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## **Skin Elements and Affinity Energy and Health enter into MoU to develop enhanced skin care product range**

Skin Elements Limited (ASX:SKN) and Affinity Energy and Health Limited (ASX: AEB) (Affinity) are pleased to announce they have entered into a Memorandum of Understanding (MoU) to pursue the application of Affinity's algae biomass and oils, and cannabis oils for use in Skin Elements' range of natural skin care products.

The MoU represents a significant opportunity for the two companies to collaborate on the development of a new range of algae and cannabidiol (CBD) based products for supply to key global markets and to deliver enhanced product specifications for Skin Elements skin care products.

Skin Elements is focused on the development, manufacture and sales of natural and organic skin care products – including the market leading Soléo Organics 100% natural and organic sunscreen, PapayaActivs natural therapeutics, Complete Esscience natural skincare and Elizabeth Jane Natural Cosmetics skincare.

Affinity is a diversified plant-based health and wellbeing company, with a core operating division dedicated to the development of both algae-based and cannabis-based products for supply to global nutraceutical markets.

Under the MoU, Affinity will respond to outcome requirements and supply its high quality algae and cannabis oil formulations in either discrete or blended forms which Skin Elements will utilise to develop new and innovative product formulations.

### **Benefits of Algae and CBD Oils in skincare**

Various algae species have well-documented benefits in the formulation of cosmetics and skin care products. Algae are strong sources of anti-oxidants such as carotenoids, high Omega-3 fatty acids, key minerals and vitamins as well as essential proteins. These have been proven to benefit skin hydration, regeneration, moisturisation, protection against UV, as well as improving the appearance of scarring, reducing free radicals and inflammation.

Affinity is currently producing highly concentrated Omega-3 based algae (Schizochytrium and Nannochloropsis, Isochrysis and Tetraselmis), all of which have been acknowledged and documented to provide skin care benefits.

It is well established that CBDs interact with receptors in the skin called the endocannabinoid system. One key targeted benefit of CBDs in skin care is high antioxidant protection to help to fight signs of ageing. CBDs assist in reinvigorating the receptors which interact with your

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endocannabinoid system targeting increased moisture, improved elasticity and a more youthful appearance overall.

CBDs have also been shown to be an effective way to reduce skin inflammation and blemish-prone skin. One of the omega-6 fatty acids that CBD contains is gamma-linolenic acid (GLA), which acts as a powerful anti-inflammatory while simultaneously encouraging skin growth and new cell generation. This can help to calm inflammation and irritation on the skin, including acne and some conditions like psoriasis, while keeping the skin nourished and moisturized.

There are very few skin care companies in the world offering a combined all natural algae and CBD product. Skin Elements and Affinity will now partner to create a unique and beneficial product range which, in conjunction with an effective marketing campaign, could be a major boost for both companies.

As a key supplier of algae and CBD raw ingredients, Affinity is able to provide security of supply and quality that help ensure the production of premium quality end products in the nutraceutical sector, and other markets that it operates in.

**Skin Elements Executive Chairman Peter Malone said;**

*"We are delighted to enter into this Memorandum of Understanding (MoU) with Affinity Energy and Health. The development of algae, and cannabis oils, for use in skin care products is an exciting opportunity for our company, and one that we are keen to pursue and maximise. We continually strive to deliver the highest quality natural and organic skin care products to our customers, and we look forward to working closely with the team at Affinity to unlock the potential to develop new and enhanced skin care formulations."*

**Affinity Energy and Health Limited's Executive Chairman, Mal James, commented;**

*"Through our state-of-the-art algae growing facility in Atlanta, Affinity is currently producing multiple high-demand algae species which we are actively supplying into key nutraceutical and aqua feed markets globally. We are excited about collaborating with Skin Elements on the development of a number of new skin care formulations with Affinity's algae and cannabis oils."*

**About the MoU**

The MoU is a non-binding agreement with an initial timeframe of 12 months and the capacity to extend subject to the agreement of both parties. Affinity will be the exclusive supplier of both algae and CBD oils to Skin Elements. It is intended that the MoU will be formally reviewed at six monthly intervals, but it can also be reviewed and amended at any time by agreement of both parties. Either party may terminate this MoU with the provision of one months notice.

Both parties would also like to advise that the economic impact of the MoU is yet to be determined, with commercial terms and financial arrangements to be negotiated at an appropriate time as product development initiatives progress. Both Skin Elements and Affinity will keep the market informed of such negotiations in due course.

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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, PapayaActivs natural therapeutics, Complete Esscience natural 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>

**About Affinity Energy and Health Limited**

Affinity Energy and Health Limited (ASX: AEB) is a plant-based health and wellbeing company that develops a broad range of plant-derived products for supply to three key markets:

- Medicinal cannabis.
- Algae-based nutraceuticals.
- Animal feed and aquaculture markets.

Further information of Affinity can be found at:  
<https://www.affinityenergyandhealth.com.au/about-us/company-info/>

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