



Preliminary Final Report

2 0 2 2

SuprCuvr[™]
Evolution

Corporate directory

Current Directors

Peter Malone	<i>Executive Chairman</i>
Phil Giglia	<i>Non-Executive Director</i>
Lee Christensen	<i>Non-Executive Director</i>

Company Secretary

Phil Giglia

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Auditors

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Company update

1. Operating and financial review

1.1. Nature of Operations and Principal Activities

Skin Elements Limited is a developer, manufacturer, distributor, and retailer of its leading proprietary all-natural anti-microbial SE Formula™. The SE Formula™ is used in the Company's proprietary brands including Invisi-Shield SuprCuvr plant-based hospital grade disinfectant range the Soleo Organics natural sunscreen brand, the PapayaActives therapeutic skincare range and the Elizabeth Jane Natural Cosmetics.

1.2. Operations Review

1.2.1. SuprCuvr Hospital Grade Disinfectant

SuprCuvr is a TGA registered hospital-grade disinfectant made from a 100% plant-based formula. Independent laboratory tests have confirmed that SuprCuvr has 99.99999% (7 log reduction) effectiveness against COVID 19 and other germs and is the first and only approved disinfectant globally with a 99.99999% efficacy against COVID 19.

The combination of TGA registration with high efficacy in a 100% plant-based organic certified formula presents a significant market opportunity for SuprCuvr including in large-scale settings where disinfectants are deployed.

SKN has now commenced development of marketing programs to drive revenue through its distribution channels and online retail store.

1.2.2. SuprCuvr Distribution Agreement with Pacific Health

Skin Elements entered into a binding Agreement with Pacific Health Care Pty Ltd (Pacific Health) for the exclusive distribution of SuprCuvr in Australia and New Zealand in the previous quarter (ASX announcement, 17 January 2022).

Pacific Health Care was established in Perth in 1987, and has a successful track record of selling and distributing a range of consumable medical products into the Australian medical industry.

Its customers include, state governments (NSW Health, WA Health, Queensland Health and Tasmania Health), hospitals (St John of God Hospitals and Perth Children's Hospital), clinics, aged care facilities, general practitioners and dentists, surgical and medical sub-distributors, veterinary clinics, and at home patients.

The Agreement represents the next step in the commercialisation strategy for SuprCuvr. It allows Skin Elements to leverage off Pacific Health's existing health distribution networks and drive sales into the Australian and New Zealand markets, and underpin the Company's operations to further execute its global commercialisation strategy.

The Agreement is for an initial term of 12 months, which will be extended for up to an additional 48 months in total subject to achievement of minimum sales volumes each year. The Agreement targets sales volumes of 1.2 million litres of SuprCuvr in year one, and total sales volumes of 5.5692 million litres over the duration of the Agreement, subject to the achievement of annual sales targets.

During the year Pacific Health continued to make strong progress in establishing a broad-based distributor network for SuprCuvr, with a focus on the government, corporate and retail sectors. SKN has delivered over 88,000 units of SuprCuvr for invoice value of over \$1.2m. Pacific Health has paid \$200k of this with the balance to be paid over the coming months.

Pacific Health also made presentations to key private hospitals in WA and other states, and has undertaken trials with mining companies, education campuses, and transport and logistics centres in WA.

In the retail space, SuprCuvr is currently stocked in 168 IGA and 15 Good Grocer IGA supermarkets in Western Australia, and is also available through Pacific Health's online store; www.pacifichealthcare.com.au.

1.2.3. Other Distribution Opportunities

Skin Elements also progressed a number of other distribution opportunities for SuprCuvr, and other products from its range, in a number of international markets.

This included a distribution opportunity for SuprCuvr in New Zealand and Hong Kong. The Company is also examining opportunities in Indonesia and Taiwan.

The Company also commenced discussions in respect of a potential distribution agreement for the Soléo Organics sunscreen range in the United Kingdom.

These discussions are of a positive nature and are all ongoing, but there is no certainty that any sales or distribution agreements will be entered into. Skin Elements will update the market on any material progress on these, or any other, sales or distribution discussions.



Company update

1.2.4. Expanding the SuprCuvr Product Range

Skin Elements is actively seeking to expand the SuprCuvr product range by offering new products at different price points. The Company is investigating the development of such a SuprCuvr product for sale in the supermarket and cleaning sectors.

1.2.5. Other Product Extensions

The Company is also investigating a number of potential opportunities to extend the application of SuprCuvr beyond its use as a hospital-grade disinfectant. The disinfectant market is the core focus for Skin Elements with SuprCuvr, but its unique combination of high-efficacy and plant-based natural formula also provides options to extend the product into other uses.

Independent laboratory tests were conducted on the anti-fungal capacity of SuprCuvr. Specifically, it was tested for efficacy against black mould (*Aspergillus niger*) and *Candida albicans*, a highly prevalent source of fungal infections in humans.

The independent tests successfully confirmed SuprCuvr's efficacy in providing protection against these moulds and fungi. This positive outcome has the potential to open up new product applications for SuprCuvr, and the Company plans to progress these opportunities to expand the SuprCuvr product range.

In a household setting, mould and fungus are major problems in spaces that have dampness or a lack of ventilation, and can be a health hazard. Typically, products used to prevent or minimise such impacts are chemically-based, and the opportunity to use SuprCuvr's 100% plant-based formula in these environments has the potential to provide an effective alternative solution.

1.2.6. Marketing

Skin Elements continued to support sales and marketing efforts through the development of video advertisements and marketing materials, and updating SuprCuvr packaging to reduce costs and simplify production.

1.2.7. Soleo Organics Sunscreen

Soleo Organics is a natural and organic sunscreen. It provides very high protection (SPF30), broad spectrum sun protection from both UV-A and UV-B solar radiation while providing natural moisturising skin care from its botanical-extract ingredients.

The Soleo Organics sunscreen range is now fully available, and the Company has updated and optimised its www.soleoorganics.com and www.sknlife.com online store websites to drive sales through these channels, with a view to attracting more international sales and driving larger volume sales.

The Company also prepared presentations and sales materials for national and international retail outlet channels.

During the year the Soleo Organics' High Performance Coconut Sunscreen and Face Moisturising Sunscreen were both selected as finalists in the Clean Beauty Awards for 2022.

1.2.8. Appointment of New Director

On 31 August 2021, SKN appointed Mr Lee Christensen to the Board as a Non-Executive Director. Mr Christensen's appointment brings broad experience and skills to the Board, assisting the Company develop its corporate strategy and governance as it transitions from research & development to commercial operations.

Mr Christensen's appointment follows the resignation of Mr John Poulsen as a Non-Executive Director.

1.2.9. Research & Development Rebate (R&D)

With the Company focus on development of its natural antimicrobial technologies, SKN has received approval and payment from AusIndustry for the 2021 R&D Rebate of \$989K and recognised \$984K R&D Rebate for the R&D expenditure invested in the twelve months to 30 June 2022 which is expected to be received in September 2022.

1.2.10. Placement raises \$2.1 million

During the period, the Company completed a placement of 26,250,000 ordinary fully paid shares at \$0.08 each raising \$2.1 million cash under the Company's LR7.1 and 7.1A placement capacity. The funds were used to fund its stated business plans including the launch of its new TGA registered SuprCuvr plant-based hospital grade disinfectant and provided working capital for the Company.

1.2.11. LDA Capital \$20 million equity funding facility

On 6 April 2021 SKN announced it had entered into an equity funding facility agreement (Agreement) with LDA Capital, under which LDA Capital has agreed to provide Skin Elements with up to \$20 million in committed equity capital over the next 36 months (ASX announcement, 6 April 2021).

Company update

The Agreement enables Skin Elements to issue shares to LDA Capital over the next three years at the Company's discretion at a floor price to be determined by Skin Elements and receive funds for the issue of those shares.

The Agreement allows Skin Elements to access committed equity capital on a flexible basis by managing the timing and size of each capital drawdown. The Agreement ensures that Company has access to additional equity capital as required to support its growth into new markets, support existing sales channels and fund the anticipated commercial scale sales and distribution opportunities for SuprCuvr and the Company's other product lines.

As part consideration for entering into POA, the Company issued to LDA Capital 26,000,000 unlisted options all expiring on 15 March 2024 which were initially recognised using a fair value assessment of \$604,000 as a prepayment (asset) and derivative liability. At balance date the fair value of the derivative liability has been reassessed to \$53,000 due to the time value of money and the amount of \$492,208 is recognised as a fair value gain to P&L.

The Company also has on issue to LDA Capital 27,500,000 shares ("Collateral Shares") for nil consideration. LDA Capital will hold these shares until such time that the Company issues the initial call notice. At that time, and subject to certain limitations set out in the POA, LDA Capital may sell collateral shares on market. Under the POA, unused Collateral Shares may be used for a subsequent call, bought back by the Company for nominal consideration or transferred to a trustee or nominee of the Company for nominal consideration.

The Company is also required to pay a commitment fee of A\$400,000 to LDA Capital which is payable in cash in four equal instalments at closing of the Company's first four capital calls. It was agreed between SKN and LDA Capital to release 2,000,000 SKN collateral shares held by LDA Capital in lieu of the first initial commitment fee of \$100,000 cash (price of \$0.05 each). This amount has been bought to account as a pre-paid capital raising cost.




1.2.12. Entitlement Issue to raise over \$2 million

The Company has advised that it will be undertaking a non renounceable pro rata entitlement issue at an issue price of \$0.08 per share on the basis of one (1) new share for every fifteen (15) ordinary shares held. Shareholders who subscribe for the entitlement issue will also receive one attaching listed option for every two new shares issued, exercisable at \$0.10 and expiring on 15 March 2024.





Under the entitlement issue up to 25,298,484 shares and 12,649,242 attached options will be issued to raise up to \$2,023,879 (before costs). An updated timetable has been announced with the issue of a prospectus and entitlement application forms in October 2022 with completion in November 2022.

1.3. Financial Review

1.3.1. Key profit and loss measures

	Movement (increased/ decreased)	Movement \$	2022 \$	2021 \$
 Revenues from ordinary activities	increased	1,119,589	1,408,330	288,741
 Loss from ordinary activities after tax	decreased	1,420,235	(1,622,288)	(3,042,523)
 EBITDA	decreased	(1,346,738)	(1,202,749)	(2,549,487)

1.3.2. Key net asset measures

	Movement (increased/ decreased)	Movement \$	2022 \$	2021 \$
 Cash and cash equivalents	increased	460,418	748,050	287,632
 Working capital (excluding prepayments)	increased	703,715	1,943,454	1,239,739
 Net tangible assets	increased	1,015,572	2,327,997	1,312,425
 Net assets	increased	615,492	10,218,067	9,602,575

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.




1.4. Impact of Coronavirus (COVID-19) Pandemic

Whilst SKN has continued to operate from West Perth premises during the period, the impact of COVID-19 restrictions has seen delay of orders from national and international distributors, restrictions on travel and reduced ability to meet with distributors and new customers, increased costs and shipment timeframes for national and international freight, and delayed production and the delivery of inventories from its contract manufacturers in Victoria and Queensland.

Company update

1.5. Future Developments, Prospects, and Business Strategies

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

-  The Company may place equity and receive up to \$20 million in committed equity capital over the next 36 months under the equity funding facility with LDA Capital.
-  The Company may undertake future capital raising through an entitlement issue, and the consideration of other equity and debt proposals
-  The Company intends to 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.



Results for announcement to the Market

for the year ended 30 June 2022

1.

Reporting period (item 1)

Report for the financial year ended:

30 June 2022

Previous corresponding period is the year months ended:

30 June 2021

2.

Results for announcement to the market

Movement

Percentage

%

Amount

\$

Increase in revenues from ordinary activities (item 2.1)

↑

387.75

to

1,408,330

Decrease in loss from ordinary activities after tax attributable to members (item 2.2)

↓

(46.68)

to

(1,622,288)

Decrease in loss after tax attributable to members (item 2.3)

↓

(46.68)

to

(1,622,288)

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

(1,622,288)

(3,042,523)

Net assets

10,218,067

9,602,575

Less: Intangible assets (including net deferred tax balances)

(7,890,070)

(8,290,150)








Net tangible assets

2,327,997

1,312,425

Results for announcement to the Market

for the year ended 30 June 2022

5	Ratios (cont.)	Current Period No.	Previous corresponding Period No.
	Fully paid ordinary shares	407,727,266	379,477,266
	Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	399,923,157	351,137,666
		¢	¢
5.2.	Net tangible assets backing per share (item 9):	0.571	0.346
5.3.	Earnings per share attributable to owners of the parent (item 14.1):	(0.406)	(0.866)
As at 30 June 2022 the Group has 26,000,000 unissued shares under options (2021: 26,000,000) and 209,000,000 performance shares on issue (2021: 47,000,000). 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 (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 venture (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. The Group had revenue of \$1,408,330 (2021: \$288,741) for the period.		
11.	The preliminary final report has been prepared based on the 30 June 2022 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s.302 of the <i>Corporations Act 2001</i> (Cth). (item 15)		

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
<i>Continuing operations</i>			
Revenue	1.1	1,408,330	288,741
Cost of sales		(365,174)	(98,302)
Gross profit		1,043,156	190,439
Other income	1.2	1,476,671	1,140,003
Administrative and other costs		(1,679,332)	(1,832,987)
Research and development costs		(2,024,235)	(2,244,421)
Selling and distribution costs		(425,183)	(206,429)
Operating profit		(1,608,923)	(2,953,395)
Interest and finance costs		(13,365)	(89,128)
Profit / (loss) before tax	2.1	(1,622,288)	(3,042,523)
Income tax benefit	3.1	-	-
Net profit for the year		(1,622,288)	(3,042,523)
<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		(1,622,288)	(3,042,523)

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



Consolidated statement of financial position
as at 30 June 2022

	Note	2022 \$	2021 \$
<i>Current assets</i>			
Cash and cash equivalents	4.1	748,050	287,632
Trade and other receivables	4.2.1	1,357,892	1,122,891
Inventories	5.1	154,274	223,225
Other current assets	4.3.1	88,489	72,225
Financial Assets	4.6.1	502,000	502,000
Total current assets		2,850,705	2,207,973
<i>Non-current assets</i>			
Right of use asset - property, plant, and equipment		20,554	26,648
Financial Assets	4.6.1	502,000	502,000
Intangible assets	5.2	7,890,070	8,290,150
Total non-current assets		8,412,624	8,818,798
Total assets		11,263,329	11,026,771
<i>Current liabilities</i>			
Trade and other payables	4.4.1	767,733	647,998
Borrowings	4.5.1	24,529	30,990
Derivative liabilities	4.6.2	26,500	272,604
Total current liabilities		818,762	951,592
<i>Non-current liabilities</i>			
Trade and other payables	4.4.2	200,000	200,000
Derivative liabilities	4.6.2	26,500	272,604
Total non-current liabilities		226,500	472,604
Total liabilities		1,045,262	1,424,196
Net assets		10,218,067	9,602,575
<i>Equity</i>			
Issued capital	6.1.1	23,037,154	20,978,594
Reserves	6.4	270,472	91,252
Accumulated losses		(13,089,559)	(11,467,271)
Total equity		10,218,067	9,602,575

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

Consolidated statement of changes in equity

for the year ended 30 June 2022

	Note	Contributed equity \$	Accumulated losses \$	Share-based payment reserve \$	Total equity \$
<i>Balance at 1 July 2020</i>		17,607,998	(8,424,748)	29,103	9,212,353
Loss for the year attributable to the owners of the parent		-	(3,042,523)	-	(3,042,523)
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		-	(3,042,523)	-	(3,042,523)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the year (net of costs)	6.1.1	3,370,596	-	-	3,370,596
Share-based payments during the year	6.3	-	-	62,149	62,149
Balance at 30 June 2021		20,978,594	(11,467,271)	91,252	9,602,575
<i>Balance at 1 July 2021</i>		20,978,594	(11,467,271)	91,252	9,602,575
Loss for the year attributable to the owners of the parent		-	(1,622,288)	-	(1,622,288)
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		-	(1,622,288)	-	(1,622,288)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the year (net of costs)	6.1.1	2,058,560	-	-	2,058,560
Share-based payments during the year	6.3	-	-	179,220	179,220
Balance at 30 June 2022		23,037,154	(13,089,559)	270,472	10,218,067

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



APPENDIX 4E

Preliminary Final Report

30 June 2022

SKIN ELEMENTS LIMITED

and controlled entities

ABN 90 608 047 794

Consolidated statement of cash flows



















for the year ended 30 June 2022

	Note	2022 \$	2021 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		358,355	286,286
Payments to suppliers and employees		(3,566,046)	(3,659,726)
Receipt of research and development tax incentive		1,722,914	668,418
Interest paid and facility fees		(13,365)	(89,128)
JobKeeper payment scheme and ATO cash flow boost		-	92,500
Net cash used in operating activities		(1,498,142)	(2,701,650)
<i>Cash flows from investing activities</i>			
Purchase of intangibles		-	(36,410)
Net cash used in investing activities		-	(36,410)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares	6.1.1	2,100,000	2,719,745
Share issue costs		(141,440)	-
Proceeds of borrowings		-	600,000
Repayments of borrowings	4.5.1	-	(500,000)
Net cash provided by financing activities		1,958,560	2,819,745
Net increase in cash and cash equivalents held		460,418	81,685
Cash and cash equivalents at the beginning of the year		287,632	205,947
Cash and cash equivalents at the end of the year	4.1	748,050	287,632

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

Notes to the preliminary final report

for the year ended 30 June 2022

Note	1	Revenue and other income	Note	2022 \$	2021 \$
1.1		Revenue			
		Sales to customers		1,408,330	288,741
				1,408,330	288,741
1.2		Other Income			
		<i>Research and development tax incentives grant income</i>		984,463	988,711
		<i>JobKeeper Payment scheme grant income</i>		-	67,500
		<i>ATO Cash flow boost grant income</i>		-	25,000
		Fair value adjustment of fee options		492,208	58,792
				1,476,671	1,140,003
Note	2	Expenses	Note	2022 \$	2021 \$
2.1		Expenses by nature			
		 Administration expenses	2.2	340,506	637,083
		 Advertising and marketing expenses		425,183	206,429
		 Amortisation	5.2	406,174	403,908
		 Corporate expenses	2.3	294,985	372,485
		 Employee benefits expense	2.4	551,878	419,708
		 Occupancy costs		99,154	88,931
		 Manufacturing, purchasing, and distribution costs		365,174	98,302
		 Research and development expenses		2,024,235	2,244,421
		Total expenses by nature		4,507,289	4,471,267
2.2		Administration expenses			
		 Accounting expenses		144,756	207,442
		 External consulting fees		40,000	66,048
		 Travel expenses		1,808	130,457
		 Interest expenses and finance facility costs		13,365	89,128
		 Other expenses		140,577	144,008
				340,506	637,083
2.3		Corporate expenses			
		 ASX fees		60,238	58,808
		 Audit expenses		66,345	72,404
		 Filing fees		20,505	18,266
		 Legal expenses		125,444	200,389
		 Share Registry and shareholder communications		22,453	22,618
				294,985	372,485

APPENDIX 4E**Preliminary Final Report**

30 June 2022

SKIN ELEMENTS LIMITED

and controlled entities

ABN 90 608 047 794

Notes to the preliminary final report

for the year ended 30 June 2022

Note	2	Expenses (cont.)	2022 \$	2021 \$
2.4		Employee benefits expense		
		Directors' fees	106,000	42,000
		Executive services contracts	212,182	212,182
		Wages and salaries – non R&D	54,476	103,377
		Share-based performance rights: <i>amortisation</i>	179,220	62,149
			551,878	419,708
Note	3	Income tax	2022 \$	2021 \$
3.1		Income tax expense		
		Current tax	-	-
		Deferred tax	-	-
			-	-
Note	4	Financial assets and financial liabilities		
4.1		Cash and cash equivalents	2022 \$	2021 \$
		Cash at bank	748,050	287,632
			748,050	287,632
4.2		Trade and other receivables	2022 \$	2021 \$
4.2.1		<i>Current</i>		
		Trade receivables	1,074,042	24,068
		Goods and Services Tax receivable	-	45,133
		Research and Development Grant receivable	250,260	988,711
		Other receivables	33,590	64,979
			1,357,892	1,122,891
4.3		Other assets	2022 \$	2021 \$
4.3.1		<i>Current</i>		
		Prepayments – Raw materials	88,489	16,642
		Other deposits	-	55,583
			88,489	72,225

Notes to the preliminary final report

for the year ended 30 June 2022

Note 4 Financial assets and financial liabilities (cont.)

4.4 Trade and other payables	2022	2021
	\$	\$
4.4.1 Current		
<i>Unsecured</i>		
Trade payables	187,885	277,637
Sundry payables and accrued expenses	446,842	170,361
Goods and Services Tax payable	33,006	-
Commitment Fee payable	100,000	200,000
	767,733	647,998
4.4.2 Non-Current		
<i>Unsecured</i>		
Commitment Fee payable	200,000	200,000
	200,000	200,000
4.5 Borrowings	2022	2021
	\$	\$
4.5.1 Current		
Leases – motor vehicle	24,529	30,990
	24,529	30,990
4.6 Derivative assets and liabilities	2022	2021
	\$	\$
4.6.1 Financial assets		
Prepaid commitment fee – current	502,000	502,000
Prepaid commitment fee – non-current	502,000	502,000
	1,004,000	1,004,000
4.6.2 Derivative liabilities		
LDA Commitment fee liability – current	26,500	272,604
LDA Commitment fee liability – non-current	26,500	272,604
	53,000	545,208

Note 5 Non-financial assets and financial liabilities

5.1 Inventories	2022	2021
	\$	\$
Finished goods	154,274	223,225
	154,274	223,225



Notes to the preliminary final report

for the year ended 30 June 2022

Note 5 Non-financial assets and financial liabilities (cont.)

5.2 Intangible assets

	2022 \$	2021 \$
<i>SE Formula™</i>	9,859,296	9,859,296
Accumulated amortisation	(1,990,482)	(1,601,478)
	7,868,814	8,257,818
Website development costs	55,410	55,410
Accumulated amortisation	(34,154)	(23,078)
	21,256	32,332
Total intangibles	7,890,070	8,290,150

Note 6 Equity

6.1 Issued capital

Note

	2022 No.	2021 No.	2022 \$	2021 \$
Fully paid ordinary shares at no par value	407,727,266	379,477,266	23,037,154	20,978,594
6.1.1 <i>Ordinary shares</i>				
At the beginning of the year	379,477,266	323,284,299	20,978,594	17,607,998
<i>Shares issued during the year:</i>				
🌱 17.08.20 Options exercise	-	483,333	-	14,500
🌱 21.08.20 Share issue	-	2,000,000	-	120,000
🌱 19.09.20 Options exercise	-	975,001	-	29,250
🌱 30.09.20 Options exercise	-	1,247,167	-	37,414
🌱 30.11.20 Options exercise	-	2,958,465	-	88,754
🌱 11.12.20 Options exercise	-	6,799,688	-	203,991
🌱 23.12.20 Options exercise	-	4,159,266	-	124,779
🌱 31.12.20 Options exercise	-	14,358,546	-	430,757
🌱 31.12.20 Options exercise	-	4,882,930	-	488,294
🌱 22.01.21 Shortfall	-	6,328,571	-	632,857
🌱 25.02.21 Placement	-	12,000,000	-	1,200,000
🌱 06.10.21 Placement	26,250,000		2,100,000	
🌱 15.11.21 Collateral Shares allocated for fees	2,000,000	-	100,000	-
Share issue transaction costs	-	-	(141,440)	-
At end of the year	407,727,266	379,477,266	23,037,154	20,978,594

Notes to the preliminary final report

for the year ended 30 June 2022

Note 6 Equity (cont.)

6.1.2 Treasury shares

Note

	2022 No.	2021 No.
At beginning of the year	27,500,000	-
🌿 Ordinary shares issued to LDA Capital as Collateral Shares for nil consideration	-	27,500,000
🌿 Ordinary shares allocated for fees	(2,000,000)	-
At end of the year	25,500,000	27,500,000

6.2 Options

	2022 No.	2021 No.	2022 \$	2021 \$
Options on issue	26,000,000	26,000,000	-	-
6.2.1 Ordinary shares				
At the beginning of the year	26,000,000	126,004,034	-	-
Movement during the year:				
🌿 17.08.20 Options exercise	-	(483,333)	-	-
🌿 21.08.20 option issue	-	200,000	-	-
🌿 19.09.20 Options exercise	-	(975,001)	-	-
🌿 30.09.20 Options exercise	-	(1,247,167)	-	-
🌿 30.11.20 Options exercise	-	(2,958,465)	-	-
🌿 11.12.20 Options exercise	-	(6,799,688)	-	-
🌿 23.12.20 Options exercise	-	(4,159,266)	-	-
🌿 31.12.20 Options exercise	-	(14,358,546)	-	-
🌿 31.12.20 Options exercise	-	(4,882,930)	-	-
🌿 31.12.20 Expiry of options	-	(90,339,638)	-	-
🌿 Previously expired options	-	-	-	-
🌿 30.03.21 Fee options issued to LDA Capital	-	26,000,000	-	-
At end of the year	26,000,000	26,000,000	-	-
Comprising the following options:				
🌿 Unlisted			-	-
○ \$0.12 options expiring 15.03.24	10,000,000	10,000,000	-	-
○ \$0.15 options expiring 15.03.24	10,000,000	10,000,000	-	-
○ \$0.18 options expiring 15.03.24	4,000,000	4,000,000	-	-
○ \$0.22 options expiring 15.03.24	2,000,000	2,000,000	-	-
	26,000,000	26,000,000	-	-

Notes to the preliminary final report

for the year ended 30 June 2022

Note 6 Equity (cont.)

6.3 Performance rights

	2022 No.	2021 No.	2022 \$	2021 \$
Performance rights	209,000,000	47,000,000	270,472	91,252
At the beginning of the year	47,000,000	47,000,000	91,252	29,103
<i>Movement during the year:</i>				
Issued	162,000,000	-	129,582	-
Amortisation of performance rights	-	-	49,638	62,149
At reporting date	209,000,000	47,000,000	270,472	91,252

6.4 Reserves

	2022 \$	2021 \$
Share-based payment reserve	270,472	91,252
	270,472	91,252



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