



SkinBioTherapeutics plc
("SkinBioTherapeutics" or "the Company")

Half year results

Steady Organic Growth driven by AxisBiotix™ Sales and Initiation of Inorganic strategy via Acquisition of Dermatonics

22 March 2024 - SkinBioTherapeutics plc (AIM: SBTX, or the "Company"), the life science business focused on skin health, announces the consolidated unaudited results for the six months to 31 December 2023.

Operational highlights

- SkinBiotix™ Croda/Sederma product development successfully reaches penultimate phase
 - Contract extended in October 2023 for a further 12 months to enable clinical exploration of potential additional claims
 - Clinical studies well progressed and set to conclude in early summer which will be immediately followed by finalisation of the manufacturing process and commercialisation which will run concurrently
 - Post period end, positive site visit to Sederma manufacturing site in Paris and a short video from the Sederma team will be shown in the Investor Meet presentation today
- AxisBiotix-Ps™
 - Good sales growth in the UK, with 523 subscribers (HY2023: 134) monthly retention rates of subscribers at 89% (HY2023: 83%)
 - Commercial expansion - geographically into Europe, adding Italy and France to Spain, and broadened sales channels via ecommerce (Amazon UK)
 - Post period end - Positive interim data for acne consumer study (to week 5); completion of the study expected end March / April. Appointment of World Products to expand AxisBiotix™ sales via Amazon across Europe and the USA
- Oral research and inflammation programmes progress well at the University of Manchester
 - Post period end, new research programme: the Epiderm study looking into skin barrier function and woundcare led by SkinBiotix co-creator, Prof Andrew McBain and Prof Sheena Cruickshank.
- Post period end, accretive acquisition of Dermatonics, a specialist in innovative topical and dermatological products in the skincare/woundcare space for an initial cash consideration of £1.68m plus a further earn-out over three years of up to £1.25m based on the achievement of profitability targets.
 - Launch of One Heel Balm by the Umesh Modi Group across Asia, Middle East, and Africa, brought forward to 1 March 2024.
- The CEO and CFO have volunteered to take a backdated 20% reduction in their respective remuneration with effect from 1 January 2024.
- Professor Cath O'Neill has confirmed that she intends to stand down as Chief Scientific Officer and move to a Scientific Adviser role so that she can return to full time academia, as Professor of Translational Dermatology at the University of Manchester.

Financial highlights

- Revenues up 38% to £106.6k (HY2023: £77.0k); majority of sales from the UK, but sales starting to be recognised from European territories
- Operating loss of £1,386.2k (HY2023: loss £1,351.1k) with cost base overall stable but impacted by inflationary pressures and acquisition-related fees
- Cash and cash equivalents as at 31 December 2023 were £2.84m (30 June 2023: £1.31m), aided by Placing and Retail Offer of £3.3m (gross) in November 2023

Stuart Ashman, CEO of SkinBioTherapeutics said:

"This has been an exciting half year and post period end for SkinBioTherapeutics.

"The underlying consumer business has continued its steady progress, including the scaling-up of manufacturing by Croda/Sederma and the commencement in January of the clinical trials for SkinBiotix before commercialisation starts, to the extension of sales geographies and channels for AxisBiotix-Ps. The development pipeline for new programmes has continued to advance as well; of particular note is the recent interim data at the half-way point from the acne study which is looking very promising, and we await the final readout with great anticipation.

"The first transformative event for the Company occurred post year end with the acquisition of the profitable skin health company, Dermatonics which has the potential upside from its distribution agreement with the Umesh Modi Group and the earlier than expected market launch of its Once Heel Balm product into the AMEA territories. We should have a better view of this impact as the year progresses and we will update the market accordingly.

"Looking forward to the second half of the year, we continue to pursue our inorganic growth strategy. Having listened to shareholders, we are seeking an alternative financing mechanism, and we will keep you informed of our progress directly."

-Ends-

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

Shareholder presentation and Q&A

CEO, Stuart Ashman, and CFO, Manprit Randhawa, will provide a live presentation about the terms and rationale of the acquisition of Dermatonics and the financing structure via the Investor Meet platform **Friday 22 March at 12.00 (noon) GMT**.

The presentation will also include recorded interviews with Greg Andrell, former CEO of Dermatonics, and with Cecile Jonchier, R&D Biotech Manager at Sederma and project lead for SkinBiotix.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet SkinBioTherapeutics at the link [HERE](#).

Investors who already follow SkinBioTherapeutics on the Investor Meet Company platform will automatically be invited.

A recording of the presentation will be available shortly afterwards on the SkinBioTherapeutics investor relations section of the website [HERE](#).

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Notes to Editors

About SkinBioTherapeutics plc

SkinBioTherapeutics is a life science company focused on skin health. The Company's proprietary platform technology, SkinBiotix®, is based upon discoveries made by the translational dermatology team at the University of Manchester.

The Company is targeting a number of skin healthcare sectors, the most advanced of which are

cosmetic skincare and food supplements to modulate the immune system by harnessing the gut-skin axis. In each area SkinBioTherapeutics plans to exemplify its technology through human studies. The Company's first product, AxisBiotix-Ps™, a food supplement to address the symptoms of mild to moderate psoriasis.

The Company listed on AIM in April 2017 and is based in Newcastle, UK. For more information, visit: www.skinbiotherapeutics.com and www.axisbiotix.com.

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envise", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Group's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

Chairman and Chief Executive's Statement

Overview

HY2024 has been an immensely busy period for the Company. The focus has been to grow and drive the organic strategy, comprising the Croda/Sederma SkinBiotix partnership, increasing and broadening the sales of AxisBiotix-Ps and driving the research and development programmes, especially the leading acne programme.

Management has also been engaged in seeking opportunities outside the Group, looking for inorganic growth from acquisitions that would generate financial benefits and infrastructure that other parts of the Group could benefit from. The six months of the period and the first few months of 2024 have already had an impact and the management believes this strategy is truly transforming this business to be sustainable for the longer term.

Financial review

Reported sales for the half year were up 38% to £106.6k (HY2023: £77.0k) as UK sales of AxisBiotix-Ps continued to grow steadily, and sales from new European territories and the Amazon UK e-commerce platform came online.

Cost of sales rose by 52% to £38.4k (HY2023: £25.2k) reflecting the rise in sales volumes.

Gross profit increased by 32% to £68.2k (HY2023: £51.7k). Gross profit margins reduced to 64% (HY2023: 67%) due to rising costs of raw materials for AxisBiotix-Ps.

Total operational costs were £1,454.4k (HY2023: £1,402.8k) comprising, selling and distribution costs of £50.9k (HY2023: £40.1k), research and development costs of £248.0k (HY2023: £444.6k) and operating expenses of £1,155.6k (HY2023: £918.1k). Overall, there was a marginal rise in costs. Expenses rose in line with the increase in sales of products and the ongoing costs of the oral and inflammation research programmes. This was balanced by a fall in R&D costs reflecting the completion of part of the oral programme before the next stage began.

The operating loss remained steady, up 3% at £1,386.2k (HY2023: loss £1,351.1k). The loss after tax for the period was £1,334.8k (HY2023: £1,285.0k).

The cash and cash equivalents balance as at 31 December 2023 was £2,840.5k (at 30 June 2023: £1,311.8k). The balance was boosted by the Placing and Retail Offer of £3.3m (gross) in November 2023.

Current trading and outlook

Revenues of AxisBiotix-Ps™ have continued to grow post-period end in line with management's expectations. Further expansion into Europe through Amazon will provide wider coverage of our product into areas where psoriasis rates are similar to the UK.

Monthly retention rates remain consistently high, highlighting the benefits of AxisBiotix-Ps experienced by psoriasis sufferers. The selling price of the product remains the key reason for customers dropping away, and management is aiming to address this through securing a lower cost of goods in the near future to allow for potential price reductions.

Dermatonics sales are performing in line with management expectations, and the team is encouraged by potential growth areas in the business e.g. product launch by the Umesh Modi Group in the AMEA, which have the potential to enhance earnings in the current financial year and beyond. On a full year basis to 30 June 2024 (of which the Group will recognise five months), Dermatonics revenues are expected to grow to £2.0m (30 June 2023: £1.9m).

Overall, the Group remains in line with management expectations for the full year to June 2024.

Acquisition strategy and first successful acquisition

At the end of the half year period, the Group was close to finalising discussions to make its first acquisition, as part of the ongoing inorganic acquisition strategy to diversify the product base and provide distribution channels through which its own products could be sold. In January 2024, the acquisition of Dermatonics was completed.

Dermatonics is a specialist in innovative topical and dermatological products in the skincare/woundcare space. The financial details of the deal were for an initial £1.68m upfront payment plus an earn-out over three years of up to £1.25m based on performance criteria. The deal is accretive, and the transaction was undertaken on a cash-free and debt-free basis.

The acquisition was financed by a £1.6m drawdown of a £5.0m convertible bond facility agreed with Macquarie Bank Limited and CLG Capital LLC. To date, a total of £210,000 of the convertible bonds have been converted into 2,433,008 Ordinary shares at an average conversion price of 9p per Ordinary Share.

The Company is continuing to pursue its inorganic acquisition strategy and is targeting another private company as part of this, as well as developing a pipeline of other opportunities where active discussions are taking place. At the time of the Dermatonics acquisition, the Convertible Bond Facility was the best option for raising finance; however, now that we have secured an accretive target and thus generate significantly greater revenue the Board now has the possibility of securing alternative, more traditional financing instruments and has come to an amicable agreement with CLG Capital (and by proxy, Macquarie Bank) not to utilise the Facility any further.

Operational review

SkinBiotix™ Pillar (skincare/cosmetics)

SkinBioTherapeutics has a commercial and manufacturing agreement with Croda's Consumer Care division, Sederma, which is the specialist in bioactive ingredients for the cosmetics industry.

The contract with Sederma was extended in October 2023 to enable Sederma to complete and assess additional studies on SkinBiotix™ to investigate previously unseen beneficial properties, which have the potential to significantly enhance commercial opportunities. Any costs to SkinBioTherapeutics of supplying SkinBiotix™ for the studies continue to be covered by Sederma.

Any material additional benefits identified from the studies could strengthen Sederma's commercial story for SkinBiotix™ further as an active ingredient and it therefore may command a higher price point with future customers amongst Croda's global portfolio of personal care customers.

Post period end, Stuart Ashman and Manprit Randhawa visited the Sederma Paris site and were shown around by the full team. The feedback from the Sederma team was very positive, especially around the time taken for the testing and development procedure of the SkinBiotix technology. The process comprises 38 steps and the time it takes is usually c.7 years; with SkinBiotix, the team have reached the penultimate step before commercialisation in less than 5 years.

A short video by Cecile Jonchier, R&D Biotech Manager and project lead for SkinBiotix at Sederma, will be presented during the Investor Meets Company presentation at 1200hrs on Friday 22 March 2024

Cecile Jonchier says in the video: *"After four years of research to develop the project related to a high*

potential natural ingredient for the cosmetic market, we have now reached the last stage of this project, meaning the investigation of clinical trials. There are two trials running concurrently and the final cohorts will be completed at the end of May / early June. This key step will validate efficacy and marketing claims. We are excited to reach the end of this long journey, which will add a high-level efficacy product for the cosmetic market. We are also very proud to have progressed so quickly by saving two years comparatively with other similar projects."

AxisBiotix™ Pillar (gut/skin axis)

The focus for the AxisBiotix™ pillar during the period has been a mix of progressing the sales of the Psoriasis food supplement and commencing the acne consumer participant study.

- AxisBiotix™ (Psoriasis)

Sales of AxisBiotix™ have continued to grow steadily in the UK with 523 subscribers (HY2023: 134 subscribers). Retention rates, 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, rose from 83% to 89% in the period. The high retention rate is also evidenced by the continuing positive testimonials received on a regular basis, which is very gratifying.

The start of the period was marked by further expansion of the sales network, both geographically into Europe and via new channels.

The first European launch was in Spain in February 2023, but since June 2023, the Company also added France and Italy, once regulatory approval was received. These territories have been chosen deliberately because the market size for psoriasis is similar to the UK (1-3% of the population).

The Company also launched the product on Amazon's UK platform and during HY2024, it began working with World Products, a leading full-service Amazon Accelerator for Healthcare, beauty and OTC pharmaceutical brands. This healthcare agency is helping to launch AxisBiotix™ via Amazon in France, followed by Spain and Italy.

The aim for the next half of the financial year is to drive an increase in sales both in the UK and Europe, and also to expand the Amazon relationship beyond the UK. Most recently, the Company has appointed World Products to expand AxisBiotix™ sales via Amazon across Europe and the USA.

- AxisBiotix™ (Acne)

During H1, SkinBioTherapeutics has been working on a new bacterial blend specifically for acne with its formulation partner, Winclove SA. The Company also prepared for the start of its consumer volunteer study which involves 220 UK-based participants with acne-prone skin. Online recruitment of participants started via a pre-qualification questionnaire form before the year end.

The eight week study commenced at the beginning of 2024. Participants received the blends in powder form and have recorded their experience of using the product in a weekly questionnaire. The Company has followed the same structure of participant study as it did with AxisBiotix-Ps, because it provides a quicker, more cost effective path to commercialisation and supports ongoing discussions with potential partners.

Positive interim (5 week) study data was released in February 2024 in relation to the first two cohorts totalling 83 participants. The topline results were:

Criteria and questions	Week 1	Week 5
Severity of acne: How do you rate your spots on a scale of 1-10, with 10 being the most severe	71% (score 4 or more)	37% (score 4 or more)
Pain of acne spots: Are your spots painful? On a scale of 1 - 10, with 10 being the most concern	64% (score 4 or more)	43% (score 4 or more)
Concern over appearance: How concerned are you about the effect your spots have on your appearance? On a scale of 1 - 10, with 10 being the most concern	94% (score 4 or more)	56% (score 4 or more)
Level of self-confidence: Do you worry about going out in public because of your spots? On a scale of 1 - 10,	84% (score 4 or more)	47% (score 4 or more)

With 10 being the most concern Criteria and questions	more) Week 1	Week 5
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As was stated in the study's interim results announcement, whilst being cautiously optimistic, there can be no certainty that these results will either improve or be maintained.

The completion of the full study and analysis of the total data set is required to understand the outcomes. Of the 3 cohorts participating, cohorts 1 and 2 will complete by end March 2024, with cohort 3 finalising end April and the final results reported as soon as possible thereafter.

Dermatonics

In late 2023, the Board and management set out a strategy to seek accretive inorganic opportunities that could provide immediate synergies and accelerated routes to market. At the financial level, the aim was to bring in inorganic revenue growth and extend cash runway.

Dermatonics was the first acquisition to be completed, just after the period end. The company is based in Cambridgeshire and is a specialist in innovative topical and dermatological products in the skincare/woundcare space, using natural ingredients wherever possible.

The initial consideration was £1.68 million plus £1.25 million earn-out over three years in a cash-free and debt-free acquisition.

For the 12 months ended 31 January 2024, Dermatonics reported revenues of £1.86 million (2023: £1.82m) assisted by the increased sale of products into the NHS and podiatry clinics, at higher price points negotiated in February 2023, as well as growth in key distributor relationships outside of the UK.

EBITDA for the 12 months to 31 January 2024, increased by 77% to £422k (31 January 2023: adjusted EBITDA £230k). The adjustments were for one-off items: £150k stock write off and £123k bad debt in FY2023. The cash balance as at 31 January 2024 was £149k (2023: £213k).

In February, Dermatonics announced that its manufacturing and distribution partner, the Umesh Modi Group, had significantly brought forward the launch of its Once Heel Balm to 1 March 2024. The product is being sold by Umesh Modi's 1,200 sales people across six countries in Asia, the Middle East and Africa. The total addressable market in these regions for dermatology and diabetes management is in excess of £5bn. This type of opportunity underlines the benefits of bringing in inorganic acquisitions like Dermatonics to the Group.

The team is currently working with the sales and marketing teams within Umesh Modi group to ascertain the expectations of sales over the coming months and years, and guidance will be provided in due course.

MediBiotix™ Pillar (MedTech applications e.g. woundcare)

Management is looking at using Skinbiotix™ technology in medical device applications, such as woundcare since early data showed that it encourages wound healing.

The latest development for this pillar has been in the post period end, with the initiation of a new research and development project with the University of Manchester, named the Epiderm project (Epiderm). The project is in alignment with the Company's MediBiotix™ pillar, which targets the use of the SkinBiotix® technology for medical applications and commercialisation.

The project will be run by Professor Andrew McBain and Professor Sheena Cruickshank. Professor Andrew McBain co-created the SkinBiotix® technology and is an expert in the Microbiome. Professor Sheena is a Professor in Biomedical Sciences and Public Engagement at the University of Manchester and is a highly regarded figure in the field immunology.

Other Research Programmes

The oral programme and an inflammation research programme have continued to progress with the University of Manchester.

The first extended phase of developing a new lysate for the oral programme ended in January 2024 and the Company will work with the University to publish relevant findings later in 2024.

The inflammation study is also progressing well. It is looking at how the microbiome can influence and balance the body's response to inflammation specifically related to harmful UVR (sunlight) light. The aim

is to advance these findings to be tested on human skin. The programme will run until June 2025.

Management update

- Remuneration review

The Board has noted shareholders' views around remuneration and personal investment in the Company.

The remuneration committee confirm that the CEO and CFO have volunteered to take a backdated 20% reduction in their respective remuneration with effect from 1 January 2024. With respect to personal investment from both the management team and the Board, acquisition of shares has taken place whenever possible, such as at fund raises. They will continue to look at opportunities to buy more shares going forward, close periods permitting.

- Prof Cath O'Neill to return to full time academia

In order to return to full time academia as Professor of Translational Dermatology at the University of Manchester. Chief Scientific Officer, Prof. Cath O'Neill is reducing her role as CSO to become a Scientific Adviser to the Board.

Since the Company was founded, Cath has combined her academic and corporate roles. The Directors have been aware of her eventual desire to return to full time academia for some time. Cath will retain a close connection with the Company, not only as one of its original founders, but in the capacity as a scientific adviser. She will continue to provide support and guidance on areas such as the intellectual property behind her inventions (AxisBiotix, SkinBiotix) and strategic developments in the microbiome arena. She also retains a significant personal shareholding of 2.47%.

The ongoing relationship with the University of Manchester remains strong. All the current academic programmes are managed by professors at the University of Manchester. Professor O'Neill oversees the inflammation programme, Professor McBain leads the oral programme and both Professor McBain and Professor Sheena Cruikshank lead the Epiderm programme.

Conclusion

Major focus areas for the business in HY2024 has been the pushing forward of the Sederma relationship, growing AxisBiotix-Ps sales and extending the sales channels, progressing the acne consumer participant study, and securing the first acquisition. Management has delivered across all of these.

The recent Sederma visit to Paris has brought a new energy into the team. Seeing the excitement at Sederma and understanding in more detail the final steps for SkinBiotix to be ready for commercialisation is a major milestone. The extension of the contract for another 12 months was also further validation of the strength of the partnership.

Sales for AxisBiotix-Ps continue to grow slowly but steadily in the UK and the Company is seeing new territories opening up with regulatory approvals and sales launches in France, Spain, and Italy. Having access via the Amazon UK platform also enables customers to buy the product more easily. The focus for the next half year is to keep pushing on growing sales and expanding the Amazon relationship into other countries.

The acne consumer participant study is looking really exciting if the interim data are any indication to go by. The final results will come through once cohort 3 is completed in April and the results have been analysed.

Finally, the Dermatonics acquisition is already proving its worth. Following the updated January figures, this new part of the business is generating sales, profits, and cash from a broad pipeline of products in the skincare/woundcare sectors which will support the rest of the Group's activities. In addition, the sales and distribution agreement with Umesh Modi Group, may provide opportunities for other Dermatonics' products as well as SkinBioTherapeutics' own in-house products.

In this period, the Management team has been keen to demonstrate to shareholders that the Company has been delivering on both organic and now new inorganic growth to build sustainable value. Acquisitions (and financing) can sometimes be a distraction for management and shareholders, but the team believes that the benefits will start to be seen in the H2 performance and numbers, as well as for the longer term.

Martin Hunt (Non-executive Chairman)

Stuart J. Ashman (Chief Executive Officer)

22 March 2024

Consolidated Statement of Comprehensive Income

For the 6 months ended 31 December 2023

	Notes	6 months to 31 Dec 2023		6 months to 31 Dec 2022	12 months to 30 Jun 2023
		<i>Unaudited</i>		<i>Unaudited</i>	<i>Audited</i>
		£	£	£	£
Continuing operations					
Revenue	3	106,576	76,985	132,057	
Cost of sales		(38,353)	(25,248)	(46,867)	
Gross profit		68,223	51,737	85,190	
Selling and distribution		(50,862)	(40,136)	(81,294)	
Research and development		(247,969)	(444,588)	(930,636)	
Operating expenses		(1,155,610)	(918,103)	(2,072,612)	
Loss from operations		(1,386,218)	(1,351,090)	(2,999,352)	
Finance costs		(3,836)	(4,739)	(8,886)	
Loss before taxation		(1,390,054)	(1,355,829)	(3,008,238)	
Taxation	4	55,243	70,826	173,089	
Loss for the period		(1,334,811)	(1,285,003)	(2,835,149)	
Total comprehensive loss for the period		(1,334,811)	(1,285,003)	(2,835,149)	
Basic and diluted loss per share (pence)	5	(0.75)	(0.82)	(1.72)	

Consolidated Statement of Financial Position

As at 31 December 2023

Note	As at 31 Dec 2023 <i>Unaudited</i>		As at 31 Dec 2022 <i>Unaudited</i>	As at 30 Jun 2023 <i>Audited</i>
	£	£	£	£
ASSETS				
Non-current assets				
Property, plant and equipment	70,545	-	78,658	
Right-of-use assets	89,864	110,702	94,502	
Intangible assets	761,173	652,548	700,331	
Total non-current assets	921,582	763,250	873,491	
Current assets				
Inventories	46,947	88,257	33,497	
Trade and other receivables	164,557	126,274	192,885	
Corporation tax receivable	237,790	244,555	182,545	
Cash and cash equivalents	2,840,522	765,976	1,311,834	
Total current assets	3,289,815	1,225,062	1,720,761	
Total assets	4,211,397	1,988,312	2,594,252	
EQUITY AND LIABILITIES				
Equity				
Capital and reserves				
Called up share capital	6	1,903,629	1,567,802	1,731,390
Share premium		13,766,596	8,758,037	10,947,874
Other reserves		438,589	459,471	438,589
Accumulated deficit		(12,457,754)	(9,572,797)	(11,122,943)
Total equity		3,651,060	1,212,513	1,994,910
Liabilities				
Non-current liabilities				
Lease liabilities		59,689	82,823	69,601
Total non-current liabilities		59,689	82,823	69,601
Current liabilities				

Trade and other payables	463,287	666,290	498,696
Lease liabilities	37,361	26,686	31,045
Total current liabilities	500,648	692,976	529,741
Total liabilities	560,337	775,799	599,342
Total equity and liabilities	4,211,397	1,988,312	2,594,252

Consolidated Statement of Cash Flows

For the 6 months ended 31 December 2023

	6 months to 31 Dec 2023 <i>Unaudited</i>	6 months to 31 Dec 2022 <i>Unaudited</i>	12 months to 30 Jun 2023 <i>Audited</i>
	£	£	£
Cash flows from operating activities			
Loss before tax for the period	(1,390,054)	(1,355,829)	(3,008,238)
Depreciation of property, plant and equipment	23,072	-	11,136
Right-of-use assets depreciation and interest	21,361	20,938	41,287
Amortisation of IP	683	150	656
Share based payments charge	-	22,155	1,273
	(1,344,938)	(1,312,586)	(2,953,886)
Changes in working capital			
Decrease/(Increase) in inventories	(13,450)	34,314	89,074
Decrease/(Increase) in trade and other receivables	28,314	7,138	(54,735)
Increase/(decrease) in trade and other payables	(35,395)	184,016	16,954
Cash used in operations	(20,531)	225,468	51,293
Taxation received	-	93,189	257,458
Net cash used in operating activities	(1,365,469)	(993,929)	(2,645,135)
Cash flows from investing activities			
Purchase of property, plant and equipment	(14,959)	-	(89,794)
Purchase of IP	(61,525)	(27,194)	(75,483)
Net cash used in investing activities	(76,484)	(27,194)	(165,277)
Cash flows from financing activities			
Net proceeds from issue of shares	2,990,962	-	2,353,425
Lease payments made	(20,321)	(17,824)	(36,102)
Net cash gained/(used) by financing activities	2,970,641	(17,824)	(2,317,323)
Net increase/(decrease) in cash and cash equivalents	1,528,688	(1,038,947)	(493,089)
Cash and cash equivalents at the beginning of the period	1,311,834	1,804,923	1,804,923
Cash and cash equivalents at the end of the period	2,840,522	765,976	1,311,834

Consolidated Statement of Changes in Equity

For the 6 months ended 31 December 2023

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
As at 1 Jul 2022	1,567,802	8,758,037	437,316	(8,287,794)	2,475,361
Loss for the period	-	-	-	(1,285,003)	(1,285,003)
Share-based payments	-	-	22,155	-	22,155
As at 31 Dec 2022	1,567,802	8,758,037	459,471	(9,572,797)	1,212,513
As at 1 Jan 2023	1,567,802	8,758,037	459,471	(9,572,797)	1,212,513
Loss for the period	-	-	-	(1,550,146)	(1,550,146)
Issue of shares	163,588	2,453,793	-	-	2,617,381
Cost of share issue	-	(263,956)	-	-	(263,956)
Share-based payments	-	-	(20,882)	-	(20,882)
As at 30 Jun 2023	1,731,390	10,947,874	438,589	(11,122,943)	1,994,910
As at 1 Jul 2023	1,731,390	10,947,874	438,589	(11,122,943)	1,994,910
Issue of shares	172,239	3,100,336	-	-	3,272,575
Cost of share issue	-	(281,614)	-	-	(281,614)
Loss for the period	-	-	-	(1,334,811)	(1,334,811)
Share-based payments	-	-	-	-	-

As at 31 Dec 2023

1,903,629

13,766,596

438,589

(12,457,754)

3,651,060

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

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

Other reserves arise from share options granted and exercised.

Retained earnings represents accumulated profit or losses to date.

Notes to the Consolidated Financial Statements

For the 6 months ended 31 December 2023

1. General information

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

The principal activity of the Group is the identification and development of technology that harnesses the human microbiome to improve health.

The financial information set out in this half yearly report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 30 June 2023, prepared under UK-adopted International Accounting Standards ("IFRS"), have been filed with the Registrar of Companies.

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

2. Significant accounting policies and basis of preparation

2.1 Statement of compliance

This Interim Report has been prepared using the historical cost convention, on a going concern basis and in accordance with UK-adopted International Accounting Standards ("IFRS"), IFRS Interpretations Committee (IFRIC) and the Companies Act 2006 applicable to companies reporting under IFRS, using accounting policies which are consistent with those set out in the financial statements for the year ended 30 June 2023.

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

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

3. Segmental reporting

In the opinion of the Directors, the Group has one class of business, in three geographical areas, namely that of the identification and development of technology that harnesses the human microbiome to improve health.

Revenue analysed by geographical market	6 months to 31 Dec 2023		6 months to 31 Dec 2022	12 months to 30 Jun 2023
	£	£	£	£
UK	99,719		70,328	118,921
Europe	4,180		560	3,861
US	2,677		6,097	9,275
	106,576		76,985	132,057

4. Taxation

Income taxes recognised in profit or loss	6 months to 31 Dec 2023		6 months to 31 Dec 2022	12 months to 30 Jun 2023
	£	£	£	£
Current tax				
R&D tax credit	55,243		70,826	182,547
R&D tax credit - prior year	-		-	(9,458)
Tax credit for the period	55,243		70,826	173,089

5. Loss per share

	6 months to 31 Dec 2023	6 months to 31 Dec 2022	12 months to 30 Jun 2023
	£	£	£
Basic and diluted loss per share			
Loss after tax (£)	(1,334,811)	(1,285,003)	(2,835,149)
Weighted average number of shares	176,883,221	156,780,236	164,713,045
Basic and diluted loss per share (pence)	(0.75)	(0.82)	(1.72)

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

6. Share capital

Issued share capital comprises	31 Dec 2023	31 Dec 2022	30 Jun 2023
	£	£	£
190,362,941 ordinary shares of £0.01 each	1,903,629	1,567,802	1,731,389

7. Events after the reporting date

The Group has evaluated all events and transactions that occurred after 31 December 2023 up to the date of signing of the financial statements.

On 26 January 2024 the Group acquired 100% of the share capital of Dermatonics Limited, a leader in the woundcare space, based in Cambridgeshire, UK, for a total consideration of £2.93m, with £1.25m of this being deferred consideration.

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