



19 October 2020

**AGREEMENT WITH HOLISTA COLLTECH TERMINATED**

Skin Elements Limited (ASX: SKN) (“Skin Elements” or the “Company”) executed and announced a Binding Collaboration Term Sheet (“Term Sheet”) on 1 April 2020 with Holista Colltech (“HCT”) for HCT to supply the Company an ingredient for the Company’s Invisi Shield formula.

The Company provided an update to the market on 15 October 2020 on the Term Sheet with HCT, following which the Company received a notice of termination from HCT in regard to the Term Sheet.

Skin Elements advises that in order to manage and optimize its supply chain to meet the manufacturing and sales targets of the Company, it has previously identified alternate providers of the ingredient being supplied by HCT for its natural alcohol-free hand sanitizer Invisi Shield. The Company understands these alternative suppliers will be able to provide a superior product, which will enable the Company to strive to achieve higher specifications and in turn potentially fast track its TGA approval process.

Skin Elements is dedicated to continually optimising its procurement processes and ensuring there are partnerships in place with suppliers of all ingredients that will assist the Company to achieve the most cost efficient product to meet the needs of its customers.

The Company confirms it did not believe it was in default of the Term Sheet at the time of receipt of the termination notice received by the Company late in the day on 15 October 2020 from HCT. However, in any event, the termination of the Term Sheet is not expected to have a material impact on the operations and production of the Company. Continual improvement in the Company’s supply chain and in its product formulations are ongoing and in its ordinary course of business.

This announcement is approved for release by the Board of Directors of Skin Elements Limited.

END

Natural Science by Skin Elements

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**About Skin Elements**

Established in 2005, Skin Elements is an award winning Australian owned and operated ASX-listed skin care company focused on the development of natural and organic skin care products. Skin Elements innovative approach to organic chemical free products has enabled the creation of a portfolio of products that have been sold and distributed across the world. Its flagship products include Invisi-Shield Organics natural alcohol-free sanitiser range, Soléo Organics 100% natural and organic sunscreen, PapayaActivs natural therapeutics skincare, and Elizabeth Jane Natural Cosmetics brand.

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

