
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO

(Rule 14d-100)
Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

SKYLINE MEDICAL INC.
(Name of Subject Company (Issuer) and Name of Filing Person (Issuer))
Series A Warrants
(Title of Class of Securities)
Series A Warrants: 83084T 127
(CUSIP Number of Class of Securities)

Joshua Kornberg
Chief Executive Officer, President and Interim Chairman of the Board
Skyline Medical Inc.
2915 Commers Drive, Suite 900
Eagan, Minnesota 55121
(651) 389-4800
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications on Behalf of Filing Persons)
with copies to:

Martin R. Rosenbaum, Esq. Leah Fleck, Esq. Maslon LLP 3300 Wells Fargo Center 90 South Seventh Street Minneapolis, Minnesota 55402 Tel: 612-672-8200 Fax: 612-672-8397	Spencer G. Feldman, Esq. Olshan Frome Wolosky LLP Park Avenue Tower 65 East 55th Street New York, New York 10022 Tel: 212-451-2300 Fax: 212-451-2222
---	---

CALCULATION OF FILING FEE

Transaction valuation*
\$8,847,447.84

Amount of filing fee*
\$890.94

*

Estimated for purposes of calculating the amount of the filing fee only. Skyline Medical Inc. (the "Company") is offering holders of the Company's outstanding Series A Warrants for Series B Warrants. The amount of the filing fee assumes that all outstanding Series A Warrants, which could be exercised into 42,130,704 shares of common stock. The transaction value was determined by using the average of the high and low reported sales prices of the Company's common stock underlying the Series A Warrants, as reported on The NASDAQ Capital Market on March 23, 2016, which was \$0.21.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:
Form of Registration No.:

Filing Party:
Date Filed:

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

SCHEDULE TO

This Tender Offer Statement on Schedule TO (this "Schedule TO") is filed by Skyline Medical Inc., a Delaware corporation ("Skyline" or the "Company"). This Schedule TO relates to the offer by the Company to all holders of the Company's outstanding Series A Warrants (the "Series A Warrants"). The Company is offering to exchange Series B Warrants (the "Series B Warrants") to purchase shares of our common stock, par value \$0.01 per share (the "Warrant Shares"), for up to an aggregate of 3,157,186 outstanding Series A Warrants. Each Series A Warrant can be exercised for one share of common stock at \$4.95 per share or on a cashless basis for a variable number of shares, with the ratio depending in part on the market value of our common stock. On March 16, 2016, each Series A Warrant could be exercised on a cashless basis for 10.06 shares of common stock. For each outstanding Series A Warrant tendered by holders, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustment for stock splits, etc.). The offer is subject to the terms and conditions set forth in the Offer Letter, dated March 24, 2016 (the "Offer Letter"), a copy of which is filed herewith as Exhibit (a)(1)(A), and in the related Letter of Transmittal, a copy of which is filed herewith as Exhibit (a)(1)(B) (which, together with any amendments or supplements thereto, collectively constitute the "Offer").

This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4 under the Securities Exchange Act of 1934, as amended. The information in the Offer Letter and the related Letter of Transmittal is incorporated by reference as set forth below.

Item 1. Summary Term Sheet.

The information set forth in the section of the Offer Letter titled "Summary" is incorporated herein by reference.

Item 2. Subject Company Information.

(a) Name and Address. The name of the subject company and the filing person is Skyline Medical Inc., a Delaware corporation. The address of the Company's principal executive offices is 2915 Commers Drive, Suite 900, Eagan, Minnesota 55121. The Company's telephone number is (651) 389-4800.

(b) Securities. The subject class of securities consists of Skyline's outstanding Series A Warrants. As of March 16, 2016, the Company had 3,157,186 Series A Warrants outstanding. Each Series A Warrant can be exercised for one share of common stock at \$4.95 per share or on a cashless basis for a variable number of shares, with the ratio depending in part on the market value of our common stock. On March 16, 2016, each Series A Warrant could be exercised on a cashless basis for 10.06 shares of common stock. For each outstanding Series A Warrant tendered by holders, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustment for stock splits, etc.). The actual number of Series B Warrants that will be issued will depend on the number of Series A Warrants tendered and accepted for exchange and canceled. If all outstanding Series B Warrants are tendered, a maximum aggregate of 32,203,297 Series B Warrants will be issued in connection with the Offer.

(c) Trading Market and Price. The information set forth in the Offer Letter under Section 6 "Price Range of Common Stock" is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) Name and Address. The Company is the subject company and the filing person. The business address and telephone number of the Company are set forth under Item 2(a) above.

The names of the executive officers and directors of the Company who are persons specified in Instruction C to Schedule TO are set forth below. The business address for each such person is c/o Skyline Medical Inc. 2915 Commers Drive, Suite 900, Eagan, Minnesota 55121 and the telephone number for each such person is (651) 389-4800.

Name	Position
Josh Kornberg	President, Chief Executive Officer, and Interim Chairman of the Board
Thomas J. McGoldrick	Director
Andrew P. Reding	Director
Carl Schwartz	Director
David O. Johnson	Chief Operating Officer
Bob Myers	Chief Financial Officer

Item 4. Terms of the Transaction.

(a) *Material Terms.* The information set forth in Sections 1 through 12 of the Offer Letter is incorporated herein by reference. There will be no material differences in the rights of security holders as a result of this transaction.

(b) *Purchases.* The Company’s President, Chief Executive Officer and Interim Chairman of the Board, Joshua Kornberg, holds 11,112 Series A Warrants. Mr. Kornberg intends to tender all of his Series A Warrants for Series B Warrants in the Exchange Offer. Other than Mr. Kornberg, none of our officers or directors or their respective affiliates beneficially owns any of the Series A Warrants and, therefore, will not participate in the Exchange Offer. The information set forth in the Offer Letter under “The Offer, Section 5 “Background and Purpose of the Offer — Interests of Directors and Officers and the Company” is incorporated herein by reference.

Item 5. Past Contracts, Transactions, Negotiations and Arrangements.

(a) *Agreements Involving the Subject Company’s Securities.* The information set forth in the Offer Letter under Section 8 “Transactions and Agreements Concerning the Company’s Securities” is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) *Purposes.* The information set forth in the Offer Letter under Section 5 “Purpose of the Offer” is incorporated herein by reference.

(b) *Use of Securities Acquired.* The securities will be canceled.

(c) *Plans.* No plans or proposals described in this Schedule TO or in any materials sent to the holders of the Series A Warrants in connection with the Offer relate to or would result in the conditions or transactions described in Regulation M-A, Items 1006(c)(1)-(8) and (10). The Company is offering to exchange up to an aggregate of 32,203,297 Series B Warrants for up to an aggregate of all outstanding Series A Warrants.

Item 7. Source and Amount of Funds or Other Consideration.

(a) *Sources of Funds.* No funds will be used by the Company in connection with the Offer, other than funds used to pay the expenses of the Offer.

(b) *Conditions.* Not applicable.

(c) *Borrowed funds.* Not applicable.

Item 8. Interest in Securities of the Subject Company.

(a) *Securities ownership.* The information set forth in the Offer Letter under Section 5 “Background and Purpose of the Offer – Interests of Directors and Officers and the Company” is incorporated herein by reference.

(b) *Securities transactions.* The information set forth in the Offer Letter under Section 5 “Background and Purpose of the Offer – Interests of Directors and Officers and the Company” is incorporated herein by reference. Otherwise, to the Company’s knowledge after reasonable inquiry none of its officers or directors engaged in any transactions in the Series A Warrants required to be disclosed in this Item 8(b).

Item 9. Person/Assets, Retained, Employed, Compensated or Used.

(a) Solicitations or Recommendations. The Company has retained Corporate Stock Transfer, Inc. (“Exchange Agent”) to act as the depository and exchange agent, Source Capital Group, Inc. (“Dealer Manager”) to act as the dealer manager and D.F. King & Co., Inc. (“Information Agent”) to act as the information agent. The Company may contact holders of Series A Warrants over the Internet, by mail, telephone, fax, email or other electronic means, and may request brokers, dealers, commercial banks, trust companies and other nominee holders to forward material relating to the Offer to beneficial owners. Each of Exchange Agent, Dealer Manager and Information Agent will receive reasonable and customary compensation for its services in connection with the Offer, plus reimbursement for out-of-pocket expenses, and will be indemnified by the Company against certain liabilities and expenses in connection therewith.

Item 10. Financial Statements.

(a) Financial Information. Incorporated herein by reference are the Company’s financial statements that were filed with its Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the Securities and Exchange Commission (the “SEC”) on March 16, 2016 (the “Form 10-K”). The Form 10-K is available for review on the SEC’s website at www.sec.gov and on the Company’s website at www.skylinemedical.com. In addition, the information set forth in the Offer Letter under Section 9 “Financial Information Regarding the Company” is incorporated herein by reference.

(b) Pro Forma Information. Not applicable.

Item 11. Additional Information.

The information set forth in the Offer Letter and the related Letter of Transmittal, copies of which are filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto, respectively, is incorporated herein by reference.

Item 12. Exhibits.

Exhibit Number	Description
(a)(1)(A)	Offer Letter dated March 24, 2016.
(a)(1)(B)	Letter of Transmittal.
(a)(1)(C)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees to their clients.
(a)(1)(D)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees for their clients.
(a)(5)(A)	The Company’s Annual Report on Form 10-K filed with the SEC on March 16, 2016, incorporated herein by reference.
(a)(5)(B)	Press Release dated March 11, 2016 filed on March 11, 2016 as Exhibit 99.1 to our Current Report on Form 8-K and incorporated herein by reference.
(a)(5)(C)	Press Release dated March 24, 2016
(b)	Not applicable.
(c)	Not applicable.
(d)(1)	Form of Series A Warrant Agency Agreement by and between Skyline Medical Inc. and Corporate Stock Transfer, Inc. and Form of Warrant Certificate filed on August 20, 2015 as an exhibit to our Registration Statement on Form S-1 (File No. 333-198962) and incorporated herein by reference.
(d)(2)	Specimen certificate evidencing shares of Common Stock filed on July 20, 2015 as an exhibit to our Registration Statement on Form S-1 (File No. 333-198962) and incorporated herein by reference.
(d)(3)	Form of Series A Warrant Certificate (included as part of Exhibit (d)(1)).
(d)(4)	Form of New Warrant Agency Agreement by and between Skyline Medical Inc. and Form of Warrant Certificate for Series B Warrant filed on March 24, 2016 as Exhibit 4.19 to our Registration Statement on Form S-4 and incorporated herein by reference.
(d)(5)	Form of Series B Certificate filed on March 24, 2016 in Exhibit 4.19 to our Registration Statement on Form S-4 and incorporated herein by reference.
(g)	Not applicable.
(h)	Not applicable.

Item 13. Information Required by Schedule 13e-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SKYLINE MEDICAL INC.

By: /s/ Joshua Kornberg
Joshua Kornberg
Chief Executive Officer

Date: March 24, 2016

INDEX TO EXHIBITS

Exhibit

Number	Description
(a)(1)(A)	Offer Letter dated March 24, 2016.
(a)(1)(B)	Letter of Transmittal.
(a)(1)(C)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees to their clients.
(a)(1)(D)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees for their clients.
(a)(5)(A)	The Company's Annual Report on Form 10-K filed with the SEC on March 16, 2016, incorporated herein by reference.
(a)(5)(B)	Press Release dated March 11, 2016 filed on March 11, 2016 as Exhibit 99.1 to our Current Report on Form 8-K and incorporated herein by reference.
(a)(5)(C)	Press Release dated March 24, 2016 filed on March 24, 2016 as Exhibit 99.2 to our Registration Statement on Form S-4 and incorporated herein by reference.
(b)	Not applicable.
(c)	Not applicable.
(d)(1)	Form of Series A Warrant Agency Agreement by and between Skyline Medical Inc. and Corporate Stock Transfer, Inc. and Form of Warrant Certificate filed on August 20, 2015 as an exhibit to our Registration Statement on Form S-1 (File No. 333-198962) and incorporated herein by reference.
(d)(2)	Specimen certificate evidencing shares of Common Stock filed on July 20, 2015 as an exhibit to our Registration Statement on Form S-1 (File No. 333-198962) and incorporated herein by reference.
(d)(3)	Form of Series A Warrant Certificate (included as part of Exhibit (d)(1)).
(d)(4)	Form of New Warrant Agency Agreement by and between Skyline Medical Inc. and Form of Warrant Certificate for Series B Warrant filed on March 24, 2016 as Exhibit 4.19 to our Registration Statement on Form S-4 and incorporated herein by reference.
(d)(5)	Form of Series B Certificate filed on March 24, 2016 in Exhibit 4.19 to our Registration Statement on Form S-4 and incorporated herein by reference.
(g)	Not applicable.
(h)	Not applicable.

OFFER LETTER

TO ALL HOLDERS OF SERIES A WARRANTS

TO EXCHANGE SERIES A WARRANTS FOR SERIES B WARRANTS OF SKYLINE MEDICAL INC.

MARCH 24, 2016

THE OFFER PERIOD AND YOUR RIGHT TO WITHDRAW SERIES A WARRANTS THAT YOU TENDER WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON APRIL 21, 2016, UNLESS THE OFFER PERIOD IS EXTENDED. THE COMPANY MAY EXTEND THE OFFER PERIOD AT ANY TIME.

THE OFFER IS BEING MADE SOLELY UNDER THIS OFFER LETTER AND THE RELATED LETTER OF TRANSMITTAL TO ALL HOLDERS OF SERIES A WARRANTS. THE OFFER IS NOT BEING MADE TO, NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS OF SERIES A WARRANTS RESIDING IN ANY U.S. STATE IN WHICH THE MAKING OF THE OFFER OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE SECURITIES, BLUE SKY OR OTHER LAWS OF SUCH U.S. STATE.

Skyline Medical Inc., a Delaware corporation (the “*Company*” or “*Skyline*”) is making an offer, upon the terms and conditions in this Offer Letter and the related Letter of Transmittal (which together constitute the “*Offer*” or the “*Exchange Offer*”), to the holders of the Company’s outstanding Series A Warrants (the “*Series A Warrants*”). The Company is offering to exchange Series B Warrants (the “*Series B Warrants*”) to purchase shares of our common stock, par value \$0.01 per share (the “*Warrant Shares*”), for up to an aggregate of 3,157,186 outstanding Series A Warrants. Each Series A Warrant can be exercised for one share of common stock at \$4.95 per share or on a cashless basis for a variable number of shares, with the ratio depending in part on the market value of our common stock. On March 16, 2016, each Series A Warrant could be exercised on a cashless basis for 10.06 shares of common stock. For each outstanding Series A Warrant tendered by holders, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustment for stock splits, etc.). The “*Offer Period*” is the period of time commencing on March 24, 2016 and ending at 5:00 p.m., Eastern time, on April 21, 2016, or such later date to which the Company may extend the Offer (the “*Expiration Date*”).

The Company’s common stock has been listed on The NASDAQ Capital Market under the symbol “SKLN” since August 31, 2015. On March 16, 2016, the last reported sale price for the Company’s common stock was \$0.21.

You may tender some or all of your Series A Warrants on these terms. *If you elect to tender Series A Warrants in response to the Offer, please follow the instructions in this Offer Letter and the related documents, including the Letter of Transmittal.*

If you tender Series A Warrants, you may withdraw your tendered Series A Warrants before the Expiration Date and retain them on their terms by following the instructions herein.

Investing in the Series B Warrants involves a high degree of risk. See Section 12 of this Offer Letter for a discussion of information that you should consider before tendering Series A Warrants in the Offer.

The Offer will commence on March 24, 2016 (the date the materials relating to the Offer are first sent to the Series A Warrant holders) and end on the Expiration Date.

All of the currently outstanding Series A Warrants are subject to the Offer.

A detailed discussion of the Offer is contained in this Offer Letter. Holders of Series A Warrants are strongly encouraged to read this entire package of materials, and the publicly-filed information about the Company referenced herein, before making a decision regarding the Offer.

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NONE OF THE COMPANY, ITS DIRECTORS, OFFICERS OR EMPLOYEES, NOR THE EXCHANGE AGENT OR THE INFORMATION AGENT (EACH AS DEFINED BELOW) MAKES ANY RECOMMENDATION WHETHER YOU SHOULD TENDER SERIES A WARRANTS. EACH HOLDER OF A SERIES A WARRANT MUST MAKE HIS, HER OR ITS OWN DECISION WHETHER TO TENDER SOME OR ALL OF HIS, HER OR ITS SERIES A WARRANTS.

IMPORTANT PROCEDURES

If you want to tender some or all of your Series A Warrants, you must do one of the following before the Expiration Date:

- if your Series A Warrants are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your Series A Warrants for you, which can typically be done electronically;
- if you hold Series A Warrants in your own name, complete and sign the Letter of Transmittal according to its instructions, and deliver the Letter of Transmittal, together with any required signature guarantee and any other documents required by the Letter of Transmittal, to Corporate Stock Transfer, Inc., the depository and exchange agent for the Offer ("*CST*" or the "*Exchange Agent*"); or
- if you are an institution participating in The Depository Trust Company ("*DTC*"), called the "book-entry transfer facility" in this Offer Letter, tender your Series A Warrants according to the procedure for book-entry transfer described in Section 2.

TO TENDER YOUR SERIES A WARRANTS, YOU MUST CAREFULLY FOLLOW THE PROCEDURES DESCRIBED IN THIS OFFER LETTER, THE LETTER OF TRANSMITTAL AND THE OTHER DOCUMENTS DISCUSSED HEREIN RELATED TO THE OFFER.

SERIES A WARRANTS NOT EXCHANGED IN THE OFFER WILL OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS.

IT IS THE COMPANY'S CURRENT INTENTION NOT TO CONDUCT ANOTHER OFFER DESIGNED TO INDUCE THE EXCHANGE OF THE SERIES A WARRANTS. HOWEVER, THE COMPANY RESERVES THE RIGHT TO DO SO IN THE FUTURE.

If you have any questions or need assistance, you should contact D.F. King & Co., Inc., the Information Agent for the Offer (the "Information Agent"). You may request additional copies of this Offer Letter or the Letter of Transmittal from the Information Agent at:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005
Main Phone: (212) 269-5550
Toll-Free: (866) 406-2283

You may also email your requests to: sklnu@dfking.com

The address of the Depository and Exchange Agent is:

Corporate Stock Transfer, Inc.
3200 Cherry Creek Drive South, #430
New York, New York 10018
Facsimile: 303-282-5800
Phone: 303-282-4800
Toll Free: 877-309-2764

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	
THE OFFER	
1. GENERAL TERMS OF THE EXCHANGE OFFERS	8
2. PROCEDURE FOR PARTICIPATION IN THE EXCHANGE OFFER	10
3. WITHDRAWAL RIGHTS	13
4. ACCEPTANCE OF SERIES A WARRANTS AND DELIVERY OF SERIES B WARRANTS	14
5. BACKGROUND AND PURPOSE OF THE OFFER	15
6. PRICE RANGE OF COMMON STOCK	17
7. SOURCE AND AMOUNT OF FUNDS	17
8. TRANSACTIONS AND AGREEMENTS CONCERNING THE COMPANY'S SECURITIES	18
9. FINANCIAL INFORMATION REGARDING THE COMPANY	18
10. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS	18
11. FORWARD-LOOKING STATEMENTS; RISK FACTORS	19
12. ADDITIONAL INFORMATION; MISCELLANEOUS	27

Unless otherwise stated in this Offer Letter, references to “we,” “our,” “us,” or the “Company” refer to Skyline Medical Inc. An investment in our Shares involves risks. You should carefully consider the information provided under the heading “Risk Factors” beginning on page 25.

SUMMARY

The Exchange Offer	We are offering to exchange Series B Warrants for the outstanding Series A Warrants tendered by holders on or prior to the Expiration Date, upon the terms and subject to the conditions described in this Offer Letter and the related Letter of Transmittal and as permitted under the terms of the Exchange Offer. Subject to the satisfaction or waiver of all conditions to the Exchange Offer, Series A Warrants that are validly tendered and not validly withdrawn will be accepted for exchange in accordance with the terms of the Exchange Offer.
Purpose of the Exchange Offer	We believe that the variable number of shares currently issuable upon a cashless exercise of Series A Warrants creates significant market uncertainty and downward pressure on the market value of our common stock. The purpose of the Exchange Offer is to replace as many Series A Warrants as possible with Series B Warrants, which feature a fixed number of shares issuable upon a cashless exercise. We believe this exchange will create more certainty and transparency in the market for our common stock and our capital structure, which we believe will benefit our stockholders. See “General Terms of the Exchange Offer.”
The Exchange Ratio	For each outstanding Series A Warrant tendered by holders, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustment for stock splits, etc.). The Series A Warrants, in contrast, are currently each subject to cashless exercise for a variable number of shares that (1) increases as the market price of the stock decreases, subject to a market price floor of \$0.43 per share, and (2) fluctuates to a lesser degree based on the US Treasury rate included in the formula. As of March 16, 2016, each Series A Warrant was subject to exercise on a cashless basis for 10.06 shares of common stock. <u>Example:</u> On March 16, 2016, a holder of 1,000 Series A Warrants would have been entitled to receive 10,060 shares of common stock upon a cashless exercise of such Series A Warrants. If the holder accepted the Exchange Offer, the holder would receive 10,200 Series B Warrants, which in the aggregate would entitle the holder to receive 10,200 shares of common stock upon cashless exercise (subject to further adjustment for stock splits, etc.).
Market Value of our Securities	Our Series A Warrants are not listed for trading on any market. Our shares of common stock are traded on NASDAQ under the symbol “SKLN.” The last reported sale price of our shares of common stock on March 16, 2016 was \$0.21 per share. See “General Terms of the Exchange Offer — Market and Trading Information.”
Terms of the Series B Warrants	For each Series A Warrant that is exchanged, the holder will receive 10.2 Series B Warrants. Each Series B Warrant entitles the registered holder to receive upon cashless exercise one share of our common stock. The Series B Warrants have a term that expires on December 31, 2020 (compared to an expiration date of August 31, 2020 for the Series A Warrants). The Series B Warrants contain provisions requiring an adjustment of the number of shares of common stock issuable upon exercise in the event of stock dividends, stock splits, reorganizations, reclassifications, consolidations and the like. The Series B Warrants will be issued in book entry form.

Expiration Date of Exchange Offer	The Exchange Offer will expire on the Expiration Date, which is at 5:00 p.m., Eastern time, on April 21, 2016, unless extended by us at our sole discretion.
Settlement Date	The settlement of the Exchange Offer will occur promptly after the Expiration Date.
Procedure for Participating in the Exchange Offer	<p>In all cases, the issuance of the Series B Warrants pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of the Series A Warrants, the Letter of Transmittal (or a facsimile thereof) properly completed and duly executed and any required signature guarantees and other documents required by the Letter of Transmittal.</p> <p>In lieu of physically completing and signing the Letter of Transmittal and delivering it to the Exchange Agent, DTC participants may electronically transmit their acceptance of the Exchange Offer through DTC's automated tender offer program, for which the transaction will be eligible.</p> <p>By signing or agreeing to be bound by the Letter of Transmittal and other required documents, you will represent to us that, among other things:</p> <ul style="list-style-type: none"> • any Series B Warrants that you receive will be acquired in the ordinary course of your business; • you have no arrangement or understanding with any person to participate in the distribution of the Series B Warrants; • if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the Series B Warrants; and • if you are a broker-dealer, that you will receive Series B Warrants for your own account in exchange for Series A Warrants that were acquired as a result of market-making activities or other trading activities and that you will deliver a prospectus in connection with any resale of the Series B Warrants. <p>Please do not send Letters of Transmittal to us, the Dealer Manager or the Information Agent. You should send Letters of Transmittal only to the Exchange Agent, at its office as indicated under "Additional Information; Miscellaneous" in this Offer Letter. The Exchange Agent can answer your questions regarding how to tender your Series A Warrants.</p>
Procedures for Tendering Series A Warrants Through a Custodian	If you are a beneficial owner of Series A Warrants, but the holder of such Series A Warrants is a custodial entity such as a bank, broker, dealer, trust company or other nominee, and you seek to tender your Series A Warrants pursuant to the Exchange Offer, you must provide appropriate instructions to such holder of the Series A Warrants in order to participate through DTC's automated tender offer program with respect to such Series A Warrants. You should keep in mind that your intermediary may require you to take action with respect to the Exchange Offer a number of days before the Expiration Date in order for such entity to tender Series A Warrants on your behalf prior to the expiration of the Exchange Offer in accordance with the terms of the Exchange Offer.

Withdrawal of Tenders	Your right to tender any Series A Warrants pursuant to the Exchange Offer will expire at the Expiration Date. You can withdraw the tender of your Series A Warrants in connection with the Exchange Offer at any time before the Expiration Date.
Acceptance of Series A Warrants and Delivery of Series B Warrants	We will accept any and all outstanding Series A Warrants that are properly tendered in this Exchange Offer on or before 5:00 p.m., Eastern time, on the Expiration Date, if all the conditions to the completion of this Exchange Offer are satisfied or waived. We will deliver Series B Warrants to you promptly after the Expiration Date and acceptance of your Series A Warrants for Series B Warrants. Please refer to the section in this Offer Letter entitled “General Terms of the Exchange Offer.”
Return of Series A Warrants	If we do not accept any Series A Warrants tendered in the Exchange Offer for any reason described in the terms and conditions of the Exchange Offer or if any Series A Warrants tendered are withdrawn pursuant to the terms of the Exchange Offer, we will return such Series A Warrants without expense to the holder.
Conditions to the Exchange Offer	The Exchange Offer is subject to the conditions discussed under “Procedure for Participation in the Exchange Offer —Conditions to the Exchange Offer,” including that the registration statement on Form S-4 (filed on March 24, 2016) (the “ Registration Statement ”), including the prospectus which forms a part of such Registration Statement, shall have become effective under the Securities Act and not be subject to a stop order, and no proceedings for that purpose shall have been instituted or be pending or, to our knowledge, be contemplated or threatened by the SEC. We also will not be required, but we reserve the right, to waive any of the conditions to this Exchange Offer, other than the condition relating to the effectiveness of the Registration Statement and such Registration Statement not being subject to a stop order or any proceedings for that purpose. We have the right, in our sole discretion, to terminate or withdraw the Exchange Offer if any of the conditions described in this Offer Letter are not satisfied or waived. See “Procedure for Participation in the Exchange Offer —Conditions to the Exchange Offer.”
Extension; Waivers and Amendments; Termination	Subject to applicable law, we reserve the right to (1) extend the Exchange Offer; (2) waive any and all conditions to or amend the Exchange Offer in any respect (except as to the condition that the Registration Statement having become effective under the Securities Act and such Registration Statement not being subject to a stop order or any proceedings for that purpose, which condition we cannot waive); or (3) terminate the Exchange Offer. Any extension, waiver, amendment or termination will be followed as promptly as practicable by a public announcement thereof, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., Eastern time, on the next business day after the last previously scheduled Expiration Date. See “General Terms of the Exchange Offer— Extensions, Termination or Amendment.”
Differences between the Series A Warrants and the Series B Warrants	There are material differences between the terms of the Series A Warrants and the terms of the Series B Warrants, including that (1) the Series B Warrants do not permit cash exercise at a price of \$4.95 per share, (2) the Series B Warrants feature a fixed number of shares issuable upon cashless exercise and (3) the termination dates of the two series of warrants differ.
Dealer Manager	Source Capital Group, Inc. is serving as the Dealer Manager for the Exchange Offer.
Information Agent	D.F. King & Co., Inc. is serving as the Information Agent in connection with the Exchange Offer. Questions or requests for assistance, or for additional copies of the Exchange Offer documents, Letter of Transmittal or other materials should be directed to: (212) 269-5550, toll-free (866) 406-2283, or sklnu@dfking.com.

Depository and Exchange Agent	Corporate Stock Transfer, Inc. is serving as the Depository and Exchange Agent in connection with the Exchange Offer. Deliveries should be addressed to: Corporate Stock Transfer, Inc., 3200 Cherry Creek South Drive, Suite 430, Denver, CO 80209.
U.S. Federal Income Tax Considerations	We recommend that you consult with your own tax advisor with regard to the possibility of any federal, state, local or other tax consequences of the Exchange Offer. See "Certain U.S. Federal Income Tax Considerations" for a discussion of the material U.S. Federal Income Tax Consequences of participating in the Exchange Offer.
Registration	The Series B Warrants and the Warrant Shares will be registered pursuant to the Registration Statement at the time the Series B Warrants are issued. See "Description of Series B Warrants Included in the Exchange Offer."
Use of Proceeds	We will not receive any cash proceeds from the issuance of the Series B Warrants or from the exercise of the Series B Warrants.
Risk Factors	See "Risk Factors" and other information included in this Offer Letter for a discussion of factors you should consider carefully before investing pursuant to the terms of this Offer Letter.
Consequences to Holders Who Do Not Participate in the Exchange Offer	If you do not participate in this Exchange Offer, you will retain the Series A Warrants. Among other consequences, you will continue to hold warrants that feature a fluctuating number of shares issuable upon a cashless exercise. See "Risk Factors."

THE OFFER

Risks of Participating In the Offer

Participation in the Offer involves a number of risks, including, but not limited to, the risks identified in Section 12. below. Holders should carefully consider these risks and are urged to speak with their personal financial, investment and/or tax advisors as necessary before deciding whether to participate in the Offer. In addition, the Company strongly encourages you to read this Offer Letter in its entirety and review the documents referred to in Sections 8., 9., 12. and 13.

1. GENERAL TERMS OF THE EXCHANGE OFFER

Purpose of the Exchange Offer

We believe that the variable number of shares currently issuable upon a cashless exercise of Series A Warrants creates significant market uncertainty and downward pressure on the market value of our common stock. The purpose of the Exchange Offer is to replace as many Series A Warrants as possible with Series B Warrants, which feature a fixed number of shares issuable upon a cashless exercise. We believe this exchange will create more certainty and transparency in the market for our common stock and our capital structure, which we believe will benefit our stockholders.

Terms of the Exchange Offer

Upon the terms and subject to the conditions described in this Offer Letter, the Registration Statement and the Letter of Transmittal, we are offering to issue up to an aggregate of 32,203,297 Series B Warrants to the holders of outstanding Series A Warrants who validly tender their Series A Warrants on or prior to the Expiration Date. All outstanding Series A Warrants that are (i) not tendered prior to the Expiration Date; or (ii) tendered but withdrawn any time before the Expiration Date or, for any valid reason, not accepted by us, will continue to be outstanding according to their terms unmodified.

As of March 16, 2016, there were outstanding 3,157,186 Series A Warrants subject to the Exchange Offer. The prospectus which forms a part of the Registration Statement and the Letter of Transmittal are being sent to all registered holders of the outstanding Series A Warrants. There will be no fixed record date for determining registered holders of the outstanding Series A Warrants entitled to participate in the Exchange Offer. The Series A Warrants that were issued to former holders of shares of our Series A Preferred Stock as a component of certain units in exchange for such shares may participate in the Exchange Offer.

The Exchange Agent will act as agent for the tendering holders of the Series A Warrants for the purposes of receiving (i) the Series B Warrants and (ii) the completed, signed and dated Letter of Transmittal and other required documents. We will issue the Series B Warrants promptly after the Expiration Date.

We intend to conduct the Exchange Offer in accordance with the applicable requirements of the Securities Act and the Exchange Act, and the rules and regulations promulgated by the SEC thereunder.

Market and Trading Information

The Series A Warrants are not listed for trading on any market. Our shares of common stock are traded on NASDAQ under the symbol "SKLN." The last reported sale price of our shares of common stock on March 16, 2016 was \$0.21 per share.

Expiration Date

The Exchange Offer will expire on the Expiration Date, which is at 5:00 p.m., Eastern time, on April 21, 2016 unless extended by us at our sole discretion.

Extensions, Termination or Amendment

Subject to applicable law, we expressly reserve the right, at any time or at various times, and regardless of whether any events preventing satisfaction of the conditions to the Exchange Offer, to extend the period of time during which the Exchange Offer is open by giving oral (to be confirmed in writing) or written notice of such extension to the Exchange Agent and by making public disclosure by press release or other appropriate means of such extension to the extent required by law.

During any extension of the Exchange Offer, all Series A Warrants previously tendered and not accepted by us will remain subject to the Exchange Offer and may, subject to the terms and conditions of the Exchange Offer, be accepted by us, and all Series A Warrants previously tendered and accepted by us pursuant to the Exchange Offer will remain effective. In addition, we may waive conditions without extending the Exchange Offer in accordance with applicable law.

If any of the conditions described below under “Procedure for Participation in the Exchange Offer—Conditions to the Exchange Offer” have not been satisfied with respect to the Exchange Offer, we reserve the right, at our sole discretion:

- to extend the Exchange Offer,
- to delay accepting any Series A Warrants tendered pursuant to the Exchange Offer,
- to terminate the Exchange Offer, or
- to otherwise amend the Exchange Offer in any respect in compliance with applicable securities laws and stock exchange rules.

Announcements

Any extension, termination or amendment of the Exchange Offer will be followed as promptly as practicable by announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day following the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make such announcement, we will not, unless otherwise required by law, have any obligation to publish, advertise or otherwise communicate any such announcement other than by making a release to an appropriate news agency or another means of announcement that we deem appropriate.

Partial Tender Permitted

If you choose to participate in the Offer, you may tender less than all of your Series A Warrants pursuant to the terms of the Offer, pursuant to the terms of the Letter of Transmittal and this Offer Letter.

Approval of the Offer; No Recommendation; Holder's Own Decision

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NONE OF THE COMPANY, ITS DIRECTORS, OFFICERS OR EMPLOYEES, OR THE EXCHANGE AGENT OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION AS TO WHETHER TO TENDER SERIES A WARRANTS. EACH HOLDER OF A SERIES A WARRANT MUST MAKE HIS, HER OR ITS OWN DECISION AS TO WHETHER TO TENDER SOME OR ALL OF HIS, HER OR ITS SERIES A WARRANTS.

2. PROCEDURE FOR PARTICIPATION IN THE EXCHANGE OFFER

General

In order to participate in the Exchange Offer, you must tender your Series A Warrants as described below. It is your responsibility to tender your Series A Warrants. We have the right to waive any defects. However, we are not required to waive defects and are not required to notify you of defects in your tender.

If you have any questions or need help in tendering your Series A Warrants pursuant to the Exchange Offer, please contact the Exchange Agent whose addresses and telephone numbers are listed below under “Additional Information; Miscellaneous.”

The method of tendering the Series A Warrants and delivering the Letters of Transmittal and other required documents is at your election and risk. If delivery is by mail, we recommend that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery. No Series A Warrants, Letters of Transmittal or other required documents should be sent to the Company, the Dealer-Manager or the Information Agent.

Proper Participation in the Exchange

All Series A Warrants are currently held in book-entry form through DTC. Except as set forth below with respect to DTC’s automated tender offer program procedures, for a holder of Series A Warrants to tender their Series A Warrants pursuant to the Exchange Offer, the Series A Warrants and a properly completed and duly executed Letter of Transmittal (or a facsimile thereof), together with any signature guarantees and any other documents required by the Instructions to the Letter of Transmittal, or an Agent’s Message in lieu thereof, must be received by the Exchange Agent in accordance with the wire instructions specified in the Letter of Transmittal and at the address or facsimile number set forth in “Additional Information; Miscellaneous” prior to the Expiration Date.

In all cases, the issuance of the Series B Warrants pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of:

- a Book-Entry Confirmation with respect to the tender of Series A Warrants;
- the Letter of Transmittal (or a facsimile thereof) properly completed and duly executed, or an Agent’s Message in lieu thereof; and
- any required signature guarantees and other documents required by the Letter of Transmittal.

Book-Entry Transfer

The Exchange Agent has or will establish an account with respect to the Series A Warrants at DTC for purposes of the Exchange Offer, and any financial institution that is a participant in the DTC system and whose name appears on a security position listing as the record owner of the Series A Warrants may make book-entry delivery of Series A Warrants by causing DTC to transfer the Series A Warrants into the Exchange Agent’s account at DTC in accordance with DTC’s procedure for transfer. Although delivery of Series A Warrants may be effected through book-entry transfer into the Exchange Agent’s account at DTC, either an Agent’s Message or a Letter of Transmittal (or a facsimile thereof) properly completed and duly executed, along with any required signature guarantees and any other required documents, must be transmitted to and received by the Exchange Agent in accordance with the wire instructions specified in the Letter of Transmittal and at one of the addresses set forth in “Additional Information; Miscellaneous” prior to the Expiration Date.

Tender of Series A Warrants and Participation in the Exchange Offer Through DTC’s Automated Tender Offer Program

In lieu of physically completing and signing the Letter of Transmittal and delivering it to the Exchange Agent, DTC participants may electronically transmit their acceptance of the Exchange Offer through DTC’s automated tender offer program, for which the transaction will be eligible. In accordance with DTC’s automated tender offer program procedures, DTC will then verify the acceptance of the Exchange Offer and send an Agent’s Message to the Exchange Agent for its acceptance.

If a holder of Series A Warrants transmits its acceptance through DTC's automated tender offer program, delivery of such Series A Warrants must be made to the Exchange Agent pursuant to the book-entry delivery procedures set forth herein. Unless such holder of Series A Warrants tenders Series A Warrants by book-entry delivery, we may, at our option, treat such exercise as defective for purposes of acceptance and the right to receive the Series B Warrants pursuant to the Exchange Offer. Delivery of documents to DTC (physically or by electronic means) does not constitute delivery to the Exchange Agent. If you desire to tender Series A Warrants prior to the Expiration Date, you must allow sufficient time for completion of the DTC's automated tender offer program procedures during the normal business hours of DTC on such date.

Procedures for Tendering Series A Warrants Held Through a Custodian

If you are a beneficial owner of Series A Warrants, but the holder of such Series A Warrants is a custodial entity such as a bank, broker, dealer, trust company or other nominee, and you seek to tender your Series A Warrants pursuant to the Exchange Offer, you must provide appropriate instructions to such holder of the Series A Warrants in order to tender through DTC's automated tender offer program with respect to such Series A Warrants. Beneficial owners may be instructed to complete and deliver an instruction letter to such holder of Series A Warrants for this purpose. We urge you to contact such person that holds Series A Warrants for you if you wish to tender your Series A Warrants pursuant to the Exchange Offer.

Signature Guarantees

Signatures on all Letters of Transmittal must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program (a "Medallion Signature Guarantor"), unless the Letter of Transmittal is delivered, and any tendered Series A Warrants thereby are delivered (i) by a registered holder of Series A Warrants (or by a participant in DTC whose name appears on a security position listing as the owner of such Series A Warrants) who has not completed either the box entitled "Special Delivery Instructions" or "Special Issuance Instructions" on the Letter of Transmittal or (ii) for the account of a member firm of a registered national securities exchange, a member of the Financial Industry Regulatory Authority or a commercial bank or trust company having an office or correspondent in the United States (each of the foregoing being referred to as an "Eligible Institution"). If the Series A Warrants are registered in the name of a person other than the signer of the Letter of Transmittal, or if Series A Warrants not accepted for exercise pursuant to the Exchange Offer are to be returned to a person other than such holder of Series A Warrants, then the signatures on the Letters of Transmittal accompanying the delivery of the Series A Warrants must be guaranteed by a Medallion Signature Guarantor as described above.

Determination of Validity of Tender of Series A Warrants

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Series A Warrants pursuant to this Exchange Offer and any of the procedures described above, and the form and validity (including time of receipt of notices of withdrawal) of all documents will be determined by us in our sole discretion, which determination will be final and binding, subject to the rights of our Series A Warrant holders to challenge such determination in a court of competent jurisdiction. We reserve the absolute right to reject any or all tenders of Series A Warrants determined by us not to be in proper form, or if the acceptance of or tender of Series A Warrants may, in the opinion of our counsel, be unlawful. We also reserve the right to waive any conditions to the Exchange Offer that we are legally permitted to waive.

Your tender of Series A Warrants pursuant to the Exchange Offer will not be deemed to have been made until all defects or irregularities in your exercise have been cured or waived. Neither we, the Exchange Agent nor any other person or entity is under any duty to give notification of any defects or irregularities in any exercise or withdrawal of any exercise pursuant to the Exchange Offer, or will incur any liability for failure to give any such notification.

Please do not send letters of transmittal to us, the Dealer Manager or the Information Agent. You should send letters of transmittal only to the Exchange Agent, at its office as indicated under "Additional Information; Miscellaneous" in this Offer Letter and in the Letter of Transmittal. The Exchange Agent can answer your questions regarding how to tender your Series A Warrants.

Your Representations to Us

By signing or agreeing to be bound by the Letter of Transmittal and other required documents, you will represent to us that, among other things:

- any Series B Warrants that you receive will be acquired in the ordinary course of your business;
- you have no arrangement or understanding with any person to participate in the distribution of the Series B Warrants;
- if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the Series B Warrants; and
- if you are a broker-dealer, that you will receive Series B Warrants for your own account in exchange for the tender of the Series A Warrants that were acquired as a result of market-making activities or other trading activities and that you will deliver a prospectus in connection with any resale of the components of the Series B Warrants.

Interests of Certain Persons in the Exchange Offer

Joshua Komberg, our President, Chief Executive Officer and Interim Chairman of the Board, holds 11,112 Series A Warrants. See “Background and Purpose of the Exchange Offer—Exchange Units.” Mr. Komberg intends to tender all of his Series A Warrants for Series B Warrants in the Exchange Offer. Other than Mr. Komberg, none of our officers or directors or their respective affiliates beneficially owns any of the Series A Warrants and, therefore, will not participate in the Exchange Offer.

Resales

Each broker-dealer that receives Series B Warrants for its own account in exchange for the tender of Series A Warrants, where such Series A Warrants were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the components of the Series B Warrants.

Conditions to the Exchange Offer

Notwithstanding any other provisions of the Exchange Offer, we will not be required to accept the tendered Series A Warrants pursuant to the Exchange Offer or to issue the Series B Warrants pursuant to the Exchange Offer, and may terminate, amend or extend the Exchange Offer or delay issuing the Series B Warrants, if any of the following shall occur or exist or have not been satisfied, or have not been waived by us, prior to the Expiration Date:

- no action or event shall have occurred, no action shall have been taken, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been promulgated, enacted, entered or enforced applicable to the Exchange Offer or the exchange of Series A Warrants for Series B Warrants under the Exchange Offer by or before any court or governmental regulatory or administrative agency, authority or tribunal of competent jurisdiction, including, without limitation, taxing authorities, that challenges the making of the Exchange Offer or the exchange of Series A Warrants for Series B Warrants under the Exchange Offer or would reasonably be expected to, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or would reasonably be expected to otherwise adversely affect in any material manner, the Exchange Offer or the exchange of Series A Warrants for Series B Warrants under the Exchange Offer;
- there shall not have occurred:
 - o any general suspension of or limitation on trading in securities on The NASDAQ Capital Market, whether or not mandatory,
 - o a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, whether or not mandatory,
 - o a commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States, or
 - o in the case of any of the foregoing existing at the time of the commencement of the Exchange Offer, a material acceleration or worsening thereof; and
- the SEC shall have declared the Registration Statement effective, and such registration statement shall not be subject to a stop order, and no proceedings for that purpose shall have been instituted or be pending or, to our knowledge, be contemplated or threatened by the SEC.

These conditions are for our benefit and may be asserted by us or may be waived by us, including any action or inaction by us giving rise to any condition, in whole or in part, at any time and from time to time at or prior to the Expiration Date, in our reasonable discretion. We may additionally terminate the Exchange Offer if any condition is not satisfied on or prior to the Expiration Date. If any of these events occur, subject to the termination rights described above, we may (i) return any tendered Series A Warrants to you, (ii) extend the Exchange Offer and retain all tendered Series A Warrants until the expiration of the extended Exchange Offer, or (iii) amend the Exchange Offer in any respect by giving oral or written notice of such amendment to the Exchange Agent and making public disclosure of such amendment to the extent required by law. Notwithstanding the foregoing, in no event may we terminate, amend or extend the Exchange Offer or delay issuing the Series B Warrants if the occurrence, existence or nonsatisfaction of any of the foregoing resulted from our action or failure to act.

We have not made a decision as to what circumstances would lead us to waive any condition, and any such waiver would depend on circumstances prevailing at the time of such waiver. Although we have no present plans or arrangements to do so, we reserve the right to amend, at any time, the terms of the Exchange Offer. We will give holders of Series A Warrants notice of such amendments as may be required by applicable law.

3. WITHDRAWAL RIGHTS

Withdrawal of Tender and Participation in this Exchange Offer

Your right to withdraw the tender of any Series A Warrants pursuant to the Exchange Offer will expire at the Expiration Date.

To be effective, a written or facsimile transmission notice of withdrawal of a tender of Series A Warrants or a properly transmitted "Request Message" through DTC's automated tender offer program system must:

- be received by the Exchange Agent at one of the addresses specified under "Additional Information; Miscellaneous" prior to the Expiration Date;
- specify the name of the holder of the tendered Series A Warrants to be withdrawn;
- contain the description of the Series A Warrants to be withdrawn; and
- be signed by the holder of the Series A Warrants in the same manner as the original signature on the Letter of Transmittal or be accompanied by documents of transfer sufficient to have the trustee register the transfer of the Series A Warrants into the name of the person withdrawing the tender of such Series A Warrants.

If the tendered Series A Warrants to be withdrawn have been delivered or otherwise identified to the Exchange Agent, a signed notice of withdrawal is effective immediately upon receipt by the Exchange Agent of written or facsimile transmission of the notice of withdrawal or revocation (or receipt of a Request Message) even if physical release is not yet effected. A withdrawal of tendered Series A Warrants can only be accomplished in accordance with the foregoing procedures.

If you withdraw tendered Series A Warrants, you will have the right to re-tender such Series A Warrants on or prior to the Expiration Date in accordance with the procedures described above for tendering Series A Warrants. If we amend or modify the terms of the Exchange Offer, or the information concerning the Exchange Offer, in a manner determined by us to constitute a material change to the holders of the Series A Warrants, we will disseminate additional Exchange Offer materials and extend the period of the Exchange Offer, including any withdrawal rights, to the extent required by law and as we determine necessary. An extension of the Expiration Date will not affect a holder of Series A Warrant's withdrawal rights.

Return of Series A Warrants

If we do not accept any Series A Warrants in the Exchange Offer for any reason described in the terms and conditions of the Exchange Offer or if a greater number of Series A Warrants are tendered than the holder of the Series A Warrants desires to tender and exchange in the Exchange Offer or if the Series A Warrants so tendered are withdrawn pursuant to the terms of the Exchange Offer, we will return such Series A Warrants without expense to the holder. In the case of Series A Warrants that are tendered by book-entry transfer into the Exchange Offer's account at DTC according to the procedures described below, such Series A Warrants will be credited to an account maintained with DTC. These actions will occur as promptly as practicable after the expiration or termination of the Exchange Offer.

4. ACCEPTANCE OF SERIES A WARRANTS AND DELIVERY OF SERIES B WARRANTS

Acceptance of Tendered Series A Warrants Pursuant to the Exchange Offer

If the conditions to the Exchange Offer are satisfied, or if we waive all of the conditions that have not been satisfied, we will accept, on the Expiration Date and after we receive completed and duly executed letters of transmittal or Agent's Messages (as defined below) with respect to any and all of the Series A Warrants tendered at such time, the tendered Series A Warrants by notifying the Exchange Agent of our acceptance. The notice may be oral if we promptly confirm it in writing.

An "Agent's Message" is a message transmitted by The Depository Trust Company ("DTC"), received by the Exchange Agent and forming part of the timely confirmation of a book entry transfer ("Book-Entry Confirmation"), which states that DTC has received an express acknowledgement from you that you have received this Offer Letter and the prospectus which forms a part of the Registration Statement and agree to be bound by the terms of the Letter of Transmittal, and that we may enforce such agreement against you.

We expressly reserve the right, in our sole discretion, to delay acceptance of the Series A Warrants tendered pursuant to the Exchange Offer, or to terminate the Exchange Offer and not accept the Series A Warrants tendered pursuant to the Exchange Offer, (1) if any of the conditions to the Exchange Offer shall not have been satisfied or validly waived by us, or (2) in order to comply in whole or in part with any applicable law.

In all cases, the Series B Warrants will be issued only after timely receipt by the Exchange Agent of (1) Book-Entry Confirmation of the Series B Warrants into the Exchange Agent's account at DTC, (2) the properly completed and duly executed Letter of Transmittal (or a facsimile thereof) or an Agent's Message in lieu thereof, and (3) any other documents required by the Letter of Transmittal.

For purposes of the Exchange Offer, we will have accepted the Series A Warrants tendered pursuant to the Exchange Offer, if, as and when we give oral or written notice to the Exchange Agent of our acceptance of such Series A Warrants pursuant to the Exchange Offer. In all cases, the issuance of the Series B Warrants will be made by the deposit of such consideration with the Exchange Agent, which will act as your agent for the purposes of receiving such consideration from us, and delivering such consideration to you.

If, for any reason whatsoever, acceptance of any Series A Warrants tendered or the issuance of the Series B Warrants is delayed or we extend the Exchange Offer or are unable to accept the tender of the Series A Warrants pursuant to the Exchange Offer, then, without prejudice to our rights set forth herein, we may instruct the Exchange Agent to retain the Series A Warrants tendered and such tender may not be withdrawn, subject to the limited circumstances described in “— Withdrawal of Tender” below.

We will have the right, which may be waived, to reject the defective tender of Series A Warrants pursuant to the Exchange Offer as invalid and ineffective. If we waive our rights to reject a defective tender, subject to the other terms and conditions set forth in the Exchange Offer and the Letter of Transmittal, you will be entitled to the Series B Warrants.

We will pay or cause to be paid all transfer taxes with respect to the tender of the Series A Warrants pursuant to the Exchange Offer unless the box titled “Special Issuance Instructions” or the box titled “Special Delivery Instructions” on the Letter of Transmittal has been completed, as described in the instructions thereto.

5. BACKGROUND AND PURPOSE OF THE OFFER

2015 Unit Offering

On August 31, 2015, the Company completed a public offering of 1,666,667 Units (the “Units”) as described below. The public offering price in the Offering was \$9.00 per Unit, and the purchase price for the underwriter of the Offering (the “Underwriter”) was \$8.28 per Unit, resulting in an underwriting discount and commission of \$0.72 (or 8.00%) per Unit and total net proceeds to the Company before expenses of \$13.8 million. The Company had granted the Underwriter an option for a period of 45 days to purchase up to an additional 250,000 Units solely to cover over-allotments. The Underwriter chose not to purchase any additional Units under the over-allotment option. The Company paid to the Underwriter a non-accountable expense allowance equal to 1% of the gross proceeds of the Offering and agreed to reimburse expenses incurred by the Underwriter up to \$70,000. On August 31, 2015, as a result of the consummation of the Offering and the issuance of the 228,343 Exchange Units in the Unit Exchange described below, the Company issued a total of 1,895,010 Units, comprised of a total of aggregate of 1,895,010 shares of Common Stock, 1,895,010 shares of Series B Preferred Stock and 7,580,040 Series A Warrants. The underwritten public offering of Units is referred to in this Offer Letter as the “Unit Offering.”

Each Unit consisted of one share of common stock, par value \$0.01 per share (the “Common Stock”), one share of Series B Convertible Preferred Stock (“Series B Preferred Stock”) and four Series A Warrants. The shares of Common Stock, the shares of Series B Preferred Stock and the Series A Warrants that comprised the Units automatically separated on February 29, 2016. At that time, among other things, the Series A Warrants became exercisable on a cashless basis.

Exchange Units

In connection with the Unit Offering, the Company agreed with holders of all of its outstanding Series A Convertible Preferred Stock, par value \$0.01, with a stated value of \$100 per share (the “Series A Preferred Shares”) to exchange all of the Series A Preferred Shares for units with the same terms as the Units sold in the Unit Offering (the “Exchange Units”). In the exchange of Series A Preferred Shares for Units, for every dollar of stated value of Series A Preferred Shares tendered the holders received an equivalent value of Exchange Units based on the public offering price of the Units (the “Unit Exchange”). The Unit Exchange was consummated concurrently with the consummation of the Unit Offering. Upon effectiveness of the Unit Exchange, the Series A Preferred Shares were cancelled and resumed the status of authorized but unissued shares of preferred stock. On August 31, 2015, the Company consummated the Unit Exchange whereby the Company issued a total of 228,343 Exchange Units in exchange for the outstanding Series A Convertible Preferred Stock which were then cancelled. The Exchange Units were exempt from registration under the Securities Act pursuant to Section 3(a)(9) thereof. As part of the Unit Exchange, 250 shares of Series A Convertible Stock held by Joshua Komberg, the Company’s President, Chief Executive Officer and Interim Chairman of the Board, were exchanged for 2,778 Exchange Units.

The shares of Common Stock, the shares of Series B Preferred Stock and the Series A Warrants that comprised the Exchange Units automatically separated on February 29, 2016.

Unit Exchange Offer

In January 2016, we commenced a registered offer (the “Unit Exchange Offer”) to exchange, on a one-for-one basis, new units in exchange for the 1,895,010 outstanding Units that were issued in the public Unit Offering and the Unit Exchange. Each new unit, if issued, would have consisted of shares of common stock and certain warrants to purchase common stock. On March 2, 2016, we announced the termination of the Exchange Offer. None of the Units were accepted for exchange in the Unit Exchange Offer.

Reasons for this Exchange Offer

We believe that the variable number of shares currently issuable upon a cashless exercise of Series A Warrants creates significant market uncertainty and downward pressure on the market value of our common stock. The purpose of the Exchange Offer is to replace as many Series A Warrants as possible with Series B Warrants, which feature a fixed number of shares issuable upon a cashless exercise. We believe this exchange will create more certainty and transparency in the market for our common stock and our capital structure, which we believe will benefit our stockholders.

We are permitting all current holders of Series A Warrants, to tender their Series A Warrants and receive the Series B Warrants through this Exchange Offer. You should read the discussions under the headings “General Terms of the Exchange Offer” for more information about the Exchange Offer.

Interests of Directors and Officers and the Company

The names of the executive officers and directors of the Company who are persons specified in Instruction C to Schedule TO are set forth below. The business address for each such person is c/o Skyline Medical Inc. 2915 Commers Drive, Suite 900, Eagan, Minnesota 55121 and the telephone number for each such person is (651) 389-4800.

Name	Position
Josh Kornberg	President, Chief Executive Officer, and Interim Chairman of the Board
Thomas J. McGoldrick	Director
Andrew P. Reding	Director
Carl Schwartz	Director
David O. Johnson	Chief Operating Officer
Bob Myers	Chief Financial Officer

Joshua Kornberg, the Company’s President, Chief Executive Officer and Interim Chairman of the Board, holds 11,112 Series A Warrants. Mr. Kornberg intends to tender all of his Series A Warrants for Series B Warrants in the Exchange Offer. Other than Mr. Kornberg, none of our officers or directors or their respective affiliates beneficially owns any of the Series A Warrants and, therefore, will not participate in the Exchange Offer.

Securities Transactions

The Company has not engaged in any securities transactions in the 60-day period prior to the date of this Offer Letter.

Except as set forth below in Section 8, there are no present plans or proposals by the Company that relate to or would result in: (a) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (b) a purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (c) any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company; (d) any change in the present board of directors or management of the Company, including, but not limited to, any plans or proposals to change the number or the term of directors, to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer; (e) any other material change in the Company’s corporate structure or business; (f) any class of equity security of the Company to be delisted from a national securities exchange; (g) any class of equity security of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; (h) the suspension of the Company’s obligation to file reports pursuant to Section 15(d) of the Exchange Act; or (i) changes in the Company’s Certificate of Incorporation, as amended, or Bylaws or other governing instruments or other actions that could impede the acquisition of control of the Company by any person. The exchange of Series A Warrants pursuant to the Offer will result in the acquisition by each exchanging holder of Series B Warrants.

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NONE OF THE COMPANY, ITS DIRECTORS, OFFICERS OR EMPLOYEES OR THE EXCHANGE AGENT OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION WHETHER YOU SHOULD TENDER ANY SERIES A WARRANTS. EACH HOLDER OF A SERIES A WARRANT MUST MAKE HIS, HER OR ITS OWN DECISION WHETHER TO TENDER SOME OR ALL OF HIS, HER OR ITS SERIES A WARRANTS.

6. PRICE RANGE OF COMMON STOCK

The Series A Warrants are not listed for trading on any market.

Our common stock is listed on The NASDAQ Capital Market under the symbol "SKLN." Prior to August 31, 2015, our common stock was quoted by the OTCQB under the symbol "SKLN.QB." The following table sets forth the high and low bid information for our common stock for each quarter within our last two fiscal years as reported by The NASDAQ Capital Market or the OTCQB, as applicable. The bid prices reflect inter-dealer quotations, do not include retail markups, markdowns, or commissions, and do not necessarily reflect actual transactions. These prices reflect the 1:75 reverse stock split effected on October 24, 2014, as well as rounding.

Common Stock

	High	Low
2016		
Quarter ending March 31, 2016 (through March 16, 2016)	\$ 3.80	\$ 0.17
2015		
Quarter ended December 31, 2015	6.76	2.31
Quarter ended September 30, 2015	5.78	2.75
Quarter ended June 30, 2015	7.15	2.00
Quarter ended March 31, 2015	7.00	2.00
2014		
Quarter ended December 31, 2014	10.88	3.25
Quarter ended September 30, 2014	18.00	5.25
Quarter ended June 30, 2014	14.25	7.95
Quarter ended March 31, 2014	21.75	13.13

As of March 16, 2016, the closing price for shares of our common stock was \$0.21 per share on The NASDAQ Capital Market.

Holdings

As of March 16, 2016, there were approximately 145 stockholders of record of our Common Stock and 2 holders of record of the Series B Preferred Stock and 2 holders of record of Series A Warrants.

Dividend Policy

We follow a policy of retaining earnings, if any, to finance the expansion of our business. We have not paid, and do not expect to declare or pay, cash dividends in the foreseeable future.

7. SOURCE AND AMOUNT OF FUNDS

Because this transaction is an offer to holders to exchange their outstanding Series A Warrants for Series B Warrants, there is no source of funds or other cash consideration being paid to us to from those tendering Series A Warrants pursuant to the Exchange Offer. We will not receive any cash proceeds from the issuance of the Series B Warrants or from the exercise of the Series B Warrants. We estimate that the total amount of cash required to complete the transactions contemplated by the Exchange Offer, including the payment of any fees, expenses and other related amounts incurred in connection with the transactions will be approximately \$1,000,000. We expect to have sufficient funds to complete the transactions contemplated by the Exchange Offer and to pay fees, expenses and other related amounts from our cash on hand.

8. TRANSACTIONS AND AGREEMENTS CONCERNING THE COMPANY'S SECURITIES

Other than as set forth in the Company's Certificate of Incorporation, as amended, and Bylaws, there are no agreements, arrangements or understandings between the Company, or any of its directors or executive officers, and any other person with respect to the Company's outstanding securities.

Other Agreements

The Company has retained Corporate Stock Transfer, Inc. to act as Exchange Agent and D.F. King Co., Inc. to act as the Information Agent. The Company may contact Series A Warrant holders by mail, telephone, facsimile, or other electronic means, and may request brokers, dealers, commercial banks, trust companies and other nominee warrant holders to forward material relating to the offer to beneficial owners. Corporate Stock Transfer, Inc. and D.F. King Co., Inc. will receive reasonable and customary compensation for their respective services in connection with the Offer, plus reimbursement for out-of-pocket expenses, and will be indemnified by the Company against certain liabilities and expenses in connection therewith.

We have retained Source Capital Group, Inc. to act as dealer manager (the "Dealer Manager") in connection with the Exchange Offer.

We will pay the Dealer Manager customary fees for its services in connection with the Exchange Offer and will also reimburse the Dealer Manager for certain out-of-pocket expenses, including certain fees and expenses of its legal counsel incurred in connection with the Exchange Offer. The Dealer Manager's fee will be calculated based on the value of the Series A Warrants tendered. The obligations of the Dealer Manager are subject to certain conditions. We have agreed to indemnify the Dealer Manager against certain liabilities, including liabilities under the federal securities laws, or to contribute to payments that the Dealer Manager may be required to make in respect thereof.

From time to time, the Dealer Manager has provided, and may in the future provide, investment banking, commercial banking, financial advisory and other services to us and our affiliates for which services they have received, and may in the future receive, customary fees and other compensation.

9. FINANCIAL INFORMATION REGARDING THE COMPANY

The financial information included under Part II, Item 8 in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 is incorporated herein by reference and is available for review on the SEC's website at www.sec.gov and on the Company's website at www.skylinemedical.com.

10. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax consequences to holders that are U.S. persons (as defined for U.S. federal income tax purposes) that own and hold Series A Warrants as capital assets, within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), and that exchange Series A Warrants for Series B Warrants pursuant to the Exchange Offer. This discussion does not address all of the tax consequences that may be relevant to a holder based on its individual circumstances and does not address tax consequences applicable to holders that may be subject to special tax rules, including: financial institutions; insurance companies; regulated investment companies; tax-exempt organizations; dealers or traders in securities or currencies; holders that actually or constructively own 5% or more of our common stock; holders that hold Series A Warrants as part of a position in a straddle or a hedging, conversion or integrated transaction for U.S. federal income tax purposes; holders that have a functional currency other than the U.S. dollar; holders that received their Series A Warrants as compensation for the performance of services; or holders that are not U.S. persons as defined for U.S. Federal Income Tax purposes. This summary does not address any state, local or foreign tax consequences or any U.S. federal non-income tax consequences of the exchange of Series A Warrants for Series B Warrants pursuant to the Exchange Offer or any tax reporting obligations of a holder. Holders should consult their tax advisors as to the specific tax consequences to them of the Exchange Offer in light of their particular circumstances.

If an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes holds Series A Warrants, the tax treatment of a partner or owner in the partnership or other pass-through entity will generally depend on the status of the partner or owner and the activities of the partnership or other entity. Holders owning their Series A Warrants through a partnership or other pass-through entity should consult their tax advisors regarding the U.S. federal income tax consequence of the entity exchanging Series A Warrants for Series B Warrants pursuant to the Exchange Offer.

This summary is based on the Code, applicable Treasury regulations, administrative pronouncements and judicial decisions, each as in effect on the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations by the Internal Revenue Service ("IRS") or a court, which could affect the tax consequences described herein. You should seek advice based on your particular circumstances from an independent tax advisor.

The exchange of Series A Warrants for Series B Warrants pursuant to the Exchange Offer should be treated as a "recapitalization" within the meaning of Code Section 368(a)(1)(E) pursuant to which (i) no gain or loss should be recognized by holders on the exchange of Series A Warrants for Series B Warrants, (ii) a holder's aggregate tax basis in the Series B Warrants received in the exchange should equal the holder's aggregate tax basis in its Series A Warrants surrendered in exchange therefor allocated between the Series B Warrants in proportion to their relative fair market values, and (iii) a holder's holding period for the Series B Warrants received in the exchange should include its holding period for the surrendered Series A Warrants. Special tax basis and holding period rules apply to holders that acquired different blocks of Series A Warrants at different prices or at different times. Holders should consult their tax advisors as to the applicability of these special rules to their particular circumstances.

Certain of our "significant" holders exchanging Series A Warrants for Series B Warrants pursuant to the Exchange Offer may be required to furnish certain information to the IRS, including the fair market value of the holder's Series A Warrants exchanged for Series B Warrants pursuant to the Exchange Offer and certain tax basis information. Holders should consult their tax advisors as to the applicability of these reporting requirements to their particular circumstances.

11. FORWARD-LOOKING STATEMENTS; RISK FACTORS

You should carefully consider the risks described below before making an investment decision. Our business could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. In assessing these risks, you should also refer to the other information contained in this Offer Letter and in our Prospectus, which forms of part of the Registration Statement, including our financial statements and related notes.

Risks Related to Our Business

We will require additional financing to finance operating expenses and fulfill our business plan. Such financing will be dilutive. Our independent public accounting firm has indicated in their audit opinion, contained in our financial statements, that they have serious doubts about our ability to remain a going concern.

We have not achieved profitability and anticipate that we will continue to incur net losses at least through the first two quarters of 2016. We had revenues of \$654,000 in 2015, but we had negative operating cash flows of \$7.5 million. In August 2015, we received proceeds of \$13.5 million (net of commissions but before payment of expenses) as a result of our public offering. During the remainder of 2015, we paid \$5.8 million in cash to cover accrued debts and obligations, most of which were required to be paid upon completion of the offering or were considered past due. Our cash balance was \$4.9 million as of December 31, 2015, and our accounts payable and accrued expenses were an aggregate \$1.5 million. We are currently incurring negative operating cash flows of approximately \$275,000 per month. Although we are attempting to curtail our expenses, there is no guarantee that we will be able to reduce these expenses significantly, and expenses for some periods may be higher as we prepare our product for broader sales, increase our sales efforts and maintain adequate inventories.

As of December 31, 2015, the Company had no debt. We will require additional funding to finance operating expenses and to invest in our sales organization and new product development and to enter the international marketplace. We will attempt to raise these funds through equity or debt financing, alternative offerings or other means. If we are successful in securing adequate funding we plan to make significant capital or equipment investments, and we will also continue to make human resource additions over the next 12 months. Such additional financing will be dilutive to existing stockholders, and there is no assurance that such financing will be available upon acceptable terms. If such financing or adequate funds from operations are not available, we will be forced to limit our business activities, which will have a material adverse effect on our results of operations and financial condition.

As a result of the above factors, our independent registered public accounting firm has indicated in their audit opinion, contained in our financial statements incorporated by reference herein, that they have serious doubts about our ability to continue as a going concern. The financial statements have been prepared assuming the Company will continue as a going concern. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" in the prospectus which forms a part of the Registration Statement.

Our limited operating history makes evaluation of our business difficult.

We were formed on April 23, 2002 and to date have generated only moderate revenue year by year. Our ability to implement a successful business plan remains unproven and no assurance can be given that we will ever generate sufficient revenues to sustain our business. We have a limited operating history which makes it difficult to evaluate our performance. You must consider our prospects in light of these risks and the expenses, technical obstacles, difficulties, market penetration rate and delays frequently encountered in connection with the development of new businesses. These factors include uncertainty as to whether we will be able to:

- Be successful in uncertain markets;
- Respond effectively to competitive pressures;
- Successfully address intellectual property issues of others;
- Protect and expand our intellectual property rights; and
- Continue to develop and upgrade our products.

Our business is dependent upon proprietary intellectual property rights, which if we were unable to protect, could have a material adverse effect on our business.

We rely on a combination of patent, trade secret and other intellectual property rights and measures to protect our intellectual property. We currently own and may in the future own or license additional patent rights or trade secrets in the U.S. with non-provisional patents elsewhere in the world that cover certain of our products. We rely on patent laws and other intellectual property laws, nondisclosure and other contractual provisions and technical measures to protect our products and intangible assets. These intellectual property rights are important to our ongoing operations and no assurance can be given that any measure we implement will be sufficient to protect our intellectual property rights. Also, with respect to our trade secrets and proprietary know-how, we cannot be certain that the confidentiality agreements we have entered into with employees will not be breached, or that we will have adequate remedies for any breach. We may lose the protection afforded by these rights through patent expirations, legal challenges or governmental action. If we cannot protect our rights, we may lose our competitive advantage if these patents were found to be invalid in the jurisdictions in which we sell or plan to sell our products. The loss of our intellectual property rights could have a material adverse effect on our business.

If we become subject to intellectual property actions, this could hinder our ability to deliver our products and services and our business could be negatively impacted.

We may be subject to legal or regulatory actions alleging intellectual property infringement or similar claims against us. Companies may apply for or be awarded patents or have other intellectual property rights covering aspects of our technologies or businesses. Moreover, if it is determined that our products infringe on the intellectual property rights of third parties, we may be prevented from marketing our products. While we are currently not subject to any material intellectual property litigation, any future litigation alleging intellectual property infringement could be costly, particularly in light of our limited resources. Similarly, if we determine that third parties are infringing on our patents or other intellectual property rights, our limited resources may prevent us from litigating or otherwise taking actions to enforce our rights. Any such litigation or inability to enforce our rights could require us to change our business practices, hinder or prevent our ability to deliver our products and services, and result in a negative impact to our business. Expansion of our business via product line enhancements or new product lines to drive increased growth in current or new markets may be inhibited by the intellectual property rights of our competitors and/or suppliers. Our inability to successfully mitigate those factors may significantly reduce our market opportunity and subsequent growth.

We face significant competition, including competition from companies with considerably greater resources than ours, and if we are unable to compete effectively with these companies, our market share may decline and our business could be harmed.

Our industry is highly competitive with numerous competitors ranging from well-established manufacturers to innovative start-ups. A number of our competitors have significantly greater financial, technological, engineering, manufacturing, marketing and distribution resources than we do. Their greater capabilities in these areas may enable them to compete more effectively on the basis of price and production and more quickly develop new products and technologies.

We estimate that the total market for surgical suction canisters is approximately \$94 million and we estimate the total cost of using surgical canisters is greater than \$94 million because this amount does not include the labor to handle the canisters, disposal costs and solidifying compounds commonly used to minimize exposure to health care workers. Our competitors include Cardinal Health, Inc., a medical manufacturer and distributor, and Stryker Instruments, a wholly owned subsidiary of Stryker Corporation, which has a leading position in our market. Both of these competitors are substantially larger than our company and are better capitalized than we are.

Companies with significantly greater resources than ours may be able to reverse engineer our products and/or circumvent our intellectual property position. Such action, if successful, would greatly reduce our competitive advantage in the marketplace.

We believe that our ability to compete successfully depends on a number of factors, including our technical innovations of unlimited suction and unlimited capacity capabilities, our innovative and advanced research and development capabilities, strength of our intellectual property rights, sales and distribution channels and advanced manufacturing capabilities. We plan to employ these and other elements as we develop our products and technologies, but there are many other factors beyond our control. We may not be able to compete successfully in the future, and increased competition may result in price reductions, reduced profit margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand our development and marketing of new products, which could adversely impact the trading price of the shares of our common stock.

Our business is subject to intense governmental regulation and scrutiny, both in the U.S. and abroad.

The production, marketing, and research and development of our product is subject to extensive regulation and review by the FDA and other governmental authorities both in the United States and abroad. In addition to testing and approval procedures, extensive regulations also govern marketing, manufacturing, distribution, labeling, and record keeping. If we do not comply with applicable regulatory requirements, violations could result in warning letters, non-approvals, suspensions of regulatory approvals, civil penalties and criminal fines, product seizures and recalls, operating restrictions, injunctions, and criminal prosecution.

Periodically, legislative or regulatory proposals are introduced that could alter the review and approval process relating to medical products. It is possible that the FDA will issue additional regulations further restricting the sale of our present or proposed products. Any change in legislation or regulations that govern the review and approval process relating to our current and future products could make it more difficult and costly to obtain approval for new products, or to produce, market, and distribute existing products.

If our product is not accepted by our potential customers, it is unlikely that we will ever become profitable.

The medical industry has historically used a variety of technologies for fluid waste management. Compared to these conventional technologies, our technology is relatively new, and the number of companies using our technology is limited. The commercial success of our product will depend upon the widespread adoption of our technology as a preferred method by hospitals and surgical centers. In order to be successful, our product must meet the technical and cost requirements for these facilities. Market acceptance will depend on many factors, including:

- the willingness and ability of customers to adopt new technologies;
- our ability to convince prospective strategic partners and customers that our technology is an attractive alternative to conventional methods used by the medical industry;
- our ability to select and execute agreements with effective distributors to market and sell our product; and
- our ability to assure customer use of the Skyline proprietary cleaning fluid and in-line filter.

Because of these and other factors, our product may not gain market acceptance or become the industry standard for the health care industry. The failure of such companies to purchase our products would have a material adverse effect on our business, results of operations and financial condition.

If demand for our product is unexpectedly high, there is no assurance that there will not be supply interruptions or delays.

We are currently manufacturing the STREAMWAY FMS, following GMP compliance regulations of the FDA, at our own facility and anticipate the capability of producing the STREAMWAY FMS in sufficient quantities for future near term sales. We have contracted with a manufacturing company that can manufacture products at higher volumes. However, if demand for our product is unexpectedly high, there is no assurance that we or our manufacturing partners will be able to produce the product in sufficiently high quantity to satisfy demands. Any supply interruptions or inadequate supply would have a material adverse effect on our results of operations.

We are dependent on a few key executive officers for our success. Our inability to retain those officers would impede our business plan and growth strategies, which would have a negative impact on our business and the value of an investment.

Our success depends on the skills, experience and performance of key members of our management team. We heavily depend on our management team: Joshua Kornberg, our President, Chief Executive Officer and Interim Chairman of the Board, David O. Johnson, our Chief Operating Officer, and Bob Myers, our Chief Financial Officer. We have entered into employment agreements with all members of our senior management team and we may expand the relatively small number of executives in our company. Were we to lose one or more of these key individuals, we would be forced to expend significant time and money in the pursuit of a replacement, which could result in both a delay in the implementation of our business plan and the diversion of our limited working capital. We can give you no assurance that we can find satisfactory replacements for these key individuals at all, or on terms that are not unduly expensive or burdensome to our company.

Our success is dependent on our ability to attract and retain technical personnel, sales and marketing personnel, and other skilled management.

Our success depends to a significant degree on our ability to attract, retain and motivate highly skilled and qualified personnel. Failure to attract and retain necessary technical, sales and marketing personnel and skilled management could adversely affect our business. If we fail to attract, train and retain sufficient numbers of these highly qualified people, our prospects, business, financial condition and results of operations will be materially and adversely affected.

Costs incurred because we are a public company may affect our profitability.

As a public company, we incur significant legal, accounting, and other expenses, and we are subject to the SEC's rules and regulations relating to public disclosure that generally involve a substantial expenditure of financial resources. In addition, the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC, requires changes in corporate governance practices of public companies. We expect that full compliance with such rules and regulations will significantly increase our legal and financial compliance costs and make some activities more time-consuming and costly, which may negatively impact our financial results. To the extent our earnings suffer as a result of the financial impact of our SEC reporting or compliance costs, our ability to develop an active trading market for our securities could be harmed.

Risks Related to Our Securities

There is currently a limited public trading market for our common stock and we cannot assure you that a more active public trading market for our common stock will develop or be sustained. Even if a market further develops, you may be unable to sell at or near ask prices or at all if you need to sell your shares to raise money or otherwise desire to liquidate your shares.

There is currently a limited public trading market for our common stock. The numbers of institutions or persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or nonexistent. This situation may be attributable to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume. Even if we came to the attention of such persons, they tend to be risk averse and may be reluctant to follow a relatively unproven company such as ours or purchase or recommend the purchase of our shares until such time as we become more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot assure you that an active public trading market for our common stock will develop or be sustained.

Limitations on director and officer liability and indemnification of our officers and directors by us may discourage stockholders from bringing suit against a director.

Our certificate of incorporation and bylaws provide, with certain exceptions as permitted by governing state law, that a director or officer shall not be personally liable to us or our stockholders for breach of fiduciary duty as a director, except for acts or omissions which involve intentional misconduct, fraud or knowing violation of law, or unlawful payments of dividends. These provisions may discourage stockholders from bringing suit against a director for breach of fiduciary duty and may reduce the likelihood of derivative litigation brought by stockholders on our behalf against a director. In addition, our certificate of incorporation and bylaws may provide for mandatory indemnification of directors and officers to the fullest extent permitted by governing state law.

We do not expect to pay dividends for the foreseeable future, and we may never pay dividends.

We currently intend to retain any future earnings to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our Board of Directors after taking into account various factors, including but not limited to, our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. In addition, our ability to pay dividends on our common stock may be limited by state law. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize certain returns on their investment.

Our stock may be thinly traded.

Our common stock has been thinly traded, meaning there has been a low volume of buyers and sellers of the shares. Through this registration statement, we went public without the typical initial public offering procedures which usually include a large selling group of broker-dealers who may provide market support after going public. Thus, we will be required to undertake efforts to develop market recognition and support for our shares of common stock in the public market. The price and trading volume of our registered common stock cannot be assured. The numbers of institutions or persons interested in purchasing our registered common stock at or near ask prices at any given time may be relatively small or non-existent. This situation may be attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods of several days, weeks or months when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price.

We cannot give you any assurance that a broader or more active public trading market for our common stock will develop or be sustained.

The application of the “penny stock” rules to our common stock could limit the trading and liquidity of the common stock and adversely affect the market price of our common stock.

As long as the trading price of our common stock is below \$5.00 per share, the open-market trading of our common stock will be subject to the “penny stock” rules, unless we otherwise qualify for an exemption from the “penny stock” definition. The “penny stock” rules impose additional sales practice requirements on certain broker-dealers who sell securities to persons other than established customers and accredited investors (generally those with net assets in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with their spouse). These regulations, if they apply, require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the associated risks. Under these regulations, certain brokers who recommend such securities to persons other than established customers or certain accredited investors must make a special written suitability determination regarding such a purchaser and receive such purchaser’s written agreement to a transaction prior to sale. These regulations may have the effect of limiting the trading activity of our common stock, reducing the liquidity of an investment in our common stock and increasing the transaction costs for sales and purchases of our common stock as compared to other securities.

Shares eligible for future sale may adversely affect the market.

From time to time, certain stockholders may be eligible to sell some or all of their shares of common stock pursuant to Rule 144, promulgated under the Securities Act subject to certain limitations. In general, pursuant to Rule 144 as in effect as of the date of this registration statement, a stockholder (or stockholders whose shares are aggregated) who has satisfied the applicable holding period and is not deemed to have been one of our affiliates at the time of sale, or at any time during the three months preceding a sale, may sell their shares of common stock. Any substantial sale, or cumulative sales, of our common stock pursuant to Rule 144 or pursuant to any resale prospectus may have a material adverse effect on the market price of our securities.

We expect volatility in the price of our common stock, which may subject us to securities litigation.

If established, the market for our common stock may be characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will be more volatile than a seasoned issuer for the indefinite future. In addition, there is no assurance that the price of our common stock will not be volatile. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management’s attention and resources.

Speculative nature of Series A Warrants.

The Series A Warrants do not confer any rights of common stock ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire shares of common stock for a limited period of time. Specifically, each Series A Warrant is exercisable for one share of common stock at an initial cash exercise price of \$4.95 per share or, in lieu of paying the exercise price in cash, holders may elect a cashless exercise whereby the holder would receive a number of shares equal to the Black Scholes Value (as defined in the description of the Series A Warrants under “Description of Securities – Description of Securities Sold in Public Offering of Units – Series A Warrants Included in the Units” on page 92 of the prospectus which forms a part of the Registration Statement). The Series A Warrants will expire on the fifth anniversary of the Issuance Date after which time they would have no further value. For additional information, see “Description of Securities – Description of Securities Sold in Public Offering of Units – Series A Warrants Included in the Units” on page 92 of the prospectus which forms a part of the Registration Statement. Moreover, following this offering, the market value of the Series A Warrants is uncertain and there can be no assurance what the market value of the Series A Warrants will be. There can be no assurance that the market price of the common stock will ever equal or exceed the exercise price of the Series A Warrants, and consequently, whether it will ever be profitable for holders of the Series A Warrants to exercise the Series A Warrants.

Holders of our Series B Convertible Preferred Stock and Series A Warrants have no rights as a common stockholder until such holders convert their Series B Convertible Preferred Stock or exercise their Series A Warrants and acquire our common stock.

Until holders of our Series B Convertible Preferred Stock and Series A Warrants acquire shares of our common stock upon conversion or exercise, as the case may be, such holders will have no rights with respect to shares of our common stock underlying such Series B Convertible Preferred Stock and Series A Warrants. Upon conversion of the Series B Convertible Preferred Stock or exercise of the Series A Warrants, the holders will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the conversion or exercise date.

Speculative nature of Series B Warrants

The Series B Warrants do not confer any rights of common stock ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire shares of common stock for a limited period of time. Specifically, each Series B Warrant entitles the registered holder to purchase one share of our common stock upon a cashless exercise. For additional information, see “Description of Series B Warrants Included in the Exchange Offer” on page 90 of the prospectus which forms a part of the Registration Statement.

Holders of our Series B Warrants will have no rights as a common stockholder until such holders exercise their Series B Warrants and acquire our common stock.

Until holders of our Series B Warrants acquire shares of our common stock upon exercise, such holders will have no rights with respect to shares of our common stock underlying such Series B Warrants. Upon exercise of the Series B Warrants, the holders will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the exercise date.

Our Board of Directors’ ability to issue undesignated preferred stock and the existence of anti-takeover provisions may depress the value of our common stock.

Our authorized capital includes 20 million shares of preferred stock. Of this amount, 18,950 shares have been designated as Series B Convertible Preferred Stock and the remaining authorized shares are undesignated preferred stock. Our Board of Directors has the power to issue any or all of the shares of undesignated preferred stock, including the authority to establish one or more series and to fix the powers, preferences, rights and limitations of such class or series, without seeking stockholder approval. Further, as a Delaware corporation, we are subject to provisions of the Delaware General Corporation Law regarding “business combinations.” We may, in the future, consider adopting additional anti-takeover measures. The authority of our Board of Directors to issue undesignated stock and the anti-takeover provisions of Delaware law, as well as any future anti-takeover measures adopted by us, may, in certain circumstances, delay, deter or prevent takeover attempts and other changes in control of the company not approved by our Board of Directors. As a result, our stockholders may lose opportunities to dispose of their shares at favorable prices generally available in takeover attempts or that may be available under a merger proposal and the market price, voting and other rights of the holders of common stock may also be affected.

Future sales and issuances of our common stock or rights to purchase common stock could result in additional dilution of the percentage ownership of our stockholders and could cause our share price to fall.

We also expect that significant additional capital will be needed in the future to continue our planned operations. To the extent that we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities, or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders. In addition, in the past, we have issued warrants to acquire shares of common stock. To the extent these warrants are ultimately exercised, you will sustain further dilution.

Certain features of the Series A Warrants may substantially accelerate the issuance of dilutive shares of our common stock.

Our Series A Warrants allow the cashless exercise of the Series A Warrants for a number of shares that increases as the trading market price of our common stock decreases, subject to a floor price of \$0.43. The potential for such dilutive exercise of the Series A Warrants may depress the price of common stock regardless of our business performance, and could encourage short selling by market participants, especially if the trading price of our common stock begins to decrease. If the Exchange Offer is not completed or a significant number of Series A Warrants remain outstanding following the Exchange Offer, the cashless exercise of a large number of the Series A Warrants, if the price of our common stock decreases significantly, would result in significant dilution.

If completed, the Exchange Offer will have a dilutive effect.

If the Exchange Offer is completed, the resulting issuance of common stock will have a dilutive effect. If all outstanding Series A Warrants are tendered in the Exchange Offer, then such holders of Series A Warrants will receive an aggregate of 32,203,297 Series B Warrants. If all of such Series B Warrants were fully exercised, such Warrant Shares would represent, in the aggregate, approximately 39% of our common stock, based on an aggregate of 82,241,077 shares outstanding.

Future sales of our common stock in the public market may cause our stock price to decline and impair our ability to raise future capital through the sale of our equity securities.

There are a substantial number of shares of our common stock held by stockholders who owned shares of our capital stock prior to this offering that may be able to sell in the public market upon expiration of the 90-day lock-up agreements they signed in connection with the Company's public offering which was consummated in August 2015. Sales by such stockholders of a substantial number of shares could significantly reduce the market price of our common stock.

The Series A Warrants contain a cashless exercise feature with the potential for a higher dilutive issuance of Common Stock, which could adversely affect the value of the Common Stock.

The Series A Warrants, described in Note 3 to the Financial Statements included in this report under "Stockholders' Deficit, Stock Options and Warrants," can be exercised starting February 2016. The Series A Warrants contain a cashless exercise feature that provides for the issuance of a number of shares of our common stock that increases as the trading market price of our common stock decreases, subject to a floor price of \$0.43. Approximately 3,390,935 Series A Warrants have been exercised in cashless exercises as of March 11, 2016, resulting in the issuance of 34,053,653 shares of common stock. If all of the remaining 4,189,105 Series A Warrants that were issued as part of the Units sold in the Offering and part of the Units issued on August 31, 2015 were exercised pursuant to a cashless exercise and the closing bid price of our common stock as of the two trading days prior to the time of such exercise was \$0.43 per share or less and the Black Scholes Value were \$4.3246 (the Black Scholes Value as of March 11, 2016), then a total of approximately [42,130,704] shares of our common stock would be issued to the holders of such Series A Warrants. The potential for such dilutive exercise of the Series A Warrants may depress the price of our common stock regardless of the Company's business performance, and could encourage short selling by market participants, especially if the trading price of our common stock begins to decrease.

There is no assurance of a public trading market, and public offering prices were arbitrarily determined.

Prior to this Exchange Offer, there has been no public market for the Series B Warrants, and there can be no assurance that an active trading market for the Series B Warrants will develop or, if developed, be sustained after the Exchange Offer. The terms of the Series B Warrants have been arbitrarily determined by negotiations between the Company and the Dealer Manager, and do not necessarily bear any relationship to the Company's assets, book value, results of operations or any other generally accepted criteria of value.

From our inception, through December 2013, our shares and other securities were issued in violation of the preemptive rights of existing stockholders, which could result in claims against us.

In 2013, it was brought to the attention of our management and Board of Directors that the Company was subject to preemptive rights under Minnesota corporate law, because the articles of incorporation did not "opt out" and deny them. Prior to our reincorporation in Delaware in December 2013 the Company issued shares of common stock and other equity securities on numerous occasions to raise capital and for other purposes and, to our knowledge; we never complied with the Minnesota preemptive rights statute in connection with such issuances. Starting in December 2013, stockholders no longer had preemptive rights. In connection with issuances of securities prior to that time, we may be still subject to the claims of previous and current stockholders based on violations of their preemptive rights; the risk and magnitude of these claims are uncertain. If there are any future claims, we intend to vigorously defend against such claims; however, there can be no assurance that the Company would not be liable for damages or other remedies that might have a material adverse effect on the Company's financial condition or results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Letter, other than statements of historical facts, that address future activities, events, or developments, are forward-looking statements, including, but not limited to, statements containing the words "believe," "anticipate," "expect," and words of similar import. These statements are based on certain assumptions and analyses made by us in light of our experience and our assessment of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Whether actual results will conform to the expectations and predictions of management, however, is subject to a number of risks and uncertainties that may cause actual results to differ materially. Such risks are in the section herein entitled "Risk Factors," and in our previous SEC filings.

Consequently, all of the forward-looking statements made in this Offer Letter are qualified by these cautionary statements, and there can be no assurance that the actual results anticipated by management will be realized or, even if substantially realized, that they will have the expected consequences to or effects on our business operations.

12. ADDITIONAL INFORMATION; MISCELLANEOUS

The Company has filed with the SEC a Tender Offer Statement on Schedule TO, of which this Offer Letter is a part. This Offer Letter does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. The Company recommends that holders review the Schedule TO, including the exhibits, and the Company's other materials that have been filed with the Securities and Exchange Commission before making a decision on whether to accept the Offer, including:

1. Our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on March 16, 2016;
2. Our Current Reports on Form 8-K filed with the SEC on January 12, 2016, January 14, 2016, January 27, 2016, March 11, 2016 and March 24, 2016;
3. The description of the Series B Warrants set forth in the prospectus which forms a part of our registration statement on Form S-4, filed with the SEC on March 24, 2016, including any amendments or reports filed for the purpose of updating this description; and
4. All documents subsequently filed as with the SEC, between the date of this Offer and the Expiration Date. These include periodic reports, such as quarterly reports on Form 10-Q and current reports on Form 8-K.

The SEC file number for these filings is 001-36790. These filings and the Company's other annual, quarterly and current reports, its proxy statements and other SEC filings may be examined, and copies may be obtained, at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The Company's SEC filings are also available to the public on the SEC's Internet site at www.sec.gov.

Each person to whom a copy of this offer to exchange is delivered may obtain a copy of any or all of the referenced documents, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference into such documents, at no cost. Requests should be directed to:

Skyline Medical Inc.
2915 Commers Drive, Suite 900
Eagan, Minnesota 55121
(651) 389-4800
Attention: Chief Executive Officer

Sincerely,

Skyline Medical Inc.

THE DEPOSITARY AND EXCHANGE AGENT FOR THE OFFER IS:

CORPORATE STOCK TRANSFER, INC.

BY MAIL, HAND OR OVERNIGHT DELIVERY:

Corporate Stock Transfer, Inc.
3200 Cherry Creek Drive South, #430
Denver, CO 80209

BY FAX:

CORPORATE STOCK TRANSFER, INC
FAX: 303-282-5800

CONFIRM BY TELEPHONE:

303-282-4800
TOLL FREE: 877-309-2764

THE INFORMATION AGENT FOR THE OFFER IS:

D.F. KING & CO., INC.
48 WALL STREET
NEW YORK, NY 10005

Series A Warrant holders and banks and brokerage firms, please call:

Main Phone: (212) 269-5550
Toll-Free: (866) 406-2283

You may also email your requests to sklnu@dfking.com

ANY QUESTION OR REQUEST FOR ASSISTANCE MAY BE DIRECTED TO THE INFORMATION AGENT AT THE ADDRESS, PHONE NUMBER AND EMAIL ADDRESS LISTED ABOVE. REQUESTS FOR ADDITIONAL COPIES OF THE OFFER LETTER, THE LETTER OF TRANSMITTAL OR OTHER DOCUMENTS RELATED TO THE OFFER MAY ALSO BE DIRECTED TO THE INFORMATION AGENT.

**LETTER OF TRANSMITTAL
TO EXCHANGE WARRANTS
OF
SKYLINE MEDICAL INC.
PURSUANT TO THE OFFER DATED
MARCH 24, 2016**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 5:00 P.M.,
EASTERN TIME ON THE NIGHT OF APRIL 21, 2016 UNLESS THE OFFER IS
EXTENDED**

The undersigned represents that I (we) have full authority to surrender without restriction the Series A Warrants for exchange. You are hereby authorized and instructed to prepare in the name of and deliver to the address indicated below (unless otherwise instructed in the boxes in the following page) a certificate representing Series B Warrants. For each Series A Warrant tendered, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustments for stock splits, etc.).

Method of delivery of the Series A Warrant(s) is at the option and risk of the owner thereof. See Instruction 1.

Mail or deliver this Letter of Transmittal, or a facsimile, together with the certificate(s) representing your Series A Warrants, to:

Corporate Stock Transfer, Inc.
3200 Cherry Creek Drive South, #430
Denver, CO 80209
Facsimile: 303-282-5800
Phone: 303-282-4800
Toll Free: 877-309-2764

For assistance call the Information Agent, D.F. King & Co., Inc. at (212) 269-5550; Toll-Free: (866) 406-2283.

Name(s) and Address of Registered Holder(s)			
If there is any error in the name or address shown below, please make the necessary corrections			

DESCRIPTION OF SERIES A WARRANTS SURRENDERED
(Please complete. Attach separate schedule if needed)

Certificate Number(s) and/or Book-Entry Account Number(s)	Total Number of Warrants Represented by Certificate(s) and/or Book-Entry Account Number(s)
TOTAL WARRANTS	

**PLEASE READ CAREFULLY THE ENTIRE LETTER OF TRANSMITTAL,
INCLUDING THE ACCOMPANYING INSTRUCTIONS**

Ladies and Gentlemen:

The undersigned hereby exchanges the below described Series A Warrants of Skyline Medical Inc. (the “*Company*”), a corporation incorporated under the laws of the State of Delaware, pursuant to the Company’s Offer Letter dated March 24, 2016 (the “*Offer Letter*”) and this Letter of Transmittal (which together constitute the “*Offer*”).

The Board of Directors of the Company has extended the Offer to all holders of the Company’s issued and outstanding Series A Warrants (the “*Series A Warrants*”) for Series B Warrants (“*Series B Warrants*”). Pursuant to the Offer, the undersigned has agreed to exchange for each Series A Warrant tendered during the Offer Period 10.2 Series B Warrants.

SERIES A WARRANTS NOT EXCHANGED IN THE OFFER WILL OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS.

IT IS NOT THE COMPANY’S CURRENT INTENTION TO CONDUCT ANOTHER OFFER DESIGNED TO INDUCE THE EXCHANGE OF THE SERIES A WARRANTS. HOWEVER, THE COMPANY RESERVES THE RIGHT TO DO SO IN THE FUTURE.

The undersigned acknowledges that the undersigned has been advised to consult with his, her or its own advisors as to the consequences of participating or not participating in the Offer.

The undersigned hereby represents and warrants to the Company that:

(a) the undersigned has good, marketable and unencumbered title to the Series A Warrants, free and clear of all security interests, liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to their exchange, sale or transfer, and not subject to any adverse claim;

(b) on request, the undersigned will execute and deliver any additional documents the Company deems necessary to complete the exchange of the Series A Warrants tendered hereby;

(c) the undersigned understands that tenders of Series A Warrants pursuant to the Offer and in the instructions hereto will constitute the undersigned’s acceptance of the terms and conditions of the Offer; and

(d) the undersigned agrees to all of the terms of the Offer.

All authorities conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy, and legal representatives of the undersigned. Except as stated in the Offer, this tender is irrevocable.

Delivery of this Letter of Transmittal and all other documents to an address, or transmission of instructions to a facsimile number, other than as set forth above, does not constitute a valid delivery. Please read carefully the entire Letter of Transmittal, including the accompanying instructions, before checking any box below. This Letter of Transmittal is to be used only if (a) certificates are to be forwarded herewith or (b) delivery of Series A Warrants is to be made by book-entry transfer to the depository's account at The Depository Trust Company ("DTC") pursuant to the procedures set forth in the Offer Letter.

Delivery of documents to DTC does not constitute delivery to Corporate Stock Transfer, LLC (the "Depository").

"Expiration Date" means 5:00 P.M., Eastern Time, on April 21, 2016, unless and until the Company, in its sole discretion, extends the Offer, in which case the "Expiration Date" means the latest time and date at which the Offer, as extended, expires.

**THE UNDERSIGNED UNDERSTANDS THAT ACCEPTANCE OF SERIES A WARRANTS BY THE COMPANY FOR EXCHANGE WILL
CONSTITUTE A BINDING AGREEMENT
BETWEEN THE UNDERSIGNED AND THE COMPANY UPON THE TERMS AND
SUBJECT TO THE CONDITIONS OF THE OFFER.
NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

This Letter of Transmittal is to be completed by a holder of Series A Warrants if either (i) Series A Warrant certificates are to be forwarded with this Letter of Transmittal or (ii) the Series A Warrants the holder is electing to exchange are to be delivered by book-entry transfer pursuant to the procedures set forth in the Offer Letter under Section 2, "Procedure for Participation in the Exchange Offer — Book-Entry Transfer." **Delivery of documents to The Depository Trust Company ("DTC") or to the Company does not constitute delivery to the Depository.**

The undersigned hereby: (i) elects to exchange the Series A Warrants described under "Election to Exchange" below (Box 1); and (ii) agrees to subscribe for the Series B Warrants, in each case pursuant to the terms and subject to the conditions described in the Offer Letter and this Letter of Transmittal. If the undersigned holds Series A Warrants for beneficial owners, the undersigned represents that it has received from each beneficial owner thereof (collectively, the "**Beneficial Owners**") a duly completed and executed form of "Instructions to Registered Holder," a form of which is attached to the "Letter to Clients" accompanying this Letter of Transmittal, instructing the undersigned to take the action described in this Letter of Transmittal. Subject to, and effective upon, the Company's acceptance of the undersigned's election to exchange the Series A Warrants described in Box 1 below, the undersigned hereby assigns and transfers to, or upon the order of, the Company, all right, title and interest in, to, and under the Series A Warrants being exchanged hereby, waives any and all other rights with respect to such Series A Warrants and releases and discharges the Company from any and all claims the undersigned may have now, or may have in the future, arising out of, or related to, such Series A Warrants.

The undersigned hereby irrevocably constitutes and appoints the Depository as the true and lawful agent and attorney-in-fact of the undersigned with respect to the Series A Warrants the undersigned is electing to exchange, with full power of substitution (the power of attorney being deemed to be an irrevocable power coupled with an interest), to deliver the Series A Warrants the undersigned is electing to exchange to the Company or cause ownership of such Series A Warrants to be transferred to, or upon the order of, the Company, on the books of the Depository and deliver all accompanying evidences of transfer and authenticity to, or upon the order of, the Company upon receipt by the Company's Depository, as the undersigned's agent, of the Series B Warrants to which the undersigned is entitled upon acceptance by the Company of the undersigned's election to exchange Series A Warrants pursuant to the Offer.

Unless otherwise indicated under "Special Issuance Instructions" below (Box 2), please issue the Series B Warrants for the exchanged Series A Warrants in the name(s) of the undersigned. Similarly, unless otherwise indicated under "Special Delivery Instructions" below (Box 3), please send or cause to be sent the certificates for the Shares (and accompanying documents, as appropriate) to the undersigned at the address shown above under "Description of Series A Warrants" (on the cover page of this Letter of Transmittal) or provide the name of the account with the Depository or at DTC to which the Series B Warrants should be issued.

The undersigned understands that elections to exchange Series A Warrants pursuant to the procedures described under Section 1, "General Terms of the Exchange Offer" in the Offer Letter and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and the Company upon the terms of the Offer set forth in the Offer Letter under the caption Section 1, "General Terms of the Exchange Offer," and subject to the conditions of the Offer set forth in the Offer Letter under Section 2, "Procedures for Participation in the Exchange Offer – Conditions to the Exchange Offer," subject only to withdrawal of elections to exchange on the terms set forth in the Offer Letter under Section 3, "Withdrawal Rights." All authority conferred in this Letter of Transmittal or agreed to be conferred will survive the death, bankruptcy or incapacity of the undersigned and any Beneficial Owner(s), and every obligation of the undersigned of any Beneficial Owners under this Letter of Transmittal will be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned and such Beneficial Owner(s).

The undersigned hereby represents and warrants that it has full power and authority to exchange, assign and transfer the Series A Warrants the undersigned has elected to exchange pursuant to this Letter of Transmittal. The undersigned and each Beneficial Owner will, upon request, execute and deliver any additional documents reasonably requested by the Company or the Company's Depository as necessary or desirable to complete and give effect to the transactions contemplated hereby.

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY BEFORE
COMPLETING THE BOXES.**

CHECK HERE IF THE SERIES A WARRANTS ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER, AND COMPLETE BOX 4 BELOW.

Name:

Address:

Box 1 ELECTION TO EXCHANGE	
A Number of Series A Warrants Being Exchanged	B Series B Warrants to be Issued

Box 2 SPECIAL ISSUANCE INSTRUCTIONS		
	To be completed ONLY if certificates for Series A Warrants exchanged hereby are to be issued in the name of someone other than the undersigned.	
	Issue certificates:	
	Name(s) _____ _____ (please print)	
	Address(es) _____ _____ (please print)	

Box 3 SPECIAL DELIVERY INSTRUCTIONS		
	To be completed ONLY if certificates for Series A Warrants of the Company exchanged are to be mailed to someone other than the undersigned, or to the undersigned at an address other than that shown below.	
	Mail Certificates:	
	Name(s) _____ _____ (please print)	
	Address(es) _____ _____ (please print)	

Box 4
USE OF BOOK ENTRY TRANSFER

	To be completed ONLY if delivery of Series A Warrants is to be made by book-entry transfer.	
	Name of Tendering Institution: _____	
	Participant Account Number: _____	
	Transaction Code Number: _____	

Box 5
EXERCISING HOLDER SIGNATURE

PLEASE SIGN HERE
(To be completed by all Series A Warrant holders)
(U.S. Holders Please Also Complete the Enclosed IRS Form W-9)
(Non U.S.-Holders Please Obtain and Complete IRS Form W-8BEN or Other Applicable IRS Form W-8)

(Signature of Registered Holder(s) or Authorized Signatory)

Name(s) _____
(please print)
Address(es)
Capacity (full title):
Area Code and Telephone Number:
Tax Identification or Social Security No.

Box 6
GUARANTEE OF SIGNATURE(S)
(For use by Eligible Institutions only; see Instruction 1)

Name of Firm:

Authorized Signature:

Name:

Title:

Address:

Area Code and Telephone Number:

Dated: _____, 201_

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURE.

No signature guarantee is required if either:

(a) this Letter of Transmittal is signed by the registered holder of the Series A Warrants exactly as the name of the registered holder appears on the certificate tendered with this Letter of Transmittal and such owner has not completed the box entitled “Special Delivery Instructions” or “Special Issuance Instructions;” or

(b) such Series A Warrants are tendered for the account of a member firm of a registered national securities exchange, a member of the Financial Industry Regulatory Authority (“*FINRA*”) or a commercial bank or trust company (not a savings bank or savings and loan association) having an office, branch or agency in the United States which is a participant in an approval Signature Guarantee Medallion Program (each such entity, an “*Eligible Institution*”); or

(c) the Holders of such Series A Warrants reside outside of the U.S. and are not otherwise tendering the Series A Warrants in the U.S.

In all other cases, an Eligible Institution must guarantee all signatures on this Letter of Transmittal. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES

- certificates for Series A Warrants are delivered with it to the Depository; or
- Series A Warrants are exchanged pursuant to the procedure for tender by book-entry transfer set forth in Section 2 of the Offer Letter.

Unless Series A Warrants are being tendered by book-entry transfer, as described below, (a) a properly completed and duly executed Letter of Transmittal or duly executed and manually signed facsimile copy of it, in accordance with the instructions of the Letter of Transmittal (including any required signature guarantees), (b) certificates for the Series A Warrants being exchanged, and (c) any other documents required by the Letter of Transmittal should be mailed or delivered to the Depository at the appropriate address set forth on the front page of this document and must be received by the Depository prior to the expiration of the Offer. If certificates are forwarded to the Depository in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery.

Series A Warrants may be validly tendered pursuant to the procedures for book-entry transfer as described in the Offer Letter. In order for Series A Warrants to be validly tendered by book-entry transfer, the Depository must receive, prior to the Expiration Date, (a) confirmation of such delivery and (b) either a properly completed and executed Letter of Transmittal (or manually signed facsimile thereof) or an Agent’s Message if the tendering Series A Warrant holder has not delivered a Letter of Transmittal, and (c) all documents required by the Letter of Transmittal. The term “Agent’s Message” means a message, transmitted by DTC to, and received by, the Depository and forming a part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC exchanging the Series A Warrants that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against the participant. If you are tendering by book-entry transfer, you must expressly acknowledge that you have received and agreed to be bound by the Letter of Transmittal and that the Letter of Transmittal may be enforced against you.

The method of delivery of all documents, including Series A Warrant certificates, the Letter of Transmittal and any other required documents, is at the election and risk of the tendering Series A Warrant holder, and the delivery will be deemed made only when actually received by the Depository. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Except as specifically permitted by the Offer Letter, no alternative or contingent exchanges will be accepted.

3. *INADEQUATE SPACE.* If the space provided in the box captioned “Description of Series A Warrants Exchanged” is inadequate, the certificate number(s) and/or the book-entry account number(s) and/or the number of Series A Warrants should be listed on a separate signed schedule and attached to this Letter of Transmittal.
4. *SERIES A WARRANTS EXCHANGED.* Series A Warrant holders who choose to participate in the Offer may exchange some or all of such holder’s Series A Warrants pursuant to the terms of the Offer.
5. *SIGNATURES ON LETTER OF TRANSMITTAL.*

(a) If this Letter of Transmittal is signed by the registered holder(s) of the Series A Warrants tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

(b) If the Series A Warrants are held of record by two or more persons or holders, all such persons or holders must sign this Letter of Transmittal.

(c) If any tendered Series A Warrants are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or photocopies of it) as there are different registrations of certificates.

(d) When this Letter of Transmittal is signed by the registered holder(s) of the Series A Warrants listed and transmitted hereby, no endorsement(s) of certificate(s) representing such Series A Warrants or separate instruments of transfer are required. EXCEPT AS OTHERWISE PROVIDED IN INSTRUCTION 1, SIGNATURE(S) ON SUCH CERTIFICATE(S) MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION. If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificate(s) listed, the certificate(s) must be endorsed or accompanied by appropriate instruments of transfer, in either case signed exactly as the name(s) of the registered holder(s) appears on the certificate(s), and the signature(s) on such certificate(s) or share power(s) must be guaranteed by an Eligible Institution. See Instruction 1.

(e) If this Letter of Transmittal or any certificate(s) or share power(s) are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and must submit proper evidence satisfactory to the Company of the authority so to act. If the certificate has been issued in the fiduciary or representative capacity, no additional documentation will be required.

6. *SPECIAL DELIVERY AND SPECIAL ISSUANCE INSTRUCTIONS.* If certificates for Series B Warrants upon exchange of the Series A Warrants are to be issued in the name of a person other than the signer of the Letter of Transmittal or if such certificates are to be sent to someone other than the person signing the Letter of Transmittal or to the signer at a different address, the boxes captioned “Special Issuance Instructions” and/or “Special Delivery Instructions” on this Letter of Transmittal must be completed as applicable and signatures must be guaranteed as described in Instruction 1.
7. *IRREGULARITIES.* All questions as to the number of Series A Warrants to be accepted, the validity, form, eligibility (including time of receipt) and acceptance of any tender of Series A Warrants will be determined by the Company in its sole discretion, which determinations shall be final and binding on all parties, subject to the judgment of any court. The Company reserves the absolute right to reject any or all tenders of Series A Warrants it determines not to be in proper form or to reject those Series A Warrants, the acceptance of which may, in the opinion of the Company’s counsel, be unlawful, subject to the judgment of any court. The Company also reserves the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular Series A Warrant, and the Company’s interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties, subject to the judgment of any court. No tender of Series A Warrants will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Company shall determine. Neither the Company nor any other person is or will be obligated to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice.

8. *QUESTIONS AND REQUESTS FOR ASSISTANCE AND ADDITIONAL COPIES.* Please direct questions or requests for assistance, or for additional copies of the Offer Letter, Letter of Transmittal or other materials, in writing to:

D.F. King & Co., Inc.
48 Wall Street
New York, NY 10005

Series A Warranholders and banks and brokerage firms, please call:

Main Phone: (212) 269-5550

Toll-Free: (866) 406-2283

You may also email your requests to sklnu@dfking.com.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A PHOTOCOPY THEREOF) TOGETHER WITH WARRANT CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY ON OR PRIOR TO 5:00 P.M., EASTERN TIME ON THE EXPIRATION DATE (AS DEFINED IN THE OFFER).

OFFER LETTER TO EXCHANGE
BY
SKYLINE MEDICAL INC.

of all outstanding Series A Warrants for Series B Warrants

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON APRIL 21, 2016, UNLESS THE TENDER OFFER IS EXTENDED.

March 24, 2016

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

Enclosed for your consideration are the Offer Letter, dated March 24, 2016 (the "*Offer Letter*"), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "*Offer*"), in connection with the offer by Skyline Medical Inc. (the "*Company*"), a corporation incorporated under the laws of the State of Delaware, to the holders of the Company's outstanding Series A Warrants (the "*Series A Warrants*"). The Company is offering to exchange Series B Warrants (the "*Series B Warrants*") to purchase shares of our common stock, par value \$0.01 per share (the "*Warrant Shares*"), for up to an aggregate of 3,157,186 outstanding Series A Warrants. Each Series A Warrant can be exercised for one share of common stock at \$4.95 per share or on a cashless basis for a variable number of shares, with the ratio depending in part on the market value of our common stock. On March 16, 2016, each Series A Warrant could be exercised on a cashless basis for 10.06 shares of common stock. For each outstanding Series A Warrant tendered by holders, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustment for stock splits, etc.). The "*Offer Period*" is the period of time commencing on March 24, 2016 and ending at 5:00 p.m., Eastern time, on April 21, 2016, or such later date to which the Company may extend the Offer (the "*Expiration Date*").

SERIES A WARRANTS NOT EXCHANGED IN THE OFFER WILL OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS.

IT IS THE COMPANY'S CURRENT INTENTION NOT TO CONDUCT ANOTHER OFFER DESIGNED TO INDUCE THE EXCHANGE OF THE SERIES A WARRANTS. HOWEVER, THE COMPANY RESERVES THE RIGHT TO DO SO IN THE FUTURE.

Enclosed with this letter are copies of the following documents:

1. Letter of Transmittal, for your use in accepting the Offer and exchanging Series A Warrants and for the information of your clients;
2. Form of letter that may be sent to your clients for whose accounts you hold Series A Warrants registered in your name or in the name of your nominee, along with an Instruction Form provided for obtaining such client's instructions with regard to the Offer.

Certain conditions to the Offer are described in Sections 1 through 4 of the Offer Letter.

We urge you to contact your clients promptly. Please note that the Offer and withdrawal rights will expire at 5:00 p.m., Eastern time, on April 21, 2016, unless the Offer is extended.

Other than as described herein and in the Offer Letter, the Company will not pay any fees or commissions to any broker or dealer or other person (other than the Depositary and the Information Agent, as described in the Offer Letter) in connection with the solicitation of tenders of Series A Warrants pursuant to the tender offer. However, the Company will, on request, reimburse you for customary mailing and handling expenses incurred by you in forwarding copies of the enclosed tender offer materials to your clients.

Questions regarding the Offer may be directed to D.F. King & Co., Inc., as Information Agent, at 48 Wall Street, New York, NY 10005, (Main Phone: (212) 269-5550; Toll-Free: (866) 406-2283; Email: sklnu@dfking.com) or to Corporate Stock Transfer, Inc., as Depositary, at 3200 Cherry Creek Drive South, #430, Denver, CO 80209 (telephone number: (303) 282-4800 or toll free: (877) 309-2764).

Very truly yours,

Skyline Medical Inc.

Nothing contained in this letter or in the enclosed documents shall render you or any other person the agent of the Company, the Depositary, the Information Agent or any affiliate of any of them or authorize you or any other person affiliated with you to give any information or use any document or make any statement on behalf of any of them with respect to the Offer other than the enclosed documents and the statements contained therein.

OFFER LETTER TO EXCHANGE
BY
SKYLINE MEDICAL INC.

of all outstanding Series A Warrants for Series B Warrants

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON APRIL 21, 2016, UNLESS THE TENDER OFFER IS EXTENDED.

March 24, 2016

To Our Clients:

Enclosed for your consideration are the Offer Letter, dated March 24, 2016 (the "*Offer Letter*"), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "*Offer*"), in connection with the offer by Skyline Medical Inc. (the "*Company*"), a corporation incorporated under the laws of the State of Delaware, to the holders of the Company's outstanding Series A Warrants (the "*Series A Warrants*"). The Company is offering to exchange Series B Warrants (the "*Series B Warrants*") to purchase shares of our common stock, par value \$0.01 per share (the "*Warrant Shares*"), for up to an aggregate of 3,157,186 outstanding Series A Warrants. Each Series A Warrant can be exercised for one share of common stock at \$4.95 per share or on a cashless basis for a variable number of shares, with the ratio depending in part on the market value of our common stock. On March 16, 2016, each Series A Warrant could be exercised on a cashless basis for 10.06 shares of common stock. For each outstanding Series A Warrant tendered by holders, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustment for stock splits, etc.). The "*Offer Period*" is the period of time commencing on March 24, 2016 and ending at 5:00 p.m., Eastern time, on April 21, 2016, or such later date to which the Company may extend the Offer (the "*Expiration Date*").

SERIES A WARRANTS NOT EXCHANGED IN THE OFFER WILL OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS.

IT IS THE COMPANY'S CURRENT INTENTION NOT TO CONDUCT ANOTHER OFFER DESIGNED TO INDUCE THE EXCHANGE OF THE SERIES A WARRANTS. HOWEVER, THE COMPANY RESERVES THE RIGHT TO DO SO IN THE FUTURE.

You may tender and exchange some or all of your Series A Warrants. *Please follow the instructions in this document and the related documents, including the accompanying Letter of Transmittal, to submit your Series A Warrants.*

On the terms and subject to the conditions of the Offer, the Company will allow you to exchange all Series A Warrants properly tendered before the Expiration Date and not properly withdrawn. For each outstanding Series A Warrant tendered, the Company will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant.

We are the owner of record of Series A Warrants held for your account. As such, we are the only ones who can exchange and tender your Series A Warrants, and then only pursuant to your instructions. **We are sending you the Letter of Transmittal for your information only; you cannot use it to exchange and tender Series A Warrants we hold for your account.**

Please instruct us as to whether you wish us to exchange any or all of the Series A Warrants we hold for your account on the terms and subject to the conditions of the Offer.

Please note the following:

1. For each outstanding Series A Warrant that you tender, the Company will issue 10.2 Series B Warrants.
2. The Offer is subject to certain conditions set forth in Sections 1 through 4 of the Offer Letter.
3. The Offer and withdrawal rights will expire at 5:00 p.m., Eastern time, on April 21, 2016, unless the Company extends the Offer.
4. The Offer is for all outstanding Series A Warrants of the Company.
5. Tendering Series A Warrant holders who are registered Series A Warrant holders or who tender their Series A Warrants directly to D.F. King & Co., Inc., the Information Agent for the Offer, at 48 Wall Street, New York, NY 10005 (Main Phone: (212) 269-5550; Toll-Free: (866) 406-2283; Email: sklnu@dfking.com), will not be obligated to pay any brokerage commissions.

If you wish to have us exchange any or all of your Series A Warrants, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. If you authorize us to exchange your Series A Warrants, we will tender for exchange all your Series A Warrants unless you specify otherwise on the attached Instruction Form.

Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit a tender on your behalf before the Expiration Date of the Offer. Please note that the Offer and withdrawal rights will expire at 5:00 p.m., Eastern time, on April 21, 2016, unless the Offer is extended.

The Offer is being made solely under the Offer Letter and the Letter of Transmittal and is being made to all holders of Series A Warrants. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Series A Warrants residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

The Company's Board of Directors has approved the Offer. However, neither the Company's management nor its Board of Directors, officers, or employees, the Depositary or the Information Agent makes any recommendation to any Series A Warrant holder as to whether to exchange or refrain from tendering and exchanging any Series A Warrants. The Company has not authorized any person to make any recommendation. You should carefully evaluate all information in the Offer and should consult your own investment and tax advisors. You must decide whether to exchange your Series A Warrants and, if so, how many Series A Warrants to exchange. In doing so, you should read carefully the information in the Offer Letter and the Letter of Transmittal.

**INSTRUCTION FORM WITH RESPECT
TO
OFFER LETTER TO EXCHANGE
BY
SKYLINE MEDICAL INC.**

of all outstanding Series A Warrants for Series B Warrants

The undersigned acknowledges receipt of your letter and the enclosed Offer Letter, dated January 22, 2016 (the "**Offer Letter**"), and the Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "**Offer**"), in connection with the offer by Skyline Medical Inc. (the "**Company**"), a corporation incorporated under the laws of the State of Delaware, to the holders of the Company's outstanding Series A Warrants (the "**Series A Warrants**"). The Company is offering to exchange Series B Warrants (the "**Series B Warrants**") to purchase shares of our common stock, par value \$0.01 per share (the "**Warrant Shares**"), for up to an aggregate of 3,157,186 outstanding Series A Warrants. Each Series A Warrant can be exercised for one share of common stock at \$4.95 per share or on a cashless basis for a variable number of shares, with the ratio depending in part on the market value of our common stock. On March 16, 2016, each Series A Warrant could be exercised on a cashless basis for 10.06 shares of common stock. For each outstanding Series A Warrant tendered by holders, we will issue 10.2 Series B Warrants, which are subject to cashless exercise at a fixed rate of one share of common stock per Series B Warrant (subject to further adjustment for stock splits, etc.). The "**Offer Period**" is the period of time commencing on March 24, 2016 and ending at 5:00 p.m., Eastern time, on April 21, 2016, or such later date to which the Company may extend the Offer (the "**Expiration Date**").

The undersigned hereby instructs you to exchange the number of Series A Warrants indicated below or, if no number is indicated, all Series A Warrants you hold for the account of the undersigned, on the terms and subject to the conditions of the Offer.

By participating in the Offer, the undersigned acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature, and it may be extended, modified, suspended or terminated by the Company as provided in the Offer Letter; (2) the undersigned is voluntarily participating in the Offer and is aware of the conditions of the Offer; (3) the future value of the Company's securities is unknown and cannot be predicted with certainty; (4) the undersigned has received the Offer Letter; and (5) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance, transfer tax or other tax-related items ("**Tax Items**") related to the tender offer, the undersigned acknowledges that the ultimate liability for all Tax Items is and remains his, her or its sole responsibility. In that regard, the undersigned authorizes the Company to withhold all applicable Tax Items legally payable by the undersigned.

(continued on following page)

Number of Series A Warrants to be exchanged by you for the account of the undersigned:

***Unless otherwise indicated it will be assumed that all Series A Warrants held by us for your account are to be exchanged.**

Signature(s): _____

Name(s): _____

(Please Print)

Taxpayer Identification Number:

Address(es): _____

(Including Zip Code)

Area Code/Phone Number:

Date: _____, 201__

Skyline Medical Announces Commencement of Registered Exchange Offer for Outstanding Series A Warrants

MINNEAPOLIS, March 24, 2016 (GLOBE NEWSWIRE) – Skyline Medical Inc. (NASDAQ:SKLN) (the “Company”) today announced the commencement of its registered exchange offer (the “Exchange Offer”) to issue new Series B Warrants of the Company in exchange for its outstanding Series A Warrants (the “Series A Warrants”).

Each outstanding Series A Warrant currently represents the right (1) to effect a cashless exercise permitting the holder to receive shares of common stock under a formula set forth in the Series A Warrants – currently, approximately 10.06 shares of common stock per Series A Warrant, or (2) to purchase one share of common stock for \$4.95 per share in a cash exercise.

The terms of the Series B Warrants include the following features:

- The Series B Warrants permit a cashless exercise at a fixed rate rather than a formula. For each Series A Warrant tendered in the exchange offer, the holder will receive 10.2 Series B Warrants that will each entitle the holder to receive 1 share of common stock upon a cashless exercise (subject to adjustment for stock splits, reverse stock splits, etc.).
- The Series B Warrants expire on December 31, 2020, compared to the expiration date of August 31, 2020 for the Series A Warrants.
- Similar to the Series A Warrants, the Series B Warrants contain a limitation under which exercise is not permitted to the extent that the holder or its affiliates would beneficially own in excess of 4.99% of the Company’s outstanding common stock.
- Otherwise, the terms of the Series B Warrants are similar to the terms of the Series A Warrants.

Example: a holder of 1,000 Series A Warrants currently has the right to receive approximately 10,060 shares of common stock upon a cashless exercise under the applicable formula. If the holder accepts the exchange offer, the holder will receive 10,200 Series B Warrants that will entitle the holder to receive an aggregate 10,200 shares of common stock upon a cashless exercise.

Skyline has filed with the SEC a registration statement on Form S-4 to register the Series B Warrants and underlying common stock. The registration statement on Form S-4 is available on the SEC’s EDGAR system. The registration statement has not yet been declared effective and the information contained in the filing is subject to change.

All registered holders of outstanding Series A Warrants as of the date of the commencement of the Exchange Offer may participate in the Exchange Offer. The Exchange Offer will expire on the Expiration Date at 5:00 p.m. Eastern time on April 19, 2016 unless the Exchange Offer is extended at Skyline’s sole discretion. Tenders of the Series A Warrants must be made prior to the expiration of the Exchange Offer and may be withdrawn at any time prior to the expiration of the Exchange Offer. In addition to being subject to certain customary conditions, the closing of the Exchange Offer is conditioned upon effectiveness with the SEC of Skyline’s registration statement on Form S-4 registering the Series B Warrants and underlying common stock. D.F. King & Co., Inc. is serving as the Information Agent in connection with the Exchange Offer. Questions or requests for assistance, or for additional copies of the Exchange Offer documents, Letter of Transmittal or other materials should be directed to: D.F. King & Co., Inc. at 48 Wall Street, New York, NY 10005; Toll-Free: (866) 406-2283; Banks & Brokers Call Toll: (212) 269-5550; email: sklnu@dfking.com.

Josh Kornberg, CEO of Skyline Medical, has disclosed his intention to participate in the Exchange Offer. None of Skyline’s board of directors, officers or employees make any recommendations to Series A Warrant holders as to whether to tender or refrain from tendering their Series A Warrants pursuant to the Exchange Offer. Series A Warrant holders must decide how many Series A Warrants they will tender, if any.

Source Capital Group Inc. has been retained by Skyline to act as dealer manager for the Exchange Offer.

Important Notice

This press release is for informational purposes only and is neither an offer to exchange nor a solicitation of an offer to exchange any of the Company’s securities. The offer to exchange will be made only pursuant to the Exchange Offer, the Letter of Transmittal and other materials that are being mailed shortly to holders of the Series A Warrants eligible to be exchanged in the Exchange Offer and have been filed with the Securities and Exchange Commission. Holders of securities eligible to be exchanged in the Exchange Offer should read those materials and the documents incorporated therein by reference carefully because they will contain important information, including the various terms of, and conditions to, the Exchange Offer. The Company has filed a Tender Offer Statement on Schedule TO with the Securities and Exchange Commission, which includes an Offer Letter, the related election to participate and other materials, and is available at no charge at the Securities and Exchange Commission’s website at www.sec.gov, or D.F. King & Co., Inc. at 48 Wall Street, New York, NY 10005; Toll-Free: (866) 406-2283; Banks & Brokers Call Toll: (212) 269-5550; email: sklnu@dfking.com. Holders of securities eligible to be exchanged in the offer are urged to read those materials carefully prior to making any decisions with respect to the Exchange Offer.

About Skyline Medical Inc.

Skyline Medical Inc. produces a fully automated, patented, FDA-cleared, waste fluid disposal system that virtually eliminates staff exposure to blood, irrigation fluid and other potentially infectious fluids found in the healthcare environment. Antiquated manual fluid handling methods — which require hand carrying and emptying filled fluid canisters — present an exposure risk and potential liability. Skyline Medical’s STREAMWAY System fully automates the collection, measurement and disposal of waste fluids and is designed to: 1) reduce overhead costs to hospitals and surgical centers, 2) improve compliance with Occupational Safety and Health Association (OSHA) and other regulatory agency safety guidelines, 3) improve efficiency in the operating room, and radiology and endoscopy departments — leading to greater profitability, and 4) provide greater environmental stewardship by helping to eliminate the approximately 50 million potentially disease-infected canisters that go into landfills annually in the United States. For additional information, please visit: www.skylinemedical.com.

Forward-looking Statements

Certain of the matters discussed in this announcement contain forward-looking statements that involve material risks to and uncertainties in the Company’s business that may cause actual results to differ materially from those anticipated by the statements made herein. Such risks and

uncertainties include, among other things, current negative operating cash flows and a need for additional funding to finance our operating plan; the terms of any further financing, which may be highly dilutive and may include onerous terms; the features of the Company's Series A Warrants that include a cashless exercise feature that has the potential to be highly dilutive, and the existence of which may depress the price of our common stock regardless of the Company's business performance; unexpected costs and operating deficits, and lower than expected sales and revenues; uncertain willingness and ability of customers to adopt new technologies and other factors that may affect further market acceptance, if our product is not accepted by our potential customers, it is unlikely that we will ever become profitable, adverse economic conditions; adverse results of any legal proceedings; the volatility of our operating results and financial condition; inability to attract or retain qualified senior management personnel, including sales and marketing personnel; our ability to establish and maintain the proprietary nature of our technology through the patent process, as well as our ability to possibly license from others patents and patent applications necessary to develop products; the Company's ability to implement its long range business plan for various applications of its technology; the Company's ability to enter into agreements with any necessary marketing and/or distribution partners; the impact of competition, the obtaining and maintenance of any necessary regulatory clearances applicable to applications of the Company's technology; and management of growth and other risks and uncertainties that may be detailed from time to time in the Company's reports filed with the Securities and Exchange Commission, which are available for review at www.sec.gov. This is not a solicitation to buy or sell securities and does not purport to be an analysis of the Company's financial position. See the Company's most recent Annual Report on Form 10-K, and subsequent reports and other filings at www.sec.gov.

Contact:

Series A Warrant Holder Contact:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

Toll-Free: (866) 406-2283

Banks & Brokers Call Toll: (212) 269-5550

Email: sklnu@dfking.com

Investor and Media Contact:

Garth Russell

KCSA Strategic Communications

212-896-1250

skyline@kcsa.com