

Interim Report and Consolidated Financial Statements
For the 6 Month Period Ended 31 December 2025

SkinBioTherapeutics plc

Company Registration Number: 09632164



Chair and Chief Executive's Statement

Introduction

The start of the new financial year (FY26) began with optimism as the Group looked forward to a full year of trading across all its businesses. Updates were due from Croda around Zenakine™ (based on SkinBiotix® intellectual property (IP)) and the launch of AxisBiotix™ through the distribution agreement with Superdrug, as well as continuation of sales via direct sales channels, including the launch of the AxisBiotix Skin Clear product. Finally, the Group's acquired businesses (Dermatonics and Bio-Tech Solutions ('BTS')), would be reporting a full year of sales and cash generation. In summary, the strategy for FY26 was one of growth, with investment in operations based on internally generated income.

However, in mid-February the Board was forced to suspend the CEO Stuart Ashman as a result of concerns relating to his conduct. He subsequently resigned. The Board immediately launched an investigation (the "Board Investigation") into various matters including the accuracy of the audited FY25 financial statements. Consequently, the Board appointed FRP Advisory, independent external forensic experts, to conduct a thorough review of the Group's financial records, governance arrangements and related matters across all Group businesses (the "FRP Report")¹.

Other swift action taken by the Board was the appointment of an experienced cosmetic and health executive, Rachel Parsonage as interim CEO and a board director in March 2026. She has extensive senior executive experience leading consumer beauty and wellness businesses, both in terms of own and licensed brand portfolios across domestic and international markets.

Following Rachel's appointment, our priorities have included undertaking a full operational review, protecting significant partner relationships and commencing a review of our strategy for our current businesses and products, along with investigating what other opportunities we have from existing assets and partnerships.

As a result of the FRP Report, this statement extends beyond reporting on the six months to 31 December 2025 (HY26) and trading in H2 2026, as the Board has identified a requirement to restate the audited FY25 financial statements. In addition, the Board has also taken other steps to protect the Group's businesses and enhance governance.

Having completed a thorough investigation, and taking into account the conclusions and recommendations of the FRP Report and actions already taken, the Board believes the Company can now move from the disruptive investigative phase towards a focus on growth and the rebuilding of value. The Board remains mindful that certain regulatory and legal matters may require attention in the period ahead.

Immediate actions post year end

In response to the matters detailed above, the Board immediately implemented a three-part strategy: to review and stabilise the operations, to remove uncertainty for colleagues, strengthen relationships with partners, and return focus onto growth through the appointment of an interim CEO to take the business forward.

- **Stabilisation of operations**

In addition to the steps to strengthen corporate governance that were put in place at the beginning of the year, upon the announcement of the previous CEO's resignation, Martin Hunt was appointed Executive Chair until such time as a new permanent CEO was identified, to provide continuity of leadership. Furthermore, Danielle Bekker, who had stood down from the Board at AGM, was also brought in on an operational basis, a role where she has extensive experience. Internal communications with the rest of the SkinBio team was prioritised to reassure the staff and ensure that the business ran as normally as possible in the circumstances.

- **Current Partnerships**

All of the Group's key partners and suppliers were contacted and informed of the situation as soon as possible to reassure and reset relationships where necessary. The aim, from now on, is to ensure there are multiple touchpoints with each partner.

- **Commercial leadership**

The Board's mandate for the interim CEO is to stabilise the business, support the investigation with the Board and look for opportunities in the short term. On 2 March 2026, the Board appointed Rachel Parsonage as the Group's interim CEO and she was appointed to the Board on 9 March 2026. She has considerable experience of managing brands and

¹ The content of the FRP Report is privileged and reference to it or the underlying investigation are not intended waive, and should not be taken as waiving, privilege.

licensing partners in her previous roles. She is halfway through her contract and has made a significant difference to the running of the Company, focusing on operational stability and extracting greater value from existing assets and partnerships, ensuring the foundations are in place to rebuild value from a position of strength.

Summary of the FRP Report's disclosable findings

FRP was appointed to support the Board Investigation and in part to ensure that any restatement to the audited FY25 financial statements was done only once, without the need for further revision.

While we do not waive privilege by referencing the investigation and the FRP Report, we can confirm the following.

Revenue

An accrued royalty revenue of £0.77m was inappropriately recognised in the audited FY25 financial statements, necessitating a downward adjustment to the previously reported audited FY25 revenue, from £4.64m to £3.87m. No other issues related to revenue were identified.

Documentation provided as support for the audited accrued royalty revenue was identified as fabricated by the former CEO; no evidence has been identified to indicate that anyone else was involved or aware of the fabrication.

Profitability

The adjustment for the FY25 accrued royalty revenue directly impacts operating profit. In addition, other matters were identified, including the award, payment and timing of accounting for bonuses and associated consultancy payments in FY24 and FY25. Bonuses and consultancy payments paid to certain Directors at the time, had not been accrued in the correct financial year. Bonuses paid to Martin Hunt and Dr Cathy Prescott have subsequently been repaid voluntarily and will be reflected in the FY26 results accordingly.

Cash

No issues were found with the Group's reported cash balances.

Corporate governance

Weaknesses in corporate governance and processes were evident. The Board had implemented a number of measures to strengthen corporate governance even before the FRP Report was completed. A detailed list of actions has been produced for implementation. SkinBio's advisors as well as the Independent Investigators have summarised their recommendations that are being incorporated into this detailed exercise. An overview of the changes made will be provided in the Annual Report.

The Board has, throughout, been very conscious that the costs of such investigations can escalate quickly and has therefore sought to balance the need for a comprehensive investigation with the cost/risk benefit, to give maximum confidence that any and all relevant issues have been identified and addressed. To date, the costs of the investigation have come to c.£0.70m. The Board will be pursuing recovery of costs incurred in connection with the investigation and any other losses through ongoing legal proceedings and will update shareholders as those matters progress.

Board and Leadership

During the period, in September 2025, Simon Hewitson, Executive Director and Chief Operating Officer stepped down for personal reasons, and at the FY25 results, Danielle Bekker announced her intention to leave the Board, but she has continued to provide support on a consultancy basis.

Post period end, in January 2026, Alyson Levett was appointed as a Non-Executive Director and took on the role of Chair of the Audit & Risk Committee. At the same time, Emily Bertram was promoted to CFO and appointed to the Board.

Upon the forced suspension and subsequent resignation of Stuart Ashman as CEO, Martin Hunt was appointed Executive Chair and Alyson Levett appointed to lead the Board Investigation.

Following this period of significant change within the Company, Martin Hunt, Chairman, and Dr Cathy Prescott, Non-Executive Director, have both stepped down from the Board today. The Company has asked Cathy to remain available to provide scientific oversight on an ad-hoc basis and she has agreed.

The role of interim Chair will pass to Alyson Levett, who together with Rachel Parsonage, Interim CEO and Emily Bertram, CFO, will comprise the Board. The Company intends to appoint new non-executive directors.

Financial Review

Before turning to the performance of HY26, it is necessary to highlight the changes required as a result of the Board Investigation.

The headline values for key operating results of the FY25 financial statements are as follows:

- FY25 adjusted revenue of £3.87m from £4.64m, with the removal of the accrued royalty revenue of £0.77m being the only adjustment required
- FY25 adjusted EBITDA loss of £1.40m from £0.41m, with the accrued royalty revenue reversal being the principal adjustment alongside adjustments of £0.23m relating to certain Directors' bonus payments made (see note 2.3)
- FY25 adjusted operating loss of £2.13m from a loss of £1.12m
- The previously reported audited FY25 cash figure was unaffected and remained at £4.78m as at 30 June 2025
- All comparator HY25 figures also reflect these adjustments and have been prepared alongside an independent firm of accountants
- The restated FY25 Financial Statements will be audited by Saffery LLP, (appointed 28 May 2026 to replace Gravita LLP) as part of their work for the FY26 Financial Statements

Turning now to HY26 for the six months to 31 December 2025, total revenue was up 37.4% to £2.17m, excluding intercompany revenue, (HY25: £1.58m) which reflected a full six months of trading from BTS, product sales from AxisBiotix and Dermatronics, and initial licensing income.

Cost of sales for the period rose to £0.96m (HY25: £0.70m) reflecting the higher sales across the Group.

Gross profit increased to £1.20m (HY25: £0.88m) as a result of the increase in revenues. Gross profit margins remained constant at 55.6% (HY25: 55.7%).

Total operational costs were £2.21m (HY25: £1.91m) comprising selling and distribution costs of £0.15m (HY25: 0.13m), research and development costs of £0.06m (HY25: £0.01m) and operating expenses of £2.00m (HY25: £1.77m). The increased operating expenses relate to a number of large one-off costs, including, legal costs leading up to the AGM.

The operating loss to for the six months to 31 December 2025 decreased by 2.7% to £1.00m (HY25: loss £1.03m).

Cash and cash equivalents as at 31 December 2025 was £3.1m (HY25: £1.2m), reflecting the June fundraise, net of the Superdrug launch stock and costs, and continued working capital requirements. The Group's cash position as at 31 May 2026 was £1.5m.

Trading in the Company's ordinary shares on AIM will be restored with effect from 7:30 am on Monday 8 June 2026, following the publication of the Company's interim results.

Current trading and outlook

The beginning of the financial year showed growth across both products and services, and an update was reported in the statement issued on 16 February 2026. The statement was based on the Board's own findings. The Board is committed to issuing new market guidance and will do so later in the year.

Growth continued across the company, with Dermatronics trading steadily, particularly in the podiatry market. The AxisBiotix team has been focusing on promotion of the brand for both direct and indirect sales, plus reduction of costs and improvement on delivery. Initial licensing income is being received and we were pleased to see that Zenakine was recently awarded a 'Novelty Merit' at the prestigious 2026 C&T Allē beauty awards in the Base Ingredient: Wellness category. Significant operational improvements have been implemented at BTS with further upgrades planned to improve efficiency further.

The Board acknowledges that recent events have caused significant disruption to the Company and its stakeholders, and is grateful to shareholders, partners and employees for their continued support and commitment. The Group enters the final quarter of FY26 in a stable operational position with clear priorities under the guidance of the new interim CEO.

Alyson Levett
Interim Chair

Operational review

Introduction

SkinBio's strategic approach to skin health remains constant - via two routes - tackling skin issues from the 'outside in' and the 'inside out'. The 'outside in' approach is represented by topical creams, and from the 'inside out', via oral supplement solutions which impact the skin via different axes such as the gut and the brain. All of SkinBio's products and services are developed through evidence-based science and commercially focused innovation with the aim of supporting skin health, well-being, repair and beauty. SkinBio also has a contract manufacturing and distribution arm related to skin health and other healthcare products. As the business evolves, product development decisions will be taken to maximise utilisation of the Group's in-house manufacturing capability where commercially appropriate.

Products

• Topical

The Group has two streams of topical products - clinically validated ingredients e.g. urea, niacinamide, brought to market by Dermatronics, and microbiome-based active ingredients that include lysates like SkinBiotix™, that target skin barrier issues, inflammation and important signalling pathways. SkinBio sells these products and ingredients directly and indirectly via commercial distribution and licensing partnerships.

Clinically validated ingredients (Dermatronics)

Dermatronics is a topical brand trusted by clinicians for barrier repair and foot health. For the six months ended 31 December 2025, Dermatronics reported static revenues of £0.98m (HY25: £1.0m), reflecting stable underlying demand from the NHS, specialist podiatrists and high street retailers, including Boots and Superdrug.

The focus for H2 2026 has been to strengthen how the Dermatronics brand is regarded amongst its national customer base. Dermatronics is currently undergoing a brand refresh to elevate and improve customer navigation, and work is underway to enhance and develop the brand in retail and online channels.

International export sales, which represent an important potential growth area for the brand softened in HY26 but is still an area of focus for the future.

In H2 2026, Dermatronics' products have been trading steadily, particularly in the podiatry market.

• Oral

AxisBiotix™ (Gut-skin axis)

AxisBiotix is commercialised as an oral food supplement to alleviate the symptoms of irritation prone skin ('Skin Calm') and has been recently developed into a second line targeting blemish prone skin ('Skin Clear').

Both oral products are sold directly via SkinBio's own website and via Amazon; AxisBiotix Skin Clear was added to the direct sales offering in March 2026. Since October 2025, the products have also been sold in c.180 Superdrug stores. The contract with Superdrug is on a two-year exclusivity basis and any further roll-out will be determined on the basis of reaching specific sales targets.

Total sales of AxisBiotix™ were £172k (HY25: £133k). Retention rate of online customers remains high (86%), based on the number of subscribers who remain subscribing at the end of each monthly period compared to the start.

The focus for H2 2026, has been to promote the brand for both direct and indirect sales. Activities have included driving efficiencies with respect to packaging, to reduce direct to consumer (DTC) costs and improving the delivery process for direct customers. The team also attended the 'Superdrug Presents' event in May 2026, a direct to consumer facing weekend event for brand awareness where AxisBiotix was well received.

For the time being, the Group's expectations are that the level of sales of AxisBiotix™ will remain modest however, the brand continues to have a loyal direct customer base which can be built on further.

IP Development and Commercialisation

Microbiome-Based Active Ingredients (Skinbiotix™)

SkinBiotix™ is a novel bioactive ingredient developed from research originating at the University of Manchester's translational dermatology team, and was subsequently licensed to Croda International Plc ("Croda") under a commercial and manufacturing agreement signed in 2019. Croda has since developed and launched Zenakine, a biotech-based neuroactive ingredient which is based on SkinBiotix IP, targeting the effects of stress on the skin. Zenakine was introduced to the market at In-Cosmetics Global in April 2025, the world's largest cosmetics ingredients exhibition.

The commercial arrangement with Croda has continued to operate in accordance with the terms of the signed agreement throughout the period. We are pleased to note Zenakine's awarded a 'Novelty Merit' at the prestigious 2026 C&T Allē beauty awards in the Base Ingredient: Wellness category and its mention in Croda's full year results. Royalty revenues are being recognised by the Group as confirmed sales data is received.

IP Commercialisation Strategy

In addition to the successful commercialisation of its IP with SkinBiotix and the Croda collaboration, SkinBio continues to explore the potential applications of its IP. The Company has also run a number of R&D projects in collaboration with the University of Manchester in oral applications and anti-inflammation. There is an exercise underway to see how the Group's IP can be more aggressively out-licensed for commercial purposes.

Services

Bio-Tech Solutions Limited (BTS) specialises in the contract manufacturing and packaging of a range of health, hygiene and personal care products.

At present, BTS supports a range of external customers in both human and animal health sectors, from the NHS and private institutions, to partnerships with medical wholesalers and veterinary product distributors. Its services include labelling, R&D product support and full service & contract manufacture.

The aim is for BTS to support its existing customer base with expansion and growth, and focus on operational efficiencies to maintain margins, particularly in light of external impacts to fuel and energy prices. In HY26, certain upgrades, which were planned and agreed by the Board, have been implemented, and any further developments to the manufacturing plant will be addressed under the normal capex approval process.

For the six months to 31 December 2025, BTS reported revenues of £1.2m (HY25: £0.4m) which reflects a full six months of trading and good revenue growth for the period.

Conclusion and Outlook for H2 2026

The focus for HY26, was to drive growth across all fronts, products and services. The second half of the financial year started encouragingly, however, the circumstances that arose in February 2026 have been a major distraction. The whole SkinBio team has pulled together to ensure the business has been running as near to 'normal' as possible and their continued dedication and hard work has been appreciated.

Alyson's appointment as a new NED at the beginning of 2026 was to bring a new rigour to corporate governance. This role has expanded as she has overseen the investigation, with help from the Board. As the new interim CEO, I have brought my extensive experience in running consumer health and beauty businesses, managing brands and companies, as well as expanding platforms through IP commercialisation. On the financial side, Emily Bertram, our CFO has been instrumental in tightening up financial procedures and managing the restatement and update of the accounts. The Group have also been able to bolster operational resource with the appointment of a new Group Project Manager and support from Danielle Bekker.

Even though the majority of management attention has been to resolve urgent matters, wins have been made across the business in H2 2026. While AxisBiotix is an innovative product making modest gains in direct sales it continues to have a loyal customer base which we believe we can build on through our partnership with Amazon. We are also building a good early relationship with Superdrug, helped by the fact that it sells some of the Dermatronics products as well. Dermatronics and BTS are performing more steadily since 2025, aided by the significant operational improvements put in place for UK sales, and ongoing work to support future international sales. Finally, the profile of Zenakine is building through Croda's marketing at events and awards.

As interim CEO, my role has been to manage immediate priorities in this period rather than to set future strategy. However, my initial observations are that SkinBio has a range of products and IP with significant commercial potential.

Despite a difficult period for the Group, we believe a line can now be drawn under what has happened and the Group can look forward to the new leadership team resetting and rebuilding SkinBio into a successfully disruptive force in the skin care and health sector. This is only possible with the continued long-term support and patience of shareholders and the support of the rest of the SkinBio team, for which we remain very grateful.

Rachel Parsonage
Interim CEO

Consolidated Statement of Comprehensive Income

For the 6 months ended 31 December 2025

	Notes	6 months to 31 Dec 2025	6 months to 31 Dec 2024	12 months to 30 Jun 2025 (restated)
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
		£	£	£
Continuing operations				
Revenue	3	2,165,948	1,576,531	3,869,147
Cost of sales		(961,315)	(698,967)	(1,778,867)
Gross profit		1,204,633	877,564	2,090,280
Selling and distribution		(148,008)	(130,693)	(293,375)
Research and development		(57,327)	(12,168)	(127,347)
Operating expenses		(2,007,100)	(1,770,252)	(3,795,368)
Loss from operations		(1,007,802)	(1,035,549)	(2,125,810)
Finance costs		(36,457)	(5,752)	(91,981)
Gain on remeasurement of contingent consideration		250,000	-	500,000
Loss before taxation		(794,259)	(1,041,301)	(1,717,791)
Taxation	4	-	7,201	(25,423)
Loss for the period		(794,259)	(1,034,100)	(1,743,214)
Total comprehensive loss for the period		(794,259)	(1,034,100)	(1,743,214)
Basic and diluted loss per share (pence)	5	(0.31)	(0.46)	(0.77)

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	As at 31 Dec 2025 <i>Unaudited</i> £	As at 31 Dec 2024 <i>Unaudited</i> £	As at 30 Jun 2025 (restated) <i>Unaudited</i> £
ASSETS				
Non-current assets				
Property, plant and equipment		356,791	421,325	356,291
Right-of-use assets		314,369	56,797	372,057
Goodwill	6	2,419,640	2,419,640	2,419,640
Intangible assets	7	1,705,588	1,932,453	1,842,899
Total non-current assets		4,796,388	4,830,215	4,990,887
Current assets				
Inventories		925,204	828,033	800,154
Trade and other receivables		757,905	501,821	759,628
Cash and cash equivalents		3,124,689	1,236,977	4,779,433
Total current assets		4,807,798	2,566,831	6,339,215
Total assets		9,604,186	7,397,046	11,330,102
EQUITY AND LIABILITIES				
Equity				
Capital and reserves				
Called up share capital	8	2,587,794	2,284,359	2,587,794
Share premium		21,087,900	16,797,820	21,087,900
Other reserves		438,589	438,589	438,589
Accumulated deficit		(16,136,094)	(14,781,863)	(15,341,835)
Total equity		7,978,189	4,738,905	8,772,448
Liabilities				
Non-current liabilities				
Lease liabilities		242,670	19,812	281,354
Long term loans		600,000	956,543	600,000
Contingent consideration		-	250,000	-
Deferred tax		-	-	-
Total non-current liabilities		842,670	1,226,355	881,354
Current liabilities				
Trade and other payables		652,650	723,340	1,280,005
Corporation tax payable		34,182	158,319	34,182
Lease liabilities		96,495	50,127	112,112
Contingent consideration		-	500,000	250,000
Total current liabilities		783,327	1,431,786	1,676,300
Total liabilities		1,625,997	2,658,141	2,557,654
Total equity and liabilities		9,604,186	7,397,046	11,330,102

Consolidated Statement of Cash Flows

For the 6 months ended 31 December 2025

	6 months to 31 Dec 2025	6 months to 31 Dec 2024	12 months to 30 Jun 2025 (restated)
	Unaudited	Unaudited	Unaudited
	£	£	£
Cash flows from operating activities			
Loss before tax for the period	(794,259)	(1,041,301)	(1,717,799)
Net interest	22,028	-	65,223
Depreciation of property, plant and equipment	21,079	26,188	58,385
Right-of-use assets depreciation and interest	72,117	17,852	122,206
Loss on disposal of tangible assets	-	-	28,195
Gain on deferred consideration reversal	(250,000)	-	(500,000)
Amortisation of IP	171,952	110,316	272,590
	(757,083)	(886,945)	(1,671,200)
Changes in working capital			
Decrease/(Increase) in inventories	(125,050)	(9,567)	14,177
Decrease/(Increase) in trade and other receivables	1,723	166,178	16,717
Increase/(decrease) in trade and other payables	(627,355)	(70,641)	379,448
Cash generated by/(used in) operations	(750,682)	85,970	410,342
Taxation received/(paid)	-	-	25,788
Net cash generated by/(used in) operating activities	(1,507,765)	(800,975)	(1,235,070)
Cash flows from investing activities			
Purchase of property, plant and equipment	(21,579)	-	(6,300)
Purchase of IP	(34,641)	(80,743)	(152,530)
Purchase of right-of-use assets	-	(2,637)	-
Cash consideration	-	(1,417,067)	(1,462,530)
Net cash used in investing activities	(56,220)	(1,500,447)	(1,621,360)
Cash flows from financing activities			
Net proceeds from issue of shares	-	1,811,953	6,055,469
Net amounts raised from loans	-	950,000	950,000
Interest paid	(22,028)	(2,241)	(62,983)
Lease payments made	(68,730)	(22,217)	(107,527)
Net cash gained by financing activities	(90,758)	2,737,495	6,834,959
Net increase/(decrease) in cash and cash equivalents	(1,654,744)	436,073	3,978,529
Cash and cash equivalents at the beginning of the period	4,779,433	800,904	800,904
Cash and cash equivalents at the end of the period	3,124,689	1,236,977	4,779,433

Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2025

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
As at 1 Jul 2024	2,022,552	14,507,673	438,589	(13,998,933)	2,969,881
Issue of shares	261,807	2,290,147	-	-	2,551,954
Loss for the period	-	-	-	(1,034,100)	(1,034,100)
Restatements	-	-	-	251,170	251,170
As at 31 Dec 2024	2,284,359	16,797,820	438,589	(14,781,863)	4,738,905
Profit for the period	-	-	-	(709,114)	(308,802)
Restatements	-	-	-	149,142	149,142
Issue of shares	303,435	4,726,337	-	-	5,029,772
Cost of share issue	-	(436,257)	-	-	(436,257)
As at 30 Jun 2025	2,587,794	21,087,900	438,589	(15,341,835)	8,772,448
Loss for the period	-	-	-	(794,259)	(794,259)
As at 31 Dec 2025	2,587,794	21,087,900	438,589	(16,136,094)	7,978,189

Share capital is the amount subscribed for shares at nominal value.

Share premium is the amount subscribed for share capital in excess of nominal value.

Other reserves arise from share options granted and exercised.

Retained earnings represents accumulated profit or losses to date.

Notes to the Consolidated Financial Statements

For the 6 months ended 31 December 2025

1. General Information

SkinBioTherapeutics plc is a public limited company incorporated in England under the Companies Act and quoted on the AIM market of the London Stock Exchange (AIM: SkinBio). The address of its registered office is The Core Bath Lane, Newcastle Helix, Newcastle Upon Tyne, England, NE4 5TF.

The principal activity of the Group is that of research and development focused on harnessing the microbiome for human health, and commercialisation of these technologies, as well as the manufacture and sales of dermatological products through acquired entities.

The financial information set out in this half yearly report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 30 June 2025, prepared under UK-adopted International Accounting Standards ("IFRS"), have been filed with the Registrar of Companies.

Copies of the annual statutory accounts and the Interim Report can be found on the Company's website at www.skinbiotherapeutics.com.

2. Significant Accounting Policies and Basis of Preparation

2.1 Statement of Compliance

This Interim Report has been prepared using the historical cost convention, on a going concern basis and in accordance with UK-adopted International Accounting Standards ("IFRS"), IFRS Interpretations Committee (IFRIC) and the Companies Act 2006 applicable to companies reporting under IFRS, using accounting policies which are consistent with those set out in the financial statements for the year ended 30 June 2025.

2.2 Going Concern

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the Directors have considered the budget for the next 12 months from the date of this report and the cash at bank available as at the date of approval of this report and are satisfied that the Group should be able to meet its financial obligations.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adapt the going concern basis in preparing this report.

2.3 Restatement of Year Ending 30 June 2025 Comparatives

The following adjustments have been made in respect of the 12 months to 30 June 2025:

- Accrued revenue - the Croda revenue was inappropriately recognised and has been removed in entirety
- Board bonus accrual - The award, payment and timing of accounting for bonuses and associated consultancy payments made to certain Board members at the time in FY24 and FY25 had not been accrued in the correct financial years. Martin Hunt and Dr Cathy Prescott have subsequently repaid them in full voluntarily
- Intangibles amortisation - as commercialisation had commenced on the IP relating to the Zenakine launch in the year, amortisation commenced accordingly
- Deferred tax - Adjustment to eliminate deferred tax liabilities which were inappropriately carried and not released as per IAS 12

Restated Statement of Comprehensive Income as at 30 June 2025		As previously reported	Prior year adjustment	As restated
		£	£	£
Continuing operations				
Revenue	1	4,638,147	(769,000)	3,869,147
Cost of sales		(1,778,867)	-	(1,778,867)
Gross profit		2,859,280	(769,000)	2,090,280
Selling and distribution		(293,375)	-	(293,375)
Research and development		(127,347)	-	(127,347)
Operating expenses	2	(3,561,693)	(233,675)	(3,795,368)
Loss from operations		(1,123,135)	(1,002,675)	(2,125,810)
Finance costs		(91,981)	-	(91,981)
Gain on remeasurement of contingent consideration		500,000	-	500,000
Loss before taxation		(715,116)	(1,002,675)	(1,717,791)
Taxation	3	18,863	(44,286)	(25,423)
Loss for the period		(696,253)	(1,046,961)	(1,743,214)
Total comprehensive loss for the period		(696,253)	(1,046,961)	(1,743,214)
Basic and diluted loss per share (pence)		(0.31)		(0.77)

1. Removal of Royalty income (see above)
2. Board bonuses, consultancy costs and amortisation of IP (see above)
3. Deferred tax adjustment (see above)

Restated Statement of Financial Position as at 30 June 2025		As previously reported	Prior year adjustment	As restated
		£	£	£
ASSETS				
Non-current assets				
Property, plant and equipment		356,291	-	356,291
Right-of-use assets		372,057	-	372,057
Goodwill		2,419,640	-	2,419,640
Intangible assets	1	1,869,485	(26,586)	1,842,899
Total non-current assets		5,017,473	(26,586)	4,990,887
Current assets				
Inventories		800,154	-	800,154
Trade and other receivables	2	1,528,628	(769,000)	759,628
Cash and cash equivalents		4,779,433	-	4,779,433
Total current assets		7,108,215	(769,000)	6,339,215
Total assets		12,125,688	(795,586)	11,330,102
EQUITY AND LIABILITIES				
Equity				
Capital and reserves				
Called up share capital		2,587,794	-	2,587,794
Share premium		21,087,900	-	21,087,900
Other reserves		438,589	-	438,589
Accumulated deficit		(14,695,186)	(646,650)	(15,341,835)
Total equity		9,419,097	(646,650)	8,772,448
Liabilities				
Non-current liabilities				
Lease liabilities		281,354	-	281,354
Long term loans		600,000	-	600,000
Deferred tax	3	356,024	(356,024)	-
Total non-current liabilities		1,237,378	(356,024)	881,354
Current liabilities				
Trade and other payables	4	1,072,919	207,086	1,280,005
Corporation tax payable	5	34,182	-	34,182
Lease liabilities		112,112	-	112,112
Deferred consideration		250,000	-	250,000
Total current liabilities		1,469,213	207,086	1,676,300
Total liabilities		2,706,591	(148,937)	2,557,654
Total equity and liabilities		12,125,688	(795,586)	11,330,102

1. Amortisation of intangibles (see above)
2. Accrued royalty income (see above)
3. Deferred tax adjustment (see above)
4. Board bonus accrual and consultancy costs (see above)
5. Deferred tax adjustment (see above)

2.4 Application of New and Revised International Financial Reporting Standards (IFRSs)

There are no IFRSs or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Group.

3. Revenue and Segmental Reporting

The Group has identified its operating segments based on the internal reports reviewed by the Chief Operating Decision Maker ("CODM") to allocate resources and assess performance. The CODM has been identified as the Group Chief Executive Officer.

The Group's reportable segments are organised and managed separately according to the nature of products and services provided. Each segment represents a strategic business unit that offers different products and serves different markets.

The Group has the following reportable operating segments:

- Products - where the Group seeks to commercialise its own intellectual property and typically stands the primary inventory risks of manufacturing
- Services - where the Group manufactures or provides complementary services using third parties' intellectual property, and typically does not stand the primary inventory risks of manufacturing

In addition, certain costs of operations and financing of the group, which do not attract to any CGU, are classed as Corporate costs. This is not a CGU in its own right and such costs are shown distinctly from the CGU's so as to make clear to composition of profit and cash generation.

Segment performance is evaluated based on operating profit before finance costs and income taxes.

On the 5 February 2026 the Group received a letter from the Financial Reporting Council regarding revenue recognition and segmental reporting. The points raised were being looked at by the Group in the run up to the letter being received and have been acted upon in the restated numbers. In the interests of transparency with stakeholders, a full disclosure has been included in amended format as the Group expects to disclose for its full financial year.

3.1 Segment Results

	6 months to 31 Dec 2025				
	Products £	Services £	Corporate £	Eliminations* £	Total £
Sales	1,148,622	1,200,914	-	(183,588)	2,165,948
Cost of Sales	(479,264)	(665,639)	-	183,588	(961,315)
Gross Profit	669,358	535,275	-	-	1,204,633
Depreciation	-	(57,008)	(21,759)	-	(78,767)
Amortisation	(100,230)	(71,721)	-	-	(171,951)
Overheads	(630,729)	(330,727)	(1,000,262)	-	(1,961,718)
Operating profit	(61,601)	75,819	(1,022,021)	-	(1,007,802)
Interest	(31)	(13,237)	(23,189)	-	(36,457)
Gain on remeasurement	-	-	250,000	-	250,000
Loss before tax					(794,259)
Non-current assets	3,091,362	1,020,614	684,412	-	4,796,388
Current assets	1,580,933	999,297	4,156,816	-	6,737,046
Current liabilities	(2,151,095)	(318,126)	(243,354)	-	(2,712,575)
Non-current liabilities	-	(242,670)	(600,000)	-	(842,670)
Net Assets	2,521,200	1,459,115	3,997,874	-	7,978,189

6 months to 31 Dec 2024					
	Products £	Services £	Corporate £	Eliminations* £	Total £
Sales	1,163,022	413,509	-	-	1,576,531
Cost of Sales	(459,837)	(239,130)	-	-	(698,967)
Gross Profit	703,185	174,379	-	-	877,564
Depreciation	-	-	(44,040)	-	(44,040)
Amortisation	(75,140)	(35,859)	-	-	(110,999)
Overheads	(512,208)	(129,266)	(1,116,600)	-	(1,758,074)
Operating profit	115,837	9,254	(1,160,640)	-	(1,035,549)
Interest	(312)	(224)	(5,216)	-	(5,752)
Loss before tax					(1,041,301)
Non-current assets	3,028,518	784,471	1,017,226	-	4,830,215
Current assets	1,270,268	858,798	2,238,216	-	4,367,282
Current liabilities	(2,154,080)	(509,733)	(568,424)	-	(3,232,237)
Non-current liabilities	-	-	(1,226,355)	-	(1,226,355)
Net Assets	2,144,706	1,133,536	1,460,663	-	4,738,905

12 months to 30 June 2025					
	Products £	Services £	Corporate £	Eliminations* £	Total £
Sales	2,484,641	1,384,506	-	-	3,869,147
Cost of Sales	(994,246)	(784,621)	-	-	(1,778,867)
Gross Profit	1,490,395	599,885	-	-	2,090,280
Depreciation	-	(75,915)	(77,828)	-	(153,743)
Amortisation	(177,036)	(95,625)	-	(242,488)	(272,661)
Overheads	(1,167,278)	(555,145)	(2,067,262)	-	(3,789,685)
Operating profit	146,081	(126,800)	(2,145,090)	(242,488)	(2,125,810)
Interest	(4,189)	(24,566)	(63,226)	-	(91,981)
Gain on remeasurement			500,000		(500,000)
Loss before tax					(1,717,791)
Non-current assets	3,076,325	1,066,549	848,013	-	4,990,887
Current assets	1,370,717	875,952	5,765,064	-	8,011,733
Current liabilities	(1,956,650)	(316,171)	(825,996)	-	(3,098,817)
Non-current liabilities	(229)	(281,125)	(850,000)	-	(1,131,354)
Net Assets	2,490,163	1,345,205	4,937,081	-	8,772,448

* Eliminations represent sales between segments which have been removed on consolidation. Such sales are from the Services to the Products segment.

3.2 Geographical Analysis

Below is an analysis of the geographical split of revenue, along with the geographical locations of items of non-monetary assets used to generate the revenues.

6 months to 31 December 2025			
	Revenue £	Property, plant & Equipment £	Intangible Assets £
United Kingdom	1,884,113	356,791	4,439,597
Europe	200,838	-	-
United States of America	40,395	-	-
Rest of the World	40,117	-	-
Total	2,165,464	356,791	4,439,597

6 months to 31 December 2024

	Revenue	Property, plant & Equipment	Intangible Assets
	£	£	£
United Kingdom	1,261,471	421,325	4,308,344
Europe	190,084	-	-
United States of America	91,759	-	-
Rest of the World	33,217	-	-
Total	1,576,531	421,325	4,308,344

12 months to 30 June 2025

	Revenue	Property, plant & Equipment	Intangible Assets
	£	£	£
United Kingdom	3,124,113	356,291	4,634,596
Europe	453,584	-	-
United States of America	147,493	-	-
Rest of the World	143,957	-	-
Total	3,869,147	356,291	4,634,596

3.3 Revenue by Type

	6 months to 31 December 2025	6 months to 31 December 2024	12 months to 30 June 2025
	£	£	£
Goods	1,148,622	1,163,022	2,484,641
Services	1,017,326	413,509	1,384,506
Total	2,165,948	1,576,531	3,869,147

Revenue is attributed based on the locations of customers.

Revenue for goods are recognised at a point in time, on dispatch of the goods. Revenue for services is recognised over time as the service is delivered, although there are no material contract assets or liabilities at any reporting period end. Other revenues represent royalty income and are recognised over time as the Group establishes right to receive the royalty. All revenues are recognised as principal.

3.4 Major Customers

Revenue from one external customer of the Products segment amounted to £386,274 (2024: £369,130), representing approximately 16.4% of the Group's total revenue.

No other single customer accounted for 10% or more of Group revenue during the half year.

In restated FY25 one external customer, Neon, within the Products segment, amounted to £801,604 (2024: £411,779) which is 17.3% of the Group's total revenue.

In restated FY25, no other single customer accounted for 10% or more of Group revenue during the year.

3.5 Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. Inter-segment transactions are conducted on an arm's length basis and eliminated on consolidation. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.6 Taxation

	6 months to 31 Dec 2025	6 months to 31 Dec 2024	12 months to 30 Jun 2025
	£	£	£
Income taxes recognised in profit or loss			
Current tax			
Current period – UK corporation tax	-	-	-
R&D tax credit	-	7,201	18,863
Tax credit for the period	-	7,201	18,863
Deferred Tax			
Origination and reversal of temporary differences	-	-	(44,286)
Total tax (credit)/charge for the period	-	7,201	(25,423)

Tax losses and deferred tax

In comparative periods the Group recognised deferred tax liabilities, which have been eliminated as part of the prior period restatements. At each reporting date the Group carried, and continued to carry, significant tax losses which are available for use against other liabilities as they are recognised, and therefore the Group has the right to recognise such tax losses to the extent of the associated liabilities. The Group has further unrecognised tax losses available for use.

4. Loss Per Share

	6 months to 31 Dec 2025	6 months to 31 Dec 2024	12 months to 30 Jun 2025
	£	£	£
Basic and diluted loss per share			
Loss after tax (£)	(794,259)	(1,034,100)	(1,743,214)
Weighted average number of shares	258,779,463	223,011,781	227,866,899
Basic and diluted loss per share (pence)	(0.31)	(0.46)	(0.77)

As the Group is reporting a loss from continuing operations for the period then, in accordance with IAS 33, the share options are not considered dilutive because the exercise of the share options would have an anti-dilutive effect. The basic and diluted earnings per share as presented on the face of the income statement are therefore identical.

5. Goodwill

	£
Cost	
At 31 Dec 2024	2,419,640
Acquisition adjustment	-
At 30 June 2025	2,419,640
Acquired	-
At 31 Dec 2025	2,419,640

Goodwill for 31 December 2024, as presented in the comparative interim report, included provisional accounting due to the proximity of the business combination to the date of release of the report. These amounts have now been restated to reflect the final goodwill position as determined for the 30 June 2025 year end, at which point the remeasurement period had been completed. The Group is required to recognise this adjustment as a restatement, which is distinct from other prior period errors shown in note 2.

6. Intangible Assets

	Patents & trademarks £	Customer relationships £	Brands £	Total £
Cost				
At 31 Dec 2024	951,726	1,151,000	25,000	2,127,726
Additions	72,037	-	-	72,037
At 30 June 2025	1,023,763	1,151,000	25,000	2,199,763
Additions	34,641	-	-	34,641
At 31 Dec 2025	1,058,404	1,151,000	25,000	2,234,404
Accumulated Amortisation				
At 31 Dec 2024	12,550	180,217	2,506	195,273
Charge for the year	28,394	131,943	1,254	161,591
At 30 June 2025	40,944	312,160	3,760	356,864
Charge for the year	26,800	143,898	1,254	171,952
At 31 Dec 2025	67,744	456,058	5,014	528,816
At 31 Dec 2024	939,176	970,783	22,494	1,932,453
At 31 Dec 2025	990,660	694,942	19,986	1,705,588

7. Share Capital

	6 months to 31 Dec 2025 £	6 months to 31 Dec 2024 £	12 months to 30 Jun 2025 £
Issued share capital comprises:			
258,779,463 ordinary shares of £0.01 each	2,587,794	2,284,359	2,587,794

8. Events after the Reporting Date

On 22 January a previous employee exercised 129,736 share options that had an option price of 0.09p. The total voting rights of the company therefore increased to 258,909,199.

On 11 February a previous employee exercised 259,472 share options that had an option price of 0.09p. The total voting rights of the company therefore increased to 259,168,671.

On 9 March a previous capital markets advisor was issued warrants amounting to 146,237 ordinary shares at a price of 0.19p.

On 9 March a previous capital markets advisor was issued warrants amounting to 108,474 ordinary shares at a price of 0.1475p.

On 13 April 2026 a charge dated 3 April 2026 was registered against SkinBioTherapeutics plc in relation to the loan from a shareholder that was used for the Bio-Tech Solutions acquisition. The charge provides security by way of a floating charge over the assets of the company up to the maximum value of the loan of £600,000.