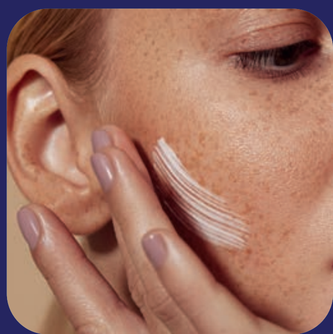
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025



SkinBioTherapeutics plc

COMPANY REGISTRATION NUMBER: 09632164

SkinBio THERAPEUTICS

SkinBioTherapeutics plc

ANNUAL REPORT AND FINANCIAL STATEMENTS 2025

HARNESSING THE POWER OF THE MICROBIOME

REVENUE

£4.6m

+284%

2024: £1.2m

GROSS MARGIN

£2.9m

+319%

2024: £0.7m

OPERATING EXPENDITURE

£3.6m

+25%

2024: £2.9m

OPERATING PROFIT

£(1.1m)

+61%

2024: £(2.9m)

OUR VISION AND STRATEGY

OUR VISION

To harness the power of the microbiome and complementary areas of skin care, to improve how skin looks, feels and most importantly, how it repairs itself from injury.

SkinBiotix Strategic Pillars

Cosmetics – Enhancing the skin's natural barrier to make it look and feel younger. Using the application of proprietary lysate technology to hydrate and tighten the skin.

Food Supplements – Exploiting the gut-skin axis via probiotic formulations to reduce symptoms associated with irritable skin conditions such as psoriasis, acne and eczema.

Medical Devices – Applying our proprietary lysate technology to enhance the skin's natural barrier to prevent the spread of infection in hard to heal wounds such as venous leg and diabetic foot ulcers.

Hospital and Domestic Surface Hygiene – Creating a lysate barrier to be applied to inert surfaces to block the latching on of the harmful bacteria, Staphylococcus aureus.

Pharmaceuticals – Formulating clinically regulated food supplements that would be medically prescribed.

OUR STRATEGY

The deployment of our original platform technology, SkinBiotix across five clear and specific market sectors. In addition, acting as a consolidator to acquire complementary areas that add new capabilities such as distribution and manufacturing.

Complementary Acquisition Opportunities

Alongside our in-house strategic pillars strategy, we are accelerating growth via acquisitions in the skin care sector.

The criteria: complementary product lines that have the potential to be microbiome-driven, distribution platforms and/or manufacturing capabilities.

Dermatonics (acquired FY2024) – is an established topical dermatological player in the skincare and woundcare space. Products are sold through its sales platform and also via a commercial partnership with the Umesh Modi Group, into Africa, the Middle East and Asia.

Bio-Tech Solutions – (acquired FY2025), Bio-Tech Solutions brings specialist health, hygiene and personal care product manufacturing and packaging. It has potential as a future development platform for advanced topical creams.

CHAIRMAN'S STATEMENT

Dear Shareholders,
SkinBioTherapeutics has evolved from a one technology company to a more integrated diverse Group with multinational distribution, a high street presence and manufacturing capabilities.

The year to the end of June 2025 has been another impactful one as we evolve as a Group. Significant progress has been made with our original five pillars, with notable successes such as the SkinBiotix® / Croda commercial partnership and the launch of Zenakine to the global cosmetic industry. We also made our second acquisition, Bio-Tech Solutions which has complemented the successful acquisition of Dermatonics in the previous financial year to bring a manufacturing arm to the business with synergies beginning to positively impact the group. Just before the year end, we signed an exclusive agreement with Superdrug around AxisBiotix™ and post year end, stock was placed on High Street shelves for consumers. The CEO's report provides fuller details of these achievements.

Strategy

The underlying strategy of the Group is to apply the SkinBiotix™ technology across multiple pillars – from skin health as an active ingredient to tackling skin conditions to wound care, and seek strategic external partnerships to commercialise these products for a share of royalty and/or revenues. Since 2022, we have extended this strategy to look at complementary products and operations, that would accelerate revenue, earnings and technology adoption. Overall, this dual track strategy aims to build on external partnerships, extend our international reach and diversify the risk in our business by broadening its base.

Financial summary

The acquisitions of Bio-Tech Solutions (October 2024) and Dermatonics (January 2024) have made a major impact to the financial landscape of the Group, not only in FY2025 but in relation to future of the Group. The Finance review provides more detail, but in summary, the revenues grew 284% to £4.6m (FY2024: £1.2m) reflecting the growth of AxisBiotix-Ps sales, a full year trading of Dermatonics, nine month's sales from Bio-Tech Solutions and Royalty income. The operating loss was £1.1m (FY2024: loss £2.9m), reflecting the introduction of a full year of Dermatonics profit and the Bio-Tech Solutions acquisition, this is despite an increase in costs of operations and headcount, before and after the acquisition. Cash as at 30 June 2025 was £4.8m (FY2024: £0.8m), comprising incoming cash balances from Bio-Tech Solutions and two equity-based fund raisings, in August 2024 and June 2025 raising £1.56m and £4.2m (gross) respectively to support the Superdrug agreement and initial launch.

Board and Leadership

During the financial year, we welcomed three new members to the board and leadership team. Simon Hewitson as Chief Operating Officer and Emily Bertram as Group Finance Director. We also appointed Dr Surinder 'Dass' Chahal as Cosmetic Science / Customer Alliances Advisor to the Board. Post year end Simon stepped away from his role in the Company due to personal reasons and we wish him all the best for the future. Post year end, the Group undertook to strengthen the board and, with effect from 1 January 2026, Alyson Levett will join the Board as a new Non-Executive Director; she will also take on Chair of the Audit Committee from Dr Cathy Prescott. Emily Bertram has also been promoted to Chief Financial Officer and will also join the Board with effect from 1 January 2026. Danielle Bekker has also decided to step down from her role as Non-executive director. Danielle's support and guidance has been invaluable to the team so we are delighted that she has agreed to provide support on a consultancy basis following her resignation. The appointments have been agreed by the Board, subject to completion of regulatory due diligence purposes of the AIM Rules.

Outlook

In my opinion, 2025 will be a year we will look back at with great pride, not only of what we have achieved but how the team has responded with professionalism and a can-do attitude to every new challenge that has been presented to them. The evolution of SBTX, from a one technology company, albeit with multiple pillars, to a more integrated, diverse Group with multinational distribution, a high street presence and manufacturing capabilities continues to progress.

Our aim for the year ahead is to continue to build on the foundations of the business represented by the five pillars, as well as continuing our ambition to be a consolidator in the market. We also expect to see another series of firsts, as Zenakine is incorporated into new cosmetic products and sold to consumers and to see two AxisBiotix products sold on the High Street through Superdrug. We look forward to seeing the continued impact of these events and underlying business on the financial performance of the Group, as we rapidly approach profitability. As a team, we continue to work hard to build value for our shareholders, and we are grateful for their continuing support as we navigate the highs and lows of being a small AIM quoted business in difficult markets.

On behalf of the Board, I would like to take the opportunity to thank everyone at SBTX for the considerable progress achieved by the Group over the course of the year and in the post year end period.

MARTIN HUNT
Chairman
04 December 2025

COMPANY BACKGROUND AND STRATEGY

SkinBioTherapeutics is a life science company focused on skin health. Our underlying strategy focuses on our proprietary technology, SkinBiotix, which harnesses the microbiome to promote wound healing and reduce the risk of infection. The second part of the strategy, introduced in 2022, is based on SkinBioTherapeutic's ambition to be a consolidator in the sector using M&A to bring in technological, operational and financial benefits.

SkinBiotix™ platform strategy

Realising the multiple benefits of the SkinBiotix™ platform, we created five strategic pillars based on market sector: SkinBiotix, AxisBiotix, MediBiotix, CleanBiotix and PharmaBiotix.

The first two pillars are:

- SkinBiotix™ , our proprietary technology, is based on a lysate – the fluid resulting from the breaking up of bacterial cells - developed by the translational dermatology team at the University of Manchester. We have a commercial and manufacturing agreement with the multinational Group, Croda plc, developing SkinBiotix™ as an active ingredient for the skincare / cosmetics industry.
- AxisBiotix™, formulated into a probiotic supplement. The theory is based on research on the gut-skin axis; calming the gut microbiome with the introduction of 'friendly' bacteria and therefore reducing the inflammatory pathways associated with irritable skin conditions. Our first product is called AxisBiotix-Ps, to alleviate the symptoms of irritation prone skin and a second product AxisBiotix-AC aims to support blemish prone skin.

The other pillars - MediBiotix, CleanBiotix and PharmaBiotix – are in earlier stages of development.

Our aim is to commercialise the products ourselves where feasible (e.g. AxisBiotix-Ps and AxisBiotix-Ac), or license out the technology to specialist industry partners (e.g. SkinBiotix™ to Croda plc.)

M&A strategy

From 2022, we put in place an accelerated growth strategy looking at acquisition opportunities outside the Group's in-house technology. Our criteria included complementary product lines that had the potential to be microbiome-driven, distribution platforms and/or provide manufacturing capabilities. Any acquisitions should also strengthen and accelerate SkinBioTherapeutics' financial position bringing economies of scale for the day-to-day business, providing scale to aid partnering negotiations and ultimately increase shareholder value.

Our first acquisition, Dermatonics, occurred in January 2024 with a second, Bio-Tech Solutions, taking place in October 2024.

- Dermatonics is an established topical dermatological player in the skincare and woundcare space. Its products range from heel balm, treatments for wart and verrucas, and dry skin relief. The products are sold through its sales platform and also via a commercial partnership with the Umesh Modi Group, into Africa, the Middle East and Asia.
- Bio-Tech Solutions is the newest addition to the Group and brings specialist health, hygiene and personal care product manufacturing and packaging. This company also has potential as a future development platform for advanced topical creams.

Into FY26, the Group will continue to drive both strategies together to drive scale and value.

OPERATIONAL REVIEW

- **SkinBiotix™ (skincare/cosmetics)**

Since 2019, SkinBioTherapeutics has had a commercial and manufacturing agreement with Croda plc, a specialist manufacturer of ingredients which it supplies to the international cosmetics and Fast Moving Consumer Goods (FMCG) industry. Croda has been investigating the use of SkinBiotix™ as a novel bioactive ingredient.

Typically, the time taken for an ingredient to be researched and tested by the Croda team is seven years before it enters commercialisation; in SkinBioTherapeutic's case, the process has taken only five years which is real testament to our SkinBiotix™ technology. During this time, Croda has been investigating the best quality formulations for its customers as well as scaling-up the manufacture of SkinBiotix™ to commercial levels i.e. 20,000 litres, in order to be able to service the global market.

In October 2023, Croda extended its development agreement in order to explore evidence of additional activity. This study was successfully completed in September 2024, with validation of additional efficacy and marketing claims for Croda's commercialisation team to use with potential customers.

The formal launch of SkinBiotix™ as an active ingredient took place in April 2025 at In-Cosmetics Global, the world's largest cosmetic ingredients exhibition.

In April 2025 the Company finalised commercial terms with Croda following the completion of the extended studies. The terms are based on the original agreement with SkinBioTherapeutics i.e. paid tiered royalties based on global sales revenues on any licensed products derived from the partnership. Sales and distribution rights are for the cosmetic sector alone, leaving SkinBioTherapeutics to focus on further applications of its technology in other sectors.

Under the terms of the agreement, all details about formulation, functionality and Croda's financial expectations remain completely confidential. However, we are pleased to report, for the purposes of these FY results, the first tranche of royalty income has been recognised in the revenue of the group. Any royalty revenues arising from ongoing sales will be reported to the market at the appropriate time, and we will draw shareholders' attention to any relevant public announcements from the Croda team.

- **AxisBiotix™ (gut/skin axis)**

AxisBiotix is commercialised as a food supplement to alleviate the symptoms of irritation prone skin and has been developed further to target blemish prone skin.

AxisBiotix-Ps, the food supplement targeting the psoriasis sector, is being sold directly by SkinBioTherapeutics in the UK and Europe via its own website and via Amazon. The primary focus for FY25 has been to continue to grow direct sales in the UK and Europe, whilst searching for a retail partner to sell this product and the new line for blemish-prone skin on the High Street.

Sales in FY25 were from direct sales only and reached £280k (FY24: £248k). The monthly retention rate has stayed high at similar levels to FY24, achieving 86% during the period (FY24: 80%). The retention rate is measured as the number of subscribers who remain a subscriber at the end of each monthly period, compared to the same cohort that were in existence at the start of a month period.

Just before the year end, we were granted Seal of Recognition and inclusion in the approved product directory by the US National Psoriasis Foundation (NPF). The NPF is the leading non-profit organisation representing individuals with psoriasis and psoriatic arthritis in the USA. This official recognition is important industry validation of AxisBiotix™-Ps and opens up potential new markets for the product in the longer term.

AxisBiotix- Ac, during the financial year, we made further progress in preparing for the launch of our food supplement, which harnesses the microbiome used in the AxisBiotix-Ps in order to support blemish prone skin.

In a previous study involving 98 UK-based participants with acne-prone skin, 84% of participants reported that the appearance of their spots had improved, 77% that the pain caused by their spots had eased, and 62% that the anxiety they felt due to their spots had improved.

In June 2025 our High Street strategy was realised, and we signed a contract with Superdrug Stores plc (Superdrug) for two years exclusivity for the food supplement targeting irritation prone skin and the most recently developed version targeting blemish prone skin. There was a very short lead time allowed for manufacture and delivery of both products to meet the stringent launch deadline, but the SkinBioTherapeutics team achieved it. These products were launched by Superdrug post year end in October 2024 around the UK in c.180 specially selected stores on the basis of having typically higher sales of medicated skincare relative to the rest of its group. A phased roll-out to the rest of Superdrug's UK store portfolio is scheduled to commence in Spring 2026, as well as the development of new formulations of SkinBiotix™ into gum and/or capsule form.

- **Research & Development**

SkinBioTherapeutics has a number of R&D projects underway with the University of Manchester. With the amount of activity going on in the commercial parts of the business and the integration of our recent acquisitions, activities around R&D have been put on hold until the Board has determined which programmes have the greatest potential and value. The current projects are:

- **MediBiotix** - developing SkinBiotix™ for accelerated wound closure, a medical device application. The programme is called Project Epiderm. This work is being undertaken by Professors Cruikshank and McBain at the University of Manchester and has been joint funded by SBTX and grant funding.
- **Oral Programme:** the first extended phase of developing a new lysate for the oral programme is complete. Further funding will be required to take this programme further forward and the Company is in discussions with the University to establish next steps.
- **Inflammation:** looking at how the microbiome can influence and balance the body's response to inflammation specifically related to harmful UVR (sunlight) light. The programme ran until June 2025.

Dermatonics

Dermatonics Limited is a specialist in innovative topical and dermatological products in the skincare/woundcare space, using natural ingredients wherever possible. The company was acquired by SkinBioTherapeutics in January 2024 for £1.75m plus £1.25m earn-out over three years, in a cash-free and debt-free acquisition.

This acquisition aligned directly with our previously stated strategy to seek accretive opportunities outside of the business that provided immediate synergies and accelerated routes to market. It has expanded our product range and customers base, provided a sales platform with senior regulatory and sales expertise, and new sales channels for our in-house strategic pillars.

Revenue for the financial year was £2.2m (FY24: £1.0m) with EBITDA of £0.5m (FY24: £0.1m), which was slightly lower than our expectations following timing of revenue and additional costs, however, this additional expenditure has now laid the foundations to achieve growth in FY26. Post year end synergies with Bio-Tech Solutions have begun to be realised and this will continue throughout FY26.

The Umesh Modi ("UM") contract has delivered revenue but is still in its infancy. The internal team are currently in talks with a number of international distributors, including UM, to enhance our export trade. The overall export sales in FY2025 increased by 3% compared to prior year.

Bio-Tech Solutions

In October 2024, we completed our second acquisition of Bio-Tech Solutions Ltd ("BTS") for a total enterprise consideration of £1.25m payable in cash on closing. BTS is a well-established manufacturer and supplier of health, hygiene and personal care products and brings the capabilities of manufacturing and packaging to the Group, as well as a future development platform for advanced topical creams. The manufacturing facilities are to GMP standards and ISO certified,

"The profile of the Group has changed completely this year and will broaden further in FY26."

and the Company has quality control (QC) facilities, including HPLC (high-performance liquid chromatography) analysis service and can also deal with flammables.

The acquisition was funded by a loan of £950,000 with an existing shareholder, David Brierwood, and a subscription for 2,349,624 new Ordinary Shares at 10.64p raising £250,000, as well as utilisation of Group cash reserves. The rationale behind the use of the loan and equity element was to preserve the Group's cash runway, and allows time for integration and realisation of synergies, such as manufacturing products from Dermatonics' pipeline in-house.

For the financial year ended 30 June 2025, BTS reported revenues of £1.4m and EBITDA of £0.1m which was slightly lower than expectation due to timing of orders which occurred post year end, the timing of the acquisition completion and integration.

As detailed as part of the fundraise in June, we will be using some of these funds to enhance the BTS site. This will allow us to build this site into a facility that can support the packaging and enhancement of our AxisBiotix product offering extending its capacity and capabilities to service a broader range of contracts including medical device-certified products. This would also allow the Group to become more efficient and be able to produce different grades of cosmetic and medical products. Each phase of the investment plan will only commence if milestones based on an increase in profitability are triggered; we will fund this plan through internal means only rather than raise more funds.

FINANCIAL REVIEW

In the year to 30 June 2025, the Group reported sales of £4.6m (2024: £1.2m), reflecting continuing increase in AxisBiotix-Ps™ sales, a full year trading of Dermatonics, the addition of Bio-Tech Solutions revenues and Royalty income, which was in line with management expectations. Revenues from AxisBiotix-Ps were £280k (2024: £248k) following an increase in subscriber numbers, the launch into new territories during 2024 and onto Amazon. Dermatonics revenues were £2.2m representing a full year of trading under the Group, up from £1.9m on a like-for-like basis. Bio-Tech Solutions contributed £1.4m from October to 30 June 2025.

Cost of sales increased to £1.8m (2024: £0.5m), reflecting the impact of the Dermatonics and BTS acquisitions and financials on the Group.

Gross profits were £2.9m (2024: £0.7m) with gross margins at 62% (2024: 57%) reflecting increased operational efficiencies of the larger group.

Overall expenses were £4.0m (2024: £3.6m). Selling and distribution was £0.3m (2024: £0.2m). Research and development expenditure costs were £0.1m (2024: £0.6m) for the EpiDerm programme. Operating expenses increased by 25% to £3.6m (2024: £2.9m) reflecting the impact of a full year of Dermatonics and the introduction of BTS into the Group's financials and increased plc costs associated with a larger group.

The operating loss was significantly improved from the prior year by 61% to £1.1m (2024: loss £2.9m).

The cash balance as at 30 June 2025 was £4.8m (2024: £0.8m) which is representative of the addition of BTS to the group and the successful Placing and WRAP Retail Offer in August 2024 and June 2025 raising £1.56m and £4.2m respectively. We do not have any short-term concerns over cash on the basis that the acquisition of BTS reduced monthly cash burn further and following the completion of the Croda commercial agreement, we have been able to update expectations further to be cash positive for the foreseeable future.

During the year we carried out a number of financing events. In August 2024 we raised £1.56m of gross proceeds, having been approached by two new institutional investors. In October 2024, we raised a loan of £950,000 with an existing shareholder, David Brierwood, and a subscription for 2,349,624 new Ordinary Shares at 10.64p raising £250,000, to enable a cash acquisition of BTS. And, finally in June 2025 to support the Superdrug agreement and capital requirements in BTS to acquire the encapsulation and packaging equipment to support the development of a capsule format, we undertook a Placing and WRAP Retail Offer raising £4.2m.

Current trading and outlook

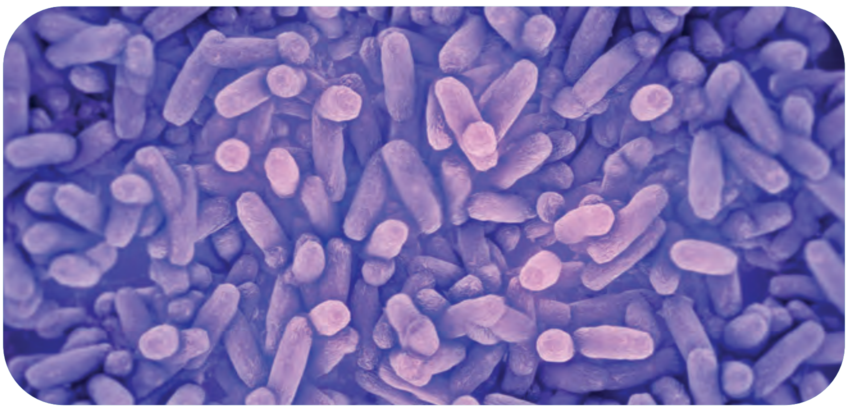
The profile of the Group has changed completely this year and will broaden further in FY26.

This year, we have seen a full year's revenues from Dermatonics and eight months of BTS, on top of the underlying AxisBiotix direct business and the addition of royalty income. FY26 will reflect all of this plus the addition of a full year of BTS results and the start of the Superdrug / AxisBiotix sales.

Overall trading of the Group has started well for the new financial year and the Board looks forward to reporting the full year numbers in line with market expectations.

The extent of Croda sales is difficult to forecast since SkinBiotix™ is such a novel product for the industry, however, response to the Zenakine launch from attendees/customers at the Croda presentation at the Incosmetics Global meeting and feedback from Croda and the market are greatly encouraging with respect to market interest. We remain confident that the potential enhanced commercial opportunities could be considerable.

In FY2024, the majority of our focus was on growing underlying sales of AxisBiotix-Ps™ in the UK and Europe alongside finding a suitable partner to



launch into the retail space. We have seen the fruits of this work through continuing sales growth through direct channels and the two year exclusivity agreement with Superdrug. We also look forward to seeing sales from our newest AxisBiotix™ line for blemish-prone skin as part of the Superdrug launch and we anticipate this will be available through our other online channels soon.

Dermatonics revenue forecast is expected to grow across all revenue streams in the business, in particular export sales. We expect to see some erosion of the profit margin during the year due to some investment in the business, but this should result in benefits to come in future growth years.

We anticipate that FY2026 will be a transitional year for BTS, with ongoing investment in the facility aimed to bring in new customers and revenue streams. We therefore expect revenues to grow, however, the true upside will be realised in future years.

With a firmer financial footing with respect to cash, a scaled-up Group infrastructure, we are in a much stronger position for making new consolidating acquisitions and for negotiations with new potential industry partners.

Key performance indicators

The Board recognises the importance of KPIs and their appropriateness to the stage of development of the business. The Group is focused on the development of its technology programmes all of which are cash consuming. The KPIs are therefore chosen to monitor the progress of the individual programmes, the external market environment and the cash requirements of the Group.

Financial
The cash position of the Group is monitored on a continual basis with reference to both the ongoing operational costs of the business and more particularly the cash requirements to support its scientific development programmes and IPR strategy. Net cash used in operating activities was £1.24m (2024: £2.73m).

Non-financial
The Group actively monitors the progress of its development programmes. Timelines exist for each programme with key milestones detailed and these are regularly reviewed and updated accordingly.

In addition, the Group monitors the life science market for; competitive products and technologies, licensing deals within the cosmetic industry, scientific research related to the microbiome and regulatory and policy matters in the major markets. Further details can be found in the financial review.

PRINCIPAL RISKS AND UNCERTAINTIES

Ultimate responsibility for the process by which risk in the business is managed rests with the Board. The principal risks and uncertainties facing the Group, as well as mitigating actions, are set out below. While the list is not exhaustive, it is derived from the Group's detailed risk register. These risks are reviewed by the Audit Committee at least biannually, which reports its findings to the Board.

The Group's internal risk identification and management process is as follows:

- The Executive Team prepares and reviews on a periodic basis, by function, the risk register for the Group. The risk register details specific risks to the Group, the quantification of those risks in terms of probability and impact, and mitigating actions required to manage these risks.
- The risk register assigns responsibility for each risk and mitigation plan to one or more members of the Executive Team.
- The risk register is circulated to the Board in advance of each board meeting and specific risk items are discussed at board meetings or otherwise as appropriate.
- The risk register is reported to the Audit Committee at least biannually.

As at the date of this report, the Board is satisfied that the risk management and internal control systems in place are adequate for this stage of the Group's development. The Board does not consider it to be necessary to establish a financial internal audit function, but this is kept under review by the Audit Committee.

Stage of operations

SkinBioTherapeutics is at an early stage of development in several pillars, however, is generating growing revenues in the AxisBiotix pillar through sales of its food supplement AxisBiotix™-Ps. The extent to which it can generate material revenue in the near term will be dependent on the market penetration of the two AxisBiotix™ lines sold directly and via Superdrug, alongside the successful commercialisation of its the first product arising from the SkinBiotix® platform, Zenakine, through Croda plc. In addition, the Group is exploring potential licensing opportunities in the MediBiotix pillar. The two acquisitions, Dermatonics and Bio-Tech Solutions, have introduced a more stable revenue source which we expect to continue to grow.

Clinical development risk

The commercialisation of the Group's intellectual property and the potential applications of its technologies requires ongoing preclinical development, formulation, process development, /clinical studies that exemplify platform claims. There is a risk that one or more of the business's technologies does not perform as expected and fails to perform in the applications identified by the Group.

Furthermore, clinical development and human studies can result in unexpected costs. Agreeing study designs, study endpoints and study recruitment timelines without unforeseen delays with regulatory agencies is key. Regulatory body guidelines leading to market authorisation may be subject to alteration and are divergent in different jurisdictions. In addition, the need to manufacture clinical grade materials for medical device products may result in further unexpected costs.

Product development timelines

Development programme delays, inconclusive results, identification of safety issues, manufacture and formulation failures or regulatory challenges may require additional follow-up studies that are not currently envisaged with a consequential impact on development timelines and cash resources.

Dependence of key personnel

The Group operates with a small team and success is highly dependent on the expertise and experience of its board, management and employees. Retention and incentivisation of these individuals is critical to the Group.

Formulation

The Group has developed formulations for its initial products and will need to repeat this process for other products. There are risks associated with the means and timeline in developing formulations and establishing their long-term stability. It may require a number of iterations before suitable formulations are able to be produced.

Consumer studies

SkinBioTherapeutics has invested effort and resources in the development of its technologies. Success in consumer studies in part hinges on this continuing development activity. It is however possible that the results of these studies may not be predictive of those obtained in more advanced, later-stage, expensive, time consuming and difficult to design clinical studies.

Intellectual property

SkinBioTherapeutics is focused on maintaining and expanding its intellectual property portfolio. The portfolio includes patent applications, trademarks and know-how.

Success of the Group will depend in part on its ability to obtain and maintain effective patent rights. These rights need to be sufficiently broad to protect SkinBioTherapeutics' technology and products in its chosen markets. The application process is expensive and time-consuming and SkinBioTherapeutics may not be able to file all its patent applications in all jurisdictions.

Some of the Group's patent applications remain pending and have not been given notice of allowance. National patent offices may raise objections in relation to the on-going patent applications. These may result in revised applications or prevent patent applications from being granted.

"FY2025 has been a significant year with respect to both commercial and financial transactions completed in an extremely challenging economic environment for a small growth company with big ambitions."

Competitive risk

The Directors believe the skin microbiome to be an innovative area of development and scientific focus. As such this area is subject to significant and rapid technological and consumer change. It is an area of interest to academic institutions, government agencies and private and public companies. Competition from existing companies and new entrants has emerged and maintaining an IP and technology advantage over the competition will require a sustained development focus.

The need for safe and supportive skin health and well-being products is acknowledged by consumers and healthcare providers around the globe. Large multinationals have divisions dedicated to the sector and many have established brands or approved products on the market. These brand owners have greater financial and human resources which can be deployed to build and maintain a brand position. Many also have dedicated R&D units and could therefore choose to develop technologies that compete with those of the Group.

Regulatory environment

The Group operates in a regulated environment that varies dependent upon the jurisdiction and technology. These regulations are subject to change at short notice and differ according to any proposed product claims, intended use or marketing route. While the Group will take every effort to ensure that it and its partners comply with all applicable regulations, there can be no guarantee of this. Failure to comply with applicable regulations could result in the Group being unable to successfully commercialise its technology or any products that incorporates it and/ or result in legal action being taken against the Group which could have a material adverse effect.

S172 STATEMENT

The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

- **The likely consequences of any decision in the long term**
  The Group's strategic objectives and the progress made against these during the year, together with the principal risks, are detailed in this Strategic and Financial Review on pages 4-11.
- **The interests of the Group's employees**
  SkinBioTherapeutics is a small company in terms of its number of employees, albeit growing through acquisitions, and recognises these employees are key to its business success. Members of the Board maintain frequent contact with employees and the executive team engage with employees with regards current performance and future plans and ambitions for the Group.
- **The need to foster the Group's business relationships with suppliers, customers and others**
  A consideration of the relationship with wider stakeholders and their impact on our long-term strategic objectives is disclosed in Principle 4 of the Corporate Governance Report on pages 17-26.
- **The impact of the Company's operations on the community and the environment**
  The Group is committed to operating with a high level of corporate social responsibility and environmental sustainability. Principle 2 of the Corporate Governance Report provides further disclosure on how we promote a corporate culture that is based on ethical values and behaviour.
- **The desirability of the Company maintaining a reputation for high standards of business conduct**
  Our intention is to behave in a responsible manner, operating with a high standard of business conduct and corporate governance, as detailed in the Corporate Governance Report.
- **The need to act fairly as between members of the Company**
  The Board is fully committed to open and transparent dialogues with all shareholders. A supportive base of investors interested in a long-term holding in the Company provides the stability to allow us to execute our strategy and deliver long term value for all shareholders. We strive to engage with our investor base with meetings and updates to institutional and retail investors through a variety of channels.

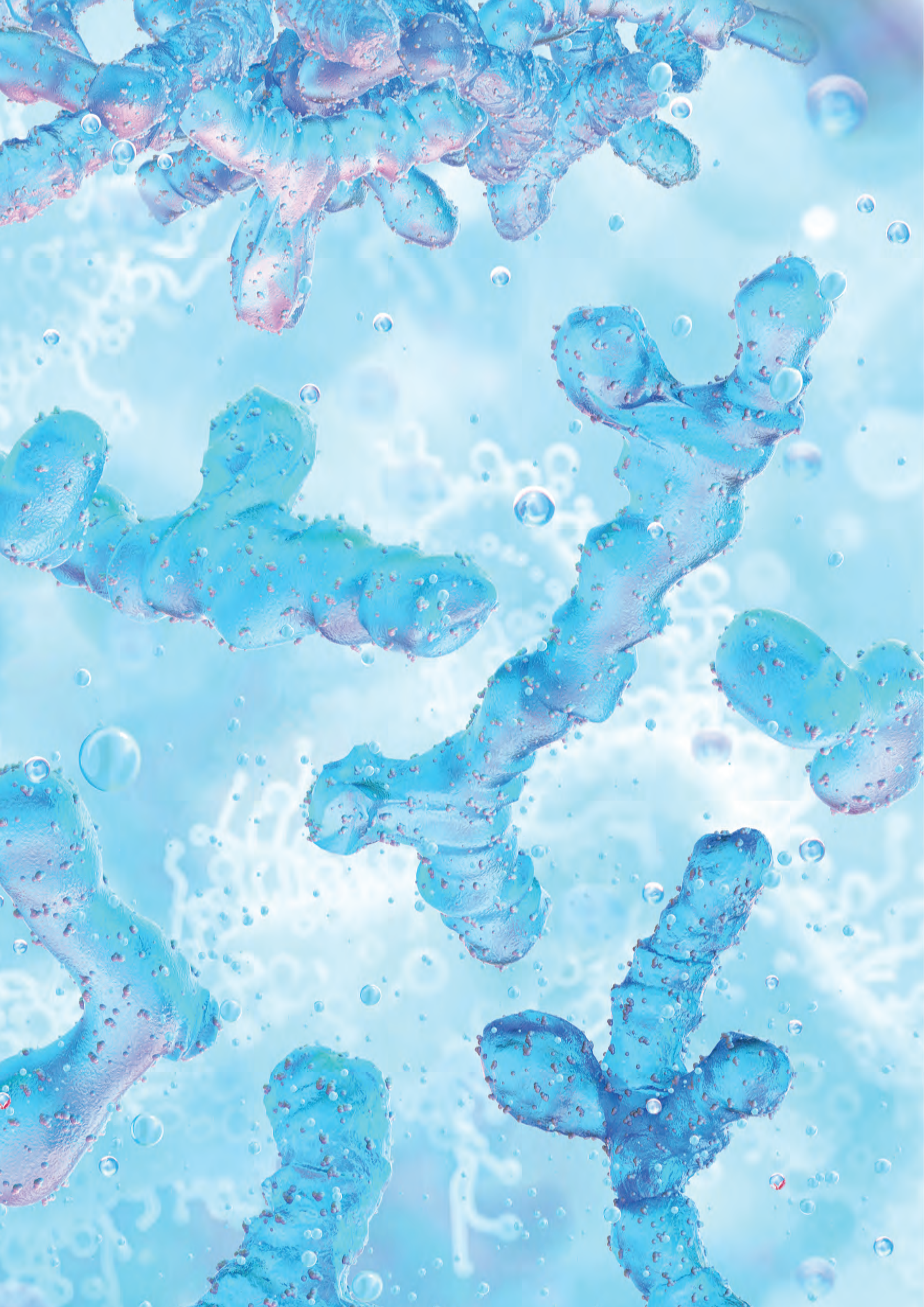
Conclusion

FY2025 has been a significant year with respect to both commercial and financial transactions completed in an extremely challenging economic environment for a small growth company with big ambitions.

We have always stated that we want to grow the business both through organic growth, but also through acquisition, in order to provide additional products and capabilities, and increasingly importantly, scale-up for negotiations with present partners as well as future ones. Dermatonics and in time, Bio-Tech solutions have completely changed our shape and positioning, and have created additional products, operational and manufacturing infrastructure to complement the SkinBiotix™ platform. Our commercial partnerships with Croda, and more recently Superdrug, will also play a significant role in SkinBioTherapeutics future growth and long term value.

All of these achievements would not have taken place without the hard work of the team and the long-term support of our shareholders, for which we are very grateful.

STUART ASHMAN
CEO
04 December 2025



GOVERNANCE

IN THIS SECTION

"AN ONGOING COMMITMENT TO PROMOTE A CULTURE OF EXCELLENT CORPORATE GOVERNANCE.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Group for the year ended 30 June 2025.

Principal activity

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.

DIRECTORS

The directors who served the Company during the year were:

Stuart J. Ashman
Manprit Randhawa (resigned 31st May 2025)
Simon Hewitson (appointed 28th April 2025 and resigned on 14 October 2025)
Martin Hunt
Dr Cathy Prescott
Danielle Bekker

The Directors of the Company held the following beneficial interests in the share and share options of SkinBioTherapeutics plc at the date of this report:

	ISSUED SHARE CAPITAL		SHARE OPTIONS	
	Ordinary shares of £0.01 each	Percentage held	Ordinary shares of £0.01 each	Options exercise price
Martin Hunt	560,417	0.22%	3,892,082	£0.09
Stuart J. Ashman	276,804	0.11%	5,189,444	£0.09 & £0.18
Dr Cathy Prescott	181,112	0.07%	-	-
Danielle Bekker	43,750	0.02%	-	-

Martin Hunt's shareholding is held through Invictus Management Limited, a company controlled by Mr Hunt. Of the 560,417 shares held by Invictus Management Limited 11,112 are held on behalf of Louise Hunt and 11,111 are held on behalf of Oliver Hunt.

SUBSTANTIAL SHAREHOLDINGS

As at 03 December 2025, the following interests in 3% or more of the issued share capital appear in the register:

	Percentage of issued share capital
Mark Dixon	13.14%
OptiBiotix Health Plc	6.41%
David Brierwood	6.34%
Tyndall Investment Management	6.27%
Seneca Partners Limited	5.25%
Unicorn Asset Management	3.05%

DIRECTORS' REMUNERATION

The Directors received the following remuneration during the year:

	Salaries	Fees	Share-based payments*	Pension contributions	Social Security Costs	Total remuneration 2025	Total remuneration 2024
EXECUTIVE							
Stuart J. Ashman	£307,570	-	-	£9,162	42,008	£358,740	£367,306
Manprit Randhawa	£188,572	-	-	£5,597	24,607	£218,776	£257,613
Simon Hewitson	£25,416	-	-	£1,226	3,660	£30,302	-
NON-EXECUTIVE							
Martin Hunt	£14,378	£57,511	-	-	898	£72,787	£71,676
Dr Cathy Prescott	£7,189	£28,755	-	-	82	£36,026	£36,099
Danielle Bekker	£27,169	-	-	-	2,701	£29,870	£28,617
	£570,294	**£86,266**	**-**	**£15,985**	**73,956**	**£746,501**	**£761,311**

The current year now includes social security costs so 2024 has been restated on the same basis.

FINANCIAL INSTRUMENT RISK

The Group's exposure to financial risk is set out in note 2r) of the financial statements.

RESEARCH AND DEVELOPMENT

The Strategic and Financial Review on pages 4-11 gives information of the Group's research and development activities.

EVENTS AFTER THE REPORTING DATE

Refer to note 27 to the financial statements for further details.

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.

After making enquiries, 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 adopt the going concern basis in preparing the annual report and financial statements. Please refer to note 2d) on page 44 for further details.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards (IFRSs).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether the Group and Parent Company financial statements have been prepared in accordance with applicable IFRSs subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Following the resignation of Gravita Audit Limited as auditor, the directors appointed Gravita Audit II Limited to fill the vacancy, and a resolution to re-appoint Gravita Audit II Limited as auditor will be proposed to shareholders at the Annual General Meeting.

This report was approved by the Board of Directors on 04 December 2025 and signed on its behalf by

STUART J. ASHMAN
Chief Executive Officer

CORPORATE GOVERNANCE REPORT

As Chairman of SkinBioTherapeutics I have overall responsibility for corporate governance and in promoting high standards throughout the Group. As well as leading and chairing the Board my responsibilities are to ensure;

- Committees are properly structured and operate with appropriate terms of reference
- The performance of individual directors, the Board and its committees are reviewed on a regular basis
- The Company has a coherent strategy and sets objectives against this
- There is effective communication between the Company and its shareholders

All the directors of SkinBioTherapeutics believe strongly in the importance of good corporate governance for the creation of shareholder value over the medium to long-term and to engender trust and support amongst the Company's wider stakeholders. The Board adopted the QCA code in September 2018 and considers that it does not depart from any of the principles of the QCA code.

The QCA code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. The Directors have considered how they apply each principle to the extent the Board judges these to be appropriate in the circumstances and below we provide an explanation of the approach taken in relation to each. There were no key governance related matters that occurred during the year.

MARTIN HUNT
Chairman

Principle
Establish a purpose, strategy and business model which promotes long-term value for shareholders
Application SkinBioTherapeutics seeks to harness the microbiome for human health and has a particular focus on skin. The Group's proprietary technologies are targeted at a number of health indications and the Company is progressing applications of both its SkinBiotix® and AxisBiotix™ technologies as a route to initial value creation. The Group's programme of research and development is intended to build long-term shareholder value through a reliance on proven, rigorous science and the Group utilises its public listing as a means to source capital to support its R&D programme. The Group has an ongoing research agreement with the University of Manchester to identify and develop technologies. The Group has also leased laboratory space at the Biosphere in Newcastle upon Tyne to develop its own in-house scientific capability. In doing so the Group intends to avoid a reliance on a single technology and ensure that it has an ongoing pipeline of technologies, all related to the human microbiome, at different stages of development. The Group will seek to licence technologies to large corporates once proof of principle in humans has been established and intends to generate licence revenue through this route. Where it considers it appropriate, the Group will also look to develop and market products. This is the case with AxisBiotix-Ps where the Directors believe the market opportunities in the UK, US and Europe are best developed by selling to consumers directly. From 2022, we put in place an accelerated growth strategy looking at acquisition opportunities outside the Group's in-house technology. Our criteria included complementary product lines that had the potential to be microbiome-driven, distribution platforms and/or provide manufacturing capabilities. Any acquisitions should also strengthen and accelerate SkinBioTherapeutics' financial position bringing economies of scale for the day-to-day business, providing scale to aid partnering negotiations and ultimately increase shareholder value.

Principle

Promote a corporate culture that is based on ethical values and behaviours

Application
The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. The Board considers this particularly relevant to the Group in light of the partners with which it works, for example the University of Manchester, Croda Plc and Winclove Probiotics B.V., and recognising the intended end use of its technology in products to be marketed to and purchased by consumers. The Executive team engenders open and positive interactions with a key focus on; scientific rigour, innovation, creative solutions and collective responsibility. As the Group expands its human capability it will look to formalise its culture through an agreed set of values and standards.

The Group's policies set out its zero-tolerance approach towards any form of modern slavery, discrimination or unethical behaviour relating to bribery, corruption or business conduct.

Principle

Seek to understand and meet shareholder needs and expectations

Application
The Board is committed to communicating openly with shareholders to ensure that its strategy and performance are clearly understood. Between the Chairman and the executive directors an open and regular dialogue is maintained with the Company's major shareholders which comprise;

Shareholder	Holding 03 December 2025
Mark H Dixon	13.14%
OptiBiotix Health Plc	6.41%
David Brierwood	6.34%
Tyndall Investment Management	6.27%
Seneca Partners Limited	5.25%
Unicorn Asset Management	3.05%

More generally the Board communicates with shareholders through the Annual Report and the Interim Statement, trading and other announcements made on RNS and at the Annual General Meeting where the Board encourages investors to participate. The Company also maintains a website, www.skinbiotherapeutics.com, which contains information on the Group's business and corporate information. Following the announcement of the Group's half year and full year results the Chief Executive and management team make presentations to institutional shareholders, private client brokers and investment analysts. Existing and prospective shareholders are able to separately contact the Chairman and Chief Executive via email as detailed on the Company's website. Periodic meetings are held with existing and prospective institutional and other investors and the Company presents at private investor investment events during the course of the year. The Company's broker also produces periodic research notes on the Group.

Principle

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

Application

As a small company engaged in the early stages of technology development the Group has a limited but important number of stakeholders. Robust science is at the core of the Group's strategy and the Group has a number of key stakeholders, including its employees, involved in the different stages from research, through manufacture, formulation and testing. The Group assesses each of the companies it works with to ensure the requisite standards and values are in place. Ultimately the Group's technology will be used by consumers and ensuring the appropriate development, manufacture and marketing of products will be key to the long-term success of the Group. Throughout the various stages from initial technology identification to eventual product sales the Group is engaged in a continual process of feedback and improvement with its stakeholders, including eventual end users. In addition, the eventual licensees of aspects of its technology will be important stakeholders in the interface with consumers and the longer-term success of the Group.

Principle

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

Application

Ultimate responsibility for the process by which risk in the business is managed rests with the Board. The Group's internal risk identification and management process is as follows:

- The Executive Team prepares and reviews on a periodic basis the risk register for the Company. The risk register details specific risks to the Group, the quantification of those risks in terms of probability and impact, mitigating actions required to manage these risks and the control mechanisms that are in place to monitor the risks.
- The risk register assigns responsibility for each risk and the mitigation plan to one or more members of the Executive Team.
- The risk register is circulated to the Board in advance of each board meeting and specific risk items may be discussed at board meetings or otherwise as appropriate.
- The risk register is reported to the Audit Committee at least biannually.

CORPORATE GOVERNANCE REPORT

Continued

Principle

Establish and maintain the Board as a well-functioning, balanced team led by the chair

Application

As at 03 December 2025 the board comprised an independent non-executive chairman, one executive directors and two independent non-executive directors. Two directors are female and two are male.

MARTIN HUNT

Independent Non-Executive Chairman

Appointed as a director & Chairman in October 2016; Chair of the Remuneration Committee and member of the Audit and Insider Committees.

Martin has had a long executive career in the medtech and life science sectors including sales and general management roles with large corporations in Europe and the US. He was previously CEO of biomaterials company Tissue Science Laboratories plc taking it from start-up through an AIM listing and eventual sale to Covidien. More recently he has held a number of non-executive roles with both private and public companies. Martin is well versed in the early and growth stages of companies in the life science sector as well as bringing experience of corporate governance and shareholder communications.

Martin is currently Non-Executive Chairman of Videregen Limited Non-Executive Chairman of MediMusic Limited.

Time commitment of at least two days per month.

STUART J. ASHMAN

CEO

Appointed as a director in April 2019 and CEO in July 2019 and member of the Remuneration Committee.

Stuart is an experienced commercial chief executive with considerable experience in the medtech and life science sectors.

Prior to joining the Company, Stuart served as CEO of Onbone Oy ("Onbone"), a Finnish private equity-backed medical device company. In this role, he successfully established a global sales force and distribution network and led the growth of a multi-million-pound business.

Prior to Onbone, Stuart was President/CEO of Andover Healthcare Inc., a US-based wound management manufacturer, and before then, was President/CEO of TI Group, a UK-based medical/engineering company. Stuart also served as Senior VP, Global Sales & Strategic Marketing, BSN Medical (Biersdorf, Smith and Nephew) and was Director of Sales & Marketing at Smith & Nephew Plc, in its Woundcare, Casting & Bandaging division. In these roles, Stuart gained extensive experience of both direct sales management across multiple geographies, and of business to business selling. He has also been involved in M&A transactions and has achieved considerable commercial success in both small and large companies.

Stuart is a full-time employee of the Company.

MANPRIT RANDHAWA

CFO

Appointed as company secretary, director and CFO in June 2022; Member of the audit committee and Chair of the insider committees.

Manprit resigned on 31st May 2025.

SIMON HEWITSON

CFO

Appointed as director and COO in April 2025

Simon resigned post year end on 14th October 2025.

DR CATHERINE PRESCOTT

Independent Non-Executive Director

Appointed as a director in March 2017; Chair of the Audit Committee and member of the Remuneration Committee.

Cathy has over two decades of experience in research and management in the biotech, pharmaceutical and venture capital sectors. Cathy was a visiting professor at Kings College London, teaching on the MSc programme 'Cellular Therapies from bench to market'. Cathy brings a broad range of scientific and strategic sector expertise and experience.

Time commitment of two days per month.

DANIELLE BEKKER

Independent Non-Executive Director

Appointed as a director in April 2022.

Danielle Bekker is a Senior Executive with international experience in FMCG Innovation and Supply Chain. She held Global Innovation Director roles in two FTSE 10 organisations. She brings strong direct to consumer, supply chain management and governance skills having worked with big corporates and having launched her own business in the drinks industry. She advises medium-sized businesses on their innovation and commercialisation strategy.

Danielle is non-executive director of Blossom.LGBT and a trustee of the Sophie Hayes Foundation.

Time commitment of two days per month.

Principle

Establish and maintain the Board as a well-functioning, balanced team led by the chair

Application
The Board's primary role is to enhance shareholders' long-term interests by:

- determining the Group's overall strategy and direction
- establishing and maintaining controls, audit processes and risk management policies to ensure they counter identified risks and that the Group operates efficiently
- ensuring effective corporate governance
- approving budgets and reviewing performance relative to those budgets
- approving financial statements
- approving material agreements and non-recurring projects
- approving senior and board appointments

Martin Hunt, Dr Cathy Prescott and Danielle Bekker, all non-executive directors, are considered to be independent of the management and are free to exercise independence of judgement.

The Non-Executive Directors are required to commit sufficient time as is necessary, approximately two days per month, to fulfil their obligations. Routine commitments include preparation for and attendance at board and committee meetings. In addition, the Non-Executive Directors engage in ad-hoc dialogues with members of the Executive Team, shareholders and other stakeholders as required.

All directors are subject to reappointment by shareholders at the first Annual General Meeting following their appointment and, in previous years, in compliance with principle 6(b) of the QCA Code, at each AGM thereafter.

As a board we would like to follow a policy that is more aligned with the market in which we operate and as set out in our Articles of Association, once a director has been reappointed we will be putting directors up for re-election every 3 yeas instead of every year.

The table on page 26 details the attendance record of each director at board and committee meetings during the course of the year.

As a board we would like to follow a policy that is more aligned with the market in which we operate and therefore we have decided to put directors up for re-election every 3 years instead of every year.

Principle

Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

Application

Alongside setting the vision and strategy for the Group the Board is responsible to ensure that the business is managed for the long-term benefit of all shareholders whilst having regard for internal and external stakeholders, including employees, customers and suppliers.

The Board defines a series of matters reserved for its decision and has approved terms of reference for its Audit, Remuneration and Insiders Committees to which certain responsibilities are delegated. The chair of each committee reports to the Board on the activities of that committee.

The Audit Committee is responsible for:

- reviewing the annual financial statements and interim reports prior to approval
- reviewing and considering reports on internal financial controls, including reports from the auditors
- considering the appointment of and reviewing the relationship with the auditors, including reviewing and monitoring of independence and objectivity
- reviewing the consistency of accounting policies
- considering any proposed related party transaction

The Audit Committee can call for information from the Executive Team and consults with the external auditors directly when appropriate or when they are required to do so.

The Remuneration Committee reviews and determines on behalf of the Board the pay, benefits and other terms of service of the Executive Directors of the Company. In addition, the Committee oversees the creation and implementation of all employee share plans.

The Insider Committee is responsible for:

- monitoring and ensuring compliance with the Company's MAR dealing policy
- reviewing the classification of employees, directors and key consultants as regards clearance requirements
- reviewing and approving or rejecting as appropriate all requests for dealings in shares in the Company

The Board has not, at this stage in its development, established a Nominations Committee. The Board as a whole continues to review its structure in order to provide what it considers to be an appropriate balance of executive and non-executive experience and skills.

Principle

Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

Application

Matters reserved for the Board are;

- determining the Group's overall strategy and direction
- establishing and maintaining controls, audit processes and risk management policies to ensure they counter identified risks and that the Group operates efficiently
- ensuring effective corporate governance
- approving budgets and reviewing performance relative to those budgets
- approving financial statements
- approving material agreements and non-recurring projects
- approving senior and board appointments

The Chairman has overall responsibility for corporate governance and in promoting high standards throughout the Group. As well as leading and chairing the Board, the Chairman's responsibilities are to ensure;

- committees are properly structured and operate with appropriate terms of reference
- the performance of individual directors, the Board and its committees are reviewed on a regular basis
- the Company has a coherent strategy and sets objectives against this
- there is effective communication between the Company and its shareholders

The CEO provides coherent leadership and management of the Group, leads the development of objectives, strategies and performance standards as agreed by the Board, ensures that the assets of the Group are maintained and safeguarded, leads on investor relations activities to ensure communications and the Company's standing with shareholders and financial institutions is maintained.

The Non-Executive Directors contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of management, provide constructive challenge to the executive directors and ensure that the Group is operating within the governance and risk framework approved by the Board.

The Company Secretary is responsible for providing clear and timely information flow to the Board and its committees and supports the Board on matters of corporate governance and risk. This role is currently filled by the Group's Finance Director. The Board acknowledges the QCA guidelines on this matter and consider the joint roles appropriate for the Company's size. The Company Secretary has direct access to the Chairman on matters of corporate governance.

The Board believes that its blend of relevant experience, skills, personal qualities and capabilities is sufficient to enable it to successfully execute its strategy. The Board is additionally cognisant that with the recent changes to the Board and as the Company seeks to commercialise its technology, this may require additions to the Executive Team and wider board.

Directors attend seminars and other trade events to ensure that their knowledge remains current.

From time to time the Board may require third party advice on various matters pertaining to its business, for example in relation to the competitive landscape. Appropriate relationships to source such advice have been established.

The Directors also receive regular briefings from the Company's NOMAD in respect of continuing compliance with the AIM Rules.

Principle

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Application
The Board designed and implemented an internal board evaluation exercise in 2020. The exercise was led by the Chairman and topics covered included the balance of skills, experience and independence, understanding of the business and its strategy together with engagement with shareholders. Each director completed a questionnaire, and this formed the basis for a subsequent discussion by the Board as a whole.

Having repeated the process in 2021, the Board considers an internal evaluation appropriate and intends to repeat this process annually, acting on its findings as appropriate.

The Board's approach to succession planning is based upon identifying the medium to long term objectives of the Group and matching these against the competence of directors and senior managers. The Board will seek to identify potential gaps and recruit to fill these allowing a sufficient lead time.

Principle

Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

Application
The Remuneration Committee, which comprises Martin Hunt (Chair), Dr Cathy Prescott and Stuart J. Ashman met once during the course of the year.

Remuneration packages for the executive directors comprise a basic salary and performance related bonus. There is a defined pension contribution scheme in place for all directors and employees. In addition, executive directors and senior employees participate in a share option long term incentive plan.

The Committee (minus Stuart J. Ashman) reviewed the structure of remuneration packages for the executive directors and agreed they remained appropriate.

In setting remuneration, the committee took into consideration the compensation packages of comparable AIM listed companies.

The committee (including Stuart J. Ashman) reviewed the structure of remuneration packages for the remaining members of staff and agreed they remained appropriate.

Principle

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Application
In addition to the investor relations activities described above the following committee reports are provided;

The Audit Committee, which in the year, comprised of Dr Cathy Prescott (Chair), Martin Hunt and Manprit Randhawa, met once during the course of the year. Emily Bertram has replaced Manprit Randhawa following his resignation. The Committee met with the external auditors prior to the approval of the annual accounts. Consideration was given to the auditors' pre and post audit reports and these provided opportunities to review the accounting policies, internal controls and the financial information contained within both the annual and interim reports. The Committee engaged the external auditors for a review of the interim statement prior to its release.

The Remuneration Committee, which comprises Martin Hunt (Chair), Dr Cathy Prescott and Stuart J. Ashman met once during the course of the year.

Remuneration packages for the executive directors comprise a basic salary and performance related bonus. There is a defined pension contribution scheme in place for all directors and employees. In addition, executive directors and senior employees participate in a share option long term incentive plan.

The Committee (minus Stuart J. Ashman) reviewed the structure of remuneration packages for the executive directors and agreed they remained appropriate.

In setting remuneration, the committee took into consideration the compensation packages of comparable AIM listed companies.

The committee (including Stuart J. Ashman) reviewed the structure of remuneration packages for the remaining members of staff and agreed they remained appropriate.

The Insiders Committee, comprised of Manprit Randhawa (Chair) and Martin Hunt, met once during the course of the year to review the Company's insider lists and review and approve requests for dealing in shares in the Company. Emily Bertram has replaced Manprit Randhawa following his resignation.

For information regarding the voting of shareholders at general meetings of the Company please see the Shareholder Information section of the website.

	Plc board meetings		Committee meetings					
			Audit		Remuneration		Insider	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Stuart Ashman	10	10	–	–	2	2	–	–
Manprit Randhawa	8	8	1	1	–	–	1	1
Simon Hewitson	2	2	–	–	–	–	–	–
Martin Hunt	10	10	1	1	2	2	1	1
Dr Cathy Prescott	10	10	1	1	2	2	–	–
Danielle Bekker	10	9	–	–	–	–	–	–

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKINBIOTHERAPEUTICS plc

OPINION

We have audited the financial statements of SkinBioTherapeutics plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company statement of financial position, the company statement of cash flows and the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards (IFRSs) and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 30 June 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards (IFRSs);
- the Parent Company financial statements have been properly prepared in accordance with UK adopted IFRSs and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- a review of management's budgets and cashflow forecasts for the 12 months from proposed sign off date;
- a review of the inputs and assumptions utilised in the cashflow forecasts taking into account our knowledge of the Group and its levels of operating cashflows;
- stress testing of the forecasted cashflows;
- a review of the cash balances held by the Group at year end date and at sign-off date.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Going concern The Group incurred a loss of £0.7m (2024: £2.9m) and had net cash outflows from operating activities of £1.3m (2024: £2.7m) for the year ended 30 June 2025. The cash balance of the group is amounting to £4.8m (2024: £0.8m). There is a risk that the Group may not be able to continue as going concern in the next 12 months from signing the accounts. The Directors have assessed that going concern assumption is appropriate for the year ended 30 June 2025.	Our evaluation and our audit procedures included the following: • we assessed the Director's base cash flow forecasts against our understanding of the business, including considering potential risks and uncertainties associated with the current and future trading at the Group's cash generating units; • assessment of the reliability of forecasts to date by agreeing historical actuals to budgets, and challenging the current forecasts; • tested the clerical accuracy of management's forecast; • challenged management's forecast assumptions, and inputs including reviewing the forecast revenue and corroborated the assumptions over the conversion of new contracts and the levels of costs that are forecast: • we reviewed the latest management accounts to gauge the financial position; • we performed sensitivity analysis on the cash flow forecasts prepared by the directors; we compared recent expenses in the management accounts to the Directors' forecast to assess the reasonableness of the expected cash burn; and • considered the appropriateness of the Group and Company's disclosures in relation to going concern in the financial statements In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Key audit matter	How our audit addressed the key audit matter
Intangible assets The Group had capitalised intangible assets amounting to £1,869,485 (2024: £1,388,959). During the year, the Group and Company capitalised a further £152,530 (2024: £169,996) relating to intellectual property costs and the Group also acquired £574,000 of Customer relationship as part of Bio-Tech Solutions acquisition. The intellectual property costs are not yet being amortised as the products are in development stage except for AxisBiotix Limited where amortisation has started because of the start of its selling activities. The Directors have assessed whether the costs meet the criteria for capitalisation and whether there are any indicators of impairment. The risk is that the costs may not qualify for capitalisation or technological advancements may render the market value of the capitalised costs below its carrying value.	We have performed the following audit procedures: • considered whether the nature of the costs met the necessary criteria under IAS 38 for the costs to be allowed for capitalisation; • Reviewed the underlying calculations and assumptions of management that support valuation of the Customer relationship and Brands acquired from the Dermatonics acquisition to confirm its compliance with IFRS 3 requirements. • vouched a sample of the costs capitalised to invoices, to confirm that they relate to intellectual property and have been accurately recorded; • considered whether the Directors' policy for the treatment of such costs was reasonable and assessed whether the costs included in the reconciliation were in line with the Directors' policy; • confirmed the directors' assessment that no amortisation is necessary is accurate for the intellectual property costs; and • reviewed cash flow forecasts for the foreseeable future to assess the potential future economic benefit from ownership of the intangible assets. Based on the audit work performed we are satisfied, that although there are inherent uncertainties associated with the forecast and estimation of useful economic life of intangible assets, the directors have made reasonable assumptions about the valuation and useful economic life of intangible assets, based on past experience and expected future revenues. We are also satisfied that all necessary disclosures have been made in the financial statements. In auditing the financial statements, we have concluded that the intangibles are not materially misstated.

Key audit matter	How our audit addressed the key audit matter
Investment in subsidiaries and carrying value of intercompany receivables – parent company financial statements only We identified a risk that the investments and inter-company receivables of the parent company (SkinBioTherapeutics plc) in its subsidiaries (AxisBiotix Limited, Dermatonics Limited, Bio-Tech Solutions Limited) may be impaired. At the end of each reporting period, the directors are required to assess whether there is any indication that the investment in subsidiary undertakings and amounts receivable from subsidiary undertakings as shown in the parent company may be impaired. Management's assessment of the recoverable amount of investments/ inter-company receivables in/with subsidiaries requires estimation and judgement around assumptions used, including the cash flows to be generated from continuing operations. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiaries/ amounts receivable from subsidiaries and impairment charges.	We have performed the following audit procedures: • reviewed management's assessment of future operating cashflows and indicators of impairment; • compared the carrying value of the investment at the year end to the net assets and expected future profits of the subsidiaries; • assessed the methodology used by management to estimate the future profitability of its subsidiaries and recoverable value of the investment, in conjunction with any intra-group balances, to ensure that the method used is appropriate; • assessed the reasonableness of the key assumptions used in management's estimates of recoverable value, in line with the economic and industry statistics relevant to the business; • challenged cash inflows from revenue generating activities and the key assumptions applied in arriving at these; • assessed the reasonability of cash outflows; and • considered the appropriateness of the Parent Company's disclosures in relation to any impairment in the Company only financial statements. Based on work performed the investment in subsidiaries and carrying value of intercompany receivable in the parent company financial statements is not materially misstated.
Carrying value of goodwill The acquisition of Bio-Tech Solutions Limited during the year resulted in a recognition of goodwill amounting to £0.4m. Goodwill represents the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Due to the estimates involved, there is a risk that the amounts calculated, and fair value disclosed are incorrect.	We have performed the following audit procedures: • reviewed management's impairment workings such as forecasts of the cash generating units which included their approach and methodology as well as inputs and significant assumptions, namely: o Future revenue, operating costs and overall net cash outflows; o Discount rates; o Current and ongoing research projects; • considered whether management had exercised any bias in assumptions used or the outputs produced in the forecasts prepared; • reviewed their key assumptions and obtained support to corroborate them where necessary; and • performed a sensitivity analysis. Based on work performed, we deem that the carrying value of the assets is considered reasonable and not materially misstated.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group had revenues amounting to £4.6m (2024: £1.2m). Revenue consists exclusively of internet sales. Revenues are recorded net of an appropriate deduction for actual and expected returns, sales discounts and sales taxes when goods are dispatched. Based on this, reports are generated from online platform such as Shopify for sales details and revenue earned.	We have performed the following audit procedures: • reviewed sales register for unusual items; • reviewed a sample of invoices and credit notes from the sales register; • carried out sales cut-off procedures to verify that the invoices are recorded in the correct period; • analysed the list of top 10 customers and queried unusual variances; • reviewed invoices sequence to ensure sales are complete; and • reviewed post year end sales register and credit notes to ensure the same have been accounted in the correct period Based on audit work, we conclude that revenue has been properly recognized in the correct period as and when the obligation of the Company has been satisfied in accordance with the standard.
Carrying value of inventory Inventory is measured at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional costs to completion and disposal. There is a risk that inventory is overstated in quantity and value. The Group had inventories amounting to £800k (2024: £472k) after accounting for an allowance for inventory write-down. Of this balance, £414k relates to Dermatonics, £321k relates to Bio-Tech Solutions, with the remainder attributed to Axisbiotix. To mitigate the risk of near-expiring stock, management has implemented a purchasing policy aligned with forecasted sales.	We have performed the following audit procedures: • attended on site inventory counts near the year end and compared this to stock listings; • obtained third party confirmation for all residual sites • agreed a reconciliation of stock listing per site verses values recorded with the trial balance; • performed sales and purchases inventory cut-off testing; • obtained and reviewed the management's inventory provision assessment; and • performed inventory valuation testing to ensure stock is measured at the lower of cost and net realisable value Based on work performed, we agreed with the management not to provide allowance for inventory obsolescence.

OUR APPLICATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group Financial statements	Company Financial Statements
Overall materiality	£182,000 (2024: £79,000).	£131,000 (2024: £68,000)
How we determined it	Based on 1.5% of gross assets (2024: 1.5% gross assets)	Based on 1.0% of gross assets (2024: 1.0% gross assets)
Rationale for benchmark applied	We believe that gross assets is the primary measure used by the shareholders in assessing the performance of the Group as stable revenue is yet to be generated.	We believe that gross assets is the primary measure used by the shareholders in assessing the performance of the Company as stable revenue is yet to be generated.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £8,000 and £131,000.

We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at 65% of the overall materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit for the Group £9,100 (2024: £3,950) and for the Company above £6,550 (2024: £3,400) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

HOW WE TAILORED THE AUDIT SCOPE

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 4 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of SkinBioTherapeutics plc, AxisBiotix Limited, Dermatonics Ltd and Bio-Tech Solutions Ltd reporting units, which were individually financially significant and accounted for 100% of the Group's absolute loss before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units) and 100% of the Group's assets and liabilities. We also performed specified audit procedures over certain account balances and transaction classes that we regarded as material to the Group at the 3 other reporting units.

We have audited all components within the Group, and no unaudited components remain.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report nor the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on pages 15 and 16 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKINBIOTHERAPEUTICS plc

Continued

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, employment and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify noncompliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

USE OF THIS REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

JAN CHARLESWORTH

(Senior Statutory Auditor)

For and on behalf of
Gravita Audit II Limited, Statutory Auditor
Aldgate Tower
2 Leman Street
London
E1 8FA

04 December 2025

FINANCIAL STATEMENTS

IN THIS SECTION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2025

	Notes	2025 £	2024 £
CONTINUING OPERATIONS			
Revenue	3	4,638,147	1,208,669
Cost of Sales		(1,778,867)	(525,631)
Gross Profit		**2,859,280**	**683,038**
Selling and distribution costs		(293,375)	(170,597)
Research and development		(127,347)	(562,911)
Other administrative expenses		(3,561,693)	(2,854,662)
Total operating expenses	4	(3,982,415)	(3,588,170)
Loss from operations		**(1,123,135)**	**(2,905,132)**
Finance costs	5	(91,981)	(43,760)
Gain on remeasurement of contingent consideration		500,000	–
Loss before taxation		(715,116)	(2,948,892)
Taxation	7	18,863	72,902
Loss for the year		(696,253)	(2,875,990)
Other comprehensive income		–	–
Total comprehensive loss for the year		**(696,253)**	**(2,875,990)**
Basic and diluted loss per share (pence)	8	(0.31)	(1.54)

The notes on pages 44 to 68 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	2025 £	2024 £
ASSETS			
Non-current assets			
Property, plant and equipment	9	356,291	44,357
Right-of-use assets	10	372,057	72,012
Goodwill	11	2,419,640	2,038,325
Intangible assets	12	1,869,485	1,388,959
Total non-current assets		**5,017,473**	**3,543,653**
Current assets			
Inventories	14	800,154	472,419
Trade and other receivables	15	1,528,628	398,088
Cash and cash equivalents		4,779,433	800,904
Total current assets		**7,108,215**	**1,671,411**
Total assets		**12,125,688**	**5,215,064**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves			
Called up share capital	23	2,587,794	2,022,552
Share premium	23	21,087,900	14,507,673
Share based payment reserves	24	438,589	438,589
Accumulated deficit		(14,695,186)	(13,998,933)
Total equity		**9,419,097**	**2,969,881**
Liabilities			
Non-current liabilities			
Lease liabilities	17	281,354	39,861
Deferred consideration		–	250,000
Borrowings	19	600,000	–
Deferred tax	20	356,024	150,624
Total non-current liabilities		**1,237,378**	**440,485**
Current liabilities			
Trade and other payables	16	1,072,919	498,560
Corporation tax payable		34,182	27,257
Lease liabilities	17	112,112	38,881
Convertible loan	18	–	740,000
Deferred consideration	20	250,000	500,000
Total current liabilities		**1,469,213**	**1,804,698**
Total liabilities		**2,706,591**	**2,245,183**
Total equity and liabilities		**12,125,688**	**5,215,064**

These financial statements were approved and authorised for issue by the Board of Directors on 04 December 2025 and were signed on its behalf by:

Stuart Ashman
Director

Company Registration No. 09632164

The notes on pages 44 to 68 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2025

	2025 £	2024 £
Cash flows from operating activities		
Loss before tax for the period	(715,116)	(2,948,892)
Net interest	65,223	36,816
Depreciation of property, plant and equipment	58,385	49,260
Right-of-use assets depreciation and interest	122,206	43,345
Loss on disposal of tangible assets	28,195	–
Gain on deferred consideration reversal	(500,000)	–
Amortisation of IP	246,004	83,368
	(695,103)	**(2,736,103)**
Changes in working capital		
Decrease/(increase) in inventories	14,177	96,419
(Increase)/decrease in trade and other receivables	(752,283)	166,842
(Decrease)/increase in trade and other payables	172,351	(436,019)
Cash Used In operations	**(565,755)**	**(172,758)**
Taxation paid	25,788	182,545
Net cash used in operating activities	**(1,235,070)**	**(2,726,316)**
Investing activities		
Purchase of property, plant and equipment	(6,300)	(14,959)
Purchase of IP	(152,530)	(169,996)
Purchase of right-of-use assets	–	(13,214)
Cash consideration	(1,462,530)	(1,598,423)
Deferred consideration	–	(500,000)
Net cash used in investing activities	**(1,621,360)**	**(2,296,592)**
Cash flows from financing activities		
Net proceeds from issue of shares	6,055,469	3,119,553
Net amounts raised from convertible loan	–	1,472,000
Net amounts raised from borrowings	950,000	–
Interest paid	(62,983)	(36,816)
Lease payments made	(107,527)	(42,759)
Net cash generated by/(used in) financing activities	**6,834,959**	**4,511,978**
Net increase in cash and cash equivalents	**3,978,529**	**(510,930)**
Cash and cash equivalents at the beginning of the period	800,904	1,311,834
Cash and cash equivalents at the end of the period	**4,779,433**	**800,904**

The notes on pages 44 to 68 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2025

	Share capital £	Share premium £	Share based payment reserves £	Retained earnings £	Total £
As at 1 July 2023	**1,731,390**	**10,947,874**	**438,589**	**(11,122,943)**	1,994,910
Loss for the period	–	–	–	(2,875,990)	(2,875,990)
Issue of shares	291,162	3,841,413	–	–	4,132,575
Cost of share issue	–	(281,614)	–	–	(281,614)
As at 30 June 2024	2,022,552	14,507,673	438,589	(13,998,933)	2,969,881
Loss for the period	**–**	**–**	**–**	**(696,253)**	**(696,253)**
Issue of shares	565,242	7,016,484	–	–	7,581,726
Cost of share issue	–	(436,257)	–	–	(436,257)
As at 30 June 2025	**2,587,794**	**21,087,900**	**438,589**	**(14,695,186)**	**9,419,097**

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.

Retained earnings represents accumulated profit or losses to date.

Share based payment reserve represents the cumulative SBP charges for unvested options or fully vested unexercised options which have not lapsed or forfeited.

The notes on pages 44 to 68 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	2025 £	2024 £
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,339	44,357
Right-of-use assets	10	39,774	72,012
Intangible assets	12	884,975	801,850
Investments	13	5,693,822	3,642,860
Other receivables	15	1,619,723	1,593,553
Total non-current assets		**8,241,633**	**6,154,632**
Current assets			
Trade and other receivables	15	855,716	89,054
Corporation tax receivable		11,426	68,425
Cash and cash equivalents		3,998,493	524,854
Total current assets		**4,865,635**	**682,333**
Total assets		**13,107,268**	**6,836,965**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves			
Called up share capital	23	2,587,794	2,022,552
Share premium	23	21,087,900	14,507,673
Share based payments	24	438,589	438,589
Accumulated deficit		(12,519,369)	(11,943,918)
Total equity		**11,594,914**	**5,024,896**
Liabilities			
Non-current liabilities			
Lease liabilities	17	–	39,861
Deferred consideration		–	250,000
Borrowings	19	600,000	–
Total non-current liabilities		**600,000**	**289,861**
Current liabilities			
Trade and other payables	16	619,451	243,327
Lease liabilities	17	42,903	38,881
Convertible loan	18	–	740,000
Deferred consideration	20	250,000	500,000
Total current liabilities		**912,354**	**1,522,208**
Total liabilities		**1,512,354**	**1,812,069**
Total equity and liabilities		**13,107,268**	**6,836,965**

No Statement of Comprehensive Income is presented in these financial statements for the Parent Company as provided by Section 408 of the Companies Act 2006. The loss for the financial year dealt with in the financial statements of the Parent Company was £575,451 (2024: £2,502,322).

The notes on pages 44 to 68 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 04 December 2025 and were signed on its behalf by:

Stuart Ashman
Director

Company Registration No. 09632164

COMPANY STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2025

	2025 £	2024 £
Cash flows from operating activities		
Loss before tax for the period	(586,734)	(2,570,747)
Net interest	58,443	–
Depreciation of property, plant and equipment	41,018	49,260
Right-of-use assets depreciation and interest	41,593	43,345
Gain on deferred consideration reversal	(500,000)	–
Impairment of financial assets	–	7,608
	(945,680)	**(2,470,534)**
Changes in working capital		
(Increase)/decrease in trade and other receivables	(792,832)	(95,256)
(Decrease)/increase in trade and other payables	376,124	(232,232)
Cash (used)/generated by operations	**(416,708)**	**(327,488)**
Taxation received	68,282	182,545
Net cash used in operating activities	**(1,294,106)**	**(2,615,477)**
Investing activities		
Purchase of property, plant and equipment	–	(14,959)
Purchase of IP	(83,125)	(107,448)
Purchase of POU	–	–
Investment in subsidiaries	(588,433)	(312,003)
Cash consideration	(1,462,529)	(1,598,423)
Deferred consideration	–	(500,000)
Net cash used in investing activities	**(2,134,087)**	**(2,532,833)**
Cash flows from financing activities		
Net proceeds from issue of shares	6,055,469	3,118,962
Net amounts raised from convertible loan	–	1,472,000
Net amounts raised from borrowings	950,000	–
Interest paid	(58,443)	–
Lease payments made	(45,194)	(42,759)
Net cash generated by/(used in) financing activities	**6,901,832**	**4,548,203**
Net decrease in cash and cash equivalents	3,473,639	(600,107)
Cash and cash equivalents at the beginning of the period	524,854	1,124,961
Cash and cash equivalents at the end of the period	**3,998,493**	**524,854**

The notes on pages 44 to 68 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2025

	Share capital £	Share premium £	Share based payment reserves £	Retained earnings £	Total £
As at 1 July 2023	**1,731,390**	**10,947,874**	**438,589**	**(9,441,596)**	**3,676,257**
Loss for the period	–	–	–	(2,502,322)	(2,502,322)
Issue of shares	291,162	3,841,413	–	–	4,132,575
Cost of share issue	–	(281,614)	–	–	(281,614)
As at 30 June 2024	**2,022,552**	**14,507,673**	**438,589**	**(11,943,918)**	**5,024,896**
Loss for the period	–	–	–	(575,451)	(575,451)
Issue of shares	565,242	7,016,484	–	–	7,581,726
Cost of share issue	–	(436,257)	–	–	(436,257)
As at 30 June 2025	**2,587,794**	**21,087,900**	**438,589**	**(12,519,369)**	**11,594,914**

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.

Retained earnings represents accumulated profit or losses to date.

Share based payment reserve represents the cumulative SBP charges for unvested options or fully vested unexercised options which have not lapsed or forfeited.

The notes on pages 44 to 68 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2025

1 GENERAL INFORMATION

SkinBioTherapeutics plc ('the Company') is a public company limited by shares incorporated in England under the Companies Act and quoted on the AIM market of the London Stock Exchange (AIM: SBTX). The address of its registered office is given on page 1.

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.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) Statement of compliance

The consolidated and company financial statements of SkinBioTherapeutics plc have been prepared in accordance with UK-adopted International Accounting Standards ('IFRS') and the Companies Act 2006 applicable to companies reporting under IFRS.

b) Basis of preparation

The consolidated and company financial statements have been prepared under the historical cost convention modified by the revaluation of certain financial instruments. The accounting policies have been applied consistently in all material respects.

The consolidated and company financial statements are presented in Sterling (£) as this is the predominant functional currency of the Group and Company, and is the currency of the primary economic environment in which it operates. Foreign transactions are accounted in accordance with the policies set out below.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. A list of all the Company's subsidiary undertakings is provided in note 13 and for the business combination details, refer to note 20.

d) Going concern

These financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board has considered the Group's projections for the twelve months from the date of approval of this financial information, including cash flow forecasts. The directors are confident that based on the Group's forecasts and the capital raise of approximately £4.2 million (before costs) in June 2025, the Group will have enough funds to continue in operation for at least 12 months from the date of signing these financial statements. The Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore adopt the going concern basis of accounting in preparing these financial statements.

e) Estimates and judgements

The preparation of financial statements requires the Board to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets and liabilities as at each balance sheet date and the reported amounts of revenues and expenses during each reporting period. Any estimates and assumptions are based on experience and any other factors that are believed to be relevant under the circumstances and which the Board considers to be reasonable. Actual outcomes may differ from these estimates. Any revisions to accounting estimates will be recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the change will be recognised over those periods.

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Estimation of the lifetime of intangible assets
Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets recognised are reviewed against the criteria for capitalisation with useful life determined by reference to the underlying product being developed. Management believes that the assigned values and useful lives, as well as the underlying assumptions, are reasonable, though different assumptions and assigned lives could have a significant impact on the reported amounts.

Useful lives are also examined on an annual basis and adjustments, where applicable are made on a prospective basis. The Group does not have any intangible assets with indefinite lives.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents & Trademarks	-	10% straight line
Brands	-	10% straight line
Customer Relationships	-	25% straight line

Capitalisation of development costs
During the year £152,530 (2024: £169,996) of development costs were capitalised, bringing the total amount of development costs capitalised, as intangible assets, as at 30 June 2025, to £1,009,405 (2024: £860,391), net of amortisation. Management has reviewed the balances by project, compared the carrying amount to expected future revenues and is satisfied that no impairment exists and that the costs capitalised will be fully recovered as the products are launched to market. New product projects are monitored regularly and should the technical or market feasibility of a new product be in question, the project would be cancelled and capitalised costs to date will be removed from the balance sheet and charged to the statement of comprehensive income.

Inventory valuation
Inventory is carried at the lower of cost and net realisable value, using the first in first out method. Appropriate provisions for estimated irrecoverable amounts due to slow-moving or obsolete inventory are recognised in the income statement where there is objective evidence that the assets are impaired.

The provision is £21,764 at 30 June 2025 (2024: £nil).

Recoverability of goodwill, customer relationships and trade name intangible assets
As noted above, part of the Company's strategy is to grow through acquisitions which has led to material goodwill, customer relationships and trade name intangible assets being recognised on the balance sheet. Goodwill, which is allocated across CGUs, is tested annually to determine if there is any indication of impairment by comparing the carrying amount of the goodwill to the recoverable amount of the CGU to which it has been allocated. Assumptions and estimates are used to determine the recoverable amount of each CGU, principally based on the present value of estimated future cash flows. Actual performance may differ from management's expectations. The estimates and assumptions used in performing impairment testing are described in note 12.

Customer relationships and trade name intangible assets are also reviewed annually for indicators of impairment and if an indicator of impairment exists then similar recoverability testing, involving the use of estimates and assumptions, is performed for the business to which the customer relationships and trade name intangible assets relate. The useful economic lives of customer relationships and trade name intangible assets are also reviewed at least annually, with any revisions to the original estimated useful economic lives accounted for prospectively.

Refund accruals
Accruals for sales returns are estimated on the basis of historical returns and are recorded so as to allocate them to the same period in which the original revenue is recorded. These accruals are reviewed regularly and updated to reflect The Board's latest best estimates. The Board do not believe that the difference between the accrual estimate and actual returns will be material.

The accrual for net refunds totalled £nil at 30 June 2025 (2024: £255). The expected returns rate would need to differ to actual returns by 10% to have an impact of +/- £1,945 on reported revenue and on operating profit. The choice of a 10% change for the determination of sensitivity represents an extreme variation in the return rate.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. The judgments made and the model used are further specified in note 24.

Estimation of incremental borrowing rate in accounting for leases under IFRS16

In recognising a lease liability and right-of-use asset under IFRS 16 the Group has used an estimated incremental borrowing rate of 8%. The Group does not have any borrowings, so in order to apply IFRS 16 it was necessary to estimate the incremental borrowing rate that would be faced by the Group. The rate of 8% was determined by looking at a range of loans available on the market. If the interest rate used in the calculation were higher, this would have the effect of reducing the size of both the lease liability and right-of-use asset, reducing the depreciation charge and increasing the interest charge in the consolidated income statement. The overall change to the Company Income Statement and the Company Statement of Financial Position would be immaterial. There would be no change to operating cash flows or lease payments as a result of a change in the estimate of the incremental interest rate.

f) Application of new and revised International Financial Reporting Standards (IFRSs)

The Group has adopted all of the new or amended Accounting Standards and interpretations issued by the International Accounting Standards Board ('IASB') or the IFRS Interpretations Committee ('IFRIC') that are mandatory and relevant to The Group's activities for the current reporting period.

The following standards, amendments and interpretations are new and effective for the year ended 30 June 2025 and have been adopted. None of the pronouncements had a material impact on the Group's consolidated results, assets and liabilities.

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
IAS 1	Disclosure of Accounting Policies	Amendments to clarify how conditions or covenants affect the classification of liabilities.	1 January 2024
IFRS 16	Leases	Amendments to address subsequent measurement in sale and leaseback transactions.	1 January 2024

New and revised IFRSs in issue but not yet effective

There are a number of new and revised IFRSs that have been issued but are not yet effective that the Group has decided not to adopt early. The most significant of these are as follows:

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
IFRS18	Presentation of Financial Statements	IFRS 18 replaces IAS1 on financial statement presentation.	1 January 2027

The adoption of these Standards and Interpretations, specifically IFRS18, is not expected to have a material impact on the financial information of the Group in the period of initial application when they come into effect.

g) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

h) Revenue recognition

Revenue consists of internet sales, in addition to postage receipts, as well as sales to a range of distributors, national pharmacy chains and wholesalers, with the Group acting as the Principal in all arrangements. Revenues are recorded net of an appropriate deduction for actual and expected returns, sales discounts and sales taxes.

Revenue is recognised on the satisfaction of performance obligations and an assessment of when control is transferred to the customer. This is on dispatch of goods to the customer.

Royalty income is recognised on an accrual basis in accordance with the terms of the underlying royalty agreement. Revenue is measured based on the consideration to which the company expects to be entitled, calculated as a percentage of sales. Royalty income is recognised when it is probable that economic benefits will flow to the company and the amount can be reliably measured.

i) Research and development

Research expenditure is written off to the statement of comprehensive income in the year in which it is incurred.

Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Group is expected to benefit.

j) Inventories

Inventory is carried at the lower of cost and net realisable value. Cost is determined using the first in, first out method and represents the purchase cost, including transport, handling costs and duties.

Appropriate provisions for estimated irrecoverable amounts due to slow-moving or obsolete inventory are recognised in the income statement where there is objective evidence that the assets are impaired.

k) Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

- Plant & machinery 50%

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the year in which the asset is derecognised.

l) Impairment testing of intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the assets may be impaired.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

m) Business combinations and goodwill

Business combinations are accounted for under IFRS 3 Business Combinations (Revised) using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 in the income statement.

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition-date fair value of the consideration transferred over the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. Assets acquired and liabilities assumed in transactions separate from the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements, are accounted for separately from the business combination in accordance with their nature and applicable IFRSs. Identifiable intangible assets, meeting either the contractual-legal or separability criterion, are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition-date fair value can be measured reliably.

Brands and customer relationships arising on the acquisition of business combinations, are measured at cost less accumulated amortisation and accumulated impairment losses. The acquired brand is a well-know brand which is registered, has a good track record and has a finite useful life. Customer relationships are measured at the time of the business combination and have finite useful lives.

n) Leasing

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether each of the following criteria apply:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At the commencement date of a lease, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received.

The Group depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when indicators of impairment exist.

At the commencement date of a lease, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate. Details of this borrowing rate are given in note 2e.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under any residual value guarantees and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. If a lease liability is remeasured, a corresponding adjustment is reflected in the value of the right-of-use asset, or, if the carrying value of the right-of-use asset is already reduced to zero, the income statement.

The Group has elected to account for short-term leases (with a term of up to 12 months) and leases of low-value assets using the practical expedients available in IFRS 16. Instead of recognising a right-of- use asset and lease liability, the payments in relation to such leases are recognised as an expense in the income statement on a straight-line basis over the lease term.

o) Tax

Current tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the income statement because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's current tax is calculated using rates that have been enacted during the reporting period.

Deferred tax
Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

p) Payroll expense and related contributions

Wages, salaries, payroll tax, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered.

q) Share-based compensation

The Group issues share based payments to certain directors and others providing similar services. The fair value of the employee and suppliers services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account non-market conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

r) Financial assets and liabilities

Financial assets and liabilities are recognised when the Group unconditionally becomes a party to the contractual terms of the instrument. Unless otherwise indicated, the carrying amounts of financial assets and liabilities are considered by the directors to be a reasonable estimate of their fair values at each balance sheet date.

Financial assets include trade and other receivable; these are classified as loans and receivables. Financial liabilities include trade and other payables, convertible loan notes and borrowings; these are classified as other financial liabilities carried at amortised cost.

Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

Derecognition
Financial assets are derecognised when rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the terms of a financial liability are renegotiated and result in the Group issuing equity instruments to a creditor of the Group to extinguish all or part of the financial liability, the Group recognises the issue of equity instruments at their fair values. Any difference between the fair value of the equity instruments and the carrying amount of the financial liability to be extinguished is recognised in the income statement.

Trade and other receivables
Trade and other receivables are recognised initially at their fair value and subsequently at their amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the recoverability of the asset is at risk, appropriate allowances for any estimated irrecoverably amounts are recognised in the income statement.

Intercompany receivables
Amounts owed by subsidiary undertaking represent loans made to the Company's main subsidiary on an interest-free basis. No repayment terms have been mandated and are repayable on demand.

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- financial assets that have objective evidence of impairment at the reporting date ('Stage 3').

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

'12-month expected credit losses' are recognised for 'Stage 1' financial instruments, while 'lifetime expected credit losses' are recognised for 'Stage 2' financial instruments. Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

The Group considers that the current intercompany loan should be recognised as Stage 1, and 12-month expected credit losses have been calculated.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables
Trade and other payables are recognised initially at their fair value, net of transaction costs, and subsequently at their amortised cost using the effective interest method.

Financial risk management

Risk management objectives
Management identify and evaluate financial risks on an on-going basis. The principal risks to which the Group is exposed are market risk (including interest rate risk, and cash flow risk), credit risk, and liquidity risk.

Market risk
Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) interest-bearing assets and liabilities, and (b) foreign currencies; to the extent that these are exposed to general and specific market movements (see details below).

Interest rate risk
The Group's interest-bearing assets comprise of only cash and cash equivalents. As the Group's interest- bearing assets do not generate significant amounts of interest; changes in market interest rates do not have any significant direct effect on the Group's income.

Currency risk
The Group is exposed to movement in foreign currency exchange rates arising from normal trading transactions that are denominated in currencies other than the respective functional currencies of the Group. The Group does not have a policy to hedge its exposure to foreign currency exchange risk as currently overseas transactions are only a small percentage of total transactions and fluctuations in foreign currencies are not expected to significantly affect the Group's total transactions. In future the Group may consider hedging its exposure to foreign currency exchange risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances (including bank deposits, cash and cash equivalents) and credit exposures to trade receivables. The Group's maximum exposure to credit risk is represented by the carrying value of cash and cash equivalents and trade receivables. Credit risk is managed by monitoring clients and performing credit checks before accepting any customers.

Liquidity risk
Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Group seeks to manage its liquidity risk by ensuring that sufficient liquidity is available to meet its foreseeable needs.

s) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Group's overall strategy remained unchanged during the period.

The capital structure of the Group consists of cash and cash equivalents, issued capital, the share premium account, the share-based compensation reserve resulting from the grant of equity-settled share options to selected directors and others providing similar services, and retained earnings.

The Group is not subject to any externally imposed capital requirements.

As part of the Group's management of capital structure, consideration is given to the cost of capital.

3 SEGMENTAL INFORMATION

IFRS 8 'Operating Segments' requires operating segments to be determined based on The Group's internal reporting to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been determined to be The Board of Directors which receives information on the basis of the Group's operations in key geographical territories, based on the Group's management and internal reporting structure. Based on this assessment the Group consider there to be 4 operating segments. Despite there being 4 operating segments, it is not currently feasible to allocate assets and liabilities to the operating segments. As these operating segments grow, we expect that allocation of assets and liabilities will be possible. Administrative expenses are not segmented for accounting purposes as the Board do not review these by segment currently.

	Year ended 30 June 2025				
	UK £	US £	EU £	RoW £	Total £
Sales of products	3,124,113	147,493	1,222,584	143,957	4,638,147
Cost of sales	(1,504,174)	(30,805)	(195,185)	(48,703)	(1,778,867)
Gross profit	1,619,939	116,688	1,027,399	95,254	2,859,280

	Year ended 30 June 2024				
	UK £	US £	EU £	RoW £	Total £
Sales of products	990,350	35,363	102,676	80,280	1,208,669
Cost of sales	(444,616)	(8,238)	(39,862)	(32,915)	(525,631)
Gross profit	545,734	27,125	62,814	47,365	683,038

Due to the nature of its activities, the Group is not reliant on any individual major customers.

4 EXPENSES – ANALYSIS BY NATURE

	Group	
	2025 £	2024 £
Other income	(7,841)	(15,726)
Selling and distribution costs	293,375	170,597
Depreciation of right-of-use asset	95,448	35,704
Depreciation of plant and equipment	58,295	49,260
Research and development	127,347	512,115
Directors remuneration (including consultancy fees)	746,501	761,311
Staff costs	669,950	373,923
Foreign exchange differences	7,349	1,041
Auditors remuneration		
– audit fees	77,000	66,400
– other services	6,500	4,025
Other operating costs	1,908,491	1,629,520
Total operating expenses	**3,982,415**	**3,588,170**

5 FINANCE COSTS

	Group 2025 £	2024 £
Interest payable	26,758	6,944
Other interest charges	4,189	7,762
Loan Interest	58,794	–
Convertible loan interest	2,240	29,054
	91,981	**43,760**

Interest payable represents amounts arising on leases accounted for under IFRS 16.

6 EMPLOYEES AND DIRECTORS

Group

The average monthly number of employees and senior management was:

	2025 Number	2024 Number
Executive directors	2	2
Non-executive directors	3	3
Employees	29	9
Average total persons employed	**34**	**14**

As at 30 June 2025 the Group had 41 employees (2024: 15).

Group

Staff costs in respect of these employees were:

	2025 £	2024 £
Wages and salaries	1,135,461	922,275
Social security costs	153,755	108,419
Defined contribution pensions	40,969	18,867
Total remuneration	**1,330,185**	**1,049,561**

Some of these staff costs are included within research and development.

6 EMPLOYEES AND DIRECTORS (CONTINUED)

Group

Directors remuneration:

	2025 £	2024 £
Stuart J. Ashman	358,740	367,306
Manprit Randhawa	218,775	257,613
Simon Hewitson	30,303	–
Martin Hunt	72,787	71,676
Dr Cathy Prescott	36,026	36,099
Danielle Bekker	29,870	28,617
Total remuneration	**746,501**	**761,311**

Which is made up of:

	2025 £	2024 £
Remuneration	656,560	676,912
Company contributions to pension schemes	15,985	12,110
Social Security Costs	73,956	72,289
Total remuneration	**746,501**	**761,311**

All the directors above can be considered to be key management and have the responsibility for planning, directing and controlling, directly or indirectly, the activities of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

The Company operates a defined contribution pension scheme for employees and directors. The assets of the scheme are held separately from those of the Company in independently administered funds. The amounts outstanding at 30 June 2025 are £7,515 (2024: £2,911).

The number of directors to whom retirement benefits are accruing in respect of qualifying services under defined contribution pension schemes is 3 (2024: 2). The highest paid director received total emoluments of £358,740 (2024: £367,306) during the year.

7 TAXATION

Income taxes recognised in profit or loss

	Group	
	2025 £	2024 £
Current tax		
Current period – UK corporation tax	–	(4,476)
R&D tax credit	(18,863)	(68,426)
Tax credit for the year	**18,863**	**72,902**

7 TAXATION (CONTINUED)

The tax charge for each period can be reconciled to the loss per the statement of comprehensive income as follows:

	Group 2025 £	2024 £
Taxable losses	(715,116)	(2,948,892)
Normal applicable rate of tax	24.53%	25.00%
Loss on ordinary activities multiplied by normal rate of tax	(175,435)	(737,223)
Effects of:		
Depreciation	92,503	31,015
Disallowables	13,112	85,165
Capital allowances	(20,508)	(3,740)
R&D enhanced deductions	–	(78,927)
R&D tax credit	(18,863)	(68,426)
Group relief	412	–
Losses surrendered	–	201,594
Unused tax losses carried forward	89,916	497,640
UK tax charge/(credit)	**(18,863)**	**(72,902)**

The Group has an unrecognised deferred tax asset of £2,794,998 (2024: £2,705,082) at the period end, which has not been recognised in the financial statements due to uncertainty of future profits. The Group has an estimated tax loss of £11,188,351 (2024: £10,820,328) available to be carried forward against future profits.

8 LOSS PER SHARE

	Group 2025 £	2024 £
Basic and diluted loss per share		
Total comprehensive loss for the year	(696,253)	(2,875,990)
Weighted average number of shares	227,866,899	186,287,360
Basic and diluted loss per share (pence)	**(0.31)**	**(1.54)**

As the Group and Company are reporting a loss from continuing operations for the year 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.

9 PROPERTY, PLANT AND EQUIPMENT

	Group £	Company £
Cost		
At 1 July 2023	99,994	99,994
Additions	14,959	14,959
At 30 June 2024	114,953	114,953
Additions	6,300	–
Disposals	(103,452)	–
Arising on acquisition	388,025	–
At 30 June 2025	**405,826**	**114,953**
Accumulated depreciation		
At 1 July 2023	21,336	21,336
Charge for the year	49,260	49,260
At 30 June 2024	70,596	70,596
Charge for the year	58,385	41,018
Disposals	(79,446)	–
At 30 June 2025	**49,535**	**111,614**
Net book value		
At 1 July 2023	78,658	78,658
At 30 June 2024	44,357	44,357
At 30 June 2025	**356,291**	**3,339**

10 RIGHT-OF-USE ASSETS

	Group £	Company £
Cost		
At 1 July 2023	158,754	158,754
Additions	13,214	13,214
At 30 June 2024	171,968	171,968
Additions	395,493	4,572
At 30 June 2025	**567,461**	**176,540**
Accumulated amortisation		
At 1 July 2023	64,252	64,252
Charge for the year	35,704	35,704
At 30 June 2024	99,956	99,956
Charge for the year	95,448	36,810
At 30 June 2025	**195,404**	**136,766**
Net book value		
At 1 July 2023	94,502	94,502
At 30 June 2024	72,012	72,012
At 30 June 2025	**372,057**	**39,774**

11 GOODWILL

Net Book Value

	£
Cost	
At 1 July 2024	2,038,325
Acquired through business combinations	381,315
At 30 June 2025	**2,419,640**

During the year an amount of £0.4m (2024: £2.0m) has been acquired through business combinations (see note 20).

Goodwill represents the excess of consideration over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Impairment testing

The carrying amount of goodwill is allocated across CGUs and is tested annually for impairment by comparing the recoverable amount of each CGU with its carrying value.

The identification of CGUs reflects the way the business is managed and monitored on a business-by-business basis, taking into account the generation of cash flows and the sharing of synergies. Given the similar nature of the activities of each CGU, a consistent methodology is applied across the Group in assessing CGU recoverable amounts.

The recoverable amount is the higher of the value in use and the fair value less the costs of disposal. The value in use is the present value of the cash flows expected to be generated by the CGU over a projection period together with a terminal value. The projection period is the time period over which future cash flows are predicted. The Group's methodology is to use a projection period of four years consisting of detailed cash flow forecasts for the first two years and CGU specific growth assumptions for years three and four. For periods after this four-year period, the methodology applies a long-term growth rate specific to the CGU to derive a terminal value.

The value in use calculations is principally sensitive to revenue growth, including any significant changes to the customer base, achievability of future profit margins and the discount rates used in the present value calculation. The information used for valuation purposes takes into consideration past experience and the current economic environment with regard to customer attrition rates and additions to the customer base, the ability to introduce price increases and new products and experience in controlling the underlying cost base. This information is used to determine a long-term growth rate which is consistent with the geographic segments in which the Group operates and management's assessment of future operating performance and market share movements. The discount rates used are determined with assistance provided by external valuation specialists.

The weighted average long term growth rate used in 2025 was in the range of 7%–10% (2024: 8%-15%) reflecting the anticipated revenue and profit growth. A pre-tax discount rate of 20% (2024: 40%) has been applied to the value in use calculations reflecting market assessments of the time value of money at the balance sheet date.

Based on our impairment testing, no impairments were identified to the carrying value of goodwill within the Group. As for the impairment testing for the Group's CGUs noted above, value in use calculations were prepared based on management's latest expectations of the performance of the relevant business over a five-year projection period and appropriate long-term growth and discount rates.

12 INTANGIBLE ASSETS

Group

	Patents & trademarks £	Customer relationships £	Brands £	Total £
Cost				
At 1 July 2023	701,237	–	–	701,237
Additions	169,996	577,000	25,000	771,996
At 30 June 2024	871,233	577,000	25,000	1,473,233
Additions	152,530	574,000	–	726,530
At 30 June 2025	**1,023,763**	**1,151,000**	**25,000**	**2,199,763**
Accumulated amortisation				
At 1 July 2023	906	–	–	906
Charge for the year	9,936	72,179	1,253	83,368
At 30 June 2024	10,842	72,179	1,253	84,274
Charge for the year	3,516	239,981	2,507	246,004
At 30 June 2025	**14,358**	**312,160**	**3,760**	**330,278**
Net book value				
At 1 July 2023	700,331	–	–	700,331
At 30 June 2024	860,391	504,821	23,747	1,388,959
At 30 June 2025	**1,009,405**	**838,840**	**21,240**	**1,869,485**

Company

	Patents & trademarks £	Customer relationships £	Brands £	Total £
Cost				
At 1 July 2023	624,255	–	–	624,255
Additions	177,595	–	–	177,595
At 30 June 2024	801,850	–	–	801,850
Additions	83,125	–	–	83,125
At 30 June 2025	**884,975**	**–**	**–**	**884,975**
Accumulated amortisation				
At 1 July 2023	–	–	–	–
Charge for the year	–	–	–	–
At 30 June 2024	–	–	–	–
Charge for the year	–	–	–	–
At 30 June 2025	**–**	**–**	**–**	**–**
Net book value				
At 1 July 2023	624,255	–	–	624,255
At 30 June 2024	801,850	–	–	801,850
At 30 June 2025	**884,975**	**–**	**–**	**884,975**

Intellectual property is to be amortised over the expected period that the asset generates income. A small part of the IP belonging to the active subsidiary, AxisBiotix Limited, commenced amortisation in the year ending 30 June 2024.

13 INVESTMENTS

Company: Investments in subsidiary undertakings

	£
Cost	
At 1 July 2023	482,434
Additions	3,160,426
At 30 June 2024	3,642,860
Additions	2,050,962
At 30 June 2025	**5,693,822**

As at 30 June 2025, the Company directly owned the following subsidiaries:

Name of company	Country of incorporation	Proportion of equity interest
SkinBiotix™ Limited	United Kingdom	100% of ordinary shares
AxisBiotix Limited	United Kingdom	100% of ordinary shares
MediBiotix Limited	United Kingdom	100% of ordinary shares
CleanBiotix Limited	United Kingdom	100% of ordinary shares
PharmaBiotix Limited	United Kingdom	100% of ordinary shares
Dermatonics Limited	United Kingdom	100% of ordinary shares
Bio-Tech Solutions Limited (acquired 11th October 2024)	United Kingdom	100% of ordinary shares

14 INVENTORIES

	Group	
	2025 £	2024 £
Inventories	800,154	472,419
	800,154	**472,419**

The cost of inventories recognised as an expense during the year was £1,778,867 (2024: £525,631).

The cost of inventories recognised as an expense includes £21,764 (2024: £nil) in respect of write-downs of inventory to net realisable value.

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 £	2024 £	2025 £	2024 £
Current				
Trade debtors	618,824	279,806	–	–
Accrued Income	769,000	–	769,000	–
Sales taxes recoverable	467	–	34,634	24,348
Other receivables	23,437	61,348	11,021	11,589
Prepayments	116,900	56,934	41,061	53,117
	1,528,628	**398,088**	**855,716**	**89,054**
Non-current				
Amounts due from group undertakings	–	–	1,619,723	1,593,553
	–	**–**	**1,619,723**	**1,593,553**

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

The fair values of the Company's current trade and other receivables are considered to equate to their carrying amounts. The maximum exposure to credit risk for trade receivables is represented by their carrying amount. There are no financial assets which are past due but not impaired. No current financial assets are impaired.

The amounts owed by subsidiary undertakings include loans to AxisBiotix Limited for £2,104,397 (2024: £1,976,870) which was discounted to £1,714,047 nil impairment required in the year, with earlier years impairment of £94,320 to give a current value of £1,619,723 (2024: £1,593,553) under IFRS 9, as set out in note 2. Although the loan has no repayment terms, it is anticipated to be repaid in 2 years from the date of these financial statements.

The amounts owed by Dermatonics (£48,012) and Bio-Tech Solutions (£9,338) relate to intercompany balances and are payable on demand.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2025 £	2024 £	2025 £	2024 £
Current				
Trade creditors	513,328	281,062	228,713	119,116
Accruals	221,140	175,712	174,010	115,812
Sales taxes payable	75,914	23,715	–	–
Other taxes	45,185	14,331	27,736	6,095
Other payables	217,352	3,741	188,992	2,304
	1,072,919	**498,561**	**619,451**	**243,327**

Trade and other payables principally consist of amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are normally settled on 30-day terms. The directors consider that the carrying value of trade and other payables approximates to their fair value. All trade and other payables are denominated in Sterling. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the period.

The fair value of trade and other payables approximates their current book values.

17 LEASE LIABILITIES

Group

	2025 £	2024 £
Maturity analysis		
Year 1	138,633	43,485
Year 2	97,946	41,254
Year 3	97,946	–
Year 4	97,946	–
Year 5	24,486	–
	456,957	84,739
Less future interest charges	(63,491)	(5,997)
	393,466	**78,742**
Analysed as		
Current	112,112	38,881
Non-current	281,354	39,861
	393,466	**78,742**

17 LEASE LIABILITIES (CONTINUED)

	2025 £	2024 £
As at 01 July	78,742	100,646
Additional provisions	395,493	-
Discount unwind	26,758	20,855
Utilisation of provisions	(107,527)	(42,759)
As at 30 June	**393,466**	**78,742**
Current	112,112	38,881
Non current	281,354	39,861
	393,466	**78,742**

Company

	2025 £	2024 £
Maturity analysis		
Year 1	44,397	43,485
Year 2	–	41,254
Year 3	–	–
Year 4	–	–
Year 5	–	–
	44,397	84,739
Less future interest charges	(1,494)	(5,997)
	42,903	**78,742**
Analysed as		
Current	42,903	38,881
Non-current	–	39,861
	42,903	**78,742**

Bio-Tech Solutions Limited leases certain low-value items such as printers. These leases are accounted for using the low-value asset exemption under IFRS 16.

During the year, the Company recognised lease expenses of £1,000 relating to these low-value leases.

18 CONVERTIBLE LOAN NOTE

In the previous financial year, the Company entered into a £5m convertible bond facility with Macquarie Bank Limited and CLG Capital LLC, from which a tranche of £1.6m was drawn down in January 2024 in order to finance the upfront cash consideration for the acquisition of Dermatonics Limited. The balance at the end of the year was £740,000.

On the 20th June 2024 the company received notice from Macquarie for £100,000 of Convertible Bonds which were admitted to AIM on 2nd July 2024. Following this conversion the balance outstanding was £640,000.

On the 17th July 2024 the company received notice from Macquarie for £160,000 of Convertible Bonds which were admitted to AIM on 24th July 2024. Following this conversion the balance outstanding bonds was £480,000.

On the 22nd July 2024 the company received notice from Macquarie for £480,000 of Convertible Bonds which were admitted to AIM on 26th July 2024. The company announced there would be no further drawdowns from the facility at this date and therefore this conversion closed the facility.

18 CONVERTIBLE LOAN NOTE (CONTINUED)

Group and company

	2025 £	2024 £
Proceeds of issue of convertible loan notes	–	1,600,000
Transaction costs	–	(128,000)
Net proceeds from issue of convertible loan notes	**–**	**1,472,000**

	2025 £	2024 £
As at 1 July 2024	740,000	–
Drawdown	–	1,600,000
Conversions into equity during the year	(740,000)	(860,000)
Liability at 30 June 2025	**–**	**740,000**

The interest expensed for the year is calculated by applying an effective interest rate of 1% per annum over the 3-month term SONIA rate and payable quarterly in cash. The interest expense during the year was £2,240 (2024: £29,054).

19 BORROWINGS

On 11th October 2024, the company entered into a £950,000 loan agreement with David Brierwood, a long-term shareholder, to fund the Bio-Tech Solutions acquisition.

The term of the loan was 3 years with quarterly interest payments being made for the first two years and interest payments and capital repayment in the third year. The interest rate is 13%.

In addition, the Company entered into a subscription agreement with the same shareholder to subscribe for 3,289,474 new Ordinary shares at 10.64p raising £350,000.

The funds from the warrants on exercise will be used to reduce the debt from £950,000 to £600,000 and these were exercised on 25th February 2025.

20 BUSINESS COMBINATIONS

This note details acquisition transactions carried out in the current period. For accounting policies see 'Business combinations and goodwill' in note 2.

The Group has developed a process to assist with the identification of the fair values of the assets acquired and liabilities assumed, including the separate identification of intangible assets in accordance with IFRS 3 'Business Combinations' as revised. This formal process is applied to each acquisition and involves an assessment of the assets acquired and liabilities assumed.

The consideration paid or payable in respect of acquisitions comprises amounts paid on completion and deferred consideration. All consideration has been allocated against the identified net assets, with the balance recorded as goodwill. Transaction costs and expenses such as professional fees are charged to the income statement. The acquisitions provide opportunities for further development of the Group's activities and to create enhanced returns.

On 11th October 2024, SkinBioTherapeutics plc acquired 100% of Bio-Tech Solutions Ltd for an initial sum of £1.5m plus a completion payment of £0.2m due 1st July 2025 as per the SPA. This gives a total consideration £1.7m.

20 BUSINESS COMBINATIONS (CONTINUED)

Aggregate net assets at the date of acquisition:

	2025 £
Property, plant and equipment	388,025
Intangible assets	–
Cash and cash equivalent	284,230
Trade and other receivables	378,257
Inventories	346,101
Trade and other payables	(461,668)
Net assets	**934,945**
Deferred tax liability	(143,500)
Fair Value of Asset at acquisition:	
Trade Name	–
Customers	574,000
Goodwill	381,314
Total Consideration	**1,746,759**

Goodwill of £0.4m reflects certain intangibles that cannot be individually separated and reliably measured due to their nature. These items include value of expected synergies arising from business combination and the experience and skill of the acquired workforce. The fair value of the acquired trademark, brand and customer base was identified and included in intangible assets detailed in note 13.

Acquisition costs of £289k have been expensed through operating costs.

The acquisition of Bio-Tech Solutions contributed £1.4m to the Group's revenue and -£31k to the Group's operating loss. This includes accounting adjustments post acquisition following the adoption of IFRS now it is part of the larger group.

The estimated contribution from the Bio-Tech Solutions acquisition to the results of the Group for the year ended 30 June 2025 if such an acquisition had been made at the start of the financial year are £1.9m to revenue and -£43k to operating losses.

Deferred Tax Liability

	£
As at 1 July 2024	150,624
Recognised in respect of subsidiary's existing temporary differences	61,900
Arising on the recognition of the fair value of customer list at the acquisition	143,500
As at 30 June 2025	**356,024**

The deferred tax liability at the beginning of the year relates to the customer list recognised at the consolidated level from the acquisition of Dermatonics Limited in the prior year. During the year, the Company recognised additional deferred tax liabilities in respect of temporary differences on property, plant, and equipment already recorded in the books of Bio-Tech Solutions at acquisition, and a further liability arising on the customer list recognised at the consolidated level from the acquisition of Bio-Tech Solutions.

Deferred consideration of £250,000 (2024: £750,000) relates to the acquisition of Dermatonics and has been assessed by management for repayment.

21 FINANCIAL INSTRUMENTS

Maturity analysis

A summary table with maturity of financial assets and liabilities presented below is used by management to manage liquidity risks. The amounts disclosed in the following tables are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not material.

The maturity analysis of financial instruments at 30 June 2025 is as follows:

Group

	Carrying amount	On demand and less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years
Assets					
Cash and cash equivalents	4,779,433	4,779,433	–	–	–
Trade & other receivables	1,411,728	1,411,728	–	–	–
	6,191,161	**6,191,161**	**–**	**–**	**–**
Liabilities					
Trade and other payables	951,818	951,818	–	–	–
Lease liabilities	456,957	65,174	73,459	97,946	220,378
Deferred consideration	250,000	–	250,000	–	–
Borrowings	600,000	–	–	600,000	–
	2,258,775	**1,016,992**	**323,459**	**697,946**	**220,378**

Company

	Carrying amount	On demand and less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years
Assets					
Cash and cash equivalents	3,998,493	3,998,493	–	–	–
Trade & other receivables	780,021	780,021	–	–	–
Amounts due from group undertakings	1,619,723	1,619,723	–	–	–
	6,398,237	**6,398,237**	**–**	**–**	**–**
Liabilities					
Trade and other payables	591,713	591,713	–	–	–
Lease liabilities	44,397	12,435	31,962	–	–
Deferred consideration	250,000	–	250,000	–	–
	886,110	**604,148**	**281,962**	–	**–**

21 FINANCIAL INSTRUMENTS (CONTINUED)

The maturity analysis of financial instruments at 30 June 2024 was as follows:

Group

	Carrying amount	On demand and less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years
Assets					
Cash and cash equivalents	800,904	800,904	–	–	–
Trade and other receivables	341,155	341,155	–	–	–
	1,142,059	**1,142,059**	**–**	**–**	**–**
Liabilities					
Trade and other payables	460,743	460,743	–	–	–
Lease liabilities	84,739	10,871	32,614	41,254	–
Convertible Loan Note	740,000	–	–	740,000	–
Deferred Consideration	750,000	–	500,000	250,000	–
Deferred tax	150,624	–	–	–	150,624
	2,186,106	**471,614**	**532,614**	**1,031,254**	**150,624**

Company

	Carrying amount	On demand and less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years
Assets					
Cash and cash equivalents	524,854	524,854	–	–	–
Trade and other receivables	11,588	11,588	–	–	–
Amounts due from group undertakings	1,593,553	1,593,553	–	–	–
	2,129,995	**2,129,995**	**–**	**–**	**–**
Liabilities					
Trade and other payables	237,231	237,231	–	–	–
Lease liabilities	84,739	10,871	32,614	41,254	–
Convertible Loan note	740,000	–	–	740,000	–
Deferred consideration	750,000	–	500,000	250,000	–
	1,811,970	**248,102**	**532,614**	**1,031,254**	**–**

22 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	1 July 2024	Cash flows	New leases	Other non-cash changes	30 June 2025 £
Lease liabilities	78,742	(107,527)	395,493	26,758	393,466
Convertible Loan	740,000	–	–	(740,000)	–
Borrowings	–	600,000	–	–	600,000
	818,742	**492,473**	**395,493**	**(713,242)**	**993,466**

	1 July 2023	Cash flows	New leases	Other non-cash changes	30 June 2024
Lease liabilities	100,646	(42,759)	–	20,855	78,742
Convertible Loan	–	1,600,000	–	(860,000)	740,000
	100,646	**1,557,241**	**–**	**(839,145)**	**818,742**

Company

	1 July 2024	Cash flows	New leases	Other non-cash changes	30 June 2025 £
Lease liabilities	78,742	(45,194)	–	9,355	
Convertible Loan	740,000	–	–	(740,000)	–
Borrowings	–	600,000	–	–	600,000
	818,742	**554,806**	**–**	**(730,645)**	**642,903**

	1 July 2023	Cash flows	New leases	Other non-cash changes	30 June 2024
Lease liabilities	100,646	(42,759)	–	20,855	78,742
Convertible Loan	–	1,600,000	–	(860,000)	740,000
Borrowings	–	–	–	–	–
	100,646	**1,557,241**	**–**	**(839,145)**	**818,742**

23 SHARE CAPITAL

Company – Issued and fully paid	Number of shares	Share capital	Share premium
As at 1 July 2023	173,138,854	1,731,390	10,947,874
As at 30 June 2024	202,255,223	2,022,552	14,507,673
Ordinary share issued at 1p per share	56,524,240	565,242	7,016,484
Costs related to shares issued	–	–	(436,257)
As at 30 June 2025	**258,779,463**	**2,587,794**	**21,087,900**

On 02 July 2024 1,116,814 ordinary shares were issued by way of conversion at a price of 8.954040p per share.

On 24 July 2024 1,989,879 ordinary shares were issued by way of conversion at a price of 8.040687p per share.

On 26 July 2024 5,848,620 ordinary shares were issued by way of conversion at a price of 8.207064p per share.

On 07 August 2024 14,875,749 ordinary shares were issued by way of a placing at a price of 10.5p per share to raise finance.

23 SHARE CAPITAL (CONTINUED)

On 17 October 2024 2,349,624 ordinary shares were issued by way of placing at a price of 10.64p per share to raise funds for Bio-Tech Solutions acquisition.

On 25 February 2025 3,289,474 ordinary shares were issued by way of exercise of warrants at a price of 10.64p per share.

On 21 March 2025 250,000 ordinary shares were issued by way of exercise of warrants at a price of 20.43p per share.

On 08 April 2025 1,000,000 ordinary shares were issued by way of exercise of warrants at a price of 20.43p per share.

On 01 May 2025 1,099,244 ordinary shares were issued by way of exercise of warrants at a price of 20.43p per share.

On 24 June 2025 24,704,836 ordinary shares were issued by way of a placing at a price of 17.0p per share to raise finance.

Share capital is the amount subscribed for shares at nominal value, issued and fully paid.

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

24 SHARE-BASED PAYMENTS

Share options

The Group operates share-based payment arrangements to remunerate directors and others providing similar services in the form of a share option scheme. The exercise price of the option is normally equal to the market price of an ordinary share in the Group at the date of grant. Each share option converts into one ordinary share of the Group on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

Group and company

	2025		2024	
	Number of options	Weighted average exercise price £	Number of options	Weighted average exercise price £
Outstanding at 1 July	16,729,343	0.11	16,729,343	0.11
Granted during the year	–	–	–	–
Forfeited/cancelled during the year	–	–	–	–
Outstanding at 30 June	**16,729,343**	**0.11**	**16,729,343**	**0.11**

No share options were issued in the year. The charge recognised for the year ended 30 June 2025 for share options is £nil (2024: £nil). The following assumptions were used in the calculations:

Deed pool	1	2	3a	3b	3c
Grant date	05/04/17	05/04/17	05/04/17	05/04/17	05/04/17
Exercise price	9p	9p	9p	9p	9p
Share price at grant date	9p	9p	9p	9p	9p
Risk-free rate	0.24%	0.24%	0.16%	0.16%	0.16%
Volatility	60%	60%	60%	60%	60%
Expected life	3.5 years	3.5 years	2.75 years	2.75 years	2.75 years
Fair value	2.58p	1.85p	2.30p	2.30p	2.30p
Deed pool	4	5	6	7	8
Grant date	18/04/19	18/04/19	18/04/19	03/03/20	08/04/20
Exercise price	18p	18p	18p	9.5p	9p
Share price at grant date	18p	18p	18p	9.5p	7p
Risk-free rate	0.75%	0.75%	0.75%	0.29%	0.12%
Volatility	60%	60%	60%	80%	80%
Expected life	3.5 years	3.5 years	3.5 years	0 years	2 years
Fair value	2.85p	3.99p	3.48p	9.50p	0.87p

24 SHARE-BASED PAYMENTS (CONTINUED)

The closing share price per share at 30 June 2025 was 16.80p (30 June 2024: 8.75p).

Expected volatility is based on a conservative estimate for an AIM listed entity. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

25 RELATED PARTY TRANSACTIONS

Group and company

Key management personnel compensation

	2025 £	2024 £
Short-term employee benefits including social security costs	730,516	749,201
Post-employment benefits	15,985	12,110
	746,501	**761,311**

Compensation figures above include directors and key management personnel. Detailed remuneration disclosures for directors are provided in the employees and directors note on page 53, and in the Directors Report.

At the year end there was loan between the parent company and AxisBiotix Limited, this is disclosed in Note 15.

Transactions with other related parties
During the period ended 30 June 2025, the Company was charged fees of £57,511 (2024: £57,123) by Invictus Management Ltd, a company in which Martin Hunt, a director of the Company, is also a director. These fees relate to Martin Hunt's consultancy services to the Company. As at 30 June 2025 £nil (2024: £5,557) was outstanding.

During the period ended 30 June 2025, the Company was charged fees of £28,755 (2024: £28,550) by Biolatris Ltd, a company in which Dr Cathy Prescott, a director of the Company, is also a director. These fees relate to Dr Cathy Prescott's consultancy services to the Company. As at 30 June 2025 £22,077 (2024: £nil) was outstanding.

26 ULTIMATE CONTROLLING PARTY

No one shareholder has control of the Company.

27 EVENTS AFTER THE REPORTING DATE

The Company has evaluated all events and transactions that occurred after 30 June 2025 up to the date of signing of the financial statements.

No other material subsequent events have occurred that would require adjustment to or disclosure in the financial statements.

STATUTORY AND OTHER INFORMATION

DIRECTORS

Martin Hunt Non-Executive Chairman
Stuart J. Ashman Chief Executive Officer
Dr Cathy Prescott Non-Executive Director
Danielle Bekker Non-Executive Director

SECRETARY

Emily Bertram

REGISTERED OFFICE

The Core
Newcastle Helix
Newcastle upon Tyne
NE4 5TF

AUDITOR

Gravita Audit II Limited
Aldgate Tower
2 Leman Street
London
E1 8FA

REGISTRARS

Share Registrars Limited
3 The Millennium Centre
Crosby Way
Farnham
GU9 7XX

NOMINATED ADVISER AND BROKER

Singer Capital Markets Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

BANKERS

Barclays Bank PLC
Churchill Place
London
E14 5HP

PUBLIC RELATIONS

Vigo Consulting Limited
78-79 New Bond Street
London
W1S 1RZ

Designed and
printed by:

perivan

perivan.com

SkinBio THERAPEUTICS

The Core, Bath Lane
Newcastle Helix
Newcastle upon Tyne
NE4 5TF