

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at a General Meeting of the Company to be held on 4 January 2023. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom (or, if you are a person outside the UK, from another appropriately qualified independent financial adviser in your jurisdiction).

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date of this document, please immediately send this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares in the Company, you should retain this document and the accompanying documents and immediately consult with the stockbroker, bank or other agent through whom the sale or transfer was effected. The distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan, New Zealand or the Republic of South Africa or into any other jurisdiction where to do so would breach any applicable law or regulation.

The total consideration under the Retail Offer to existing Shareholders will be less than €8 million (or an equivalent amount) in aggregate and it is therefore an exempt offer to the public for the purposes of section 86(1)(e) of FSMA and the Placing Shares will only be available to qualified investors for the purposes of the Prospectus Regulation or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Neither the Placing nor the Retail Offer constitutes an offer to the public requiring an approved prospectus under section 85(1) of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies. This document has not been approved for issue by any person for the purposes of section 21 of FSMA.

The Company and the Directors, whose names are set out on page 3, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in all of the New Ordinary Shares will commence at 8.00 a.m. on 5 January 2023.

SkinBioTherapeutics plc

(Incorporated and registered in England and Wales with registered no. 09632164)

Proposed Placing of 15,625,000 New Ordinary Shares to raise £2.5 million

**Proposed Retail Offer of up to 6,250,000 New Ordinary Shares
to raise £1.0 million**

Notice of General Meeting

Cenkos Securities plc

Nominated Adviser and Broker

You should read the whole of this document. Your attention is drawn to the letter from the Chairman which is set out on pages 10 to 15 (inclusive) of this document and, in particular, to paragraph 10 which contains the unanimous recommendation from the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice of General Meeting, to be held at The Clarion Hotel, Witney Way, Boldon, NE35 9PE at 9.00 a.m. on 4 January 2023, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible and, in any event, so as to reach the Company's registrars, Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, by not later than 9.00 a.m. on 30 December 2022 (or in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a

day that is not a working day) before the time fixed for the holding of the adjourned meeting). If you hold Existing Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the Company's registrars, Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX so that it is received by not later than 9.00 a.m. on 30 December 2022.

Cenkos Securities plc, which is authorised and regulated by the FCA in the United Kingdom, is acting as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies in connection with the Placing and Admission and, as such, its responsibilities are owed solely to the London Stock Exchange and are not owed to the Company and the Directors or to any other person or entity. Cenkos Securities plc will not be responsible to any person other than the Company for providing the protections afforded to clients of Cenkos Securities plc or for providing advice to any other person in connection with the Placing or any acquisition of Ordinary Shares. Cenkos Securities plc is not making any representation or warranty, express or implied, as to the contents of this document. Cenkos Securities plc has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any material information.

This document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Japan, New Zealand or the Republic of South Africa, and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Japan, New Zealand or the Republic of South Africa. The distribution or transmission of this document in jurisdictions other than the UK may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa. Any Shareholders not in the UK and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

No person has been authorised to give any information or make any representation in relation to the Placing and Retail Offer and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or Cenkos Securities plc.

Copies of this document would be available free of charge to the public at the offices of the Company and Cenkos Securities plc for a period of one month from the date of this document, and are also available on the Company's website: www.skinbiotherapeutics.com.

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

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DIRECTORS AND ADVISERS

Directors	Martin Braddock Hunt (<i>Non-Executive Chairman</i>) Stuart John Ashman (<i>Chief Executive Officer</i>) Manprit Singh Randhawa (<i>Chief Financial Officer</i>) Dr Catherine Denise Prescott (<i>Non-Executive Director</i>) Danielle Bekker (<i>Non-Executive Director</i>)
Company Secretary	Manprit Randhawa
Nominated Adviser and Broker	Genkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Legal advisers to the Company	Penningtons Manches Cooper LLP 125 Wood Street London EC2V 7AW
Legal advisers to the Nominated Adviser and Broker	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Registrar	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the launch of the Placing	4.30 p.m. on 15 December 2022
Announcement of the results of the Placing	7.00 a.m. on 16 December 2022
Publication and posting of this document and the Form of Proxy	16 December 2022
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via the CREST system	9.00 a.m. on 30 December 2022
Announcement of the results of the Retail Offer	21 December 2022
General Meeting	9.00 a.m. on 4 January 2023
Announcement of result of General Meeting	4 January 2023
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 5 January 2023
CREST members' accounts credited in respect of New Ordinary Shares in uncertificated form	5 January 2023
Despatch of definitive share certificates for New Ordinary Shares in certificated form	Within 10 days of Admission

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.

Certain of the events in the above timetable are conditional upon, *inter alia*, the approval of the Resolutions to be proposed at the General Meeting.

All references to time and dates in this document are to time and dates in London.

KEY STATISTICS

Number of Existing Ordinary Shares	156,780,236
Number of Placing Shares	15,625,000
Maximum number of REX Retail Offer Shares	6,250,000
Issue Price	16 pence
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares*	12.2 per cent.
Gross proceeds of the Placing	£2.5 million
Maximum gross proceeds of the REX Retail Offer	Approximately £1.0 million
Estimated net proceeds of the Fundraising*	Up to £3.2 million
Enlarged Share Capital immediately following the Fundraising*	178,655,236

*Assuming full take up under the REX Retail Offer

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended);
“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules for Companies”	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
“Board” or “Directors”	the directors of the Company as at the date of this document, whose names are set out on page 3 of this document;
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
“Cenkos Securities”	Cenkos Securities plc, a public limited company incorporated in England and Wales under registered number 05210733 and having its registered office at 6.7.8 Tokenhouse Yard, London, EC2R 7AS, the Company’s nominated adviser and broker for the purposes of the Fundraising;
“certificated” or “in certificated form”	where an Ordinary Share is not in uncertificated form (i.e. not in CREST);
“Chairman”	the chairman of the Board;
“Company” or “SkinBio”	SkinBioTherapeutics plc, a company registered in England and Wales with registered number 09632164;
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the CREST Regulations;
“CREST Manual”	the CREST Manual referred to in agreements entered into by Euroclear and available at www.euroclear.com ;
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST participant ID”	shall have the meaning given in the CREST Manual;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a CREST sponsored member;

“Enlarged Share Capital”	the entire issued share capital of the Company on Admission following completion of the Fundraising assuming full take up under the Retail Offer;
“Euroclear”	Euroclear UK & International Limited;
“Existing Ordinary Shares”	the 156,780,236 Ordinary Shares in issue at the date of this document;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“Form of Proxy”	the form of proxy for use by Shareholders in relation to the General Meeting, enclosed with this document;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Fundraising”	the Placing and the Retail Offer;
“General Meeting” or “GM”	the General Meeting of the Company convened for 9.00 a.m. on 5 January 2023 or any adjournment thereof, notice of which is set out at the end of this document;
“Group”	the Company and its subsidiaries (as defined in the Act);
“Intermediaries”	any financial intermediary appointed by the Company in connection with the REX Retail Offer and “Intermediary” shall mean any one of them;
“Intermediary Agreement”	the agreements entered between each of the Intermediaries, the Company and Peel Hunt LLP containing terms and conditions in relation to the REX Retail Offer;
“Issue Price”	16 pence per New Ordinary Share;
“ITA”	UK Income Tax Act 2007;
“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the Placing Shares and/or the Retail Offer Shares (as the context permits);
“Notice of General Meeting”	the notice convening the General Meeting as set out at the end of this document;
“Official List”	the Official List of the FCA;
“Ordinary Shares”	the ordinary shares of 1 penny each in the capital of the Company in issue from time to time;
“Placees”	subscribers for the Placing Shares;
“Placing Agreement”	the conditional placing agreement entered into between the Company and Cenkos Securities in respect of the Placing, dated 15 December 2022, as described in this document;
“Placing”	the proposed placing by Cenkos Securities (as agent for the Company) of the Placing Shares with certain institutional investors and existing Shareholders, otherwise than on a pre-emptive basis, at the Issue Price on the terms of the Placing Agreement and where appropriate, shall include the subscription for 512,500 New Ordinary Shares by the Directors;

“Placing Shares”	15,625,000 new Ordinary Shares to be issued pursuant to the Placing;
“Prospectus Regulation”	the prospectus regulation rules of the FCA made under section 73A of FSMA;
“Prospectus Rules”	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market;
“Registrar”	Share Registrars Limited, the Company’s registrar;
“Regulatory Information Service”	has the meaning given to it in the AIM Rules;
“Resolution”	the resolution to be proposed at the General Meeting, the full text of which is set out in the Notice of General Meeting;
“Retail Offer” or “REX Retail Offer”	the proposed offer of REX Retail Offer Shares having an aggregate value, at the Issue Price, of up to £1 million to retail investors who are Shareholders by the Company through Intermediaries using the REX Platform and on the basis of the terms and conditions set out in the REX Retail Offer Announcement and Intermediaries Agreements;
“REX Platform”	Peel Hunt’s Retail Capital Markets platform;
“REX Retail Offer Announcement”	the announcement dated 15 December 2022 giving details, <i>inter alia</i> , of the REX Retail Offer;
“REX Retail Offer Shares”	the up to 6,250,000 new Ordinary Shares to be issued for cash at the Issue Price, pursuant to the REX Retail Offer;
“Securities Act”	US Securities Act of 1933 (as amended);
“Shareholders”	the holders of Existing Ordinary Shares, and the term “Shareholder” shall be construed accordingly;
“uncertificated” or “uncertificated form”	means recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“£” or “Pounds”	UK pounds sterling, being the lawful currency of the United Kingdom.

LETTER FROM THE CHAIRMAN

SkinBioTherapeutics plc

(Incorporated and registered in England and Wales with registered number 09632164)

Directors:

Martin Hunt (Non-Executive Chairman)
Stuart Ashman (Chief Executive)
Manprit Randhawa (Chief Financial Officer)
Dr Catherine Prescott (Non-Executive Director)
Danielle Bekker (Non-Executive Director)

Registered Office:

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

16 December 2022

To all Shareholders and, for information only, holders of options over Ordinary Shares

Dear Shareholder

Placing of 15,625,000 New Ordinary Shares to raise £2.5 million
Retail Offer of up to 6,250,000 New Ordinary Shares to raise up to £1.0 million
Notice of General Meeting

1. INTRODUCTION

The Company has today announced that it has conditionally raised £2.5 million (before expenses), pursuant to a Placing and is undertaking a Retail Offer to raise up to an additional £1.0 million. The Retail Offer provides retail investors who are existing Shareholders with an opportunity to participate in the proposed issue of New Ordinary Shares on the same terms as the Placees.

The issue price of 16 pence per New Ordinary Share represents an approximate 7.2 per cent. discount to the closing middle market price of 17.25 pence per Existing Ordinary Share on 14 December 2022, the last Business Day before the announcement of the Fundraising.

The Fundraising is conditional, *inter alia*, on the passing of the Resolution by the Shareholders at the General Meeting, which has been convened for 9.00 a.m. on 4 January 2023. If the Resolution is passed, the New Ordinary Shares are expected to be allotted immediately after the General Meeting, conditional on Admission, which is expected to occur at 8.00 a.m. on 5 January 2023.

Should Shareholder approval not be obtained at the General Meeting, neither the Placing nor the Retail Offer will proceed and the Company would not receive the funds relating to the Placing or the Retail Offer which would limit the amount of working capital available to it. Neither the Placing nor the Retail Offer has been underwritten. The Company would need to consider the options available to it in terms of alternative sources of funding. It may be that such sources would not be available or not available on favourable terms. Accordingly, if alternative sources of funding could not be secured, the Company expects that it would not have sufficient cash for its current level of activities beyond early of the second quarter of calendar year 2023.

The purpose of this document is to explain the background to the Fundraising, to set out the reasons why the Board believes that the Fundraising is in the best interests of the Company and its Shareholders and to seek Shareholder approval of the Resolution at the forthcoming General Meeting, which will be held at The Clarion Hotel, Witney Way, Boldon, NE35 9PE at 9.00 a.m. on 4 January 2023.

2. BACKGROUND TO AND REASONS FOR THE FUNDRAISING

Background

Based in the UK, the Company is a life sciences business focussed on improving skin health via the microbiome with near term opportunities in anti-ageing, treatment of skin conditions such as psoriasis and acne, and wound barrier enhancement. The Company was initially founded on scientific discoveries made at the University of Manchester related to the activities of lysates (extracts) derived from probiotic bacteria when applied to the skin.

The Company is targeting five specific skin healthcare sectors; cosmetics skincare, food supplements for the treatment of skin conditions, medical skin care, infection control in both the home and the hospital environment and pharmaceuticals for the prescribed treatment of skin conditions.

Reasons for the Fundraising

The Company has identified five channels in which to develop its focus, encompassing both existing and new technology;

- **SkinBiotix®** – the Company's core technology that is designed to promote skin health by harnessing the beneficial properties of probiotic bacteria, and the basis of the Company's lead cosmetic product.
- **AxisBiotix™** – addressing the emerging area of science that is focused on the gut-skin axis and its role in various diseases.
- **MediBiotix™** – targeting the use of the SkinBiotix® technology for medical device applications including the treatment of eczema and woundcare.
- **CleanBiotix™** – targeting the use of the SkinBiotix® technology to address certain categories of health care acquired infections.
- **PharmaBiotix™** – an extension to the medical device and AxisBiotix™ applications through a pathway of medicinal prescription registrations.

SkinBiotix® is the Company's proprietary technology and is designed to promote skin health by harnessing the beneficial properties of probiotic bacteria and the active components derived from them. SkinBiotix® has multiple patents granted in key territories for cosmetic, medical and wound care applications and the Directors believe the intellectual property held is strong.

In November 2019 the Company signed a commercial agreement with Croda International Plc ("**Croda**"), and its speciality bioactive ingredient manufacturer, Sederma, for the development and commercialisation of a new active skincare cosmetic ingredient, incorporating the SkinBiotix® technology. The Company continues to engage with Croda and Sederma with regards to the commercialisation phase of the Skinbiotix® product, with the next update meeting between Croda and the Company the scheduled for January 2023. The product development timing is controlled by Croda, however the Directors believe that the product launch will occur in 2023 and thus the Directors expect some initial royalties revenues from Croda to commence in 2023.

Opportunities exist for the Company to explore the use of the SkinBiotix® technology in other areas, for example, oral and hair indications through engagement with third party research. Whilst work has been initiated in these areas it requires a greater commitment of resource to make material progress. Under the terms of the agreement with Croda, the Company retains the right to launch an 'own label' cosmetic and this is an opportunity the Company will explore further.

In February 2020, the Company signed a development agreement with Winclove Probiotics B.V. ("**Winclove**") for a probiotic food supplement to help manage the symptoms associated with the skin condition, psoriasis, following which Winclove formulated the blend as a probiotic food supplement, to be known as AxisBiotix™Ps. The AxisBiotix™Ps product is designed to be taken daily as a single sachet dissolved in water and it is marketed as a food supplement.

Over the course of three months in the first half of 2021, AxisBiotix™Ps underwent a consumer study with patients who had self identified as suffering from mild to moderate psoriasis. Details of the results of the 56 day consumer study were announced on 26 May 2021.

The product launched on 29 October 2021 with sales through the Company's own website and while sales have been lower than originally forecast, retention rates for subscribers are currently at least 80 per cent., with retention rates being measured as the number of subscribers who are remaining as a subscriber at the end of each period, compared to the same cohort that were in existence at the start of a period. However, the Board believes it is in the interests of the Company and a better way to generate long term value to its shareholders to seek to secure an exclusive deal with a global multinational for AxisBiotix-PS, rather than signing multiple distribution deals across different markets. While the Company looks to undertake out-licensing discussions it will continue to roll out the AxisBiotix™Ps product into Europe and the Rest of World.

The Company meanwhile continues to advance R&D into other fields within the other five pillars; is continuing early commercial engagement with multinationals; and is pursuing other opportunities in regulated markets such as medical devices and prescription medicines. Early stage discussions are underway with a global advanced wound care company in relation to the development of MediBiotix, while the Company sees the development of the CleanBiotix and PharmaBiotix products to be medium to long term prospects.

The Company's strategy also involves the evaluation of other opportunities that would provide synergies and accelerated routes to market. The Company is in ongoing discussions to acquire a private company that provides a variety of branded topical products for common dermatological conditions such as psoriasis and eczema to NHS hospitals, dispensing practices and retail pharmacies. The proposed target is profitable and the Company sees a number of synergies to improve this. However, there is no certainty of timing or execution as the Company would need to agree additional funding using debt and/or equity and any acquisition would be conditional on satisfactory diligence.

The Directors believe the Fundraising will put the Company in a strong position to progress each of the identified channels and in doing so build a broader, microbiome based and science led business. The Fundraise will also provide a strengthened balance sheet for negotiations with potential acquisition targets.

3. CURRENT TRADING

Further to the announcement of the Group's unaudited preliminary results on 15 December 2022, the Group's unaudited revenue for the year to 30 June 2022 was £74,761 with gross profit of £45,337. Costs for the 12 months to 30 June 2022 for selling and distribution (£43,804), R&D (£861,383) and other operating expenditure (£1,856,272) meant the unaudited loss for the year was £2,526,635. As at 30 June 2022 unaudited cash was £1.8 million and the Company's net asset balance stood at £2,741,327.

The Company's audited report and accounts for the year ended 30 June 2022, including all notes to the financial statements, are expected to be published and sent to shareholders by 23 December 2022.

4. USE OF PROCEEDS

The Company has conditionally raised gross proceeds of £2.5 million by way of the Placing, and any funds raised in the REX Retail Offer will be in addition to this amount. The proceeds of the Placing will fund the continued roll-out of AxisBiotix™Ps into Europe and Rest of World, accelerate development and commercialisation of acne treatment, build out in-house formulation and scientific capabilities, as well as general working capital. Additional amounts raised from the Rex Retail Offer will be used for further building out in house capabilities and accelerate clinically led studies in AxisBiotix™Ps. The Fundraise will also provide a strengthened balance sheet for negotiations with potential acquisition targets.

5. THE PLACING

The Company is proposing to raise £2.5 million before expenses by the issue of the Placing Shares at 16 pence per new Ordinary Share to certain Shareholders and new investors. The Placing Shares represent 10.0 per cent. of the existing issued share capital of the Company and will, when issued, rank *pari passu* with the existing Ordinary Shares in the Company.

Institutional and other investors have conditionally agreed to subscribe for the Placing Shares at the Issue Price. The Placing has not been underwritten. The issue of the Placing Shares is conditional, *inter alia*, upon the approval by Shareholders of the Resolution to be sought at the General Meeting convened for 9.00 a.m. on 4 January 2023 and upon Admission becoming effective on 5 January 2023 (or such later date as the Company and Cenkos Securities may agree).

The Directors believe that the New Ordinary Shares to be issued pursuant to the Placing will meet the requirements of section 173 ITA for the purposes of the EIS and the Company is a Qualifying Holding and the New Ordinary Shares are eligible shares for the purposes of investment by VCTs. Further details as regards EIS and VCT reliefs are set out in paragraph 6 below.

Under the terms of the Placing Agreement, Cenkos Securities has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing Agreement contains certain warranties and indemnities from the Company in favour of Cenkos Securities and Cenkos Securities may terminate the Placing Agreement in certain customary circumstances.

Under the Placing Agreement, the Company has agreed to pay to Cenkos Securities a fixed sum and/or commissions based on the aggregate value of the Placing, and the costs and expenses incurred in relation to the Placing.

The Placing Agreement contains customary warranties given by the Company in favour of Cenkos Securities in relation to, amongst other things, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos Securities (and their respective affiliates) in relation to certain liabilities which they may incur in respect of the Placing.

Cenkos Securities has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of breach of the warranties, the occurrence of a material adverse change or if the Placing Agreement does not become unconditional.

6. THE REX RETAIL OFFER

The Company has separately agreed to use the REX Platform to undertake an intermediaries offer of New Ordinary Shares at the Issue Price, alongside the Placing, to existing retail investors of the Company. For the avoidance of doubt, the REX Retail Offer Shares are not part of the Placing and do not form part of the Placing Shares.

In recognition of their continued support to the Company, the Board believes that the REX Retail Offer provides the Company's longstanding and supportive Shareholders with an opportunity to participate in the Fundraising. The REX Retail Offer at the Issue Price, for an aggregate of up to 6,250,000 REX Retail Shares, will raise gross proceeds of up to approximately £1.0 million.

Pursuant to the terms of the Intermediaries Agreement, the Company has made the REX Retail Offer to holders of Existing Ordinary Shares only through Intermediaries via the REX Platform. The obligations of the Intermediaries under the Intermediaries Agreement are conditional in all respects upon: (a) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms; and (b) Admission. Under the Intermediaries Agreement, the Company has agreed to pay the provider of the REX Platform and the Intermediaries fees based on the aggregate value of the REX Retail Offer. It is a term of the REX Retail Offer that the total value of the REX Retail Offer Shares available for subscription at Issue Price does not exceed the Sterling equivalent of €8 million.

The REX Retail Offer has not been underwritten and has been offered in the United Kingdom under the exemption against the need to publish a prospectus approved by the FCA in section 86(1)(e) of FSMA. The REX Retail Offer has not been made into any jurisdiction other than the United Kingdom.

7. RELATED PARTIES' PARTICIPATION IN THE FUNDRAISING

Directors' participation in the Placing

As part of the Fundraising, certain Directors intend to subscribe (either personally or through a nominee) for an aggregate of 512,500 Placing Shares at the Issue Price. Details of the Placing Shares for which the Directors intend to subscribe (either personally or through a nominee) are displayed below:

<i>Name**</i>	<i>Number of existing Ordinary Shares</i>	<i>Number of intended to be subscribed for</i>	<i>Value of Placing Shares intended to be subscribed for*</i>	<i>Resulting shareholding following proposed subscription</i>	<i>Percentage of Enlarged Share Capital following proposed subscription*</i>
Martin Hunt	466,667	93,750	£15,000	560,417	0.33%
Stuart John Ashman	125,000	156,250	£25,000	281,250	0.16%
Manprit Randhawa	Nil	156,250	£25,000	156,250	0.09%
Catherine Prescott	118,612	62,500	£10,000	181,112	0.11%
Danielle Bekker	Nil	43,750	£7,000	43,750	0.03%

* On the assumption that the maximum number of Placing Shares are issued pursuant to the Placing but not including any REX Retail Offer Shares that may be subscribed for pursuant to the REX Retail Offer

** The number of Ordinary Shares presented in this table as being held or subscribed for by Directors refers to the number of Ordinary Shares held or subscribed for by them either personally or through a nominee.

The participation by the Directors referred to above in the Placing is classified as a 'related party transaction' for the purposes of Rule 13 of the AIM Rules. As all the Directors are participating in the Placing, Cenkos Securities confirms that it considers that the terms of the transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

8. GENERAL MEETING

The General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, *inter alia*, to allot the New Ordinary Shares.

A notice convening a General Meeting of the Company, to be held at The Clarion Hotel, Witney Way, Boldon, NE35 9PE at 9.00 a.m. on 4 January 2023, is set out at the end of this document. Further details regarding the General Meeting are set out in paragraph 9. At the General Meeting, the following resolution will be proposed:

Special resolution to disapply statutory pre-emption rights in respect of allotments of equity securities up to an aggregate nominal amount of £218,750 in respect of the Fundraising.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders are urged to exercise their votes by submitting their Form of Proxy and appointing the Chairman of the General Meeting as their proxy.

If you hold your Existing Ordinary Shares in certificated form, you should check that you have received the following with this document:

- a Form of Proxy for use in relation to the General Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

You are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, as soon as possible but in any event so as to arrive by not later than 9.00 a.m. on 30 December 2022 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

Alternatively, you can register your vote(s) for the General Meeting by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions.

If you hold Existing Ordinary Shares in CREST, no Form of Proxy will be sent to you. Instead, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the Company's registrars, Share Registrars Limited (under CREST Participant ID 7RA36) so that it is received by not later than 9.00 a.m. on 30 December 2022.

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting.

10. IMPORTANCE OF THE VOTE AND DIRECTORS' RECOMMENDATION

Shareholders should be aware that, should Shareholder approval not be obtained at the General Meeting, neither the Placing nor the Retail Offer will proceed and the Company would not receive the funds relating to the Placing or the Retail Offer which would limit the amount of working capital available to it. The Company would need to consider the options available to it in terms of alternative sources of funding. It may be that such sources would not be available or not available on favourable terms. Accordingly, if alternative sources of funding could not be secured, the Company expects that it would not have sufficient cash for its current level of activities beyond early in the second quarter of calendar year 2023.

The Directors consider the Fundraising to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend unanimously that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their own shareholdings, which total 710,279 Existing Ordinary Shares (representing approximately 0.45 per cent. of the Existing Ordinary Share capital).

Yours sincerely

Martin Hunt

Chairman

NOTICE OF GENERAL MEETING

SKINBIOTHERAPEUTICS PLC

(Incorporated and registered in England and Wales with registered number 09632164)

NOTICE IS HEREBY GIVEN that a General Meeting of SkinBioTherapeutics plc (the “Company”) will be held at 9.00 a.m. on 4 January 2023 at The Clarion Hotel, Witney Way, Boldon, NE35 9PE for the purposes of considering and, if thought fit, passing the following resolution as a special resolution.

Words and expressions defined in the circular published by the Company on 16 December 2022 have the same meaning in this Notice, unless the context otherwise requires.

SPECIAL RESOLUTION

THAT the Directors be generally authorised in accordance with section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this authority shall be limited to: the allotment of equity securities up to a maximum nominal amount of £218,750 (representing 21,875,000 Ordinary Shares of 1 penny each) in connection with the Placing and the Retail Offer; and this authority shall expire on the date of the next annual general meeting of the Company held after the date on which this resolution is passed or six months after the Company’s accounting reference date (whichever is the earlier), save that the Company may make any offer(s) or enter into any agreement(s) before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer(s) or agreement(s) as if the authority conferred hereby had not expired.

By Order of the Board

Manprit Randhawa

Company Secretary

Registered office:

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

Dated: 16 December 2022

Notes to the Notice of General Meeting

1. Members are entitled to appoint a proxy to exercise all or any of their rights to vote on their behalf at the meeting and at any adjournment of it. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A Form of Proxy is enclosed with this Notice and instructions for completion are shown on the form. To appoint the Chairman of the General Meeting as a proxy, the Form of Proxy must be completed and deposited with the Company's registrars, Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, so as to arrive no later than 9.00 a.m. on 30 December 2022, being 48 hours (ignoring any part of any day that is not a working day) before the start of the General Meeting.

Alternatively, you can register your vote for the General Meeting by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions or in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 5 and 6 below.
3. In the case of joint shareholders, the signature of the senior shareholder (seniority to be determined by the order in which the names stand in the register of members) shall be accepted to the exclusion of all other joint holders. The names of all joint shareholders should be stated at the top of the form.
4. In order to have the right to vote at the General Meeting (and also for the purpose of determining how many votes a person entitled to vote may cast), a person must be entered on the register of members of the Company at 9.00 a.m. on 30 December 2022, being 48 hours (ignoring any part of any day that is not a working day) before the start of the General Meeting, or, in the event of any adjournment, 48 hours before the start of the adjourned meeting (ignoring any part of any day that is not a working day). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
5. CREST members who wish to appoint the Chairman of the General Meeting as their proxy through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's ("Euroclear") specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA36) by the latest time for the receipt of proxy appointments specified in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. As at 16 December 2022 (being the last Business Day prior to the publication of this Notice), the Company's issued ordinary share capital consisted of 156,780,236 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 16 December 2022 were 156,780,236.
10. A copy of this Notice, and other information required by section 311A of the Act, can be found at <https://www.skinbiotherapeutics.com/investor-relations>.
11. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice or in any related documents (including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
12. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

