SKIN ELEMENTS LIMITED

ABN 90 608 047 794

and its controlled entities

skin elements
enhancing health + wellness naturally

For personal use only

Appendix 4E

Preliminary Final Report

2026

Corporate directory

Current Directors

Roderick Nicholas	*Non-Executive Chairman, Non-Executive Director*
Joshua Gordon	*Non-Executive Director*
Frank Knezovic	*Non-Executive Director*
Gorakanage Peries	*Non-Executive Director*
Harry Spindler	*Non-Executive Director*

Current Executives

Dr Peter Malone	*Chief Executive Officer*
Leo Fung	*Chief Technical Advisor*
Craig Piercy	*Chief Financial Officer*

Company Secretary

Stuart Usher

Registered Office

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

Share Registry

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

Auditors

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

Securities Exchange

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

For personal use only

Contents

- Company update 1
- Consolidated statement of profit or loss and other comprehensive income 7
- Consolidated statement of financial position 8
- Consolidated statement of changes in equity 9
- Consolidated statement of cash flows 10
- Notes to the preliminary final report 11

For personal use only

Company update

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 organically 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, Soléo Organics natural and organic sunscreen, PapayaActivs natural therapeutics skincare and Elizabeth Jane Natural Cosmetics brand.

2. Operations Review

2.1. *Development of SE Formula™*

The Company's proprietary SE Formula™ biotechnology platform underpins all product development activities. The SE Formula™ developed by the Company is a ground-up research programme undertaken over an intensive 20-year research period and is the core of the Company's five commercial product platforms.

To date, the Company has developed five highly effective core natural formulas, producing award-winning, environmentally safe plant-based alternatives with specifications tested in real-world applications, outperforming widely used chemical-based products in consumer, industrial, and agricultural markets.

The SE Formula™ forms the basis of Skin Elements' product range:

- ***ECO-Nurture*** horticultural plant bio-stimulant
- ***Soléo Organics*** sun protection;
- ***PapayaActivs*** therapeutics skincare;
- ***SuprCuvr*** cleaners and disinfectants; and
- ***Elizabeth Jane Natural Cosmetics***.

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. They have all completed phase three development and will all now be readied for commercialisation as formulas, products, or joint venture programmes. During the year the Company confirmed commercialisation readiness across its core formulations, positioning its sunscreen, skincare, disinfectant, and horticultural products for initial market launch, licensing, or formula sales.

2.2. *ECO-Nurture kiwifruit evaluation complete*

Following on from a multistage trial and evaluation of ECO-Nurture over the past four growing seasons in the New Zealand kiwifruit industry, Skin Elements has secured an exclusive distribution agreement with New Zealand's leading rural co-operative Farmlands Co-Operative Society Limited (Farmlands) for the sale and distribution of the Company's ECO-Nurture horticultural bio-stimulant product in New Zealand.

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

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

The agreement with Farmlands provides for an initial order of 4,000 litres of ECO-Nurture for NZ$600,000 (plus NZ GST) for resale and distribution in New Zealand (refer to ASX announcement on 9 July 2026 for further details).

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

For personal use only

Company update

2.3. *SuprCuvr – High-performance disinfectant cleaner*

SuprCuvr is a hospital-grade disinfectant made from the Company's proprietary 100% plant-based formula and is listed on the TGA's Australian Register of Therapeutic Goods (**ARTG**) in Australia and registered with the Ministry of Primary Industry (**MPI**) in New Zealand.

Following a two-year assessment, Spotless is using SuprCuvr concentrate high-performance 3-in-1 surface cleaner, glass cleaner and disinfectant cleaner for daily cleaning and disinfecting of suburban train carriages and stations in the Metro Trains Melbourne urban rail network. Spotless, a wholly owned subsidiary of Downer EDI Ltd, is the largest integrated facilities service provider throughout Australia and New Zealand across government, education, healthcare and aged care. SuprCuvr is supplied and distributed by Bunzl Victoria (MCS facilities), a global business cleaning and disinfectant solutions group.

2.4. *Soléo Organics sunscreen delivers performance*

Soléo Organics is an award-winning, natural and organic sunscreen formulation, providing a highly effective, high-performance chemical-free sunscreen range. It was the first application borne out of Skin Elements' SE Formula™ research and development program. Soléo Organics has historically been rated as the number one sunscreen globally out of 1,800 sunscreens by Environmental Working Group (**EWG**), Washington Post (Sprig.com) No.1 sunscreen, a finalist in the Clean Beauty Awards, the UK Global Health & Pharma Awards – Best Natural Sunscreen Brand and independently verified by Consumer NZ. Soleo Organics sunscreen formulations are independently tested and certified by the world's leading testing laboratory to ensure reliability and integrity. Products are sold through the Company's online store.

2.5. *PapayaActiv – High-concentration therapeutic skincare*

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, and eczema, assist in healing of minor burns and wounds, and relieve mild muscle, joint and arthritic pain. PapayaActivs is listed on the ARTG and is available through the Company's online store.

2.6. *Elizabeth Jane Natural Cosmetics*

Elizabeth Jane Natural Cosmetics (**EJNC**) is an extensive range of cosmetic skin repair products that that have been previously test-marketed globally. EJNC utilise a range of responsibly sourced ultra high-end natural ingredients formulated to protect, nourish, and revitalise damaged skin.

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

The Company's innovative research and development programmes for its natural SE Formula™ biotechnology make it eligible for the Federal Government's R&D Rebate applicable to qualifying R&D expenditure.

During the year, Skin Elements received an R&D Rebate of $610,222 in relation to qualifying R&D expenditure for the 2025 financial year. The Company also repaid $433,256 previously advanced by Radium Capital against this R&D Rebate.

In April 2026, the Company received an interim advance of $288,000 from Radium Capital on qualifying R&D expenditure assessed during the 2026 financial year. As at 30 June 2026, the Company has assessed its R&D Rebate of $465,000 for the 2026 financial year.

2.8. *Strategic placement completed and option exercise*

During the year, Skin Elements completed a $2,500,000 capital raising (before costs), through a two-tranche placement to professional and sophisticated investors announced on 15 October 2025, comprising 1,250,000,000 shares at $0.002 per share with one free-attaching unlisted option for every two shares issued (625,000,000 options), each exercisable at $0.006. Tranche One of $315,000 was issued under the Company's ASX LR7.1 and 7.1A capacity, with Tranche Two of $2,185,000 completed following shareholder approval obtained at the Company's 2025 Annual General Meeting.

The Company issued a further 75,000,000 shares (and 35,000,000 free-attaching options) at $0.002 per share to nominees of 62 Capital Pty Ltd for lead manager fees on the placement with a fair value of $150,000 as disclosed in note 7.2.1, and recognised in equity as a capital raising cost.

On 15 December 2025, a further $750,000 was raised by the conversion of 125,000,000 options at $0.006 per share.

On 15 April 2026, the Company issued 46,120,000 fully paid ordinary shares in lieu of cash payment for services performed, preserving cash for operations.

On 4 June 2026, a further $570,000 was raised by the conversion of 95,000,000 options at $0.006 per share.

For personal use only

Company update

In July 2026, the Company completed a placement of $900,000 (before costs) to professional and sophisticated investors at $0.003 per share through the issue of 300,000,000 new fully paid ordinary shares, representing a 25% discount to the last closing price of $0.004 and a 32.8% discount to the five-day volume-weighted average price. Phoenix Global Investments acted as sole lead manager and was appointed to a twelve-month investor relations mandate, remunerated through the issue of 25,000,000 escrowed shares until 8 July 2027. Proceeds of the placement are being applied to the Company's ECO-Nurture, SuprCuvr, Soléo Organics, and PapayaActivs product programmes, and to general working capital.

2.9. *Repayment of related borrowings*

Following shareholder approval at the 2025 Annual General Meeting held 28 November 2025, the Company issued 500,000,000 shares with 250,000,000 free-attaching options to settle $1,000,000 in outstanding fees and advances, based on a deemed issue price of $0.002 per share, as agreed with Directors. As outlined in note 7.2.1b, the equity instruments were measured at fair value at the deemed date of issue of 12 December 2025 ($0.006) in accordance with IFRIC 19 and AASB 9, resulting in a non-cash loss of $3,302,376 recognised in profit or loss.

2.10. *Board changes and shareholder requisitions*

During the year the Company received a number of notices under section 249D of the Corporations Act 2001, requisitioning general meetings for shareholders to consider changes to the composition of the Board.

Two Extraordinary General Meetings were held, on 2 June 2026 and 23 June 2026, at which shareholders removed Dr Peter Malone and Mr Filippo (Phil) Giglia as directors, appointed Frank Knezovic, Gorakanage Ishan Malinda Peries and Harry Michael Spindler as directors, and ratified the continued appointment of Mr Rod Nicholas and Mr Joshua Gordon as directors. Additionally, Mr Stuart Usher, Mr Robin Armstrong and Mr Brett Fraser resigned as directors prior to the second shareholder meeting.

Separately, the Takeovers Panel matter submitted by the prior board (announced 26 May 2026) was resolved on 2 June 2026, with the Panel declining to conduct proceedings.

Mr Rod Nicholas was appointed Non-Executive Chairman on 23 June 2026. The Board subsequently carried out a review of the Boards remuneration structures and reduced the non-executive director fees to $48,000 p.a., with the Chair to receive $60,000 p.a.

3. Financial Review

3.1. *Key profit and loss measures*

	Movement (increased/ decreased)	Movement $	2026 $	2025 $
Revenues from ordinary activities	*decreased*	*238,003*	231,954	469,957
Loss from ordinary activities after tax	*increased*	*3,548,470*	(5,276,931)	(1,728,461)
EBITDA loss	*increased*	*3,583,604*	(5,213,392)	(1,629,788)

3.2. *Key net asset measures*

	Movement (increased/ decreased)	Movement $	2026 $	2025 $
Cash and cash equivalents	*increased*	*779,852*	839,500	59,648
Working capital *(excluding prepayments)*	*increased*	*2,812,976*	868,548	(1,944,428)
Net tangible assets	*increased*	*2,809,574*	872,513	(1,937,061)
Net assets	*increased*	*2,809,574*	872,513	(1,937,061)

4. Future Developments, Prospects, and Business Strategies

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

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

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.

For personal use only

Company update

5. Environmental Regulations

The Group's operations are not subject to significant environmental regulations in the jurisdictions it operates in, namely Australia.

The Directors have considered the *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent financial year. The Directors will reassess this position as and when the need arises.

The Directors have also considered the ASRS / AASB S2 climate disclosure requirements and determined the Group does not meet the thresholds.



RODERICK NICHOLAS
Non-Executive Chairman
Dated this Friday, 28 August 2026

For personal use only

Results for announcement to the Market

for the year ended 30 June 2026

1. Reporting period (item 1)

Report for the financial year ended:	30 June 2026
Previous corresponding period is the year ended:	30 June 2025

2. Results for announcement to the Market

	Movement	Percentage %		Amount $
Decrease in revenues from ordinary activities (item 2.1)	↓	(50.64)	to	231,954
Increase in loss from ordinary activities after tax attributable to members (item 2.2)	↑	205.30	to	(5,276,931)
Increase in loss after tax attributable to members (item 2.3)	↑	205.30	to	(5,276,931)

2.1. **Dividends** (item 2.4)

	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):

Refer to Company update on page 1 of this report.

3. Preliminary Final Report

3.1. Statement of comprehensive income (item 3):

Refer to Consolidated statement of profit or loss and other comprehensive income on page 7.

3.2. Statement of financial position (item 4):

Refer to Consolidated statement of financial position on page 8.

3.3. Statement of cash flows (item 5):

Refer to Consolidated statement of cash flows on page 10.

3.4. Statement of changes in equity (item 6):

Refer to Consolidated statement of changes in equity on page 9.

4. Dividends (item 7) **and returns to shareholders including distributions and buy-backs** (item 14.2)

Nil.

4.1. **Details of dividend or distribution reinvestment plans in operation are described below** (item 8)**:**

Not applicable

5. Ratios

	Current Period $	Previous corresponding Period $
5.1. Financial Information relating to 5.2 and 5.3:		
Earnings for the period attributable to owners of the parent	(5,276,931)	(1,728,461)
Net assets	872,513	(1,937,061)
Less: Intangible assets (including net deferred tax balances)	-	-
Net tangible assets	872,513	(1,937,061)

For personal use only

Results for announcement to the Market

for the year ended 30 June 2026

5	**Ratios** (cont.)	Current Period No.	Previous corresponding Period No.
	Fully paid ordinary shares	3,140,834,115	1,049,714,115
	Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	2,163,964,087	787,339,882
		¢	¢
5.2.	Net tangible assets backing per share (item 9):	0.028	(0.185)
5.3.	Earnings per share attributable to owners of the parent (item 14.1):	(0.244)	(0.220)

As at 30 June 2026 the Group has 911,561,355 unissued shares under options (2025: 410,412,553) and 62,000,000 performance shares on issue (2025: 62,000,000). The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option and performance shares were anti-dilutive.

6. Details of entities over which control has been gained or lost during the period (item 10)**:**

6.1. **Control gained over entities**

- Name of entities (item 10.1) — Nil
- Date(s) of gain of control (item 10.2)

6.2. **Loss of control of entities**

- Name of entities (item 10.1) — Nil
- Date(s) of loss of control (item 10.2) — N/A

6.3. Contribution to consolidated profit or (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3). — Nil

6.4. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3). — Nil

7. Details of associates and joint ventures (item 11)**:**

- Name of entities (item 11.1) — Nil
- Percentage holding in each of these entities (item 11.2) — n/a

	Current Period $	Previous corresponding Period $
Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A

8. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position (item 12):

Refer to Company update on page 1 of this report.

9. The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13).

10. Commentary on the results for the period (item 14)**:**

Refer to Company update on page 1.

11. The preliminary final report has been prepared based on the 30 June 2026 accounts which are in the process of being audited by an independent audit firm in accordance with the requirements of s.302 of the *Corporations Act 2001* (Cth) (item 15).

For personal use only

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2026

	Note	2026 $	2025 $
Continuing operations			
Revenue	1.1	231,954	469,957
Cost of sales		(35,442)	(63,665)
Gross profit		196,512	406,292
Other income	1.2	439,599	637,849
Administrative and other costs		(1,473,562)	(1,441,541)
Research and development costs		(994,450)	(1,190,906)
Selling and distribution costs		(81,020)	(45,319)
Operating loss		(1,912,921)	(1,633,625)
Interest and finance costs		(61,634)	(94,836)
Fair value loss on debt-to-equity settlement	7.2.1	(3,302,376)	-
Loss before tax	2.1	(5,276,931)	(1,728,461)
Income tax benefit		-	-
Net loss for the year		(5,276,931)	(1,728,461)
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(5,276,931)	(1,728,461)
Earnings per share:		¢	¢
Basic and diluted loss per share (cents per share)	6.4	(0.24)	(0.22)

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

For personal use only

Consolidated statement of financial position

as at 30 June 2026

	Note	2026 $	2025 $
Current assets			
Cash and cash equivalents	3.1	839,500	59,648
Trade and other receivables	3.2	474,657	653,197
Other current assets	3.3.1	3,965	5,096
Total current assets		1,318,122	717,941
Non-current assets			
Right-of-use asset - property, plant, and equipment		-	2,271
Intangible assets	4.2	-	-
Total non-current assets		-	2,271
Total assets		1,318,122	720,212
Current liabilities			
Trade and other payables	3.4.1	142,698	2,212,883
Borrowings	3.5.1	302,911	444,390
Total current liabilities		445,609	2,657,273
Total liabilities		445,609	2,657,273
Net assets		872,513	(1,937,061)
Equity			
Issued capital	5.1.1	32,652,821	25,868,692
Reserves	5.2	1,302,376	335,827
Accumulated losses		(33,082,684)	(28,141,580)
Total equity		872,513	(1,937,061)

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

For personal use only

Consolidated statement of changes in equity

for the year ended 30 June 2026

	Note	Contributed equity $	Accumulated losses $	Share-based payment reserve $	Total equity $
Balance at 1 July 2024		24,444,454	(26,413,119)	335,827	(1,632,838)
Loss for the year attributable to owners of the parent		-	(1,728,461)	-	(1,728,461)
Other comprehensive income for the year attributable to the owners of the parent		-	-	-	-
Total comprehensive income for the year attributable to the owners of the parent		-	(1,728,461)	-	(1,728,461)
Transactions with owners, directly in equity					
Shares issued during the year *(net of costs)*	5.1.1	1,044,238	-	-	1,044,238
Share-based payments during the year: *rights*	5.4.1	-	-	380,000	380,000
Conversion of Class A performance rights	5.1.1	380,000	-	(380,000)	-
Balance at 30 June 2025		25,868,692	(28,141,580)	335,827	(1,937,061)
Balance at 1 July 2025		25,868,692	(28,141,580)	335,827	(1,937,061)
Loss for the year attributable to owners of the parent		-	(5,276,931)	-	(5,276,931)
Other comprehensive loss for the year attributable to the owners of the parent		-	-	-	-
Total comprehensive loss for the year attributable to the owners of the parent		-	(5,276,931)	-	(5,276,931)
Transactions with owners, directly in equity					
Shares issued during the year *(net of costs)*	5.1.1	3,784,129	-	-	3,784,129
Share-settled payments during the year	7.2.1b	3,000,000	-	1,302,376	4,302,376
Transfer to and from reserves	7.2.1b	-	335,827	(335,827)	-
Balance at 30 June 2026		32,652,821	(33,082,684)	1,302,376	872,513

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

For personal use only

Consolidated statement of cash flows

for the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		239,820	484,391
Payments to suppliers and employees		(2,660,265)	(1,351,595)
Receipt of *Research and development (**R&D**) tax incentive* grant income		610,191	1,193,606
Interest paid and facility fees		(60,536)	(94,836)
Interest received		-	2,280
Repayment of historical advanced R&D costs previously recognised		(756,047)	-
Net cash used in operating activities		(2,626,837)	233,846
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares	5.1.1	3,820,000	657,187
Share issue costs		(268,220)	(109,119)
Proceeds from borrowings		288,165	523,166
Repayments of borrowings		(433,256)	(1,360,503)
Net cash provided by / (used in) financing activities		3,406,689	(289,269)
Net increase / (decrease) in cash and cash equivalents held		779,852	(55,423)
Cash and cash equivalents at the beginning of the year		59,648	115,071
Cash and cash equivalents at the end of the year	3.1	839,500	59,648

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

For personal use only

Notes to the preliminary final report

for the year ended 30 June 2026

Note 1	Revenue and other income	2026 $	2025 $
1.1	**Revenue**		
	Sales to customers	231,954	469,957
		231,954	469,957
1.2	**Other Income**		
	Research and development tax incentive grant, net of ATO adjustments	439,233	635,592
	Other income	366	2,257
		439,599	637,849

Note 2	Expenses	Note	2026 $	2025 $
2.1	**Expenses by nature**			
	Administration expenses	2.2	410,211	420,391
	Advertising and marketing expenses		81,020	45,319
	Amortisation		2,271	6,094
	Corporate expenses	2.3	563,560	205,391
	Employee benefits expense	2.4	488,101	798,973
	Fair value loss on debt-to-equity settlement	7.2.1b	3,302,376	-
	Occupancy costs		71,053	105,528
	Manufacturing, purchasing, and distribution costs		35,442	63,665
	Research and development expenses		994,450	1,190,906
	Total expenses by nature		5,948,484	2,836,267
2.1.1	*Reconciliation to net profit or loss before tax*			
	Total revenue and other income		671,553	1,107,806
	Less: Total expenses by nature		(5,948,484)	(2,836,267)
	Net loss before tax		(5,276,931)	(1,728,461)
2.2	**Administration expenses**			
	Accounting expenses		99,730	82,541
	External consulting fees		30,000	37,585
	Interest expenses and finance facility costs		61,634	94,836
	Other expenses		218,847	205,429
			410,211	420,391
2.3	**Corporate expenses**			
	ASX and regulator fees		35,653	31,924
	Audit expenses		131,364	87,945
	Legal expenses		225,545	61,690
	Share Registry and shareholder communications		170,998	23,832
			563,560	205,391

For personal use only

Notes to the preliminary final report
for the year ended 30 June 2026

Note 2 Expenses (cont.)	2026 $	2025 $
2.4 Employee benefits expense		
Directors' fees	191,334	140,000
Executive services contracts	239,782	239,782
Wages and salaries – non-R&D	52,185	39,191
Share-based performance rights: *amortisation*	-	380,000
Other	4,800	-
	488,101	798,973

Note 3 Financial assets and financial liabilities

3.1 Cash and cash equivalents	2026 $	2025 $
Cash at bank	839,500	59,648
	839,500	59,648

3.2 Trade and other receivables	Note	2026 $	2025 $
3.2.1 *Current*			
Trade receivables		9,363	17,228
Research and development tax incentive rebate receivable	3.2.2	465,000	635,592
Other receivables		294	377
		474,657	653,197

3.2.2 The Group continued its development program during the year ended 30 June 2026 resulting in a claim for research and development tax incentive which has been included as a receivable at year end.

3.3 Other assets	2026 $	2025 $
3.3.1 *Current*		
Prepayments – *Raw materials*	3,965	5,096
	3,965	5,096

3.4 Trade and other payables		2026 $	2025 $
3.4.1 *Current*			
Unsecured			
Trade payables	3.4.2	70,028	415,899
Amounts payable to key management personnel		39,664	1,676,858
Sundry payables and accrued expenses		90,609	105,910
Net *Goods and Services Tax* payable / (receivable)		(57,603)	14,216
		142,698	2,212,883

3.4.2 Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 60 days. As at 30 June 2026, creditors amounting to $24,997 were in excess of 60 days (June 2025: $281,930).

For personal use only

Notes to the preliminary final report

for the year ended 30 June 2026

Note 3 Financial assets and financial liabilities (cont.)

3.5 Borrowings	Note	2026 $	2025 $
3.5.1 *Current*			
R&D Rebate Advance Facility		302,859	433,256
Leases – motor vehicle		52	11,134
		302,911	444,390

Note 4 Non-financial assets and financial liabilities

4.1 Inventories	2026 $	2025 $
Finished goods	-	-
	-	-

4.2 Intangible assets	2026 $	2025 $
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	-	-

For personal use only

Notes to the preliminary final report
for the year ended 30 June 2026

Note 5 Equity

5.1 Issued capital

	Note	2026 No.	2025 No.	2026 $	2025 $
Fully paid ordinary shares		3,140,834,115	1,049,714,115	32,652,821	25,868,692

5.1.1 *Ordinary shares*

		2026 No.	2025 No.	2026 $	2025 $
At the beginning of the year		1,049,714,115	563,986,095	25,868,692	24,444,454
Shares issued during the year:					
04.11.24 *Debt for equity*		-	166,666,665	-	500,000
04.12.24 *Class A performance rights converted*	5.4.1	-	100,000,000	-	380,000
07.03.25 *Rights issue*		-	171,230,552	-	513,692
13.03.25 *Oversubscriptions*		-	47,830,803	-	143,492
17.10.25 *Tranche 1 Placement*		157,500,000	-	315,000	-
12.12.25 *Tranche 2 Placement*		1,092,500,000	-	2,185,000	-
12.12.25 *KMP fee settlement*	7.2.1b	500,000,000	-	3,000,000	-
12.12.25 *Lead manager fee*	7.2.1a	75,000,000	-	150,000	-
15.12.25 *Exercise of options*	5.3.1	125,000,000	-	750,000	-
15.04.26 *Placement fee*		25,000,000		125,000	
15.04.26 *Corporate services fee*		21,120,000		105,600	
02.06.26 *Exercise of options*	5.3.1	95,000,000	-	570,000	-
Prior period applications reversed		-	-	-	(26,113)
Share issue transaction costs		-	-	(416,471)	(86,833)
At the end of the year		3,140,834,115	1,049,714,115	32,652,821	25,868,692

5.1.2 *Treasury shares*

	2026 No.	2025 No.
At the beginning of the year	25,500,000	25,500,000
At the end of the year	25,500,000	25,500,000

5.2 Reserves

	Note	2026 $	2025 $
5.2.1 *Summary of share-based payment reserve*			
Options	5.3	1,302,376	335,827
Performance rights	5.4	-	-
		1,302,376	335,827

For personal use only

Notes to the preliminary final report

for the year ended 30 June 2026

Note 5 Equity (cont.)

5.3 Options

		Note	2026 No.	2025 No.	2026 $	2025 $
	Options on issue		911,561,355	410,412,553	1,302,376	335,827
5.3.1	*Options movement during the year:*		2026 No.	2025 No.	2026 $	2025 $
	At the beginning of the year		410,412,553	191,351,198	335,827	335,827
	07.03.25 *Free-attaching to the rights issue*		-	171,230,552	-	-
	13.03.25 *Free-attaching to oversubscriptions*		-	47,830,803	-	-
	17.10.25 *Free-attaching Tranche 1*		78,750,000	-	-	-
	31.10.25 *Option expiry*		(58,000,000)	-	-	-
	12.12.25 *Free attaching:*			-	-	-
	• *Tranche 2*		546,250,000			
	• *KMP fee settlement*	7.2.1b	250,000,000	-	1,302,376	-
	• *Lead manager fee*		37,500,000	-	-	-
	15.12.25 *Exercised at $0.006*		(125,000,000)	-	-	-
	31.05.26 *Options expiry*		(133,351,198)		(335,827)	
	02.06.26 *Exercised at $0.006*		(95,000,000)	-	-	-
	At the end of the year		911,561,355	410,412,553	1,302,376	335,827
	Comprising the following options:					
	Unlisted					
	○ $0.05 options exp. 31.10.25		-	58,000,000		
	○ $0.01 options exp. 21.02.28		219,061,355	219,061,355		
	○ $0.006 options exp. 30.11.28		692,500,000	-		
	Listed					
	○ $0.025 options exp. 31.05.26		-	133,351,198		
			911,561,355	410,412,553		

5.4 Performance rights

		Note	2026 No.	2025 No.	2026 $	2025 $
	Performance rights		62,000,000	62,000,000	-	-
5.4.1	*Performance rights movement during the year:*		2026 No.	2025 No.	2026 $	2025 $
	At the beginning of the year		62,000,000	62,000,000	-	-
	Cancellation of rights		-	(62,000,000)	-	-
	Issue of Class A rights		-	100,000,000	-	380,000
	Issue of Class B rights		-	62,000,000	-	-
	Class A performance rights converted		-	(100,000,000)	-	(380,000)
	At the end of the year		62,000,000	62,000,000	-	-

For personal use only

Notes to the preliminary final report
for the year ended 30 June 2026

Note 6 Earnings per share (EPS)		2026 $	2025 $
6.1	**Reconciliation of earning to profit or loss**		
	Loss for the year	(5,276,931)	(1,728,461)
	Loss used in the calculation of basic and diluted EPS	(5,276,931)	(1,728,461)
		2026 No.	2025 No.
6.2	**Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS**	2,163,964,087	787,339,882
	Weighted average number of dilutive equity instruments outstanding	N/A	N/A
6.3	**Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS**	2,163,964,087	787,339,882
		2026 ¢	2025 ¢
6.4	**Earnings per share**		
	Basic EPS (cents per share)	(0.24)	(0.22)
	Diluted EPS (cents per share)	N/A	N/A

Note 7 Share-based payments	Note	2026 $	2025 $
7.1	**Share-based payments:**		
	Net recognised in profit and loss	-	380,000
	Net recognised in profit and loss, settlement of liabilities	7.2.1b	3,302,376	-
	Recognised in equity (transaction costs): *Shares and Options*	7.2.1a	150,000	-
	Recognised in net assets, settlement of liabilities	7.2.1b	1,000,000	500,000
	Gross share-based payments		4,452,376	880,000

7.2 Share-based payment arrangements in effect during the year

7.2.1 *Issued during the current year*

a. Lead manager services were provided in connection with the capital raising and were contractually based on a fee of 6% of proceeds raised, equating to $150,000. In accordance with AASB 2 *Share-based Payment*, where services received from non-employees can be reliably measured, the transaction is measured based on the fair value of the services received. Accordingly, the equity instruments issued to the lead manager have been measured at $150,000, being the fair value of the services provided. The transaction value has been recognised as a cost of raising capital and recorded in equity in accordance with AASB 132 *Financial Instruments: Presentation*.

For personal use only

Notes to the preliminary final report
for the year ended 30 June 2026

Note 7 Share-based payments (cont.)

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

7.2.1 Issued during the current year (cont.)

b. During the period, the Company settled KMP liabilities totalling $1,000,000 through the issue of ordinary shares with free-attaching options ($800,000 – Peter Malone; $200,000 – Leo Fung). The transaction was accounted for as an extinguishment of financial liabilities in accordance with AASB 9 *Financial Instruments* and IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*, with the liabilities derecognised at their carrying amount.

In accordance with IFRIC 19, the equity instruments issued (being both shares and options) were measured at their fair value at the date of extinguishment. The fair value of the shares was determined based on the Company's quoted market price at that date ($0.006 per share), and the fair value of the options was determined using an option pricing model. The combined fair value of the shares and options represents the total consideration for the extinguishment of the liabilities.

The Notice of Meeting disclosed a deemed issue price of $0.002 per share, reflecting the commercial terms of the arrangement at the time it was negotiated. However, for accounting purposes, the equity instruments were required to be measured at fair value at the extinguishment date, when the Company's share price was higher. The deemed issue price does not represent fair value under AASB 13 *Fair Value Measurement*.

Accordingly, the difference between the carrying amount of the liabilities extinguished ($1,000,000) and the fair value of the equity instruments issued (comprising shares of $3,000,000 and options of $1,302,376) resulted in a loss of $3,302,376, recognised in profit or loss in accordance with AASB 9 and IFRIC 19.

The options were valued and issued on terms as detailed in accordance with 7.3.

7.3 Fair value of rights granted during the year

Methodology	Black-Scholes
Grant date / issue date:	12.12.25
Exercise price	$0.006
Grant date price:	$0.006
Risk-free rate	4.116%
Volatility	170%
Number of options issued:	250,000,000
Expiry term	3 years
Value per option	$0.00521

Fair values

Total fair value	$1,302,376
Recognised in the year	$1,302,376

For personal use only

For personal use only

skin elements
enhancing health + wellness naturally

Skin Elements Limited (ASX:SKN)
1255A Hay Street West Perth, Western Australia 6005
Australia
P 08 6311 1900 F 08 6311 1999
www.skinelementslimited.com
info@skinelementslimited.com
www.sknlife.com.au