Update Summary

Entity name

SKIN ELEMENTS LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

29/5/2023

Reason for update to a previous announcement

Allow the share registry sufficient time to make allotments and provide the necessary reports to the company

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

SKIN ELEMENTS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.
If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type	**Registration Number**
ACN	608047794

1.3 ASX issuer code

SKN

1.4 The announcement is
☑ Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

Allow the share registry sufficient time to make allotments and provide the necessary reports to the company

1.4b Date of previous announcement to this update

3/5/2023

1.5 Date of this announcement

29/5/2023

1.6 The Proposed issue is:
☑ A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:
☑ + Non-renounceable

Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 Do any external approvals need to be obtained or other conditions satisfied before the entitlement offer can proceed on an unconditional basis?
No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description
SKN : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
Yes

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?
No

Details of +securities proposed to be issued

ASX +security code and description
SKN : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued	For a given quantity of +securities held
1	5

What will be done with fractional entitlements?	Maximum number of +securities proposed to be issued (subject to rounding)
Fractions rounded up to the next whole number	93,226,979

Offer price details for retail security holders

In what currency will the offer be made?	What is the offer price per +security for the retail offer?
AUD - Australian Dollar	AUD 0.01000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?
Yes

Describe the limits on over-subscription

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

Will a scale back be applied if the offer is over-subscribed?
Yes

Describe the scale back arrangements

to be determined by the directors of the Company in their sole discretion

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?
New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
Yes

ASX +security code

New class-code to be confirmed

+Security description

Options exercisable at $0.025 expiring 3 years from date of issue

+Security type

Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)

The quantity of attaching +securities to be issued

1

For a given quantity of the new +securities issued

1

What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum number of +securities proposed to be issued (subject to rounding)

93,226,979

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.00000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?
Yes

Describe the limits on over-subscription

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

Will a scale back be applied if the offer is over-subscribed?

Yes

Describe the scale back arrangements

to be determined by the directors of the Company in their sole discretion

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0250

Expiry date

15/5/2026

Details of the type of +security that will be issued if the option is exercised

SKN : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One fully paid ordinary share ((ASX:SKN)

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://www2.asx.com.au/markets/trade-our-cash-market/announcements.skn

Part 3C - Timetable

3C.1 +Record date

13/4/2023

3C.2 Ex date

12/4/2023

3C.4 Record date

13/4/2023

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

18/4/2023

3C.6 Offer closing date

22/5/2023

3C.7 Last day to extend the offer closing date

17/5/2023

3C.9 Trading in new +securities commences on a deferred settlement basis

23/5/2023

3C.11 +Issue date and last day for entity to announce results of +pro rata issue

31/5/2023

3C.12 Date trading starts on a normal T+2 basis

1/6/2023

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

5/6/2023

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?
☑ Yes

3E.1a Who is the lead manager/broker?

708 Capital Pty Ltd is engaged as the lead manager and Underwriter

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

fees disclosed below - underwriter fees

3E.2 Is the proposed offer to be underwritten?
☑ Yes

3E.2a Who are the underwriter(s)?

708 Capital Pty Ltd

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

100%

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

6% of Offer proceeds. The underwriter can elect this fee to be paid in either or a combination of cash and or new shares and options on the issue price of $0.01 per new share and issued subject to the approval of shareholders on same terms under the offer. 10,000,000 new options on same terms as the offer will be issued subject to shareholder approval

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

material adverse effect on financial position, material adverse effect on success of offer, trading of shares or underwriter ability to promote the offer, misleading disclosures, unable to proceed, market fall by 10% below its level at day before date of prospectus, adverse change occurs

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?
☑ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?
☑ No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

Business development sales & marketing production & operations and working capital

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?
☑ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?
☑ No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

USA

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities
☑ No

3F.6 URL on the entity's website where investors can download information about the proposed issue

https://www2.asx.com.au/markets/trade-our-cash-market/announcements.skn

3F.7 Any other information the entity wishes to provide about the proposed issue

A separate appendix 3B will be lodged immediately after detailing the securities issued to the underwriter as detailed above

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?
☑ Yes

3F.9 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:
☑ The publication of a +disclosure document or +PDS for the +securities proposed to be issued