



## Skin Elements Limited **ASX ANNOUNCEMENT**

ASX CODE : SKN

**16 January 2017**

### **Skin Elements provides updated Investor Presentation**

Australian natural skin care company Skin Elements Limited (ASX: SKN) is pleased to provide an updated Investor Presentation following successful listing on the ASX.

ENDS

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#### **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, 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://soleoorganics.com/>



Skin Elements Limited

Developing Market Leading All Natural & Organic Skin Care Products

INVESTOR PRESENTATION  
JANUARY 2017

EJNC

soléo  
organics  
nature's trusted sun care

# 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. A prospectus dated 1 June 2016 was lodged with ASIC on that date “(Prospectus)”. This Presentation should be read in conjunction with the Prospectus which is available at request and also <http://www.soleoorganics.com/>.

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## 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.

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# COMPANY HIGHLIGHTS



## ■ **Highly successful IPO and ASX Listing**

- Company listed on the ASX on 6 January 2017 after an oversubscribed \$3.71m IPO - funds raised will facilitate the launch of Soléo Organics sunscreen in the ~US\$10bn global suncare market.\*

## ■ **Established Business**

- Australian based developer of natural and organic skin care products
- 350,000 tubes of lead product, Soléo Organics sunscreen, sold during test marketing phase in 15+ countries
- ~\$9m invested in R&D over an 8 year period

## ■ **Proven Unique Product**

- Portfolio of skin care products made from organic and natural ingredients
- Regulatory approval in key target markets

## ■ **Immediate Growth Opportunities**

- Clear growth strategy for commercial launch of lead product Soléo Organics sunscreen
- By raising brand awareness, targets are to increase growth in size and number of sales
- Commence geographical expansion into new markets and implementation of social media and digital growth plan

## ■ **Proven management with track record**

- Founder, management are aligned to the success of the Company
- Directors with successful track record of leading fast growth companies

\*Euromonitor International Limited: Beauty and personal care system 2015 edition.

Total retail sales value (inc. sales tax). Historic and forecast global values are the aggregation of local currency country data at current prices converted into the US currency using year-on-year exchange rates.

# CORPORATE OVERVIEW



## Capital Structure (ASX: SKN)

Shares on Issue	73,550,000
Listed Options	40,750,000
Listing Price	20 cents
Market Capitalisation (@20c)	\$14.7 million
Unlisted Options	27,500,000
Listing Date (raised \$3.71m)	6 January 2017

## Directors

Peter Malone	Executive Chairman
Luke Martino	Non Executive Director
David Humann	Non Executive Director

## Shareholders

Sovereign Empire Pty Ltd	13.77%
Lawley Group Pty Ltd	10.98%
Sunadvance Group Ltd	6.8%
Willpower Trading Ltd	6.8%
Sovereign Equities Pty Ltd	6.21%



# BOARD & MANAGEMENT

## Board



### **Mr Peter Malone, Executive Chairman**

- Over 30 years' experience in global financial markets – has raised AUD\$100m+ for technology development companies
- Proven track record in managing technology development programs – has developed a range of technologies from idea stage to reality
- Masters degree from UWA – has taught and consulted in business and management in Australia, USA, Europe and Asia.

### **Mr Luke Martino, Independent Non-Executive Director**

- Fellow of Institute of Chartered Accountants and Australian Institute of Company Directors
- Over 20 years in major accounting firms, including Lead Partner of Deloitte's Growth Solutions practice, Perth
- Founder of established boutique corporate advisory and accounting firm, Indian Ocean Advisory Group
- Director of Indian Ocean Corporate Pty Ltd, Non-Executive Director of Pan Asia Corporation Ltd (ASX: PZC), and Company Secretary for South East Asia Resources Ltd (ASX: SXI).

### **Mr David Humann, Independent Non-Executive Director**

- Fellow of Institute of Chartered Accountants, Fellow of CPA Australia and Fellow of the Australian Institute of Company Directors
- Highly successful career with Price Waterhouse Coopers (PWC) – Managing Partner Perth, Strategic Planning and Marketing Director Australasia, member of the Australasian Policy Committee, Senior Partner Hong Kong and China, and Managing Partner Asia Pacific Region, Member of PWC global board of directors and a member of the Global Firm's executive management committee, among other roles.
- Currently, Chairman of Mincor Resources NL (ASX: MCR) and director EXXARO Australia Sands Pty Ltd, and Director of Future Directions International Pty Ltd.



# Business Overview



# BUSINESS OVERVIEW

## Summary



### ■ **100% natural and organic sunscreen**

- Australian based developer of natural and organic skin care products, with portfolio of skin care products made from organic and natural ingredients; Soléo Organics natural sunscreen (leading brand) and Elizabeth Jane Natural Cosmetics (EJNC, emerging brand).
- Mission is to provide high quality, world class skin care products using all-natural and organic ingredients, in order to offer consumers an effective alternative to synthetic chemical based products. Goal to become a significant national and international participant in an increasingly health conscious consumer market.

### ■ **Strong proprietary IP portfolio**

- Structured program to research, formulate, develop and commercialise a range of skin care products made from organic and natural ingredients. Since 2008, Skin Elements has developed a multifaceted intellectual property portfolio of skin care products and has spent ~\$8.5 million on research and development programs.

### ■ **Regulatory approvals in place**

- Key regulatory approvals in place for Soléo Organics sunscreen, and ready for market launch with initial focus on the Australian market, then to be followed by New Zealand, North America, Canada, Japan, Europe and Brazil\*. Test marketing of the Elizabeth Jane Natural Cosmetic products has commenced with plans for subsequent market testing.

\* Approval pending



# BUSINESS OVERVIEW

## Summary

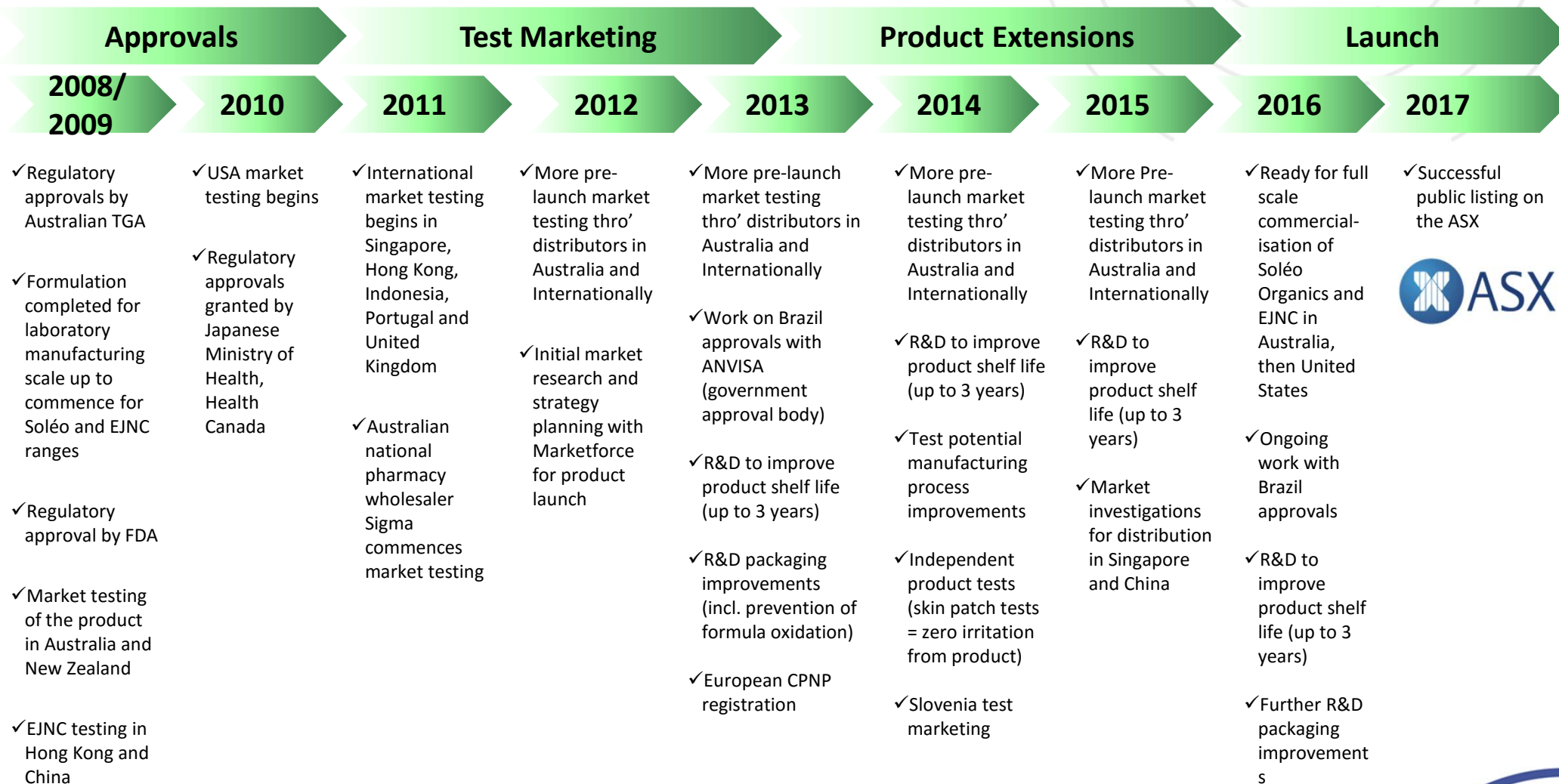


- **Ready for full scale market launch**

- The all natural and organic Soléo Organics sunscreen is ready for market launch and commercialisation having sold 350,000 under test marketing program and having received a number of major international awards during that period.
- It is estimated that the majority of Skin Element's revenue will come from its Soléo Organics sunscreen in the short to midterm as the company looks to launch, produce, commercialise and grow this product range and brand. Following this, Skin Elements will grow as it carries out further development and test marketing of its Elizabeth Jane Natural Cosmetic Products range and develops further products.

# BUSINESS OVERVIEW

## Development of Soléo



# BUSINESS OVERVIEW

## Development of Soléo



## Soléo Organics Sunscreen

THE WORLD'S MOST ADVANCED NATURAL SUNSCREENS

NO.1  
SUNSCREEN  
ENVIRONMENTAL  
WORKING GROUP

NO.1  
ECO SUNSCREEN  
ELLE MAGAZINE

NO.1  
SUNSCREEN  
SPRIG.COM  
WASHINGTON POST

IDEAL  
FOR  
ACTIVE  
SPORTS

- SPF 30+ protection with 3 hours water resistance.
- Broad spectrum UV-A and UV-B.
- Non-whitening, micronised zinc technology.
- Low-irritation formula.
- Won't sting the eyes.
- Ideal for the whole family, including babies and sensitive skin.
- A healthy alternative to avoid excess chemical
- 100% natural, with organic ingredients.



### Completely free from:

- Chemical UV-absorbers
- Chemical preservatives
- Titanium dioxide
- Parabens

Cosmetically appealing products, bursting with organic botanical extracts, antioxidants, vitamins and minerals to protect and nourish the skin.

### Complete Ingredients List

Grapeseed oil, Green tea extract, Macadamia oil, Roman Chamomile extract, Sunflower oil, Capric/caprylic triglycerides (plant oil derived), Avocado oil, Beeswax, Theobroma (Cupuassu) butter, Candelilla wax, Lecithin, Vegetable oils, Cucumber extract, Tocopheryl acetate (Natural Vitamin E). Active Ingredient: Zinc oxide 22.3%.



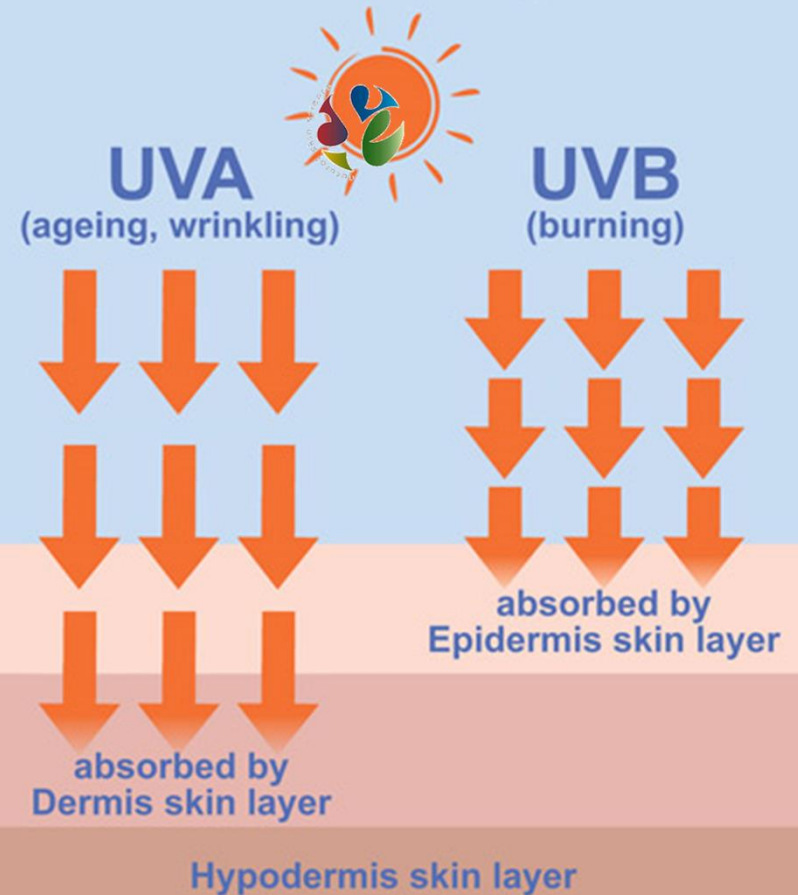
# BUSINESS OVERVIEW

## Soléo Competitive Advantage



- Innovative Formulation
- Plant Extracts and Natural Minerals
- Proven UV Performance against Damaging Sunlight
- Broad Spectrum UVA and UVB Protection
- Water Resistant

### UVA and UVB explained





# BUSINESS OVERVIEW

All Natural Ingredients



## Soléo Organics Ingredients



**All Organically Sourced**



**Grapeseed Oil**



**Macadamia Oil**



**Green Tea Extract**



**Roman Chamomile Extract**



**Capric / Caprylic Triglycerides (plant oil derived)**



**Beeswax**



**Theobroma Butter**



**Candelilla Wax**



**Lecithin**



**Sunflower Oil**



**Vegetable Oils**



**Cucumber Extract**



**Natural Vitamin E Oil**



**Active ingredient:**  
**Zinc oxide (Skin DE) 22.3%**

# BUSINESS OVERVIEW

No Synthetic Ingredients



## Soléo Organics Ingredients



**Chemical UV absorbers**



**Titanium Dioxide**



**Octyl Methoxycinnamate**



**Oxybenzone**



**Padimate O**



**Benzophenone**



**Parabens**



**Diazolidinyurea**



**Butyl Methoxydibenzoyl Methane**



**4 Methylbenzylidene Camphor**



**Phenylbenzimidazole Sulfonic Acid**



**Synthetic Preservatives, Colours or Fragrances**



# BUSINESS OVERVIEW

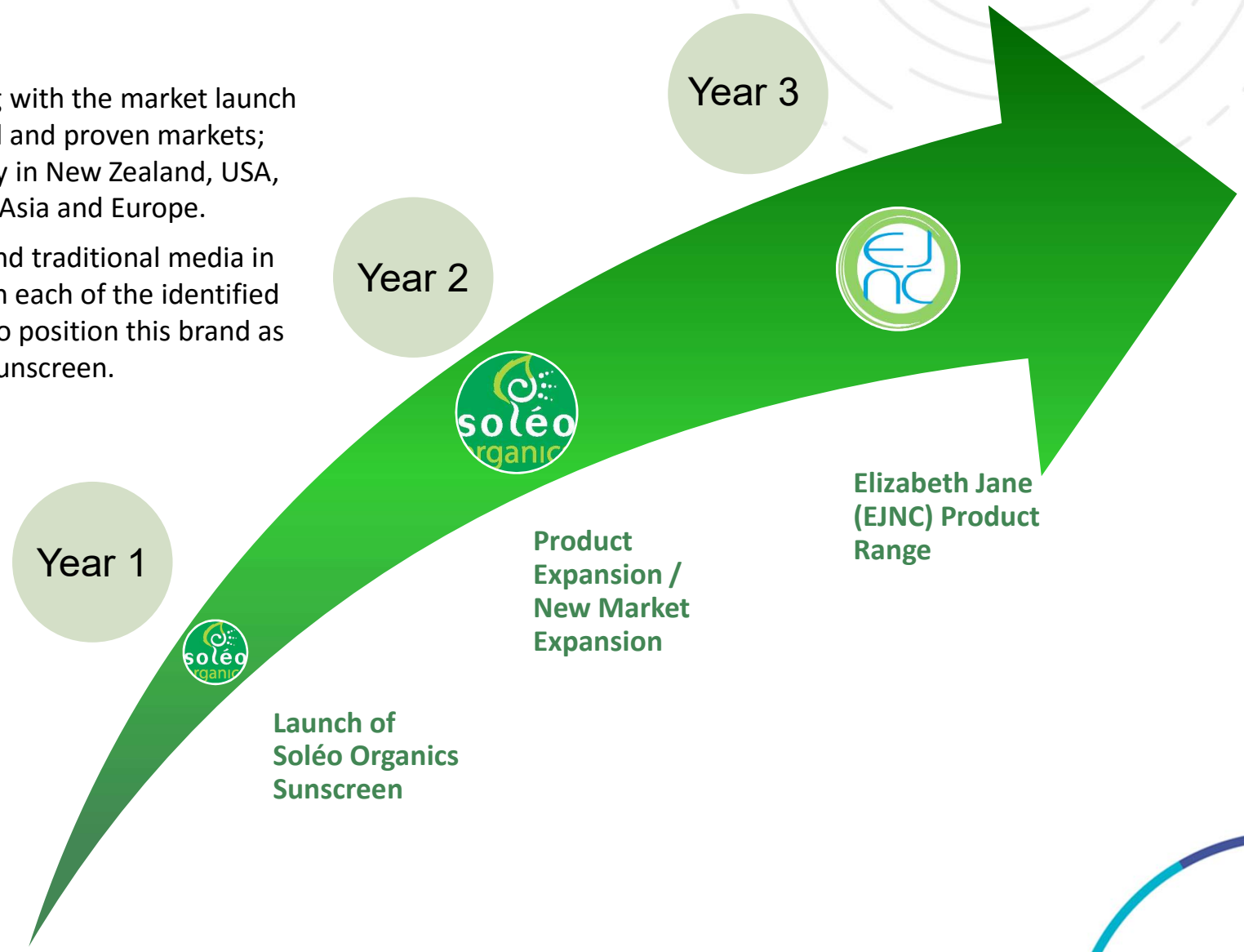
## Growth Strategies



### Full Launch of Soléo

Capitalise on test marketing with the market launch of Soléo Organics in defined and proven markets; Australia and internationally in New Zealand, USA, Canada, Japan and parts of Asia and Europe.

Deploy new media assets and traditional media in order to create customers in each of the identified subcategory markets. Aim to position this brand as the #1 choice of premium sunscreen.



# BUSINESS OVERVIEW

## Emerging Brand – Elizabeth Jane Natural Cosmetics

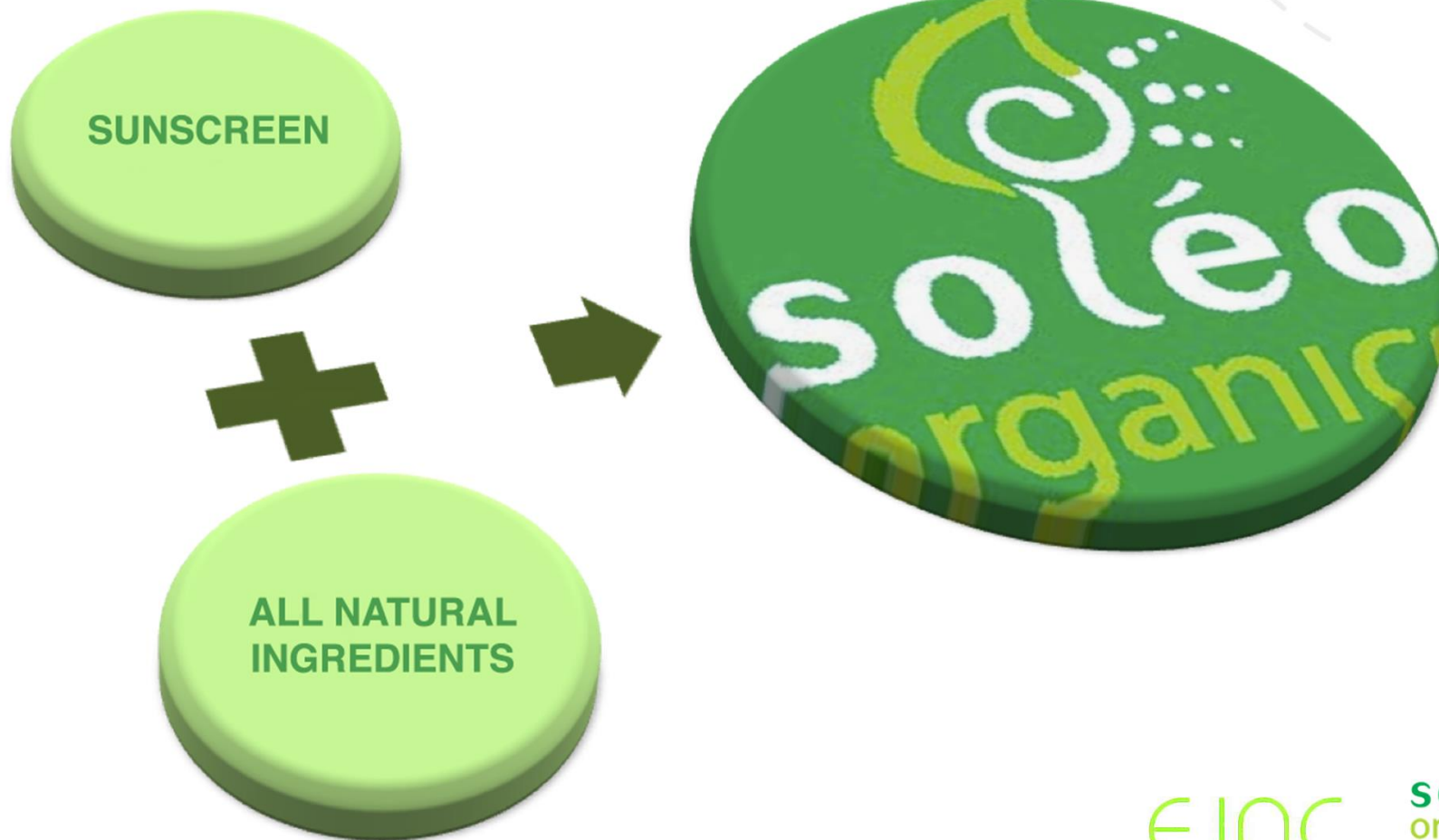


**Mission: To Provide high quality skin care using all natural and organic ingredients, to offer effective natural alternatives to chemical-based products**

- Made in Australia and contains only natural ingredients, plant extracts and vitamins with proven effective results
- Effective alternative to synthetic chemical based skin care products
- Product range has undergone multiple R&D phases, including testing of manufacturing processes to ensure feasibility for large scale production
- Skin Elements is positioned to follow on from initial test marketing program in UK, Middle East and Asia



# MARKET OVERVIEW



# MARKET OVERVIEW

## Summary



### ■ Opportunity

- Euromonitor estimated the global Personal Care / Beauty Products industry at US\$454bn in 2011, with further comment that “**niches, such as sun care are expected to contribute the highest growth**”
- Euromonitor estimated the global retail sales of sun care products only to be ~US\$10bn in 2015 and forecast to grow further to ~US\$12.3bn by 2019.

### ■ Competition

- Highly diverse mix of brands such as Banana Boat, Nivea, Sensense and Hamiltons are well known to Australian consumers. But typically been based on chemical UV absorber blends and synthetic preservatives and have to market themselves by high cost branding to consumers.
- Soléo Organics is a completely natural and organically sourced alternative which utilizes only micronized zinc oxide.
- “Green” and “organic” trends are a very powerful growth segment in the marketplace. Soléo’s uniqueness of being organically sourced and free from chemical UV-absorbers has already proven to be a selling differentiator to the major existing industry brands.
- While the above competitors have solutions for certain market segments, there is no dominant market leader in any segment. Natural sunscreens are a growing segment in the marketplace, and Skin Elements have been leading the drive in the development of such products (which competitors are only slowly beginning to realise).

# MARKET OVERVIEW

## Summary



### ■ Skin Care Need

- Latter half of 20<sup>th</sup> Century saw widespread documentation and acceptance of relationship between ultraviolet (UV) radiation, the environment and skin damage. Unprotected exposure to sunlight is a major cause of skin cancer, wrinkles, skin blemishes, inflammation and sunburn. This has resulted in a significant increase in the use of sunscreen and sun care products.
- In Australia, the majority of the population regularly use sunscreen, and this trend is being followed in USA and Europe. These products have traditionally used a range of synthetic chemical combinations to absorb or reflect UV radiation along with chemical preservatives and emulsifiers in the formulation.

### ■ Natural Skin Care Evolution

- Consumer awareness of the potentially adverse effects of sun exposure has never been higher and there is rising demand for products that offer protection. Sunscreen ingredients are, therefore, attracting considerable attention, not only from the sun care market but also from other personal care categories, such as skin and hair care.
- However, there is a fast growing group of consumers now seeking natural and organic skincare products and sunscreen for everyday usage. Soléo uses only organic and natural ingredients such as antioxidants, plant extracts and vitamins which are known to moisturise while providing the broad spectrum sun protection.
- Skin Elements has since applied the same science to create a comprehensive line of skin care products under the brand Elizabeth Jane Natural Cosmetics, including the latest technology in advanced anti-wrinkle treatments.



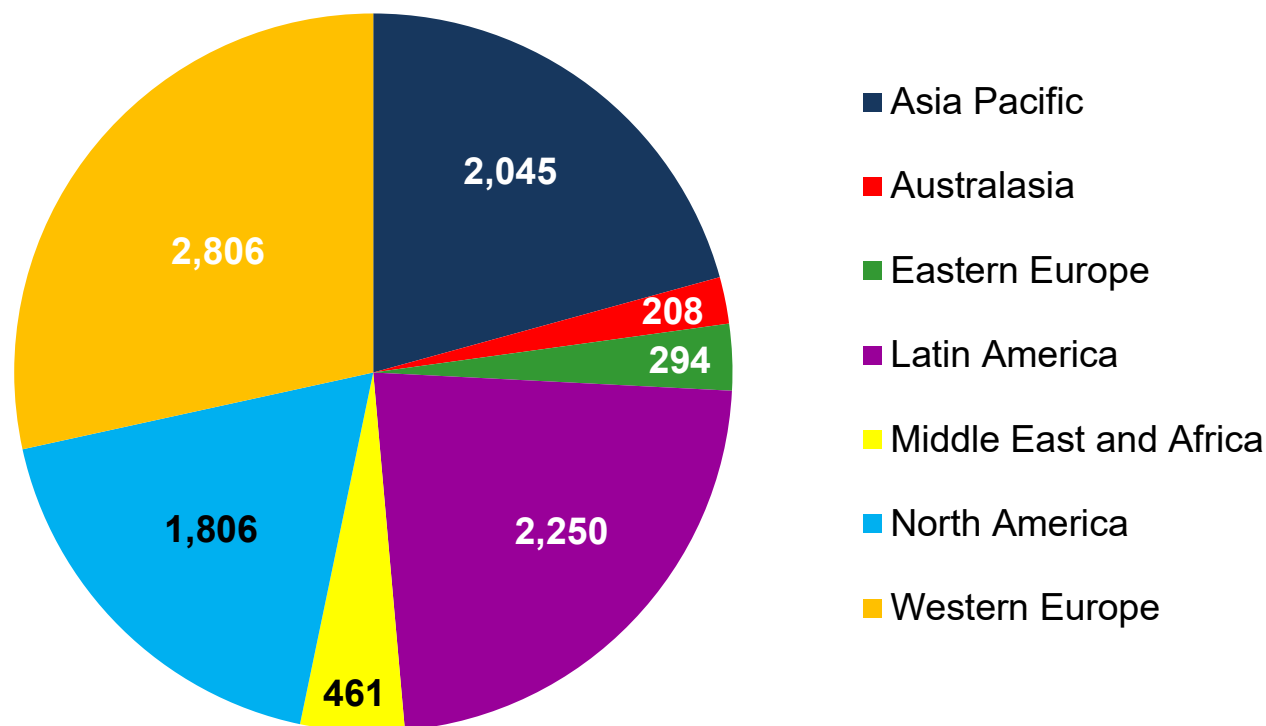
# MARKET OVERVIEW

## Global Suncare Sales



### Global Sales of Sun Care Products by Region

Year 2015 (US \$'m)



Source: Euromonitor International Limited: Beauty and Personal Care system 2015 edition. Total retail sales value (inc sales tax). Historic Regional values are the aggregation of local currency country data at current prices converted into US currency using year-on-year exchange rates

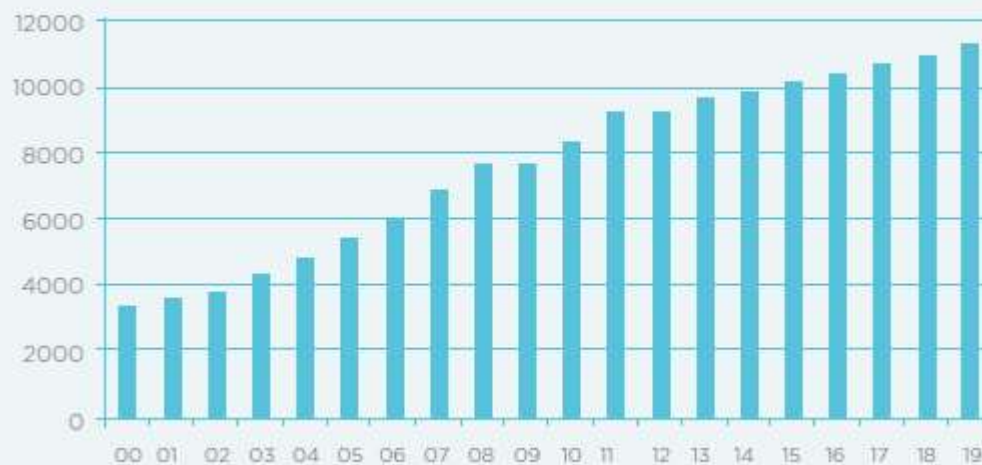


# MARKET OVERVIEW

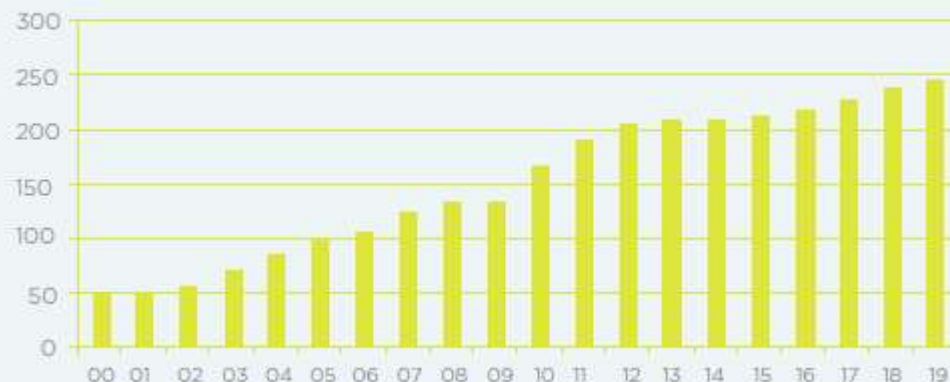
## Global Suncare Sales



Global Sales of Sun Care Products US\$m



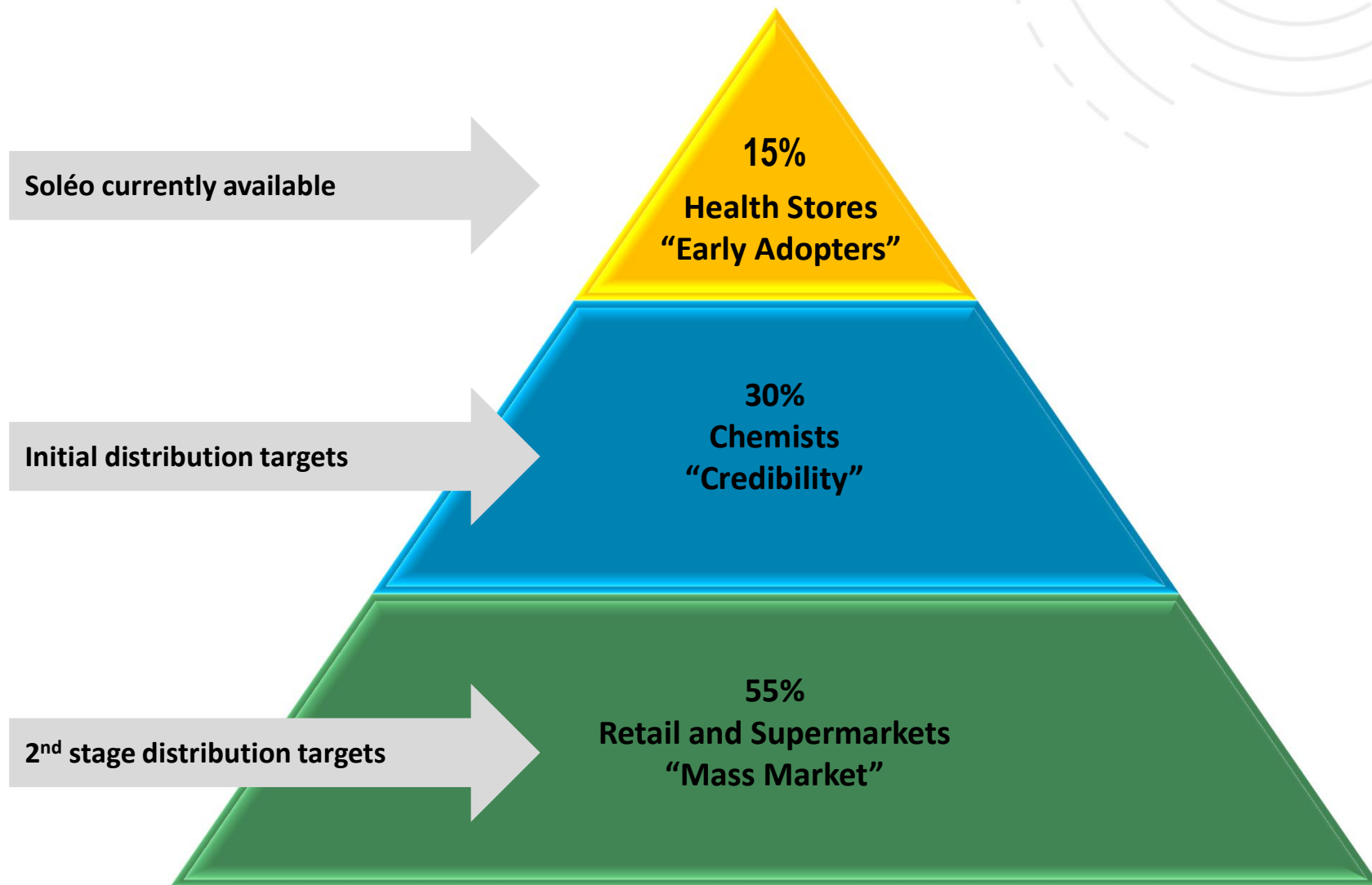
Australasian Sales of Sun Care Products US\$m



Source: Euromonitor International Limited: Beauty and Personal Care system 2015 edition. Total retail sales value (inc sales tax). Historic and forecast global values are the aggregation of local currency country data at current prices converted into US currency using year-on-year exchange rates

# MARKET OVERVIEW

Channels to Market - Australia





# MARKET OVERVIEW

## Advertising Campaigns

**Family** sun protection  
without all the chemicals



### Soléo Organics Nature's Trusted Sunscreen

Soléo Organics is the only 100% natural alternative to common synthetic sunscreens that delivers 100% effective, 3 hour water-resistant sun protection.

#### Soléo Organics is a new evolution in sunscreen

- **Totally chemical-free** sunscreen formulated using only organic and natural ingredients
- Patented non-whitening **clear zinc** reflects both UVB rays and UVA rays (nano free)
- Very high sun protection: broad spectrum SPF30+, 3 hour water-resistant
- Moisturising cream rich in natural anti-oxidants
- **Hypoallergenic** formula suitable for babies, children, pregnant women and people with chemical sensitivities, eczema and common allergies
- **Winner of three major international awards**



100% SATISFACTION GUARANTEE



Which Australian sunscreen  
is now #1 in America?...Soléo Organics!



- Almost \$10 gross profit per 75g tube sold for your store
- Counter units, brochures/ POS material available
- Ask about our regular special retailer deals.

100% natural  
No compromise

#### ENVIRONMENTAL WORKING GROUP

##### ✓ BEST BEACH & SPORT SUNSCREEN OUT OF 1700+ BRANDS TESTED!!

EWG's Sunscreen Investigation found that nearly 500 name-brand sunscreens, don't protect skin from sun damage or contain hazardous chemicals - or both. However, Soléo Organics came out the #1 for safety and protection out of over 1700+ sunscreen brands tested.

#### ELLE GREEN STAR BEAUTY:

ELLE picks the top organic makeup, skin care, and hair products.

##### ✓ BEST SUNSCREEN

Petrochemical-free Soléo Organics All Natural Sunscreen wards off "damaging rays and unwanted synthetics."

#### WASHINGTON POST (The style guide to everything eco)

##### ✓ BEST GREEN SUNSCREENS TOP 10 ✓ BEST HIGH SPF SUNSCREEN

Why It's Good: With most mineral sunblocks, higher SPF means a chalkier consistency. Not so with Soléo Organics All Natural SPF 30, which is so light and blendable, some testers use it in place of their body moisturiser - must be because of the grape, sunflower, and safflower seed oils. Why It's Green: Free of potentially toxic ingredients, the formula is biodegradable, plus it includes organically-grown botanicals and was developed using naturopathic principles that help the skin to heal itself.

- Suitable for babies, kids and adults with sensitive skin
- 3hr water resistant SPF30+ broad spectrum protection
- FREE from synthetic preservatives
- FREE from chemical UV absorbers, nano particles and titanium dioxide
- FREE from SLS and petroleum by-products
- Skin-caring natural moisturisers and anti-oxidants.

[www.soleoorganics.com](http://www.soleoorganics.com)

**EXTREME**  
Sun protection without all the chemicals

Photo Credit: ZPAT



Shane Beschen  
World Class Surfer

### Soléo Organics

#### Nature's Trusted Sunscreen

- **Totally chemical-free** sunscreen formulated using only organic and natural ingredients
- Patented non-whitening **clear zinc** reflects both UVB rays and UVA rays (nano-free)
- Very high sun protection: broad spectrum SPF30+, 3 hour water-resistant
- 2-in-1 sunscreen + moisturiser packed with anti-oxidants
- **Hypoallergenic** formula suitable for children and people with chemical sensitivities
- **Winner of three major international awards**



#### Tested and used by World Class Surfers

Soléo's Pro Surfing Team Riders (World/US Open Champions, WTC Surfers) are Colin McPhillips, Sunny Garcia, Kalani Robb, Josh Baxter, Chris Ward, Shane Beschen, Gavin Beschen, Tom Innes and Travis Mellem. Soléo's Pro Kite Surfing Team Rider is Simon Wichtermann.



100% SATISFACTION GUARANTEE





# INDICATIVE UPCOMING ACTIVITY



- **Commercial Laboratory Production Agreement for Soléo Organics Sunscreen**
- **First Major Production Order for Soléo Organics Sunscreen**
- **Senior Management Appointments – Sales, Distribution and Marketing**
- **Distribution and Sales & Marketing Program for Australian Pharmacy, Health & Organic Markets**
- **Distribution and Sales & Marketing Programs for Key International Markets**
- **Obtain Further Regulatory Approvals in other Key Global Markets – China & Brazil\***
- **Obtain Organic Certification for Soléo Organics Sunscreen**
- **Launch Brand Extension Products for the Soléo Organics Sunscreen**

\* Approval pending

# CONTACT DETAILS



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