report (attached), which has been prepared in accordance with Australian Accounting Standards.

8.

The report is based on accounts which have been reviewed by the Company’s independent auditor (item 9).






Directors' report

Your directors present their report on the Group, consisting of Skin Elements Limited (**Skin Elements** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2024.

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

1. Directors

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

 Peter Malone	Executive Chairman and Chief Executive Officer
 Filippo (Phil) Giglia	Independent Non-Executive Director
 Stuart Usher	Independent Non-Executive Director

(the Directors or the Board)

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2. Operating and financial review

2.1. Nature of Operations and Principal Activities

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




2.2. Operations Review

2.2.1. Development of SE Formula™

The SE Formula has been developed by Skin Elements over the last 16 years and is the core of every natural product we develop. Products with the SE Formula™ have scientifically proven efficacy while using only natural and plant-based ingredients and have come to be trusted by consumers.

To date, the Company has developed four core formulas, each with potential to provide viable, efficacious alternatives to widely-used chemical based products in mass markets globally. These formulas form the basis of Skin Elements' product range - Soléo Organics, SuprCuvr, ECO-Nurture and PapayaActivs Therapeutics.

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

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

During the period, Skin Elements' continued investment in the research and development of its proprietary plant-based, high-performance SE Formula biotechnology and has continued to build initial traction in Phase 3 negotiations on distribution agreements and commercial scale production across its product ranges.

2.2.2. ECO-Nurture – Phase 3 Commencing

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

During the period, the Company delivered a further 930 litres of ECO Nurture concentrate to kiwi fruit orchard managers in New Zealand for the fourth and final spray on over 120 orchards in this current season ECO Nurture spray application program.

With ECO-Nurture added to Zespri's approved spray list under Zespri Crop Protec on Standards Justified Approval (JA) protocols, Skin Elements is now seeking to have ECO Nurture adopted across the kiwifruit industry. Headquartered in New Zealand, Zespri is the world's largest marketer of kiwifruit with over \$4 billion in sales annually.

2.2.3. SuprCuvr - Phase 3 Commencing

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



Directors' report

The Company has continued to focus on test market assessment and qualification of SuprCuvr in public health and transport sectors particularly in secondary schools and urban train carriages and stations in Melbourne, Australia.

These represent large-scale, commercial opportunities for SuprCuvr to be utilised as a disinfectant, replacing widely used chemical-based products.

2.2.4. *Soléo Organics – Phase 3 Commercialisation Negotiations*

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

Negotiations continue to progress during the period with a leading health retail group in the United Kingdom for distribution of the Soléo Organics sunscreen formulation under white label.

As part of this process, independent laboratory testing is in progress designed to confirm key performance specifications for the UK market including testing sunscreen formulations for both SPF50 broad spectrum and 5-Star UVA rating, water resistance and stability (shelf life), which have previously been unheard of for a natural organic sunscreen formulation.

Skin Elements will update the market on any material progress on these, or any other, sales or distribution opportunities.

2.2.5. *PapayaActivs Therapeutics – Phase 2 completing*

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

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

2.2.6. *Research and development (R&D) tax incentive and Radium Facility*

The Company's commitment to the continued R&D of its natural SE Formula biotechnology sees it eligible for the Federal Government's R&D tax incentive. The Company received \$1.19 million resulting from eligible R&D expenditure for FY2024 and in the FY2025 Q2 repaid \$798K of the Radium facility previously advanced.

The R&D tax incentive has been assessed at \$418K based on the expenditure incurred during the first half of FY2025 with Skin Elements receiving an advance of \$182K during the quarter under the Radium facility.

2.2.7. *Rights issue*

During the quarter, the Company announced that it was undertaking a non-renounceable rights issue to existing shareholders on the basis of 1 new share for 5 existing shares to issue up to 171,230,552 shares raising \$513K in cash (before costs). The rights issue is expected to be closed on 28 February 2025.

2.2.8. *Repayment of borrowings*

As noted in the 2024 Annual Report, and as approved by Shareholders at the 2024 Annual General Meeting, the Company issued equity securities to Directors and Key Management for \$500,000 unpaid executive services and Directors' services in accordance with service agreements. In addition, \$187K was paid during the quarter to entities associated with the Directors for repayment of borrowings related to R&D project costs.

2.2.9. *Performance rights*

At the Company's AGM held on 29 November 2024, shareholder approval was obtained to issue 100,000,000 Class A performance rights, and 62,000,000 Class B performance rights, that will convert into shares pursuant to the Equity Incentive Plan.

These performance rights are issued to Peter Malone, Executive Chairman, Filippo (Phil) Giglia and Stuart Usher, non-executive directors, and key management Craig Piercy and Leo Fung and have been valued and issued on terms as detailed in the following and valued in accordance with note 10.3.

The Class A performance rights were deemed to have vested immediately and converted to 100,000,000 fully paid ordinary shares in December 2024.

Directors' report

2.3. Financial Review

2.3.1. Key profit and loss measures

	Movement (increased/ decreased)	Movement \$	6 months to 31 December 2024 \$	6 months to 31 December 2023 \$
Revenues from ordinary activities	increased	228,464	313,040	84,576
Loss from ordinary activities after tax	decreased	4,009	(1,206,091)	(1,210,100)
EBITDA Loss	increased	233,487	(1,115,949)	(882,462)
Adjusted EBITDA Loss [§]	decreased	28,257	(735,949)	(764,206)

2.3.2. Key net asset measures

	Movement (increased/ decreased)	Movement \$	31 December 2024 \$	30 June 2024 \$
Cash and cash equivalents	decreased	52,741	62,330	115,071
Working capital deficit (excluding prepayments)	increased	306,164	(1,976,047)	(1,669,883)
Net tangible liabilities	increased	334,297	(1,967,135)	(1,632,838)
Net liabilities	increased	334,297	(1,967,135)	(1,632,838)

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

The Group incurred a loss for the half-year of \$1,206,091 (31 December 2023: \$1,210,100 loss); however operating activities produced an increase in net cash in-flow from of \$483,051 (31 December 2023: \$62,925 in-flow). As at 31 December 2024, the Group has a working capital deficit of \$1,976,047 (30 June 2024: \$1,669,883 working capital deficit).

The ability of the Group to continue as a going concern is dependent on the Group securing additional debt and/or equity funding and/or generating profits from its normal course of business.

These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors are confident that there will be sufficient funds for the Group to meet its obligations and liabilities and believe it is appropriate to prepare these accounts on a going concern basis for the following reasons.

- Skin Elements is eligible for R&D Rebate tax incentive grant and has received \$1.2 million during the period in relation to eligible FY2024 R&D expenditure and accrued \$418K as at 31 December 2024 in relation to eligible R&D expenditure for the six months to that date.
- Received \$182K under a R&D advance facility with Radium Capital. A further \$134K was received in February 2024.
- During the period, the Company issued, pursuant to shareholder approval, 166,666,665 fully paid ordinary shares as payment of \$500,000 due to Directors and key management, for outstanding fees.
- The Directors' have confirmed they will not call upon balances owed until such time where the Company has the financial capacity to repay the amounts without impacting the Company's ability to continue as a going concern and pay its other liabilities as and when they fall due for payment.
- The Company has a successful track record of raising working capital when required through the issue of equity securities. The Company is currently raising \$513K through a 1 for 5 non-renounceable entitlement issue, commenced in December and Closing on 28 February 2024. The capital raise will issue up to 171,230,552 fully paid ordinary shares at \$0.003, with 1 free attaching option, exercisable at \$0.01, within 3 years from issue.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

[§] Adjusted EBITDA is disclosed to provide a clearer view of the company's core operational performance by excluding non-recurring, non-operating, or non-cash items such as share-based payments and restructuring costs. This measure helps investors better assess the company's ability to generate cash flows and compare results across periods and industry peers.

Directors' report

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, and the Radium Capital facility the Directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.



The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

2.4. Events Subsequent to Reporting Date

There are no significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed in note 7 *Events subsequent to reporting date*.

2.5. Future Developments, Prospects, and Business Strategies

Likely developments in the operations, business strategies and prospects of the Group include:

-  The Company will undertake future capital raising through either equity placement facility, private placement or entitlement issue, and the consideration of other equity and debt proposals
-  The Company will continue to focus on development and commercialisation of its natural anti-microbial technology as set out in its review of operations.

Other likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report particularly given the early stage of the Company's commercial operations with its new expanded range of natural and organic products. The Directors believe that the inclusion of such information would be likely to be unreasonably prejudicial to the Group.

3. Auditor independence

The Company's auditor's, BDO Audit Pty Ltd's (**BDO**), independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2024 has been received and can be found on page 7 and forms part of this Directors' report for the half-year ended 31 December 2024.

This Report of the Directors, is signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).



PETER MALONE
Executive Chairman

Dated this Friday, 28 February 2025





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Australia

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

As lead auditor for the review of Skin Elements Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish at the end.

Neil Smith
Director

BDO Audit Pty Ltd
Perth
28 February 2025

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



Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2024

	Note	6 months to 31 December 2024 \$	6 months to 31 December 2023 \$
<i>Continuing operations</i>			
Revenue	1.1	313,040	84,576
Cost of sales		(39,215)	(44,294)
Gross profit		273,825	40,282
Other income	1.2	420,693	617,474
Administrative and other costs		(991,371)	(717,357)
Research and development costs		(792,387)	(814,318)
Selling and distribution costs		(27,504)	(8,070)
Operating loss		(1,116,744)	(881,989)
Interest and finance costs		(89,347)	(73,656)
Impairment expense		-	(254,455)
Loss before tax	2.1	(1,206,091)	(1,210,100)
Income tax benefit		-	-
Net loss for the half-year		(1,206,091)	(1,210,100)
<i>Other comprehensive income, net of income tax</i>		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(1,206,091)	(1,210,100)
<i>Earnings per share:</i>		¢	¢
Basic and diluted loss per share (cents per share)		(0.20)	(0.22)

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



Condensed consolidated statement of financial position

as at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
<i>Current assets</i>			
Cash and cash equivalents		62,330	115,071
Trade and other receivables	3.1	469,948	1,258,884
Inventories		917	31,908
Other current assets		3,594	28,680
Total current assets		536,789	1,434,543
<i>Non-current assets</i>			
Right of use asset - property, plant, and equipment		5,318	8,365
Intangible assets	4.1	-	-
Total non-current assets		5,318	8,365
Total assets		542,107	1,442,908
<i>Current liabilities</i>			
Trade and other payables	3.2.1	2,305,575	2,344,019
Borrowings	3.3.1	203,667	731,727
Total current liabilities		2,509,242	3,075,746
Total non-current liabilities		-	-
Total liabilities		2,509,242	3,075,746
Net assets (deficiency)		(1,967,135)	(1,632,838)
<i>Equity</i>			
Issued capital	5.1.1	25,316,248	24,444,454
Reserves	5.4	335,827	335,827
Accumulated losses		(27,619,210)	(26,413,119)
Total equity		(1,967,135)	(1,632,838)

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

Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2024

	Note	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Total equity \$
<i>Balance at 1 July 2023</i>		24,244,454	(24,464,349)	824,698	604,803
Loss for the half-year attributable to the owners of the parent		-	(1,210,100)	-	(1,210,100)
Other comprehensive income for the half-year attributable to the owners of the parent		-	-	-	-
Total comprehensive income for the half-year attributable to the owners of the parent		-	(1,210,100)	-	(1,210,100)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the half-year (<i>net of costs</i>)		200,000	-	-	200,000
Share-based payments during the half-year		-	-	118,256	118,256
Balance at 31 December 2023		24,444,454	(25,674,449)	942,954	(287,041)
<i>Balance at 1 July 2024</i>		24,444,454	(26,413,119)	335,827	(1,632,838)
Loss for the half-year attributable to the owners of the parent		-	(1,206,091)	-	(1,206,091)
Other comprehensive loss for the half-year attributable to the owners of the parent		-	-	-	-
Total comprehensive loss for the half-year attributable to the owners of the parent		-	(1,206,091)	-	(1,206,091)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the half-year (<i>net of costs</i>)	5.1.1	491,794	-	-	491,794
Share-based payments during the half-year: <i>rights</i>	5.3.1	-	-	380,000	380,000
Conversion of Class A performance rights	5.1.1	380,000	-	(380,000)	-
Balance at 31 December 2024		25,316,248	(27,619,210)	335,827	(1,967,135)

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



Condensed consolidated statement of cash flows

for the half-year ended 31 December 2024

Note	6 months to 31 December 2024 \$	6 months to 31 December 2023 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	326,785	61,306
Payments to suppliers and employees	(950,268)	(1,058,179)
Receipt of <i>Research and development tax incentive</i> grant income	1,193,606	1,129,934
Interest paid and facility fees	(89,347)	(73,656)
Interest received	2,275	3,520
Net cash provided by operating activities	483,051	62,925
<i>Cash flows from investing activities</i>		
Net cash used in investing activities	-	-
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	-	200,000
Share issue costs	(7,732)	(17,886)
Proceeds of borrowings	261,410	733,633
Repayments of borrowings	(789,470)	(1,107,813)
Net cash used in financing activities	(535,792)	(192,066)
Net decrease in cash and cash equivalents held	(52,741)	(129,141)
Cash and cash equivalents at the beginning of the half-year	115,071	358,432
Cash and cash equivalents at the end of the half-year	62,330	229,291

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

Notes to the consolidated financial statements
for the half-year ended 31 December 2024

In preparing the December 2024 interim financial report, Skin Elements Limited has grouped notes into sections under three key categories:

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

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

Company details

The registered office of the Company is:
Street + Postal: 1242 Hay Street
West Perth WA 6005
Australia

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Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the Group.

Note	1	Revenue and other income	Note	6 months to 31 December 2024 \$	6 months to 31 December 2023 \$
1.1		Revenue			
		Sales to customers		313,040	84,576
				313,040	84,576
1.2		Other Income			
		Research and development tax incentive grant income		418,441	613,954
		Interest income		2,252	3,520
				420,693	617,474
Note	2	Expenses	Note	6 months to 31 December 2024 \$	6 months to 31 December 2023 \$
2.1		Expenses by nature			
		Administration expenses	2.2	308,700	259,256
		Advertising and marketing expenses		27,504	8,070
		Amortisation		3,047	3,047
		Corporate expenses	2.3	137,374	113,849
		Employee benefits expense	2.4	579,204	351,815
		Impairment expense		-	254,455
		Occupancy costs		52,393	63,046
		Manufacturing, purchasing, and distribution costs		39,215	44,294
		Research and development expenses		792,387	814,318
		Total expenses by nature		1,939,824	1,912,150
2.1.1		<i>Reconciliation to net profit or loss before tax</i>			
		Total revenue and other income		733,733	702,050
		Less: Total expenses by nature		(1,939,824)	(1,912,150)
		Net loss before tax		(1,206,091)	(1,210,100)
2.2		Administration expenses			
		Accounting expenses		55,414	70,267
		External consulting fees		15,000	27,000
		Interest expenses and finance facility costs		89,347	73,656
		Other expenses		148,939	88,333
				308,700	259,256

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note	2	Expenses (cont.)	Note	6 months to 31 December 2024 \$	6 months to 31 December 2023 \$
2.3		Corporate expenses			
		ASX fees		22,635	34,468
		Audit expenses		54,510	55,507
		Legal expenses		16,342	6,522
		Share Registry and shareholder communications		43,887	17,352
				137,374	113,849
2.4		Employee benefits expense			
		Directors' fees		60,000	80,000
		Executive services contracts		119,891	119,891
		Wages and salaries – non-R&D		19,313	33,668
		Share-based performance rights	2.4.1	380,000	118,256
				579,204	351,815
2.4.1		The Company has issued performance rights to Directors and Consultants which will convert into fully paid shares on achieving certain performance hurdles. These performance rights are recorded at fair value which is amortised over the vesting period (up to four years from date of issue) or derecognised, as detailed in note 10.2.1a.			
Note	3	Financial assets and financial liabilities			
3.1		Trade and other receivables	Note	31 December 2024 \$	30 June 2024 \$
3.1.1		<i>Current</i>			
		Trade receivables		17,917	31,662
		Research and development tax incentive rebate receivable	3.1.2	418,441	1,193,629
		Other receivables		33,590	33,593
				469,948	1,258,884
3.1.2		The Group continued its development program during the half-year ended 31 December 2024 resulting in a claim for research and development tax incentive which has been included as a receivable at year end.			
3.2		Trade and other payables	Note	31 December 2024 \$	30 June 2024 \$
3.2.1		<i>Current</i>			
		<i>Unsecured</i>			
		Trade payables		460,205	307,988
		Key management personnel related		1,722,721	1,979,688
		Sundry payables and accrued expenses		115,049	83,051
		Net Goods and Services Tax payable / (receivable)		7,600	(26,708)
				2,305,575	2,344,019

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 3 Financial assets and financial liabilities (cont.)

3.3 Borrowings

Note

31 December 2024	30 June 2024
\$	\$

3.3.1 Current

R&D Rebate Advance Facility

3.3.2

182,500

716,780

Leases – motor vehicle

21,167

14,947

203,667

731,727

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

Amounts	As at 31 December 2024, \$182K has been drawn down.
Final Maturity Date	30 November 2025.
Repayment	Skin Elements has the option to repay earlier without penalties.
Interest Rate	15% per annum, with default rate of 18% if repayment is later than 30 November 2025.
Security	Secured against the R&D refund receivable from the ATO

Note 4 Non-financial assets and financial liabilities

4.1 Intangible assets

31 December 2024	30 June 2024
\$	\$

SE Formula™

9,859,296

9,859,296

Accumulated amortisation

(2,379,486)

(2,379,486)

Accumulated impairment

(7,479,810)

(7,479,810)

-

-

Website development costs

55,410

55,410

Accumulated amortisation

(45,230)

(45,230)

Accumulated impairment

(10,180)

(10,180)

-

-

Total intangibles

-

-

4.1.1 Key estimates

a. Impairment

The Group assesses intangible asset impairment at each reporting date per AASB 136, based on the best available estimate of future cash flows. Subsequent, new information may later impact this assessment if it was not previously known.

In undertaking its impairment assessment for the current period, the Group has identified impairment indicators of:

- lower-than-expected operating performance; and
- decline of market capital below net assets at reporting date, for the intellectual property assets.

As a result, the Group performed an impairment test for the period and the recoverable value of the intangible remained \$nil (June 2024: \$nil). This is based on its value-in-use discounted cash flow model due to limited history of sales and contracted sales to support positive cash inflows during the forecast period (i.e., 5 years) which cannot be reliably estimated. The Group has also determined that the recoverable value based on fair value less cost to sell cannot be determined at this point based on the same assumption.

Uncertainty around sales and profit may be resolved with successful IP commercialisation and contracted sales, potentially reversing impairment.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note	5	Equity					
5.1	Issued capital	Note	6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$	12 months to 30 June 2024 \$	
	Fully paid ordinary shares		830,652,760	563,986,095	25,316,248	24,444,454	
5.1.1	Ordinary shares		6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$	12 months to 30 June 2024 \$	
	At the beginning of the period		563,986,095	543,986,095	24,444,454	24,244,454	
	Shares issued during the period:						
	01.11.23 Placement		-	20,000,000	-	200,000	
	04.11.24 Debt for equity	10.2.1b	166,666,665	-	500,000	-	
	04.12.24 Class A performance rights converted	5.3.1	100,000,000	-	380,000	-	
	Share issue transaction costs		-	-	(8,206)	-	
	At end of the period		830,652,760	563,986,095	25,316,248	24,444,454	
5.1.2	Treasury shares	Note	6 months to 31 December 2024 No.	12 months to 30 June 2024 No.			
	At beginning of the period		25,500,000	25,500,000			
	At end of the period		25,500,000	25,500,000			
5.2	Options	Note	6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$	12 months to 30 June 2024 \$	
	Options on issue		191,351,198	191,351,198	335,827	335,827	
5.2.1	Options movement during the period:		6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$	12 months to 30 June 2024 \$	
	At the beginning of the period		191,351,198	197,351,198	335,827	335,827	
	01.11.23 Issued free attaching to Placement shares		-	20,000,000	-	-	
	15.03.24 Expiration of LDA options		-	(26,000,000)	-	-	
	At end of the period		191,351,198	191,351,198	335,827	335,827	
	Comprising the following options:						
	Unlisted						
	\$0.05 options exp. 31.10.25		58,000,000	58,000,000			
	Listed						
	\$0.025 options exp. 31.05.26		133,351,198	133,351,198			
			191,351,198	191,351,198			

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 5		Equity (cont.)					
5.3	Performance rights	Note	6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$	12 months to 30 June 2024 \$	
	Performance rights		62,000,000	62,000,000	-	-	
5.3.1	Performance rights movement during the period:		6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$	12 months to 30 June 2024 \$	
	At the beginning of the period		62,000,000	209,000,000	-	488,871	
	Amortisation of rights		-	-	-	235,226	
	Derecognition of rights not achieved <i>(in profit and loss)</i>		-	-	-	(511,584)	
	Cancellation of rights		(62,000,000)	-	-	-	
	Issue of Class A rights	10.2.1a	100,000,000	-	380,000	-	
	Issue of Class B rights	10.2.1a	62,000,000	-	-	-	
	Class A performance rights converted	5.1.1	(100,000,000)		(380,000)	-	
	Historically lapsed rights transferred within equity		-	(147,000,000)	-	(212,513)	
	At end of the period		62,000,000	62,000,000	-	-	
5.4	Reserves						
					6 months to 31 December 2024 \$	12 months to 30 June 2024 \$	
	Share-based payment reserve				335,827	335,827	
					335,827	335,827	

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

SECTION B. UNRECOGNISED ITEMS

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

In addition to the items and transactions disclosed below, there are also unrecognised tax amounts.

Note 6 Commitments**6.1 Capital commitments**

The Group does not have any capital commitments (30 June 2024: \$nil).

Note 7 Events subsequent to reporting date**7.1 Non-renounceable rights issue**

Subsequent to the reporting period, the Company has been finalising a non-renounceable rights issue to existing shareholders on a 1-for-5 basis, with the potential issuance of up to 171,230,552 new shares to raise approximately \$513K in cash (before costs). The rights issue is expected to close on 28 February 2025

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

Note 8 Contingent liabilities

There are no contingent liabilities as at 31 December 2024 (30 June 2024: Nil).



Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

SECTION C. OTHER INFORMATION

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

Note 9 Related party transactions

Contained within trade and other payables are the follows balances payable to related parties:

Entity	Nature of transactions	KMP	Payable Balance	
			31 December 2024	30 June 2024
			\$	\$
Boston Technology Management Pty Ltd	Service Fees	Peter Malone	260,018	360,462
Colosseum Securities Pty Ltd	Director's fee	Filippo (Phil) Giglia	138,102	147,472
Spitfire Corporate Advisory Pty Ltd	Director's fee	Stuart Usher	64,791	74,161
Geneva Partners Pty Ltd	Company secretary fees	Stuart Usher	41,250	24,750
Boston Technology Management Pty Ltd	Service Fees	Craig Piercy	301,848	335,086
Boston Technology Management Pty Ltd	R&D Costs (see a. below)	Craig Piercy, Peter Malone	770,552	816,199
Blackridge Pty Ltd	Service Fees	Leo Fung	146,160	221,558
Total			1,722,721	1,979,688

- a. This R&D Costs is provided by Boston Technology Management Pty Ltd for R&D project materials, formulations, testing, and R&D contractors and consultants. This amount was recognised as an expense in the 2024 financial year.
- b. KMP have confirmed they will not call upon balances owed until such time where the Company able to do so.

Note	10	Share-based payments	Note	6 months to 31 December 2024	6 months to 31 December 2023
				\$	\$
10.1		Share-based payments:			
		Net recognised in profit and loss	10.2.1a	380,000	118,256
		Recognised in net assets, settlement of liabilities	10.2.1b	500,000	-
		Gross share-based payments		880,000	118,256

10.2 Share-based payment arrangements in effect during the half-year

10.2.1 Issued during the current half-year

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

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

These performance rights are issued to Peter Malone, Executive Chairman, Filippo (Phil) Giglia and Stuart Usher, non-executive directors, and key management Craig Piercy and Leo Fung and have been valued and issued on terms as detailed in the following and valued in accordance with 10.3.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2024

Note 10 Share-based payments (cont.)

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

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

b. Settlement of liabilities

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

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

10.3 Fair value of rights granted during the half-year

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

Fair values

Total fair value	\$380,000	\$nil	\$nil	\$nil	\$nil
Recognised in the period	\$380,000	\$nil	\$nil	\$nil	\$nil



Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 10 Share-based payments (cont.)**10.3.1 Fair value of rights granted by KMP**

Class	A	B			
Tranche	N/A	1	2	3	4

 *Peter Malone*

Number of rights issued	50,000,000	12,500,000	12,500,000	12,500,000	12,500,000
Fair value of rights recognised	\$190,000	\$nil	\$nil	\$nil	\$nil

 *Leo Fung*

Number of rights issued	25,000,000	Nil	Nil	Nil	Nil
Fair value of rights recognised	\$95,000	\$nil	\$nil	\$nil	\$nil

 *Craig Piercy*

Number of rights issued	25,000,000	Nil	Nil	Nil	Nil
Fair value of rights recognised	\$95,000	\$nil	\$nil	\$nil	\$nil

 *Phil Giglia*

Number of rights issued	Nil	2,500,000	2,500,000	2,500,000	2,500,000
Fair value of rights recognised	\$nil	\$nil	\$nil	\$nil	\$nil

 *Stuart Usher*

Number of rights issued	Nil	500,000	500,000	500,000	500,000
Fair value of rights recognised	\$nil	\$nil	\$nil	\$nil	\$nil

Note 11 Operating segments**11.1 Identification of reportable segments**

The Group operates predominantly in the biotechnology industry as a researcher and developer of the innovative proprietary SE Formula™ biotechnology.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified it has only one material operating segments based activity based on the current and comparative year activity.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2024

Note 12 Statement of material accounting policies

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

12.1 Basis of preparation

12.1.1 Reporting Entity

Skin Elements Limited (**Skin Elements or the Company**) is a listed public company limited by shares, domiciled, and incorporated in Australia. These are the consolidated financial statements and notes of Skin Elements and controlled entities (collectively **the Group**). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in businesses which deliver accredited and non-accredited vocational education and training solutions throughout Australia and internationally.

The separate financial statements of Skin Elements, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

12.1.2 Basis of accounting

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* (Cth) and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue on 28 February 2025 the Directors of the Company.


12.1.3 Going Concern


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


The Group incurred a loss for the half-year of \$1,206,091 (31 December 2023: \$1,210,100 loss); however operating activities produced an increase in net cash in-flow from of \$483,051 (31 December 2023: \$62,925 in-flow). As at 31 December 2024, the Group has a working capital deficit of \$1,976,047 (30 June 2024: \$1,669,883 working capital deficit).


The ability of the Group to continue as a going concern is dependent on the Group securing additional debt and/or equity funding and/or generating profits from its normal course of business.

These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors are confident that there will be sufficient funds for the Group to meet its obligations and liabilities and believe it is appropriate to prepare these accounts on a going concern basis for the following reasons.

 Skin Elements is eligible for R&D Rebate tax incentive grant and has received \$1.2 million during the period in relation to eligible FY2024 R&D expenditure and accrued \$418K as at 31 December 2024 in relation to eligible R&D expenditure for the six months to that date.

 Received \$182K under a R&D advance facility with Radium Capital. A further \$134K was received in February 2024.

 During the period, the Company issued, pursuant to shareholder approval, 166,666,665 fully paid ordinary shares as payment of \$500,000 due to Directors and key management, for outstanding fees.

 The Directors' have confirmed they will not call upon balances owed until such time where the Company has the financial capacity to repay the amounts without impacting the Company's ability to continue as a going concern and pay its other liabilities as and when they fall due for payment.

The Company has a successful track record of raising working capital when required through the issue of equity securities. The Company is currently raising \$513K through a 1 for 5 non-renounceable entitlement issue, commenced in December and Closing on 28 February 2024. The capital raise will issue up to 171,230,552 fully paid ordinary shares at \$0.003, with 1 free attaching option, exercisable at \$0.01, within 3 years from issue. The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, and the LDA Capital facilities the Directors are confident of the Group's ability to raise additional funds as and when they are required.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 12 Statement of material accounting policies

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

12.1.4 Comparative figures

Where required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

12.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.2.1.

12.2.1 Critical Accounting Estimates and Judgments

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- a. *Key estimate – Impairment of intangibles* Refer note 4.1 *Intangible assets*.
- b. *Key estimate – Share-based payments* Refer note 10 *Share-based payments*.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



Directors' declaration

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

1. The attached financial statements and notes, as set out on pages 8 to 23, are in accordance with the *Corporations Act 2001* (Cth) including:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date
2. Subject to the matters disclosed in note 12.1.3, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).

On behalf of the Directors



PETER MALONE

Executive Chairman

Dated this Friday, 28 February 2025





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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Skin Elements Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Skin Elements Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty relating to going concern

We draw attention to Note 12.1.3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.





Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, faint BDO logo.

Neil Smith
Director

Perth, 28 February 2025



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