



2 July 2018

MARKET UPDATE

Australian natural skincare company Skin Elements Limited (SKN) is pleased to provide the attached market update.

ENDS

For further information, please contact:

Peter Malone
Executive Chairman
Skin Elements Limited
T: +61 439 430 770
E: peter@senatural.com

Media and Investor Inquiries
James Moses
Mandate Corporate
T: +61 420 991 574
E: james@mandatecorporate.com.au

About Skin Elements

Skin Elements is an ASX-listed skin care company focused on the development of natural and organic skin care products, as an alternative to current chemical-based products. It has developed a portfolio of products which includes its lead product, the Soléo Organics 100% natural and organic sunscreen, pawpaw based McArthur natural therapeutic skincare, and the Elizabeth Jane Natural Cosmetics brand. The Company has completed a highly successful test marketing phase in major international markets for Soléo Organics and has regulatory approval with the USA FDA, TGA and other significant regulators. Skin Elements aims to become the number one recognised national and international sunscreen brand.

Further information is available via the Company website: <http://skinelementslimited.com>

Natural Science by Skin Elements

32 Ord Street, West Perth
Western Australia, 6005
P 08 6311 1900
F 08 6311 1999

www.mcarthurskincare.com
www.soleoorganics.com
www.skinelementslimited.com



MARKET UPDATE JUNE 2018

DISCLAIMER

Summary information

This Presentation contains summary information about Skin Elements Limited (ASX: "SKN", "Skin Elements", "the Company"), its subsidiaries and their activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in shares and options in Skin Elements Limited (New Securities) or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. The historical information in this Presentation is, or is based upon, information that has been prepared by the Company. This Presentation should be read in conjunction with all public announcements which are available at request and also <http://www.soleoorganics.com/>.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law, or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction (and will not be lodged with the U.S. Securities Exchange Commission).

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire New Shares in and does not and will not form any part of any contract for the acquisition of New Shares. This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, New Shares may not be offered or sold, directly or indirectly, in the United States, unless they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

Not investment advice

Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes may have on the Company. This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of New Securities. Cooling off rights do not apply to the acquisition of New Securities.

Investment risk

An investment in New Securities is subject to known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company nor does it guarantee any particular tax treatment. Investors should have regard to the key risk factors outlined in this Presentation when making their investment decision.

Future performance and forward looking statements

This Presentation contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Issue of New Shares (IPO) and the use of proceeds. You are cautioned not to place undue reliance on forward looking statements. The statements, opinions and estimates in this Presentation are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.

The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain general and Company specific risk factors that may affect the Company and New Shares. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results, achievements or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to the Company as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including past financial performance cannot be relied upon as an indicator of (and provides no guidance as to) future Company performance including future share price performance.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH DISTRIBUTION WOULD BE UNLAWFUL

OUR MISSION

Skin Elements continues to execute its stated business plan to develop and commercialise its core natural skincare technologies through both organic growth and acquisition.

CORPORATE OVERVIEW

CAPITAL STRUCTURE (ASX : SKN)

Shares on Issue 86,053,001

Listed Options 40,275,000

Unlisted Options 27,838,000

DIRECTORS

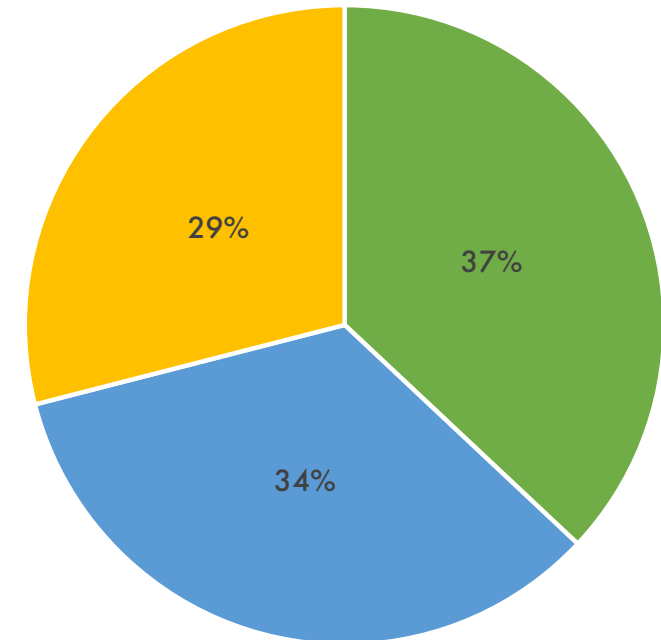
Peter Malone Executive Chairman

Luke Martino Non Executive Director

Phil Giglia Non Executive Director

Shareholders June 2018

- Board and Management
- High Networth Shareholders
- Private Shareholders



Top 20 71.3%

CAPITAL RAISING

- **Capital Raise to raise up to \$1.225m announced 29 June 2018**
- Capital raise to comprise;
- **Placement to raise \$150,000** (before costs) via issue of 6,000,000 ordinary fully paid shares and 1,500,000 free attaching options exercisable at \$0.10 each on or before 31 December 2020 at issue price of \$0.025 each
- Entitlement Offer: Fully underwritten Non-renounceable Pro-rata Rights Issue to existing shareholders to raise \$1,075,663 (before costs) on the basis of one (1) new share for every two (2) ordinary shares held at an issue price of \$0.025 per new share. Shareholders will also receive one (1) new free option for every four (4) new shares, exercisable at \$0.10 on or before on 31 December 2020.

Under the Entitlement Offer, 43,026,501 shares and 10,756,626 options will be issued.

Shareholders who hold Shares at 5:00pm WST on 11 July 2018 and have a registered address in Australia, New Zealand, Hong Kong or China will be eligible to participate in the Entitlement Offer (Eligible Shareholders).

Use of Funds: Proceeds from Placement and Entitlement Offer to be used to accelerate Company's growth plans for its natural and organic skincare product range in key global markets, expand its footprint in the domestic market and advance new product development initiatives.

- The proposed indicative timetable for the Entitlement Offer and further details of the Capital raise are set out in the company's ASX announcement of 29 June 2018.

EXPANDED KEY MANAGEMENT

“The ability of team
is key to the success of the business.”

Peter Malone - Executive Chairman

Craig Piercy - Company secretary

Leo Fung – Chief Technical Officer

Alan Hopkins - General Manager

Laura Brickhill - Production Manager

COMPANY HIGHLIGHTS

- **Market leading all natural and organic lead product**
 - Soleo Organics 100% all natural and organic sunscreen
- **Preferred Manufacturing Partner appointed**
 - Leading Australian laboratory Baxter Laboratories Pty Ltd appointed Skin Elements' Preferred Manufacturing Partner for its range of natural and organic skin care products.
- **Aggressive and focused acquisition strategy**
 - McArthur Skincare acquired 2017 - range of high quality therapeutic and cosmetic skin care products.
 - Corporate advisors, MMR Corporate Services appointed to help drive acquisition strategy
- **Continued Strong Sales Growth**
 - Sales growth of over 200% in the current year to date.
- **Commitment to new product development and expanding product range**
 - Soleo Organics to deliver a new range of product for the baby suncare market.
- New product development driven from the McArthur Skincare acquisition.
- Company launches new therapeutic range - PapayActivs.
- **Core focus on expanding Global Market Presence**
 - Skin Elements products being marketed to major global markets.
- **Expanded Brand Portfolio**
 - Natural Suncare - Soleo Organics, Natural Therapeutics - PapayActivs, Natural Skincare – SkinLife, Natural Cosmetics – Elizabeth Jane Natural Cosmetics
- **Committed and focused Management**
 - Company appoints three additional senior managers to deliver on the sales program.

Overview

SKIN ELEMENTS GLOBAL MARKET PRESENCE



Europe

Belgium
Cyprus
Greece
Ireland
Switzerland
Sweden
England

Asia

Japan
Indonesia
South Korea

Australia

New Zealand

North America

California
Hawaii
Canada

South America

Brazil

Africa

Morocco

SALES AND MARKETING



4 key sales channels in Australia

1. Rener - Pharmacy/Health for WA
2. Obourne - Health – all other states
3. Global by nature - Health – all other states
4. Kadac - Pharmacy – all other states

Marketing and Sales

SALES PERFORMANCE FOR 2018

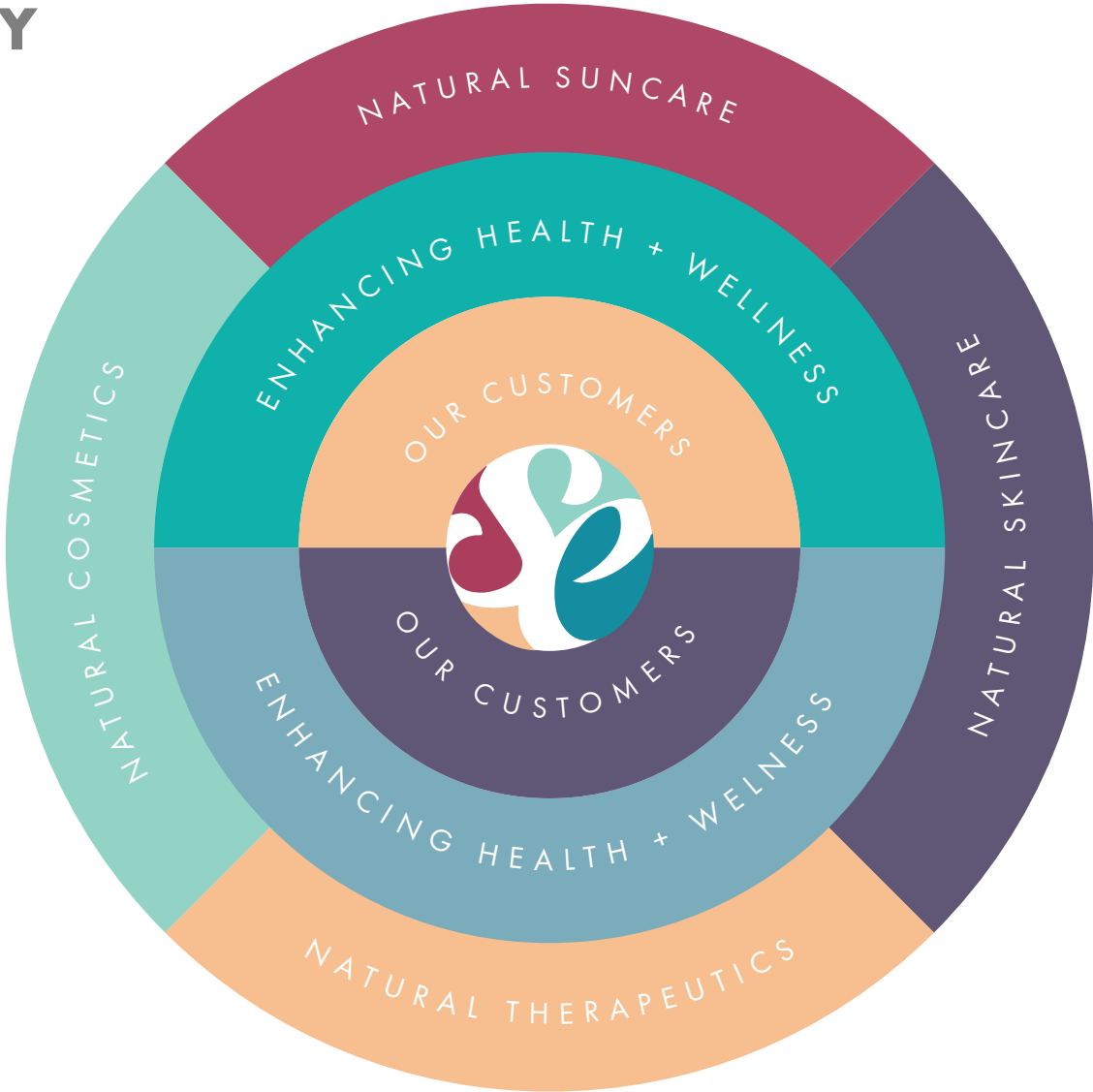
O V E R
200%
REVENUE
INCREASE

In the current twelve month period, the company has seen:

- Increased online sales resulting from focused online advertising, SEO and packaged specials.
- Expanding full product ranges into wholesaler and distributor networks throughout Australia.

OUR BRAND PORTFOLIO STRATEGY

1	Natural SunCare Soléo Organics
2	Natural Therapeutics PapayActivs
3	Natural Skincare SkinLife
4	Natural Cosmetics Elizabeth Jane



1

Natural SunCare



Soléo Organics

Skin Elements proprietary Soléo Organics all natural sunscreen product range includes the Original Family Formula and the newly developed Baby Formula range.



PapayaActives

Skin Elements program continues with research into several aspects of the process of extraction and refinement of the papaya filtrate with the launch of our PapayaActives range including:

- Psoriasis, Dermatitis & Rashes Cream
- Eczema Cream
- Arthritis Cream
- Wounds & Burns Cream
- Muscle Aches & Pain Cream

This range follows the successful acquisition of McArthur Skincare at the commencement of the financial year.

SkinLife

SkinLife includes a range of complete body and hair care products that include:

- Complete skincare cream
- Hydrating facial cream
- Complete skincare soap
- Complete skincare body wash
- Scalp care shampoo/Scalp care conditioner
- Replenishing shampoo/Replenishing conditioner
- All natural lipbalm

All of which align with our values of science, knowledge, innovation and nature and all of which offer a long term outlook for brand success.



4

Natural Cosmetics

ELIZABETH JANE NATURAL COSMETICS SKINCARE



The Elizabeth Jane range of products includes:

- Age-defy renewal cream
- Snow white brightening essence
- Delicate eyes rejuvenation gel
- Intensive recovery night cream
- Purifying foam cleanser
- Hydra-fresh revitalizing spritzer
- Daily revival moisturising cream
- Ultra C+ serum
- Gentle micro-dermabrasion facial polish

These products are targeted for release in Q1 2019.

CORPORATE DIRECTORY

**For further information,
please contact**

Peter Malone
Executive Chairman
Skin Elements Limited
T: +61 439 430 770
E: peter@senatural.com

Media and Investor Inquiries
James Moses
Mandate Corporate
T: +61 420 991 574
E: james@manadatecorporate.com.au

DIRECTORS

Peter Malone (Executive Chairman)
Luke Martino (Non-executive Director)
Phil Giglia (Non-executive Director)

COMPANY SECRETARY

Craig Piercy

**REGISTERED OFFICE AND
PRINCIPLE PLACE OF BUSINESS**

32 Ord Street
West Perth WA 6005
Telephone: +61 (0)8 9486 4792
Fax: +61 (0)8 9486 4793
Email: craig@senatural.com
Web: www.soleoorganics.com

SECURITIES EXCHANGE LISTING

ASX Limited
20 Bridge Street Sydney NSW 2000, Australia
ASX Code: SKN

SHARE REGISTRY

Link Market Services Limited
Level 4 Central Park
152 St Georges Terrace
PERTH WA 6000
Telephone (within Australia) : 1300 554 474
Telephone (outside Australia): +61 1300 554 474
Email: registrars@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

