



**SKIN ELEMENTS
LIMITED**

ABN 90 608 047 794

and its controlled entities

APPENDIX 4E
Preliminary Final
Report
30 June 2021

Corporate directory

Current Directors

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

Company Secretary

Phil Giglia

Registered Office

Street: 1242 Hay Street
WEST PERTH WA 6005
Postal: 1242 Hay Street
WEST PERTH WA 6005
Telephone: +61 (0)8 6311 1900
Facsimile: +61 (0)8 6311 1999
Email: info@senatural.com
Website: www.skinelementslimited.com

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Share Registry

Link Market Services Limited
Street: Level 12, QV1 Building, 250 St Georges Terrace
PERTH WA 6000
Telephone: 1300 554 474 (within Australia)
+61 1300 554 474 (International)
Facsimile: +61 (0)8 6370 4203
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Securities Exchange

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

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Company Update

1. Operating and financial review

1.1. Nature of Operations and Principal Activities

Skin Elements Limited is a developer, manufacturer, distributor, and retailer of its leading proprietary all-natural skincare SE Formula™. The SE Formula™ includes the Soleo Organics natural sunscreen brand, the PapayaActivs therapeutic skincare range, Elizabeth Jane Natural Cosmetics, and the recently developed Invisi-Shield® new generation natural sanitiser range.

1.2. Operations Review

a. *Invisi Shield SuprCuvr Hospital Grade Disinfectant*

Since launching Invisi Shield SuprCuvr, a plant based, anti-microbial disinfectant designed to deliver superior protection against viruses and bacteria, SKN has continued to investigate the use of the SE Formula™ in a range of applications for Invisi Shield SuprCuvr as a hospital grade disinfectant.

Invisi Shield SuprCuvr (AUST-L 373328) has been registered with the Therapeutic Goods Administration (TGA) as a hospital grade hard surface disinfectant that is 99.99999% (7-log) effective against COVID-19 & bacteria. Invisi Shield SuprCuvr is 100% plant based and is certified as an input for organic production by National Association for Sustainable Agriculture Australia (NASAA) Organic and Biodynamic Standard (NOS).

Successful TGA registration will now allow the Company to make more detailed and specific product and label claims in respect to Invisi Shield SuprCuvr which has the potential to open up significant new commercial scale sales and distribution opportunities for Invisi Shield SuprCuvr.

b. *SKN Enters into \$20m equity funding facility with LDA Capital*

SKN has entered into a Put Option Agreement (POA) with US based institutional investment group LDA Capital Limited and LDA Capital LLC (LDA Capital) under which LDA Capital has agreed to provide SKN with up to \$20 million in committed equity capital over the next 36 months.

SKN has issued 26,000,000 unlisted fee options and 27,500,000 collateral shares for nil consideration which are held by LDA Capital until such time as SKN issues a call notice to LDA Capital. As at the report date SKN has not yet issued a call notice or received capital funds under the POA.

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

c. *SKN receives R&D Rebate*

With focus on continued development and testing of its natural anti-microbial technologies, SKN obtained R&D Registration approval from AusIndustry for 2021, and received a R&D Tax Rebate of \$988,711 in August 2021.

d. *SKN relocates to new Head Office at 1242 Hay Street West Perth*

SKN has relocated to a new Head Office at 1242 Hay Street, West Perth, Western Australia. This new leased premises provides for sufficient space for Skin Elements' corporate, product development, and sales & marketing operations including a retail shop front.

e. *SKN appoints new Director*

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

Mr Christensen's appointment follows the resignation of Mr John Poulsen as a Non-Executive Director. Mr Poulsen had been appointed earlier in the year following the resignation of Mr Craig Piercy as an Executive Director.

f. *SKN enters into Distribution Agreement for Invisi Shield*

SKN entered into a binding Distribution Agreement with Prudential Consultants Pty Ltd (Prudential Consultants) for the distribution of its Invisi Shield® in Australia. Prudential Consultants has agreed to minimum sales commitments of \$2.4 million over three years for the exclusive distribution of Invisi Shield® in New South Wales and Tasmania, and the distribution of Invisi Shield® outside of these territories on a non-exclusive basis. Prudential Consultants has commenced marketing activities for Invisi Shield SuprCuvr, with orders under the Distribution Agreement expected to commence now that TGA registration has been obtained.

Company Update

g. Global Opportunity

Skin Elements continues to maintain its focus on developing sales of all of its natural products range in Australia and global markets including major retail pharmacy and health chains in the United Kingdom, the expansion of its online sales portal, and the support to its distributors in Europe.

h. Manufacturing Underway

Skin Elements continues to use approved contract production laboratories in Australia to produce its SE Formula product ranges in accordance with Good Manufacturing Practices and TGA requirements. Notwithstanding that these manufacturers have production capacity to meet the Company's requirements for the foreseeable future, the restrictions caused by COVID-19 have delayed production and the delivery of inventories from its contract manufacturers.

i. Funding of Growth Strategies

The Company continually reviews its financial position to ensure that it has sufficient working capital to undertake its growth programs. During the period to the date of this report Skin Elements:

- 🌱 Raised \$120,000 cash in August 2020 through placement of 2,000,000 ordinary fully paid shares and 200,000 attaching options.
- 🌱 Raised \$1,417,737 cash from the exercise into fully paid ordinary shares of 30,981,466 SKNUOA unlisted options and 4,882,930 SKNOA listed options and received a further \$632,857 from issue of 6,328,570 short fall shares.
- 🌱 Received further \$1,200,000 cash from the placement of 12,000,000 ordinary shares to State Securities Pty Ltd as part of the completion of their options underwriting obligations.
- 🌱 Placed 23,000,000 shares in a private placement to sophisticated investors for \$1,840,000 cash (before costs).
- 🌱 Announced a non-renounceable Entitlement Issue on the basis of one new share for every fifteen shares held by eligible shareholders at an issue price of \$0.08 per share together with one attaching new option for every two new shares to raise approximately \$2.023 million (before costs).

1.3. Financial Review

a. Key profit and loss measures

	Movement (increase/ decrease)	Movement \$	2021 \$	2020 \$
■ Revenues from ordinary activities	<i>decreased</i>	136,426	288,741	425,167
■ Loss from ordinary activities after tax	<i>increased</i>	1,132,289	(3,042,523)	(1,910,234)
■ EBITDA	<i>increased</i>	1,119,675	(2,638,615)	(1,518,940)

b. Key net asset measures

	Movement (increase/ decrease)	Movement \$	2021 \$	2021 \$
■ Cash and cash equivalents	<i>increased</i>	81,685	287,632	205,947
■ Working capital (excluding prepayments)	<i>increased</i>	1,848,716	2,214,343	365,627
■ Net tangible assets	<i>increased</i>	753,896	1,312,425	558,529
■ Net assets	<i>increased</i>	390,222	9,602,575	9,212,353

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

1.4. Impact of Coronavirus (COVID-19) Pandemic

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

During the period the Company received the Federal Government's Jobkeeper subsidy and Cashflow boost incentives of \$92,500.

Company Update

1.5. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed.

1.6. Future Developments, Prospects, and Business Strategies

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

-  The Company will undertake future capital raising through a placement, and the consideration of other equity and debt proposals;
-  The Company will continue to focus on development and commercialisation of its natural skin care technology as set out in its review of operations.

Other likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report particularly given the early stage of the Company's commercial operations with its new expanded range of natural and organic products. The Directors believe that the inclusion of such information would be likely to be unreasonably prejudicial to the Group.



Results for announcement to the Market for the year ended 30 June 2021

1 REPORTING PERIOD (item 1)				
■ Report for the financial year ended:		30 June 2021		
■ Previous corresponding period is the year months ended:		30 June 2020		

2 RESULTS FOR ANNOUNCEMENT TO THE MARKET		Movement	Percentage %	Amount \$
■ Decrease in revenues from ordinary activities (item 2.1)		↓	(32.09) to	288,741
■ Increase in loss from ordinary activities after tax attributable to members (item 2.2)		↑	59.27 to	(3,042,523)
■ Increase in loss after tax attributable to members (item 2.3)		↑	59.27 to	(3,042,523)
a. Dividends (item 2.4)				
			Amount per Security ¢	Franked amount per security %
■ Interim dividend			nil	n/a
■ Final dividend			nil	n/a
■ Record date for determining entitlements to the dividend (item 2.5)		n/a		
b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):		Refer to Operating and financial review on page 1 of this report.		

3 PRELIMINARY FINAL REPORT				
a. Statement of comprehensive income (item 3): Refer to Consolidated statement of profit or loss and other comprehensive income on page 7				
b. Statement of financial position (item 4): Refer to Consolidated statement of financial position on page 8				
c. Statement of cash flows (item 5): Refer to Consolidated statement of cash flows on page 10				
d. Statement of changes in equity (item 6): Refer to Consolidated statement of changes in equity on page 9				

4 DIVIDENDS (item 7) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS (item 14.2)				
Nil.				
a. Details of dividend or distribution reinvestment plans in operation are described below (item 8): Not applicable				

5	RATIOS	Current period	Previous corresponding period
a.	Financial Information relating to 5b and 5c:	\$	\$
	Earnings for the period attributable to owners of the parent	(3,042,523)	(1,910,234)
	Net assets	9,602,575	9,212,353
	Less: Intangible assets (including net deferred tax balances)	(8,290,150)	(8,653,824)
	Net tangible assets	1,312,425	558,529
		No.	No.
	Fully paid ordinary shares	406,977,266	323,284,299
	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	354,508,892	223,746,949
		¢	¢
b.	Net tangible assets backing per share (cents) (item 9):	0.322	0.173
c.	Earnings per share attributable to owners of the parent (cents) (item 14.1):	(0.858)	(0.854)
	As at 30 June 2021 the Group has 26,000,000 unissued shares under options (2020: 126,004,034) and 47,000,000 performance shares on issue (2020: 47,000,000). The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option and performance shares were anti-dilutive.		

6	DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 10)	
a.	Control gained over entities	
■	Name of entities (item 10.1)	Nil
■	Date(s) of gain of control (item 10.2)	
b.	Loss of control of entities	
■	Name of entities (item 10.1)	Nil
■	Date(s) of loss of control (item 10.2)	N/A
c.	Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).	Nil
d.	Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)	Nil

7	DETAILS OF ASSOCIATES AND JOINT VENTURE: (item 11)	
■	Name of entities (item 11.1)	Nil
■	Percentage holding in each of these entities (item 11.2)	n/a
■	Aggregate share of profits (losses) of these entities (item 11.3)	

**Results for announcement to the Market
for the year ended 30 June 2021**

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

Refer to commentary update accompanying this 4E |
| 9 | The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13). |
| 10 | A COMMENTARY ON THE RESULTS FOR THE PERIOD (item 14)

Refer to Company Update on page 1. The Group had revenue of \$288,741 (2020: \$425,167) for the period. |
| 11 | The preliminary final report has been prepared based on the 30 June 2021 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s.302 of the <i>Corporations Act 2001</i> (Cth). (item 15) |

Consolidated statement of profit or loss and other comprehensive income
for the year ended 30 June 2021

	Note	2021 \$	2020 \$
<i>Continuing operations</i>			
Revenue	1.1	288,741	425,167
Cost of sales		(98,302)	(216,270)
Gross profit		190,439	208,897
 Other income	1.2	 1,140,003	 812,982
 Administration expenses	2.1	 (1,093,886)	 (740,985)
Advertising and marketing expenses		(206,429)	(192,877)
Amortisation		(403,908)	(391,294)
Corporate expenses	2.2	(414,485)	(320,145)
Consultants' fees	2.3	(206,852)	(277,044)
Occupancy costs		(88,931)	(123,669)
Research and development expenses		(1,958,474)	(886,099)
Loss before tax		(3,042,523)	(1,910,234)
Income tax expense	3.1	-	-
Net loss for the year		(3,042,523)	(1,910,234)
<i>Other comprehensive income, net of income tax</i>			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(3,042,523)	(1,910,234)

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

Consolidated statement of financial position

as at 30 June 2021

	Note	2021 \$	2020 \$
<i>Current assets</i>			
Cash and cash equivalents	4.1	287,632	205,947
Trade and other receivables	4.2.1	1,122,891	764,153
Inventories	5.1	223,225	155,705
Other current assets	4.3.1	72,225	441,865
Financial assets	4.4.1	1,004,000	-
Total current assets		2,709,973	1,567,670
<i>Non-current assets</i>			
Right of use asset - property, plant, and equipment		26,648	-
Intangible assets	5.2	8,290,150	8,653,824
Total non-current assets		8,316,798	8,653,824
Total assets		11,026,771	10,221,494
<i>Current liabilities</i>			
Trade and other payables	4.5.1	447,998	509,141
Borrowings	4.6.1	30,990	500,000
Total current liabilities		478,988	1,009,141
<i>Non-current liabilities</i>			
Derivative liabilities	4.6.2	945,208	-
Total non-current liabilities		945,208	-
Total liabilities		1,424,196	1,009,141
Net assets		9,602,575	9,212,353
<i>Equity</i>			
Issued capital	6.1.1	20,978,594	17,607,998
Reserves	6.4	91,252	29,103
Accumulated losses		(11,467,271)	(8,424,748)
Total equity		9,602,575	9,212,353

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

Consolidated statement of changes in equity

for the year ended 30 June 2021

	Note	Contributed equity \$	Accumulated losses \$	Convertible note reserve	Share-based payment reserve \$	Total equity \$
<i>Balance at 1 July 2019</i>		15,286,784	(6,896,381)	492,405	312,338	9,195,146
Loss for the year attributable to the owners of the parent		-	(1,910,234)	-	-	(1,910,234)
Adjustment to fair value of convertible note		-	42,206	(42,206)	-	-
Other comprehensive income for the year attributable to the owners of the parent		-	-	-	-	-
Total comprehensive income for the year attributable to the owners of the parent		-	(1,868,028)	(42,206)	-	(1,910,234)
<i>Transaction with owners, directly in equity</i>						
Shares issued during the year (net of costs)	6.1.1	1,475,664	-	-	-	1,475,664
Share based payments during the year		195,351	-	-	56,426	251,777
Converting note funds received and conversion	6.1.1	650,199	-	(450,199)	-	200,000
Transfer to / from reserves: performance shares expired		-	222,845	-	(222,845)	-
Transfer to / from reserves: options expired		-	116,816	-	(116,816)	-
Balance at 30 June 2020		17,607,998	(8,424,748)	-	29,103	9,212,353
<i>Balance at 1 July 2020</i>		17,607,998	(8,424,748)	-	29,103	9,212,353
Loss for the year attributable to the owners of the parent		-	(3,042,523)	-	-	(3,042,523)
Adjustment to fair value of convertible note		-	-	-	-	-
Other comprehensive income for the year attributable to the owners of the parent		-	-	-	-	-
Total comprehensive income for the year attributable to the owners of the parent		-	(3,042,523)	-	-	(3,042,523)
<i>Transaction with owners, directly in equity</i>						
Shares issued during the year (net of costs)	6.1.1	3,370,596	-	-	-	3,370,596
Share based payments during the year		-	-	-	62,149	62,149
Balance at 30 June 2021		20,978,594	(11,467,271)	-	91,252	9,602,575

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

Consolidated statement of cash flows

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		286,286	419,695
Payments to suppliers and employees		(3,659,726)	(3,085,726)
Receipt of Research and development tax incentive		668,418	689,016
Interest paid		(89,128)	(25,953)
JobKeeper payment scheme and ATO cash flow boost		92,500	105,000
Net cash used in operating activities		(2,701,650)	(1,897,968)
<i>Cash flows from investing activities</i>			
Purchase of intangibles		(36,410)	(30,000)
Net cash used in investing activities		(36,410)	(30,000)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares		3,319,745	1,805,532
Share issue costs		-	(87,855)
Proceeds of borrowings		-	1,000,000
Repayments of borrowings		(500,000)	(700,000)
Net cash provided by financing activities		2,819,745	2,017,677
Net increase in cash and cash equivalents held		81,685	89,709
Cash and cash equivalents at the beginning of the year		205,947	116,238
Cash and cash equivalents at the end of the year	4.1	287,632	205,947

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

Notes to the Appendix 4E preliminary final report
for the year ended 30 June 2021

Note	1	Revenue and other income	2021 \$	2020 \$
1.1	Revenue			
	Sales to customers		288,741	425,167
			288,741	425,167
1.2	Other Income			
	Interest income		-	57
	Research and development tax incentives grant income		988,711	707,925
	JobKeeper Payment scheme grant income		67,500	30,000
	ATO Cash flow boost grant income		25,000	75,000
	Fair value adjustment of fee options		58,792	-
			1,140,003	812,982

Note	2	Loss before income tax	2021 \$	2020 \$
The following significant revenue and expense items are relevant in explaining the financial performance:				
2.1	Administration expenses			
	Accounting expenses		207,442	146,591
	Wages and salaries		522,851	367,324
	Travel expenses		130,457	11,566
	Interest expenses and finance facility costs		89,128	90,394
	Other expenses		144,008	125,110
			1,093,886	740,985
2.2	Corporate expenses			
	ASX fees		58,808	51,735
	Audit expenses		72,404	57,938
	Directors' fees		42,000	32,000
	Filing fees		18,266	16,138
	Legal expenses		200,389	103,891
	Share Registry and shareholder communications		22,618	58,443
			414,485	320,145
2.3	Contract and consulting fees			
	Executive services contracts		78,655	78,655
	Share-based performance rights		62,149	56,426
	External consulting fees		66,048	141,963
			206,852	277,044

Note	3	Income tax	2021 \$	2020 \$
3.1	Income tax benefit			
	Current tax		-	-
			-	-

Notes to the Appendix 4E preliminary final report

for the year ended 30 June 2021

Note	4	Financial assets and financial liabilities																						
4.1	Cash and cash equivalents	<table><tr><th>2021</th><th>2020</th></tr><tr><th>\$</th><th>\$</th></tr><tr><td>Cash at bank</td><td></td></tr><tr><td>287,632</td><td>205,947</td></tr><tr><td>287,632</td><td>205,947</td></tr></table>	2021	2020	\$	\$	Cash at bank		287,632	205,947	287,632	205,947												
2021	2020																							
\$	\$																							
Cash at bank																								
287,632	205,947																							
287,632	205,947																							
4.2	Trade and other receivables	<table><tr><th>2021</th><th>2020</th></tr><tr><th>\$</th><th>\$</th></tr><tr><td>4.2.1</td><td>Current</td><td></td></tr><tr><td>Trade receivables</td><td>24,068</td><td>21,625</td></tr><tr><td>Goods and Services Tax receivable</td><td>45,133</td><td>73,733</td></tr><tr><td>Research and Development Grant receivable</td><td>988,711</td><td>668,418</td></tr><tr><td>Other receivables</td><td>64,979</td><td>377</td></tr><tr><td></td><td>1,122,891</td><td>764,153</td></tr></table>	2021	2020	\$	\$	4.2.1	Current		Trade receivables	24,068	21,625	Goods and Services Tax receivable	45,133	73,733	Research and Development Grant receivable	988,711	668,418	Other receivables	64,979	377		1,122,891	764,153
2021	2020																							
\$	\$																							
4.2.1	Current																							
Trade receivables	24,068	21,625																						
Goods and Services Tax receivable	45,133	73,733																						
Research and Development Grant receivable	988,711	668,418																						
Other receivables	64,979	377																						
	1,122,891	764,153																						
4.3	Other assets	<table><tr><th>2021</th><th>2020</th></tr><tr><th>\$</th><th>\$</th></tr><tr><td>4.3.1</td><td>Current</td><td></td></tr><tr><td>Prepayments – Raw Materials</td><td>16,642</td><td>192,902</td></tr><tr><td>Other deposits</td><td>55,583</td><td>248,963</td></tr><tr><td></td><td>72,225</td><td>441,865</td></tr></table>	2021	2020	\$	\$	4.3.1	Current		Prepayments – Raw Materials	16,642	192,902	Other deposits	55,583	248,963		72,225	441,865						
2021	2020																							
\$	\$																							
4.3.1	Current																							
Prepayments – Raw Materials	16,642	192,902																						
Other deposits	55,583	248,963																						
	72,225	441,865																						
4.4	Financial assets	<table><tr><th>2021</th><th>2020</th></tr><tr><th>\$</th><th>\$</th></tr><tr><td>4.4.1</td><td>Current</td><td></td></tr><tr><td>LDA Prepaid commitment fee</td><td>400,000</td><td>-</td></tr><tr><td>LDA Prepaid fair value of fee options</td><td>604,000</td><td>-</td></tr><tr><td></td><td>1,004,000</td><td>-</td></tr></table>	2021	2020	\$	\$	4.4.1	Current		LDA Prepaid commitment fee	400,000	-	LDA Prepaid fair value of fee options	604,000	-		1,004,000	-						
2021	2020																							
\$	\$																							
4.4.1	Current																							
LDA Prepaid commitment fee	400,000	-																						
LDA Prepaid fair value of fee options	604,000	-																						
	1,004,000	-																						
4.5	Trade and other payables	<table><tr><th>2021</th><th>2020</th></tr><tr><th>\$</th><th>\$</th></tr><tr><td>4.5.1</td><td>Current</td><td></td></tr><tr><td>Unsecured</td><td></td><td></td></tr><tr><td>Trade payables</td><td>277,637</td><td>300,377</td></tr><tr><td>Other payables</td><td>170,361</td><td>208,764</td></tr><tr><td></td><td>447,998</td><td>509,141</td></tr></table>	2021	2020	\$	\$	4.5.1	Current		Unsecured			Trade payables	277,637	300,377	Other payables	170,361	208,764		447,998	509,141			
2021	2020																							
\$	\$																							
4.5.1	Current																							
Unsecured																								
Trade payables	277,637	300,377																						
Other payables	170,361	208,764																						
	447,998	509,141																						

Notes to the Appendix 4E preliminary final report

for the year ended 30 June 2021

Note 4 Financial assets and financial liabilities (cont.)		
4.6 Borrowings	2021	2020
	\$	\$
4.6.1 Current		
Pre-factoring financing facility	-	500,000
Leases – motor vehicle	30,990	-
	30,990	500,000
4.6.2 Non-current		
Derivative liabilities		
LDA Commitment fee liability	945,208	-
	945,208	-

Note 5 Non-financial assets and financial liabilities		
5.1 Inventories	2021	2020
	\$	\$
Finished goods	223,225	155,705
	223,225	155,705
5.2 Intangible assets	2021	2020
	\$	\$
<i>SE Formula™</i>	9,859,296	9,859,296
Accumulated amortisation	(1,601,478)	(1,212,476)
	8,257,818	8,646,820
Website development costs	55,410	19,000
Accumulated amortisation	(23,078)	(11,996)
	32,332	7,004
Total intangibles	8,290,150	8,653,824

Notes to the Appendix 4E preliminary final report

for the year ended 30 June 2021

Note 6 Equity

6.1 Issued capital

	2021 No.	2020 No.	2021 \$	2020 \$
Fully paid ordinary shares at no par value	406,977,266	323,284,299	20,978,594	17,607,998
6.1.1 Ordinary shares	2021 No.	2020 No.	2021 \$	2020 \$
At the beginning of the year	323,284,299	158,404,002	17,607,998	15,286,784
Shares issued during the year:				
31.07.19 Placement	-	4,059,838	-	113,675
29.11.19 Convertible note	-	3,001,326	-	450,199
31.12.19 Corporate advisory	-	761,538	-	19,800
31.12.19 Project management services	-	2,734,892	-	55,551
31.12.19 Convertible note	-	12,500,000	-	200,000
01.02.20 Placement	-	100,479,822	-	1,004,798
20.03.20 Placement	-	29,800,000	-	350,000
20.03.20 Lead Manager fee	-	2,500,000	-	25,000
20.03.20 Underwriting fee	-	2,000,000	-	25,000
20.03.20 Facility fee	-	2,000,000	-	25,000
14.05.20 Facility fee	-	300,000	-	25,000
22.06.20 Acquisition of IP	-	250,000	-	20,000
30.06.20 Options conversion	-	4,492,881	-	134,786
17.08.20 Options exercise	483,333	-	14,500	-
21.08.20 Share issue	2,000,000	-	120,000	-
19.09.20 Options exercise	975,001	-	29,250	-
30.09.20 Options exercise	1,247,167	-	37,414	-
30.11.20 Options exercise	2,958,465	-	88,754	-
11.12.20 Options exercise	6,799,688	-	203,991	-
23.12.20 Options exercise	4,159,266	-	124,779	-
31.12.20 Options exercise	14,358,546	-	430,757	-
31.12.20 Options exercise	4,882,930	-	488,294	-
22.01.21 Shortfall	6,328,571	-	632,857	-
25.02.21 Placement	12,000,000	-	1,200,000	-
16.05.2021 Collateral shares issued to LDA Capital for nil consideration	27,500,000	-	-	-
Transaction costs relating to share issues	-	-	-	(127,595)
At reporting date	406,977,266	323,284,299	20,978,594	17,607,998

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 6 Equity (cont.)

6.2 Options

	2021 No.	2020 No.	2021 \$	2020 \$
Options	26,000,000	126,004,034	-	-
At the beginning of the year	126,004,034	81,965,315	-	116,816
Options movement during the year:				
📌 31.12.19 Convertible note	-	3,001,326	-	-
📌 31.12.19 Convertible note	-	9,375,000	-	-
📌 06.03.20 Expiry of options	-	(338,000)	-	-
📌 17.03.20 Placement	-	33,493,274	-	-
📌 20.03.20 Placement	-	3,000,000	-	-
📌 30.06.20 Conversion	-	(4,492,881)	-	-
📌 17.08.20 Options exercise	(483,333)	-	-	-
📌 21.08.20 Option issue	200,000	-	-	-
📌 19.09.20 Options exercise	(975,001)	-	-	-
📌 30.09.20 Options exercise	(1,247,167)	-	-	-
📌 30.11.20 Options exercise	(2,958,465)	-	-	-
📌 11.12.20 Options exercise	(6,799,688)	-	-	-
📌 23.12.20 Options exercise	(4,159,266)	-	-	-
📌 31.12.20 Options exercise	(14,358,546)	-	-	-
📌 31.12.20 Options exercise	(4,882,930)	-	-	-
📌 31.12.20 Expiry of options	(90,339,638)	-	-	-
📌 Previously expired options	-	-	-	(116,816)
📌 06.04.21 Fee options issued to LDA Capital	26,000,000	-	-	-
At reporting date	26,000,000	126,004,034	-	-
Comprising the following options:				
📌 Listed, ex. price \$0.10 exp. date 31.12.20	-	97,003,641	-	-
📌 Unlisted, ex. price \$0.03 exp. date 31.12.20	-	29,000,393	-	-
📌 Unlisted, ex. price \$0.12 exp. date 15.03.24	10,000,000	-	-	-
📌 Unlisted, ex. price \$0.15 exp. date 15.03.24	10,000,000	-	-	-
📌 Unlisted, ex. price \$0.18 exp. date 15.03.24	4,000,000	-	-	-
📌 Unlisted, ex. price \$0.22 exp. date 15.03.24	2,000,000	-	-	-
At reporting date	26,000,000	126,004,034	-	-

Notes to the consolidated financial statements

for the year ended 30 June 2021

Note 6 Equity (cont.)

6.3 Performance rights

	2021 No.	2020 No.	2021 \$	2020 \$
Performance rights	47,000,000	47,000,000	91,252	29,103
At the beginning of the year	47,000,000	2,200,000	29,103	195,522
Performance rights movement during the year:				
Issued	-	47,000,000	-	29,103
Fair value adjustments	-	-	-	27,323
Lapsed	-	(2,200,000)	-	(222,845)
Amortise of Performance shares issued in 30 June 2020 financial year	-	-	62,149	-
At reporting date	47,000,000	47,000,000	91,252	29,103

6.4 Reserves

	2021 \$	2020 \$
Share-based payment reserve	91,252	29,103
	91,252	29,103



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